

ESCROW INSTRUCTIONS THIS A DUPLICATE ORIGINAL

EXHIBIT "B"

(REAL ESTATE TRANSACTION)

To: **BANK OF AMERICA**
NATIONAL TRUST AND SAVINGS ASSOCIATION

Hermosa Beach #63 Office
90 Pier Avenue
Hermosa Beach, Calif.
90254
213 374 3471

MEMO

PAID OUTSIDE OF ESCROW \$	
CASH THROUGH ESCROW	400,000.00
UNPAID BALANCE OF ENCUMBRANCES OF RECORD	
NEW ENCUMBRANCES	250,000.00
TOTAL CONSIDERATION	650,000.00

63-14258

Escrow No.

known as: **Pier Avenue School**
Street Address of Property

Hermosa Beach, Ca. 90254

City State Zip
☐ Vacant Lot ☐ Farmland ☐ Unimproved Acreage
(If Applicable)

June Houston

Escrow Officer

June 22, 1977

In consideration of your acting as escrow holder herein, it is agreed that you shall in no case or event be liable for forgeries or false personations in connection with these instructions, instruments of record, or those handled in this escrow.

It is further agreed that if any controversy arises between the parties hereto or with any third person, you shall not be required to determine the same or take any action in the premises, but you may await the settlement of any such controversy by final appropriate legal proceedings or otherwise as you may require, notwithstanding anything in the following instructions to the contrary, and in such event you shall not be liable for interest or damage. In the event of such controversy, you shall be entitled to reasonable compensation for all services performed by you and to costs and reasonable attorney's fees if you intervene in or are made a party to any litigation, the undersigned jointly and severally agreeing to pay the same, and you shall further be entitled to hold documents and monies deposited herein pending payment thereof. These instructions supercede and cancel those escrow instruction previously drawn and dated June 17, 1977.

I will hand you or cause to be handed you the sum of \$400,000.00.

and will deliver to you any notes, instruments and additional funds required from me to enable you to comply with these instructions, all of which you are authorized and instructed to use and deliver provided instruments have been filed for record entitling you to procure assurance of title in the usual form of a Standard

Owners Policy of Title Insurance, issued by Title Insurance & Trust Co. with a liability of \$650,000.00 covering property in the County of State of

described as follows: Parcel 1: Portion of Lot 1, block 78, 2nd Addition to Hermosa Beach. Parcel 2: Portion of Lot 1, block 78, 2nd Addition to Hermosa Beach. Parcel 3: Lots 1 to 20 Incl. in block 79 of 2nd Addition to Hermosa Beach. Parcel 4: The Western 88 feet of Lot 38, block 78 of 2nd Addition to Hermosa Beach. Parcel 5: That portion of 11th Place vacated, as more fully described in Exhibit A attached hereto which becomes a part hereof.

As per map recorded in Book Page of Records of said County showing title vested in:

City of Hermosa Beach, a municipal corporation

subject to: (1) none General and Special taxes for the fiscal year 19 19 INCLUDING ANY SPECIAL DISTRICT LEVIES, PAYMENTS FOR WHICH ARE INCLUDED THEREIN AND COLLECTED THEREWITH, AND PERSONAL PROPERTY TAXES, IF ANY, ASSESSED AGAINST ANY FORMER OWNER.

- (2) Assessments and Bonds, presently of record, having a present unpaid balance of none
- (3) Any covenants, conditions, restrictions, reservations, rights, rights of way and easements of record
- (4) Deed of Trust securing an indebtedness of \$ none as per its terms, now of record, unpaid balance of principal \$ none

Any difference in unpaid balance as disclosed by beneficiary statement will be adjusted through escrow so that the total consideration remains unchanged.

(5) Deed of Trust on Bank of America N.T. & S.A. form, executed by City of Hermosa Beach, a municipal corporation of County, California, in favor of Hermosa Beach City School District of Los Angeles, dated during escrow with interest at none per cent per annum from this is a non-interest bearing note payable annually to Hermosa Beach, California, principal of \$250,000.00 and payable in instalments of \$25,000.00/ day of every June month, beginning June 30, 1978 OR MORE, each on the Thirtieth and continuing until paid in full.

The completion of this escrow is contingent upon the following: the parties written agreement setting forth certain reservations and rights to future use of property in the School District and which agreement shall be deposited in the escrow.

