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FILED
Superior Court of California
County of Los Angeles

01/07/2022

Sherri R. Carter, Executive Officer / Clerk of Court

By: J. Alfaro Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

SOUTHERN CALIFORNIA SCHOOL OF
THEOLOGY, a California corporation, dba
CLAREMONT SCHOOL OF
THEOLOGY,

Plaintiff,

v.

CLAREMONT GRADUATE
UNIVERSITY, a California corporation;
CLAREMONT UNIVERSITY
CONSORTIUM; and DOES 1 to 50,
inclusive,

Defendants.

AND RELATED CROSS-COMPLAINT

Case No.: KC068691

Assigned to Hon. Peter A. Hernandez,
Dept. O

~~[PROPOSED]~~ FINAL JUDGMENT
FOLLOWING APPEAL

Complaint Filed: August 31, 2016
Trial Date: September 24, 2018

1 On January 23, 2019, the Court entered an Amended Final Judgment and Permanent
2 Injunction.

3 The Claremont Colleges, Inc. f/k/a Claremont University Consortium
4 (“Consortium”)¹ and Claremont Graduate University (“CGU”) appealed that judgment.

5 On January 22, 2021, the Court of Appeal entered a decision. In that decision, the
6 Court of Appeal reversed the Court’s judgment and remanded the case with a direction to
7 “vacate” the judgment and “enter judgment enforcing as written the First Offer Clause and
8 the Educational Use Clause as equitable servitudes under Civil Code section 885.060,
9 subdivisions (c).”

10 The remittitur issued on April 30, 2021.

11 Based on the foregoing, **IT IS HEREBY ORDERED, ADJUDGED AND**
12 **DECREED:**

13 **A. On Southern California School of Theology d/b/a Claremont School of**
14 **Theology’s (“CST”) First Amended Complaint**

15 (1) On the first cause of action for quiet title and the third cause of action for
16 declaratory relief, CGU and Consortium shall have judgment. The First Offer Clause and
17 the Educational Use Restriction, as expressed in the “Grant Deed,” dated June 5, 1957 (the
18 “1957 Deed”), and the “Agreement between Claremont College and Southern California
19 School of Theology,” dated June 5, 1957 (the “1957 Agreement”), are valid and
20 enforceable equitable servitudes binding the approximately 16.4-acre campus property
21 described in the 1957 Deed (the “Subject Property”).²

22
23
24 ¹ While this litigation was pending, on or about January 1, 2018, Claremont
25 University Consortium changed its name to The Claremont Colleges, Inc. Because
26 throughout this litigation the parties have used “Consortium” as the entity’s shorthand
27 name, this judgment uses “Consortium” in the interest of consistency and to avoid
confusion. Claremont University Consortium and The Claremont Colleges, Inc. are one
and the same.

28 ² Copies of the 1957 Deed and the 1957 Agreement are attached hereto as
Exhibits A and B, respectively, and incorporated by reference herein.

1 The First Offer Clause provides “[t]hat if [CST] or its assigns or successors in
2 interest desire to sell or transfer the said real property or any portion thereof, or if [CST]
3 does not within three years from the date of this Deed establish upon the said real property
4 its headquarters and reasonably develop the said real property as its principal establishment
5 and headquarters, or if [CST] should cease to exist, or if [CST] should cease to use the said
6 real property as its principal place of carrying on its activities, then the [Subject Property]
7 shall be offered for sale to [Consortium] upon the terms and conditions provided in [the
8 1957 Agreement].” (Ex. A [Exh. 519-003, section 2 (emphasis in original)].)

9 The Educational Use Restriction provides “[t]hat no industrial or commercial
10 activity, or any activity or condition contrary to any law or ordinance, or any activity or
11 condition not usual and appropriate for an educational institution of collegiate grade, shall
12 be conducted or suffered to be conducted or to exist on” the Subject Property. (Ex. A
13 [Exh. 519-003, section 1].)

14 (2) On the second cause of action for quiet title and the fourth cause of action for
15 declaratory relief, CST has failed to establish that the 60-foot strip of land conveyed by the
16 “Grant Deed” recorded on or about December 12, 1972 (the “1972 Deed”) cannot be
17 valued and sold independently of the Subject Property. CST is the owner of the strip of
18 land, but Consortium and its successors in interest have a valid first right of refusal, on the
19 terms stated in the 1972 Deed, in the event CST “desires to sell” that strip of land.

20 (3) On the fifth cause of action for rescission by mutual mistake of fact, CST shall
21 take nothing and CGU and Consortium shall have judgment.

22 (4) On the sixth cause of action for declaratory relief, CST shall take nothing and
23 CGU and Consortium shall have judgment:

24 a. The Educational Use Restriction and the First Offer Clause stated in
25 the 1957 Deed and the 1957 Agreement are both valid and enforceable equitable
26 servitudes.

27 b. Consortium is the successor in interest to Claremont College’s rights
28 in and under the 1957 Deed and the 1957 Agreement.

1 c. The Educational Use Restriction provides “[t]hat no industrial or
2 commercial activity, or any activity or condition contrary to any law or ordinance, or any
3 activity or condition not usual and appropriate for an educational institution of collegiate
4 grade, shall be conducted or suffered to be conducted or to exist on” the Subject Property.
5 (Ex. A [Exh. 519-003, section 1].)

6 d. The Educational Use Restriction benefits all of the adjoining
7 Claremont Colleges, as well as Rancho Santa Ana Botanic Garden. The Educational Use
8 Restriction provides that a commercial subdivision or residential development is not
9 allowed on the Subject Property, as the Court finds that such use would alter the very
10 nature of this community of educational institutions.

11 e. The First Offer Clause provides “[t]hat if [CST] or its assigns or
12 successors in interest desire to sell or transfer the said real property or any portion thereof,
13 or if [CST] does not within three years from the date of this Deed establish upon the said
14 real property its headquarters and reasonably develop the said real property as its principal
15 establishment and headquarters, or if [CST] should cease to exist, or if [CST] should cease
16 to use the said real property as its principal place of carrying on its activities, then the
17 [Subject Property] shall be offered for sale to [Consortium] upon the terms and conditions
18 provided in [the 1957 Agreement].” (Ex. A [Exh. 519-003, section 2 (emphasis in
19 original)].)

