

**AGREEMENT AND PLAN OF MERGER**

This AGREEMENT AND PLAN OF MERGER (this “Agreement”) is entered into this [●] day of [●], 2019, by and among LOS ANGELES WORLD AFFAIRS COUNCIL, a nonprofit public benefit corporation organized and existing under the laws of the State of California (“LAWAC”), and TOWN HALL LOS ANGELES, a nonprofit public benefit corporation organized and existing under the laws of the State of California (“Town Hall”). Each of LAWAC and Town Hall may be referred to, individually, as a “Party” or, collectively, as the “Parties.”

**WITNESSETH:**

**WHEREAS**, LAWAC has been established for the purpose of promoting better community education in world affairs as an essential for sound democratic citizenship through fair and free discussion of issues relating thereto; and

**WHEREAS**, Town Hall has been established to support and maintain an impartial and open forum for the discussion and dissemination of public issues that are relevant to the ideals of democracy; and

**WHEREAS**, each of LAWAC and Town Hall is an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the “Code”); and

**WHEREAS**, the board of directors of LAWAC (the “LAWAC Board”) and the board of directors of Town Hall (the “Town Hall Board”) have each determined that it would be advisable and in the best interests of their respective corporations if Town Hall merges with and into LAWAC (the “Merger”) upon the terms and subject to the conditions set forth in this Agreement, and, in furtherance thereof, have approved and adopted the Merger, this Agreement and the other transactions contemplated by this Agreement; and

**WHEREAS**, each of Town Hall and LAWAC desires to make certain representations, warranties, covenants and other agreements in connection with the Merger as set forth herein.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants hereinafter contained, and intending to be legally bound, the Parties hereby agree as follows:

**ARTICLE 1  
DEFINITIONS**

**Section 1.1. Definitions.** The following terms have the following meanings:

“Agreement” shall have the meaning set forth in the preamble.

“Articles Amendment” shall have the meaning set forth in Section 2.6(a).

“Benefit Plan” shall have the meaning set forth in Section 3.12(a).

“Bylaws Amendment” shall have the meaning set forth in Section 2.6(b).

“CEO” means Chief Executive Officer.

“Closing” shall have the meaning set forth in Section 2.2.

“Closing Date” shall have the meaning set forth in Section 2.2.

“CNPCL” shall have the meaning set forth in Section 2.3.

“Code” shall have the meaning set forth in the recitals.

“Committees” shall have the meaning set forth in Section 2.7(b).

“Effective Time” shall have the meaning set forth in Section 2.3.

“Enforceability Exceptions” shall have the meaning set forth in Section 3.2.

“ERISA” shall have the meaning set forth in Section 3.12(a).

“ERISA Affiliate” shall have the meaning set forth in Section 3.12(a).

“Former LAWAC Director” shall have the meaning set forth in Section 2.7(a).

“Former Town Hall Director” shall have the meaning set forth in Section 2.7(a).

“GAAP” means generally accepted accounting principles in the United States.

“Governmental Body” means any (i) federal, state, county, city, town, village, district or other jurisdiction; (ii) federal, state, municipal, local, foreign or other government or (iii) governmental or quasi-governmental authority (including any governmental agency, branch, department, office or entity and any court or other tribunal).

“Indemnified Parties” shall have the meaning set forth in Section 5.7(a).

“Intellectual Property” means (i) trademarks, service marks, trade names, Internet domain names and logos, together with all registrations and applications related to the foregoing; (ii) patents (including any applications therefor); (iii) copyrights and designs (including any registrations and applications for any of the foregoing); (iv) trade secrets and other confidential proprietary information, methods and processes and (v) rights in computer programs, whether in source code or object code form (including any and all software implementation of algorithms, models and methodologies), databases and compilations (including any and all data and collections of data).

“IRS” means the United States Internal Revenue Service.

“Knowledge” means (a) in the case of Town Hall, the actual knowledge of Kim McCleary, after reasonable inquiry, and (b) in the case of LAWAC, the actual knowledge of Alexander Messmann, after reasonable inquiry.

“Law” means, with respect to any Person, any domestic or foreign federal, state or local law, ordinance, code, rule, regulation, writ, judgment, injunction, decree, determination, award or

other order enacted, promulgated or applied by a Governmental Body that is binding upon or applicable to such Person, as amended unless expressly specified otherwise.

“LAWAC” shall have the meaning set forth in the preamble.

“LAWAC Audited Financial Statements” shall have the meaning set forth in Section 4.6(a).

“LAWAC Benefit Plan(s)” shall have the meaning set forth in Section 4.13(a).

“LAWAC Board” shall have the meaning set forth in the recitals.

“LAWAC Contract” shall have the meaning set forth in Section 4.11(b).

“LAWAC Financial Statements” shall have the meaning set forth in Section 4.6(a).

“LAWAC Intellectual Property” shall mean the Intellectual Property material to the conduct of the business of LAWAC.

“LAWAC Member Approval” shall have the meaning set forth in Section 7.3.

“LAWAC Member Meeting” shall have the meaning set forth in Section 5.3(a).

“LAWAC Unaudited Financial Statements” shall have the meaning set forth in Section 4.6(a).

“LAWATH” shall have the meaning set forth in Section 2.5.

“LAWATH Board” shall have the meaning set forth in Section 2.7(a).

“Liens” shall have the meaning set forth in Section 3.3(a).

“Material Adverse Change” means, with respect to any Party, any fact, circumstance, event, change, effect, development or occurrence that, individually or in the aggregate with all other facts, circumstances, events, changes, effects, developments or occurrences, (i) has had or would reasonably be expected to result in a material adverse change on the financial condition, results of operations or business of such Party (provided, however, that a “Material Adverse Change” shall not be deemed to include facts, circumstances, events, changes, effects, developments and/or occurrences arising out of, relating to or resulting from (A) changes after the date hereof in GAAP or regulatory accounting requirements or published interpretations thereof, (B) changes after the date hereof in Laws, rules or regulations of general applicability to non-profit public benefit corporations or changes to published interpretations thereof by Governmental Bodies, (C) changes after the date hereof in global, national or regional political conditions or general economic or market conditions, (D) any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism or (E) actions or omissions taken with the prior written consent of the other Party hereto or expressly required by the terms of this Agreement; except, with respect to clauses (B) or (C), to the extent that the effects of such change are disproportionately adverse to the financial condition, results of operations or business of such Party as compared to similar

organizations) or (ii) prevents or materially impairs the ability of such Party to timely consummate the transactions contemplated hereby.

“Merger” shall have the meaning set forth in the recitals.

“Non-Statutory Members” shall have the meaning set forth in Section 5.10.

“Notice” shall have the meaning set forth in Section 5.3(a).

“Operations Plan” means the phased operational implementation plan developed by LAWATH acting CEO Kim McCleary which has been approved by LAWAC and Town Hall.

“Party” shall have the meaning set forth in the preamble.

“Permits” means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights from any Governmental Body that are necessary for the operation of either Party’s business.

“Person” means an individual, corporation (including a nonprofit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, or other entity or Governmental Body.

“Schedules” means the disclosure schedules delivered concurrently with the execution and delivery of this Agreement, as applicable.

“Surviving Corporation” shall have the meaning set forth in Section 2.1.

“Tax(es)” means any federal, state, municipal, local or foreign net income, capital gains, alternative or add-on minimum tax, gross income, gross receipts, sales, rent, use, transfer, ad valorem, value added, franchise, corporate, profits, license, capital, withholding, payroll, employment, excise, goods and services, severance, stamp, registration, occupation, premium, real property, personal property, unemployment contributions, family leave insurance contributions, state disability insurance contributions, employee payroll withholdings for child support, windfall profit or other tax of any kind whatsoever, including any liability arising from any failure to file any Form 990, 990-EZ or 990-N (hereinafter referred to, collectively, as “Form 990”) with the U.S. Department of Treasury, and including any interest, fine or penalty on, or in addition to, any such tax.

“Tax Return” means any federal, state, municipal, local or foreign Tax or information return, report, statement, schedule, notice, form or declaration filed with or submitted to, or required to be filed with or submitted to, any Governmental Body relating to any Taxes or in connection with the determination, assessment, collection or payment of any Tax; and any and all annual returns required to be filed by an organization exempt from income Tax by reason of Section 501(c)(3) of the Code, such as Form 990.

“Town Hall” shall have the meaning set forth in the preamble.

“Town Hall Benefit Plan(s)” shall have the meaning set forth in Section 3.12(a).

“Town Hall Board” shall have the meaning set forth in the recitals.

“Town Hall Contract” shall have the meaning set forth in Section 3.10(b).

“Town Hall Employee List” shall have the meaning set forth in **Error! Reference source not found.**

“Town Hall Financial Statements” shall have the meaning set forth in Section 3.5(a).

“Town Hall Intellectual Property” shall mean the Intellectual Property material to the conduct of the business of Town Hall.

“Town Hall Reviewed Financial Statements” shall have the meaning set forth in Section 3.5(a).

“Town Hall Unaudited Financial Statements” shall have the meaning set forth in Section 3.5(a).

## **ARTICLE 2 MERGER**

**Section 2.1. The Merger.** At the Effective Time (as hereinafter defined), upon the terms and subject to the conditions set forth in this Agreement, Town Hall shall be merged with and into LAWAC, whereupon the separate corporate existence of Town Hall shall cease and LAWAC shall continue as the surviving corporation (the “Surviving Corporation”).

**Section 2.2. Closing.** The closing of the Merger and the other transactions contemplated hereby (hereinafter referred to as the “Closing”) shall take place electronically through the exchange of documents) at 10:00 a.m. Pacific Time on the third business day following the satisfaction (or, to the extent permitted, waiver) of the conditions set forth in Article 6 and Article 7 or at such other date, time and place as the Parties shall mutually agree (the date on which the Closing occurs, the “Closing Date”).

**Section 2.3. Effective Time.** On the Closing Date, the Parties hereto shall cause the Merger to be consummated by filing, or causing to be filed, with the Secretary of State of the State of California: (a) a fully executed copy of this Agreement and (b) an officers’ certificate for each Party certifying as to (i) the total number of memberships of each class entitled to vote on the Merger, (ii) the identity of any other person or persons whose approval is required for the Merger and (iii) the fact that the principal terms of the Agreement in the form attached to such certificate were duly approved by the required vote of the members and (if applicable) such other person or persons, each in the form required by and in accordance with California Nonprofit Public Benefit Corporation Law (the “CNPCL”). The Merger shall become effective upon such date and time that the filings are duly filed with the Secretary of State of the State of California or at such later date and time as the Parties shall agree and specify in the filings (hereinafter referred to as the “Effective Time”).

**Section 2.4. Effect of the Merger on Assets and Liabilities.** At the Effective Time, the effect of the Merger shall be as provided in this Agreement and the applicable provisions of the CNPCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective

Time, all rights, privileges, prerogatives, powers, immunities, purposes and franchises, both of a public and private nature, and all real property and personal property, tangible and intangible, of every type and description, belonging to Town Hall shall vest in the Surviving Corporation, and all of the debts, liabilities and duties of Town Hall shall become the debts, liabilities and duties of the Surviving Corporation (including all donor restrictions on gifts and funds held by or for the benefit of either of LAWAC or Town Hall). In addition, the Surviving Corporation shall take title to and receive any devise or donation made to or for the benefit of Town Hall before and after the Effective Time. Upon the Effective Time, all debts, liabilities, obligations and duties shall thenceforth attach to the Surviving Corporation and may be enforced against it to the same extent as if such debts, liabilities, obligations and duties had been incurred or contracted by it.

