

Agreement for Sale and Purchase Of Real Property

(Pier Avenue School)
(aka The Community Center)

Pages 1-11

Dated February 28, 1978

Article 1: Recital of Facts – pages 1 & 2

- a. 1.03 - Exhibit A: Title Report dated February 3, 1977 with description of the property Pier Avenue School
- b. 1.04 – Exhibit B: Escrow (Bank of America) with escrow instructions
- c. 1.05 – Exhibit C: Grant Deed
- d. 1.06 – Exhibit D: Arbitration Agreement
- e. 1.07 – Exhibit E: Education Codes 15051-15054 and Section 16053.1
- f. 1.08 – Exhibit F: Title Insurance and Trust Company Report for Pier Avenue School dated March 6, 1978
- g. 1.09 – Exhibit G: The Resolution of the Intention to Sell & Prescribing the Terms Thereof (including Exhibit 'A' description of the property and Exhibit 'B' The Memorandum of Understanding which includes provisions of district use of classrooms, office and storage space when enrollment exceeds 1,266 students.)
- h. 1.10 – Exhibit H: City of Hermosa Beach Resolution 77-4099 and Resolution 77-78-4193
- i. 1.11 – Exhibit I & J: Opinion letters from J.B. Mirassou, attorney for the City and opinion letter from Gerald M. Hilby, attorney for the District
- j. 1.12 – Exhibit K: Lease Agreement for Future Use of Pier Avenue School

Article 2: Sale of Property

Article 3: Purchase Price Information

Article 4: Escrow Information

Article 5: Conditions Precedent to Purchase

Article 6: Miscellaneous Conditions and Warranty

Article 7: Possession

Article 8: Destruction of Premises

Article 9: Future Use of Property (by the City of Hermosa Beach)

Article 10: Right of Re-Entry (by HBCSD)

Article 11: Right to Equitable Relief

Article 12: Notices

Article 13: Attorney Fees

Article 14: Severability Clause

Article 15: Effective Date of Agreement

7634644-R. Nicholson
WHEN RECORDED MAIL TO:
City of Hermosa Beach
Civic Center
Hermosa Beach, California 90254

78- 241041 1-18-78

78- 241041

AGREEMENT FOR SALE AND PURCHASE OF
REAL PROPERTY



THIS AGREEMENT is made and entered into on the date and year hereinafter set forth between the Hermosa Beach City School District (District) as Seller and the City of Hermosa Beach, a municipal corporation, (City) as Buyer.

94
FREE 016

RECORDED IN OFFICIAL RECORDS
OF LOS ANGELES COUNTY, CA

47 MIN.
PAST

4 P.M. MAR 6 1978

Recorder's Office

ARTICLE 1

RECITAL OF FACTS

1.01 Hermosa Beach City School District and its successor in interest are hereinafter referred to as "District."

1.02 The City Council of the City of Hermosa Beach is hereinafter referred to as "City Council."

1.03 The subject matter of this Sale and Purchase is described in Exhibit "A" attached hereto and incorporated by reference, hereinafter referred to as "Pier Avenue School."

1.04 A copy of the escrow instructions executed by the parties is attached hereto, marked Exhibit "B" and hereinafter referred to as "the escrow instructions" and "the escrow."

1.05 A copy of a Grant Deed setting forth the right of re-entry as to the use of the property is attached hereto, marked Exhibit "C" and is hereinafter referred to as "Grant Deed."

1.06 An agreement executed concurrently with this Agreement which provides for arbitration in case of future disputes between the District and the City, et al., is attached hereto, entitled "Arbitration Agreement" and incorporated herein by reference. Said agreement is hereinafter referred to as Exhibit "D."

2
1.07 Copies of Sections 15051 through 15054 and Section 16053.1 of the Education Code, which permits the District to sell the Pier Avenue School for less than market value, are attached hereto and hereinafter referred to as Exhibit "E" and any future amendments thereto, either expressly or by implication referred to as "governing law."

1.08 The preliminary title report prepared by Title Insurance and Trust Company is attached hereto, marked Exhibit "F" and incorporated herein by reference, hereinafter referred to as "Title Report."

- 1.09 A copy of a Resolution of the Intention of the District to sell the Pier Avenue School and a Resolution Approving the Sale of the Pier Avenue School for less than fair market value and a copy of the Resolution of the District Declaring the Property Surplus and the Proposed Resolution of the District approving this Agreement and Proofs of Publication are attached hereto and hereinafter referred to as Exhibit "G."

-1.10 The Resolution of the City Council authorizing purchase of said property and the Resolution approving this Agreement shall be attached hereto after adoption by the City Council and shall be marked Exhibit "H."

1.11 Opinion letter from J. B. Mirassou, attorney for the City, and opinion letter from Gerald M. Hilby, attorney for the District, marked respectively Exhibits "I" and "J" and hereinafter referred to as "opinion letters."

1.12 A copy of a document entitled Lease Agreement for the Future Use of Pier Avenue School is attached hereto marked Exhibit "K."

78- 241041

3

ARTICLE 2

SALE OF PROPERTY

The District hereby agrees to sell and the City hereby agrees to buy Pier Avenue School which is more fully described in Exhibit "A" on the terms and conditions hereinafter stated.

ARTICLE 3

PURCHASE PRICE

The purchase price of the property shall be the sum of \$650,000 payable by the City to the District as follows:

3.01 \$500,000 by the close of escrow.

3.02 The balance of \$150,000 payable over a period of six years in the amount of \$25,000 or more per year commencing one year subsequent to the close of escrow and payable in annual installments on the anniversary date of the escrow each year thereafter until paid in full.

3.03 The first \$137,500 of the sums referred to in Paragraph 3.02 above shall be paid annually by the City on the date due into a trust fund of the City Treasurer's office of the City in trust for the Hermosa Beach City School District. The treasurer is instructed to deposit these monies into an interest-bearing account and such interest shall remain in the account. The purpose for the creation of this fund is to secure the agreement of the parties as hereinafter set out with reference to the potential of a violation of restrictions which are presently in existence or which may hereinafter be imposed by the Department of Housing and Urban Development with reference to the District's use of the property. With reference hereto the parties agree that in the event that the District's use of

78- 241041

4
the property violates the restrictions of the Department of Housing and Urban Development either as presently in existence or hereinafter imposed and as a result of said violation the City is required to repay the Department of Housing and Urban Development all or a portion of the monies received by the City from that Department which were utilized in the purchase price of the property, then the City and the School District shall each forthwith pay one-half of said sums that must be repaid. The City Treasurer is authorized to withdraw the monies from the fund to pay said obligation. In the event of the failure of the District to pay one-half of said sums as required and there is insufficient monies in the fund, then the City may in addition to any other legal remedy set off its obligation to pay the District monies owed by the City to the District until the District's obligation has been paid in full. The parties agree however that the District's obligation to pay shall not exceed the sum of \$137,500. The District's obligation to pay one-half of said sums to the Department as stated above shall cease at the end of the sixth year subsequent to the close of escrow whereupon all sums in the fund held by the City Treasurer shall be immediately transmitted to the District unless litigation is then pending between the parties regarding rights of said monies because of a pending claim by the Department of Housing and Urban Development.

In the event that the City and the District disagree as to whether or not the District's use of the property has caused a violation of the restrictions of the Department of Housing and Urban Development, that question will be submitted to arbitration in accordance with the procedures set forth in the Arbitration Agreement.

78- 241041

ARTICLE 4

ESCROW

The escrow has been opened at the Bank of America, Hermosa Beach, California, being Escrow #63-14258 (a copy of which is attached as Exhibit B) and shall be continued and shall be utilized to consummate the sale of this property except that the escrow instructions are hereby modified to conform to the provisions of this agreement.

4.01 The title shall be transferred to the City free and clear of all encumbrances, liens, reservations, restrictions incorporated therein or other impediments of title except as those set forth in this agreement and the attachments thereto and those set forth in the title report.

4.02 The contingencies set forth in the first and second pages of the escrow instructions are either satisfied or modified as follows:

- a. Contingencies number one, two, three, eight and nine have been satisfied.
- b. Contingency number four has been amended as set forth in Paragraph 5.03 below.
- c. Contingencies number five, six and seven remain in full force and effect.

78- 241041

6

ARTICLE 5

CONDITIONS PRECEDENT TO PURCHASE

The City's duty to purchase the Pier Avenue School is conditioned upon the occurrence of all the following events:

5.01 The conditions set forth in the escrow instructions as modified by Article 4 above, and

5.02 The execution by the parties of all the agreements attached hereto as exhibits, and

5.03 The acceptance and receipt by the City of the Department of Housing and Urban Development Grant monies (HUD) (Fiscal years 1976-77, 1977-78) pursuant to the terms and conditions set forth by HUD, and

5.04 The approval by Title Insurance and Trust Company of the provisions set forth in the deed restrictions as identified in Articles 9 and 10.

ARTICLE 6

MISCELLANEOUS CONDITIONS AND WARRANTY

6.01 If the City receives the grant monies from the Department of Housing and Urban Development (Fiscal Years 1976-77, 1977-78) and the City is permitted under the terms of the grant to use the funds for the purchase of the Pier Avenue School, and thereafter elects not to purchase Pier Avenue School but to use the funds for some other purpose, the City shall pay to the District, as liquidated damages, forthwith, the sum of Twenty-four Thousand Dollars (\$24,000.00).

78- 241041

7

6.02 If for any reason the District ceases to be an independent District or becomes a part of another District through consolidation, merger, etc., the successor district shall have and shall be entitled to all the rights of the District set forth in this agreement, including the right of re-entry hereinafter set forth.

6.03 The District warrants that it has the power and right to sell Pier Avenue School upon the terms and conditions set forth in this Agreement and all Agreements attached by Exhibits hereto and said warranty shall survive the closing of the escrow.

ARTICLE 7

POSSESSION

The District shall deliver possession of the property to the City at the close of escrow free and clear of all uses and occupancies other than those who are the present lessees or tenants of the District who have certain limited rights to use the premises pursuant to their agreement with the District.

ARTICLE 8

DESTRUCTION OF PREMISES

8.01 The City accepts the Pier Avenue School "as it presently is" and the District promises to keep and maintain the Pier Avenue School "as it presently is", until the close of escrow.

8.02 Should any of the improvements of the Pier Avenue School be substantially destroyed or substantially damaged prior to the close of this escrow, the District shall have the right to correct the destruction or damage within a reasonable period of time.

8

8.03 If the District elects not to correct the destruction or damage, the City shall have the power, upon written notice to the escrow holder, to cancel this escrow and to terminate this contract and to recover any and all amounts paid to the escrow holder on the account of the purchase price of the property.

ARTICLE 9

FUTURE USE OF PROPERTY

The City agrees and promises that the future use of the property shall be restricted as follows:

9.01 Its use shall be in accordance with governing law.

9.02 Its use shall not be for any purpose other than parks, recreational, open space, educational, or other community purposes.

9.03 The Grant Deed attached as Exhibit "C" setting forth the restrictions in Paragraph 9.02 is approved by the City and the District. Both agree that if the Pier Avenue School should ever revert to the District or its successor in interest becomes the sole owner of the property, the District or its successor in interest shall be specifically bound by provisions set forth in Paragraph 9.02 above and the restrictions set forth in the Grant Deed. Both the City and the District agree to abide by and waive any right that they have which will by implication void the deed restriction referred to above.

9.04 The City and the District agree that in addition to the use of the property provided in Paragraphs 9.01, 9.02, and 9.03 the property may be used 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 of an advantage to the citizens of Hermosa Beach, except that the premises may not be committed for the purposes of an ongoing commercial enterprise which is

not a complementary enterprise to a permitted use.