20 f. The First Offer Clause was triggered before September 24, 2018,
21 which was the first day of the trial of this case, because CST ‘desire[d] to sell or transfer’
22 the Subject Property before that date.

23 g. The 1957 Agreement provides that if Consortium accepts CST’s offer
24 of sale, “the price shall be computed as follows: whichever of the following defined
25 amounts be lower, either (1) the fair market value of the land granted, and the
26 improvements and fixtures thereon, as of the date when the notice of offer is given, or (2)
27 the sum of the following amounts: the purchase price of the land granted in the sale from
28 College to School plus taxes and assessments paid by School thereon since the date of

1 conveyance by College to School plus the original cost of improvements and fixtures
2 thereon but less a reasonable allowance for depreciation and obsolescence of such
3 improvements and fixtures.” (Ex. B [Exh. 520-002, section 2(c) (emphasis in original)].)
4 This calculation of the sale/purchase price does not give rise to, or otherwise constitute, an
5 unreasonable forfeiture.

6 h. The “Agreement between Claremont University Consortium and
7 Southern California School of Theology,” dated as of March 1, 2001 (“2001 Agreement”),
8 is binding on the parties.

9 **B. On Consortium’s and CGU’s Second Amended Cross-Complaint**

10 (1) On the first cause of action for breach and enforcement of the Grant Deed,
11 Consortium shall have judgment.

12 a. The First Offer Clause stated in the 1957 Deed and the
13 1957 Agreement is a valid and enforceable equitable servitude.

14 b. Consortium is the successor in interest to Claremont College’s rights
15 in and under the 1957 Deed and the 1957 Agreement.

16 c. The First Offer Clause provides “[t]hat if [CST] or its assigns or
17 successors in interest desire to sell or transfer the said real property or any portion thereof,
18 or if [CST] does not within three years from the date of this Deed establish upon the said
19 real property its headquarters and reasonably develop the said real property as its principal
20 establishment and headquarters, or if [CST] should cease to exist, or if [CST] should cease
21 to use the said real property as its principal place of carrying on its activities, then the
22 [Subject Property] shall be offered for sale to [Consortium] upon the terms and conditions
23 provided in [the 1957 Agreement].” (Ex. A [Exh. 519-003, section 2 (emphasis in
24 original)].)

25 d. The First Offer Clause was triggered before September 24, 2018,
26 which was the first day of the trial of this case, because CST ‘desire[d] to sell or transfer’
27 the Subject Property before that date.
28

1 e. CST must promptly make an offer of sale of the Subject Property to
2 Consortium in accordance with the “terms and conditions” stated in the 1957 Agreement,
3 by giving “[w]ritten notice” of that offer of sale “to the chief executive officer at
4 [Consortium]” (Ex. B [Exh. 520-002, section 2(a)].)

5 f. The 1957 Agreement provides that if Consortium accepts CST’s offer
6 of sale, “the price shall be computed as follows: whichever of the following defined
7 amounts be lower, either (1) the fair market value of the land granted, and the
8 improvements and fixtures thereon, as of the date when the notice of offer is given, or (2)
9 the sum of the following amounts: the purchase price of the land granted in the sale from
10 College to School plus taxes and assessments paid by School thereon since the date of
11 conveyance by College to School plus the original cost of improvements and fixtures
12 thereon but less a reasonable allowance for depreciation and obsolescence of such
13 improvements and fixtures.” (Ex. B [Exh. 520-002, section 2(c)].) This calculation of the
14 sale/purchase price does not give rise to, or otherwise constitute, an unreasonable
15 forfeiture.

16 (2) On the second cause of action for breach and enforcement of the
17 1957 Agreement, Consortium shall have judgment.

18 a. The First Offer Clause stated in the 1957 Deed and the
19 1957 Agreement is a valid and enforceable equitable servitude.

20 b. Consortium is the successor in interest to Claremont College’s rights
21 in and under the 1957 Deed and the 1957 Agreement.

22 c. The First Offer Clause provides “[t]hat if [CST] or its assigns or
23 successors in interest desire to sell or transfer the said real property or any portion thereof,
24 or if [CST] does not within three years from the date of this Deed establish upon the said
25 real property its headquarters and reasonably develop the said real property as its principal
26 establishment and headquarters, or if [CST] should cease to exist, or if [CST] should cease
27 to use the said real property as its principal place of carrying on its activities, then the
28 [Subject Property] shall be offered for sale to [Consortium] upon the terms and conditions

1 provided in [the 1957 Agreement].” (Ex. A [Exh. 519-003, section 2 (emphasis in
2 original)].)

3 d. The First Offer Clause was triggered before September 24, 2018,
4 which was the first day of the trial of this case, because CST ‘desire[d] to sell or transfer’
5 the Subject Property before that date.

6 e. CST must promptly make an offer of sale of the Subject Property to
7 Consortium in accordance with the “terms and conditions” stated in in the
8 1957 Agreement, by giving “[w]ritten notice” of that offer of sale “to the chief executive
9 officer at [Consortium]” (Ex. B [Exh. 520-002, section 2(a)].)

10 f. The 1957 Agreement provides that if Consortium accepts CST’s offer
11 of sale, “the price shall be computed as follows: whichever of the following defined
12 amounts be lower, either (1) the fair market value of the land granted, and the
13 improvements and fixtures thereon, as of the date when the notice of offer is given, or (2)
14 the sum of the following amounts: the purchase price of the land granted in the sale from
15 College to School plus taxes and assessments paid by School thereon since the date of
16 conveyance by College to School plus the original cost of improvements and fixtures
17 thereon but less a reasonable allowance for depreciation and obsolescence of such
18 improvements and fixtures.” (Ex. B [Exh. 520-002, section 2(c)].) This calculation of the
19 sale/purchase price does not give rise to, or otherwise constitute, an unreasonable
20 forfeiture.

