

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.