9.05 If there is any dispute that arises as to the use of the property which is not subject to a legal proceeding as provided in Paragraph 10, such conflict shall be submitted to arbitration as provided in the Arbitration Agreement attached as Exhibit "D."

ARTICLE 10

RIGHT OF RE-ENTRY

In the event the City shall ever trade, sell, exchange, or rezone the property known as the Pier Avenue School as more particularly described in Exhibit "A", the District or its successor in interest shall have the power to terminate the City's right and possessory interest in and to the Pier Avenue School through giving sixty days written notice to the City that within twenty days after the date first set forth in the notice that the District shall cause to be filed a cause of action(s) to cause the Pier Avenue School to revert to the District or its successor in interest, and the reversion shall become effective upon final order of a court of competent jurisdiction.

10.01 The District and the City agree that the City's non-use of all or any portion of the property shall not be deemed a breach of this Agreement.

10.02 The rights granted herein are not intended to preclude the District or its successor in interest from enforcement of any rights in this Agreement by any other remedy available at law or at equity.

ARTICLE 11

RIGHT TO EQUITABLE RELIEF

In the event the District ceases to exist and consolidates or merges with any other school district and if the new successor

district elects not to enforce the terms and conditions of this Agreement and the exhibits incorporated herein with addendums, if any, the right of the District and the successor district are hereby assigned to any resident or property owner in the City of Hermosa Beach. That person shall have the right pursuant to the procedures set forth in this Agreement and the exhibits incorporated herein to prevent the City from using the Pier Avenue School for purposes not in accordance with the provisions of this Agreement and the exhibits attached hereto.

ARTICLE 12

NOTICES

Any and all notices to be given to either party by the other party, shall be in writing and shall be deemed served and given when personally delivered to the City Clerk of the City of Hermosa Beach (if the notice is to be given to the City) or to the Superintendent of Schools of the Hermosa Beach City School District or his/her designee (if notice is to be given to the District). Either party may change the person to whom notice is to be given by giving a written notice of such change to the other party in the manner provided in this section.

ARTICLE 13

ATTORNEYS FEES

Should any litigation be commenced between the parties hereto concerning said property or any arbitration commenced between the parties hereto concerning said properties, this contract or the rights and duties of either in relation thereto, the party prevailing such litigation shall be entitled, in addition to such other relief which may be granted, to a reasonable sum for attorneys fees, in such amounts as shall be determined by either the court or the arbitrator wherein such action is brought.

ARTICLE 14

SEVERABILITY CLAUSE

It is the intention of the City and the District that if any one or more provisions of the Agreement for Sale and Purchase or any of the attachments thereto are found to be void or unenforceable by a court of competent jurisdiction then and in that event the remaining provisions of this Agreement and the attachments thereto shall remain in full force and effect.

ARTICLE 15

EFFECTIVE DATE OF AGREEMENT

This Agreement has been approved by the Board on the 14 day of Feb., 1978, and by the City Council on the 28th day of February, 1978, and shall be effective at the conclusion of the adoption of the necessary resolutions and the publications thereof and of this Agreement as may be required by law. The parties agree to diligently proceed to comply with such requirements and to cause to be executed any and all documents necessary to effectuate the intent and meaning of this Agreement.

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

THE CITY OF HERMOSA BEACH

Lynn Schubert
John L. Rogers
Shirley D. Pfeiffer
Bonnie L. Trice
Ann Gubser

Mary E. Lyson
Mayor of the City of Hermosa Beach

ATTEST:

Barbara Fleming
City Clerk

78- 241041

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

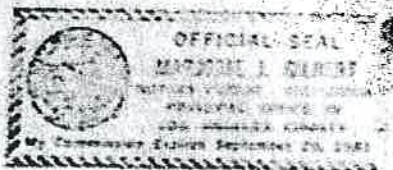
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

SS

(S)

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



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

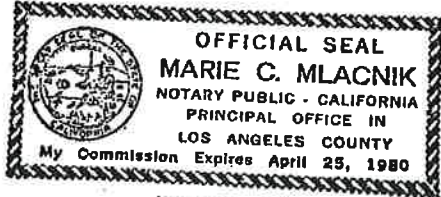
78- 241041

12

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

78- 241041

**Agreement for Sale and Purchase
Of Real Property
(Pier Avenue School)
(aka The Community Center)**

Exhibit 'A'
Title Insurance and Trust Company

Dated February 3, 1977

TITLE INSURANCE AND TRUST COMPANY

4240 ARTESIA BLVD., TORRANCE, CALIFORNIA, 90504, TEL. (213) 542-0511

FEBRUARY 3, 1977

TO: HERMOSA BEACH CITY SCHOOL DISTRICT
517 17TH STREET, BOX 338
HERMOSA BEACH, CALIFORNIA

ATTENTION: W. R. MC DONALD

YOUR NO.: PIER AVENUE SCHOOL
OUR NO. : 7572158

IN RESPONSE TO THE ABOVE REFERENCED APPLICATION FOR A POLICY OF TITLE INSURANCE, TITLE INSURANCE AND TRUST COMPANY REPORTS THAT IT IS PREPARED TO ISSUE, OR CAUSE TO BE ISSUED, AS OF THE DATE HEREOF, A CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE FORM POLICY OF TITLE INSURANCE DESCRIBING THE LAND AND THE ESTATE OR INTEREST THEREIN HEREINAFTER SET FORTH, INSURING AGAINST LOSS WHICH MAY BE SUSTAINED BY REASON OF ANY DEFECT, LIEN OR ENCUMBRANCE NOT SHOWN OR REFERRED TO AS AN EXCEPTION BELOW OR NOT EXCLUDED FROM COVERAGE PURSUANT TO THE PRINTED SCHEDULES, CONDITIONS AND STIPULATIONS OF SAID POLICY FORM.

THIS REPORT (AND ANY SUPPLEMENTS OR AMENDMENTS THERETO) IS ISSUED SOLELY FOR THE PURPOSE OF FACILITATING THE ISSUANCE OF A POLICY OF TITLE INSURANCE AND NO LIABILITY IS ASSUMED HEREBY. IF IT IS DESIRED THAT LIABILITY BE ASSUMED PRIOR TO THE ISSUANCE OF A POLICY OF TITLE INSURANCE, A BINDER OR COMMITMENT SHOULD BE REQUESTED.

DATED AT 7:30 A.M. AS OF DECEMBER 8, 1976

TITLE OFFICER: R. NICHOLSON

TITLE TO THE ESTATE OR INTEREST REFERRED TO HEREIN, AT THE DATE HEREOF, IS VESTED IN:

HERMOSA BEACH CITY SCHOOL DISTRICT OF LOS ANGELES COUNTY

THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS: A FEE.

78- 241041

EXHIBIT "A"

TITLE INSURANCE AND TRUST COMPANY

AT THE DATE HEREOF EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS CONTAINED IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. AN EASEMENT AFFECTING ALL OF SAID LAND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES.
IN FAVOR OF : WARREN GILLELEN
FOR : WATER PIPES
RECORDED : IN BOOK 1617 PAGE 47 OF DEEDS

2. COVENANTS, CONDITIONS AND RESTRICTIONS IN THE DEED
EXECUTED BY : HERMOSA BEACH LAND AND WATER COMPANY, A CORPORATION
RECORDED : IN BOOK 1810 PAGE 201 OF DEEDS

RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN ARE DELETED.

3. COVENANTS, CONDITIONS AND RESTRICTIONS IN THE DEED
EXECUTED BY : HERMOSA BEACH LAND AND WATER COMPANY
RECORDED : IN BOOK 2018 PAGE 83, IN BOOK 2642 PAGE 135, IN BOOK 2768 PAGE 1, IN BOOK 2951 PAGE 140 AND IN BOOK 3141 PAGE 218 OF DEEDS

AND IN DEED FROM SAID HERMOSA BEACH LAND AND WATER COMPANY TO THE HERMOSA BEACH CITY SCHOOL DISTRICT, RECORDED SEPTEMBER 6, 1911 IN BOOK 4710 PAGE 136 OF DEEDS.

RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN ARE DELETED.

BY AN INSTRUMENT RECORDED SEPTEMBER 6, 1911 IN BOOK 4701 PAGE 120 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, THE SAID HERMOSA BEACH LAND AND WATER COMPANY WAIVES THE ENFORCEMENT FOR THE ABOVE MENTIONED COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING THE HEREIN DESCRIBED PROPERTY SO LONG AS SAID PROPERTY IS OWNED BY THE HERMOSA BEACH CITY SCHOOL DISTRICT OR ITS MUNICIPAL SUCCESSORS AND THE SAID PROPERTY IS USED FOR SCHOOL OR OTHER BENEFICIAL PURPOSES.

SAID MATTER AFFECTS: PARCEL 3

4. COVENANTS, CONDITIONS AND RESTRICTIONS IN THE DEED
EXECUTED BY : HERMOSA BEACH LAND AND WATER COMPANY
RECORDED : IN BOOK 2733 PAGE 94 OF DEEDS

78- 241041

TITLE INSURANCE AND TRUST COMPANY

RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN ARE DELETED.

SAID MATTER AFFECTS: PARCEL 4

5. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
IN FAVOR OF : SOUTHERN CALIFORNIA EDISON COMPANY, LTD., A CORPORATION
FOR : POLES
RECORDED : IN BOOK 18556 PAGE 299, OFFICIAL RECORDS
AFFECTS : THE SOUTHERLY 5 FEET OF PARCEL 4

6. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
IN FAVOR OF : CARL A. KNOTT AND MARIE T. KNOTT, HIS WIFE
FOR : STORM DRAIN
RECORDED : IN BOOK 23358 PAGE 299, OFFICIAL RECORDS
AFFECTS : THE EASTERLY 3 FEET OF THE NORTHERLY 80 FEET OF PARCEL 4

7. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES, CONDEMNED BY FINAL
TREE
FOR : STATE HIGHWAY
RECORDED : IN BOOK 20420 PAGE 315 OFFICIAL RECORDS
AFFECTS : THAT PORTION OF LOT 10, BLOCK 79, SECOND ADDITION TO HERMOSA BEACH, IN THE CITY OF HERMOSA BEACH, AS PER MAP RECORDED IN BOOK 3 PAGE 11 OF MAPS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 10; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID LOT TO INTERSECTION THEREOF WITH A LINE PARALLEL WITH AND DISTANT WESTERLY 10 FEET, MEASURED AT RIGHT ANGLES FROM THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF LOT 5, BLOCK 78, SECOND ADDITION TO HERMOSA BEACH, THENCE NORTHERLY ALONG SAID PARALLEL LINE TO THE INTERSECTION THEREOF WITH THE EASTERLY LINE OF LOT 10; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOT TO POINT OF BEGINNING.

78- 241041

TITLE INSURANCE AND TRUST COMPANY

DESCRIPTION:

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.

78- 241041

TITLE INSURANCE AND TRUST COMPANY

RW/24, TRIPL. PLATS

POLICY RATE 100 PER CENT

TITLE OF THE VESTEE HEREIN WAS ACQUIRED BY DEED RECORDED PRIOR TO SIX MONTHS
FROM THE DATE HEREOF

78- 241041

**Agreement for Sale and Purchase
Of Real Property
(Pier Avenue School)
(aka The Community Center)**

**Exhibit 'B'
Escrow Instructions
Bank of America Escrow**

Dated June 22, 1977

Amendment to Escrow Instructions

Dated February 28, 1978

Exhibit 'A' to Escrow Instructions

Description of the Property

ESCROW INSTRUCTIONS THIS A DUPLICATE ORIGINAL

(REAL ESTATE TRANSACTION).