**Section 2.5. Name of the Surviving Corporation.** At and after the Effective Time, the name of the Surviving Corporation shall be changed from LAWAC to Los Angeles World Affairs Council and Town Hall (“LAWATH”).

**Section 2.6. Articles of Incorporation and Bylaws.** At the Effective Time:

(a) The articles of incorporation of the Surviving Corporation shall be amended as set forth in Exhibit A and as may otherwise be mutually agreed by the Parties to this Agreement. Such amended articles of incorporation shall be the articles of incorporation of the Surviving Corporation (the “Articles Amendment”); and

(b) The bylaws of the Surviving Corporation shall be amended as set forth in Exhibit B and as may otherwise be mutually agreed by the Parties to this Agreement. Such amended bylaws shall be the bylaws of the Surviving Corporation (the “Bylaws Amendment”).

**Section 2.7. Governance.**

(a) **Board of Directors.** At and after the Effective Time, the directors of the LAWAC Board at the Effective Time (each such director, a “Former LAWAC Director”) and the Town Hall Board at the Effective Time (each such director, a “Former Town Hall Director”) shall constitute the LAWATH Board of Directors (the “LAWATH Board”). Classes of the Former LAWAC Directors and Former Town Hall Directors on the LAWATH Board will be designated by the LAWAC Board and the Town Hall Board, respectively, prior to the Effective Time; provided, that (i) the Former LAWAC Directors and Former Town Hall Directors shall be divided among each class as evenly as possible, and (ii) if the number of Former LAWAC Directors and Former Town Hall Directors to serve on the LAWATH Board as of the Effective Time is not evenly divisible by three (3), the Parties will jointly agree on the class or classes of the remaining number of Former LAWAC Directors and Former Town Hall Directors. Annual Board dues shall initially be set at \$10,000 per year; provided, however, if a Former LAWAC Director renews his or her membership within six months of the Effective Time, such Former LAWAC Director shall pay \$8,000 for the subsequent one (1) year period. For a period of at least eighteen (18) months following the Effective Time, the LAWATH Board shall have two Co-Chairs, one Former LAWAC Director and one Former Town Hall Director, as chosen by the existing Town Hall Board and the existing LAWAC Board, respectively. For a period of at least eighteen (18) months following the Effective Time, the Secretary of the LAWATH

Board shall be a Former Town Hall Director and the Treasurer of the LAWATH Board shall be a Former LAWAC Director, as chosen by the Town Hall Board and the LAWAC Board, respectively. The LAWATH Board Co-Chairs, Secretary and Treasurer shall be designated or elected prior to the Effective Time. For a period of eighteen (18) months following the Effective Time, the following actions shall require the affirmative vote of a majority of the LAWATH Board present in person or by telephone, as well as a majority of the Former LAWAC Directors present in person or by telephone and the Former Town Hall Directors present in person or by telephone: (i) changing the name of LAWATH, (ii) removing any of the individuals serving as the CEO, Co-Chair, Treasurer or Secretary and (iii) modifying any provisions of this Agreement that remain in effect following the Effective Time.

(b) Committees. At and after the Effective Time, (i) the following committees of the LAWATH Board shall be established: Executive, Audit, Nominating and Governance and any others that the LAWATH Board determines are necessary or appropriate; and (ii) the following advisory committees to the LAWATH Board shall be established: Investment, Development, Programs and any others that the LAWATH Board determines are necessary or appropriate (collectively, the “Committees”). For a period of eighteen (18) months following the Effective Time, each such Committee shall be comprised of an equal number of Former LAWAC Directors and Former Town Hall Directors, as designated, respectively, by the Former LAWAC Directors and Former Town Hall Directors. For a period of eighteen (18) months following the Effective Time, the Executive Committee shall be comprised of sixteen (16) directors and the Nominating and Governance Committee shall be comprised of ten (10) directors, including, in each case, an equal number of Former Town Hall Directors and Former LAWAC Directors, which will be designated, respectively, by the existing Town Hall Board and the existing LAWAC Board prior to the Effective Time. Any action by the Committees shall require a majority vote of the Committee members present in person or by telephone, as well as, for a period of at least eighteen (18) months following the Effective Time, a majority of each of the Former LAWAC Directors on the Committee present in person or by telephone and a majority of the Former Town Hall Directors on the Committee present in person or by telephone.

**Section 2.8. Officers and Staffing.** From and after the Effective Time, the current President of Town Hall will become President and CEO of LAWATH, and all other employees of Town Hall and LAWAC shall become or continue as employees of LAWATH.

**Section 2.9. Corporate Acts of Town Hall Board, Officers, Employees and Agents.** Subject to applicable Law, the corporate acts, plans, policies, approvals and authorizations of Town Hall (including its board of directors, committees elected or appointed by the board of directors, and officers and agents) that were valid and effective immediately prior to the Effective Time shall be taken for all purposes as the acts, plans, policies, approvals and authorizations of the Surviving Corporation, to the extent applicable, and shall be as effective and binding thereon as the same were with respect to Town Hall.

**ARTICLE 3**  
**REPRESENTATIONS AND WARRANTIES OF TOWN HALL**

Except (a) as set forth in the corresponding section or subsection of the disclosure schedule delivered by Town Hall to LAWAC concurrently with the execution and delivery by Town Hall of this Agreement (the “Town Hall Disclosure Schedule”) or (b) for any exception or disclosure set forth in any other section or subsection of the Town Hall Disclosure Schedule to the extent it is reasonably apparent on the face of such disclosure that such exception or disclosure is applicable to qualify such representation and warranty of this Article 3, Town Hall hereby represents and warrants to LAWAC as follows:

**Section 3.1. Organization; Affiliates.** Town Hall is a nonprofit corporation duly incorporated, validly existing and in good standing under the laws of the State of California, and has the requisite corporate power and authority to conduct its business and activities as conducted. Town Hall is not required to be qualified to do business as a foreign corporation in any other jurisdiction in order to conduct its business and activities as conducted. Town Hall is, and has been for a period of at least six (6) years prior to the Effective Time, a corporation organized and operated exclusively for charitable, scientific or educational purposes, within the meaning of Section 501(c)(3) of the Code and does not operate for the purpose of carrying on a trade or business for profit. The IRS has issued to Town Hall a determination letter confirming such status under Section 501(c)(3) of the Code, and such letter remains in full force and effect. A true, correct and complete copy of such letter has been provided to LAWAC. Town Hall does not currently have any members with voting rights or any authorized or issued shares of capital stock, and the Town Hall Board is responsible for the management and control of Town Hall. Town Hall does not own any capital stock, membership or other proprietary interest, directly or indirectly, in any other corporation, association, trust, partnership, joint venture or other entity, other than marketable securities held for investment, and does not have any agreement to acquire any such capital stock, membership or other proprietary interest. The copies of the articles of incorporation and bylaws of Town Hall that have been delivered to LAWAC are complete and correct.

**Section 3.2. Authorization.** The execution and delivery by Town Hall of this Agreement, the performance by Town Hall of its covenants and agreements hereunder, and the consummation by Town Hall of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Town Hall. When executed and delivered by Town Hall and LAWAC, this Agreement shall constitute a valid and legally binding obligation of Town Hall enforceable against Town Hall in accordance with its terms, except as may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other Laws affecting generally the enforceability of creditors’ rights and by general principles of equity (the “Enforceability Exceptions”).

**Section 3.3. Conflicts.**

(a) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein will (i) violate any provision of the articles of incorporation or bylaws of Town Hall, (ii) violate any Law binding upon Town Hall or (iii) conflict with or result in any breach of any of the terms of or constitute a default under or result in the termination of, or the creation or imposition of, any mortgage, deed of trust, security interest, assignment, pledge, lien or other charge or encumbrance of any nature



whatsoever, other than liens for taxes, assessments and governmental charges not yet due or payable, or banker's liens, rights of setoff and other similar liens existing solely with respect to deposit accounts in the ordinary course of business and not securing indebtedness (hereinafter referred to, collectively, as "Liens") pursuant to the terms of any contract or agreement to which Town Hall is a party or by which Town Hall or any of its assets is bound.

(b) No consent, Permit, approval, order, notice to or other authorization of any Governmental Body or third party is required in connection with the execution and delivery by Town Hall of, or performance of its obligations under, this Agreement, other than the submission of this Agreement to the California Attorney General in accordance with Section 2.3.

**Section 3.4. Consents and Approvals.** Except as set forth in Section 3.4 of the Town Hall Disclosure Schedule and except for filings required by the CNPCL, no consents or approvals of or notices to or filings with any Governmental Bodies are necessary in connection with the execution and delivery of this Agreement and the consummation by Town Hall of the Merger. The only material third-party consents necessary in connection with (a) the execution and delivery by Town Hall of this Agreement and (b) the consummation of the transactions contemplated hereby not referenced above are set forth in Section 3.4 of the Town Hall Disclosure Schedule.

**Section 3.5. Financial Statements.**

(a) Prior to the date of this Agreement, Town Hall has delivered to LAWAC true and complete copies of (i) the reviewed consolidated financial statements of Town Hall for the annual period ended, and as of, December 31, 2017, together with the audit reports thereon of Quigley & Miron (collectively, the "Town Hall Reviewed Financial Statements"), and (ii) the unaudited consolidated financial statements of Town Hall for the 12-month period ended December 31, 2018 (the "Town Hall Unaudited Financial Statements" and, together with the Town Hall Audited Financial Statements, the "Town Hall Financial Statements"). Each of the Town Hall Financial Statements has been prepared in accordance with the books and records of Town Hall and fairly present, in all material respects and in accordance with GAAP, the consolidated financial position of Town Hall, as of the respective dates thereof, the consolidated statement of activities and the consolidated statements of cash flows for the periods covered thereby except, in the case of the Town Hall Unaudited Financial Statements, for the absence of footnotes (that, if presented, would not differ materially from those included in the consolidated balance sheet contained in the most recent Town Hall Audited Financial Statements) and normal recurring year-end adjustments (the effect of which will not, individually or in the aggregate, be materially adverse).

(b) Except as (and to the extent) accrued for in the most recent consolidated balance sheet included in the Town Hall Financial Statements, Town Hall has no obligation or liability (of any nature, whether or not accrued, contingent, unliquidated or otherwise) that would be required by GAAP to be reflected on a Town Hall consolidated balance sheet or in financial footnotes, except (i) as and to the extent set forth on such consolidated balance sheet or in the related footnotes and (ii) current liabilities incurred since December 31, 2017 in the ordinary course of business and not prohibited by this Agreement and that

are, in the aggregate, not material. Since December 31, 2017, there has been no threat by any person or entity regarding the assertion against Town Hall of any obligation or liability, except obligations or liabilities described in the preceding sentence or for which a sufficient amount is reserved in the Town Hall Financial Statements.