21 (3) On the third cause of action for breach and enforcement of the 2001 Agreement,
22 CGU and Consortium shall take nothing and CST shall have judgment.

23 (4) On the fourth cause of action for breach and enforcement of the “Agreement and
24 Grant of Easements” dated as of September 21, 2006 (“2006 Agreement”), CGU and
25 Consortium shall take nothing and CST shall have judgment.

26 (5) On the fifth cause of action for reformation of the 1957 Deed and the
27 agreements of the parties, CGU and Consortium shall take nothing and CST shall have
28 judgment.

1 (6) On the sixth cause of action for promissory/equitable estoppel, CGU and
2 Consortium shall have judgment: CST is equitably estopped from denying the validity and
3 enforceability of the Educational Use Restriction and the First Offer Clause.

4 (7) On the seventh cause of action for breach and enforcement of the 1972 Deed,
5 CGU and Consortium shall take nothing and CST shall have judgment, except that the first
6 right of refusal stated in the 1972 Deed is valid and enforceable.

7 (8) On the eighth cause of action for specific performance, CGU and Consortium
8 shall have judgment.

9 a. The First Offer Clause stated in the 1957 Deed and the
10 1957 Agreement is a valid and enforceable equitable servitude.

11 b. Consortium is the successor in interest to Claremont College's rights
12 in and under the 1957 Deed and the 1957 Agreement.

13 c. The First Offer Clause provides "[t]hat if [CST] or its assigns or
14 successors in interest desire to sell or transfer the said real property or any portion thereof,
15 or if [CST] does not within three years from the date of this Deed establish upon the said
16 real property its headquarters and reasonably develop the said real property as its principal
17 establishment and headquarters, or if [CST] should cease to exist, or if [CST] should cease
18 to use the said real property as its principal place of carrying on its activities, then the
19 [Subject Property] shall be offered for sale to [Consortium] upon the terms and conditions
20 provided in [the 1957 Agreement]." (Ex. A [Exh. 519-003, section 2 (emphasis in
21 original)].)

22 d. The First Offer Clause was triggered before September 24, 2018,
23 which was the first day of the trial of this case, because CST 'desire[d] to sell or transfer'
24 the Subject Property before that date.

25 e. CST must promptly make an offer of sale of the Subject Property to
26 Consortium in accordance with the "terms and conditions" stated in the 1957 Agreement,
27 by giving "[w]ritten notice" of that offer of sale "to the chief executive officer at
28 [Consortium]" (Ex. B [Exh. 520-002, section 2(a)].)

1 f. The 1957 Agreement provides that if Consortium accepts CST's offer
2 of sale, "the price shall be computed as follows: whichever of the following defined
3 amounts be lower, either (1) the fair market value of the land granted, and the
4 improvements and fixtures thereon, as of the date when the notice of offer is given, or (2)
5 the sum of the following amounts: the purchase price of the land granted in the sale from
6 College to School plus taxes and assessments paid by School thereon since the date of
7 conveyance by College to School plus the original cost of improvements and fixtures
8 thereon but less a reasonable allowance for depreciation and obsolescence of such
9 improvements and fixtures." (Ex. B [Exh. 520-002, section 2(c)].) This calculation of the
10 sale/purchase price does not give rise to, or otherwise constitute, an unreasonable
11 forfeiture.

12 (9) On the ninth cause of action for restitution to avoid unjust enrichment, CGU and
13 Consortium shall take nothing and CST shall have judgment.

14 (10) On the tenth cause of action for declaratory relief: The First Offer Clause and
15 the Educational Use Restriction are valid and enforceable as equitable servitudes.

16 a. The Educational Use Restriction and the First Offer Clause stated in
17 the 1957 Deed and the 1957 Agreement are both valid and enforceable equitable
18 servitudes.

19 b. Consortium is the successor in interest to Claremont College's rights
20 in and under the 1957 Deed and the 1957 Agreement.

21 c. The Educational Use Restriction provides "[t]hat no industrial or
22 commercial activity, or any activity or condition contrary to any law or ordinance, or any
23 activity or condition not usual and appropriate for an educational institution of collegiate
24 grade, shall be conducted or suffered to be conducted or to exist on" the Subject Property.
25 (Ex. A [Exh. 519-003, section 1].)

26 d. The Educational Use Restriction benefits all of the adjoining
27 Claremont Colleges, as well as Rancho Santa Ana Botanic Garden. The Educational Use
28 Restriction provides that a commercial subdivision or residential development is not

1 allowed on the Subject Property, as the Court finds that such use would alter the very
2 nature of this community of educational institutions.

3 e. The First Offer Clause provides “[t]hat if [CST] or its assigns or
4 successors in interest desire to sell or transfer the said real property or any portion thereof,
5 or if [CST] does not within three years from the date of this Deed establish upon the said
6 real property its headquarters and reasonably develop the said real property as its principal
7 establishment and headquarters, or if [CST] should cease to exist, or if [CST] should cease
8 to use the said real property as its principal place of carrying on its activities, then the
9 [Subject Property] shall be offered for sale to [Consortium] upon the terms and conditions
10 provided in [the 1957 Agreement].” (Ex. A [Exh. 519-003, section 2 (emphasis in
11 original)].)

12 f. The First Offer Clause was triggered before September 24, 2018,
13 which was the first day of the trial of this case, because CST ‘desire[d] to sell or transfer’
14 the Subject Property before that date.

15 g. CST must promptly make an offer of sale of the Subject Property to
16 Consortium in accordance with the “terms and conditions” stated in the 1957 Agreement,
17 by giving “[w]ritten notice” of that offer of sale “to the chief executive officer at
18 [Consortium]” (Ex. B [Exh. 520-002, section 2(a)].)