EXHIBIT "B"

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 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

Securing a Note for \$ 250,000.00 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 Hermosa Beach, California

principal due and payable in installments of \$ 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 with the escrow officer.

REPLY STATE TRANSACTIONS

$$u = 240$$

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

1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 26

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, nor any action in the premises, but you may award the settlement of any such controversy by final appropriate legal proceedings or otherwise as you may, without recommending 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 and expenses as you may deem a party to any litigation, the undersigned jointly and severally agreeing to pay the same, and you shall further be entitled to such documents and papers 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.

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	
Records of said County showing title therein		

City of Hermosa Beach, a municipal corporation

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 \$2045.

137. ~~And the same day, the Lord said to the king of Israel, "I have heard that you have said, 'I will build a temple for the Lord, and I will dwell in it.'"~~

(4) Debt of Trust securing an indebtedness of \$	None	as per its terms, now of record, unpaid balance of principal \$	None
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Any difference in unpaid balance as disclosed by beneficiary statement will be adjusted through interest so that the total consideration remains unchanged.

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

issuance of 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 at Hermosa Beach, California
annually

Principal of \$ 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 by the City of Hermosa Beach of the use of the 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. 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. Morrison, City Attorney, and approved by Gerald Hilby, counsel for the district, continued on the reverse hereof.

As to close of escrow

None. There is to be no prorations or adjustments for taxes, rent, or insurance, in this escrow. The following adjustments and prorations only are required in this escrow:

Such items to be handled by the parties herein, outside of escrow.

~~78-241041~~

It is agreed by the parties hereto that so far as their rights and liabilities are concerned, this escrow is an escrow and not an agency for the parties.

The expression "Terms of Escrow" as used 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.

Delivery Take 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 BARBARA 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 according 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 search of title as soon. Deduct all my expenses from funds according 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.
Sav.
2. Mail Check to me at address below

78-241041

Hermosa Beach City School District of Los Angeles County, California

Signature _____ by Richard 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 conditions 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 Mary E. Lyson

by MAYOR

Signature Barbara Fleming
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 63-14258

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"

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

88

On this 28th day of February in the year 1978

before me, the undersigned, a Notary Public, personally appeared, Andrew M. Joyce known to me to be District Superintendent of Hermosa Beach City School District of Los Angeles County, and, known to me to be the person 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

June Houston



78- 241040

**Agreement for Sale and Purchase
Of Real Property
(Pier Avenue School)
(aka The Community Center)**

**Exhibit 'C'
The Grant Deed**

Dated February 28, 1978

Exhibit "C"

78- 241040

7634644- R. Nicholas
Recording Requested BY;

City of Hermosa Beach

When Recorded Mail To:

City of Hermosa Beach
Civic Center
Hermosa Beach, California 90254

RECORDED IN OFFICIAL RECORDS
OF LOS ANGELES COUNTY, CA
47 MIN. 4 P.M. MAR 6 1978
PAST
Recorder's Office

FREE R

COMPUTED ON FULL VALUE OF PROPERTY CONVEYED
DOCUMENTARY TRANSFER TAX \$ None
Title Insurance and Trust Company
SIGNED - PARTY OR AGENT FIRM NAME
As instructed by Bank of America

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the HERMOSA BEACH CITY SCHOOL DISTRICT of Los Angeles, Grantor, hereby GRANTS, to the City of Hermosa Beach, a municipal corporation, Grantee, or its successor in interest, the following described real property in the City of Hermosa Beach, County of Los Angeles, State of California:

LEGAL DESCRIPTION ATTACHES HERETO, AS EXHIBIT A:

THE GRANT OF SAID PROPERTY IS SUBJECT TO THE FOLLOWING CONDITION AND SUBJECT TO AN AGREEMENT FOR SALE AND PURCHASE ENTERED INTO BY THE GRANTOR AND THE GRANTEE IN CONNECTION WITH THE SALE OF THE SUBJECT PROPERTY:

If the City of Hermosa Beach, a municipal corporation, or its successor in interest, shall ever trade, sell, exchange or otherwise divest the city of title or rezone the property described in this Deed, the Hermosa Beach City School District of Los Angeles, or its successor in interest, shall have the right to terminate the Grantee's interest herein through a legal proceeding filed in the Superior Court of the County of Los Angeles, State of California.

THIS CONVEYANCE IS MADE AND ACCEPTED UPON THE FOLLOWING EXPRESSED CONDITION, RESTRICTION AND COVENANT WHICH SHALL APPLY TO AND BIND THE LESSEES, GRANTEES, SUCCESSORS AND ASSIGNS OF THE PARTIES:

The property granted herein shall not be used for any purpose other than for park, recreational, open space, educational or other community purposes.

dated: February 28, 1978



Hermosa Beach City School District
of Los Angeles County

Andrew M. Joyce
Andrew M. Joyce

Andrew M. Joyce-District Superintendent

MAIL TAX STATEMENT TO RETURN ADDRESS LISTED ABOVE

EXHIBIT A attached hereto and made a part of that certain Grant Deed dated February 28, 1978 executed by the Hermosa Beach City School District in favor of the City of Hermosa Beach

DESCRIPTION:

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.

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4

CERTIFICATE OF ACCEPTANCE
(Government Code Section 27281)

THIS IS TO CERTIFY that the interest in real property conveyed by the Grant Deed dated February 28, 1978 from HERMOSA BEACH CITY SCHOOL DISTRICT OF LOS ANGELES COUNTY to the CITY OF HERMOSA BEACH, a municipal corporation, is hereby accepted by order of the City Council of the City of Hermosa Beach on February 28, 1978, on behalf of the City Council pursuant to the authority conferred by Resolution No. N. S. 2146 of the City Council adopted on April 1, 1958, and the Grantee consents to recordation thereof by its duly authorized officer.

DATED: February 28, 1978

By Barbara Fleming
BARBARA FLEMING, City Clerk
City of Hermosa Beach

(SEAL)

APPROVED AS TO FORM:

J. B. Mirassou
J. B. Mirassou, City Attorney

~~78-237075~~

78-241040

**Agreement for Sale and Purchase
Of Real Property
(Pier Avenue School)
(aka The Community Center)**

**Exhibit 'D'
Arbitration Agreement**

Dated February 28, 1978

EXHIBIT "D"
ARBITRATION AGREEMENT

21 24

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.

78- 241041

27

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.

78- 241041

23
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.

78- 241041

21

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

78- 241041

- 2 -

75
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
Shirley D. Miller
Bonnie D. Grace
Ann Guleser

THE CITY OF HERMOSA BEACH

Mary E. Tyson
Mayor of the City of Hermosa B.

ATTEST:

Barbara Fleming
City Clerk

78- 241041

24

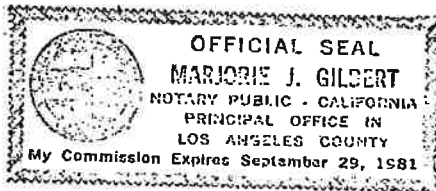
Public Corporation, Agency or Political
Subdivision (Civ. Code, Section 1191)

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

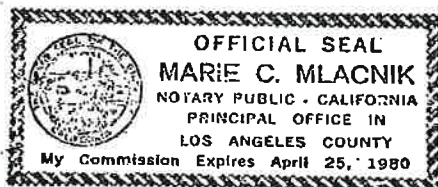
78- 241041

27

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

78- 241041

Agreement for Sale and Purchase
Of Real Property
(Pier Avenue School)
(aka The Community Center)

Exhibit 'E'
Education Codes 15051 – 15054
& 16053.1

25

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EXHIBIT "E"

§ 15051 SCHOOL SITES AND CONSTRUCTION

Div. 11

Article 2

SITES FOR UNION SCHOOLS

Sec.

- 15051. Temporary arrangements for location.
- 15052. Notice by trustees of desire to meet.
- 15053. Superintendent shall be chairman.
- 15054. Transmittal to superintendent of names of locations when trustees disagree.
- 15055. Calling of election to determine location.
- 15056. Sites to be voted upon.
- 15057. Form of ballot.
- 15058. Determination and certification of election result.
- 15059. Determination of location.
- 15060. Option for lease on apartments or buildings.
- 15061. Establishment of school location by majority of trustees.

Cross References

Application of article only to school sites selected during first two years in new school district, see § 15003.
Union school district, see § 42.

§ 15051. Temporary arrangements for location

The governing board of any union school district may make temporary arrangements for the location of one or more union schools in the district.

(Stats.1959, c. 2, p. 1073, § 15051.)

Historical Note

Derivation: Educ.C.1943, § 18421 (Stats. 1943, c. 71, p. 670).
School C. § 6.110.
Pol.C. § 1585, added Stats.1919, c. 309, p. 501. § 1, amended Stats.1923, c. 427, p. 999, § 1.

Cross References

Buildings in union or joint union districts, see § 15351 et seq.
Governing boards, see §§ 39, 921 et seq.
Powers, see §§ 1001 et seq., 15301 et seq.

Library References

Schools and School Districts $\Rightarrow$ GS. C.J.S. Schools and School Districts § 247.

§ 15052. Notice by trustees of desire to meet

Within 40 days after the selection of trustees for a union school district, they shall notify the county superintendent of schools that they desire to meet to locate one or more union schools in and for the

Ch. 1

SCHOOL SITES

§ 15054

district. Thereafter they shall meet in conjunction with the county superintendent of schools at a time and place to be named by him, for the purpose of determining the location of a union school or schools pursuant to this article (commencing at Section 15051).

(Stats.1959, c. 2, p. 1073, § 15052.)

Historical Note

Derivation: Educ.C.1943, § 18422 (Stats. 1943, c. 71, p. 670).

School C. § 6.111; Pol.C. § 1585 (see Derivation under § 15051).

Cross References

Board of school trustees, see § 921 et seq.

County superintendent, see §§ 751 et seq., 801 et seq., 851 et seq., 13828, 15851 et seq.; Const. art. 9, §§ 3, 3.1.

Expenses payable out of county general fund, see § 881.

Governing boards, see §§ 39, 921 et seq.

Powers, see §§ 1001 et seq., 15801 et seq.

Option to purchase land, power of board of trustees, see § 15006.1.

§ 15053. Superintendent shall be chairman

At the meeting the superintendent shall be the chairman and is entitled to vote and participate in all its proceedings.

(Stats.1959, c. 2, p. 1073, § 15053.)

Historical Note

Derivation: Educ.C.1943, § 18423 (Stats. 1943, c. 71, p. 671).

School C. § 6.112; Pol.C. § 1585 (see Derivation under § 15051).

Cross References

County superintendent, see §§ 751 et seq., 801 et seq., 851 et seq., 13828, 15851 et seq.; Const. art. 9, §§ 3, 3.1.

Expenses payable out of county general fund, see § 881.

§ 15054. Transmittal to superintendent of names of locations when trustees disagree

If the trustees fail to agree unanimously upon a location for the school or schools they shall propose in writing to the county superintendent, or if he is not present, they shall transmit to his office, within 10 days, the names of the locations which they, or any of them favor.

(Stats.1959, c. 2, p. 1073, § 15054.)

Historical Note

Derivation: Educ.C.1943, § 18424 (Stats. 1943, c. 71, p. 671).

School C. § 6.113; Pol.C. § 1585 (see Derivation under § 15051).