(c) Since December 31, 2017, none of Town Hall or, to Town Hall's Knowledge, any officer, director, executive employee, auditor, or accountant of Town Hall, has received or otherwise obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of Town Hall or its internal accounting controls relating to periods after December 31, 2018, including any material complaint, allegation, assertion or claim that Town Hall has engaged in questionable accounting or auditing practices.

(d) Town Hall is not a party to, or has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar contract or arrangement, where the purpose or intended effect of such contract or arrangement is to avoid disclosure of any material transaction involving, or material liabilities of, Town Hall.

(e) The books and records of Town Hall are in all material respects complete and accurate and have been maintained in the ordinary course of business and in accordance with applicable Laws and accounting requirements. The records, systems, controls, data and information of Town Hall are recorded, stored, maintained and operated under means (including any electronic, mechanical or photograph processes, whether computerized or not) that are under the exclusive ownership and direct control of Town Hall or its accountants (including all means of access thereto and therefrom), except for any non-exclusive ownership and non-direct control that would not reasonably be expected to have a Material Adverse Change on Town Hall's system of internal accounting controls described in the next sentence. Town Hall maintains internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

**Section 3.6. No Material Adverse Changes; No Private Inurement.** From December 31, 2018 through the date hereof, (x) there has been no Material Adverse Change in Town Hall's business, operations, financial condition or assets and (y) Town Hall has conducted its business consistently with Section 5.1. No part of the net earnings of Town Hall has inured to the benefit of any director or officer of Town Hall, or any private individual (except for reasonable compensation paid for services rendered to or for Town Hall effecting one or more of its purposes), and no director or officer of Town Hall, or any private individual, is entitled to share in the distribution of any of its assets on dissolution of Town Hall.

**Section 3.7. Taxes and Information Returns.**

(a) For a period of at least six (6) years prior to the Effective Time, Town Hall has filed or caused to be filed all material Tax Returns required to be filed by it, and has paid or caused to be paid all Taxes which have been due with respect to the periods covered by said returns and any period prior to Closing, or pursuant to any assessment received by it in connection therewith. For a period of at least six (6) years prior to the Effective Time, no deficiency in payment of any Taxes has been asserted by any taxing authority which remains unsettled at the date hereof. No audit of any Tax Return or audit of unemployment contributions is currently pending and Town Hall has not received any notice of any Tax Return audit or any unemployment contribution audit. Town Hall has not agreed to the extension of the statute of limitations with respect to any Tax Return. Town Hall has delivered to LAWAC complete and correct copies of its federal and state Tax Returns in respect of the last three years. For a period of at least six (6) years prior to the Effective Time, Town Hall has withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor or other third party, and all W-2 and 1099 forms required with respect thereto have been properly completed and timely filed and issued.

(b) For a period of at least six (6) years prior to the Effective Time, Town Hall has not conducted or carried on any activities not permitted to be conducted or carried on by an organization exempt from federal income Tax under Section 501(c)(3) of the Code, and during such time, Town Hall has not carried on, otherwise than as an insubstantial part of its activities, activities that are not in furtherance of its respective purposes set forth in its articles of incorporation. For a period of at least six (6) years prior to the Effective Time, Town Hall has not entered into any “excess benefit transaction” (as such term is defined in Section 4958 of the Code), nor has any “disqualified person” (as such term is defined in Section 4958 of the Code) associated with Town Hall participated in or approved any “excess benefit transaction.”

(c) The IRS has not taken or proposed to take any action to revoke the tax exemption of Town Hall and has not notified Town Hall of any inquiry concerning Town Hall’s tax-exempt status.

**Section 3.8. Title and Condition of Equipment.** Town Hall has good and valid title to all of its material assets, free and clear of all Liens. Town Hall leases or owns all properties and assets necessary for the operation of its business and activities as currently conducted. All the tangible personal property owned or leased by Town Hall is in good operating condition and repair, subject only to ordinary wear and tear, and conforms in all material respects to all applicable Laws relating to their operation.

**Section 3.9. Real Estate.** Town Hall does not own and has not, for the last six (6) years, owned, any real property in fee simple.

**Section 3.10. Contracts.**

(a) Except as described on Schedule 3.10(a), Town Hall is not a party to any contract or agreement (whether written or oral):

(1) with respect to the employment of any officers, directors, employees or consultants, other than in the ordinary course of business consistent with past practice;

(2) that upon execution of this Agreement or consummation of the transactions contemplated by this Agreement (including the Merger) will (either alone or upon the occurrence of any additional acts or events) result in any material payment or benefits (whether of severance pay or otherwise) becoming due from Town Hall or LAWAC to any director, officer or employee of Town Hall;

(3) that contains a non-compete or donor non-solicit requirement or any other provision that materially restricts the conduct of, or the manner of conducting, any line of business of Town Hall or, following the Closing, the Surviving Corporation;

(4) that relates to any indebtedness for borrowed money or any indebtedness evidenced by a note, bond, debenture or similar instrument, in each case in excess of \$1,000;

(5) that obligates Town Hall or, following the Closing, the Surviving Corporation, to conduct material business with any third party on an exclusive or preferential basis;

(6) which by its express terms required or requires payments of more than \$5,000 by, or to, Town Hall in the fiscal year ended December 31, 2018 or in the fiscal year ending December 31, 2019;

(7) that imposes any material indemnification obligations on Town Hall;

(8) that relates to a funding commitment by a donor in excess of \$1,000;  
or

(9) not made in the ordinary course of business that is or would reasonably be expected to be material to Town Hall.

(b) Each contract or agreement described in Schedule 3.10(a) to which Town Hall is bound is referred to herein as a "Town Hall Contract." True, correct and complete copies of each Town Hall Contract have been provided or made available to LAWAC prior to the date hereof. Each Town Hall Contract is valid and binding on Town Hall and, to Town Hall's Knowledge, the other parties thereto, is enforceable against Town Hall and, to Town Hall's Knowledge, the other parties thereto in accordance with its terms, and is in full force and effect. Town Hall has duly performed in all material respects all obligations required to be performed by it prior to the date hereof under each Town Hall Contract. No event or condition exists that constitutes or, after notice or lapse of time or both, will constitute, a breach, violation or default on the part of Town Hall under any such Town Hall Contract or provide any other party thereto with the right to terminate such Town Hall Contract.

**Section 3.11. Intellectual Property.**

(a) Town Hall owns, licenses or otherwise has a right to use all Town Hall Intellectual Property. To Town Hall's Knowledge, (i) Town Hall Intellectual Property constitutes all of the Intellectual Property necessary to carry on the business of Town Hall as currently conducted and (ii) Town Hall Intellectual Property owned by Town Hall is valid and subsisting.

(b) To Town Hall's Knowledge, the conduct of the business of Town Hall does not violate, misappropriate or infringe upon the Intellectual Property rights of any third party, and Town Hall has not received written notice alleging any such violation, misappropriation or infringement. To Town Hall's Knowledge, no third party has violated, misappropriated or infringed upon any Town Hall Intellectual Property owned by Town Hall.

**Section 3.12. Employee Benefits.**

(a) Town Hall has made available to LAWAC a true, correct and complete list of each deferred compensation and each bonus or other incentive compensation plan, program, agreement or arrangement; each severance or termination pay, medical, surgical, hospitalization, life insurance and other "welfare" plan, fund or program (within the meaning of Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")); each profit-sharing or other "pension" plan, fund or program (within the meaning of Section 3(2) of ERISA); each employment, termination or severance agreement; and each other employee benefit plan, fund, program, agreement or arrangement (each a "Benefit Plan"), in each case, that is sponsored, maintained, administered or contributed to or required to be contributed to by Town Hall, or by any trade or business, whether or not incorporated, that together with Town Hall would be deemed a "single employer" within the meaning of Section 4001(b)(1) of ERISA (an "ERISA Affiliate"), or to which Town Hall or an ERISA Affiliate is party, whether written or oral, for the benefit of any current or former director, or current or former employee of Town Hall (the "Town Hall Benefit Plans"). Town Hall has made available to LAWAC, as applicable, a list of current employees and written job descriptions(s) for those employees, overtime exemption classification(s), and/or workplace policy(ies). Each of the Town Hall Benefit Plans has been and is operated and administered in compliance with its terms and the applicable requirements of the Code, ERISA, and other applicable Law, and may in accordance with its terms be amended and/or terminated, and Town Hall and each ERISA Affiliate has made all contributions and insurance premiums to each of the Town Hall Benefit Plans when due and none of the foregoing is subject to a civil penalty or Tax for any prior action. The transactions contemplated by this Agreement shall not, either alone or in connection with subsequent action, result in the payment or acceleration of any compensation or benefits to any employees or consultants of Town Hall or the imposition of any civil penalty or Tax.

(b) Neither Town Hall nor any ERISA Affiliate sponsors, maintains, administers, contributes to, is obligated to contribute to, or has ever been obligated to contribute to a "multiemployer plan" within the meaning of Section 3(37) of ERISA or under applicable Law.

(c) Town Hall does not sponsor, maintain, administer, contribute to, or have any liability or obligation with respect to an employee welfare benefit plan that provides health or life insurance or other benefits for current or future retired or terminated employees, members or directors (or any spouse or dependents thereof) except to the extent required by Law.

**Section 3.13. Employees and Certain Employment Matters.**

(a) Town Hall has made available to LAWAC the following information for each employee of Town Hall ("Town Hall Employee List"), including each employee on leave of absence or layoff status: name; job title; current compensation paid or payable (including any bonuses paid or payable) and any change in compensation since January 1, 2018; vacation accrued; sick time accrued; any other paid time off accrued; date of hire; for any employee on leave of absence, the basis/reason for the leave of absence, the start date of the leave of absence, and the expected date of return; whether the employment relationship is at-will or, if other than at-will, the nature of the employment relationship (e.g., for a specified duration, terminate for cause, etc.).

(b) To Town Hall's Knowledge, no officer or other key employee of Town Hall intends to terminate his or her employment with Town Hall.

(c) Each Person that renders, or has rendered, services to Town Hall who is, or was, classified by Town Hall as an independent contractor or other nonemployee for any purpose (including for purposes of taxation and tax reporting and under Town Hall Benefit Plans) is, or was, so properly classified.

(d) Town Hall is and has been in compliance in all material respects with all applicable Laws relating to employment and employment practices, including, without limitation, all laws respecting terms and conditions of employment, occupational safety and health, wages and hours, child labor, immigration, employment discrimination, disability rights or benefits, equal opportunity, plant closures and layoffs, affirmative action, workers' compensation, labor relations, employee leave issues and unemployment insurance.

(e) Town Hall is not delinquent in payments to any employees or former employees for any services or amounts required to be reimbursed or otherwise paid.

(f) Town Hall has not received notice of any complaint, lawsuit or other proceeding pending or threatened in any forum by or on behalf of any present or former employee of Town Hall, any applicant for employment or classes of the foregoing alleging breach of any express or implied contract of employment, any applicable Law governing employment or the termination thereof or other discriminatory, wrongful or tortious conduct in connection with the employment relationship.