19 h. The 1957 Agreement provides that if Consortium accepts CST’s offer
20 of sale, “the price shall be computed as follows: whichever of the following defined
21 amounts be lower, either (1) the fair market value of the land granted, and the
22 improvements and fixtures thereon, as of the date when the notice of offer is given, or (2)
23 the sum of the following amounts: the purchase price of the land granted in the sale from
24 College to School plus taxes and assessments paid by School thereon since the date of
25 conveyance by College to School plus the original cost of improvements and fixtures
26 thereon but less a reasonable allowance for depreciation and obsolescence of such
27 improvements and fixtures.” (Ex. B [Exh. 520-002, section 2(c) (emphasis in original)].)
28

1 This calculation of the sale/purchase price does not give rise to, or otherwise constitute, an
2 unreasonable forfeiture.

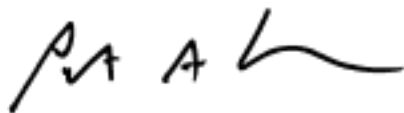
3 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED:**

4 CST and its partners, agents, trustees, officers, representatives, successors, and
5 assigns are permanently enjoined from denying the validity and enforceability of,
6 interfering with, or violating the First Offer Clause and the Educational Use Restriction.
7 Any attempted sale or transfer of the Subject Property in violation of the terms the
8 1957 Deed and/or the 1957 Agreement is void and of no force or effect.

9 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED:**

10 Consortium and CGU are the prevailing parties in this action and shall recover from
11 CST their costs in the sum of \$40,204.47.

12
13 Dated: 01/07/2022, ~~2021~~



HON. PETER A. HERNANDEZ
Judge of the Superior Court of the
State of California

14
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18 Respectfully Submitted:

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21 LOEB & LOEB LLP
22 PAUL ROHRER
23 W. ALLAN EDMISTON
24 DANIEL J. FRIEDMAN

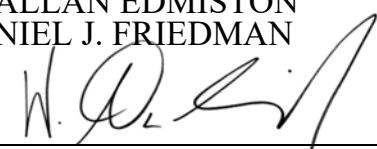
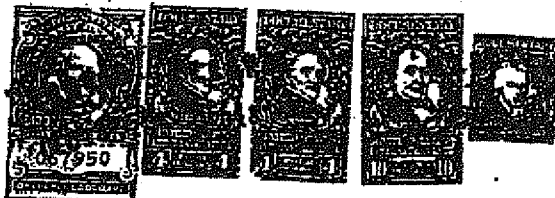
25 By: 
26 W. ALLAN EDMISTON
27 Attorneys for Defendants and Cross-Complainants
28 THE CLAREMONT COLLEGES, INC. and
CLAREMONT GRADUATE UNIVERSITY

EXHIBIT A

684.

45,819.98
IRS 118.25

MR56272 MR108



GRANT DEED

CLAREMONT COLLEGE, a nonprofit educational corporation organized under California law, hereby grants to SOUTHERN CALIFORNIA SCHOOL OF THEOLOGY, a nonprofit educational corporation organized under California law, for certain valuable consideration, receipt of which is hereby acknowledged, all that real property situated in the County of Los Angeles of the State of California and described as follows, subject to any special or general taxes or assessments levied thereon for the fiscal year 1957-1958, and also subject to any and all easements, conditions, restrictions and reservations of record:

Parcel 1: That portion of Section 4, Township 1 South Range 8 West, San Bernardino meridian, in the county of Los Angeles, state of California, according to the official plat of said land filed in the District Land office on April 29, 1878, described as follows:

Beginning at the intersection of the northerly line of the southerly 154 feet of said section 4, with a line parallel with and 40 feet east of the northerly prolongation of the center line of Harvard Avenue, 50 feet wide as said Avenue is shown on the map of the F. W. Thomas Subdivision, recorded in book 8, page 57 of Maps in the office of the county recorder of said county; thence along the said parallel line North 0° 27' 50" West 508.62 feet to the south line of the north half of the southeast quarter of the southeast quarter of said section 4; thence along the said south line North 89° 54' 20" West 40 feet to the northerly prolongation of the center line of said Harvard Avenue; thence along the said last mentioned prolongation North 0° 27' 50" West 408.48 feet; thence parallel with the south line of the said section 4, west 233.35 feet; thence south 917.12 feet to the said northerly line of the southerly 154 feet of said section; thence thereon east 280.77 feet to the point of beginning.

DEFENDANTS' EXHIBIT

519

SCST v. CGU, Case No. KC068691

CST 000057

Parcel 2: That portion of Sections 3 and 4, Township 1 South, Range 8 West, San Bernardino meridian, in the county of Los Angeles, state of California, according to the official plat of said land filed in the District Land office on April 29, 1875, described as follows:

Beginning at the intersection of the northerly line of the southerly 154 feet of said section 4, with a line parallel with and 40 feet east of the northerly prolongation of the center line of Harvard Avenue, 60 feet wide as said Avenue is shown on the map of the F. W. Thomas Subdivision, recorded in book 5 page 57 of Maps, in the office of the county recorder of said county; thence along the said parallel line North $0^{\circ} 27' 50''$ West 508.62 feet to the south line of the north half of the southeast quarter of the southeast quarter of said section 4; thence along the said south line North $89^{\circ} 54' 30''$ West 40 feet to the northerly prolongation of the center line of said Harvard Avenue; thence along the said prolongation, North $0^{\circ} 27' 50''$ West 408.48 feet; thence parallel with the south line of said section 4, and its prolongation, East 421.81 feet to a line parallel with and 40 feet west, measured at right angles from the northerly prolongation of the center line of College Avenue, 60 feet wide, as said Avenue is shown on the map of College Avenue Addition to Claremont, recorded in book 8 page 73 of Maps, records of said county; thence along the last mentioned parallel line South $0^{\circ} 28' 00''$ East 612 feet to the northerly line of the southerly 154 feet of said section 5; thence along the last mentioned northerly line North $89^{\circ} 54'$ West 249.91 feet to the west line of said section 5; thence along the said northerly line of the southerly 154 feet of said section 4, west a distance of 200.91 feet to the point of beginning.