30

§ 16053.1

EDUCATION CODE

For Reorganized Education Code, operative April 30, 1977, see Special Pamphlet § 16053.1 Priorities and procedures for the sale or lease with option to purchase

Except as provided for in Article 2 (commencing with Section 15051) of Chapter 1 of Division 11, the sale or lease with an option to purchase of real property by a school district shall be in accordance with the following priorities and procedures:

(a) First, the property shall be offered for park or recreational purposes pursuant to Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code, in any instance in which such article is applicable.

(b) Second, the property shall be offered for sale or lease with an option to purchase, at fair market value:

(1) In writing, to the state, the Regents of the University of California, the Trustees of the California State University and Colleges, the county and city in which the property is situated, and to any public housing authority in the county in which the property is situated; and

(2) By public notice to any public district, public authority, public agency, public corporation, or any other political subdivision in this state, to the federal government, and to nonprofit charitable corporations organized pursuant to Part 3 (commencing with Section 10200) of Division 2 of Title 1 of the Corporations Code. Public notice shall consist of at least publishing its intention to dispose of the real property in a newspaper of general circulation within the district, or if there is no such newspaper, then in any newspaper of general circulation that is regularly circulated in the district. The notice shall specify that the property is being made available to all public districts, public authorities, public agencies, and other political subdivisions or public corporations in this state, and to other nonprofit charitable corporations.

Publication of notice pursuant to this section shall be once each week for three successive weeks. Three publications in a newspaper regularly published once a week or * * * more often, with at least five days intervening between the The written notice required by paragraph (1) of this subdivision shall be mailed no later than the date of the second published notice.

The entity desiring to purchase or lease the property shall, within 60 days after the third publication of notice, notify the school district of its intent to purchase or lease the property. If the entity desiring to purchase or lease the property and the district are unable to arrive at a mutually satisfactory price or lease payment during the 60-day period, the property may be disposed of as otherwise provided in this section. In the event the district receives offers from more than one entity pursuant to this subdivision, the school district governing board may, in its discretion, determine which of such offers to accept.

(c) Third, the property shall be made available in writing to the former owner, in accordance with Section 16058.3. This subdivision shall not be applicable to community college districts.

(d) Fourth, the property may be disposed of in any other manner authorized by law.

(Added by Stats.1975, c. 743, p. —, § 2. Amended by Stats.1976, c. 1248, p. —, § 3.)

Library References
Schools and School Districts § 65.
C.J.S. Schools and School Districts § 241
et seq.

§ 16053.5 Alternative use of funds derived from the sale of a surplus school site

Notwithstanding any provisions of this article, any school district which has purchased a school site under the provisions of Chapter 10 (commencing with Section 19551) of Division 14 and has fully repaid any apportionments made for the purpose of such purchase may, upon sale of such site, deposit in the general fund of the district a portion of such sale proceeds which represents an excess over the original purchase price; provided that such school district: (a) has experienced a decrease in enrollment between the 1967-68 school year and the 1972-73 school year of at least 16 percent; and (b) has operated during the 1971-72 fiscal year at a cost of at least one hundred dollars (\$100) per unit of average daily attendance less than the average for the county in which the district is located; and (c) has no anticipated need, for the three years following such sale, for

Underline indicates changes or additions by amendment

RECORDER'S MEMO:
POOR RECORD IS DUE TO
QUALITY OF ORIGINAL DOCUMENT

**Agreement for Sale and Purchase
Of Real Property
(Pier Avenue School)
(aka The Community Center)**

Exhibit 'F'
Title Insurance and Trust Company

Dated March 6, 1978

TITLE INSURANCE AND TRUST COMPANY

4240 ARTESIA BLVD., TORRANCE, CALIFORNIA, 90504, TEL. (213) 542-0511

MARCH 6, 1978

TO: BANK OF AMERICA
90 PIER AVENUE
HERMOSA BEACH, CALIFORNIA 90254

ATTENTION: JUNE HOUSTON

YOUR NO.: 63-14258

OUR NO. : 7634644

IN RESPONSE TO THE ABOVE REFERENCED APPLICATION FOR A POLICY OF TITLE INSURANCE, TITLE INSURANCE AND TRUST COMPANY REPORTS THAT IT IS PREPARED TO ISSUE, OR CAUSE TO BE ISSUED, AS OF THE DATE HEREOF, A CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE FORM POLICY OF TITLE INSURANCE DESCRIBING THE LAND AND THE ESTATE OR INTEREST THEREIN HEREINAFTER SET FORTH, INSURING AGAINST LOSS WHICH MAY BE SUSTAINED BY REASON OF ANY DEFECT, LIEN OR ENCUMBRANCE NOT SHOWN OR REFERRED TO AS AN EXCEPTION BELOW OR NOT EXCLUDED FROM COVERAGE PURSUANT TO THE PRINTED SCHEDULES, CONDITIONS AND STIPULATIONS OF SAID POLICY FORM.

THIS REPORT (AND ANY SUPPLEMENTS OR AMENDMENTS THERETO) IS ISSUED SOLELY FOR THE PURPOSE OF FACILITATING THE ISSUANCE OF A POLICY OF TITLE INSURANCE AND NO LIABILITY IS ASSUMED HEREBY. IF IT IS DESIRED THAT LIABILITY BE ASSUMED PRIOR TO THE ISSUANCE OF A POLICY OF TITLE INSURANCE, A BINDER OR COMMITMENT SHOULD BE REQUESTED.

DATED AT 7:30 A.M. AS OF JULY 11, 1977

TITLE OFFICER: R. NICHOLSON

TITLE TO THE ESTATE OR INTEREST REFERRED TO HEREIN, AT THE DATE HEREOF, IS VESTED IN:

HERMOSA BEACH CITY SCHOOL DISTRICT OF LOS ANGELES COUNTY

THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS: A FEE.

78- 241041

32

TITLE INSURANCE AND TRUST COMPANY

AT THE DATE HEREOF EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS CONTAINED IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. ANY TAXES, BONDS OR ASSESSMENTS WILL BE REPORTED LATER.

2. AN EASEMENT AFFECTING ALL OF SAID LAND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
IN FAVOR OF : WARREN GILLELEN
FOR : WATER PIPES
RECORDED : IN BOOK 1617 PAGE 47 OF DEEDS

3. COVENANTS, CONDITIONS AND RESTRICTIONS IN THE DEED
EXECUTED BY : HERMOSA BEACH LAND AND WATER COMPANY, A CORPORATION
RECORDED : IN BOOK 1610 PAGE 201 OF DEEDS

RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN ARE DELETED.

4. COVENANTS, CONDITIONS AND RESTRICTIONS IN THE DEED
EXECUTED BY : HERMOSA BEACH LAND AND WATER COMPANY
RECORDED : IN BOOK 2018 PAGE 83, IN BOOK 2642 PAGE 135, IN BOOK 2768 PAGE 1, IN BOOK 2951 PAGE 140 AND IN BOOK 3141 PAGE 218 OF DEEDS

AND IN DEED FROM SAID HERMOSA BEACH LAND AND WATER COMPANY TO THE HERMOSA BEACH CITY SCHOOL DISTRICT, RECORDED SEPTEMBER 6, 1911 IN BOOK 4710 PAGE 136 OF DEEDS.

RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN ARE DELETED.

BY AN INSTRUMENT RECORDED SEPTEMBER 6, 1911 IN BOOK 4701 PAGE 120 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, THE SAID HERMOSA BEACH LAND AND WATER COMPANY WAIVES THE ENFORCEMENT FOR THE ABOVE MENTIONED COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING THE HEREIN DESCRIBED PROPERTY SO LONG AS SAID PROPERTY IS OWNED BY THE HERMOSA BEACH CITY SCHOOL DISTRICT OR ITS MUNICIPAL SUCCESSORS AND THE SAID PROPERTY IS USED FOR SCHOOL OR OTHER BENEFICIAL PURPOSES.

SAID MATTER AFFECTS: PARCEL 3

5. COVENANTS, CONDITIONS AND RESTRICTIONS IN THE DEED
EXECUTED BY : HERMOSA BEACH LAND AND WATER COMPANY
RECORDED : IN BOOK 2338 PAGE 64 OF DEEDS

78-241041

TITLE INSURANCE AND TRUST COMPANY

83

RESTRICTIONS, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN ARE DELETED.

SAID MATTER AFFECTS: PARCEL 4

6. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
IN FAVOR OF : SOUTHERN CALIFORNIA EDISON COMPANY, LTD., A CORPORATION
FOR : POLES
RECORDED : IN BOOK 18556 PAGE 299, OFFICIAL RECORDS
AFFECTS : THE SOUTHERLY 5 FEET OF PARCEL 4

7. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES,
IN FAVOR OF : CARL A. KNOTT AND MARIE T. KNOTT, HIS WIFE
FOR : STORM DRAIN
RECORDED : IN BOOK 23358 PAGE 299, OFFICIAL RECORDS
AFFECTS : THE EASTERLY 3 FEET OF THE NORTHERLY 80 FEET OF PARCEL 4

8. AN EASEMENT AFFECTING THE PORTION OF SAID LAND AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES, CONDEMNED BY FINAL DECREE
FOR : STATE HIGHWAY
RECORDED : IN BOOK 20420 PAGE 315, OFFICIAL RECORDS
AFFECTS : THAT PORTION OF LOT 10, BLOCK 79, SECOND ADDITION TO HERMOSA BEACH, IN THE CITY OF HERMOSA BEACH, AS PER MAP RECORDED IN BOOK 3 PAGE 11 OF MAPS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 10; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID LOT TO INTERSECTION THEREOF WITH A LINE PARALLEL WITH AND DISTANT WESTERLY 10 FEET, MEASURED AT RIGHT ANGLES FROM THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF LOT 5, BLOCK 78, SECOND ADDITION TO HERMOSA BEACH, THENCE NORTHERLY ALONG SAID PARALLEL LINE TO THE INTERSECTION THEREOF WITH THE EASTERLY LINE OF LOT 10; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID LOT TO POINT OF BEGINNING.

78- 241041

DESCRIPTION:

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.

