

EXHIBIT "D"

ARBITRATION AGREEMENT

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This Arbitration Agreement is entered into by and between the City of Hermosa Beach (City) and the Hermosa Beach City School District (District).

ARTICLE 1

RECITAL OF FACTS

1.01 This Arbitration Agreement is entered into concurrently with the agreement entitled, "Sale and Purchase of Real Property" to which this Agreement is attached as an exhibit.

1.02 The designation of the various parties of the subject matter and the designation of the various documents as to the future use of the property as set forth in the recitals are incorporated herein by reference as though fully set forth at this place.

1.03 It is the intention of the District and the City that if a controversy or dispute arises between the parties as to whether or not the property is being used within the intent and meaning of the Agreement referred to above that the matter shall be submitted to arbitration.

ARTICLE 2

CONDITIONS TO SUBMISSION TO ARBITRATION

2.01 The District or the City shall give the other written notice in compliance with Article 12 of the Agreement for Sale and Purchase setting forth with particularity the District's or City's contention that the use of the Pier Avenue School is in violation of the intent and meaning of the Agreement for Sale and Purchase.

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2.02 If at the expiration of ten days the City or the District has failed to comply with the request of the other, then the City and the District within ten days thereafter shall meet and confer in good faith to determine the nature and extent of the contested use.

2.03 If within ten days after meeting and conferring in good faith the District and the City are not in accordance as to whether or not the premises are being used in accordance with the intent and meaning of this Agreement, then the matter shall be deemed to be at an impasse.

ARTICLE 3

IMPASSE PROCEDURE

3.01 Within seven days after an impasse has been declared the City and the District shall each designate one member from the City Council and one member from the School Board who in turn shall appoint a third member. If they cannot agree as to whom the third member shall be, then the third member shall be appointed by the then supervising judge of the Superior Court of the County of Los Angeles or its successor.

3.02 The arbitrator so appointed shall commence hearings within ten days after the appointment of the third arbitrator and hearing shall not be adjourned for a period longer than three days.

3.03 All hearings shall be held in the City of Hermosa Beach, County of Los Angeles.

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3.04 Subject to the foregoing the arbitrators shall designate the times and places for all hearings. Five days notice in writing for such hearings shall be given by the arbitrators except that no notice shall be required for adjourned hearings.

3.05 The matter shall be submitted to the arbitrators in accordance with the rules of American Arbitration Association and the arbitration laws enacted by the State of California in effect at the time the impasse arose.

3.06 The decision of the arbitrators shall be binding upon the parties and shall be deemed to be final in all respects. The findings and conclusions of the arbitrators shall be a complete bar to any claims or demands in favor of either party against the other unless the decision of the arbitrators is appealed pursuant to the laws of the State of California to the Superior Court of the County of Los Angeles and pursuant to the Rules of that Court.

3.07 The findings and conclusions by the arbitrators shall be binding on the Superior Court and no new evidence shall be submitted to the Superior Court which was known to the City or the District or could have been made available to the arbitrators by the City or the District with the exercise of due diligence. The Superior Court shall retain jurisdiction if the City or the District fails to comply with the judgment of the Court. The Superior Court may exercise any powers conferred on it by the legislature and the Constitution of the State of California including but not limited to its power to cite either the City or the District for contempt or to cause the clerk of the County of Los Angeles to sign any documents which either the District or the City could sign but refuses to sign.

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ARTICLE 4

FACTORS WHICH THE ARBITRATORS
SHALL USE IN MAKING THEIR DECISION

4.01 The arbitrators are to be guided, but not limited, in their decision by the following factors:

a. It is the intent of the District and the City that the primary purpose of the Pier Avenue School is for open space, park, recreational, educational or other community purposes which purposes include activities which contribute to the cultural and recreational benefit of the community.

b. The parties agree that the premises can be used as in (a) above except that said use may be for other purposes for a period not exceeding three consecutive days at any one time and on the further condition that the City Council make a finding that such particular use is to the benefit of the residents of Hermosa Beach.

c. It is the intent of the parties that the facilities be used as a community center with such public offices that are directly related thereto.

d. It is the intent of the parties that Hermosa Beach residents and property owners shall be given priority in the use of the facilities.

ARTICLE 5

COSTS OF ARBITRATION

5.01 Costs of arbitration shall be awarded to the prevailing party as decided by the arbitrators. Costs will include the staff

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time, attorney fees, costs necessary to supply documents or witnesses to the arbitrators.

THIS AGREEMENT HAS BEEN EXECUTED by the Mayor of the City of Hermosa Beach on behalf of the City on the 28th day of February, 1978, and by all the Trustees of the Hermosa Beach City School District in behalf of the District on the 14 day of Feb., 1978.

HERMOSA BEACH CITY SCHOOL DISTRICT

Lynn Schubert
John A. Rogers
Sheila D. Miller
Bonnie D. Grace
Ann Gulson

THE CITY OF HERMOSA BEACH

Mary E. Tyson
Mayor of the City of Hermosa B

ATTEST:

Barbara Fleming
City Cler

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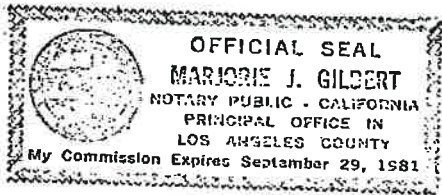
Public Corporation, Agency or Political
Subdivision (Civ. Code, Section 1191)

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

ss

On this 17 day of February in the year 1978
before me, the undersigned a Notary Public, personally appeared, Lynn Schubert and
John L. Rogers and Bonnie D. Grace and Sheila D. Miller and Ann Gubser, known to me
to be Members of the Governing Board of Hermosa Beach City School District of Los
Angeles County, and Known to me to be the persons who executed the within instrument
on behalf of said Hermosa Beach City School District of Los Angeles County and
acknowledged to me that such Hermosa Beach City School District of Los Angeles County
executed the same.

Witness my hand and official Seal



Marjorie J. Gilbert
Notary Public in and for said County and
State

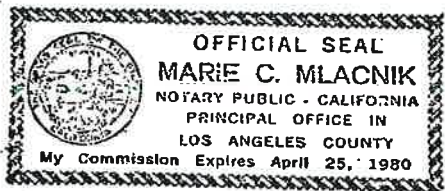
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STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

On February 28, 1978, before me,
the undersigned, a Notary Public in and for said County and
State, personally appeared MARY E. TYSON,
known to me to be the Mayor of THE CITY OF HERMOSA BEACH, a
municipal corporation, and BARBARA FLEMING,
known to me to be the City Clerk of said City of Hermosa Beach,
the municipal corporation that executed the within and foregoing
instrument, and known to me to be the persons who executed the
within instrument on behalf of said municipal corporation and
acknowledged to me that said municipal corporation executed the
same.

WITNESS my hand and Official Seal.



Marie C. Mlacnik
Notary Public in and for said County and State

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