CLAREMONT COLLEGE also hereby grants to SOUTHERN CALIFORNIA SCHOOL OF THEOLOGY, as an easement appurtenant to the above-described real property, a right of way to pass over, along and across all that real property situated in the County of Los Angeles of the State of California and described as follows:

The south 60 feet measured at right angles of that portion of Sections 3 and 4, Township 1 South, Range 8 West, San Bernardino meridian, in the county of Los Angeles, state of California, according to the official plat of said land filed in the District Land office on April 29, 1875, described as follows:

Beginning at the intersection of the northerly line of the south half of the southeast quarter of the southeast quarter of said section 4 with the northerly prolongation of the center line of Harvard Avenue, 60 feet wide as said Avenue is shown on the map of the F. W. Thomas Subdivision, recorded in book 5 page 57 of Maps, in the office of the county recorder of said county; thence along the said prolongation North $0^{\circ} 27' 50''$ West 408.48 feet to the true point of beginning; thence continuing North $0^{\circ} 27' 50''$ West 99.78 feet to the northerly line of the land described in the deed to Claremont Realty Co. recorded on August 7, 1928 as Instrument No. 1223 in book 5538 page 191 of Official Records of said county; thence along the said northerly line South $77^{\circ} 24' 00''$ West 238.18 feet; thence south 1024.83 feet to the northerly line of the south 94 feet of said section 4; thence thereon east 481.70 feet, more or less, to the east line of said section 4; thence along the north line of the south 94 feet of said section 5, South $89^{\circ} 54'$ East 249.91 feet to a line parallel with and 40 feet

--- Page 2 of 4 ---

CST 000058

STANDARD METHOD

westerly, measured at right angles, from the northerly prolongation of the center line of College Avenue 80 feet wide as said Avenue is shown on the map of College Avenue Addition to Claremont, recorded in book 8 page 73 of Maps, records of said county; thence along the last mentioned parallel line North 0° 25' West 979.00 feet to a line parallel with the prolongation of the said south line of said section 4, and which passes through the true point of beginning; thence along the last mentioned parallel line, west 461.21 feet to the true point of beginning.

This grant is upon the following conditions subsequent:

1. That no industrial or commercial activity, or any activity or condition contrary to any law or ordinance, or any activity or condition not usual and appropriate for an educational institution of collegiate grade, shall be conducted or suffered to be conducted or to exist on the real property granted;

2. That if Grantee or its assigns or successors in interest desire to sell or transfer the said real property or any portion thereof, or if Grantee does not within three years from the date of this Deed establish upon the said real property its headquarters and reasonably develop the said real property as its principal establishment and headquarters, or if Grantee should cease to exist, or if Grantee should cease to use the said real property as its principal place of carrying on its activities, then the said real property shall be offered for sale to Grantor upon the terms and conditions provided in a certain agreement in writing entitled "Agreement" made by Grantor and Grantee upon the same date as the date of this deed.

The condition contained in this Paragraph 2 shall be satisfied by the giving of an offer of sale as therein provided, and upon the rejection, or nonacceptance as therein provided, of said offer of sale by Grantor, this said condition shall thereupon be, and be deemed, satisfied in that instance, and the real property, or portions thereof as to which said offer of sale has been rejected or not accepted may be sold by Grantee to some other person or corporation, but subject, however, to the said condition and also to the condition contained in Paragraph 1 herein.

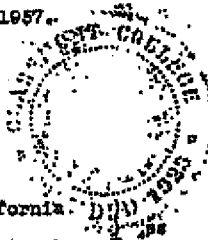
--- page 3 of 4 ---

CST 000059

IT IS PROVIDED THAT if Grantee or its assigns or its successors in interest breach or suffer to be breached any of the foregoing conditions in any material particular then this Deed shall be null and void, and any and all right, title, estate or interest of Grantee or its assigns or successors in interest shall thereupon cease and terminate forthwith and shall revert to Grantor, and Grantor or its assigns or its successors in interest shall have the right to re-enter the said real property and take possession thereof and eject Grantee or its assigns or its successors in interest therefrom.

PROVIDED FURTHER, That a breach of any of the foregoing covenants or conditions, or any re-entry by reason of such breach, shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith by Grantee and for value as to said property or any part thereof, but said covenants or conditions shall be binding upon and effective against any owner thereof whose title thereto is acquired by foreclosure of any mortgage or deed of trust or otherwise.

IN WITNESS WHEREOF, Grantor has caused its corporate name to be affixed hereto, and its corporate seal impressed hereon, and this instrument to be executed by its duly authorized officers this 5th day of June, 1957.



CLAREMONT COLLEGE
By George E. Baxter
George E. Baxter
Vice-Chairman of the Board of Fellows
And by Robert J. Bernard
Robert J. Bernard
Secretary

State of California
County of Los Angeles

On the 5th day of June, 1957, before me the undersigned, a Notary Public in and for the County of Los Angeles of the State of California, personally appeared George E. Baxter, known to me to be the Vice-Chairman of the Board of Fellows, and Robert J. Bernard, known to me to be the Secretary of Claremont College, the corporation which executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the said corporation, and acknowledged to me that said corporation executed the within instrument pursuant to its by-laws and to a resolution of its Board of Fellows.