78- 241041

TITLE INSURANCE AND TRUST COMPANY

35

TITLE OF THE VESTEE HEREIN WAS ACQUIRED BY DEED RECORDED:
PRIOR TO SIX MONTHS FROM THE DATE HEREOF

POLICY RATE: 80 PER CENT

RD/23, DUPL., PLATS

78- 241041

**Agreement for Sale and Purchase
Of Real Property
(Pier Avenue School)
(aka The Community Center)**

**Exhibit 'G'
Resolution of Intention to
Sell and Authorize the Sale of Real Property to
The City of Hermosa Beach and Prescribing
The Terms Thereof**

Dated June 13, 1977

**Exhibit 'A' to Exhibit 'G'
Description of the Property
AND**

**Exhibit 'B' to Exhibit 'G'
Memorandum of Understanding**

Including: Article 1: Description of the Property

Article 2: Purchase Price

Article 3: Escrow Instructions

Article 4: Further Agreements Pursuant to the
Memorandum of Understanding

District use of classrooms, office and storage space when enrollment exceeds
1,266 students

RESOLUTION OF INTENTION TO
SELL AND AUTHORIZE THE SALE OF REAL PROPERTY TO
THE CITY OF HERMOSA BEACH AND PRESCRIBING THE
TERMS THEREOF

RESOLVED by the BOARD OF EDUCATION ("the Board") of the
HERMOSA BEACH CITY SCHOOL DISTRICT ("the District") of the County of Los
Angeles, State of California, that,

WHEREAS, Chapter 1 of Division 11 of the Education Code of the
State of California, Section 15051 et seq., authorizes and empowers school
districts to sell, for less than fair market value, any school site that is
deemed to be surplus property of the district, to any district, city, or county
in which the school district is wholly or partially situated for use as park
or recreational purposes, or open space purposes; and

WHEREAS, the District is the owner in fee simple of certain property
known as the Pier Avenue School hereinafter more particularly described in
Exhibit "A" attached hereto which property has hereinbefore been found to be
surplus property and is not now needed for school classroom purposes or other
school related purposes by the District; and

WHEREAS, after a public hearing the Board adopted a Resolution
approving of the sale of the school for less than fair market value; and

WHEREAS, the City of Hermosa Beach ("the City"), a municipal corporation
in the County of Los Angeles, State of California, desires to purchase said real
property for use for park or recreational purposes or for open space purposes;
and

WHEREAS, the City is the only governmental entity, designated by the
Education Code, that has expressed an interest in purchasing said property; and

WHEREAS, the District has complied with all the requirements set forth
in Education Code of the State of California, Section 15051 et seq.; and

WHEREAS, it appears it will be in the best interest of the District that said property be sold for the above stated purposes for less than fair market value;

NOW, THEREFORE, it is hereby found, determined and ordered:

1. THAT, this Board authorize the execution of escrow instructions forthwith so that an escrow may be opened to sell the Pier Avenue School to the City of Hermosa Beach; and

2. THAT, the terms and conditions of the sale of the Pier Avenue School by the District to the City are more particularly set forth in a Memorandum of Understanding marked Exhibit "B" as amended hereto are approved; and

3. THAT, the District Superintendent is hereby directed to cause a copy of this Resolution together only with those portions of Exhibit "A" which set forth the legal description of the Pier Avenue School, to be published in accordance with the provisions of Section 16203 of the Education Code.

UNANIMOUSLY PASSED AND ADOPTED at the regular meeting of the BOARD OF EDUCATION of the Hermosa Beach City School District on June 13, 1977, 1977, at Hermosa Beach, California.

BOARD OF EDUCATION OF THE HERMOSA
BEACH CITY SCHOOL DISTRICT OF THE
COUNTY OF LOS ANGELES

Publish Dates:

78- 241041

PARCEL 1: That portion of Lot 1 in Block 78 of the Second Addition to Hermosa Beach, in the city of Hermosa Beach, 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 Northwestern 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 Northeast 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, in Block 78 of the Second Addition to Hermosa Beach in the city of Hermosa Beach, 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 Northeast 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 Southeast 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, 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, 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 in Block 78 of the Second Addition to Hermosa Beach, in the city of Hermosa Beach, 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.

78- 241041

EXHIBIT "B"

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding made and entered into this 13 day of June, 1977, by and between HERMOSA BEACH CITY SCHOOL DISTRICT, a city school district of the County of Los Angeles, State of California, hereinafter referred to as the "District," and the CITY OF HERMOSA BEACH, a municipal corporation of the County of Los Angeles, State of California, hereinafter referred to as the "City,"

WITNESSETH:

WHEREAS, Chapter 1 of Division 11 of the Education Code of the State of California, Section 15051 et seq., authorizes and empowers school districts to sell, for less than fair market value, any school site that is deemed to be surplus property of the district, to any district, city, or county in which the school district is wholly or partially situated for use for park or recreational purposes or for open space purposes; and

WHEREAS, the District is the owner and fee simple of certain property known as the Pier Avenue School hereinafter more particularly described in Exhibit "A" attached hereto which property has hereinbefore been found to be surplus property and is not now needed for school classroom purposes or other school related purposes by the District; and

WHEREAS, after a public hearing the Board adopted a Resolution approving of the sale of the school for less than fair market value; and

WHEREAS, the City of Hermosa Beach ("the City"), a municipal corporation in the County of Los Angeles, State of California, desires to purchase said real property for use for parks and recreational purposes or for open space purposes; and

78-241041

WHEREAS, the City is the only governmental entity designated by the Education Code, that has expressed an interest in purchasing said property; and

WHEREAS, the District has complied with all the requirements set forth in Education Code of the State of California, Section 15051 et seq.; and

WHEREAS, it appears it will be in the best interest of the District that said property be sold for the above stated purposes for less than fair market value;

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

ARTICLE 1

Section 1.01: The District does hereby agree to sell and the City does hereby agree to buy the improved real property known as the Pier Avenue School more particularly described in Exhibit "A" attached hereto, subject to the terms and conditions set forth below.

ARTICLE 2

PURCHASE PRICE

Section 2.01: The purchase price shall be the sum of \$650,000 payable by the City as follows:

- a. \$400,000 cash through escrow;
- b. The remaining balance shall be in the form of an encumbrance for \$250,000. Said encumbrance shall be evidenced by a non-interest bearing Promissory Note for this amount secured by a Deed of Trust. The note shall be payable \$25,000 per year or more on or before June 30 of each year subsequent to the close of escrow. The first payment shall be due on or before June 30, 1978 and a like sum on or before June 30 of each succeeding year until the sum has been paid in full.

78-241041

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. The costs of said escrow shall be shared equally by the City and the District.

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.

a. The City reviewing and approving a preliminary title report furnished by the District and issued by the Title Insurance and Trust Company.

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).

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.

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;

78- 241041

the District has fully complied with all the conditions set forth in the laws applicable to the District selling surplus land; and the District's covenant to defend any lawsuits filed hereafter by one who contests the District's right to sell the subject property and hold the City free and harmless therefrom.

e. As a 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:

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 or use for parks and recreational purposes; or

2. The City leases or sells said property to entities whose primary purpose is to engage in proprietary or money making activities.

3. The property is ever used for purposes other than open space or parks and recreational purposes.

f. The escrow agent shall do the necessary prorations or adjustments as are required.

g. The escrow shall close on or before November 1, 1977, or be terminated on that date unless the District and the City expressly agree in writing to extend the escrow beyond this date.

ARTICLE 4

FURTHER AGREEMENTS PURSUANT TO THE MEMORANDUM OF UNDERSTANDING

Section 4.01 The escrow agent is not to be concerned with the concepts hereinafter set forth other than a formal document executed

by the District and the City must be submitted to the escrow agent with a recital in the agreement that it is to be made a part of the escrow and is an integral part of the entire transaction. If this agreement is not submitted to the escrow agent, the escrow agent is instructed not to close the escrow.

Section 4.02 The nature of this memorandum of understanding shall be construed as being analogous to a lease in that a part of the consideration for the District selling the subject property to the City for less than fair market value is the District's right to use the subject property facilities without cost as more particularly set forth below; and, conversely, a part of the consideration the City is giving to the District, is allowing the District use of the facilities at the subject property as more particularly set forth below.

Section 4.03 For a period of ten years after the close of escrow the District shall have the first priority to use the Pier Avenue School facilities rent free subject to the following conditions:

- a. The District's use of the school facilities shall be conditioned upon the City and District working out a "notice procedure" wherein the City will have adequate notice of the District's intention to use the facilities.
- b. The District shall have the right to use classroom facilities at the subject property when and if the District's pupil enrollment exceeds 1,266 pupils in that after the District shall be entitled to the use of one classroom per 28 children enrolled beyond 1,266 pupils.
- c. The District shall be entitled to use certain office and storage space at the Pier Avenue School, the square foot area and location to be agreed upon by the District and the City.

78- 241041

d. The District shall be responsible and shall pay to the City, the cost of maintenance, utilities and any other normal cost for the facilities such as classrooms, office space, storage, showers and lockers used by the District at the Pier Avenue School.

Section 4.04 After the ten year period, the District shall have the continued right to use the school for the purposes set forth above. However, the City shall have the right to charge a reasonable rental for the use of the school facilities by the District. Said rental shall be in accordance with what comparable facilities, zoned open space, educational or recreational purposes charge for like facilities.

Section 4.05 The District acknowledges that the City may wish to take possession of the Pier Avenue School prior to the close of escrow. The City taking possession is conditional upon the District and the City agreeing in writing to this concept. Such an agreement shall embody but not be limited to the following terms and conditions:

a. The City shall keep and maintain the Pier Avenue School in the condition in which the school property now is, normal wear and tear excepted.

b. The City shall secure at its own expense insurance coverage, covering any kind of exposure the District may be subject to including but not limited to liability, exposure, fire or theft loss, etc. and hold the District free and harmless from any loss or claim.

c. If the escrow referred to herein is not completed, the City shall not be entitled to any reimbursement for any expenditures of any kind whatsoever made by the City in connection with the Pier Avenue School unless the District has approved in writing and

78- 241041

agrees that any major improvement made, shall be at the District's expense if the escrow is not completed.

Section 4.06 The District and the City recognize there are certain safety hazards for school children caused by vehicular traffic at the intersections of Valley, Ardmore and Pier Avenues in the City and the City agrees to provide adequate safety for the children by either providing crossing guards or traffic control signals for this intersection, for the school children using the Pier Avenue School during school hours.

Section 4.07 If the City does not receive the grant referred to above from the Department of Housing and Urban Development, the City and the District agree to negotiate and explore all possibilities or other alternatives wherein the City may acquire the Pier Avenue School from the District.

Section 4.08 If the City receives the grant from the Department of Housing and Urban Development and the City is permitted under the terms of the grant to use the funds for the purchase of the Pier Avenue School, and thereafter elects to use the funds for some other purpose, the City shall pay to the District, as liquidated damages, forthwith, the sum of twenty four thousand dollars (\$24,000).

Section 4.09 If for any reason the district ceases to exist and becomes a part of another district through consolidation, merger, etc, the successor district shall have and be entitled to all the rights of the district including the reversionary rights hereinbefore set forth; however, the successor district shall not be entitled to use, without a new and separate agreement with the city, the classroom, office, and storage facilities on the same terms and conditions as the district.

78- 241041

Section 4.10 Each and all of the terms, conditions and agreements contained herein shall in every respect be binding upon and shall inure to the benefit of the respective successors in interest of and

assigns of the District or the City.

Section 4.11 Each and every provision of law and each and every clause required by law to be inserted in this Agreement shall be deemed to be inserted herein and the Agreement shall be read and enforced as though they were included herein; and if for any reason such provisions are not inserted, or are not correctly stated, then upon application of either party this Agreement shall forthwith be physically amended to make such insertion or correction.

IN WITNESS WHEREOF, the HERMOSA BEACH CITY SCHOOL DISTRICT has caused this Memorandum of Understanding to be executed by its Board of Education on this _____ day of _____, 1977.

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss

BOARD OF EDUCATION OF THE
HERMOSA BEACH CITY SCHOOL
DISTRICT

Executed before me, the
undersigned, a Notary
Public in and for the
State of California,
this _____ day of

_____, 1977.

WITNESS my hand and
official seal.

IN WITNESS WHEREOF, the CITY OF HERMOSA BEACH has caused this Memorandum of Understanding to be executed by its duly authorized officers on this _____ day of _____, 1977.