**Section 3.14. Insurance.** Town Hall has provided to LAWAC a true, complete and correct copy of each insurance policy relating to the business, assets and operations of Town Hall. Such policies are in full force and effect, all premiums due thereon have been paid, and Town Hall has complied with the provisions of such policies. Town Hall has not received: (a) any refusal of coverage or any notice that a defense will be afforded with reservation of rights; or (b) any notice

of cancellation or any other indication in writing that any insurance policy is no longer in full force or effect or will not be renewed or that the issuer of any policy is not willing or able to perform its obligations thereunder.

**Section 3.15. Disputes and Litigation.** There is no material action, suit, charge, proceeding or claim, pending or threatened, by any private Person or by any Governmental Body, and there is no civil, criminal or administrative investigation by any Governmental Body, pending or threatened, against Town Hall or any of its assets (before any Governmental Body), nor is there any outstanding order, writ, judgment, stipulation, injunction, decree, determination, award or other order of any Governmental Body against Town Hall or any of its assets. For the avoidance of doubt, “assets,” as such term is used in this Section 3.15, shall include any Town Hall Benefit Plan. To Town Hall’s Knowledge, there is no action, suit, charge, proceeding or claim or any investigation by any Governmental Body against any director, employee, officer or volunteer of Town Hall in connection with services rendered by any such director, employee, officer or volunteer to, or on behalf of, Town Hall.

**Section 3.16. Compliance with Laws.** Town Hall is in compliance in all material respects with each Law that is or was applicable to it or to the conduct or operation of its business or the ownership or use of any of its assets or properties. Town Hall has not received any written notice from any Governmental Body or any other Person regarding any actual, alleged, possible, or potential violation of, or failure to comply with, any Law.

**Section 3.17. Licenses; Franchises, Rights.** Town Hall has (or has made timely application for) Permits necessary to enable Town Hall to carry on its business and activities as currently conducted. Schedule 3.17 identifies each Permit required to be determined or maintained by Town Hall in order to presently conduct its purpose. Town Hall has provided access to copies of each such Permit to LAWAC, and (a) all such Permits are in full force and effect, (b) there has been no default or breach thereunder and (c) there is no pending or threatened proceeding under which any Permit may be revoked, terminated or suspended. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, will not adversely affect the ability of the Surviving Corporation to fully enjoy the benefits of any such Permit after the Merger.

**Section 3.18. Restricted Endowment.** Except as provided in Schedule 3.18, no gifts or funds held by or for the benefit of Town Hall are subject to donor restrictions.

## **ARTICLE 4**

### **REPRESENTATIONS AND WARRANTIES OF LAWAC**

Except (a) as set forth in the corresponding section or subsection of the disclosure schedule delivered by LAWAC to Town Hall concurrently with the execution and delivery by LAWAC of this Agreement (the “LAWAC Disclosure Schedule”) or (b) for any exception or disclosure set forth in any other section or subsection of the LAWAC Disclosure Schedule to the extent it is reasonably apparent on the face of such disclosure that such exception or disclosure is applicable to qualify such representation and warranty of this Article 4, LAWAC hereby represents and warrants to Town Hall as follows:

**Section 4.1. Organization; Affiliates.** LAWAC is a nonprofit corporation duly incorporated, validly existing and in good standing under the laws of the State of California, and has the requisite corporate power and authority to conduct its business and activities as conducted. LAWAC is not required to be qualified to do business as a foreign corporation in any other jurisdiction in order to conduct its business and activities as conducted. LAWAC is, and has been for a period of at least six (6) years prior to the Effective Time, a corporation organized and operated exclusively for charitable, scientific or educational purposes, within the meaning of Section 501(c)(3) of the Code and does not operate for the purpose of carrying on a trade or business for profit. The IRS has issued to LAWAC a determination letter confirming such status under Section 501(c)(3) of the Code, and such letter remains in full force and effect. A true, correct and complete copy of such letter has been provided to Town Hall. LAWAC does not have any authorized or issued shares of capital stock, and the LAWAC Board is responsible for the management and control of LAWAC. LAWAC does not own any capital stock, membership or other proprietary interest, directly or indirectly, in any other corporation, association, trust, partnership, joint venture or other entity, other than marketable securities held for investment, and does not have any agreement to acquire any such capital stock, membership or other proprietary interest. The copies of the articles of incorporation and bylaws of LAWAC that have been delivered to Town Hall are complete and correct.

**Section 4.2. Authorization.** The execution and delivery by LAWAC of this Agreement, the performance by LAWAC of its covenants and agreements hereunder, and the consummation by LAWAC of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of LAWAC, subject to the approval by the LAWAC members of the Merger, the Articles Amendment and the Bylaws Amendment. When executed and delivered by LAWAC and Town Hall, this Agreement shall constitute a valid and legally binding obligation of LAWAC enforceable against LAWAC in accordance with its terms, except as may be limited by the Enforceability Exceptions.

**Section 4.3. Members and Member Vote.** This Agreement and the transactions contemplated hereby, including the Merger, the Articles Amendment and the Bylaws Amendment, require approval by the members of LAWAC by an affirmative vote of a majority of the votes represented and voting at a duly held meeting of members at which a quorum is present pursuant to the bylaws of LAWAC and Section 5034 of the CNPCL.

**Section 4.4. Conflicts.**



(a) Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated herein will (i) violate any provision of the articles of incorporation or bylaws of LAWAC, (ii) violate any Law binding upon LAWAC or (iii) conflict with or result in any breach of any of the terms of or constitute a default under or result in the termination of, or the creation or imposition of, any Lien of any nature pursuant to the terms of any contract or agreement to which LAWAC is a party or by which LAWAC or any of its assets is bound.

(b) No consent, Permit, approval, order, notice to or other authorization of any Governmental Body or third party is required in connection with the execution and delivery by LAWAC of, or performance of its obligations under, this Agreement, other than the submission of this Agreement to the California Attorney General in accordance with Section 2.3.

**Section 4.5. Consents and Approvals.** Except as set forth in Section 4.5 of the LAWAC Disclosure Schedule and except for filings required by the CNPCL, no consents or approvals of or notices to or filings with any Governmental Bodies are necessary in connection with the execution and delivery of this Agreement and the consummation by LAWAC of the Merger. The only material third-party consents necessary in connection with (a) the execution and delivery by LAWAC of this Agreement and (b) the consummation of the transactions contemplated hereby not referenced above are set forth in Section 4.5 of the LAWAC Disclosure Schedule.

**Section 4.6. Financial Statements.**

(a) Prior to the date of this Agreement, LAWAC has delivered to Town Hall true and complete copies of (i) the audited consolidated financial statements of LAWAC for the annual period ended, and as of, June 30, 2018, together with the audit reports thereon of Zuehls, Legaspi & Company (collectively, the "LAWAC Audited Financial Statements") and (ii) the unaudited consolidated financial statements of LAWAC for the three-month period ended September 30, 2018 (the "LAWAC Unaudited Financial Statements") and, together with the LAWAC Audited Financial Statements, the "LAWAC Financial Statements"). Each of the LAWAC Financial Statements has been prepared in accordance with the books and records of LAWAC and fairly present, in all material respects and in accordance with GAAP, the consolidated financial position of LAWAC, as of the respective dates thereof, the consolidated statement of activities and the consolidated statements of cash flows for the periods covered thereby except, in the case of the LAWAC Unaudited Financial Statements, for the absence of footnotes (that, if presented, would not differ materially from those included in the consolidated balance sheet contained in the most recent LAWAC Audited Financial Statements) and normal recurring year-end adjustments (the effect of which will not, individually or in the aggregate, be materially adverse).

(b) Except as (and to the extent) accrued for in the most recent consolidated balance sheet included in the LAWAC Financial Statements, LAWAC has no obligation or liability (of any nature, whether or not accrued, contingent, unliquidated or otherwise) that would be required by GAAP to be reflected on a LAWAC consolidated balance sheet or in financial footnotes, except (i) as and to the extent set forth on such consolidated

balance sheet or in the related footnotes and (ii) current liabilities incurred since June 30, 2018 in the ordinary course of business and not prohibited by this Agreement and that are, in the aggregate, not material. Since June 30, 2018, there has been no threat by any person or entity regarding the assertion against LAWAC of any obligation or liability, except obligations or liabilities described in the preceding sentence or for which a sufficient amount is reserved in the LAWAC Financial Statements.

(c) Since June 30, 2018, none of LAWAC or, to LAWAC's Knowledge, any officer, director, executive employee, auditor, or accountant of LAWAC, has received or otherwise obtained knowledge of any material complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of LAWAC or its internal accounting controls relating to periods after June 30, 2018, including any material complaint, allegation, assertion or claim that LAWAC has engaged in questionable accounting or auditing practices.

(d) LAWAC is not a party to, or has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar contract or arrangement, where the purpose or intended effect of such contract or arrangement is to avoid disclosure of any material transaction involving, or material liabilities of, LAWAC.

(e) The books and records of LAWAC are in all material respects complete and accurate and have been maintained in the ordinary course of business and in accordance with applicable Laws and accounting requirements. The records, systems, controls, data and information of LAWAC are recorded, stored, maintained and operated under means (including any electronic, mechanical or photograph processes, whether computerized or not) that are under the exclusive ownership and direct control of LAWAC or its accountants (including all means of access thereto and therefrom), except for any non-exclusive ownership and non-direct control that would not reasonably be expected to have a Material Adverse Change on LAWAC's system of internal accounting controls described in the next sentence. LAWAC maintains internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

**Section 4.7. No Material Adverse Changes; No Private Inurement.** From September 30, 2018 through the date hereof, (x) there has been no Material Adverse Change in LAWAC's business, operations, financial condition or assets and (y) LAWAC has conducted its business consistently with Section 5.1. No part of the net earnings of LAWAC has inured to the benefit of any director or officer of LAWAC, or any private individual (except for reasonable compensation paid for services rendered to or for LAWAC effecting one or more of its purposes), and no director or officer of LAWAC, or any private individual, is entitled to share in the distribution of any of its assets on dissolution of LAWAC.

**Section 4.8. Taxes and Information Returns.**

(a) For a period of at least six (6) years prior to the Effective Time, LAWAC has filed or caused to be filed all material Tax Returns required to be filed by it, and has paid or caused to be paid all Taxes which have been due with respect to the periods covered by said returns and any period prior to Closing, or pursuant to any assessment received by it in connection therewith. For a period of at least six (6) years prior to the Effective Time, no deficiency in payment of any Taxes has been asserted by any taxing authority which remains unsettled at the date hereof. No audit of any Tax Return or audit of unemployment contributions is currently pending and LAWAC has not received any notice of any Tax Return audit or any unemployment contribution audit. LAWAC has not agreed to the extension of the statute of limitations with respect to any Tax Return. LAWAC has delivered to Town Hall complete and correct copies of its federal and state Tax Returns in respect of the last three years. For a period of at least six (6) years prior to the Effective Time, LAWAC has withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor or other third party, and all W-2 and 1099 forms required with respect thereto have been properly completed and timely filed and issued.

(b) For a period of at least six (6) years prior to the Effective Time, LAWAC has not conducted or carried on any activities not permitted to be conducted or carried on by an organization exempt from federal income Tax under Section 501(c)(3) of the Code, and during such time, LAWAC has not carried on, otherwise than as an insubstantial part of its activities, activities that are not in furtherance of its respective purposes set forth in its articles of incorporation. For a period of at least six (6) years prior to the Effective Time, LAWAC has not entered into any “excess benefit transaction” as such term is defined in Section 4958 of the Code, nor has any “disqualified person” (as such term is defined in Section 4958 of the Code) associated with LAWAC participated in or approved any “excess benefit transaction.”

