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CITIZENS FOR ENFORCEMENT OF
PARKLAND COVENANTS and JOHN
HARBISON

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – CENTRAL DISTRICT

CITIZENS FOR ENFORCEMENT OF
PARKLAND COVENANTS and JOHN
HARBISON,

Plaintiffs,

vs.

CITY OF PALOS VERDES ESTATES, a
municipal corporation; PALOS VERDES
HOMES ASSOCIATION, a California
corporation; ROBERT LUGLIANI and
DELORES A. LUGLIANI, as co-trustees
of THE LUGLIANI TRUST; THOMAS J.
LIEB, TRUSTEE, THE VIA
PANORAMA TRUST U/DO MAY 2,
2012 and DOES 1 through 20,

Defendants.

Case No.: BS142768

(Assigned for all purposes to
Hon. Barbara A. Meiers, Dept. 12)

**EVIDENCE IN SUPPORT OF
PLAINTIFFS' MOTION FOR SUMMARY
JUDGMENT OR SUMMARY
ADJUDICATION OR BOTH**

Hearing Date: February 25, 2015

Hearing Time: 10:30 a.m.

Department: 12

Action Filed: May 13, 2013

Trial Date: None Set

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12 HARBISON

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14 **COUNTY OF LOS ANGELES – CENTRAL DISTRICT**

15 CITIZENS FOR ENFORCEMENT OF
16 PARKLAND COVENANTS and JOHN
17 HARBISON,

18 Plaintiffs,

19 vs.

20 CITY OF PALOS VERDES ESTATES, a
21 municipal corporation; PALOS VERDES
22 HOMES ASSOCIATION, a California
23 corporation; ROBERT LUGLIANI and
24 DELORES A. LUGLIANI, as co-trustees
25 of THE LUGLIANI TRUST; THOMAS J.
26 LIEB, TRUSTEE, THE VIA
27 PANORAMA TRUST U/DO MAY 2,
28 2012 and DOES 1 through 20,

Defendants.

Case No.: BS142768

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**DECLARATION OF JOHN HARBISON
IN SUPPORT OF PLAINTIFFS'
MOTION FOR SUMMARY JUDGMENT
OR SUMMARY ADJUDICATION OR
BOTH**

Hearing Date: February 25, 2015
Hearing Time: 10:30 a.m.
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DECLARATION OF JOHN HARBISON

I, John Harbison, declare as follows:

1. I am a member of plaintiff Citizens for Enforcement of Parkland Covenants ("CEPC"). I am also a named plaintiff.

2. I have owned real property located within the Defendant City of Palos Verdes Estates ("City") since 1992. I have paid property taxes annually since purchasing my property in 1992, including the twelve month period preceding the filing of this lawsuit on May 13, 2013. My property is within the geographic boundaries of the City and Defendant Palos Verdes Homes Association ("Association") and is subject to the Association's jurisdiction. I am a member in good standing of the Association.

3. A true and correct copy of the Second Amended Complaint herein (without its exhibits) is attached hereto and incorporated herein as **Exhibit "1."**

4. This litigation concerns the ownership and use of undeveloped parkland located on Via Panorama in the City (the "Panorama Parkland" or "Area A.")

5. The Panorama Parkland is located to the North/Northwest of the residential property at 900 Via Panorama, Palos Verdes Estates, California 90274. The Panorama Parkland is an irregularly shaped parcel in the form of a crescent that wraps around the residential property at 900 Via Panorama. The boundaries of the Panorama Parkland cross three different tract lines and, therefore, the Panorama Parkland falls within the following three different tracts within the City: 7540, 8652 and 26341.

6. I am familiar with the various maps depicting the relationship of the Panorama Parkland with other landmarks in the City. I have gained that familiarity through my study of documents issued by the City, my attendance at City Council meetings and my review of documents produced by the City in this litigation and in response to my Public Records Act requests.

7. A fair and accurate depiction of the relationship between the Panorama Parkland and other geographic reference points in the City is set forth on a Google Maps generated map attached hereto and incorporated herein as **Exhibit "2."**

1 8. In August 2012, Bolton Engineering performed a survey in connection with
2 the conveyances of the Panorama Parkland that are the subject of this litigation. As part of
3 its survey, it created a legal description of the Panorama Parkland. A true and correct copy of
4 Bolton Engineering's August 30, 2012 legal description of the Panorama Parkland is attached
5 hereto and incorporated herein as **Exhibit "3."** A true and correct copy of an area map by
6 Bolton Engineering depicting the Panorama Parkland relative to three tracts (Tract No. 7540,
7 8652 and 26341) is attached hereto and incorporated herein as **Exhibit "4."**

8 9. To my knowledge, at no time has there been signs or notices posted on the
9 Panorama Parkland restricting access or use of the property to residents of the City.

10 10. To my knowledge, at no time has there been signs or notices posted on the
11 Panorama Parkland restricting access or use of the property to members of the Association.

12 11. I am familiar with the history of the City and the Association. I have gained
13 that familiarity through my study of documents issued by the City and Association, my
14 attendance at City Council and Association meetings and my review of documents produced
15 by the City and Association in this litigation and produced by the City in response to my
16 Public Records Act requests.

17 12. On May 16, 1923, the Association was formed. On June 25, 1923, the
18 Association enacted its bylaws. The Association maintains a booklet setting forth the
19 protective restrictions for Tract Nos. 7333 and 8652. The booklet includes true and correct
20 copies of the articles of incorporation for the Association, the Association's by-laws and
21 various declarations enacted over the years pertaining to Tract Nos. 7333 and 8652. A true
22 and correct copy of the relevant portions of the booklet is attached hereto and incorporated
23 herein as **Exhibit "5."**

24 13. On July 5, 1923, the developer for Palos Verdes Estates recorded Declaration
25 No. 1 establishing basic land use restrictions for real property within what would later be
26 known as the City. (See p. 13 of Exhibit 5).

27 14. The land use restrictions recorded on July 5, 1923 were amended and
28 supplemented several times after July 5, 1923.

1 15. On July 26, 1926, Bank of America recorded Declaration No. 25 establishing
2 the conditions, covenants and restrictions for Tract 8652. (See p. 9 of Exhibit 5).

3 16. In the late 1930's, the Association faced an overwhelming tax debt and the
4 threat of foreclosure of its parklands.

5 17. To avoid this result, the Association deeded its parklands to the City and to the
6 Palos Verdes Peninsula Unified School District (the "District") between 1938 and 1940.

7 18. The Association has no current ownership of parklands.

8 19. Instead, the City has taken on both the ownership and stewardship of the
9 parks.

10 20. The City has established a Parklands Commission.

11 21. Applications by residents that would impact parklands are brought to the City's
12 Parkland Commission and not the Association.

13 22. Permits and enforcement actions concerning parklands involve the City and
14 not the Association.

15 23. The Association is no longer a body that takes, holds, maintains and regulates
16 public parks and has not done so since 1940.

17 24. On June 14, 1940, the Association conveyed a number of parks to the City in
18 multiple grant deeds. A true and correct copy of a June 14, 1940 deed conveying Lot A of
19 Tract 7540 to the City is attached hereto and incorporated herein as **Exhibit "6."** A true and
20 correct copy of a June 14, 1940 deed conveying Lot A of Tract 8652 is attached hereto and
21 incorporated herein as **Exhibit "7."** The properties conveyed by the Association to the City
22 on June 14, 1940 included the Panorama Parkland.

23 25. The properties conveyed by the Association to the City on June 14, 1940
24 included Lot A of Tract 7540.

25 26. The properties conveyed by the Association to the City on June 14, 1940
26 included Lot A of Tract 8652.

27 27. The June 14, 1940 deeds conveying property from the Association to the City
28 included restrictions on the future use and ownership of the conveyed property.

1 28. The June 14, 1940 deeds state that the transferred property "is to be used and
2 administered forever for park and/or recreation purposes..."

3 29. The June 14, 1940 deeds state that as to the transferred real property "no
4 buildings, structures or concessions shall be erected, maintained or permitted" on the
5 property "except such as are properly incidental to the convenient and/or proper use of said
6 realty for park and/or recreation purposes."

7 30. The June 14, 1940 deeds state that the transferred property "shall not be sold
8 or conveyed, in whole or in part...except to a body suitably constituted by law to take, hold,
9 maintain and regulate public parks..."

10 31. The June 14, 1940 deeds state that, with written permission from the
11 Association and a permit from the City, a property owner abutting the park may construct
12 paths or landscaping on the conveyed property as a means of improving access to or views
13 from such property. The June 14, 1940 deeds also state that such permitted improvements
14 must not impair or interfere with the use and maintenance of said realty for park and/or
15 recreations purposes.

16 32. The June 14, 1940 deeds state that none of the use or ownership restrictions
17 set forth in the June 14, 1940 deeds may be changed by the City or the Association even if
18 the Association complies with its own internal procedures for modifying land use restrictions
19 and obtains the written consent of two-thirds of the property owners.

20 33. The June 14, 1940 deeds state any breach of the use or ownership conditions
21 "shall cause said realty to revert to the" Association.

22 34. The June 14, 1940 deeds state that the deed restrictions "inure to and pass with
23 said property and each and every parcel of land therein, and shall apply to and bind the
24 respective successors in interest of the parties hereto, and are...imposed upon said realty as a
25 servitude in favor of said property and each and every parcel of land therein as the dominant
26 tenement or tenements."

27 35. The June 14, 1940 deeds do not contain any express provision authorizing the
28 City or Association to "swap" parkland properties.

1 36. The June 14, 1940 deeds do not contain any express provision authorizing the
2 City or Association to convey parks as part of a resolution of litigation.

3 37. The June 14, 1940 deeds do not contain any express provision authorizing the
4 City or Association to convey parks to fund budgetary shortfalls for school districts.

5 38. The City passed Resolution No. 12 formally accepting the deeds and
6 confirming the land use restrictions. A true and correct copy of Resolution No. 12 is
7 attached hereto and incorporated herein as **Exhibit "8."** Resolution No. 12 re-states
8 verbatim each of the land use restrictions set forth in Fact Numbers 28 through 34 above.

9 39. The prior and current owners of 900 Via Panorama have paid and constructed
10 encroachments on the Panorama Parkland by erecting or maintaining landscaping and
11 improvements without City approval.

12 40. In late 1972, the Association wrote to the City about the parkland on Lot A,
13 Tract 8652. The Association's 1972 letter stated that the Board of Directors for the
14 Association had determined that "the use of parkland for the benefit of a single private
15 residence is not consistent with the intent of the deed restrictions and such use should be
16 disallowed..." The City produced a copy of the Association's 1972 letter in response to my
17 public records act request. A true and correct copy of the 1972 letter is attached hereto and
18 incorporated herein as **Exhibit "16."**

19 41. On July 18, 2003, the City sent the Lugianis a letter requesting that the
20 Lugianis remove encroachments on the "City parklands adjacent to the west side" of the
21 property at 900 Via Panorama. The City produced a copy of the July 18, 2003 letter in
22 response to my public records act request. A true and correct copy of the City's July 18, 2003
23 letter is attached hereto and incorporated herein as **Exhibit "17."**

24 42. On August 11, 2003, the City's then-public works director, Allan Rigg, wrote a
25 memo describing the history of the Panorama Parklands. A true and correct copy of Mr.
26 Rigg's August 11, 2003 memo is attached hereto and incorporated herein as **Exhibit "18."**

27 43. On April 14, 2009, Allan Rigg, wrote to the Lugianis and requested that all
28 "unauthorized encroachments on City Parkland Adjacent to 900 Via Panorama" be removed.

1 A true and correct copy of the April 14, 2009 letter is attached hereto and incorporated
2 herein as **Exhibit "19."**

3 44. On September 19, 2011, the City sent the Lugianis a "final notice" requesting
4 that the Lugianis remove "non-permitted encroachments and debris located on the City's
5 Parkland." A true and correct copy of the City's September 19, 2011 letter to the Lugianis is
6 attached hereto and incorporated herein as **Exhibit "20."** The September 19, 2011 "final
7 notice" by the City to the Lugianis requested that the Lugianis remove "any fences, walls,
8 landscape, tree houses, and any other man-made items beyond your property line."

9 45. The encroachment on the Panorama Parkland includes landscaping, a baroque
10 wrought-iron gate with stone pillars and lion statutes, a winding stone driveway, dozens of
11 trees (some of which are as high as 50 feet), a now-overgrown athletic field half the size of a
12 football field, a 21-foot-high retaining wall and other retaining walls. The stone pillars and
13 lion statutes are within the City's easements and right of way.

14 46. On September 22, 2011, a judgment was entered in the matter of Palos Verdes
15 Peninsula Unified School District v. Palos Verdes Homes Association, Case No. BC431020.
16 A true and correct copy of that judgment is attached hereto and incorporated herein as
17 **Exhibit "11."**

18 47. At the April 19, 2012 meeting of the Association's board of directors, the
19 Association considered and approved an agreement to convey the Panorama Parkland to
20 Thomas Lieb. The Board issued a resolution authorizing the conveyance of the Panorama
21 Parkland. A true and correct copy of the Board's April 19, 2012 resolution is attached hereto
22 and incorporated herein as **Exhibit "21."**

23 48. At its May 8, 2012, the City held a city council meeting to consider whether to
24 convey the Panorama Parkland to Thomas Lieb.

25 49. The City did not post a sign at the Panorama Parkland to publicize that the
26 proposed conveyance of the Panorama Parkland would be discussed at the May 8, 2012 city
27 council meeting.
28

1 50. The City did not perform a mailing of notices to the neighbors adjacent to the
2 Panorama Parkland to publicize that the proposed conveyance of the Panorama Parkland
3 would be discussed at the May 8, 2012 city council meeting.

4 51. The City did not publish a notice in any local newspapers to publicize that the
5 proposed conveyance of the Panorama Parkland would be discussed at the May 8, 2012 city
6 council meeting.

7 52. At the May 8, 2012 city council meeting, the City approved the conveyance of
8 the Panorama Parkland.

9 53. A memorandum of understanding or "MOU" was signed among the City, the
10 Association, Lieb and the District in May of 2012. A true and correct copy of the MOU is
11 attached hereto and incorporated herein as **Exhibit "12."**

12 54. By quitclaim deed recorded September 5, 2012, Instrument Number
13 20121327414, the Panorama Parkland was conveyed from the City to the Association. A
14 true and correct copy of the September 5, 2012 quitclaim deed is attached hereto and
15 incorporated herein as **Exhibit "9."**

16 55. By grant deed recorded September 5, 2012, Instrument Number 20121327415,
17 the Association conveyed the Panorama Parkland to Thomas Lieb. A true and correct copy
18 of the September 5, 2012 grant deed is attached hereto and incorporated herein as **Exhibit**
19 **"10."**

20 56. The September 5, 2012 quitclaim deed states in paragraph 6 that although the
21 Panorama Parkland is to remain open space, should the owner of the Panorama Parkland
22 obtain the necessary permits and approvals from the City, Lieb "may construct any of the
23 following: a gazebo, sports court, retaining wall, landscaping, barbeque, and/or any other
24 uninhabitable 'accessory structure,'..."

25 57. The September 5, 2012 grant deed states in paragraph 2 that although the
26 Panorama Parkland is to remain open space "it is the intent of the parties.... that [Thomas
27 Lieb] may construct any of the following: a gazebo, sports court, retaining wall, landscaping,
28 barbeque, and/or any other uninhabitable 'accessory structure,'..."

1 58. I am familiar with local groups in the Palos Verdes area that own or are
2 concerned with public parkland such as the Palos Verdes Peninsula Land Conservancy and
3 the local chapter of the Sierra Club. I am aware that Thomas Lieb received the Panorama
4 Parkland in trust for the Via Panorama Trust U/DO May 2, 2012 (the "Panorama Trust.")
5 To my knowledge, the Panorama Trust is not "a body suitably constituted by law to take,
6 hold, maintain and regulate public parks..." Rather, the Panorama Trust appears to be an
7 estate planning instrument to provide for the inheritance of the family of Dr. Robert and
8 Delores Lugliani.

9 59. The current owners of the Panorama Parkland intend to use that property for
10 private uses. In February 2013, the current owners of the Panorama Parkland applied to the
11 City for a zone change to change the zoning from Open Space to R-1 and to obtain "after
12 the fact" approval for various accessory structures on the Panorama Parkland. A true and
13 correct copy of a February 13, 2013 staff report by the City concerning the zoning
14 application is attached hereto and incorporated herein as **Exhibit "23."**

15 60. Following the denial of the zoning application by the planning commission, in
16 February 2013, a lawyer for the Panorama Trust, Jay Rockey of Rockey & Wahl LLP, wrote a
17 letter to the City on March 7, 2013. A true and correct copy of that March 7, 2013 letter is
18 attached hereto and incorporated herein as **Exhibit "24."** Mr. Rockey's letter confirmed at
19 page 2 that the intent of the zoning application was to seek permission for "limited uses on
20 private land consistent with private ownership..." of the Panorama Parkland. Mr. Rockey's
21 letter confirmed at page 3 that the rezoning application was intended to prohibit public
22 access to the Panorama Parkland.

23 I declare under penalty of perjury under the laws of the State of California that the
24 foregoing is true and correct.