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss

CITY OF HERMOSA BEACH

Executed before me, the
undersigned, a Notary
Public in and for the
State of California
this _____ day of

_____, 1977

By: _____
Title: _____

By: _____
Title: _____

By: _____
Title: _____

78- 241041

51 (2)

EXHIBIT "G"

RESOLUTION TO OFFER FOR SALE THE
PIER AVENUE SCHOOL FOR LESS THAN FAIR MARKET
VALUE

RESOLVED by the Governing Board of the Hermosa Beach City School District of Los Angeles County, State of California, that

WHEREAS, the Hermosa Beach City School District is the owner of the property generally known as the Pier Avenue School, 710 Pier Avenue, Hermosa Beach, California, more particularly described as follows:

1. A portion of Lot 1, Block 78, second addition to Hermosa Beach, comprising of the southerly 264.22 ft. and the westerly 148.66 ft. of said Lot.
2. A vacated portion of 11th Place, approximately 60 ft. by 262.75 ft.
3. Lots 1 through 20, Block 79, second addition to Hermosa Beach.
4. A vacated 15 ft alley located between Lots 1 through 9, and Lots 10 through 20, Block 79, second addition to Hermosa Beach.
5. The total area comprising approximately 4.7 acres, or 204,700 sq. ft., and

WHEREAS, it is declared by the Governing Board of the Hermosa Beach City School District that said property, described above, is not now nor in the foreseeable future, necessary for the use of the District, and therefore said property is deemed to be surplus property.

WHEREAS, the Governing Board of the Hermosa Beach City School District has determined it would be in the best interests of the District to offer the above-described property for sale at a price less than fair market value on the express condition that the property's use shall forever (in perpetuity) be restricted for park or recreational purposes or open space purposes.

WHEREAS the Governing Board of the Hermosa Beach City School District does intend that the above restriction for the property's use shall not prohibit whatever public entity purchases the subject property from renting, leasing, or letting the existing structure(s) to any non-profit or eleemosynary organization it so chooses on whatever terms and conditions the public entity deems appropriate under the circumstances.

78- 241041

52
NOW, THEREFORE, it is ordered:

1. The School District shall mail postage prepaid an offer to sell, in writing, the above described property to all the public entities set forth in Section 15051 et seq. of the Education Code and Section 54222 et seq. of the Government Code. (See Exhibit "A" attached hereto.)

2. Those public entities interested in purchasing said property shall contact the School District at 517 17th Street, Hermosa Beach, California, 90254, for more particulars in reference to the sales price and the terms and conditions of the sale of this property.

3. This offer to sell shall remain open for 60 days from this date and shall be sold to whatever public entity first accepts the offer or whatever public entity reaches a mutual agreement with the School District for the purchase of this property.

Passed and adopted at the regular meeting of the Governing Board of the Hermosa Beach School District on January 3, 1977, at Hermosa Beach, California.

GOVERNING BOARD OF THE HERMOSA
BEACH CITY SCHOOL DISTRICT OF
LOS ANGELES COUNTY

78- 241041

PROOF OF PUBLICATION

(2015.5 C.C.P.)

STATE OF CALIFORNIA,
County of Los Angeles,

I am a citizen of the United States and a
resident of the County aforesaid; I am over
the age of eighteen years, and not a party to
or interested in the above-entitled matter. I
am the principal clerk of the printer of the

..... Hermosa Beach Review

.....
a newspaper of general circulation, printed
and published weekly

.....
in the City of Hermosa Beach,
County of Los Angeles, and which
newspaper has been adjudged a newspaper
of general circulation by the Superior Court
of the County of Los Angeles, State of
California, under the date of 8-24, 19 75.

Case Number 504120 that the notice,
of which the annexed is a printed copy (set
in type not smaller than nonpareil), has
been published in each regular and entire
issue of said newspaper and not in any
supplement thereof on the following dates,
to-wit:

January 26, February 2, 9,

.....
all in the year 1978...

I certify (or declare) under penalty of
perjury that the foregoing is true and
correct.

Dated at Hermosa Beach

California, this 9..... day of Feb...., 19 78

..... Janey Delmest,
Signature

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City of Hermosa Beach
315 Valley Drive
Hermosa Beach, CA 90254

City of Hermosa Beach
Parks and Recreation
1035 Valley Drive
Hermosa Beach, CA 90254

Los Angeles County Parks and Recreation
155 West Washington Boulevard
Los Angeles, California 90015
ATTN: Seymour Greben, Director

Department of Beaches
2600 Strand
Manhattan Beach, California 90266
ATTN: Joe Chestle

County of Los Angeles
ATTN: Executive Officer, James S. Mize
Hall of Administration
Room 383
Los Angeles, California 90012

State Resources Agency
1416 - 9th Street
Room 1311
Sacramento, California 95814

78- 241041

EXHIBIT A

**RESOLUTION OFFERING TO SELL
REAL PROPERTY TO THE CITY OF HERMOSA BEACH**

RESOLVED by the BOARD OF EDUCATION ("the Board") of the HERMOSA BEACH CITY SCHOOL DISTRICT ("the District") of the County of Los Angeles, State of California, that,

WHEREAS, Chapter 1 of Division 11 of the Education Code of the State of California, Section 15051, et seq., authorizes and empowers school districts to sell, for less than fair market value, any school site that is deemed to be surplus property of the district, to any district, city or county in which the school district is wholly or partially situated for use as park or recreational purposes, or open space purposes; and

WHEREAS, the District is the owner in fee simple of certain property known as the Pier Avenue School hereinafter more particularly described in Exhibit "A" attached to the Agreement for Sale and Purchase which property has hereinbefore been found to be surplus property and is not now needed for school classroom purposes or other school related purposes by the District; and

WHEREAS, the City of Hermosa Beach ("the City"), a municipal corporation in the County of Los Angeles, State of California, has expressed an interest to purchase said real property for use for park or recreational purposes or for open space purposes; and

WHEREAS, the District has authorized the sale of the Pier Avenue School to the City pursuant to the terms and conditions set forth in an Agreement, entitled, "Agreement for the Sale and Purchase of Real Property," and the Exhibits attached thereto and the District

78-241041

has published the Agreement for Sale and Purchase of Real Property and the Exhibits attached thereto for three consecutive weeks pursuant to Education Code 16203.

NOW, THEREFORE, it is hereby found, determined and ordered:

1. THAT, the District's offer to sell the real property described in Exhibit "A" of the Agreement for Sale and Purchase to the City for the price set forth and under the terms and conditions set forth in the Agreement for Sale and Purchase of real property.

2. THAT, the District Superintendent is hereby directed to deliver the original or a copy properly executed of the Agreement for Sale and Purchase to the City for its acceptance or rejection. If the City accepts the Agreement for Sale and Purchase of real property as set forth herein, the District shall submit a copy and all documents under its control necessary to consummate the sale of the Pier Avenue School to the escrow agent forthwith.

3. THAT, the District Superintendent, Dr. Andrew M. Joyce, is authorized to sign any and all documents consistent with the Agreement for Sale and Purchase of Real Property, i.e. the Pier Avenue School, necessary to consummate this sale.

UNANIMOUSLY PASSED AND ADOPTED at the regular meeting of the BOARD OF EDUCATION of the Hermosa Beach City School District on February 14, 1978, at Hermosa Beach, California.

BOARD OF EDUCATION OF THE
HERMOSA BEACH CITY SCHOOL
DISTRICT OF THE COUNTY OF
LOS ANGELES

78- 241041

Hermosa Beach City School District
Minutes of Meeting of February 14, 1978

57
92

Lynn Schubert
John L. Rogers
Donnie H. Hall
Phyllis D. Miller
Ann Gubner

78- 241041

PROOF OF PUBLICATION

(2015.5 C.C.P.)

STATE OF CALIFORNIA,
County of Los Angeles,

I am a citizen of the United States and a
resident of the County aforesaid; I am over
the age of eighteen years, and not a party to
or interested in the above-entitled matter. I
am the principal clerk of the printer of the

Hermosa Beach Review

a newspaper of general circulation, printed
and published weekly

in the City of Hermosa Beach
County of Los Angeles, and which
newspaper has been adjudged a newspaper
of general circulation by the Superior Court
of the County of Los Angeles, State of
California, under the date of 8-24, 19 75.

Case Number 504120; that the notice,
of which the annexed is a printed copy (set
in type not smaller than nonpareil), has
been published in each regular and entire
issue of said newspaper and not in any
supplement thereof on the following dates,
to-wit:

January 26, February 2, 9,

all in the year 1976...

I certify (or declare) under penalty of
perjury that the foregoing is true and
correct.

Dated at Hermosa Beach

California, this 9 day of Feb, 19 76

David J. Dedmon
Signature

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78- 241041

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

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

ss

On this 14th day of February in the year 1978

before me Gerald M. Hilby a Notary Public, personally
appeared, Lynn Schubert and John L. Rogers and Bonnie D. Grace and Sheila D. Miller and
Ana Gubser, known to me to be Members of the Governing Board of Hermosa Beach City
School District of Los Angeles County, California, 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, California, and acknowledged to me that such Hermosa Beach
City School District of Los Angeles County, California, executed the same.

Witness my hand and official Seal

Gerald M. Hilby
Notary Public in and for said County and State



78- 241041

**Agreement for Sale and Purchase
Of Real Property**

**(Pier Avenue School)
(aka The Community Center)**

Exhibit 'H'

Resolution No. 77-4099

**A Resolution of the City Council of
Hermosa Beach, CA**

**Authorizing the Acquisition of
Pier Avenue School from the
Hermosa Beach City School District
of LA County, State of California,
at a Price that is Less Than Fair Market Value,
for a Community Recreation and Service Center**

Dated January 11, 1977

Exhibit 'H'

Resolution No. 78-4193

**A Resolution of the City Council
of Hermosa Beach, CA**

**Directing the City Treasurer to Draw a Check on the
Housing and Urban Development Account
for the Acquisition of Pier Avenue School Site**

Dated February 28, 1978

59
EXHIBIT "H"

RESOLUTION NO. 78-4193

1 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH,
2 CALIFORNIA, DIRECTING THE CITY TREASURER TO DRAW A CHECK ON
3 THE HOUSING AND URBAN DEVELOPMENT ACCOUNT FOR THE ACQUISITION OF
4 THE PIER AVENUE SCHOOL SITE.

5 THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH,
6 CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

7 SECTION 1. That the City Treasurer is hereby directed
8 to draw a check in the amount of \$275,101.00 on the Housing and
9 Urban Development Account, said check to be made payable to the
10 Bank of America National Trust & Savings Association, Escrow
11 No. 63-14258, for the purpose of Pier Avenue Community Service
12 Center Acquisition (76C.98) as set forth in the Housing and
13 Community Development (HCDA) Reimbursible Contract between the
14 County of Los Angeles and the City of Hermosa Beach.

15 PASSED, APPROVED and ADOPTED this 28th day of February,
16 1978.

17 Mary E. Tyson
18 PRESIDENT of the City Council, and
19 MAYOR of the City of Hermosa Beach, California

20 ATTEST:

21 Barbara E. Lanning CITY CLERK

22 APPROVED AS TO FORM:

23 J. B. Morrison CITY ATTORNEY

1 STATE OF CALIFORNIA
2 COUNTY OF LOS ANGELES
3 CITY OF HERMOSA BEACH

4

5 I, BARBARA FLEMING, City Clerk of the City of
6 Hermosa Beach, California, do hereby certify that the following
7 action was taken by the City Council at their regular meeting held
8 on February 28, 1978:

9 "to direct the City Treasurer to draw a warrant in the amount of
10 \$226,124.00 from the Revenue Sharing Fund payable to the Bank of
11 America National Trust & Savings Association for the balance of
12 the fee for Escrow No. 63-14258."