ESCROW INSTRUCTIONS

REAL ESTATE TRANSACTION

BANK OF AMERICA
NATIONAL TRUST AND SAVINGS ASSOCIATION

MEMO

Hermosa Beach #53

55 Pier Avenue

Hermosa Beach

94054

213 374 3471

Office

Call

PAID OUTSIDE OF ESCROW \$

CASH THROUGH ESCROW 100,000.00

UNPAID BALANCE OF ENCUMBRANCES OF RECORD

NEW ENCUMBRANCES 250,000.00

TOTAL CONSIDERATION 650,000.00

AS SET FORTH IN THE INSTRUMENTS

RECEIVED FROM

OF

June 1978

Escrow Office

In consideration of your acting as escrow holder herein, it is agreed that you shall in no case be liable for the payment of this instrument or the proceeds thereof with these instructions, instruments of record, or those handled in this escrow.

It is further agreed that if any controversy arises between the parties hereto or with any third person, you shall not be required to determine the same or have any opinion in the premises, but you may await the settlement of any such controversy by final appropriate legal proceedings or otherwise as you may deem appropriate. Notwithstanding anything in the following instructions to the contrary, and in such event you shall not be liable for interest or damage. In the event of such controversy, you shall be entitled to reasonable compensation for all services performed by you and to costs and reasonable attorney's fees if you determine it to be made a party to any litigation, the undersigned jointly and severally agreeing to pay the same, and you shall further be entitled to all documents and monies deposited herein pending payment thereof. These instructions supercede and cancel those escrow instructions previously drawn and dated June 17, 1977.

I will hand you or cause to be handed you the sum of \$400,000.00.

and will deliver to you any notes, instruments and additional funds required from me to enable you to comply with these instructions, all of which you are authorized and instructed to use and deliver provided instruments have been filed for record entitling you to procure assurance of title in the usual form of a Standard Owners Policy of Title Insurance, issued by Title Insurance & Trust Co. with a liability of \$650,000.00 covering

property in the County of

State of

described as follows:

Parcel 1: Portion of Lot 1, block 78, 2nd Addition to Hermosa Beach. Parcel 2: Portion of Lot 1, block 78, 2nd Addition to Hermosa Beach. Parcel 3: Lots 1 to 20 Incl. in block 79 of 2nd Addition to Hermosa Beach. Parcel 4: The Westerly 88 feet of Lot 38, block 78 of 2nd Addition to Hermosa Beach. Parcel 5: That portion of 11th Place vacated, as more fully described in Exhibit A attached hereto which becomes a part hereof.

As per map recorded in Book

Page

of

Records of said County showing title vested in:

City of Hermosa Beach, a municipal corporation

subject to (1) NONE

General and Special taxes for the fiscal year 19 19

INCLUDING ANY SPECIAL DISTRICT LEVIES, PAYMENTS FOR WHICH ARE INCLUDED THEREIN AND COLLECTED THEREWITH, AND PERSONAL PROPERTY TAXES, IF ANY, ASSESSED AGAINST ANY FORMER OWNER.

(2) Assessments, and Bonds, previously of record, having a present unpaid balance of NONE

(3) Any covenants, conditions, restrictions, reservations, rights, rights of way and easements of record

(4) Debt of Trust securing an indebtedness of \$ NONE as per its terms, now of record, unpaid balance of principal \$ NONE

Any difference in unpaid balance as disclosed by beneficiary statement will be adjusted through escrow so that the total consideration remains unchanged.

(5) Debt of Trust on Bank of America N.T. & S.A. form, executed by City of Hermosa Beach, a municipal corporation

securing a Note for \$ 250,000.00

in favor of Hermosa Beach City School District of Los Angeles

County, California

dated during escrow with interest at

NONE

per cent per annum from

this is a non-interest bearing note

payable

Hermosa Beach, California

annually

principal \$25,000.00/

OR MORE each on the

Thirtieth

day of every

June

month beginning

June 30, 1978

and continuing until

paid in full.

The completion of this escrow is contingent upon the following: the parties written agreement setting forth certain reservations and rights to future use of property in the School District and which agreement shall be deposited into this escrow, and said restrictions of rights of use shall be made a part of the deed transferring the property. 2. The parties written agreement setting forth certain restrictions on the future use of the property by the City of Hermosa Beach and which agreement shall be deposited into this escrow and said restrictions of use shall be made a part of the deed transferring the property. 3. The written agreement of the parties setting forth a right of re-entry in the School District in the event of a violation above, re contingencies, and said right of re-entry shall be made a part of the deed transferring the property. 4. The City of Hermosa Beach receiving a grant from the Department of Housing and Urban Development in the approximate amount of \$275,000.00 and is permitted by said Department of Housing and Urban Development to use said funds a part of the purchase price herein. 5. An opinion letter deposited into escrow by J.B. Harrison, City Attorney, and approved by Gerald Hilby, counsel for the district, continued on the reverse hereof.