25 Executed this 3rd day of December 2014, in PALOS VERDES ESTATES, California.

26
27 
28 John Harbison

Jeffrey Lewis (SBN 183934)
Kelly Broedlow Dunagan (SBN 210852)
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Case No.: BS142768

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Hon. Barbara A. Meiers, Dept. 12)

**DECLARATION OF JEFFREY LEWIS IN
SUPPORT OF PLAINTIFFS' MOTION
FOR SUMMARY JUDGMENT OR
SUMMARY ADJUDICATION OR BOTH**

Hearing Date: February 25, 2015

Hearing Time: 10:30 a.m.

Department: 12

Action Filed: May 13, 2013

Trial Date: None Set

DECLARATION OF JEFFREY LEWIS

I, Jeffrey Lewis, declare as follows:

1. On July 21, 2014, Defendants Dr. Robert Lugliani, Delores Lugliani and Thomas Lieb served their answer to the Second Amended Complaint. A true and correct copy of that Answer is attached hereto and incorporated herein as Exhibit "13.

2. On July 22, 2014, the Palos Verdes Homes Association served its answer to the Second Amended Complaint. A true and correct copy of that Answer is attached hereto and incorporated herein as Exhibit "14.

3. On November 24, 2014, the City of Palos Verdes Estates ("City") served its answer to the Second Amended Complaint. A true and correct copy of the City's Answer is attached hereto and incorporated herein as Exhibit "15.

4. On April 28, 2014, my office served the City on behalf of plaintiffs a first set of special interrogatories. A true and correct copy of the special interrogatories is attached hereto and incorporated herein as **Exhibit "25."**

5. On June 2, 2014, the City served responses to the special interrogatories. A true and correct copy of the City's response to special interrogatories is attached hereto and incorporated herein as **Exhibit "26."**

6. In the course of discovery of this matter, I have propounded on behalf of plaintiffs document requests directed to Mr. Lieb. In response to those requests, Lieb produced a copy of the trust instrument establishing the Via Panorama Trust. A true and correct copy of that trust instrument is attached hereto and incorporated herein as **Exhibit "22."**

7. On April 11, 2014, this Court issued a tentative ruling denying in part and granting in part the defendants' demurrers to the first amended complaint herein. A true and correct copy of that April 11, 2014 tentative ruling is attached hereto and incorporated herein as **Exhibit "27."** On May 21, 2014, this Court held oral argument and confirmed the April 11, 2014 tentative ruling as the final ruling of the court. A true and correct copy of the

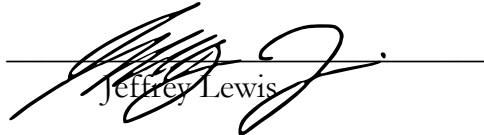
1 reporter's transcript of the May 21, 2014 hearing is attached hereto and incorporated herein
2 as **Exhibit "28."**

3 8. The Palos Verdes Peninsula Unified School District (the "District") was
4 originally a party to this action. On May 5, 2014, I caused to be filed a request for dismissal
5 of the District, without prejudice. On May 5, 2014, the Clerk entered dismissal as requested.
6 On May 7, 2014, my office served notice of entry of the dismissal on all parties. A true and
7 correct copy of that notice is attached hereto and incorporated herein as **Exhibit "29."** No
8 party made any objection or took any action in response to the dismissal.

9 9. On October 31, 2014, I wrote to Brant Dveirin, counsel for the Association. A
10 true and correct copy of my October 31, 2014 letter to Mr. Dveirin is attached hereto and
11 incorporated herein as **Exhibit "30."** I did not receive any response to my letter. No party
12 has filed a cross-complaint in this action or contacted me about a stipulation that would allow
13 the District to be named as a party to this action.

14 I declare under penalty of perjury under the laws of the State of California that the
15 foregoing is true and correct.

16 Executed this 3rd day of December 2014, in Rolling Hills Estates, California.

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DILORES A. LUGLIANI, as co-trustees
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LUB, TRUSTEE, THE VIA
PATRAGONA TRUST U/D/O MARY-2;
2012 and DOCS 1 through 20,

Defendants.

Case No.: BS142768

(Assigned for all purposes to
Hon. Barbara A. Meiers, Depr. 12)

**VERIFIED SECOND AMENDED
COMPLAINT for:**

1. Declaratory Relief
2. Waste of Public Funds
3. Nuisance

Action Filed: May 13, 2013
Trial Date: None Set

Plaintiffs CITIZENS FOR ENFORCEMENT OF PARKLAND COVENANTS
("CEPC") and JOHN HARBISON ("HARBISON") hereby alleges as follows:

INTRODUCTION

1. This is an action to set aside a portion of a well-intentioned yet clearly illegal
settlement of land use disputes among defendant CITY OF PALOS VERDES ESTATES

SECOND AMENDED COMPLAINT

CONFORMED COPY
OF ORIGINAL FILED
Los Angeles Superior Court

JUN 17 2014

John A. Clarke, Executive Officer/Clerk
By: Robert A. Robinson Deputy

ORIGINAL

1 (the "CITY"), non-party PALOS VERDES PENINSULA UNIFIED SCHOOL DISTRICT
2 (the "DISTRICT"), defendant PALOS VERDES HOMES ASSOCIATION (the
3 "ASSOCIATION"), defendants THOMAS J. LIEB and ROBERT AND DELORES
4 LUGLIANI. As a result of the settlement, the CITY and ASSOCIATION abandoned their
5 historic and clearly defined duties to enforce protective covenants to preserve the character
6 of the CITY, to preserve the CITY's open space and prevent private parties from erecting
7 improvements on public parkland. Although each of the parties to the settlement obtained
8 tangible benefits (money, land and/or settlement of litigation), these benefits were obtained
9 at the substantial expense of the residents of the CITY and in breach of the below described
10 covenants. By this action, CEPC seeks court orders:

- 11 a) Voiding two deeds recorded in September 2012 that purported to illegally
12 transfer CITY parkland to private owners;
- 13 b) Compelling the CITY and ASSOCIATION to enforce the land use restrictions
14 described herein; and,
- 15 c) In the alternative, recognizing and enforcing HARBISON's right to directly
16 enforce the land use restrictions applicable to the parkland that the CITY and
17 ASSOCIATION have chosen not to enforce.

18
19 **PARTIES, JURISDICTION AND VENUE**

20 2. Plaintiff CEPC is an unincorporated association of residents living in and
21 around the CITY. One of CEPC's members is Plaintiff John Harbison ("HARBISON.")
22 HARBISON owns real property within the CITY and paid taxes to the CITY during the 12
23 months preceding the filing of this complaint. HARBISON is a member of the
24 ASSOCIATION by virtue of his ownership of real property within Tract 8652 and subject to
25 the ASSOCIATION's CC&Rs. HARBISON is not the only member of CEPC nor is he the
26 only person who opposes the illegal settlement at issue in this lawsuit. Attached as Exhibit
27 "1" is a partial list of over 130 persons who have voiced their opposition to the illegal
28 settlement.

1 3. Plaintiffs are informed, believe and thereon allege that Defendant CITY is a
2 general law city, duly organized under the laws of the State of California and located within
3 Los Angeles County.

4 4. Plaintiffs are informed, believe and thereon allege that Defendant
5 ASSOCIATION is a non-profit corporation, duly organized under the laws of the State of
6 California. The ASSOCIATION's principal place of business is located within Los Angeles
7 County.

8 5. The Defendants named herein as DOES 1 through 20, inclusive, are unknown
9 to Plaintiffs, who therefore sue such "DOE" parties by such fictitious names pursuant to
10 Section 474 of the Code of Civil Procedure. Plaintiffs are informed, believe and thereon
11 allege that DOES 1 through 20 have improperly attempted to utilize various corporate and
12 trust entity forms in an attempt to shield their personal or *ultra vires* actions behind this veil of
13 protection and avoid personal or other corporate liability. Plaintiffs will amend this pleading
14 to assert the true names and capacities of the fictitiously designated "DOE" parties when the
15 same have been ascertained.

16 6. Plaintiffs are informed, believe and thereon allege that defendant THOMAS J.
17 LIEB, TRUSTEE, THE VIA PANORAMA TRUST U/DO MAY 2, 2012 together with
18 DOES 1 through 10, claim to be the current legal owners of the real property referred to
19 herein as the "Panorama Parkland" or "Area A", legally described on Exhibit "2" herein.
20 THOMAS J. LIEB and DOES 1 through 10 are referred to collectively, as the "AREA A
21 RECIPIENTS."

22 7. Plaintiffs are informed, believe and thereon allege that defendants ROBERT
23 LUGLIANI and DELORES A. LUGLIANI, as co-trustees of THE LUGLIANI TRUST
24 together with DOES 11 through 20, are the current legal and beneficial owners of the real
25 property commonly known as 900 Via Panorama, Palos Verdes Estates, California 90274 and
26 legally described as follows:

TRACT # 8652 LOT 11 BLK 1733 AND LOT COM AT MOST W COR
OF LOT 11 SD BLK TH W ON N LINE OF VIA PANORAMA 21 FT TH
N 2 01'45" E 153.12 FT TH N 59 E 50.5 FT TH E 130 FT TH S 51 00' W
175 FT TH S LOT A

("900 VIA PANORAMA.") ROBERT LUGLIANI, DELORES A. LUGLIANI and DOES
11 through 20 are referred to collectively, as the "900 VIA PANORAMA OWNERS."

STANDING

8. Admittedly, neither CEPC nor HARBISON were parties to the settlement documents and related real property conveyances among the CITY, the DISTRICT, the ASSOCIATION, the AREA A RECIPIENTS and the 900 VIA PANORAMA OWNERS that are challenged in this proceeding. However, CEPC has standing to assert the below pled claims for the following four reasons: First, by virtue of HARBISON's payment of taxes within the past year, HARBISON alone or CEPC on behalf of HARBISON, may assert a taxpayer's action against the CITY pursuant to Code of Civil Procedure section 526a. Second, under the "Citizen Suit" doctrine, both HARBISON and CEPC have standing to enforce a public duty (the property restrictions alleged below) and raising questions of public rights (the rights of CITY residents to enforcement of protective covenants, to preserve open space and to prevent unlawful conveyances of parklands to private parties). Third, by virtue of HARBISON's ownership of real property within the CITY, he is a beneficiary of the restrictions and CEPC may assert those restrictions on HARBISON's behalf. Fourth, HARBISON is a member of the ASSOCIATION.

9. The ASSOCIATION's bylaws state that its members shall be constituted of "all who hold legal title of record" to any lot located within Palos Verdes Estates. (By-Laws, Art. I, § 1(c).) "Such building title shall be the sole qualification for membership in the [ASSOCIATION]." (*Ibid.*) HARBISON owns property within Palos Verdes Estates within the meaning of the By-Laws and has been recognized by the ASSOCIATION as a voting member at all times relevant hereto.

GENERAL ALLEGATIONS

A. The Location of the Panorama Parkland

10. This litigation concerns the ownership and use of undeveloped parkland located on Via Panorama in the CITY (the “Panorama Parkland” or “Area A.”) The Panorama Parkland is located to the North/Northwest of the residential property at 900 Via Panorama. The Panorama Parkland is an irregularly shaped parcel in the form of a crescent that wraps around the residential property at 900 Via Panorama. The boundaries of the Panorama Parkland crosses three different tract lines and, therefore, the Panorama Parkland falls within the following three different tracts within the CITY: 7540, 8652 and 26341, with tract 8652 constituting approximately 90% of the Panorama Parkland. Attached hereto as Exhibit “3” is a true and correct copy of an area map provided by CITY which demonstrates the general location of the Panorama Parkland relative to 900 Via Panorama and other CITY landmarks described in this pleading. Attached hereto as Exhibit “4” are true and correct copies of two maps more specifically describing the boundaries of the Panorama Parkland relative to 900 Via Panorama and the tract lines for tracts 7540, 8652 and 26341 from CITY and COUNTY records.

11. Plaintiffs are informed, believe and thereon allege that there have never been signs on the Panorama Parkland or any parkland located within the CITY restricting access or use of the parklands to CITY residents or ASSOCIATION members.

B. The History of the Panorama Parkland

12. The Panorama Parkland and other properties within the CITY were first purchased by New York financier Frank A. Vanderlip, Sr. from the Bixby family in 1913. The properties were subdivided and homes were constructed in the early 1920’s. Deed restrictions were imposed on the land in 1923, when the developer, Commonwealth Trust Company and later, Bank of America, as trustee for Vanderlip’s Palos Verdes Project, drafted a trust indenture and outlined provisions for development. The area was unincorporated and governed by the ASSOCIATION, which was liable for taxes on all parkland. After the

1 economic crash in 1929, the ASSOCIATION owed taxes to Los Angeles County. CITY
2 residents, concerned that the parklands might be sold for payment, in 1939 voted for City
3 incorporation. In June 1940, the ASSOCIATION's parks, including the Panorama Parkland,
4 were deeded by the ASSOCIATION to the new CITY. In September 2012, the Panorama
5 Parkland was purportedly deeded from the CITY to the ASSOCIATION and immediately
6 thereafter to the AREA A RECIPIENTS.

7 13. The Panorama Parkland is subject to, at the least, the following three land use
8 restrictions as a result of the above transactions and instruments: 1) the 1920's land use
9 restrictions imposed by the original developer, 2) the more restrictive land use restrictions
10 contained within the June 1940's deeds conveying the parkland from the ASSOCIATION to
11 the CITY and 3) the CITY's municipal code. Each of these restrictions is described in more
12 detail below.

13
14 **C. The 1920's Land Use Restrictions Imposed by the Developer.**

15 14. On May 16, 1923, the ASSOCIATION was formed. On June 25, 1923, the
16 ASSOCIATION enacted its bylaws. On July 5, 1923, the developer for Palos Verdes Estates
17 recorded Declaration No. 1 establishing basic land use restrictions for real property within
18 what would later be known as the CITY. Thereafter, the restrictions were amended and
19 supplemented several times. Of particularly relevance to this dispute, on July 26, 1926, Bank
20 of America recorded Declaration No. 25 establishing the conditions, covenants and
21 restrictions for Tract 8652, also within the area that would later be known as the CITY. A
22 true and correct copy of the relevant portions of Declaration No. 25, together with
23 Declaration No. 1, the Articles of Incorporation for the ASSOCIATION and the
24 ASSOCIATION's bylaws is attached hereto and incorporated herein as Exhibit "5." The
25 provisions relevant to this dispute have been outlined to assist the reader. Plaintiffs are
26 informed, believe and thereon allege that the land use restrictions set forth in Declaration
27 No. 25 for Tract 8652 are substantially identical to the land use restrictions for Tract No.

1 7540 and Tract No. 26341. For purpose of this lawsuit, the relevant portions of the 1920's
2 land use restrictions are as follows:

3 i. Declaration No. 25 describes the purpose of the ASSOCIATION:

4 To carry on the common interest and look after the maintenance of all lots
5 and the welfare of all lot owners right from the beginning, a community
6 association, with the name of Palos Verdes Homes Association, has been
7 incorporated as a non-stock, non-profit body under the laws of California, in
8 which every building site has one vote. It will be the duty of this body to
9 maintain the parks, street planting and other community affairs, and to
10 perpetuate the restrictions.
11 (Ex. 5, p. 3).

12 ii. Declaration No. 25 describes the duration of the land use restrictions and
13 methods to alter them. The land use restrictions established by Declaration Nos. 1 and 25
14 remain in effect today. There are three methods to modify the restrictions and none of them
15 have been used to modify the restrictions at issue in this case. Each method involves a vote
16 of a certain majority of the property owners who are members of the ASSOCIATION or the
17 written consent of the property owners within 300 feet of the affected property. (Ex. 5, p.
18 21, Art. VI, § 1 [providing that restrictions remain in place for successive 20 year periods
19 absent majority vote], (Ex. 5, p. 21, Art. VI, § 2 [providing that certain "basic" restrictions
20 can be modified with the vote of 80 percent of all property owners in the ASSOCIATION.
21 (Ex. 5, p. 21, Art. VI, § 3 [providing that certain "other" restrictions can be modified with the
22 vote of two-thirds of owners within 300 feet of the affected property].

23 iii. Declaration No. 25 provides that the land use restrictions "are for the benefit
24 of each owner of land..." (Ex. 5, p. 22, Art. VI, § 6).

25 iv. Declaration No. 25 provides that a breach of the restrictions shall cause the
26 property to revert to the ASSOCIATION. (Ex. 5, pp. 22-23, Art. VI, § 6). Any breach of
27 the restrictions can be enjoined by the ASSOCIATION or by any property owner in the
28 ASSOCIATION. (*Ibid.*)

v. Declaration No. 25 provides that a breach of the restrictions shall constitute a
nuisance which may be abated by either the ASSOCIATION or any lot owner subject to the
ASSOCIATION's jurisdiction. (Ex. 5, p. 23, Art. VI, § 8).

vi. Declaration No. 25 provides that the provisions of the declaration “shall bind and inure to the benefit of and be enforceable by” the ASSOCIATION or “by the owner or owners of any property in said tract....” (Ex. 5, p. 24, Art. VI, § 12).