(c) The IRS has not taken or proposed to take any action to revoke the tax exemption of LAWAC and has not notified LAWAC of any inquiry concerning LAWAC’s tax-exempt status.

**Section 4.9. Title and Condition of Equipment.** LAWAC has good and valid title to all of its material assets, free and clear of all Liens. LAWAC leases or owns all properties and assets necessary for the operation of its business and activities as currently conducted. All the tangible personal property owned or leased by LAWAC is in good operating condition and repair, subject only to ordinary wear and tear, and conforms in all material respects to all applicable Laws relating to their operation.

**Section 4.10. Real Estate.** LAWAC does not own, and has not, for the last six (6) years, owned, any real property in fee simple.

**Section 4.11. Contracts.**

(a) Except as described on Schedule 4.11(a), LAWAC is not a party to any contract or agreement (whether written or oral):

(1) with respect to the employment of any officers, directors, employees or consultants, other than in the ordinary course of business consistent with past practice;

(2) that upon execution of this Agreement or consummation of the transactions contemplated by this Agreement (including the Merger) will (either alone or upon the occurrence of any additional acts or events) result in any material payment or benefits (whether of severance pay or otherwise) becoming due from LAWAC, or Town Hall to any director, officer or employee of LAWAC;

(3) that contains a non-compete or donor non-solicit requirement or any other provision that materially restricts the conduct of, or the manner of conducting, any line of business of LAWAC or, following the Closing, LAWATH;

(4) that relates to any indebtedness for borrowed money or any indebtedness evidenced by a note, bond, debenture or similar instrument, in each case in excess of \$1,000;

(5) that obligates LAWAC or, following the Closing, the Surviving Corporation to conduct material business with any third party on an exclusive or preferential basis;

(6) which by its express terms required or requires payments of more than \$5,000 by, or to, LAWAC in the fiscal year ended June 30, 2018 or in the fiscal year ending June 30, 2019;

(7) that imposes any material indemnification obligations on LAWAC;

(8) that relates to a funding commitment by a donor in excess of \$1,000;

or

(9) not made in the ordinary course of business that is or would reasonably be expected to be material to LAWAC.

(b) Each contract or agreement described in Schedule 4.11(a) to which LAWAC is bound is referred to herein as a "LAWAC Contract." True, correct and complete copies of each LAWAC Contract have been provided or made available to Town Hall prior to the date hereof. Each LAWAC Contract is valid and binding on LAWAC and, to LAWAC's Knowledge, the other parties thereto, is enforceable against LAWAC and, to LAWAC's Knowledge, the other parties thereto in accordance with its terms, and is in full force and effect. LAWAC has duly performed in all material respects all obligations required to be performed by it prior to the date hereof under each LAWAC Contract. No event or condition exists that constitutes or, after notice or lapse of time or both, will constitute, a breach, violation or default on the part of LAWAC under any such LAWAC Contract or provide any other party thereto with the right to terminate such LAWAC Contract.

#### **Section 4.12. Intellectual Property.**

(a) LAWAC owns, licenses or otherwise has a right to use all LAWAC Intellectual Property. To LAWAC's Knowledge, (i) LAWAC Intellectual Property constitutes all of the Intellectual Property necessary to carry on the business of LAWAC as currently conducted and (ii) LAWAC Intellectual Property owned by LAWAC is valid and subsisting.

(b) To LAWAC's Knowledge, the conduct of the business of LAWAC does not violate, misappropriate or infringe upon the Intellectual Property rights of any third party, and LAWAC has not received written notice alleging any such violation, misappropriation or infringement. To LAWAC's Knowledge, no third party has violated, misappropriated or infringed upon any LAWAC Intellectual Property owned by LAWAC.

**Section 4.13. Employee Benefits.**

(a) LAWAC has made available to Town Hall a true, correct and complete list of each Benefit Plan, in each case, that is sponsored, maintained, administered or contributed to or required to be contributed to by LAWAC, or by any ERISA Affiliate, or to which LAWAC or an ERISA Affiliate is party, whether written or oral, for the benefit of any current or former director, or current or former employee of LAWAC (the "LAWAC Benefit Plans"). LAWAC has made available to Town Hall, as applicable, a list of current employees and written job descriptions(s) for those employees, overtime exemption classification(s), and/or workplace policy(ies). Each of the LAWAC Benefit Plans has been and is operated and administered in compliance with its terms and the applicable requirements of the Code, ERISA, and other applicable Law, and may in accordance with its terms be amended and/or terminated, and LAWAC and each ERISA Affiliate has made all contributions and insurance premiums to each of the LAWAC Benefit Plans when due and none of the foregoing is subject to a civil penalty or Tax for any prior action. The transactions contemplated by this Agreement shall not, either alone or in connection with subsequent action, result in the payment or acceleration of any compensation or benefits to any employees or consultants of LAWAC or the imposition of any civil penalty or Tax.

(b) Neither LAWAC nor any ERISA Affiliate sponsors, maintains, administers, contributes to, is obligated to contribute to, or has ever been obligated to contribute to a "multiemployer plan" within the meaning of Section 3(37) of ERISA or under applicable Law.

(c) LAWAC does not sponsor, maintain, administer, contribute to, or have any liability or obligation with respect to an employee welfare benefit plan that provides health or life insurance or other benefits for current or future retired or terminated employees, members or directors (or any spouse or dependents thereof) except to the extent required by Law.

**Section 4.14. Employees and Certain Employment Matters.**

(a) LAWAC has made available to Town Hall the following information for each employee of LAWAC, including each employee on leave of absence or layoff status: name; job title; current compensation paid or payable (including any bonuses paid or payable) and any change in compensation since January 1, 2018; vacation accrued; sick time accrued; any other paid time off accrued; date of hire; for any employee on leave of

absence, the basis/reason for the leave of absence, the start date of the leave of absence, and the expected date of return; whether the employment relationship is at-will or, if other than at-will, the nature of the employment relationship (e.g., for a specified duration, terminate for cause, etc.).

(b) To LAWAC's Knowledge, no officer or other key employee of LAWAC intends to terminate his or her employment with LAWAC.

(c) Each Person that renders, or has rendered, services to LAWAC who is, or was, classified by LAWAC as an independent contractor or other nonemployee for any purpose (including for purposes of taxation and tax reporting and under LAWAC Benefit Plans) is, or was, so properly classified.

(d) LAWAC is and has been in compliance in all material respects with all applicable Laws relating to employment and employment practices, including, without limitation, all laws respecting terms and conditions of employment, occupational safety and health, wages and hours, child labor, immigration, employment discrimination, disability rights or benefits, equal opportunity, plant closures and layoffs, affirmative action, workers' compensation, labor relations, employee leave issues and unemployment insurance.

(e) LAWAC is not delinquent in payments to any employees or former employees for any services or amounts required to be reimbursed or otherwise paid.

(f) LAWAC has not received notice of any complaint, lawsuit or other proceeding pending or threatened in any forum by or on behalf of any present or former employee of LAWAC, any applicant for employment or classes of the foregoing alleging breach of any express or implied contract of employment, any applicable Law governing employment or the termination thereof or other discriminatory, wrongful or tortious conduct in connection with the employment relationship.

**Section 4.15. Insurance.** LAWAC has provided to Town Hall a true, complete and correct copy of each insurance policy relating to the business, assets and operations of LAWAC. Such policies are in full force and effect, all premiums due thereon have been paid, and LAWAC has complied with the provisions of such policies. LAWAC has not received: (a) any refusal of coverage or any notice that a defense will be afforded with reservation of rights or (b) any notice of cancellation or any other indication in writing that any insurance policy is no longer in full force or effect or will not be renewed or that the issuer of any policy is not willing or able to perform its obligations thereunder.

**Section 4.16. Disputes and Litigation.** There is no material action, suit, charge, proceeding, or claim, pending or threatened, by any private Person or by any Governmental Body, and there is no civil, criminal or administrative investigation by any Governmental Body, pending or threatened, against LAWAC or any of its assets (before any Governmental Body), nor is there any outstanding order, writ, judgment, stipulation, injunction, decree, determination, award or other order of any Governmental Body against LAWAC or any of its assets. For the avoidance of doubt, "assets," as such term is used in this Section 4.16, shall include any LAWAC Benefit Plan. To LAWAC's Knowledge, there is no action, suit, charge, proceeding or claim or any investigation

by any Governmental Body against any director, employee, officer or volunteer of LAWAC in connection with services rendered by any such director, employee, officer or volunteer to, or on behalf of, LAWAC.

**Section 4.17. Compliance with Laws.** LAWAC is in compliance in all material respects with each Law that is or was applicable to it or to the conduct or operation of its business or the ownership or use of any of its assets or properties. LAWAC has not received any written notice from any Governmental Body or any other Person regarding any actual, alleged, possible, or potential violation of, or failure to comply with, any Law.

**Section 4.18. Licenses; Franchises, Rights.** LAWAC has (or has made timely application for) Permits necessary to enable LAWAC to carry on its business and activities as currently conducted. Schedule 4.18 identifies each Permit required to be determined or maintained by LAWAC in order to presently conduct its purpose. LAWAC has provided access to copies of each such Permit to LAWAC, and (a) all such Permits are in full force and effect, (b) there has been no default or breach thereunder, and (c) there is no pending or threatened proceeding under which any Permit may be revoked, terminated or suspended. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, will not adversely affect the ability of the Surviving Corporation to fully enjoy the benefits of any such Permit after the Merger.

**Section 4.19. Restricted Endowment.** Except as provided in Schedule 4.19, no gifts or funds held by or for the benefit of LAWAC are subject to donor restrictions.

## ARTICLE 5 COVENANTS

**Section 5.1. General Pre-Closing Covenants.** Each of LAWAC and Town Hall hereby covenants and agrees that, except (a) as otherwise required by the terms of this Agreement, (b) as may be required to comply with applicable Law or as may be required by any Governmental Body or (c) as consented to in writing by the other Party from and after the date of this Agreement and until the Closing or earlier termination of this Agreement, each of LAWAC and Town Hall shall:

- (i) operate only in the ordinary course of business;
- (ii) use its commercially reasonable efforts (a) to preserve its present business organization, (b) to keep available the services of its present executive officers and key employees, (c) to maintain its present material business relationships, (d) to maintain and keep current, and cause each of its employees and agents to maintain and keep current, all Permits necessary to enable it to carry on its business and activities, and (e) to comply with all Laws applicable to it and to the conduct of its business or activities;
- (iii) cooperate and coordinate with each other in the promotion of each other's events and in planning and promoting jointly sponsored events;

(iv) make no purchase, sale, or lease in respect of, nor introduce any method of management or operation in respect of, its business or activities or its assets, except in the ordinary course of business and in a manner consistent with prior practice;

(v) maintain, preserve, and in no way encumber its assets;

(vi) maintain its books and records in accordance with good business practices, on a basis consistent with prior practice, but in all respects in accordance with GAAP;

(vii) not incur, or agree to incur, any indebtedness, nor mortgage, pledge, or subject to Lien any of its assets, other than restrictions placed on donations, gifts or bequests by the donor or grantor thereof;

(viii) not take any action which would result in any breach of any of its representations, warranties or covenants contained herein; and

(ix) not take any action which would result in the loss of its tax-exempt status under Section 501(c)(3) of the Code.