And close of escrow

None, there is to be no prorations or adjustments for taxes, rent, or insurance, in this escrow such items to be handled by the parties hereto, outside of escrow.

It is agreed by the parties hereto that as far as their rights and interests are concerned, this escrow is an escrow and will not be subject to any other order or decree.

The escrow holder shall be bound by the instructions in these instructions shall mean the date instruments are filed for record.

It is understood that all instruments shall be made to parties in interest, by your remittance and that remittance and instruments shall be made to the parties entitled thereto, if more than one, to address given below. Instruct County Recorder to mail instruments in the same manner.

Deliver Title Policy to buyer

I will pay, on demand, regardless of the consummation of this escrow, all charges incurred by you for me, including your usual escrow fee and usual charges, unless otherwise provided. **Printed matter to the contrary, buyer and seller each to pay one-half of charges in this escrow, including fee for title policy, escrow fee, and any other cost herein.**

Continuation of contingencies as shown on the reverse hereof: 6. An opinion letter deposited into this escrow by Gerald Hilby and approved by J.B. Mirassou. 7. Approval of the preliminary report of title by the City of Hermosa Beach. 8. A deed restriction approved by both parties in writing as to the use of the property as those restrictions may be imposed by State law. 9. An agreement in writing entered into between the parties as to various matters such as maintenance, insurance, rental notes, traffic control signals and other matters. The escrow office is not to be concerned with the terms or conditions of the above agreements and sole duty shall be to act delivery agent only, delivering such agreements, unrecorded, to buyer and seller at close of escrow. Further, escrow holder will be advised in writing by the parties herein, prior to close of escrow, as to the determination of the foregoing contingencies and/or conditions.

IF YOU ARE UNABLE TO COMPLY WITH THESE INSTRUCTIONS ON OR PRIOR TO November 1, 1977 YOU WILL COMPLY AS SOON THEREAFTER AS POSSIBLE UNLESS A WRITTEN DEMAND FOR RETURN OF MONEY OR INSTRUMENTS BY A PARTY TO THIS ESCROW IS RECEIVED BY YOU SUBSEQUENT TO SUCH DATE AND PRIOR TO THE RECORDING OF ANY INSTRUMENT PROVIDED FOR HEREIN.

City of Hermosa Beach, a Municipal Corporation

Signature _____ by EARL DILLER, City Manager
Address _____ by HARRARA FLEMING, City Clerk
Telephone _____ 1315 Valley Drive, Hermosa Beach, Ca. 90254

THE FOREGOING INSTRUCTIONS AND CONDITIONS ARE HEREBY APPROVED AND ACCEPTED IN THEIR ENTIRETY AND CONCURRED IN BY ME. I will supply you with funds, notes and instruments required from me to enable you to comply with these instructions, which you are authorized to use and deliver provided you hold for my account any instruments accruing to me and the sum of \$400,000.00. When property being conveyed is held in joint tenancy any cash derived therefrom in this escrow shall be joint tenancy funds.

Order of title as order. Deduct all my expenses from funds accruing to me. I will pay on demand, regardless of the consummation of this escrow, all charges incurred by you for me (except those other party has agreed to pay), including title charge, fee for preparing instruments I execute, your usual escrow fee and usual charges, unless otherwise provided. **See above**

Pay Documentary Transfer Tax for the deed I execute of \$ _____ computed on full value of property conveyed _____ or computed on full value less liens and encumbrances remaining of record at time of sale _____

Make following disposition of proceeds due me:

1. Credit Com'l account of _____ at your _____ Office

2. Mail Check to me at address below

78-241041

Hermosa Beach City School District of Los Angeles County, California

Signature _____ by Andrew M. Lopez
Address _____ 517 17th Street, Hermosa Beach, Ca.
Telephone _____ 376 8961 90254

Pier Avenue School Escrow Instructions
Detail from the June 22, 1977 Bank of America Escrow:
(Transcribed by Miyo Prassas)

And Specified in Article 3 of the Memorandum of Understanding
dated June 13, 1977

"The completion of this escrow is contingent upon the following:"

FROM THE unsigned Memorandum of Understanding, thus executing the MOU and making it valid portion of the entire Agreement:

Article 3 Escrow: Section 3.01: "The District and the City will cause an escrow to be opened forthwith. The escrow agent shall be the Bank of America, Hermosa Beach Branch 63.