D. The June 1940 Grant Deeds.

15. On June 14, 1940, the ASSOCIATION conveyed a number of parks to the CITY in multiple grant deeds. True and correct copies of the two deeds relevant to Tract Nos. 7540 and 8652 (obtained from the CITY) are attached as Exhibits “6” and “7.” The key provisions have been outlined for the reader’s ease. The properties conveyed on June 14, 1940 included the Panorama Parkland. (Ex. 6, p. 3, [Item 5, describing Lot A of Tract 7540]; Ex. 7, p. 2, [Item 7, describing Lot A of Tract 8652]). The June 14, 1940 deeds contained seven key land use restrictions:

i. **The “Forever Parks” Restriction.** The 1940 deeds state that the transferred property “is to be used and administered forever for park and/or recreation purposes...” (Ex. 6, p. 7, ¶ 3; Ex. 7, p. 4, ¶ 3).

ii. **The “No Structures” Restriction.** The 1940 deeds state that “no buildings, structures or concessions shall be erected, maintained or permitted” on the parkland “except such as are properly incidental to the convenient and/or proper use of said realty for park and/or recreation purposes.” (Ex. 6, p. 9, ¶ 4; Ex. 7, p. 5, ¶ 4).

iii. **The “No Sale or Conveyance” Restriction.** The 1940 deeds also state that the parklands “shall not be sold or conveyed, in whole or in part...except to a body suitably constituted by law to take, hold, maintain and regulate public parks...” (Ex. 6, p. 9, ¶ 5; Ex. 7, p. 5, ¶ 5).

iv. **The “Improve Access and Views” Restriction.** The 1940 deeds also state that, with written permission, a property owner abutting the park may construct paths or landscaping on the parkland as a means of improving access to or views from the park. Such improvements must not “impair or interference with the use and maintenance of said realty for park and/or recreation purposes....” (Ex. 6, p. 9, ¶ 6; Ex. 7, p. 5, ¶ 6).

v. **The “No Modifications” Restriction.** The deeds also state that none of the four key deed conditions described above may be changed by the CITY or ASSOCIATION even if the ASSOCIATION complies with its own internal procedures for modifying land use restrictions and obtains the written consent of two-thirds of the property owners. (Ex. 6, p. 9, ¶ 7; Ex. 7, p. 5, ¶ 7).

vi. **The “Reversion on Breach” Restriction.** The deeds also state that any breach of the foregoing key deed restrictions “shall cause said realty to revert to the” ASSOCIATION. (Ex. 6, p. 9, Ex. 7, p. 6).

vii. **The “Running with the Land” Provision.** The deeds also state that the restrictions in the deed “inure to and pass with said property and each every parcel of land therein, and shall apply to and bind the respective successors in interest of the parties hereto, and are...imposed upon said realty as a servitude in favor of said property and each and every parcel of land therein as the dominant tenement or tenements.” (Ex. 6, p. 10, Ex. 7 p. 6).

16. Notably, not one of the foregoing restrictions contains language investing the CITY or ASSOCIATION with discretion to use the parklands for non-park purposes, to “swap” parks, to convey the parks as part of the settlement of litigation, to fund budgetary shortfalls for school districts or to sell the parklands.

17. On June 12, 1940, the CITY passed Resolution No. 12 formally accepting the deeds and confirming the land use restrictions. A true and correct copy¹ of the CITY’s Resolution 12 is attached hereto and incorporated herein as Exhibit “8.” The Resolution confirms the CITY’s acceptance of the Panorama Parkland (i.e., Lot A of Tract 7540 [Ex 8., p. 8 and Lot A of Tract 8652 [Ex. 8, p. 21.) The Resolution also re-states verbatim each of the six key restrictions set forth in paragraph 15 above. (Ex. 8, pp. 11-12).

¹ Resolution No. 12 was produced by the CITY in response to a public records act request by Plaintiffs. The legibility is poor. For this reason, plaintiffs have annotated the resolution with red boxes around the relevant language.

E. The CITY Municipal Code.

18. The CITY's Municipal Code makes it clear that a private person's use of public parkland for private purposes is a city nuisance. (City of PVE Mun. Code, §§ 17.32.050, 18.16.020). The CITY Municipal Code declares it is the "right and duty" of all residents to "participate and assist the city officials" in the enforcement of the CITY's zoning and building codes. (City of PVE Mun. Code, § 17.32.050). Similarly the Municipal Code requires the city attorney to commence legal proceedings and take other legal steps to remove illegal structures and abate illegal uses of public parklands. (*Ibid.*).

19. The illegal conveyances that are the subject of this lawsuit arose in an attempt to settle a land use dispute between the DISTRICT and the ASSOCIATION over the enforceability of land use restrictions and a land use dispute between the CITY and the 900 VIA PANORAMA OWNERS over encroachment on parkland. It should be noted that the land use restrictions involved in the litigation between the DISTRICT and the ASSOCIATION are identical to the land use restrictions at issue here. Both sets of land use restrictions limit the use of parkland to public parkland use forever.

F. The Unlawful Encroachment on Panorama Parkland

20. 900 VIA PANORAMA is located at the end of a cul-du-sac and is adjacent to AREA A. AREA A is located to the west of the 900 VIA PANORAMA and wraps around three sides of the property. THE 900 VIA PANORAMA OWNERS and/or the AREA A RECIPIENTS have encroached on AREA A by erecting illegal improvements on parkland and the CITY rights-of-way. These improvements include landscaping, a baroque wrought-iron gate with stone pillars and lion statutes, a winding stone driveway, dozens of trees (some of which are as high as 50 feet), a gazebo, a now-overgrown athletic field half the size of a football field, a 21-foot-high retaining wall and other retaining walls. In addition to erecting improvements, the 900 VIA PANORAMA OWNERS and/or the AREA A RECIPIENTS have also unlawfully encroached the CITY's easement by erecting improvements that violate the municipal code.

1 21. These improvements are in violation of the land use restrictions that AREA A
2 be used for public parks and not for the private, exclusive use of the 900 VIA PANORAMA
3 OWNERS and/or the AREA A RECIPIENTS.

4
5 **G. The City and Association Previously Viewed the Area A Encroachment**
6 **to be illegal**

7 22. Plaintiffs are informed, believe and thereon allege that prior to the illegal
8 settlement that is the subject of this litigation, the CITY and ASSOCIATION viewed the
9 encroachment on AREA A to be in violation of the deed restrictions and a nuisance.
10 Plaintiffs are further informed, believe and thereon allege that the CITY and
11 ASSOCIATION have, through conduct and statements, taken the position that the land use
12 restrictions for CITY parkland are mandatory and not discretionary. Further the CITY acted
13 successfully in enforcing the removal of 37 encroachments between 2005 and 2011.

14
15 **H. The Litigation Between the DISTRICT and the ASSOCIATION over**
16 **Lots C and D and the Land Use Restrictions**

17 23. The DISTRICT obtained two lots from the ASSOCIATION by way of a
18 1938 Grant Deed known as "Lots C & D" of Tract 7331. The 1938 Grant Deed include
19 restrictions that Lots C and D, are zoned for open space and include a right of reversion in
20 favor of the ASSOCIATION if the property is not used in compliance with deed restrictions.
21 Exhibit "3" hereto shows the relative locations of the Panorama Parkland and Lots "C" and
22 "D."

23 24. On February 1, 2010, the DISTRICT filed a lawsuit against the CITY and
24 ASSOCIATION seeking, among other things, a declaration that the land use restrictions for
25 Lots C and D were no longer enforceable, *Palos Verdes Peninsula Unified School District v. Palos*
26 *Verdes Homes Association*, Los Angeles Superior Court Case No. BC431020 (the "District
27 Lawsuit.")
28

1 25. On September 22, 2011, the Los Angeles Superior Court entered judgment in
2 favor of the ASSOCIATION and found that the land use restrictions contained in the 1938
3 Grant Deed remain enforceable. The Court also found that the 1925 restrictions in
4 Declaration No. 1, Declaration No. 21 remain enforceable. A true and correct copy of the
5 September 22, 2011 judgment entered in the District Lawsuit is attached hereto and
6 incorporated herein as Exhibit "11." Notably, the land use restrictions found enforceable by
7 the Los Angeles Superior Court on September 22, 2011 are identical to the "forever parks"
8 restrictions and other restrictions contained in the June 1940's deeds conveying the Panorama
9 Parkland to the CITY.

10 26. After trial, the ASSOCIATION brought an unsuccessful motion for attorney's
11 fees.

12 27. On November 21, 2011, the DISTRICT appealed the judgment. Thereafter,
13 the ASSOCIATION filed a cross-appeal concerning the denial of its attorney's fee motion.

14
15 **I. The May 2012 Global Settlement**

16 28. By May 2012, the following disputes existed: a) The ASSOCIATION wanted
17 to appeal the denial of its motion for attorney's fees; b) the DISTRICT wanted to appeal the
18 judgment entered against it concerning the restricted use of Lots C and D; and c) the 900
19 VIA PANORAMA OWNERS and/or the AREA A RECIPIENTS wanted to obtain after
20 the fact approval for over 30 years of unlawful improvements and approval for future
21 improvements and permission to rebuild the structures that they had removed to comply
22 with the CITY enforcement on the removal of encroachments on parklands.

23 29. To resolve these disputes, the parties entered into a Memorandum of
24 Understanding ("MOU"), which accomplished the following:

- 25 a) Lots C and D reverted to the ASSOCIATION;
26 b) The ASSOCIATION swapped Lots C and D for AREA A with the CITY;
27 c) The ASSOCIATION purported to convey AREA A to the AREA A
28 RECIPIENTS for a purchase price of \$500,000;

- 1 d) The ASSOCIATION paid the CITY \$100,000;
- 2 e) The DISTRICT and ASSOCIATION dismissed their appeals allowing the
- 3 judgment in the District Lawsuit to be final;
- 4 f) THE 900 VIA PANORAMA OWNERS “donated” \$1.5 million to the
- 5 DISTRICT; and
- 6 g) The CITY obtained the DISTRICT’s agreement that the DISTRICT would
- 7 not attempt to sell or use for residential purposes other properties within the CITY that are
- 8 similarly restricted as Lots C and D.
- 9 30. A true and correct copy of the MOU is attached hereto and incorporated
- 10 herein as Exhibit “12.”
- 11 31. Plaintiffs are informed, believe and thereon allege that the only reason that the
- 12 900 VIA PANORAMA OWNERS made a \$1.5 million donation to the DISTRICT was the
- 13 expectation that AREA A would be conveyed to the AREA A RECIPIENTS and the illegal
- 14 encroachments on the property would receive after the fact CITY approval. The source of
- 15 Plaintiffs’ belief is the discovery responses by the 900 VIA PANORAMA OWNERS in this
- 16 action.
- 17 32. Notably, the CITY meeting on May 8, 2012 to approve the MOU was not
- 18 well-publicized. No sign was posted at the Panorama Parkland, as is usual and customary in
- 19 this CITY. No mailings were done for residents living in the vicinity of the Panorama
- 20 Parkland, as is usual and customary in this CITY. No advertisement was placed in the local
- 21 newspaper. Instead, the CITY quietly published the agenda for this matter at City Hall, the
- 22 local library, the local golf club and on its website. The first newspaper account of the
- 23 settlement occurred after the CITY’s approval of the MOU at its May 8, 2012 meeting.
- 24

25 **J. The Aftermath of the Settlement**

- 26 33. Following the execution of the MOU, the parties executed deeds to effectuate
- 27 the settlement. By quitclaim deed recorded September 5, 2012, Instrument Number
- 28 20121327414, AREA A was purportedly conveyed from the CITY to the ASSOCIATION.

A true and correct copy of that September 2012 quitclaim deed is attached hereto and incorporated herein as Exhibit 9. By grant deed recorded September 5, 2012, Instrument Number 20121327415, the ASSOCIATION conveyed AREA A to the AREA A RECIPIENTS. A true and correct copy of the that September 2012 grant deed is attached hereto and incorporated herein as Exhibit "10." This grant deed states in paragraph 2 that although AREA A is to remain open space "it is the intent of the parties....that [AREA A RECIPIENTS] may construct any of the following: a gazebo, sports court, retaining wall, landscaping, barbeque, and/or any other uninhabitable 'accessory structure.'" The grant deed also acknowledged at paragraph 10 the existence of the protective covenants restricting the land use for AREA A. Plaintiffs contend that the foregoing deeds were illegal, void and of no effect. Because the deeds were illegal and void, no title was actually conveyed.

34. On February 19, 2013, the CITY's planning commission heard and denied the 900 VIA PANORAMA OWNERS' application to re-zone and obtain after the fact approval for the illegal improvements to AREA A. On March 12, 2013, the City Council likewise heard the re-zoning and permit application. On March 12, 2013, the City Council took no action but instead instructed staff to review the matter further. CEPC is informed, believes, and thereon alleges that the CITY is contemplating a spot-zoning solution (i.e. creating a so-called "Open Space, Privately Owned" land use designation) for AREA A.

FIRST CAUSE OF ACTION

(For Declaratory Relief by CEPC and HARBISON against all parties)

35. CEPC and HARBISON re-allege and incorporate by reference the preceding paragraphs as though fully set forth.

36. CEPC and HARBISON contend as follows:

- a) The quitclaim deed and grant deed recorded September 5, 2012 are illegal and void because they:
 - i) violate the **"Forever Parks"** restrictions of section 3 of the June 1940 grant deeds which provide that the Panorama Parkland "is to be used and administered

1 forever for park and/or recreation purposes only...for the benefit of the residents of
2 the CITY.”

3 ii) violate the **“No Structures”** restrictions of section 4 of the June 1940 grant
4 deeds by purporting to authorize the construction of a gazebo, barbecue, sports court
5 and other accessory structures that are not “properly incidental to the convenient
6 and/or proper use” of the Panorama Parkland as a park.

7 iii) violate the **“No Sale or Conveyance”** restrictions of section 5 of the June
8 1940 grant deeds because they purport to convey parkland to the AREA A
9 RECIPIENTS for the exclusive private use by the 900 VIA PANORAMA
10 OWNERS.

11 iv) violate the **“Improve Access and Views”** restriction of section 6 because
12 to the extent the deeds purport to authorize landscaping and construction for the
13 private, exclusive use of the 900 VIA PANORAMA OWNERS such use necessarily
14 impairs and interferes with the use and maintenance of the parkland for park and
15 recreation purposes.”

16 v) violate the public trust and constitutes an *ultra vires* act.

17 b) The September 2012 deeds were void and of no force and effect. In the
18 alternative, the effect of the attempted conveyance on September 5, 2012 was to trigger the
19 reversion of title to AREA A back to the ASSOCIATION;

20 c) The ASSOCIATION has the right and affirmative duty to enforce its reversion
21 rights to AREA A; and

22 d) The CITY and ASSOCIATION have the right and affirmative duty to enforce
23 the land use restrictions to compel the applicable property owners to remove the illegal
24 improvements from AREA A, require AREA A to be restored to its prior state before
25 improvements were made and prevent unlawful encroachment into the CITY’s easement.

26 37. CEPC and HARBISON are informed, believe and thereon allege that the
27 CITY, the ASSOCIATION, the 900 VIA PANORAMA OWNERS, and the AREA A
28 RECIPIENTS all dispute the contentions set forth in the preceding paragraph.

1 38. CEPC and HARBISON are informed, believe and thereon allege that the 900
2 VIA PANORAMA OWNERS and AREA A RECIPIENTS contend that the present and
3 contemplated uses of AREA A as described in the September 2012 deeds are lawful and
4 consistent with the present land use restrictions for AREA A. CEPC and HARBISON
5 dispute that contention.

6 39. Pursuant to Code of Civil Procedure section 1060, an actual controversy exists
7 among the parties herein as to the validity of the September 2012 deeds, the right of
8 reversion of AREA A to the ASSOCIATION and the right and duty of the CITY and
9 ASSOCIATION to enforce the land use restrictions for the improvements on AREA A.

10 40. CEPC and HARBISON seek a judicial declaration that:

11 a) The September 2012 deeds purporting to convey AREA A are void, illegal and
12 unenforceable because they purport to authorize the conveyance of AREA A to THE AREA
13 A RECIPIENTS in violation of the land use restrictions described in paragraphs 14-19 and
14 36 (a)(i)-(iv) above;

15 b) The quitclaim deed and grant deeds dated September 5, 2012, on their face,
16 contemplated a use for AREA A in violation of the land use restrictions. Specifically, they
17 contemplated that AREA A would be used exclusively for the benefit of THE 900 VIA
18 PANORAMA OWNERS and/or the AREA A RECIPIENTS in violation of the
19 requirement that the property “be used and administered forever for park and/or recreation
20 purposes...for the benefit” of CITY residents.