**Section 5.2. Regulatory Approvals.**

(a) Subject to the terms and conditions of this Agreement, each Party shall use commercially reasonable efforts to take, or cause to be taken, all actions, and do, or cause to be done, and assist and cooperate with the other Parties in doing, all things necessary to cause the conditions to the Closing set forth in Article 6 and Article 7 to be satisfied as promptly as reasonably practicable and to effect the Closing as promptly as reasonably practicable, including (i) submitting this Agreement to the California Attorney General and (ii) executing and delivering any additional instruments that are necessary to consummate the Merger.

(b) In connection with and without limiting the generality of Section 5.2(a), each of Town Hall and LAWAC shall file or cause to be filed with the California Attorney General a copy of this Agreement at least twenty (20) days prior to the Effective Time of the Merger, pursuant to the requirements of California Corporations Code Section 6010(b). Town Hall and LAWAC acknowledge the authority of the California Attorney General to review this Agreement and, as may become necessary, will make their responsible best efforts to respond to the California Attorney General's requests or requirements and to comply with all applicable laws and regulations relating thereto.

**Section 5.3. Corporate Approvals.**

(a) As promptly as reasonably practicable after the date of this Agreement, LAWAC (in consultation with Town Hall) shall prepare a notice (the "Notice") for a special meeting of the LAWAC members (the "LAWAC Member Meeting") to be sent to the LAWAC members. Town Hall shall furnish all information concerning itself as may be reasonably requested by LAWAC to be included in the Notice and provide such other assistance as may be reasonably requested by LAWAC in connection therewith.



(b) Notwithstanding anything to the contrary herein, prior to mailing the Notice to LAWAC members, LAWAC shall provide Town Hall with an opportunity to review and comment on such document and consider in good faith and incorporate Town Hall's reasonable comments thereon.

(c) Subject to the earlier termination of this Agreement in accordance with Section 8.1, LAWAC, in reasonable consultation with Town Hall, shall, as promptly as reasonably practicable after the date hereof, establish a record date for, duly call, give notice of, convene and hold the LAWAC Member Meeting for the purpose of seeking the LAWAC Member Approval (as hereinafter defined) and, unless the LAWAC Board has withdrawn its support of this Agreement in accordance with Section 8.1(f), shall use its commercially reasonable efforts to obtain the LAWAC Member Approval.

(d) The LAWAC Board shall recommend that LAWAC's voting members adopt this Agreement and the transactions contemplated hereby, including the Merger, the Articles Amendment and the Bylaws Amendment, and approve the Merger upon the terms and subject to the conditions set forth herein.

**Section 5.4. Access to Information.**

(a) Upon reasonable notice and subject to applicable Laws relating to the confidentiality of information, each of Town Hall and LAWAC shall afford the other Party's officers, employees, accountants, counsel, advisors, agents and other representatives reasonable access, during normal business hours during the period prior to the Effective Time, to all its properties, books, contracts, commitments and records, and, during such period, each of Town Hall and LAWAC shall make available to the other Party any information concerning its business, properties and personnel as the other Party may reasonably request; provided, however, that Town Hall and its representatives and LAWAC and its representatives shall not be entitled to receive from the other Party information directly relating to the negotiation of this Agreement. Neither Town Hall nor LAWAC shall be required to provide the other Party or its representatives access to, or to disclose, information, where such access or disclosure would jeopardize the attorney-client privilege of Town Hall or LAWAC or contravene any Law, rule, regulation, order, judgment, decree, fiduciary duty or binding agreement entered into prior to the date of this Agreement; provided that the Parties shall make appropriate substitute disclosure arrangements under circumstances in which such restrictions apply.

(b) All information and materials provided pursuant to this Agreement shall be subject to the provisions of the Confidentiality Agreement entered into between the Parties as of June 18, 2018.

**Section 5.5. Employee Benefit Plans.** Following the Merger, LAWATH shall include all employees listed on the Town Hall Employee List on the preexisting LAWAC Benefit Plans and ensure that such employees receive benefits that are no less favorable on an aggregate basis than those provided by Town Hall prior to the Merger. Each of Town Hall's employees listed on the Town Hall Employee List shall receive full credit for service and vesting under LAWATH's Benefit Plans based on his or her original hire date by Town Hall, and not the Effective Time.

**Section 5.6. Employment Matters.**

(a) Prior to the Effective Time, LAWAC shall offer employment to each present employee of Town Hall, at a compensation level not less than the level provided to such Town Hall employee immediately prior to the Closing Date. All LAWAC employees shall continue as employees of LAWATH.

(b) Kim McCleary shall be the President and CEO of LAWATH, pursuant to a contract approved by LAWAC and Town Hall, effective at the time of the Merger.

**Section 5.7. Indemnification, Advancement of Expenses and Exculpation.**

(a) LAWAC agrees that, to the fullest extent permitted under applicable Law, all rights in favor of the current or former directors, trustees, officers or employees of Town Hall or any persons who are or were serving at the request of Town Hall as a director, trustee, officer, fiduciary, or agent of another entity (including any Benefit Plan) (collectively, the “Indemnified Parties”) to indemnification, advancement of expenses and exculpation from liabilities for acts or omissions occurring in an Indemnified Party’s capacity as an Indemnified Party at or prior to the Effective Time, whether asserted or claimed prior to, at or after the Effective Time (including any matter in connection with the transactions contemplated by this Agreement), which rights exist at the Effective Time pursuant to the Town Hall articles of incorporation, the Town Hall bylaws, or any contract or agreement with Town Hall, shall be assumed by the Surviving Corporation in the Merger, without further action, at the Effective Time and shall survive the Merger and shall continue in full force and effect in accordance with their respective terms, and shall not be amended, repealed or otherwise modified after the Effective Time in a manner that would adversely affect the rights thereunder of such individuals for acts or omissions occurring in their capacities as Indemnified Parties prior to the Effective Time (including in connection with the transactions contemplated by this Agreement).

(b) From and after the Effective Time, the Surviving Corporation shall indemnify and hold harmless each Indemnified Party, and any person who becomes an Indemnified Party between the date hereof and the Effective Time, against any costs or expenses (including reasonable attorneys’ fees and expenses), judgments, fines, losses, claims, damages or liabilities and amounts paid in settlement incurred in connection with any actual or threatened claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of matters existing or occurring at or prior to the Effective Time, whether asserted or claimed prior to, at or after the Effective Time (including any matters arising in connection with the transactions contemplated by this Agreement), to the fullest extent permitted by applicable Law (and the Surviving Corporation shall also advance expenses as incurred to the fullest extent permitted under applicable Law, provided that the person to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such person is not entitled to indemnification).

(c) Prior to the Closing, Town Hall shall procure directors’ and officers’ liability insurance and fiduciary insurance with a claims period of six (6) years after the Effective Time covering the present and former trustees, officers and directors of Town Hall with respect to claims arising from facts or events that occurred on or before the

Effective Time, including the transactions contemplated hereby, which insurance shall contain terms and conditions (including with respect to coverage) no less advantageous to the Indemnified Parties in any material respect than the existing directors' and officers' liability insurance and fiduciary insurance maintained by Town Hall as of the date hereof. From and after the Effective Time, the Surviving Corporation shall maintain in effect, and not take any action that would materially prejudice the rights of, or otherwise impede recovery by, the beneficiaries of, any insurance policy contemplated by this Section 5.7(c), whether in respect of claims arising before or after the Effective Time.

(d) The obligations of the Surviving Corporation under this Section 5.7 shall not be terminated or modified by such parties in a manner so as to adversely affect any Indemnified Party, or any other person entitled to the benefit of this Section 5.7, to whom this Section 5.7 applies without the consent of the affected Indemnified Party or such other person, as the case may be. If the Surviving Corporation or its successors or assigns (i) shall consolidate with or merge into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any individual, corporation or other entity, then, and in each such case, proper provisions shall be made so that the successors and assigns of the Surviving Corporation shall assume all of the obligations set forth in this Section 5.7.

(e) The provisions of this Section 5.7 are (i) intended to be for the benefit of, and will be enforceable by, each Indemnified Party and his or her heirs and his or her representatives and (ii) in addition to, and not in substitution for, any other rights to indemnification or contribution that any such person may have by contract or otherwise.

**Section 5.8. Continuing Operations.**

(a) Following the Effective Time, Town Hall shall close its office in Downtown Los Angeles and relocate its staff to the LAWAC offices in Culver City. The timing of such relocation shall be coordinated with other aspects of the Operations Plan.

(b) The LAWATH CEO shall prepare the Operations Plan in conjunction with the consolidation of LAWATH's operations in Culver City. The Operations Plan shall include a phasing and execution timeline for consolidating databases, accounting systems, email addresses, websites, program registrations and payments, phone and internet systems and all business operations. All business operations including, without limitation, payroll, accounting, financial reporting, insurance, audits and tax filings, shall be transitioned to be handled internally by staff located in Culver City.

**Section 5.9. Finances and Investments.** Following the Effective Time, decisions regarding financial statements, reserves, LAWATH's educational fund, investment policies, and budgets shall be determined by the LAWATH Investment or Audit Committee, as appropriate, subject to review by the Executive Committee and the LAWATH Board.

**Section 5.10. Memberships.** At the Effective Time, by virtue of the Merger and without any action on the part of LAWAC or Town Hall, all dues paying members of both LAWAC and Town Hall (the "Non-Statutory Members") shall become Non-Statutory Members of the Surviving Corporation, and shall enjoy all benefits of membership in the Surviving Corporation. Prior to the

Effective Time, LAWAC and Town Hall shall reasonably cooperate to establish uniform membership classes, pricing levels, centralized program registration and payments for the Surviving Corporation. The Surviving Corporation shall have no members with voting rights.

**Section 5.11. Young Professionals.** Following the Effective Time, the young professional groups of LAWAC and Town Hall shall be combined to form the young professional group of the Surviving Corporation.

**Section 5.12. American Heritage and LAWAC Student Programs.** Following the Effective Time, the American Heritage Program and LAWAC Student Program shall be integrated in order to ensure a vibrant student presence at all programs. Each program shall maintain the ability to host private meetings and Q&A sessions for students with speakers.

**Section 5.13. Branding and Marketing.** LAWATH shall retain both the LAWAC and Town Hall brands. Both LAWAC and Town Hall shall be referenced at all programs, however, for a period of two (2) years following the consummation of the Merger, LAWAC shall have “lead” billing on programs located in the Westside of Los Angeles and Town Hall shall have “lead” billing on programs located in Downtown Los Angeles.

**Section 5.14. Publicity.** Prior to the Effective Time, any and all publicity (whether written or oral), notices to third Parties (other than to Governmental Bodies) or documentation provided or disclosures made to LAWAC’s voting members concerning the Merger or the other transactions contemplated by this Agreement shall be subject to the prior written approval of both LAWAC and Town Hall.