Article 3 Escrow: Section 3.02: "The escrow will embody the following instructions and/or additional instructions as hereafter agreed to by the District and the City in writing. The close of escrow is subject to the fulfillment of these instructions by the City and the District."

1. The parties written agreement setting forth certain reservations and rights to future use of the property in the School District and which agreement shall be deposited into this escrow and said restrictions of rights of use shall be made a part of the deed transferring property.
From the MOU: Article 3 (e): "... the Deed shall contain a provision setting forth the District's right to a reversionary interest in the land as follows:"
2. The parties written agreement setting forth certain restrictions on the future use of the property by the City of Hermosa Beach and which agreement shall be deposited into this escrow and said restrictions of use shall be made a part of this deed transferring the property.
3. The written agreement of the parties setting forth a right of re-entry in the School District in the event of a violation by the City of Hermosa Beach of the use of property as that use is defined in paragraph 2 above, re contingencies, and said right of re-entry shall be made a part of the deed transferring the property.

From the MOU:

Article 3 (e) (1): "The District shall have the right of reentry to the subject property if the City shall ever rezone the property for purposes other than open space of use for parks and recreational purposes;"

Article 3 (e)(2): "The City leases or sells said property to entities whose primary purpose is to engage in proprietary or money, making activities."

Article 3 (e)(3): "The property is ever used for purposes other than open space or parks and recreational purposes."

4. The City of Hermosa Beach receiving a grant from the Department of Housing and Urban Development in the approximate amount of \$275,000.00 and is permitted by said Department of Housing and Urban Development to use said funds a part of the purchase price therein.

From the MOU:

Article 3 (b): "The City receiving a grant of funds from the Department of Housing and Urban Development (HUD) in the amount of TWO HUNDRED SEVENTY-FIVE THOUSAND, ONE HUNDRED AND ONE DOLLARS (\$275,101.00).

5. An opinion letter deposited into escrow by J.B. Mirassou, city attorney, and approved by Gerald Hilby counsel for the district – continued on the reverse hereof.

From the MOU:

Article 3 (c): "The District receiving an opinion letter from the City's attorney affirming the fact that the City has the right to purchase the Pier Avenue School; the City has complied with all the laws applicable to the City's acquisition of said property and the City's covenant to defend any lawsuit wherein a person questions the City's right to acquire the Pier Avenue School from the District and hold the District free and harmless therefrom."

"Continuation of contingencies as shown on the reverse hereof:"

6. An opinion letter deposited into this escrow by Gerald Hilby and approved by J.B. Mirassou.

From the MOU:

Article 3 (d): "The City receiving an opinion letter from the District's special counsel, GERALD M. HILBY, or the county counsel affirming the fact that the District has the right to sell the subject property;"

7. Approval of the preliminary report of title by the City of Hermosa Beach.

From the MOU:

Article 3 (a): "The City reviewing and approving a preliminary title report furnished by the District and issued by the Title Insurance and Trust Company."

8. A deed restriction approved by both parties in writing as to the use of this property as those restrictions may be imposed by State law.

From the MOU:

Article 3 (e): "As part of the District's grant of the subject property, the Deed shall contain a provision setting forth the District's right to a reversionary interest in the land as follows:"

9. An agreement in writing entered into between the parties as to various matters such as maintenance, insurance, rental notes, traffic control signals and other matters.

"The escrow office is not to be concerned with the terms or conditions of the above agreements and sole duty shall be to act delivery agent only, delivering such agreements, unrecorded, to buyers and seller at close of escrow. Further escrow holder will be advised in writing by the parties herein, prior to close of escrow, as to the determination of the foregoing contingencies and/or conditions.

Escrow No. 63-14258

AMENDMENT TO
ESCROW INSTRUCTIONS

Date February 28 19 78

The previous instructions in this escrow No. 63-14258 are hereby modified and/or amended in the following particulars only: The consideration herein is amended as follows: Buyer to deposit the sum of - - - - - \$500,000.00 and will execute a unsecured non interest bearing note in favor of seller in the amount of - - - - - \$150,000.00 for a total consideration of - - - - - \$650,000.00

The above note will be prepared and handed escrowholder by the parties herein, and escrowholders sole duty in connection therewith, shall be to deliver the original note to the seller and deliver a copy thereof to buyer at close of escrow.

All contingencies in this escrow have been fully satisfied and escrowholder is instructed to close this escrow as quickly as possible.

