

J.B. MIRASSOU
ATTORNEY AT LAW

January 20, 1978

1811 SOUTH PACIFIC COAST HIGHWAY, SUITE 304
REDONDO BEACH, CALIFORNIA 90277
(213) 540-5201

Honorable Mayor and
Members of the City Council
City of Hermosa Beach.
Hermosa Beach, California

Re: Purchase and Sale of Pier Avenue School

Dear Mayor and Council Members:

This letter is intended to summarize the City's present legal position with reference to the purchase of Pier Avenue School from the Hermosa Beach City School District.

It is the intent of the City to purchase Pier Avenue School with general fund monies and through a grant of monies from the Department of Housing and Urban Development with the purpose of utilizing the property as open space and as areas for public use and enjoyment and to limit the future use of the property to those purposes.

The City has the power and right to purchase Pier Avenue School for these purposes and to so limit the future use of the property pursuant to the powers granted cities by the State legislature. Those powers are set out in Government Code §6950 et seq.

These laws were implemented by the City of Hermosa Beach by submitting the matter to the City Council.

This matter came before the City Council on the 11th day of January, 1977. The City Council adopted Resolution No. 77-4099 authorizing the acquisition of Pier Avenue School.

78- 241041

Honorable Mayor and
Members of the City Council
January 20, 1978
Pg 2

In my opinion the proceeding before the City Council met all legal requirements.

I have reviewed the opinion letter of Mr. Gerald Hilby, Esq., Special Counsel for the Hermosa Beach City School District and am satisfied that the School District has the right and power to sell Pier Avenue School to the City.

I have reviewed the Preliminary Title Report issued by Title Insurance and Trust Company and am satisfied that the restrictions and reservations of record will not impair the City's use of the property.

In conjunction with the sale the City is entering into a leasing agreement with the District. In my opinion the City has the power and the right to enter into that leasing agreement. Upon closing the lease will be a valid and subsisting document.

I have reviewed the existing restrictions for the use of the property imposed by the Department of Housing and Urban Development and am satisfied that the City's proposed use of the property and the District's proposed use of the property are consistent with those restrictions.

If in the future the conditions imposed by the Department of Housing and Urban Development are deemed unacceptable to the City and School District or if the District uses the properties in violation of some future restriction imposed by the Department of Housing and Urban Development, then the parties have agreed to cause said sums to be repaid to that Department and each party shall pay one-half of said sums except that the District's obligation shall not exceed a sum in excess of fifty (50%) per cent of the original grant of monies by the Department of Housing and Urban Development.

78- 241041

Honorable Mayor and
Members of the City Council
January 20, 1978
Pg. 3

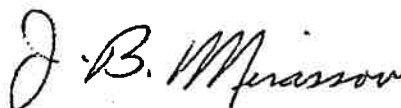
The parties have entered into agreements limiting the future use of the property. This use is limited to parks, recreational, open space, educational, or other community purposes.

This restriction has been embodied in the Grant Deed which will be utilized to transfer the property to the City. I have reviewed that Grant Deed and in my opinion the future use of the property is limited to those purposes. I am relying upon the case of the City of Palos Verdes Estates v. Willet (1946) 75 C.A. 2d 394, 171 P. 2d 26, in rendering this opinion.

I have reviewed and read the agreement for sale and purchase of real property and the exhibits attached thereto and have been present at the meetings between the School District and the City wherein the terms and conditions were negotiated and the agreements were reached and I am satisfied that those documents set forth the agreements made by the parties.

I will submit to you an additional letter upon the closing of the escrow setting forth my opinions concerning the performance of conditions of the escrow and that the escrow closed in accordance with the agreements of the parties.

Respectfully submitted,



J. B. MIRASSOU
City Attorney

JBM:bh

78- 241041