21 c) The September 2012 deeds were void or, in the alternative, the effect of the
22 attempted conveyance on September 5, 2012 was to trigger the reversion of title to AREA A
23 back to the ASSOCIATION;

24 d) The CITY and ASSOCIATION have the right and affirmative duty to enforce
25 the land use restrictions, to compel the applicable property owners to remove the illegal
26 improvements from AREA A, and require AREA A to be restored to its prior state before
27 improvements were made and prevent unlawful encroachment into the CITY’s easement;
28 and

1 e) The ASSOCIATION has the right and affirmative duty to enforce its reversion
2 right to claim title to AREA A;

3
4 **SECOND CAUSE OF ACTION**

5 **(For Waste of Public Funds/*Ultra Vires* Actions**

6 **by CEPC and HARBISON against the CITY)**

7 41. CEPC and HARBISON re-allege and incorporate by reference the preceding
8 paragraphs as though fully set forth.

9 42. Code of Civil Procedure section 526a authorizes an action for injunctive and
10 declaratory relief to restrain and prevent *ultra vires* acts of government and waste of public
11 funds.

12 43. The CITY's participation in the MOU and the September 2, 2012 deeds was an
13 *ultra vires* act because those deeds violate the land use restrictions described in paragraphs 36
14 (a)(i)-(iv) above. Moreover, the contemplated threatened spot zoning or other legislative
15 solution to achieve after the fact permission for the existing and proposed additional AREA
16 A improvements are also *ultra vires*. For example, the CITY's devotion of staff and/or city
17 attorney time towards preparation of a previously unheard of zoning district of "open space,
18 privately owned" for the sole benefit of the AREA A RECIPIENTS and/or the 900 VIA
19 PANORAMA OWNERS constitutes an *ultra vires* act.

20 44. CEPC and HARBISON are informed, believe and thereon allege that
21 substantial attorney and staff time has been devoted in the past and will continue to be
22 devoted in the future to craft a "open space, privately owned" zoning solution or other
23 solution to enable the AREA A RECIPIENTS to erect and maintain illegal improvements on
24 AREA A. Public funds have been used and will continue to be used to fund these illegal
25 efforts. To the extent the September 2012 deeds are deemed not to violate the deed
26 restrictions and public trust doctrines, the conveyance of public parkland to a private party is
27 also a waste of public funds and an *ultra vires* act.

28 45. CEPC and HARBISON do not contend that the following actions by the

1 CITY constitute either a waste of public funds or *ultra vires* acts:

- 2 a) Accepting and processing any entitlement applications filed with the CITY by
3 the AREA A RECIPIENTS and/or the 900 VIA PANORMA OWNERS;
4 b) Conducting the planning commission meeting on February 19, 2013;
5 c) Conducting the city council meeting on March 12, 2013;

6
7 **THIRD CAUSE OF ACTION**

8 **(for Abatement of Nuisance Per Se by HARBISON**

9 **against the AREA A RECIPIENTS,**

10 **in the Alternative to the First and Second Causes of Action)**

11 46. HARBISON re-alleges and incorporate by reference the preceding paragraphs
12 as though fully set forth.

13 47. HARBISON alleges that CITY and ASSOCIATION have the duty to enforce
14 the land use restrictions that the CITY accepted when it accepted the deeds from the
15 ASSOCIATION. In the alternative, should this Court find that no such duty exists, then
16 HARBISON has the right to enforce the land use restrictions himself by virtue of the
17 provisions of Declaration No. 25 stating that the land use restrictions “shall bind and inure to
18 the benefit of and be enforceable by” the ASSOCIATION or “by the owner or owners of
19 any property in said tract....” (Ex. 5, p. 8, § 18). The failure of the ASSOCIATION to
20 enforce the restrictions is not a waiver of HARBISON’s right to do so. (*Ibid.*)

21 48. The present use by the AREA A RECIPIENTS of AREA A (as more
22 specifically described in paragraph 20 above) is in breach of the land use restrictions insofar
23 as a private sports field, retaining walls and other illegal encroachments are present on
24 parkland. The present use by the AREA A RECIPIENTS of AREA A constitutes a nuisance
25 within the meaning of Section 14 of the land use restrictions. (Ex. 5, p. 7, § 14).

26 49. The CITY has declared that a person’s private use of public parkland for
27 private purposes constitutes a city nuisance. (City of PVE Mun. Code, § 17.32.050,
28 18.16.020). The City Municipal Code declares that it is the “right and duty” of all residents of

1 the CITY to “participate and assist the city officials” in the enforcement of the CITY’s
2 zoning and building codes.

3 50. The AREA A RECIPIENTS have maintained a nuisance per se on AREA A
4 and HARBISON is entitled to abatement of that nuisance.

5
6 **PRAYER FOR RELIEF**

7 WHEREFORE, plaintiffs pray for judgment as follows:

8 **On the First Cause of Action:**

9 1. For a judicial declaration that:

10 (a) The purported conveyances of AREA A from the CITY to the
11 ASSOCIATION via Instrument Number 20121327414 recorded September 5, 2012 is
12 illegal, void and of no legal effect;

13 (b) The purported conveyances of AREA A from the ASSOCIATION to
14 the AREA A RECIPIENTS via Instrument Number 20121327415 recorded
15 September 5, 2012 is illegal, void and of no legal effect;

16 (c) The purported conveyances of AREA A from the ASSOCIATION to
17 the AREA A RECIPIENTS via Instrument Number 20121327415 recorded
18 September 5, 2012 triggered the reversion of title to AREA A back to the
19 ASSOCIATION;

20 (d) The CITY and ASSOCIATION have the right and affirmative duty to
21 enforce the land use restrictions to remove the illegal improvements from AREA A;

22 (e) The ASSOCIATION has the right and affirmative duty to enforce its
23 reversionary interest in AREA A; and

24 2. For an order enjoining the CITY from enacting a special “open space, privately
25 owned” zoning district for the sole benefit of the AREA A RECIPIENTS or enacting other
26 legislative solution authorizing the erection and maintenance of improvements on AREA A;

1 **On the Second Cause of Action:**

2 3. For an order declaring that the attempted conveyance of AREA A by the
3 CITY was a waste of taxpayer funds and an *ultra vires* act;

4 4. For an order enjoining the CITY from expending additional staff time, city
5 attorney time or spending taxpayer funds to study or enact a special "open space, privately
6 owned" zoning district for the sole benefit of the AREA A RECIPIENTS or other legislative
7 solution authorizing the erection and maintenance of improvements on AREA A;

8
9 **On the Third Cause of Action:**

10 5. For a preliminary and permanent injunction enjoining the AREA A
11 RECIPIENTS from using AREA A for private purposes and compelling the AREA A
12 RECIPIENTS to restore the parkland to its natural state.

13
14 **On all Causes of Action:**

15 6. For an order declaring that this litigation vindicated an important public right;

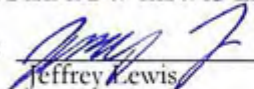
16 7. For an award of costs and attorney's fees as allowed by law; and

17 8. For such other and further relief as the Court may deem just and proper.

18
19
20 DATED: June 16, 2014

BROEDLOW LEWIS LLP

21 By: _____


Jeffrey Lewis

22
23 Attorneys for Plaintiffs
24 CITIZENS FOR ENFORCEMENT OF
25 PARKLAND COVENANTS and JOHN
26 HARBISON
27
28

VERIFICATION

I, John Harbison, am a member of CITIZENS FOR ENFORCEMENT OF PARKLAND COVENANTS and am authorized to execute this verification on its behalf. I am also a plaintiff and have read the foregoing second amended complaint. All of the facts alleged therein are true of my own personal knowledge, save those facts alleged on information and believe, and as to those facts I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on June 16th, 2014 at Rolling Hills Estates, California



John Harbison

PROOF OF SERVICE

Citizens for Enforcement of Parkland Covenants v. City of Palos Verdes Estates, et al.
Los Angeles Superior Court Case No. BS142768

I, Jason R. Ebbens, declare that I am over the age of 18 years, employed in the County of Los Angeles, and not a party to the within action; my business address is 734 Silver Spur Road, Suite 300, Rolling Hills Estates, CA 90274.

On June 16, 2014, I served the foregoing: **VERIFIED SECOND AMENDED COMPLAINT** on the interested parties in this action by placing ☐ the original ☒ a true copy thereof, enclosed in a sealed envelope with postage pre-paid, addressed as follows:

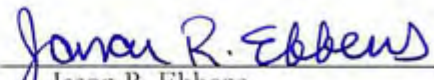
** See Attached Service List **

☒ BY MAIL. I am readily familiar with this law firm's practice for collection and processing of correspondence for mailing with the U. S. Postal Service. The within correspondence will be deposited with the U. S. Postal Service on the same day shown on this affidavit, in the ordinary course of business. I am the person who sealed and placed for collection and mailing the within correspondence on this date at Rolling Hills Estates, California, following ordinary business practices.

☐ BY NORCO OVERNITE DELIVERY: The within correspondence will be deposited with Overnight Express on the same day shown on this affidavit, in the ordinary course of business. I am the person who sealed and placed for collection and mailing the within correspondence on this date at Rolling Hills Estates, California, following ordinary business practices.

☒ (STATE) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on June 16, 2014, in Los Angeles County, California.


Jason R. Ebbens

PROOF OF SERVICE

SERVICE LIST

(Page 1 of 2)

Citizens for Enforcement of Parkland Covenants v. City of Palos Verdes Estates, et al.
Los Angeles Superior Court Case No. BS142768

JENKINS & HOGIN, LLP 1230 Rosecrans avenue, Suite 110 Manhattan Beach, CA 90266 Christi Hogin, Esq. CHogin@LocalGovLaw.com Tel: (310) 643-8448 Fax: (310) 643-8441	<i>Attorneys for Defendant and Respondent:</i> City of Palos Verdes Estates
ARMBRUSTER GOLDSMITH & DELVAC LLP 11611 San Vicente Blvd., Suite 900 Los Angeles, CA 90049 Damon P. Mamalakis, Esq. Damon@AGD-LandUse.com Tel: (310) 254-9026 Fax: (310) 254-9046 R.J. Comer, Esq. RJ@AGD-LandUse.com Tel: (310) 254-9056 Fax: (310) 254-9046	<i>Attorneys for Defendants and Real Parties in Interest:</i> Robert Lugliani and Delores A. Lugliani as co-trustees of The Lugliani Trust Thomas J. Lieb, Trustee, The Via Panorama Trust U/Do May 2, 2012

PROOF OF SERVICE

SERVICE LIST

(Page 2 of 2)

Citizens for Enforcement of Parkland Covenants v. City of Palos Verdes Estates, et al.
Los Angeles Superior Court Case No. BS142768

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Attorneys for Defendant and Respondent:

Palos Verdes Homes Association

PROOF OF SERVICE

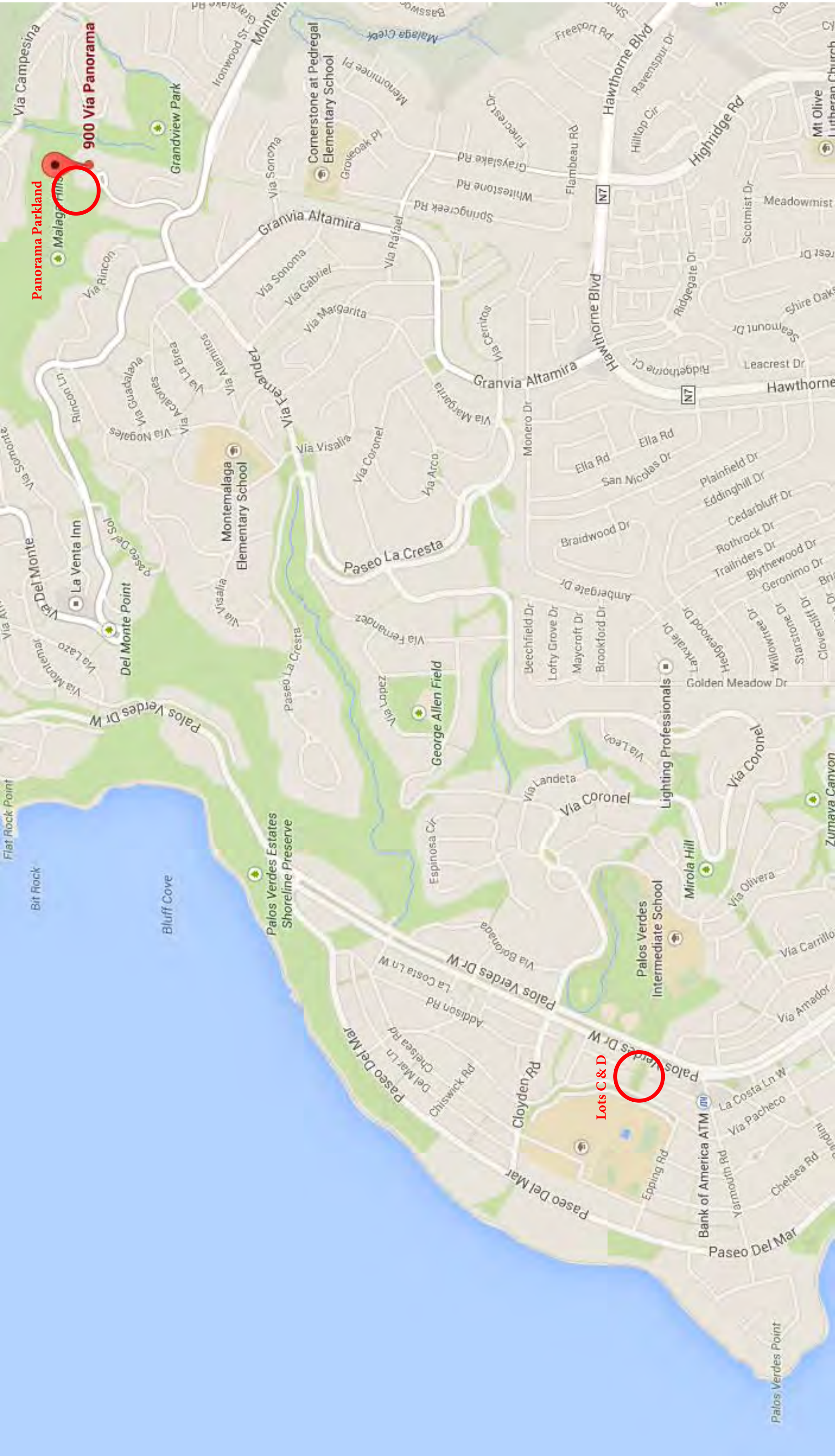


EXHIBIT "A"**LEGAL DESCRIPTION OF PROPERTY**

THOSE PORTIONS OF THE FOLLOWING PARCELS: LOT A, TRACT 8652 OF THE MAP RECORDED IN MAP BOOK 125, PAGES 85-87, LOT 12, TRACT 26341 OF THE MAP RECORDED IN MAP BOOK 902, PAGES 98- 100 AND LOT A, TRACT 7540 OF THE MAP RECORDED IN MAP BOOK 104, PAGES 56-59, IN THE CITY OF PALOS VERDES ESTATES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST WESTERLY CORNER OF LOT 11, BLOCK 1733, TRACT 8652 OF THE MAP RECORDED IN MAP BOOK 125, PAGES 85-87, OF SAID COUNTY RECORDER, SAID POINT BEING ON THE RIGHT OF WAY OF VIA PANORAMA, A PUBLIC STREET AS SHOWN ON THE MAP OF SAID TRACT 8652, AND THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 65.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 17°00'16" WEST;

THENCE WESTERLY ALONG SAID CURVE AND SAID RIGHT OF WAY, THROUGH A CENTRAL ANGLE OF 18°30'39", AN ARC DISTANCE OF 21.00 FEET, TO **TRUE POINT OF BEGINNING**;

THENCE CONTINUING WESTERLY ALONG SAID CURVE AND SAID RIGHT OF WAY, THROUGH A CENTRAL ANGLE OF 12°32'37", AN ARC DISTANCE OF 14.23 FEET (C1);

THENCE SOUTH 75°57'00" WEST, 81.57 FEET (L1);

THENCE SOUTH 47°46'30" WEST, 30.82 FEET (L2);

THENCE DEPARTING FROM SAID RIGHT OF WAY NORTH 13°38'09" WEST, 170.82 FEET (L3);

THENCE NORTH 31°07'01" EAST, 141.69 FEET (L4);

THENCE NORTH 67°23'03" EAST, 144.69 FEET (L5) TO A SOUTHERLY LINE OF SAID LOT A, TRACT 7540;

THENCE CONTINUING NORTH 67°23'03" EAST, 53.61 FEET (L6);

THENCE SOUTH 63°38'17" EAST, 46.43 FEET (L7) TO THE NORTHERLY LINE OF SAID LOT A, TRACT 8652;

THENCE CONTINUING SOUTH 63°38'17" EAST, 109.59 FEET (L8);

THENCE SOUTH 44°16'41" EAST, 55.79 FEET (L9);

THENCE SOUTH 23°40'31" EAST, 42.75 FEET (L10) TO THE WESTERLY LINE OF SAID LOT 12, TRACT 26341;

THENCE CONTINUING SOUTH 23°40'31" EAST, 18.58 FEET (L11);

THENCE SOUTH 9°29'24" EAST, 55.29 FEET (L12);

THENCE SOUTH 42°31'34" WEST, 28.99 FEET (L13);

THENCE SOUTH 11°48'21" WEST, 135.81 FEET (L14);

THENCE NORTH 77°50'33" WEST, 7.82 FEET (L15);

THENCE SOUTH 11°48'21" WEST, 121.49 FEET (L16);

THENCE NORTH 78°56'11" WEST, 8.24 FEET (L17) TO SOUTHEAST CORNER OF LOT 10, BLOCK 1733 OF SAID TRACT 8652;

EXHIBIT "A"

1 OF 2

THENCE ALONG THE EASTERN LINE OF SAID LOT 10 AND LOT 11, BLOCK 1733 OF SAID TRACT 8652, NORTH 11°48'21" EAST, 242.08 FEET (L18) TO THE NORTHEASTERLY CORNER OF SAID LOT 11;

THENCE NORTH 43°41'40" WEST, 146.21 FEET (L19) ALONG THE NORTHEASTERLY LINE OF SAID LOT 11;

THENCE NORTH 90°00'00" WEST, 130.00 FEET (L20) ALONG THE NORTHERN LINE OF A PORTION OF LOT A, TRACT 8652, AS PER DEED RECORDED IN INSTRUMENT NO. 20071568481 ON JULY 3, 2007 O.R.;

THENCE SOUTH 59°00'00" WEST, 50.50 FEET (L21) ALONG THE NORTHWESTERLY LINE OF SAID PORTION OF LOT A;

THENCE SOUTH 2°01'45" WEST, 153.12 FEET (L22) ALONG THE WESTERLY LINE OF SAID PORTION OF LOT A, TO THE TRUE POINT OF BEGINNING.