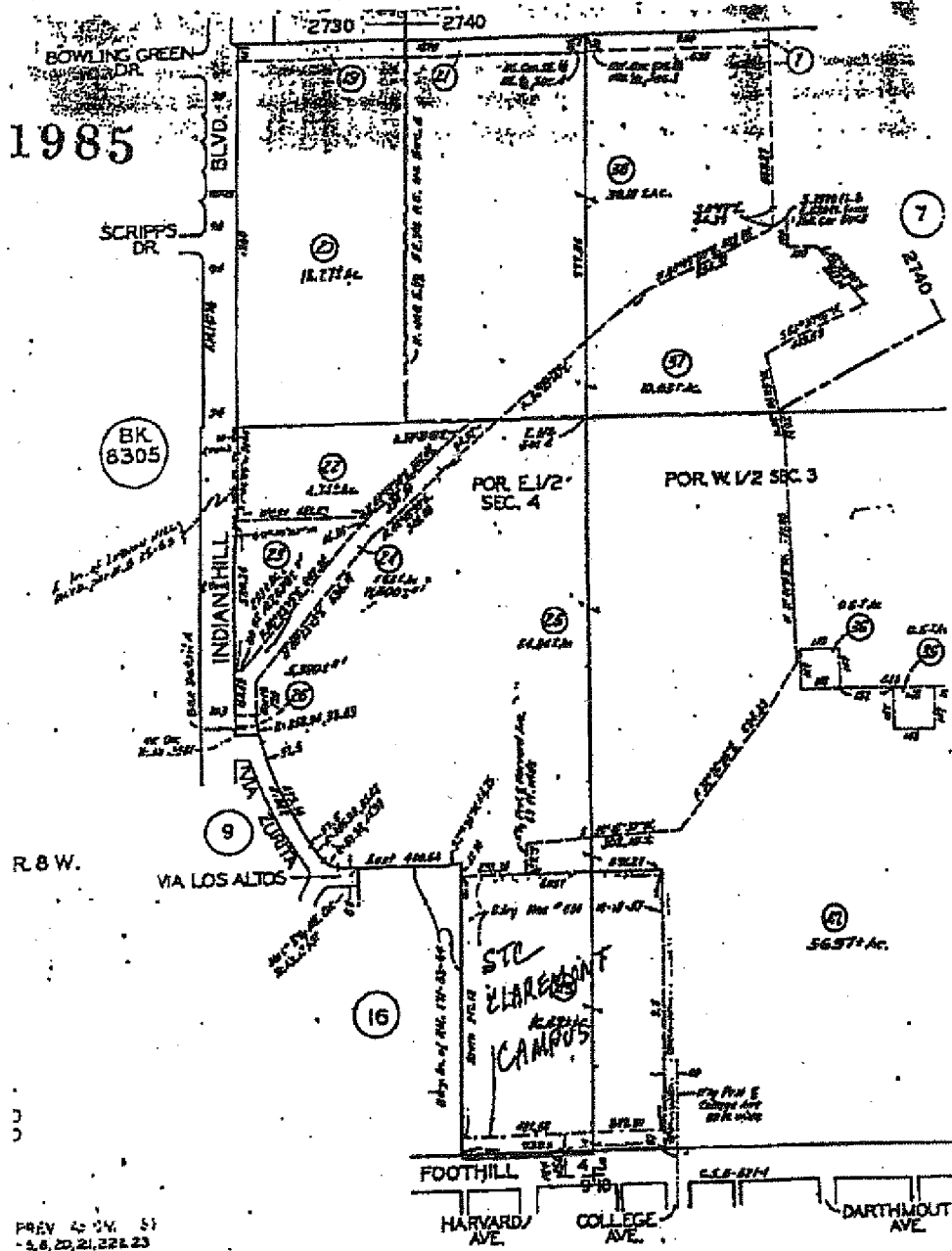
WITNESS my hand and official seal.



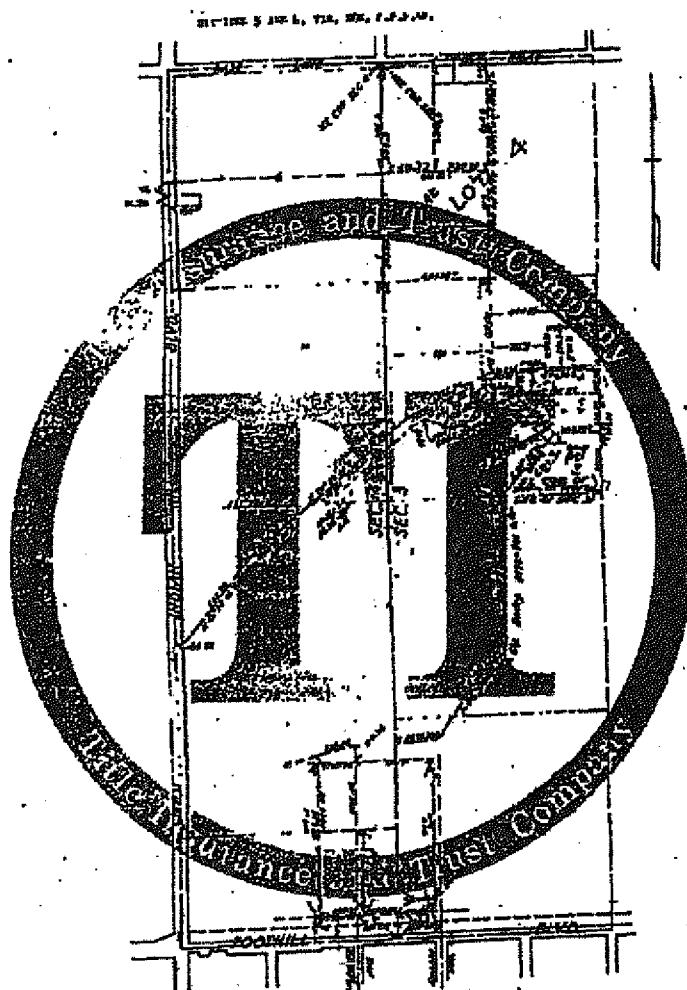
Paul H. Olson
Notary Public in and for said County
and State

My Commission Expires Jan. 25, 1958

1985



CST 000061



*This is not a survey of the land but is compiled for information by the
Title Insurance and Trust Company from data shown by the official records.*

CST 000062

EXH 56272 PG 112

mail to
Title Insurance Co.
483 Los Angeles St.
Los Angeles 12, Calif.
Attn: Y. K. Chen
2nd Floor Dept.
4581998 - Enclosed
4459586 - Encl. - WR

684

Grant Deed
Land Record

DOCUMENT NO. 684
RECORDED AT REQUEST OF
TITLE INSURANCE & TRUST CO.
DEC 18 1957 AT 8 A.M.
EXH 56272 PG 108
OFFICIAL RECORDS
RAY E. LEE, RECORDER
LOS ANGELES COUNTY, CALIF. *one*

FEE \$4.40 4 W

EXHIBIT B

AGREEMENT

between

CLAREMONT COLLEGE

and

SOUTHERN CALIFORNIA SCHOOL OF THEOLOGY

This Agreement made by and between CLAREMONT COLLEGE, a nonprofit educational corporation organized under California law, and SOUTHERN CALIFORNIA SCHOOL OF THEOLOGY, a nonprofit educational corporation organized under California law, WITNESSETH:

1. Claremont College, herein called "College", is the central coordinating institution in a group of colleges at Claremont, California, sometimes known as "The Associated Colleges at Claremont"; Southern California School of Theology, herein called "School", is an institution of higher learning specializing in religious scholarship and in training for the Christian ministry.