Title Insurance & Trust Co report #7634644 dated July 11, 1977 and Supplement of February 23, 1978, as to items 2,3,4,5,6,7,8 and the legal description shown therein are approved by the undersigned for use in this escrow and the contingency in connection therewith is hereby deleted from this escrow.

The parties herein will hand you, an original and signed copy of Agreement for Sale and Purchase of Real Property consisting of 11 pages, original and signed copy of Lease Agreement for Future Use of Pier Avenue School, consisting of 7 pages, original and signed copy of Arbitration Agreement, consisting of 5 pages each bearing the signatures of the parties herein, which constitute their approval thereto. Escrowholder shall not be concerned with the terms or condisions of said documents nor with the contents thereof, and sole duty of escrowholder shall be to deliver original recorded, Agreement for Sale and Purchase of Real Property, Lease Agreement and Arbitration Agreement to the buyer and copies thereof to the seller at close of escrow.

The original opinion letter of J.B. Mirassou to be delivered to City of Hermosa Beach, signed copy to School District, at close of escrow.

The original opinion letter of Gerald M. Hilby to be delivered to the School District, signed copy to City of Hermosa Beach, at close of escrow.

BUYER(S)

City of Hermosa Beach, a municipal Corporation

Signature

by

MAYOR

Signature

by

Barbara Fleming, City Clerk

SELLER(S)

Hermosa Beach City School District of Los Angeles County

Signature

Andrew M. Joyce, District Superintendent

Signature

DESCRIPTION:

EXHIBIT A, ATTACHED TO ESCROW 63-14238

PARCEL 1.

THAT PORTION OF LOT 1, BLOCK 78, OF THE SECOND ADDITION TO HERMOSA BEACH, IN THE CITY OF HERMOSA BEACH, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3 PAGES 11 AND 12 OF MAPS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID LOT 1; THENCE EASTERLY ALONG THE NORTHERLY LINE THEREOF, 152.97 FEET, MORE OR LESS TO A POINT WHICH IS WESTERLY THEREON, 109.78 FEET FROM THE NORTHEASTERLY CORNER OF SAID LOT 1; THENCE SOUTHERLY PARALLEL WITH THE EASTERLY LINE OF SAID LOT 1, 148.66 FEET TO A POINT IN THE SOUTHERLY LINE THEREOF; THENCE WESTERLY ALONG SAID SOUTHERLY LINE 154.44 FEET, MORE OR LESS, TO THE SOUTHWESTERLY CORNER OF SAID LOT 1; THENCE NORTHERLY ALONG THE WESTERLY LINE THEREOF, 148.66 FEET TO THE POINT OF BEGINNING.

PARCEL 2.

THAT PORTION OF LOT 1, BLOCK 78 OF THE SECOND ADDITION TO HERMOSA BEACH, IN THE CITY OF HERMOSA BEACH, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3 PAGES 11 AND 12 OF MAPS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID LOT 1; THENCE WESTERLY ALONG THE NORTHERLY LINE THEREOF, 109.78 FEET; THENCE SOUTHERLY PARALLEL WITH THE EASTERLY LINE OF SAID LOT 1, 148.66 FEET TO A POINT IN THE SOUTHERLY LINE THEREOF; THENCE EASTERLY ALONG SAID SOUTHERLY LINE 109.78 FEET, TO THE SOUTHEASTERLY CORNER OF SAID LOT 1; THENCE NORTHERLY ALONG THE EASTERLY LINE THEREOF, 148.66 FEET TO THE POINT OF BEGINNING.

PARCEL 3.

LOTS 1 TO 20 INCLUSIVE IN BLOCK 79 OF THE SECOND ADDITION TO HERMOSA BEACH, IN THE CITY OF HERMOSA BEACH, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3 PAGES 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. TOGETHER WITH THAT CERTAIN VACATED ALLEY, 15 FEET WIDE, AS SHOWN ON THE MAP OF SAID BLOCK 79.

PARCEL 4.

THE WESTERLY 88 FEET OF LOT 38 IN BLOCK 78 OF SECOND ADDITION TO HERMOSA BEACH, IN THE CITY OF HERMOSA BEACH, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3 PAGES 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 5.

ALL THAT PORTION OF ELEVENTH PLACE, VACATED, LYING BETWEEN THE NORTHERLY PROLONGATIONS OF THE WESTERLY AND EASTERLY LINES OF LOT 1 BLOCK 78 OF THE SECOND ADDITION TO HERMOSA BEACH, IN THE CITY OF HERMOSA BEACH, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3 PAGES 11 AND 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Exhibit "A"