13 IN WITNESS WHEREOF I hereunto affix my hand and the
14 official seal of the City of Hermosa Beach.

15 Dated: February 29, 1978

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Barbara Fleming
City Clerk and Ex Officio Clerk of the
City Council, City of Hermosa Beach

(SEAL)

78- 241041

1 STATE OF CALIFORNIA)
2 COUNTY OF LOS ANGELES) SS.
3 CITY OF HERMOSA BEACH)

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I, BARBARA FLEMING, City Clerk of the City of

Hermosa Beach, California, do hereby certify that the foregoing
Resolution No. 78-4193 was duly and regularly passed, approved and
adopted by the City Council of the City of Hermosa Beach at a
regular meeting of said Council held at the regular meeting place
thereof on the 28th day of February, 1978, by the following vote:

Ayes: Councilpersons Doerfling, Schmeltzer, Widman, Mayor Tyson

Noes: Councilman Barks

Absent: None

Dated: February 28, 1978

Barbara Fleming
City Clerk and Ex Officio Clerk of the City Council,
City of Hermosa Beach, California

(SEAL)

78- 241041

1/1/77
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1 A RESOLUTION OF THE CITY COUNCIL OF HERMOSA BEACH, CALIFORNIA,
2 AUTHORIZING THE ACQUISITION OF PIER AVENUE SCHOOL FROM THE HERMOSA
3 BEACH CITY SCHOOL DISTRICT OF LOS ANGELES COUNTY, STATE OF CALIF-
4 ORNIA, AT A PRICE THAT IS LESS THAN FAIR MARKET VALUE, FOR A
5 COMMUNITY RECREATION AND SERVICE CENTER.

6 WHEREAS, the Pier Avenue School at 710 Pier Avenue,
7 Hermosa Beach, California, is legally described as follows:

- 8 1. A portion of Lot 1, Block 78, second addition to Hermosa
9 Beach Tract, comprising the southerly 264.22 ft. and the
10 westerly 148.66 ft. of said lot.
- 11 2. A vacated portion of 11th Place, approximately 60 ft. by
12 262.75 ft.
- 13 3. Lots 1 through 20, Block 79, second addition to Hermosa
14 Beach Tract.
- 15 4. A vacated 15 ft. alley located between Lots 1 through 9,
16 and lots 10 through 20, Block 79, second addition to
17 Hermosa Beach Tract.
- 18 5. The total area comprising approximately 4.7 acres, or
19 204,700 square ft.; and

20 WHEREAS, the Hermosa Beach School District resolution
21 to offer for sale has been made in conjunction with adopted Assem-
22 bly Bill 1530 allowing sale at less than fair market value for
23 public recreation and use purposes; and

24 WHEREAS, the Hermosa Beach School District Resolution
25 to offer for sale has been passed and adopted at the regular meet-
26 ing of the Governing Board of the Hermosa Beach School District on
27 January 3, 1977, at a public hearing at Hermosa Beach, California
28 and

29 WHEREAS, the Pier Avenue School site is a unique and
30 irreplaceable public resource both in its excellent central locat-

1 WHEREAS, the Pier Avenue site provides the only function-
2 al area for provision of major new recreational facilities such
3 as tennis courts, and provides the only public gym site in the
4 area; and

5 WHEREAS, the Pier Avenue facility has the only large
6 public auditorium facility in the area, and that auditorium could
7 be used for public meetings, community theatre, public lectures
8 and forums among other potential uses; and

9 WHEREAS, citizens of Hermosa Beach have paid for many
10 county and state public services through their tax dollars but
11 have been effectively denied them due to inaccessibility of
12 services; and

13
14 WHEREAS, the Pier Avenue Community facility can provide
15 local offices for a multitude of such service agencies, providing
16 local service to Hermosa Beach residents and also those of neigh-
17 boring Manhattan Beach and Redondo Beach; and

18
19 WHEREAS, the Pier Avenue community facility also can
20 provide for public service organizations such as the YMCA, the
21 Adult School, PTA, and United Way; and

22 WHEREAS, the City of Hermosa Beach has already designate
23 the Pier Avenue School site as Open Space in the city's general
24 plan; and

25
26 WHEREAS, the City Council of the City of Hermosa Beach
27 has previously indicated its intention to acquire Pier Avenue
28 School by Resolution No. 76-4092, adopted on October 26, 1976.

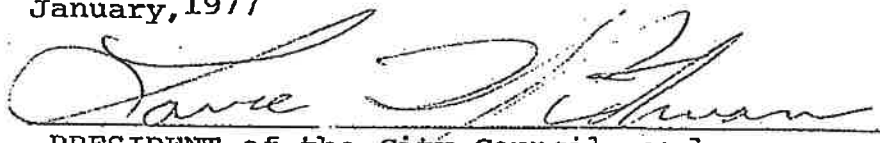
29 NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF

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1 SECTION I. That the City of Hermosa Beach does hereby
2 authorize the acquisition of Pier Avenue School for a recreational
3 and community services center, subject to the final approval of
4 the City Council of the purchase price.
5

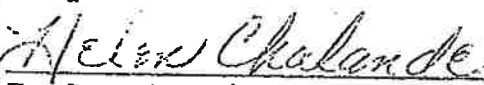
6 SECTION 2. That the City of Hermosa Beach does hereby
7 indicate its intention to negotiate for the purchase of Pier
8 Avenue School at a price that is less than the fair market value.
9

10 PASSED, APPROVED and ADOPTED this 11th day of
11 January, 1977

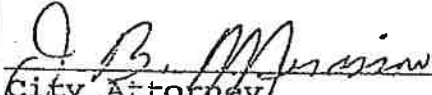
12 
13 PRESIDENT of the City Council, and
14 MAYOR of the City of Hermosa Beach, California,
15

16 ATTEST:

17 BARBARA FLEMING
18 City Clerk

19 
20 By Deputy City Clerk

21 APPROVED AS TO FORM:

22 
23 City Attorney
24
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1 STATE OF CALIFORNIA)
2 COUNTY OF LOS ANGELES)
3 CITY OF HERMOSA BEACH)

4 I, BARBARA FLEMING, City Clerk of the City of Hermosa
5 Beach, California, do hereby certify that the foregoing Resolution
6 No. 76-4099, was duly and regularly passed, approved and adopted
7 by the City Council of the City of Hermosa Beach at a regular
8 meeting of said Council held at the regular meeting place thereof
9 on the 11th day of January, 1977, by the following vote:

11 Ayes: Councilpersons Barks, Doerfling, Schaeftzer, Tyson, Mayor
12 Widman

13 Noes: None

14 Absent: None

16
17 BARBARA FLEMING
18 City Clerk of the City Council,
19 City of Hermosa Beach, California

20 By *John Chakorbe*
21 Deputy City Clerk

22
23 (SEAL)

24 The foregoing instrument is a correct copy of
25 the original that is a part of the official records
26 of the City of Hermosa Beach.

27 Attest *March 2* 1978

28 *Barbara Fleming*
29 City Clerk and Ex-Officio Clerk of the City
30 Council of the City of Hermosa Beach,
31 California
32

EXHIBIT "H"

RESOLUTION AUTHORIZING THE SALE
OF REAL PROPERTY TO THE CITY OF HERMOSA BEACH
AND PRESCRIBING THE TERMS AND CONDITIONS OF THE
SALE THEREOF

(As Amended at the Board Meeting of January 16, 1978)

RESOLVED by the BOARD OF EDUCATION ("the Board")
of the HERMOSA BEACH CITY SCHOOL DISTRICT ("the District") of
the County of Los Angeles, State of California, that,

WHEREAS, Chapter 1 of Division 11 of the Education Code
of the State of California, Section 15051 et seq., authorizes and empowers
school districts to sell, for less than fair market value, any school
site that is deemed to be surplus property of the district, to any district,
city, or county in which the school district is wholly or partially
situated for use as park or recreational purposes, or open space
purposes; and

WHEREAS, the District is the owner in fee simple of
certain property known as the Pier Avenue School hereinafter more
particularly described in Exhibit "A" attached to the Agreement for
Sale and Purchase which property has hereinbefore been found to be
surplus property and is not now needed for school classroom purposes
or other school related purposes by the District; and

WHEREAS, the City of Hermosa Beach ("the City"), a
municipal corporation in the County of Los Angeles, State of California,
desires to purchase said real property for use for park or recreational
purposes or for open space purposes; and

WHEREAS, the City is the only governmental entity,
designated by the Education Code, that has expressed an interest in
purchasing said property; and

78- 241041

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WHEREAS, the District has authorized the sale of the Pier Avenue School to the City pursuant to the terms and conditions set forth in an Agreement entitled, "Agreement for the Sale and Purchase of Real Property," and the Exhibits attached thereto.

NOW, THEREFORE, it is hereby found, determined and ordered:

1. THAT, the District Superintendent is hereby directed to cause a copy of this Resolution along with the Agreement entitled, "Agreement for the Sale and Purchase of Real Property" and the Exhibits attached thereto to be published in accordance with the provisions of Section 16203 of the Education Code.

UNANIMOUSLY PASSED AND ADOPTED at the regular meeting of the BOARD OF EDUCATION of the Hermosa Beach City School District on January 18, 1978, at Hermosa Beach, California.

BOARD OF EDUCATION OF THE
HERMOSA BEACH CITY SCHOOL
DISTRICT OF THE COUNTY OF
LOS ANGELES

Bonnie D. Grace
John L. Rogers
Lynn Schubert
Sheila D. Miller
Ann Quiser

Publish Dates:

January 26, 1978

February 2, 1978

February 9, 1978

{ 78- 241041

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

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On this 20 day of January 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

**Agreement for Sale and Purchase
Of Real Property**

**(Pier Avenue School)
(aka The Community Center)**

Exhibit 'I'

**Letter from Gerald M. Hilby, attorney for the
Hermosa Beach City School District**

Dated January 20, 1987

Exhibit 'J'

**Letter from J.B. Mirassou, attorney for the
City of Hermosa Beach**

Dated January 20, 1978

Exhibit 'J'

**Letter from J.B. Mirassou, attorney for the
City of Hermosa Beach**

Dated January 28, 1978

EXHIBITS "I and J"

LAW OFFICES

OF

GERALD M. HILBY

SUITE 303

1611 SOUTH PACIFIC COAST HIGHWAY
REDONDO BEACH, CALIFORNIA 90277
(213) 540-1100

January 20, 1978

18



Board of Education
Hermosa Beach City School District
517 Seventeenth Street
Hermosa Beach, California 90254

Re: Sale of Pier Avenue School
710 Pier Avenue, Hermosa Beach

Dear Board Members:

I have read all the documents that the Hermosa Beach City School District (District) has unanimously approved in reference to the sale of the Pier Avenue School. I have also reviewed the Education Code that pertains to the sale of surplus property and the sections of the Education Code that pertain to the lease of the property. I have further read the applicable sections of the Government Code which pertain to the sale of surplus property by the District.

In my opinion, the District has complied with these code sections as set forth hereafter:

1. The District has duly noticed and published pursuant to Section 15051 et seq. of the Education Code which permits the District to sell surplus property for less than fair market value.
2. The District has duly declared the Pier Avenue School to be surplus property with a reservation as set forth in the Lease Agreement permitting the District to use a limited portion of the Pier Avenue School for educational purposes for a period of fifty years subject to the terms and conditions set forth in the Lease Agreement in compliance with Section 15051 of the Education Code, wherein the District may retain a future interest in the property or the partial use of the property for school, recreational or athletic purposes.
3. The District has given notice to those governmental entities set forth in the Government Code which are entitled to first priority to purchase surplus school property.

78- 241641

4. The City of Hermosa Beach, a municipal corporation, (City) is the only governmental entity who has notified the District of its intent to purchase this property for park or recreational purposes or open space purposes.