2. It is mutually desired by the parties that School establish its headquarters and principal place for the carrying on of its activities in Claremont, on land to be conveyed to it by College, and to make use of certain of the facilities and equipment of College to the extent defined below.

IT IS THEREFORE AGREED AS FOLLOWS:

1. College conveys to School, and School accepts, certain real property located in Claremont, California, by a Grant Deed of the same date as this Agreement, and School agrees to the terms and conditions of the said Deed.

DEFENDANTS' EXHIBIT

520

SCST v. CGU, Case No. KC068691

2. The terms and conditions of the offer of sale required of School by the said Deed are:

a. Written notice of the offer shall be given by School to the chief executive officer of College at the office of College in Claremont, and the offer shall endure and remain open for a period of six months from the date of the giving of such notice.

b. College may accept said offer as to all of the land granted and the improvements and fixtures located thereon at the time of the offer.

c. In the event of such acceptance, the price shall be computed as follows: whichever of the following defined amounts be lower, either (1) the fair market value of the land granted, and the improvements and fixtures thereon, as of the date when the notice of offer is given, or (2) the sum of the following amounts: the purchase price of the land granted in the sale from College to School plus taxes and assessments paid by School thereon since the date of conveyance by College to School plus the original cost of improvements and fixtures thereon but less a reasonable allowance for depreciation and obsolescence of such improvements and fixtures.

d. College may accept said offer of sale as to a portion of the land granted and any improvements and fixtures on said portion at the time of the offer, but provided that the portion may not be such as would unreasonably interfere with the use of, or unreasonably reduce the marketability of, the remainder.

e. In the event of acceptance as to a portion, the price shall be computed as follows: whichever of the following defined amounts be lower, either (1) the fair

(market value of the land, improvements and fixtures of the portion as of the date when the notice of offer is given, or (2) the sum of the following amounts: that part of the purchase price of the land granted in the sale from College to School which bears the same ratio to the total purchase price in said sale as does the acreage of the portion to the acreage of the land granted plus a similar part of the taxes and assessments paid by School on the land plus the original cost of improvements and fixtures on the said portion but less a reasonable allowance for depreciation and obsolescence of such improvements and fixtures.

(f. Should College and School be unable to agree upon the price, or on any of the calculations relating thereto, then the question shall be submitted to arbitration, said arbitration to be conducted in accordance with, and to have the validity and effect provided by, the provisions on arbitrations of the Code of Civil Procedure of the State of California as then in force.

g. Acceptance of the offer by College shall be made by giving written notice to the chief executive officer of School, or to the assign or successor in interest of School.

h. At the time of such acceptance, and as a condition upon its having valid effect, College shall tender not less than twenty percent of the price as proposed by College. If School does not agree to the price as thus proposed, it shall demand arbitration within thirty days of such tender. An acceptance shall be valid and binding, and a contract formed, if acceptance is made as herein provided within the six months' period herein provided

even though arbitration is demanded as herein provided on any questions relating to price. College shall pay the balance of the price within ten years of the date of its acceptance of the offer, in annual installments of not less than ten percent of the balance; the unpaid portion of the balance shall bear simple interest at the rate of five percent per annum commencing on the date of acceptance, and shall be secured by a trust deed in usual form upon the property.

3. It is understood between the parties that School is determined that it shall be one of the outstanding schools of religion in America, and it is agreed that School shall take all reasonable steps to this end; it is specifically agreed by School that it will be permanently conducted as a graduate school of religion and theology, interdenominational in its curriculum offerings and with its students and faculty not limited to the adherents of any single denomination.

4. In order that the architectural and artistic harmony and beauty of the collegiate buildings and campuses in Claremont may be fostered and maintained, plans for the campus and buildings of School shall be subject to the approval of the Architectural Commission of the Associated Colleges to the same extent that plans of College are subject.

5. There shall be constructed and maintained, immediately south of, and along the length of, the southerly edge of the land granted, a bypass road. This road shall be parallel with Foothill Boulevard, and shall run westerly from the present north extension of College Avenue, which north extension now runs northerly from Foothill Boulevard. College shall prepare, and provide to School, subject to the approval of the Architectural Commission of the Associated Colleges, designs and

plans for said road. The said designs and plans shall include sidewalks, curbs, fencing, and landscaping, and also an entrance to the land granted from said bypass road. School shall construct the road, sidewalks, curbs, fencing, and landscaping, all in accordance with the said designs and plans, concurrently with its commencing development of the land granted, and shall thereafter reasonably and properly maintain the same, but they shall be and remain the property of College subject to the right of appropriate use by School according to the said designs and plans.

6. School agrees to participate in, with College and with other of the Associated Colleges at Claremont, and share the cost of, the construction of such other access roads, boundary roads abutting the land granted, and landscaping and land improvement, as the Architectural Commission of the Associated Colleges may deem necessary and proper, and which directly affect the land granted.

7. School also agrees to construct and maintain, on the land granted, any and all flood control installations as may be reasonably necessary or desirable for the protection of the land granted and the adjacent land.