CONTAINS 77,349 SQUARE FEET, MORE OR LESS.

AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

PREPARED BY BOLTON ENGINEERING CORPORATION:

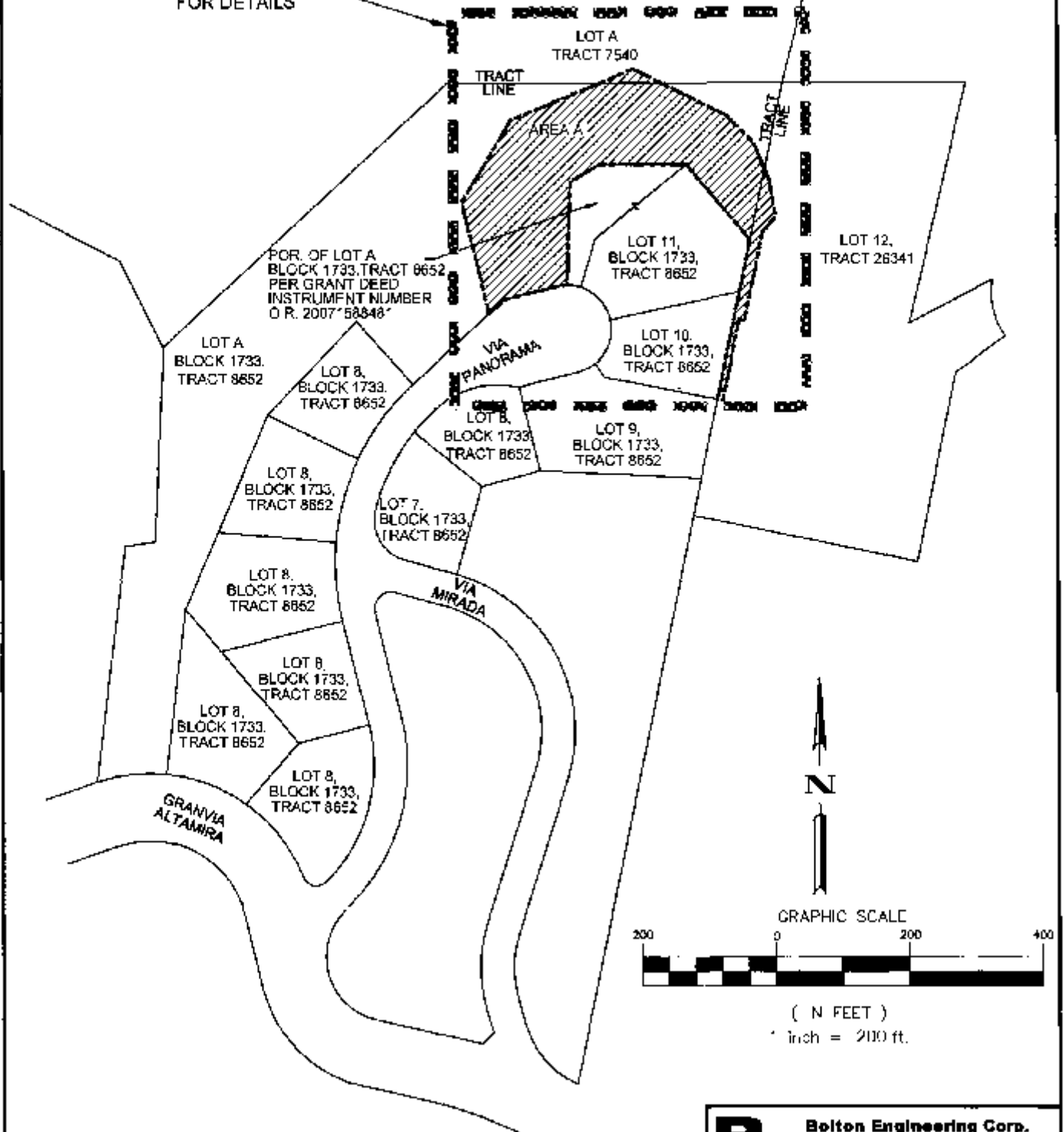
Ross N. Bolton
 Ross N. Bolton, R.C.E., 26120

Aug 30 2012
 DATE



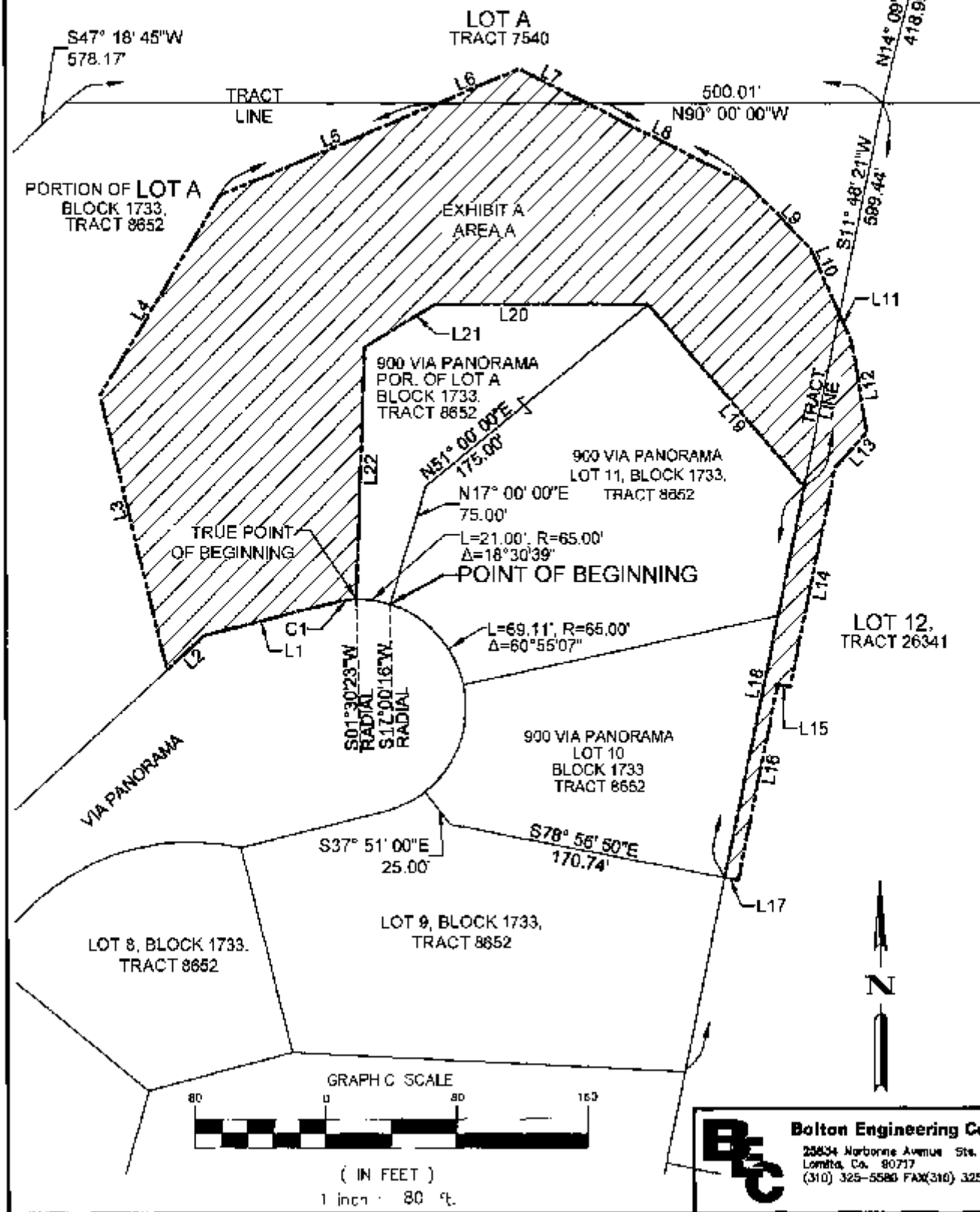
EXHIBIT "B" AREA A LEGAL DESCRIPTION OF AREA A SHEET 1 OF 7

SEE SHEET 2
 FOR DETAILS



BEC Bolton Engineering Corp.
 25834 Marbona Avenue Ste. 210
 La Brea, Ca. 90717
 (310) 325-5560 FAX(310) 325-5561

EXHIBIT "B" **AREA A** **LEGAL DESCRIPTION OF AREA A** **SHEET 2 OF 7**



Tract 7333 and Tract 8652
MONTEMALAGA

PROTECTIVE
RESTRICTIONS
PALOS VERDES
ESTATES

LOS ANGELES COUNTY
CALIFORNIA



ARTICLES *of* INCORPORATION *and*
BY-LAWS *of* PALOS VERDES HOMES
ASSOCIATION

BANK OF AMERICA, *Trustee*
OLMSTED BROTHERS, *Directors of Design*
CHAS. H. CHENEY, *Consultant in City Planning*

PALOS VERDES ESTATES

PROTECTIVE RESTRICTIONS

Summary

EVER since people began to congregate in cities, and even in country communities, the problem of touching elbows has been with us. In Palos Verdes Estates constant effort has been directed to building an ideal garden suburb and residence park, with all the advantages of the city, in the country.

From the very beginning of this project, in the Trust Indenture which is the constitution under which it is being built, and through all the plans and layouts made, every possible protection has been established, to make sure that the neighborhoods in Palos Verdes can never be spoiled. Every man who builds a fine home or other building here need not fear that a thoughtless or unsympathetic neighbor will put in a kind of building next to him so unattractive or inappropriate as to be ruinous. All this has been done, we believe, in a way that will not prove onerous, and yet will give the fullest protection. Careful zoning has been done to locate the few areas necessary for business buildings, apartments and house-courts at appropriate and convenient centers, leaving, however, over ninety per cent of the property restricted to detached single family homes, under the most favorable conditions possible.

The restrictions have been most carefully worked out for every part of Palos Verdes Estates, to accomplish the following results:

First: To preserve the fine views of ocean, mountains, and park;

Second: To increase with the years the wonderful natural beauty of the property, enhanced with fine planting; and

Third: That every purchaser in Palos Verdes may be sure when building his home there that his neighbor will have to build an equally attractive type of building. In other words, he will feel secure in knowing that his home can never be damaged by an unsightly or undesirable structure either upon adjoining lots or in any part of Palos Verdes Estates.

done from the beginning as carefully and thoroughly as it is in a large modern city, thus preventing the danger of careless or bad construction, defective wiring and plumbing, unfortunately so common in most of the unincorporated areas outside of the larger cities of Southern California. The experience of the best Eastern developments has shown that in practice this kind of regulation works greatly to the advantage of lot owners as a whole. It will further the harmonious and attractive development of the property and prevent unsightly buildings—with respect to their location on the lot, design or color scheme. It is also believed that with the long experience of the men intrusted with this part of the work, it will be possible to give, when plans are presented, suggestions of substantial value to home builders, and to prevent costly errors.

Fences, walls, hedges and poles will be limited to a reasonable height. No trees on any lot larger than twenty feet in height may be cut down without the consent of the Park and Recreation Board of Palos Verdes Homes Association.

Easements and rights-of-way are reserved for sanitary, electrical utility and other necessary purposes on the rear five feet of lots, and also over side lines where needed. These easements will not interfere with the full and free use of property by owners for planting.

As nearly every lot must be provided with a private garage special attention has been given to the prevention of unsightly garages. Architects and builders have learned that the garage can very agreeably be made a part of most dwellings, but where this does not seem practicable the restrictions as to the location of garages have been carefully drawn to keep them in a location as unobtrusive and unobjectionable as possible.

To carry on the common interest and look after the maintenance of all lots and the welfare of all lot owners right from the beginning, a community association, with the name of Palos Verdes Homes Association, has been incorporated as a non-stock, non-profit body under the laws of California, in which every building site has one vote. It will be the duty of this body to maintain the parks, street planting and other community affairs, and to perpetuate the restrictions.

DECLARATION NO. 23 OF ESTABLISHMENT

OF

LOCAL PROTECTIVE RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, LIENS
AND CHARGES AFFECTING THE REAL PROPERTY KNOWN AS

TRACT 7333, MONTEMALAGA, PALOS VERDES ESTATES

WHICH IS SITUATED IN THE COUNTY OF LOS ANGELES
IN THE STATE OF CALIFORNIA

DATED: AUGUST 27TH, 1925

(FILED OF RECORD, SEPT. 4, 1925, IN BOOK 5190, PAGE 30 ET SEQ., OF OFFICIAL RECORDS OF
LOS ANGELES COUNTY; AS AMENDED BY AMENDMENT NO. 6, DATED DEC. 21, 1925,
RECORDED JAN. 7, 1926, IN BOOK 5583, PAGE 38 ET SEQ., OF OFFICIAL
RECORDS OF LOS ANGELES COUNTY.)

DECLARATION, made this 27th day of August, 1925, by Bank of America, a corporation organized and existing under and by virtue of the laws of the State of California:

WHEREAS, Bank of America is successor in interest to Commonwealth Trust Company by virtue of a merger of said Commonwealth Trust Company into the said Bank of America, effective at close of business on the 6th day of October, 1923, by virtue of an agreement of merger made and entered into between said Commonwealth Trust Company and said Bank of America; and,

WHEREAS, said Bank of America, as such successor to Commonwealth Trust Company, is owner of a certain tract of land in the County of Los Angeles, State of California, known as Tract Number 7333 of said County, as per map recorded May 20, 1925, in Book 113, Pages 72 to 75, inclusive, of Maps, in the office of the County Recorder of said Los Angeles County; and

WHEREAS, said Commonwealth Trust Company did on the 5th day of July, 1923, file in the office of the said County Recorder, in Book 2360, Page 231, of Official Records of said County, a certain Declaration of Establishment of Basic Protective Restrictions, et cetera, and Bank of America, as successor in interest to said Commonwealth Trust Company, did also on December 5th, 1923, file Amendment No. 1 thereto in Book 2940, Page 27, and on June 25th, 1924, Amendment No. 3 thereto, in Book 4019, Page 274, of said Official Records, which said Declaration and Amendments are hereinafter referred to as "Declaration No. 1," covering and applicable to certain property therein described, including all of said Tract No. 7333, above described; and,

WHEREAS, said Bank of America is about to sell, dispose of or convey certain portions of said property, which it desires to subject to certain additional local protective restrictions, conditions, covenants, reservations, liens and charges between it and the acquirers or users of said property, as hereinafter set forth; and,

WHEREAS, the power to interpret and enforce certain of the conditions, restrictions and charges set forth in this Declaration is to reside in Palos Verdes Homes Association, a non-profit, cooperative association organized and existing under and by virtue of the laws of the State of California, and in Palos Verdes Art Jury, created and established as provided in said Declaration No. 1:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That Bank of America hereby certifies and declares that in addition and supplemental to the basic plan set forth in said "Declaration No. 1," it has established and does hereby establish the local plan for the protection, maintenance, development and improvement of said Tract No. 7333, and has fixed and does hereby fix the local protective restrictions, conditions, covenants, reservations, liens and charges upon and subject to which all lots, parcels, and portions of said tract shall be held, leased or sold and/or conveyed by it as such owner, each and all of which is and are for the benefit of all of said tract and of each owner of land therein and shall inure to and pass with said tract and each and every parcel of land therein and shall apply to and bind the respective successors in interest of the present owners thereof, and are and each thereof is imposed upon said realty as a servitude in favor of said property, and each and every parcel of land therein as the dominant tenement or tenements, as follows, to-wit:

USES OF PROPERTY **CLASS A DISTRICTS** **Section 1.** (a) The following portions of said tract are hereby established as Residence Districts of Class A, as defined and limited in said Declaration No. 1:

All of the numbered lots and blocks of said Tract No. 7333 not otherwise established or classified in this section.