## **ARTICLE 6**

### **CONDITIONS PRECEDENT TO OBLIGATIONS OF LAWAC**

The obligations of LAWAC to consummate the Merger and the other transactions contemplated hereunder at the Closing are subject to the satisfaction of the following conditions precedent, any or all of which may be waived by LAWAC in its sole discretion.

**Section 6.1. Representations; Warranties; Covenants.** (i) The representations and warranties of Town Hall set forth in Sections 3.1, 3.2, 3.3, 3.6, and 3.7 shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Time, as though made on and as of the Effective Time and (ii) each of the other representations and warranties of Town Hall contained in this Agreement shall be true and correct as of the date of this Agreement and as of the Effective Time, as though made on and as of the Effective Time, except (x) in each case, representations and warranties that are made as of a specific date shall be true and correct only on and as of such date and (y) in the case of clause (ii) where the failure of such representations or warranties to be true and correct (without giving effect to any materiality or “Material Adverse Change” qualifications set forth therein) does not have, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Change on Town Hall. Town Hall shall have complied, in all material respects, with all of its covenants contained herein; and Town Hall shall have delivered to LAWAC a certificate to that effect, dated as of the date of the Closing and executed by a duly authorized officer of Town Hall.

**Section 6.2. Board Approval.** The Town Hall Board shall have approved and not withdrawn this Agreement and the transactions contemplated hereby, including the Merger

(including the Articles Amendment and the Bylaws Amendment), upon the terms and subject to the conditions set forth herein.

**Section 6.3. Material Adverse Change.** There shall not have occurred any Material Adverse Change in Town Hall's business, operations, financial condition, or assets since the date hereof.

**Section 6.4. No Injunctions or Restraints.** Since the date of this Agreement, there must not have been (i) any injunction, order, judgment, or ruling of a court or other Governmental Body against Town Hall restraining, enjoining, or prohibiting the consummation of the Merger or (ii) any Law enacted, issued, promulgated or enforced by a Governmental Body of competent jurisdiction which is in effect and which prohibits the consummation of the Merger.

**Section 6.5. Governmental and Regulatory Approvals.** Town Hall shall have received all required government and regulatory approvals and consents in connection with the Merger and the other transactions contemplated hereunder. Additionally, the California Attorney General waiting period shall have expired or terminated, as applicable.

**Section 6.6. Third Party Approvals.** Town Hall shall have received all material third party approvals and consents required in connection with the Merger and the other transactions contemplated hereunder.

**Section 6.7. Other Certificates.** LAWAC shall have received such additional certificates, instruments and other documents, in form and substance reasonably satisfactory to LAWAC and counsel for LAWAC, as it shall have reasonably requested in connection with the transactions contemplated hereunder.

## **ARTICLE 7 CONDITIONS PRECEDENT TO OBLIGATIONS OF TOWN HALL**

The obligations of Town Hall to consummate the Merger and the other transactions contemplated hereunder at the Closing are subject to the satisfaction of the following conditions precedent, any or all of which may be waived by Town Hall in its sole discretion.

**Section 7.1. Representations; Warranties; Covenants.** (i) The representations and warranties of LAWAC set forth in Sections 4.1, 4.2, 4.3, 4.7, and 4.8 shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Time, as though made on and as of the Effective Time and (ii) each of the other representations and warranties of LAWAC contained in this Agreement shall be true and correct as of the date of this Agreement and as of the Effective Time, as though made on and as of the Effective Time, except (x) in each case, representations and warranties that are made as of a specific date shall be true and correct only on and as of such date, and (y) in the case of clause (ii) where the failure of such representations or warranties to be true and correct (without giving effect to any materiality or "Material Adverse Change" qualifications set forth therein) does not have, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Change on LAWAC. LAWAC shall have complied, in all material respects, with all of its covenants contained herein; and LAWAC shall have delivered to Town Hall a certificate to that effect, dated as of the date of the Closing and executed by a duly authorized officer of LAWAC.

**Section 7.2. Board Approval.** The LAWAC Board shall have approved and not withdrawn approval of this Agreement and the transactions contemplated hereby (including the Merger, the Articles Amendment and the Bylaws Amendment), upon the terms and subject to the conditions set forth herein.

**Section 7.3. Member Approval.** The members of LAWAC shall have approved this Agreement and the transactions contemplated hereby, including the Merger (including the Articles Amendment and the Bylaws Amendment), upon the terms and subject to the conditions set forth herein (the "LAWAC Member Approval").

**Section 7.4. Material Adverse Change.** There shall not have occurred any Material Adverse Change in LAWAC's business, operations, financial condition, or assets since the date hereof.

**Section 7.5. No Injunctions or Restraints.** Since the date of this Agreement, there must not have been (i) any injunction, order, judgment, or ruling of a court or other Governmental Body against LAWAC restraining, enjoining, or prohibiting the consummation of the Merger or (ii) any Law enacted, issued, promulgated or enforced by a Governmental Body of competent jurisdiction which is in effect and which prohibits the consummation of the Merger.

**Section 7.6. Governmental and Regulatory Approvals.** LAWAC shall have received all required government and regulatory approvals and consents in connection with the Merger and the other transactions contemplated hereunder. Additionally, the California Attorney General waiting period shall have expired or terminated, as applicable.

**Section 7.7. Third Party Approvals.** LAWAC shall have received all material third party approvals and consents required in connection with the Merger and the other transactions contemplated hereunder.

**Section 7.8. Other Certificates.** Town Hall shall have received such additional certificates, instruments and other documents, in form and substance reasonably satisfactory to Town Hall and counsel for Town Hall, as it shall have reasonably requested in connection with the transactions contemplated hereunder.

## **ARTICLE 8 TERMINATION**

**Section 8.1. Termination.** This Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual written consent of the Parties;
- (b) by either Party if the Merger has not been consummated on or before July 31, 2019;
- (c) by LAWAC, by written notice to Town Hall, if there has been a breach of, inaccuracy in, or failure to perform any representation, warranty, covenant or agreement made by Town Hall pursuant to this Agreement that would give rise to the failure of the conditions precedent set forth in Article 6, and such breach, inaccuracy or failure has not

been cured by Town Hall within thirty (30) days of Town Hall's receipt of written notice of such breach, inaccuracy, or failure from LAWAC;

(d) by Town Hall, by written notice to LAWAC, if there has been a breach of, inaccuracy in, or failure to perform any representation, warranty, covenant or agreement made by LAWAC pursuant to this Agreement that would give rise to the failure of the conditions precedent set forth in Article 7, and such breach, inaccuracy or failure has not been cured by LAWAC within thirty (30) days of LAWAC's receipt of written notice of such breach, inaccuracy, or failure from Town Hall;

(e) by either Party, if either Party's board or if LAWAC's members, fail to approve the Merger and adopt this Agreement;

(f) by Town Hall, if the LAWAC Board withdraws, or modifies in a manner adverse to Town Hall, its recommendation that LAWAC's members approve the Merger and adopt this Agreement; provided, however, that the LAWAC Board shall not withdraw or modify such recommendation unless LAWAC shall have delivered to Town Hall at least five (5) Business Days' prior written notice of the LAWAC Board's intent to withdraw or modify such recommendation; and

(g) by either Party if (i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) any Governmental Body shall have issued a governmental order restraining or enjoining the transactions contemplated by this Agreement, and such governmental order shall have become final and non-appealable.

**Section 8.2. Effect of Termination.** In the event of a termination of this Agreement as aforesaid, all rights of all Parties hereto shall cease and terminate, except for such rights as any Party may otherwise have under this Article 8 and Article 9 of this Agreement, all of which shall survive termination of this Agreement.

## **ARTICLE 9 MISCELLANEOUS**

**Section 9.1. Notices.** All notices, requests or instructions hereunder shall be in writing and delivered personally, sent by registered or certified mail, postage prepaid, by overnight mail by a reputable courier, or by electronic mail, as follows:

If to Town Hall:

Town Hall Los Angeles  
633 W. Fifth Street, Suite 980  
Los Angeles, CA 90071  
Attn: James A. Thomas  
Email: jthomas@tpgre.com

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP

300 S. Grand Ave., Suite 3400  
Los Angeles, CA 90071  
Attn: Brian J. McCarthy  
E-mail: brian.mccarthy@skadden.com

If to LAWAC:

Los Angeles World Affairs Council  
3535 Hayden Avenue, Suite 200  
Culver City, CA 90232  
Attn: Alexander Messmann  
E-mail: messmann@lawac.org

with a copy to:

Munger, Tolles & Olson LLP  
350 S. Grand Ave., 50<sup>th</sup> Floor  
Los Angeles, CA 90071  
Attn: William D. Temko & Judith T. Kitano  
E-mail: william.temko@mto.com  
judith.kitano@mto.com

Any of the above addresses may be changed at any time by notice given as provided above; provided, however, that any such notice of change of address shall be effective only upon receipt.

**Section 9.2. Survival.** The representations and warranties contained herein shall not survive the Effective Time. The covenants contained herein which by their terms contemplate performance after the Effective Time shall survive until performed.

**Section 9.3. Successors and Assigns; Assignment.** This Agreement and the terms hereof shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns. The Parties acknowledge the California Attorney General may enforce the terms and provisions of this Agreement if, and to the extent, permitted by applicable Law. No Party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other Party.

**Section 9.4. Entire Agreement; Amendment and Waiver.** This Agreement and the documents referred to herein contain the entire agreement between the Parties hereto with respect to the transactions contemplated hereby. Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each Party or, in the case of a waiver, by each Party against whom the waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any other right, power or privilege.

**Section 9.5. Further Action.** Each of the Parties hereto shall use such Party's commercially reasonable efforts to execute and deliver such certificates, instruments of transfer and other documents and to take such other actions as may be necessary to carry out and consummate the transactions contemplated by this Agreement.



**Section 9.6. Expenses.** Each of the Parties hereto shall bear and pay such Party's own costs and expenses incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated hereby.

**Section 9.7. Partial Invalidity.** Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement, or any such terms in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

**Section 9.8. Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to any choice or conflict of law provisions or rule.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE STATE OF CALIFORNIA IN EACH CASE LOCATED IN THE CITY OF LOS ANGELES AND COUNTY OF LOS ANGELES, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (1) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (2) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (3) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (4) SUCH PARTY HAS

BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.8(C).

**Section 9.9. Specific Performance.** Each of LAWAC and Town Hall recognizes that any breach of the terms of this Agreement may give rise to irreparable harm for which money damages would not be an adequate remedy, and accordingly agrees that any non-breaching Party shall be entitled (a) to an injunction or injunctions to prevent breaches of the provisions of this Agreement and (b) to enforce the terms and provisions of this Agreement by a decree of specific performance, in each case, in any action instituted in any court of the United States or any state thereof, or any other jurisdiction, having jurisdiction without the necessity of securing or posting any bond or other security or proving the inadequacy as a remedy of money damages.

**Section 9.10. Third Party Beneficiaries.** This Agreement shall not confer any rights or remedies upon any person other than the Parties and their respective successors and permitted assigns; provided, however, that the provisions of Section 5.7 are intended to be for the benefit of, and will be enforceable by, each Indemnified Party and his or her heirs and his or her representatives.