8. It is understood that School must have assured adequate access between the land granted to School by Grant Deed above referred to and nearby public streets, including Foothill Boulevard, which is a main arterial highway running east and west parallel to the southerly frontage of the land granted. To provide such access, School and College agree as follows, having also in mind (a) the increasing traffic problem in the vicinity; (b) the need that access and communication to and on the campuses and related areas in the vicinity belonging to School and to College and related institutions should be designed

and managed in accordance with a reasonable general plan; (c) the duty of College, as the central coordinating institution of the Associated Colleges and related institutions, to formulate and safeguard plans for the general interest of all; and (d) the fact that the land granted, comprising about fifteen acres, is part of an area of approximately 250 acres belonging to the parties and to related institutions and lying north of Foothill Boulevard.

(1) College agrees to give, in the development of plans for land use and access, careful consideration to the needs and desires of School.

(2) School agrees to give, in the development of plans for use of and access to and from the land granted, careful consideration to the present and future plans of College respecting the use of lands near the land granted, insofar as the land granted affects such plans.

(3) There is now in existence and use a northerly extension of College Avenue, approximately eleven hundred feet in length, beginning at and connected with Foothill Boulevard and running north along the east edge of the land granted. This northerly extension of College Avenue is the property of College; it is not a public street, nor does any easement of use exist as to it, nor is any granted by this Agreement.

(a) College agrees to permit School to use as a roadway the northerly one-half (1/2) of said northerly extension so long as said northerly one-half continues to be generally so used, said permission being in the nature of a license, but College reserves the right to terminate or alter the existence or use of said northerly one-half at any time, upon written notice to School.

(b) College agrees to permit School to use as a roadway the southerly one-half (1/2) of the said northerly extension, not including the connection to Foothill Boulevard, said permission being in the nature of a license, but provided that:

(i) This use shall be at all times reasonable and in general conformity with the then-existing use of nearby lands owned by College or related institutions;

(ii) If and when the development and use of said nearby lands becomes such as to make this use not reasonably necessary for the use and enjoyment of the land granted, and if at such time School has other reasonable access to and from the land granted, then upon written notice to School College may terminate or alter the existence or use of said southerly one-half.

(c) College agrees to permit School to use as a roadway the connection between the said northerly extension and Foothill Boulevard so long as the said connection continues to be generally so used, said permission being in the nature of a license, but College reserves the right to terminate or alter the existence or use of said connection at any time, upon written notice to School, but provided that the said connection will not be closed without the consent of School unless College shall first offer to grant or provide to School, without charge, a non-exclusive easement of right of way approximately sixty feet wide, continuous with the easement granted in the Grant Deed above referred to, and running easterly to a point not further east than midway between the extended centerlines of Columbia and Dartmouth Avenues, and at said point connected with Foothill Boulevard.

(d) Notwithstanding the provisions of (a), (b), and (c) foregoing, College agrees to permit School to use the

entire northerly extension, including the connection with Foothill Boulevard, as a roadway for a period of two years from the date of this Agreement.

(4) It is understood and agreed that the designs and plans to be provided by College under Paragraph 5 of this Agreement for a bypass road along the southerly edge of the land granted will be such that the "entrance to the land granted" referred to in said Paragraph 5 herein shall be an entrance between the land granted and the said access road, but not to Foothill Boulevard necessarily, and that said entrance shall be, in the said designs and plans, located at whatever point on the said bypass road School may desire, subject to the approval of the Architectural Commission of the Associated Colleges as provided in Paragraph 4 herein.

(5) College agrees that notwithstanding any other provision of this Agreement, School, subject to the permission and approval of municipal and state authorities, shall have, and is hereby given, the right to establish a roadway between and connecting the bypass road mentioned in Paragraph 5 herein and Foothill Boulevard, either at the southwest corner of the land granted or opposite Harvard Avenue, as the School may elect.

(6) College further agrees that, in the event the connection with Foothill Boulevard mentioned in (5) just above is not permitted by the municipal or state authorities to be constructed, College will, at the request of School made any time within two years of the date of this Agreement, obtain and provide or grant to School a non-exclusive easement of right of way approximately sixty feet wide, continuous with the easement granted in the Grant Deed aforesaid, and running westerly from that easement to Via Zurita, a public street, and connected to Foothill Boulevard through Via Zurita but not

otherwise connected to Foothill Boulevard. School agrees that upon the making of said grant or provision, it will pay to College, for said easement, the sum of Three Thousand Seventy-two Dollars (\$3,072.00). College shall, if such grant or provision be made, prepare and provide to School, subject to the approval of the Architectural Commission, designs and plans for a road, sidewalks, curbs, and landscaping, but not fencing, for said easement, which said designs and plans shall be similar to and harmonious with those prepared under Paragraph 5 of this Agreement. School shall, when such designs and plans are provided to it, thereupon construct the road, sidewalks, curbs, and landscaping, all in accordance with said designs and plans, and shall thereafter reasonably and properly maintain the same, but they shall be the property of College. In the event that the land bordering on the north edge of the easement herein described be developed for educational use of a like or similar character, School shall have the right to arrange with the educational institution involved for a sharing with School of the costs of the maintenance mentioned herein, and, in the event a reasonable arrangement cannot be made, to deny such institution the use of the easement; but provided, however, that this right shall not apply against Scripps College.

This Agreement may be amended or terminated by a writing duly executed by both parties, but it is intended to be the permanent agreement of the parties and may not be otherwise amended or terminated either by oral agreement or by the conduct of either or both of the parties or by any failure either to adhere to or to enforce any of its provisions. Certain agreements and understandings between the parties intended to be of a less definite and irrevocable nature are set forth in

a Supplementary Agreement bearing the same date as this Agreement.

IN WITNESS WHEREOF, College and School have caused to be subscribed hereto and impressed hereon their respective corporate names and seals, and this instrument to be executed by their respective authorized officers, on this 5th day of June, 1957, at Los Angeles, California.

CLAREMONT COLLEGE

By William W. Clary
William W. Clary
Chairman of the Board of Fellows

And by Robert J. Bernard
Robert J. Bernard
Secretary.

SOUTHERN CALIFORNIA SCHOOL OF THEOLOGY

By K. Morgan Edwards
K. Morgan Edwards
President

And by D. Leslie Hole
D. Leslie Hole
Assistant Secretary

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