CLASS F DISTRICTS (b) The following lots and portions of said tract are hereby established as Business and Public Use Districts of Class F, as defined and limited in said Declaration No. 1:

Lots A, B, C and D.

BUILDING HEIGHT LIMITS **2½-STORY HEIGHT LIMITS** **Section 2.** (a) All of said tract is hereby established as a 2½-Story Height District, as defined and limited in said Declaration No. 1.

TYPE OF ARCHITECTURE **TYPE I ARCHITECTURE DISTRICTS** **Section 3.** (a) All of said tract is hereby established as a Type I Architecture District, as defined and limited in said Declaration No. 1; provided that the main roofs of all structures erected, constructed, altered or maintained in Type I Architecture Districts in said tract shall be of burned clay tile or slate approved by the Art Jury.

MINIMUM COST OF BUILDING **Section 4.** (a) No building or structure, exclusive of accessory outbuildings, shall be erected, placed or maintained upon any building site embracing any of the following lots or any portion or portions of said lots, which, including a reasonable fee of architect, and a reasonable profit of builder, shall cost or be of the value of less than the sum set opposite said lot in the following list, to-wit:

In Block 1544, Lots 1 and 2, \$20,000.
In Block 1545, Lots 1 to 4, inclusive, \$20,000.
In Block 1550, Lots 1 to 7, inclusive, \$25,000.
In Block 1551, Lots 1 to 7, inclusive, \$15,000.
Lots 8 and 9, \$18,000.
Lot 10, \$20,000.
Lots 11 and 12, \$15,000.
Lot 13, \$25,000.
In Block 1552, Lots 1 and 2, \$15,000.
Lot 3, \$12,000.
In Block 1553, Lots 1 to 4, inclusive, \$15,000.
In Block 1554, Lots 1 to 7, inclusive, \$20,000.
In Block 1555, Lots 1 and 2, \$20,000.

BUILDING SET-BACK LINES **Section 5.** (a) No building or part thereof, including porches, except steps, balconies, or other architectural features approved by the Art Jury, shall be erected, placed, permitted or maintained nearer the street or lot line hereinafter specified than as follows:

IN BLOCK 1544 Lots 1 and 2 not less than twenty (20) feet from Via Mirabel or from Lot A, except from that portion thereof between Lot 4 in Block 1545 and Lot 1 in Block 1544.

Lots 1 and 2 not less than thirty (30) feet from Via Cochise and not less than twenty (20) feet from Lot A. **IN BLOCK 1545**

Lot 3 not less than twenty-five feet from Via Cochise and not less than twenty (20) feet from Lot A.

Lot 4 not less than twenty (20) feet from Via Mirabel or from Lot A, except from that portion thereof between Lot 4 in Block 1545 and Lot 1 in Block 1544.

Lot 1 not less than forty (40) feet from Via Visalia or Punta Place and not less than twenty (20) feet from Lot C, or Lot D. **IN BLOCK 1550**

Lots 2 and 3 not less than twenty (20) feet from Via Visalia and not less than twenty (20) feet from Lot C.

Lot 4 not less than thirty (30) feet from Via Visalia and not less than twenty (20) feet from Lot C.

Lot 5 not less than forty (40) feet from Via Visalia and not less than twenty (20) feet from Lot C.

Lot 6 not less than fifty (50) feet from Via Visalia and Via Mirabel, and not less than eighty (80) feet from the rounded corner of their intersection and not less than twenty (20) feet from Lot C.

Lot 7 not less than fifty (50) feet from Via Mirabel and not less than twenty (20) feet from Lot C.

Lot 8 not less than twenty-five (25) feet from Via Cochise and not less than twenty (20) feet from Lot C.

Lot 9 not less than fifteen (15) feet from Via Mirabel.

Lot 10 not less than twenty-five (25) feet from Via Mirabel and from Via Cochise and not less than fifty (50) feet from the cut-off corner of their intersection.

Lots 1 and 2 not less than thirty (30) feet from Via Acalanes and Via Visalia. **IN BLOCK 1551**

Lots 3 and 4 not less than forty (40) feet from Via Visalia and Via Mirabel.

Lots 5 to 8, inclusive, not less than thirty (30) feet from Via Mirabel.

Lot 9 not less than twenty (20) feet from Via Mirabel.

Lots 10 to 12, inclusive, not less than twenty (20) feet from Via Acalanes.

Lot 13 not less than sixty (60) feet from Via Acalanes.

Lots 1 and 2 not less than thirty (30) feet from Via Acalanes. **IN BLOCK 1552**

Lot 3 not less than thirty (30) feet from Via Acalanes and Via Nogales and the cut-off corner of their intersection.

Lot 1 not less than forty (40) feet from Via Visalia or Via Mirabel and not less than eighty (80) feet from the rounded corner of their intersection. **IN BLOCK 1553**

Lot 2 not less than forty (40) feet from Via Visalia.

Lot 3 not less than forty (40) feet from Via Visalia or from the Southerly boundary of Lot 3.

Lot 4 not less than forty (40) feet from Via Mirabel or from the Southerly boundary of Lot 4.

Lot 1 not less than forty (40) feet from Via Visalia and not less than five (5) feet from the alley along the Southeasterly line thereof. **IN BLOCK 1554**

Lots 2 to 5, inclusive, not less than forty (40) feet from Via Visalia or Via Mirabel.

Lot 6 not less than forty (40) feet from Via Mirabel or the Southerly boundary of said Lot 6, and not less than eighty (80) feet from the rounded corner of their intersection.

placed on record: (1) as to any property then owned by Bank of America, by Palos Verdes Homes Association and Bank of America; (2) as to any other property, by Palos Verdes Homes Association, the owner or owners of record of two-thirds in area of such property and Bank of America, or its successors in interest, as owners of the reversionary rights therein; provided, however, that in either case no change or modification shall be made without the written consent duly executed and recorded of the owners of record of not less than two-thirds in area of all lands held in private ownership within three hundred feet in any direction of the property concerning which a change or modification is sought to be made, and provided further that this shall not be construed as requiring the consent of the owners of any property not under jurisdiction of Palos Verdes Homes Association; and also provided that any approval given thereto by Palos Verdes Homes Association shall not be valid unless and until said Association shall first have had a public hearing thereon.

RECORDS AND REPORTS *Section 10.* (1) Any agent or officer of Palos Verdes Homes Association and/or the Art Jury may at any reasonable time enter, inspect and report upon any property subject to the jurisdiction of the Palos Verdes Homes Association and/or the Art Jury as to its maintenance or improvement in compliance with the provisions hereof; and Palos Verdes Homes Association, the Art Jury and/or any agent or officer thereof shall not thereby be deemed guilty of any manner of trespass for such entry or inspection. Palos Verdes Homes Association and/or the Art Jury may issue a certificate of completion and compliance as to any property so inspected and make and collect a charge therefor.

(2) For the purpose of making a search upon or guaranteeing or insuring title to, or any lien on and/or interest in any lot or parcel of said property, and for the purpose of protecting purchasers and encumbrancers for value and in good faith as against the performance or non-performance of any of the acts in this Declaration of Restrictions authorized, permitted or to be approved by Palos Verdes Homes Association and/or the Art Jury, the records of the Secretary of Palos Verdes Homes Association and/or of the Art Jury shall be conclusive as to all matters shown by such records and the

issuance of a certificate of completion and compliance by Palos Verdes Homes Association and by the Art Jury showing that the plans and specifications for the improvements or other matters herein provided for, or authorized, have been approved and that the said improvements have been made in accordance therewith, or of a certificate as to any matters relating to Palos Verdes Homes Association or to the Art Jury by the respective secretaries thereof shall be conclusive upon all persons and shall fully justify and protect any title company or person certifying, guaranteeing, or insuring the said title, or any lien thereon, and/or any interest therein, and shall also fully protect the purchaser or encumbrancer in good faith and for value in acting thereon, as to all matters within the jurisdiction of Palos Verdes Homes Association and/or the Art Jury. In any event after the expiration of one year from the date of the issuance of a building permit by Palos Verdes Homes Association for any structure, work, improvement or alteration, the said structure, work, improvement or alteration shall, in favor of purchasers and encumbrancers in good faith and for value, be deemed to be in compliance with all the provisions thereof, unless actual notice executed by Palos Verdes Homes Association and/or the Art Jury of such non-completion and/or non-compliance, shall appear of record in the office of the County Recorder of Los Angeles County, California, or legal proceedings shall have been instituted to enforce completion and/or compliance. (As amended by Amendment No. 6.)

Section 11. If, at any time, the owner or owners of lands adjoining or outside of said property shall agree with Bank of America, or its successors in interest, and/or Palos Verdes Homes Association to hold, sell and convey said land subject to restrictions, conditions, covenants, reservations, liens or charges set forth in an agreement and/or Declaration of Restrictions duly executed by such owner or owners and approved by Palos Verdes Homes Association and the Art Jury, and such agreement and/or Declaration of Restrictions shall thereafter be recorded in the office of the County Recorder of Los Angeles County, California, Palos Verdes Homes Association and the Art Jury shall from and after the date of said recordation have power to do and perform any and all of the acts, to fix, impose and collect charges, assessments

ANNEXATION
OF ADDITIONAL
PROPERTY

and dues from the owners of said property as therein provided and to grant said owner or owners membership in Palos Verdes Homes Association as therein agreed to and provided; provided, however, that the Art Jury shall have full jurisdiction over all lands and property over which Palos Verdes Homes Association may at any time have jurisdiction.

**REVERSION
OF TITLE**

Section 12. Each and all of said restrictions, conditions, covenants, reservations, liens and charges is and are for the benefit of each owner of land (or any interest therein) in said property and they and each thereof shall inure to and pass with each and every parcel of said property, shall apply to and bind the respective successors in interest of Bank of America. Each grantee of Bank of America of any part or portion of the said property by acceptance of a deed incorporating the substance of this Declaration either by setting it forth or by reference therein, accepts the same subject to all of such restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers of the Art Jury and of Palos Verdes Homes Association. A breach of any of the restrictions, conditions and covenants hereby established shall cause the real property upon which such breach occurs to revert to Bank of America, or its successors in interest, as owners of the reversionary rights herein provided for; and the owner of such reversionary rights shall have the right of immediate re-entry upon such real property, in the event of any such breach; and, as to each lot owner in the said property, the said restrictions, conditions and covenants shall be covenants running with the land, and the breach of any thereof, and the continuance of any such breach, may be enjoined, abated or remedied by appropriate proceedings by the owner of the reversionary rights or by any such owner of other lots or parcels in said property or by Palos Verdes Homes Association, but such reversion shall not affect or impair the lien of any bona fide mortgage or deed of trust which shall have been given in good faith and for value; provided, however, that any subsequent owner of said property shall be bound by the said restrictions, conditions and covenants, whether obtained by foreclosure or at trustee's sale or otherwise.

**VIOLATION OF
CONDITIONS**

Section 13. The violation of any of the restrictions or conditions or breach of any

of the covenants hereby established shall also give to Bank of America, or its successors in interest, and/or to Palos Verdes Homes Association the right to enter upon the property upon or as to which such violation or breach exists, and to summarily abate and remove at the expense of the owner thereof, any erection, thing or condition that may be or exist thereon contrary to the intent and meaning of the provisions hereof; and Bank of America, or its successors in interest, or Palos Verdes Homes Association, shall not be deemed guilty of any manner of trespass for such entry, abatement or removal.

Section 14. Every act or omission whereby any restriction, condition or covenant in this Declaration set forth is violated in whole or in part is declared to be and shall constitute a nuisance, and may be abated by Bank of America, or its successors in interest, and/or Palos Verdes Homes Association and/or by any lot owner subject to the jurisdiction of Palos Verdes Homes Association; and such remedy shall be deemed cumulative and not exclusive.

**VIOLATION
CONSTITUTES
NUISANCE**

Section 15. All of said restrictions, conditions, covenants, reservations, liens and charges contained in this Declaration shall be construed together, but if it shall at any time, be held that any one of said restrictions, conditions, covenants, reservations, liens or charges or any part thereof is invalid, or for any reason becomes unenforceable, no other restriction, condition, covenant, reservation, lien or charge or any part thereof shall be thereby affected or impaired; and the grantor and grantee, their successors, heirs and/or assigns, shall be bound by each article, section, subsection, paragraph, sentence, clause and phrase of this Declaration irrespective of the fact that any article, section, subsection, paragraph, sentence, clause or phrase be declared invalid.

**CONSTRUCTION
AND VALIDITY
OF RESTRICTIONS**

Section 16. Any or all of the rights and/or powers of Bank of America herein contained as to any of the said property may be delegated, transferred, assigned or conveyed to any person, corporation or association or to Palos Verdes Homes Association and wherever Bank of America is herein referred to, such reference shall be deemed to include its successors in interest as owners of the reversionary rights herein provided for.

**ASSIGNMENT
OF POWERS**

INTERPRETATION
AND ENFORCEMENT
BY PALOS
VERDES HOMES
ASSOCIATION

Section 17. In its own name, so far as it may lawfully do so, and/or in the name of Bank of America or of any lot or parcel owner subject to its jurisdiction, Palos Verdes Homes Association shall interpret and/or enforce any or all restrictions, conditions, covenants, reservations, liens, charges and agreements herein or at any time created for the benefit of the said property or any property which may hereafter be expressly made subject to its jurisdiction by the owners thereof, or to which said lots or any of them may at any time be subject. In case of uncertainty as to meaning of said provisions or of any provisions of this Declaration, Palos Verdes Homes Association shall, in all cases, interpret the same and such interpretation shall be final and conclusive upon all interested parties.

RIGHT TO
ENFORCE

Section 18. The provisions contained in this Declaration shall bind and inure to the benefit of and be enforceable by Bank of America, Palos Verdes Homes Associa-

tion, the owner or owners of any property in said tract, their, and each of their, legal representatives, heirs, successors and assigns, and failure by Bank of America, Palos Verdes Homes Association or any property owner, or their legal representatives, heirs, successors, and assigns, to enforce any of such restrictions, conditions, covenants, reservations, liens or charges shall in no event be deemed a waiver of the right to do so thereafter.

Section 19. Any portion of the said property or any interest therein, title to which is acquired by the State of California and/or the United States of America and/or by any public authority, may with the written approval of the Bank of America, or its successors in interest to the reversionary rights provided for herein, and the Art Jury, be specifically exempted from any and all of the provisions herein except the provisions of Sections 8 to 19 inclusive hereof.

EXCEPTIONS

IN WITNESS WHEREOF, said Bank of America has this 27th day of August, 1925, hereunto caused its corporate name and seal to be affixed by its Vice-President and Assistant Secretary, thereunto duly authorized.

BANK OF AMERICA,

By JAY E. RANDALL,
Vice-President.

By F. H. TOMKINS,
Assistant Secretary.

(SEAL)

STATE OF CALIFORNIA,)
COUNTY OF LOS ANGELES,) ss.

On this 3rd day of September, in the year one thousand nine hundred and twenty-five, before me, L. R. Crabtree, a Notary Public in and for said County, personally appeared Jay E. Randall, known to me to be the Vice-President, and F. H. Tomkins, known to me to be the Assistant Secretary of the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

L. R. CRABTREE,
Notary Public in and for the County of Los Angeles,
State of California.

**AMENDMENT NO. 10 TO DECLARATION NO. 20
OF ESTABLISHMENT**

**OF
LOCAL PROTECTIVE RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, LIENS
AND CHARGES AFFECTING THE REAL PROPERTY KNOWN AS**

**TRACT NO. 7330, MONTEMALAGA,
PALOS VERDES ESTATES
AND**

**DECLARATION NO. 25 OF ESTABLISHMENT
OF**

**LOCAL PROTECTIVE RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, LIENS
AND CHARGES AFFECTING THE REAL PROPERTY KNOWN AS**

**TRACT 8652, MONTEMALAGA,
PALOS VERDES ESTATES**

**WHICH ARE SITUATED IN THE COUNTY OF LOS ANGELES,
IN THE STATE OF CALIFORNIA**

DATED: JULY 21ST, 1926

**(FILED OF RECORD, JULY 26, 1926, IN BOOK 6052, PAGE 86 ET SEQ., OF OFFICIAL RECORDS OF
LOS ANGELES COUNTY.)**

DECLARATION, made this 21st day of July, 1926, by the Bank of America, a corporation, organized and existing under and by virtue of the laws of the State of California.