**Section 9.11. Headings; Accounting Terms.** The headings appearing herein are for the convenience of the Parties only and shall not be construed to affect the meaning of the provisions of this Agreement. Any and all accounting terms utilized in this Agreement shall, unless the context otherwise requires, be construed in accordance with GAAP.

**Section 9.12. Interpretation.**

(a) For purposes of this Agreement, (i) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (ii) the word “or” shall not be exclusive and (iii) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.

(b) Unless the context otherwise requires, references herein: (i) to Articles, Sections, Schedules and Exhibits mean the Articles and Sections of, and Schedules and Exhibits attached to, this Agreement; (ii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (iii) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

**Section 9.13. Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Facsimile or emailed signature pages are binding on the Parties.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the Parties hereto have duly executed this Agreement as of the date first above written.

LOS ANGELES WORLD AFFAIRS  
COUNCIL

TOWN HALL LOS ANGELES

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT A**

**Articles of Incorporation of LAWAC**

See attached.

**EXHIBIT B**

**Bylaws of LAWAC**

See attached.

**LOS ANGELES WORLD AFFAIRS COUNCIL**

**DISCLOSURE SCHEDULE**

**to the**

**AGREEMENT AND PLAN OF MERGER**

**by and among**

**LOS ANGELES WORLD AFFAIRS COUNCIL**

**and**

**TOWN HALL LOS ANGELES**

**dated as of [•], 2019**

This disclosure schedule (this “LAWAC Disclosure Schedule”) has been prepared in connection with the Agreement and Plan of Merger, dated as of [●], 2019 (the “Agreement”), entered into by and among Los Angeles World Affairs Council, a nonprofit public benefit corporation organized and existing under the laws of the State of California (“LAWAC”), and Town Hall Los Angeles, a nonprofit public benefit corporation organized and existing under the laws of the State of California (“Town Hall”). Capitalized terms used but not defined in this LAWAC Disclosure Schedule are defined in the Agreement.

This LAWAC Disclosure Schedule is qualified in its entirety by reference to the Agreement and is hereby made a part of the Agreement as if fully set forth in the Agreement. Any item disclosed in this LAWAC Disclosure Schedule, or any section hereof, with reference to any section of the Agreement or section of this LAWAC Disclosure Schedule shall be deemed to be a disclosure with respect to such other applicable sections of the Agreement or sections of this LAWAC Disclosure Schedule if the relevance of such disclosure to such other sections is reasonably apparent on the face of such disclosure. Certain information set forth in this LAWAC Disclosure Schedule is included solely for informational purposes and may not be required to be disclosed pursuant to the Agreement. The disclosure of any information shall not be deemed to constitute an acknowledgment that such information is required to be disclosed in connection with the representations and warranties made in the Agreement, nor shall such information be deemed to establish a standard of materiality. The specification of any dollar amount in the representations or warranties contained in the Agreement or the inclusion of any specific item in any section of this LAWAC Disclosure Schedule is not intended to imply that such amounts, or higher or lower amounts or the items so included or other items, are or are not material, and no party shall use the fact of the setting of such amounts or the inclusion of any such item in any dispute or controversy as to whether any obligation, items or matter not described herein or included in a section of this LAWAC Disclosure Schedule is or is not material for purposes of the Agreement. The disclosure or inclusion of any item in this LAWAC Disclosure Schedule shall not constitute, or be deemed to be, an admission to any Person that is not a party to the Agreement concerning such item. Section references contained in this LAWAC Disclosure Schedule are to sections of this LAWAC Disclosure Schedule, except that section headings reference applicable sections of the Agreement.

The information provided in this LAWAC Disclosure Schedule is being provided solely for the purposes of making disclosures to Town Hall under the Agreement. In disclosing this information, LAWAC does not waive any attorney-client privilege associated with such information or any protection afforded by the work-product doctrine with respect to any matters disclosed or discussed herein.

Certain of the information and disclosures contained in this LAWAC Disclosure Schedule are intended to qualify, limit or be responsive to, as applicable, the representations and warranties relating to LAWAC contained in the Agreement and shall not be deemed to expand in any way the scope or effect of any such representations or warranties. The information and disclosures contained in this LAWAC Disclosure Schedule may not be limited to matters required by the Agreement to be disclosed in this LAWAC Disclosure Schedule, and any such additional information or disclosure is disclosed for informational purposes only and does not necessarily include other matters of a similar nature. The information contained in this LAWAC Disclosure Schedule is as of the date of the Agreement. LAWAC expressly disclaims, and does not undertake,

any duty or obligation to update or modify information disclosed in this LAWAC Disclosure Schedule.



**Section 4.5**  
**Consents and Approvals**

None.

**Section 4.8**  
**Taxes and Information Returns**

*(b)*

1. Federal 990-T, Exempt Organization Business Income Tax Return 2017.  
LAWAC carries on a business activity, a travel program, from which it receives unrelated business income to its exempt function. LAWAC engages a travel agency to organize 2-3 travel tours annually and receives a fee from each tour participant. Tour revenues are an insubstantial part of total revenue - less than 3% in 2017.

**Section 4.9**  
**Title and Condition of Equipment**

1. On February 15, 2019 LAWAC's internal local area computer network was subject to the virus attack: Ransom.Gen Activity 22. LAWAC engaged an IT consultant who removed the virus from the computer network and restored the affected data drives from a clean backup.

**Section 4.11(a)**  
**Contracts**

None.

**Section 4.18**  
**Permits**

None.

**Section 4.19**  
**Restricted Endowment**

None.

**TOWN HALL DISCLOSURE SCHEDULE**  
**to the**  
**AGREEMENT AND PLAN OF MERGER**  
**by and among**  
**LOS ANGELES WORLD AFFAIRS COUNCIL**  
**and**  
**TOWN HALL LOS ANGELES**

**dated as of [•], 2019**

This disclosure schedule (this "Town Hall Disclosure Schedule") has been prepared in connection with the Agreement and Plan of Merger, dated as of [•], 2019 (the "Agreement"), entered into by and among Los Angeles World Affairs Council, a nonprofit public benefit corporation organized and existing under the laws of the State of California ("LAWAC"), and Town Hall Los Angeles, a nonprofit public benefit corporation organized and existing under the laws of the State of California ("Town Hall"). Capitalized terms used but not defined in this Town Hall Disclosure Schedule are defined in the Agreement.

This Town Hall Disclosure Schedule is qualified in its entirety by reference to the Agreement and is hereby made a part of the Agreement as if fully set forth in the Agreement. Any item disclosed in this Town Hall Disclosure Schedule, or any section hereof, with reference to any section of the Agreement or section of this Town Hall Disclosure Schedule shall be deemed to be a disclosure with respect to such other applicable sections of the Agreement or sections of this Town Hall Disclosure Schedule if the relevance of such disclosure to such other sections is reasonably apparent on the face of such disclosure. Certain information set forth in this Town Hall Disclosure Schedule is included solely for informational purposes and may not be required to be disclosed pursuant to the Agreement. The disclosure of any information shall not be deemed to constitute an acknowledgment that such information is required to be disclosed in connection with the representations and warranties made in the Agreement, nor shall such information be deemed to establish a standard of materiality. The specification of any dollar amount in the representations or warranties contained in the Agreement or the inclusion of any specific item in any section of this Town Hall Disclosure Schedule is not intended to imply that such amounts, or higher or lower amounts or the items so included or other items, are or are not material, and no party shall use the fact of the setting of such amounts or the inclusion of any such item in any dispute or controversy as to whether any obligation, items or matter not described herein or included in a section of this Town Hall Disclosure Schedule is or is not material for purposes of the Agreement. The disclosure or inclusion of any item in this Town Hall Disclosure Schedule shall not constitute, or be deemed to be, an admission to any Person that is not a party to the Agreement concerning such item. Section references contained in this Town Hall Disclosure Schedule are to sections of this Town Hall Disclosure Schedule, except that section headings reference applicable sections of the Agreement.

The information provided in this Town Hall Disclosure Schedule is being provided solely for the purposes of making disclosures to LAWAC under the Agreement. In disclosing this information, Town Hall does not waive any attorney-client privilege associated with such information or any protection afforded by the work-product doctrine with respect to any matters disclosed or discussed herein.

Certain of the information and disclosures contained in this Town Hall Disclosure Schedule are intended to qualify, limit or be responsive to, as applicable, the representations and warranties relating to Town Hall contained in the Agreement and shall not be deemed to expand in any way the scope or effect of any such representations or warranties. The information and disclosures contained in this Town Hall Disclosure Schedule may not be limited to matters required by the Agreement to be disclosed in this Town Hall Disclosure Schedule, and any such additional information or disclosure is



disclosed for informational purposes only and does not necessarily include other matters of a similar nature. The information contained in this Town Hall Disclosure Schedule is as of the date of the Agreement. Town Hall expressly disclaims, and does not undertake, any duty or obligation to update or modify information disclosed in this Town Hall Disclosure Schedule.

**Section 3.3**  
**Conflicts**

*(a)(iii)*

1. Grant Agreement, dated as of September 4, 2018, by and between the David and Lucile Packard Foundation and Town Hall
2. Acceptance of Grant, dated as of November 7, 2018, by and between The Ralph M. Parsons Foundation and Town Hall

*(b)*

1. Grant Agreement, dated as of September 4, 2018, by and between the David and Lucile Packard Foundation and Town Hall
2. Acceptance of Grant, dated as of November 7, 2018, by and between The Ralph M. Parsons Foundation and Town Hall
3. Directors and Officers Liability Coverage, Policy No. EPP4919758 with Great American E&S Insurance Company for the period from September 21, 2018 to September 21, 2019
4. Service Agreement, dated as of September 15, 2017, by and between Nitel, Inc. and Town Hall
5. Lease Agreement, dated as of September 29, 2015, by and between Beringia Central LLC and Town Hall, as amended by the letter agreement dated May 14, 2018

**Section 3.4**  
**Consents and Approvals**

1. See Section 3.3 of this Town Hall Disclosure Schedule

**Section 3.10**  
**Contracts**

(a)(5)

1. Memorandum of Understanding, dated as of August 6, 2014, by and between City Club Los Angeles and Town Hall

(a)(6)

1. Service Agreement, dated as of September 15, 2017, by and between Nitel, Inc. and Town Hall

(a)(8)

1. Grant Agreement, dated as of September 4, 2018, by and between the David and Lucile Packard Foundation and Town Hall
2. Acceptance of Grant, dated as of November 7, 2018, by and between The Ralph M. Parsons Foundation and Town Hall

**Section 3.14**  
**Insurance**

1. Premiums are due under Commercial General Liability Coverage, Policy No. PAC 5563674 14 with Great American Assurance Company for the period from January 31, 2019 to May 1, 2019

**Section 3.17**  
**Permits**

None.

**Section 3.18**  
**Restricted Endowment**

1. Grant Agreement, by and between the David and Lucile Packard Foundation and Town Hall, dated as of September 4, 2018
2. Acceptance of Grant, by and between The Ralph M. Parsons Foundation and Town Hall, dated as of November 7, 2018
3. The Registry of Charitable Trusts of the Attorney General of the State of California has informed Town Hall that investment funds in the amount of \$100,000, which were anonymously donated to Town Hall for unstated purposes 25-30 years ago, are deemed restricted funds