5. The District now holds marketable title to this property and has the power to sell this property.

6. I have read the opinion letter of J. B. Mirassou. The City has the power to purchase the Pier Avenue School for less than fair market value because the City has expressed its intent to keep and maintain the property for park or recreational purposes or open space purposes.

The above opinion is conditional upon the Board's doing the following acts:

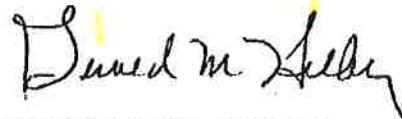
1. The signature by all the Board Members of the Resolution unanimously adopted by the Board on Wednesday, January 18, 1978, prescribing the terms of the sale of the Pier Avenue School.

2. The publication of the Resolution and all the documents setting forth the terms of sale as set forth in the Agreement of Sale and Purchase of the Pier Avenue School and those exhibits attached thereto that do in fact set forth the terms and conditions of the sale as required by Section 16203 of the Education Code.

3. The Board shall cause a public hearing to be held, duly authorized, after the third week of publication to allow interested members of the community to give evidence of either their support or opposition to the Board's action.

4. After having heard the evidence, the Board may adopt a resolution OFFERING (emphasis added) to sell the Pier Avenue School to the City pursuant to the exact terms and conditions set forth in the public notice.

Very truly yours,



GERALD M. HILBY

GMH/gt

78- 241041

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

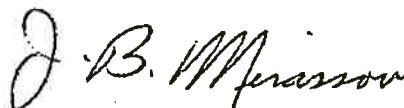
The parties have entered into agreements limiting the future use of the property. This use is limited to parks, recreational, open space, educational, or other community purposes.

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

J.B. MIRASSOU
ATTORNEY AT LAW

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1611 SOUTH PACIFIC COAST HIGHWAY, SUITE 304
REDONDO BEACH, CALIFORNIA 90277
(213) 540-5201

February 28, 1978

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

Re: Purchase and Sale of Pier Avenue School

Dear Mayor and Members of the City Council:

On January 20, 1978 I submitted a letter to you summarizing the City's legal position with reference to the purchase of Pier Avenue School from the Hermosa Beach City School District.

In that letter I indicated to you that I would submit an additional letter when the escrow effectuating the purchase of the sale was in a condition to close.

In connection therewith I have caused to be submitted to the escrow the Grant Deed that has been approved by all parties.

I also reviewed and approved as to form the Promissory Note to be executed by the City to the District and have read and approved the amended escrow instructions.

I have reviewed the updated Title Report from Title Insurance and Trust Company and have noted that there are no changes from the Preliminary Title Report approved some months ago. I have reviewed the escrow instructions and have noted that all contingencies have been met. I reviewed a copy of the Resolution of the Hermosa Beach City School District Board of Education which authorizes Dr. Andrew Joyce, Superintendent of Schools, to execute all documents necessary to effectuate this transaction. The Resolution was adopted by the unanimous vote of the Board and appears proper as to form and content.

78- 241041

Mayor and Members of the City Council
February 28, 1978
Page 2

Upon the City Council approving the Purchase and Sale Agreement and the Amended Escrow Instructions and the Promissory Note all submitted concurrently herewith and instructing the Mayor and City Clerk to execute the documents on behalf of the City and the causing of the approval of the acceptance of the Grant Deed from the School District and depositing said documents into the escrow and further depositing the sum of \$501,225.00 into the escrow, the escrow will be in a condition to close and will close upon the approval of the documents by Title Insurance and Trust Company and the issuance of a Title Policy to the City.

The last act to be accomplished is that all signatures on the Agreement must be duly acknowledged so that the Purchase and Sale Agreement plus all exhibits attached thereto (except the opinion letters of counsel) may be duly recorded in the office of the County Recorder of Los Angeles County and obviously the Grant Deed will also be recorded.

Yours very truly,


J. B. MIRASSOU

JBM:bh

78- 241041

**Agreement for Sale and Purchase
Of Real Property**

(Pier Avenue School)
(aka The Community Center)

Exhibit 'K'

**Lease Agreement for Future Use of Pier
Avenue School**

Covering district use of the auditorium, gymnasium,
changing rooms
and tennis courts at Pier Avenue School

Dated February 28, 1978

EXHIBIT "K"

LEASE AGREEMENT FOR FUTURE USE
OF PIER AVENUE SCHOOL

THIS LEASE is made and entered into on the date and year hereinafter set forth between the HERMOSA BEACH CITY SCHOOL DISTRICT (District) and the CITY OF HERMOSA BEACH, a municipal corporation, (City).

ARTICLE 1

RECITAL OF FACTS

1.01 The Hermosa Beach City School District or its successor in interest are hereinafter referred to as "District."

1.02 The City of Hermosa Beach is hereinafter referred to as "City."

1.03 This Agreement provides for limited usage by the District of certain portions of the Pier Avenue School because the District has sold the school to the City for less than fair market value pursuant to Education Code Section 15051, et. seq.

ARTICLE 2

GENERAL CONDITIONS

2.01 The City hereby agrees to permit the District to lease the Pier Avenue School, (as hereinafter set forth in this Agreement Articles 4 and 5), which is more fully described in Exhibit "A" attached to the "Agreement for Sale and Purchase of Real Property," for a period of fifty years in increments set forth in 3.01 beginning on the close of escrow pursuant to the Agreement for Sale and Purchase of Pier Avenue School and ending fifty years thereafter.

78- 241041

2.02 The District's use shall only be during the school year including summer school.

2.03 If for any reason the District ceases to be an independent District or becomes a part of another district through consolidation, the successor district shall have the same right of the District as it is now.

2.04 The District shall secure liability insurance to hold the City free and harmless from all liability and claim for damages by reason of injury to any person or persons, or any property of any kind whatsoever or to whomsoever belonging, from any cause or causes whatsoever while said persons or property are in, upon, or in any way connected with said demised premises during the term of this lease or any extension of this lease.

The lessee agrees to carry and maintain in full force and effect liability insurance in the amount of \$300,000 or an amount equal to the District's coverage in other school activities; whichever is the greater, protecting the City from any liability for any injury to persons or damage to property on or about the leased premises as more fully described in the immediately preceeding paragraph. The District's policy, however, shall only be applicable for any liability or damage incurred during the District's use of the premises as set forth in this lease.

2.05 The District shall hold the City free and harmless for any damages caused to the premises referred to above not covered by insurance wherein such damage was caused or incurred during the District's use of the premises as hereinafter set forth.

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2.06 The use of all the facilities as hereinafter set forth shall be rent free other than the District's paying its proportionate cost of maintenance, utilities, and custodial service costs for the use of the gymnasium, showers, lockers, and tennis courts excluding the auditorium facilities. The consideration for the City's permitting the District to use the premises rent free is that the District is selling the premises to the City for less than fair market value.

ARTICLE 3

OPTION TO RENEW

3.01 The District as set forth in paragraph 2.01 of this agreement is entitled to lease the premises for fifty years in three-year increments subject to the following notice requirements:

(a) For the first term of the renewal even though it is less than a three-year period, the District shall give notice prior to June 30, 1980, to the City as provided - Article 12 of the Sale and Purchase Agreement of its intention to renew the lease for an additional three year period commencing June 30, 1980, and ending on June 30, 1983.

(b) The District or its successor in interest may, at its option, cause the lease to be renewed for an additional three-year period by giving the City notice 60 days prior to July 1 of its intention to extend the lease as hereinafter set forth for an additional three-year period.

(c) The District shall give the City notice as provided above for each successive three-year period thereafter prior to June 30 the third year of each succeeding three-year period.

78- 241041

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(d) If the District fails to give notice to the City of its intention to exercise its option to renew this lease for an additional three-year period on or before June 30 of the third year of three-year period, the City shall give written notice to the District as provided - Article 12 of the Sale and Purchase Agreement and the District shall be granted an additional thirty days from June 30 to exercise its option to renew the lease.

(e) If the City does not give notice as set forth in (d) above then it shall be presumed that the District and the City have agreed that the District has exercised its option to extend the lease for an additional three-year period.

ARTICLE 4

THE USE OF THE AUDITORIUM FACILITIES

4.01 The District shall have priority use of the auditorium for a period of ten days during the school term as set forth above on the condition that the District shall give the City notice as provided in Article 12 of the Sales and Purchase Agreement of the ten days it intends to use the auditorium on or before June 30 of each year.

ARTICLE 5

USE OF THE GYMNASIUM, SHOWERS

LOCKERS AND TENNIS COURTS

5.01 The District shall have the right to use the gymnasium, showers, lockers, and tennis courts of the Pier Avenue School for two consecutive hours during the school day and during the school term as defined in 2.02.

any monies they receive from any insurance carrier for the destruction to upgrade the remaining Pier Avenue School facilities.

7.02 The District's Lease is terminated to the extent of the destruction of the facilities. However, the District shall have the continued right to use the remaining facilities as set forth in this Agreement.

ARTICLE 8

DEFAULT

8.01 If the District defaults on any of its affirmative duties provided in this lease such as the providing of insurance as agreed, or failure to pay its proportionate share of maintenance, utilities and custodial service for the use of the gymnasium, showers, lockers and tennis courts or failure to pay any damages not covered by insurance then the City may reduce its obligation pursuant to Article 03 of the Sales and Purchase Agreement to the extent the District fails to satisfy its obligation to the City. If there is a dispute as to the amount the District's obligation to the City, said dispute shall be subject to the arbitration as provided for in the Arbitration Agreement.

8.02 If there are no funds in the trust fund provided for in Article 3.03 of the Sales and Purchase Agreement, the City may exercise any remedy provided by law to satisfy the District's alleged obligation to the City.

8.03 If a lawsuit is filed to enforce any obligation owed by the district to the City, the prevailing party shall be entitled to be awarded in addition to damages, attorney fees and court costs.

5.02 In addition to the use set forth immediately above, the District shall have the right to use the facilities, set forth in this paragraph, ten additional days per year at times other than school days and hours.

5.03 The District shall give the City notice of the dates and hours it desires to use the facilities on or before June 30 of each year.

ARTICLE 6

ARBITRATION

6.01 If there is any controversy, dispute or disputes that arise as to the District's right to use or its use of the property, said conflict, dispute or disputes shall be submitted to arbitration as provided in the Arbitration Agreement.

6.02 The procedure set forth in the Arbitration Agreement will be followed in addition to the following guidelines which the arbitrators shall use as factors in making their decision:

(a) The City's refusal to grant the usage set forth herein shall not be arbitrary or capricious.

(b) The City's refusal to grant usage to the District upon consolidation of the District may be permitted if such usage will not be of direct and substantial benefit to students residing in the City of Hermosa Beach.

ARTICLE 7

TERMINATION

7.01 If the Pier Avenue School facilities are substantially destroyed, the City shall not be under a duty to restore or refurbish the destroyed facilities. However, the City shall be under a duty to use

ARTICLE 9

MISCELLANEOUS PROVISIONS

9.01 This lease is binding, applies to and inures to the benefit of the successors of the City and the successors of the District.

9.02 The captions heading the various Articles of this lease are for convenience and identification only and shall not be deemed to limit or define the contents of their respective paragraphs.

9.03 This agreement constitutes the entire agreement between the parties and cannot be altered, changed, modified, or added to except in writing signed by both parties.

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 L. Rogers
Shirley D. Miller
Bonnie D. Grace
Ann Guleser

THE CITY OF HERMOSA BEACH

Mary E. Tyson
Mayor of City of Hermosa Beach

ATTEST:

Barbara Fleming
City Clerk

78- 241041