WHEREAS, Bank of America is successor in interest to Commonwealth Trust Company, by virtue of a merger of said Commonwealth Trust Company into the said Bank of America, effective at close of business on the 6th day of October, 1923, by virtue of an agreement of merger made and entered into between said Commonwealth Trust Company and said Bank of America; and,

WHEREAS, said Bank of America as such successor to Commonwealth Trust Company is the owner of a certain tract of land in the County of Los Angeles, State of California, known as Tract 8652 of said County, as per map recorded May 27th, 1926, in Book 125, Pages 85 to 87, inclusive, of Maps in the office of the County Recorder of said Los Angeles County; and

WHEREAS, said Commonwealth Trust Company did on the 5th day of July, 1923, record in the office of said County Recorder, in Book 2360, Page 231, of Official Records, a certain Declaration of Establishment of Basic Protective Restrictions, et cetera, and said Bank of America as successor in interest to said Commonwealth Trust Company did on December 5th, 1923, record Amendment No. 1 thereto in Book 2940, Page 27, of Official Records, and on June 25th, 1924, Amendment No. 3 thereto in Book 4019, Page 274, of Official Records, in the office of said County Recorder, which said Declaration and Amendments are hereinafter together referred to as "Declaration No. 1," covering and applicable to certain property therein described; and

WHEREAS, said Bank of America did on the 24th day of March, 1924, record in Book 3168, Page 30, of Official Records of said County, Declaration No. 20 of Establishment of Local Protective Restrictions, et cetera, affecting Tract 7330 of said County, as per map recorded March 13th, 1924, in Book 90, Pages 37 to 39, inclusive, of Maps, in the office of said County Recorder, and on June 25th, 1924, did also record Amendment No. 3 thereto, in Book 4019, Page 274, of Official Records in the office of said County Recorder, which said Declaration and Amendment are hereinafter together referred to as "Declaration No. 20," for the purposes of this Amendment No. 10 and Declaration No. 25, and as relating to the property covered thereby, and

WHEREAS, said Bank of America did on the 27th day of May, 1926, record in Book 125, Pages 85 to 87, inclusive, of Maps in the office of said County Recorder, a resubdivision of Lots 13 and 14 in Block 1639, Lots 1 to 7 inclusive, in Block 1641, Lots 1 and 2 in Block 1650, Lots 1 and 2 in Block 1750, and Lot D, all in said Tract 7330 (together with portions of adjacent streets), said resubdivision being a part of that tract now known as said Tract 8652 of said County; and

WHEREAS, said Bank of America is the owner of record of two-thirds ($\frac{2}{3}$) in area of all said above described property; and,

WHEREAS, said Bank of America is the owner of record of not less than two-thirds ($\frac{2}{3}$) in area of all land held in private ownership within three hundred (300) feet in any direction of property concerning which amendment, change or modification is herein established and which is under jurisdiction of Palos Verdes Homes Association, and by executing this document does give as such owner its written consent to the modifications, changes and amendments herein provided for;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That pursuant to the provisions of Section 3 of Article VI of said Declaration No. 1, and pursuant to the provisions for modification of restrictions in said Declaration No. 20 hereinabove referred to, Bank of America hereby certifies and declares that it has established and does hereby establish, subject to the approval of Palos Verdes Homes Association, a California corporation, the following amendment to said Declaration No. 20 of Establishment hereinabove mentioned:

AMENDMENT TO
DECLARATION
No. 20

Section 1. Said Declaration No. 20 is hereby amended as follows:

(a) All of the local protective restrictions, conditions, covenants, reservations, liens and charges established by said Declaration No. 20, affecting Lots 13 and 14 in Block 1633, Lots 1 to 7 inclusive in Block

1641, Lots 1 and 2 in Block 1650, Lots 1 and 2 in Block 1750, and Lot D, of said Tract 7330, are hereby annulled, rescinded and removed, and wherever said lots, blocks or parcels are mentioned in said Declaration No. 20 they are hereby stricken out.

AND, WHEREAS, said Bank of America is about to sell, dispose of or convey certain portions of said property, which it desires to subject to certain additional local protective restrictions, conditions, covenants, reservations, liens and charges between it and the acquirers or users of said property, as hereinafter set forth; and,

WHEREAS, the power to interpret and enforce certain of the conditions, restrictions, and charges set forth in this Declaration is to reside in Palos Verdes Homes Association, a non-profit, co-operative association, organized and existing under and by virtue of the laws of the State of California, and in Palos Verdes Art Jury, created and established as provided in said Declaration No. 1;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That Bank of America hereby certifies and declares that in addition and supplemental to the basic plan set forth in said "Declaration No. 1," it has established and does hereby establish the local plan for the protection, maintenance, development and improvement of said Tract 8652, and has fixed and does hereby fix the local protective restrictions, conditions, covenants, reservations, liens and charges upon and subject to which all lots, parcels and portions of said tract shall be held, leased or sold and/or conveyed by it as such owner, each and all of which is and are for the benefit of all of said tract and of each owner of land therein and shall inure to and pass with said tract and each and every parcel of land therein and shall apply to and bind the respective successors in interest of the present owners thereof, and are and each thereof is imposed upon said realty as a servitude in favor of said property, and each and every parcel of land therein as the dominant tenement or tenements, as follows, to-wit:

Declaration of Establishment of Restrictions, et cetera, applicable to said Tract 8652:

USES OF
PROPERTY
CLASS A
DISTRICTS

Section 2. (a) The following lots and portions of said tract are hereby established as Residence Districts of Class A, as defined and limited in said Declaration No. 1:

All of the numbered lots and blocks of said tract not otherwise established or classified in this section.

(b) The following lots and portions of said tract are hereby established as Residence Districts of Class C-1, as defined and limited in said Declaration No. 1:

Is Block 1641, Lot 9.
Is Block 1650, Lots 1 and 2.
Is Block 1750, Lots 1 and 2.

CLASS C-1
DISTRICTS

IN WITNESS WHEREOF, said BANK OF AMERICA, as successor of said Commonwealth Trust Company by virtue of the merger hereinbefore referred to, and also as owner of record of more than two-thirds ($\frac{2}{3}$) in area of said property, and said BANK OF AMERICA, as owner of record of not less than two-thirds ($\frac{2}{3}$) in area of all land held in private ownership within three hundred (300) feet in any direction of property concerning which amendment, change or modification is herein established, and which is under jurisdiction of Palos Verdes Homes Association, and PALOS VERDES HOMES ASSOCIATION, a California Corporation, this 21st day of July, 1926, have hereunto caused their corporate names and seals to be affixed by their officers thereunto duly authorized.

BANK OF AMERICA,

By JAY E. RANDALL,
Vice-President.

By F. H. TOMKINS,
Asst. Secretary.

PALOS VERDES HOMES ASSOCIATION,

By J. C. LOW,
President.

By C. H. CHENEY,
Secretary.

STATE OF CALIFORNIA. } ss.
COUNTY OF LOS ANGELES. }

On this 23rd day of July, 1926, before me, L. R. Crabtree, a Notary Public in and for said County, personally appeared Jay E. Randall, known to me to be the Vice-President, and F. H. Tomkins, known to me to be the Secretary, of BANK OF AMERICA, the corporation that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal the day and year in this certificate first above written.

L. R. CRABTREE,
Notary Public in and for the County of Los Angeles,
State of California.

STATE OF CALIFORNIA. } ss.
COUNTY OF LOS ANGELES. }

On this 22nd day of July, 1926, before me, Nellie Grace Frantz, a Notary Public in and for the said County, personally appeared J. C. Low, known to me to be the President, and C. H. Cheney, known to me to be the Secretary of PALOS VERDES HOMES ASSOCIATION, the corporation that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the corporation therein named and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal the day and year in this certificate first above written.

NELLIE GRACE FRANTZ,
Notary Public in and for the County of Los Angeles,
State of California.

THIS IS TO CERTIFY that said Amendment No. 10 as hereinabove set forth was approved by the Board of Directors of Palos Verdes Homes Association, a California corporation, at a meeting held on the 21st day of July, 1926, at the Lane Mortgage Building, Los Angeles, California, and that the said approval was preceded by a public hearing on said Amendment No. 10, duly advertised by publication in the Los Angeles Examiner.

PALOS VERDES HOMES ASSOCIATION,

By J. C. LOW,
President.

By C. H. CHENEY,
Secretary.

STATE OF CALIFORNIA, }
COUNTY OF LOS ANGELES, } ss.

On this 22nd day of July, 1926, before me, Nellie Grace Frantz, a Notary Public in and for said County, residing therein, duly commissioned and sworn, personally appeared J. C. Lew, known to me to be the President, and C. H. Cheney, known to me to be the Secretary of PALOS VERDES HOMES ASSOCIATION, the corporation that executed the foregoing certificate, known to me to be the persons who executed the foregoing certificate on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NELLIE GRACE FRANTZ,
Notary Public in and for the County of Los Angeles,
State of California.

THIS IS TO CERTIFY that said Amendment No. 10 hereinabove set forth was approved by the Palos Verdes Art Jury at a meeting held on the 14th day of July, 1926, at the Lane Mortgage Building, Los Angeles, California.

PALOS VERDES ART JURY,

By MYRON HUNT,
President.

By C. H. CHENEY,
Secretary.

STATE OF CALIFORNIA, }
COUNTY OF LOS ANGELES, } ss.

On this 22nd day of July, 1926, before me, Nellie Grace Frantz, a Notary Public in and for the said County, personally appeared Myron Hunt, known to me to be the President, and C. H. Cheney, known to me to be the Secretary, of the PALOS VERDES ART JURY, that executed the foregoing certificate, known to me to be the persons who executed the foregoing certificate on behalf of the ART JURY named therein, and acknowledged to me that such Art Jury executed the same.

NELLIE GRACE FRANTZ,
Notary Public in and for the County of Los
Angeles, State of California.

DECLARATION NO. 1
DECLARATION OF ESTABLISHMENT
OF

BASIC PROTECTIVE RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, LIENS AND
CHARGES AFFECTING THE REAL PROPERTY TO BE KNOWN AS

PALOS VERDES ESTATES—PARCELS A AND B

WHICH IS SITUATED IN THE COUNTY OF LOS ANGELES, IN THE STATE OF CALIFORNIA.

DATED JUNE 26, 1923

(Recorded July 5, 1923, in Book 2360, Page 231, Official Records of Los Angeles County; as amended by
Amendment No. 1 dated Nov. 26, 1923, recorded Dec. 5, 1923, in Book 2940, Page 27, Official
Records of Los Angeles County; and as amended by Amendment No. 3 dated
June 16, 1924, recorded June 25, 1924, in Book 4019, Page 274,
Official Records of Los Angeles County.)

DECLARATION, made and dated this 26th day of June, 1923, by Commonwealth Trust Company, a corporation organized and existing under and by virtue of the laws of the State of California.

WHEREAS, Commonwealth Trust Company is the owner of a certain tract of land in the County of Los Angeles, State of California, described as follows:

Those portions of Lot "H," as shown on map of Rancho Los Palos Verdes, in the County of Los Angeles, State of California, as partitioned in case No. 2373, in the District Court of the 17th Judicial District, in and for said County, and entered in Book 4, Page 57, of Judgments in the Superior Court of said County and particularly described as follows:

Parcel "A." Beginning at an angle point in the Easterly line of said Lot "H," which angle point is North 26 $\frac{1}{2}$ °, East One Hundred Forty-nine and Nineteen Hundredths (149.19) chains from the most Southerly corner of Lot "H."

Thence along the Easterly line of said Lot "H," South Twenty-six degrees (26'), Forty-six Minutes (46'), Fifty-four and Five-tenths Seconds (54.5"), West Fifteen Hundred and Fifty-one and Six Hundredths (1551.66) feet.

Thence West Seven Hundred Seventeen and Eleven Hundredths (717.11) feet.

Thence North Thirty-six Degrees (36'), Twenty-three Minutes (23'), Three and Seven-tenths Seconds (3.7"), West Fourteen Hundred Sixteen and Five Hundredths (1416.05) feet.

Thence North Twenty-eight Hundred Sixty (2860) feet.

Thence East Twenty-two Hundred Seventy and Six Hundredths (2270.06) feet more or less to a point in the Easterly line of said Lot "H."

Thence South no Degrees (0'), Eighteen Minutes (18'), Twenty-eight and One-tenth Seconds (28.1"), West Twenty-six Hundred Fifteen and Thirty-six Hundredths (2615.36) feet more or less to the place of beginning.

Parcel "B." Beginning at a point at high tide on the Shore of the Pacific Ocean at the South West corner of Lot "A," shown on said partition map.

Thence along the North line of said lot "B," South Eighty-nine Degrees (89'), Forty-five Minutes (45'), Twenty-one and Three-tenths Seconds (21.3"), East Two Hundred Thirty and Six-tenths (230.6) feet more or less to a Two (2) inch capped iron pipe.

Thence along the North line of said Lot "H,"

South Eighty-nine Degrees (89'), Forty-five Minutes (45'), Twenty-one and Three-tenths Seconds (21.3"), East Ninety-six Hundred Forty-three and Fifty-one Hundredths (9643.51) feet to a Two (2) inch capped iron pipe; thence along the Northerly line of said Lot "H," South Forty-four Degrees (44'), Forty-one Minutes (41'), Twelve and Two-tenths Seconds (12.2"), East Forty-five Hundred Eighty-seven and Nine Hundredths (4587.09) feet to a point on said Northerly line of Lot "H."

Thence West Ninety-nine Hundred Thirty-five and Twenty-two Hundredths (9935.22) feet.

Thence South Eleven Degrees (11'), Forty-eight Minutes (48'), Twenty and Eight-tenths Seconds (20.8"), West Forty-nine Hundred Eighty-five and Forty-five Hundredths (4985.45) feet.

Thence West Fifty Hundred Forty (5040) feet.

Thence South Sixty-three Hundred Seventy (6370) feet.

Thence South Eighty-one Degrees (81'), Seven Minutes (07'), Thirty Seconds (30'), West Forty-four Hundred Twenty-eight (4428) feet, more or less to a point in the high tide line of the Pacific Ocean.

Thence along said high tide line of the Pacific Ocean in a general North Westerly and North Easterly direction to the place of beginning:

Saving and excepting therefrom that portion thereof described as follows:

Beginning at a point in the North Easterly boundary line of Lot "H," which is South 44 Degrees, 41 Minutes, 12.2 Seconds East, and 3383.42 feet South Easterly from an original corner of Lots "H" and "B," said original corner being marked by a two-inch capped iron pipe; thence South 49 Degrees and 30 Minutes West, a distance of 779.34 feet to a point in the South line of parcel "B"; thence Easterly on the Southerly line of parcel "B," a distance of 1080.62 feet to a point in the North Easterly line of Lot "H," said point being the South Easterly corner of parcel "B"; thence on a course bearing North 44 Degrees, 41 Minutes, 12.2 Seconds West, a distance of 708.67 feet to the point of beginning, the whole inclosing an area of 6.21 acres.

WHEREAS, the said Commonwealth Trust Company is about to sell, dispose of or convey in portions said hereinabove described property which it desires to subject to certain basic protective restrictions, conditions, covenants, reservations, liens and charges between it and the acquirers or users of said property as hereinafter set forth;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: that the Commonwealth Trust Company hereby certifies and declares that it has established and does hereby establish the general plan for the protection, maintenance, improvement and development of said property, and has fixed and does hereby fix the protective restrictions, conditions, covenants, reservations, liens and charges upon and subject to which all lots, parcels and portions of said property shall be held, leased or sold and/or conveyed by it as such owner, each and all of which is and are for the benefit of said property and of each owner of land therein and shall inure to and pass with said property and each and every parcel of land therein and shall apply to and bind the respective successors in interest of the present owner thereof, and are and each thereof is imposed upon said realty as a servitude in favor of said property, and each and every parcel of land therein as the dominant tenement or tenements, as follows, to-wit:

ARTICLE I

GENERAL BASIC RESTRICTIONS

USES OF PROPERTY PROHIBITED

Section 1. There shall never at any time be erected, permitted, maintained or carried on upon said property or any part thereof any saloon or place for the sale or manufacture for sale of malt, vinous or spirituous liquors; any foundry, brickyard, cemetery, columbarium, crematory; any establishment for the care or cure of persons afflicted with tuberculosis, or for the care, cure or restraint of the mentally impaired or of victims of drink or drugs or any detention home, detention or reform school, asylum or institution of like or kindred nature; any building for the manufacture of gun powder or explosives, any product or by-product of kelp, fish meal, stock food made of fish, fish oil or fertilizer or for carrying on any copper or other smelting or for conducting a slaughter house, stock yard, tannery, oil refinery or fish cannery; or a building for any other business or industrial use not specifically mentioned herein unless such use is approved by the Board of Directors of the Palos Verdes Homes Association hereinafter referred to and is located in a use district permitting the same as provided in Article IV hereof, or any noxious trade or business or use of the property whatsoever.

LIMITATION OF OCCUPANCY AND OWNERSHIP

Section 3. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, placed or permitted upon any part of said property, nor shall any oil, natural gas, petroleum, asphaltum, or hydro-carbon products or substances be produced or extracted therefrom.

DRILLING FOR OIL PROHIBITED

Section 4. There is hereby conferred upon Palos Verdes Homes Association, a non-profit, co-operative corporation, organized and existing under and by virtue of the laws of the State of California, hereinafter referred to as the "Homes Association," and upon Palos Verdes Art Jury, appointed by Commonwealth Trust Company April 12, 1923, hereinafter referred to as the "Art Jury," the right and power as in this declaration provided to interpret and enforce the restrictions, conditions, covenants, reservations, liens and charges im-

ENFORCEMENT BY PALOS VERDES HOMES ASSOCIATION AND PALOS VERDES ART JURY

posed by the provisions of this declaration and/or by any conveyance, lease, contract of sale which may be created or existing upon said property or to which any portion thereof may at any time be subject.

ARTICLE II

PALOS VERDES HOMES ASSOCIATION

APPROVAL OF PLANS

Section 1. No building, fence, wall, sidewalk, steps, awning, tent, pole or structure shall be erected, altered or maintained upon any part of said property, unless plans and specifications therefor, showing the construction, nature, kind, shape, height, material and color scheme therefor, and block plan indicating the location of such structure on the building site, and, when specifically requested, the grading plans of the building site to be built upon, shall have been submitted to, and approved in writing by the Homes Association, and a copy of such plans and specifications, block plan (and grading plan if requested) as finally approved, deposited for permanent record with the Homes Association. After the expiration of one year from the date of approval of plans by the Art Jury and of the issuance of a building permit by the Homes Association, as hereinbefore provided, the structure or alteration described in such permit shall, in favor of purchasers and encumbrancers in good faith and for value from the owner causing such structure to be erected or alteration to be made, be deemed to be in compliance with all the provisions of all restrictions affecting said property, unless notice to the contrary executed by the Homes Association or the Art Jury shall appear of record in the office of the County Recorder of Los Angeles County, California. No bill-boards or signs of any character shall be erected, posted, pasted or displayed upon or about any part of said property without the written permission of the Homes Association and the Art Jury: and the Homes Association shall have the right in its discretion to prohibit or to restrict and control the size, construction, material and location of all signs and may summarily remove and destroy all unauthorized signs.

APPROVAL OF SUBDIVISION PLANS

Section 2. No lot, block, subdivision or part of said property shall be subdivided or any map of the same nor shall any declaration of further or additional restrictions upon said property or any part there-

of be recorded with the County Recorder of Los Angeles County, California, unless and until the same shall have been submitted to and approved in writing by the Homes Association and the Art Jury; provided however, that the approval of the Homes Association and the Art Jury shall not be necessary for any original lay-out, subdivision and landscaping of the said property for Commonwealth Trust Company, prepared by Olmsted Brothers, Landscape Architects of Brookline, Massachusetts.

Section 3. (1) When any portion of said property shall be sold on contract, conveyed (except for the sole purpose of placing encumbrances thereon), or leased for more than two years by Commonwealth Trust Company and/or any portion of said property owned by the Commonwealth Trust Company is subdivided, and a legal filing map thereof put of record with the County Recorder of the County of Los Angeles, said portion of said property (except streets, whether dedicated or not or hereafter opened, laid out or established, open spaces maintained for the general use of owners of said property, land taken for public uses and property segregated, retained, conveyed or set aside by the Commonwealth Trust Company for public, semi-public, or common purposes) shall then and thereafter be subject to a continuous maintenance lien securing payment of an annual assessment or charge to be fixed, established and collected from time to time as herein provided. The Homes Association shall have sole authority:

MAINTENANCE AND IMPROVEMENT CHARGES

(a) To fix and establish annually the amount of such annual charge or assessment on each and every lot or parcel of said real property or any interest therein, subject to such continuous lien which shall be based on the assessed valuation of said real property as established by the County Assessor of Los Angeles County, California, for the then current fiscal year at a rate never in any one year in excess of the total annual tax rate established for all purposes for the then current fiscal year by the City Council for the Old City of Los Angeles, or in accordance with some other legal and equitable plan to be adopted by the Homes Association, provided that the total amount of said charge or assessment under such alternate plan shall

never exceed the largest total amount that could have been raised under said first named plan.

(b) To expend for the purposes hereinafter specified the money paid in on such charges or assessments, provided that not less than one-fourth ($\frac{1}{4}$) of the money so collected shall be placed at the disposal of and expended by the Park Department of the Homes Association for the maintenance and improvement work in its judgment necessary and advisable on the parks, playgrounds, planting in streets and other similar plantings and improvements under the control and care of said department.

The right to collect, and enforce the collection of such charges or assessments is retained by Commonwealth Trust Company until said right is transferred by it to Palos Verdes Homes Association, and Commonwealth Trust Company as to any property conveyed by it except as otherwise provided herein, has established and does hereby establish, reserve and impose a lien thereon securing such annual charges, or assessments.

(2) Such annual charge or assessment shall be fixed on or before the first Monday of October, 1923, for the fiscal year beginning July 1st, 1923, and annually thereafter for each current fiscal year, and said charge or assessment shall be paid annually in advance to Commonwealth Trust Company on the first Monday in November in each and every year, beginning in November, 1923, on which date such annual charge or assessment shall become enforceable against the said real property and so continue until full payment of said charge or assessment, together with all penalties and costs of collection (including reasonable attorney's fees) thereof. The purchasers of said property or of any portion thereof by the acceptance of deeds therefor, whether from Commonwealth Trust Company, or from subsequent owners of such property, or by the signing of contracts or agreements to purchase said property, shall become personally obligated to pay such annual charges and assessments as are fixed during the time of their ownership, and shall vest in Commonwealth Trust Company, its successors in interest, or assigns of the reversionary rights hereunder, the right and power to bring all actions for the collection of such charges

and assessments and the enforcement of such liens. Said charge or assessment shall be subordinate to the lien of any valid bonafide mortgage or trust deed which shall have been given in good faith and for value on the property subject thereto. Commonwealth Trust Company will promptly pay all the proceeds of such charges or assessments as may be paid to it, to the Homes Association, as they are collected.

(3) Said charge or assessment shall, and any other funds available therefor may, be applied by the Homes Association toward the payment of the expenses of carrying out any or all of the purposes set forth in the Articles of Incorporation, or Amendments thereto, of the Homes Association and/or for the following purposes or any of them.

Section 4. All conveyances, contracts of sale or leases for two or more years hereafter executed by Commonwealth Trust Company are hereby made subject to the condition that the grantee, vendee and/or lessee by the acceptance of deed, contract of sale or lease covenants for himself, his heirs, assigns, executors, administrators and successors in interest that the Homes Association shall have the right and power to do and/or perform any of the following things, for the benefit, maintenance and improvement of the property and owners thereof at any time within the jurisdiction of the Homes Association, to-wit:

(a) To maintain, purchase, construct, improve, repair, prorate, care for, own, and/or dispose of parks, parkways, playgrounds, open spaces and recreation areas, tennis courts, golf courses and/or club houses, swimming pools, bath houses, bathing beaches, boats, boat houses, boat landings, life rafts, life guards, life saving apparatus, skating rinks, hangars and fields for aircraft, band stands, dancing pavilions, casinos, places of amusement, hospitals, museums, aquariums, community facilities appropriate for the use and benefit of the owners of and/or for the improvement and development of the property herein referred to.

(b) To improve, light and/or maintain streets, roads, alleys, trails, bridle paths, courts, walks, gateways, fences and ornamental features now existing or hereafter to be erected or created, fountains, shelters, comfort stations, and/or buildings and im-

POWERS OF
THE HOMES
ASSOCIATION

provements ordinarily appurtenant to any of the foregoing, grass plots, and other areas, trees and plantings within the lines of the streets immediately adjoining or within the property herein referred to.

(c) To maintain, purchase, construct, and operate water works, pumping plants, and systems for the transportation and distribution of water and/or purchase and distribute water for irrigation, domestic and/or other purposes in connection with the maintenance and use of property under its jurisdiction and care.

(d) To construct, improve, purchase, and/or maintain sewer systems, storm-water sewers, drains, and other utilities installed or to be installed upon property under its jurisdiction and care.

(e) To care for any lots and plots in said property, clean up and/or burn grass and weeds, and to remove any unsightly or obnoxious thing therefrom, and to take any action with reference to such lots and plots as may be necessary or desirable in the opinion of the Board of Directors of the Homes Association, to keep the property neat and in good order; and to make and collect additional charges therefor. Any portion of said property, subject to the maintenance and improvement charges established by Section 3 hereof, shall also be subject to a continuous additional lien securing payment of such clean-up charges as are provided in this paragraph. The Homes Association shall have full authority to do said clean-up work and to fix and establish annually the amount of such charge, if any, necessary or advisable, to do said work on any lot or parcel, provided that said charge shall only be made when the amount of work done on any such lot or parcel is greater than the ordinary proportionate amount for which funds are available from the general annual maintenance charge; and provided further that the charges so collected from the owner of any such lot or parcel shall be expended solely for cleaning up and keeping in good order such lot or parcel. The Homes Association shall have the right to collect and enforce the collection of such charges or assessment; and Commonwealth Trust Company as to any property conveyed by it, except as otherwise provided herein, has established and does hereby establish, reserve and impose, a lien thereon securing such annual charge. The amount of such

charge, if any, shall be fixed on or before the first Monday of October, of each year, and entered upon and collected with the bill for the general annual maintenance charge provided for in Section 3 hereof, provided that said additional clean-up charge shall never in any one year exceed two mills per square foot.

(f) To provide for the sweeping, cleaning, and sprinkling of streets, collection and disposition of street sweepings, garbage, ashes, rubbish and the like; and to make and collect charges therefor.

(g) To provide, so far as it may be lawful so to do, for community fire and/or police protection for the protection of all or any portion of the said property and/or the owners of said property and/or residents thereon.

(h) So far as it can legally do so, to grant franchises, rights-of-way, and easements for public utility or other purposes upon, over and/or under any of said property.

(i) To acquire by gift, purchase, lease or otherwise acquire and to own, hold, enjoy, operate, maintain, and to convey, sell, lease, transfer, mortgage and otherwise encumber, dedicate for public use and/or otherwise dispose of, real and/or personal property either within or without the boundaries of said property.

(j) To acquire by purchase, gift or otherwise, and to own and/or dispose of such works of art as may be approved by the Art Jury as herein provided.

(k) To create, maintain, and operate a Department of Buildings, to issue building permits for any and all improvements or construction work of any kind within the jurisdiction of said corporation, and to inspect and supervise the construction of buildings and structures in or upon said property in accordance with the powers and rights conferred upon it by virtue of any and all restrictions or contractual agreements hereby established or which may at any time be placed upon or exist in connection with any of said property; to provide for the safety of building construction by establishing and enforcing regulations for the granting of building permits, and for making and collecting a charge therefor, including such provisions as are usually contained in City building codes; and to provide for light, air, sanitation, health, comfort, and convenience

for the occupants of existing and/or hereafter erected buildings by establishing such regulations as are usually included in city housing codes or zoning regulations; such regulations shall have full force and effect from and after the time of their adoption as provided in the By-laws of the Homes Association and shall thereafter be binding upon the owners of said property and all of them, as if set out in full herein.

(l) To employ a manager, secretaries, engineers, auditor, technical consultants or any other employees or assistants and to pay all expenses necessary and incidental to the conduct and carrying on of the business of the Homes Association; and to pay the expenses incident to examination and approval as to those matters prescribed in this Article, and for such supervision of construction as may, in the opinion of the Board of Directors of the Homes Association, or of the Art Jury, be necessary.

(m) To keep records of building permits and/or other approvals or disapprovals made or issued by the Homes Association and to keep books and records showing all charges, levies, and assessments made, and to furnish certified copies of any record which the Board of Directors may authorize to be furnished and from time to time, to issue certificates of completion and compliance covering respective parcels of property with respect to which buildings, structures, and/or other improvements or changes have been made as herein provided; and to make and collect charges therefor.

(n) To enforce liens and charges and to enforce the restrictions, conditions and covenants at any time created for the benefit of lots or parcels over which the Homes Association has jurisdiction and to which said lots at any time may be subject, and to pay all expenses incidental thereto; to enforce decisions and rulings of the Art Jury, and to pay the expenses in connection therewith, and such other expenses of the Art Jury as the Board of Directors may approve, provided that the decisions of the Art Jury shall be conclusive and binding on the Homes Association and shall not be set aside or changed by it.

(o) To pay the taxes and assessments which may be levied by any public authority upon property used or set apart for streets, parks or recreation areas, and improvements thereon, now or thereafter

opened, laid out or established in said property, or on such other open recreation spaces as shall be maintained for the general benefit and use of the owners of lots in said property, and their successors in interest, and also on ornamental features, tennis courts, pumping plants, water systems, community club house, sewers, and other utilities and storm drains established in or upon said property whether taxed or assessed as a part of said property or separately, and on any property of the Homes Association or which may be held in trust for the Art Jury.

(p) To establish or make provision for the establishing of a Planning Board, Park Board, Health Board, Library Board, Recreation Board, and/or any other board for the general welfare of the owners of said property or residents thereon provided for in the By-laws of the Homes Association, and for these purposes to have authority to delegate to such boards such powers as the Homes Association may lawfully delegate, and to make provision for the use by any such board and/or boards of such funds of the Homes Association as the Board of Directors of the Homes Association may, from time to time, deem advisable.

(q) To exercise such powers of control, interpretation, construction, consent, decision, determination, modification, amendment, cancellation, annulment, and/or enforcement of covenants, reservations, restrictions, liens, and charges imposed upon said property as are herein or may be vested in, delegated to, or assigned to the Homes Association and such duties with respect thereto as are herein or may be assigned to and assumed by the Homes Association, including the enforcement of State and County laws and ordinances, as far as legally may be done.

(r) To nominate to the proper person or corporation and/or to make appointments of members of the Art Jury.

(s) To receive, file, and preserve such reports as may, from time to time, be made to it; and to publish and distribute bulletins and reports.

(t) Generally, to do any and all lawful things which may be advisable, proper, authorized and/or permitted to be done by Palos Verdes Homes Association under or by virtue of this declaration or of any restrictions, conditions and/or covenants

or laws at any time affecting said property or any portion thereof (including areas now or hereafter dedicated to public use) and to do and perform any and all acts which may be either necessary for, or incidental to the exercise of any of the foregoing powers or for the peace, health, comfort, safety, and/or general welfare of owners of said property, or portions thereof, or residents thereon. In exercising any of said powers, the Board of Directors may, so far as may be legally done, follow the same procedure as followed by Boards of Trustees of cities of the 6th Class of the State of California, so far as same are not in conflict with any of the provisions contained in restrictions, conditions, and covenants affecting said property, and provided that such method of procedure may be discontinued at any time as to said property or any portion thereof or as to any portion of said property which is or shall be annexed to or become a part of an incorporated city.

(u) To borrow money and mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred and to do any and all things that a corporation organized under the said laws of the State of California may lawfully do when operating for the benefit of its members or the property of its members, and without profit to said corporation.

(v) To exercise such control over streets, alleys, walks, courts, or other easements or rights of way as may be within its powers, and as it may deem necessary or desirable; to issue permits for plumbers or other parties to make cuts or excavate in streets when necessary and to accept bonds or deposits for the repairing of the same. The Homes Association shall have full authority to prevent any excavation or cuts in streets, alleys, walks, courts or other easements or rights of way without first requiring a reasonable deposit to insure the repair and future maintenance of such repairs, it being further understood that the Homes Association may reserve the full right to make any and all excavations in streets; the right to refill any excavation; the right to repave any cuts; and/or the right to repair any damages, in its opinion, to any improvements in the streets and pay the cost of same out of the deposits made as above provided; subject at all times to such control of county or

other proper officials as may have jurisdiction over streets.

(w) To care for, trim, protect, plant and replant trees, shrubs, or other planting on streets, parks, playgrounds, school grounds, or upon any property over which it may have and/or assume control or jurisdiction and/or on any property adjoining the same.

(x) To care for, trim, protect, and plant or replant any vacant or private property it may assume charge of and to make a reasonable charge therefor.

(y) To erect, care for, and maintain adequate signs approved by the Art Jury for marking streets, parks or other property.

(z) To make such agreements with county, township, state, national or other public officials or with any corporation or individual for and in behalf of the owners of said property subject to this agreement for a division of the work upon the streets, parks or other portions of said property or for any other work to be done or utilities to be furnished, as will enable the Homes Association to co-operate with the said officials, corporations or individuals to secure the greatest benefits to the said property or portions thereof that can be derived from the pro rata share of any county, township, or other funds that may be available for use thereon, or otherwise benefit the said property.

Section 5. If for any reason the Homes Association or the Board of Directors thereof shall, for ninety (90) consecutive days, fail to meet and carry on or perform the duties hereby conferred upon and granted unto said corporation or if said corporation shall be dissolved by operation of law or otherwise, any committee of not less than fifteen (15) owners of record title of at least as many separate parcels of said property may at any time within six (6) months thereafter call a meeting of all owners of record title of any and all portions of said property, provided notice of said meeting is published at least three (3) times in a Los Angeles daily newspaper of general circulation and/or at least once in a newspaper, if there be one, published in Redondo Beach and in San Pedro. At said meeting each owner of record title to any portion of said property present shall have one vote for each building site as defined in Article V hereof and

ACTION WHEN
HOMES
ASSOCIATION
FAILS TO ACT

constructed, altered or maintained on said property except in conformity with said last named design and color scheme or such changes therein as may be approved by the Art Jury. (Added by Amendment No. 3.)

ARTICLE V

OTHER RESTRICTIONS

KEEPING OF STOCK OR POULTRY

Section 1. No cattle, hogs, or other animals, rabbits or poultry, may be kept in any part of said property unless written permission be obtained from the Homes Association, which permission shall be granted and shall be revocable at the pleasure of said Association, under uniform regulations.

CONSTRUCTION TO BE DILIGENTLY PROSECUTED AND NEW MATERIAL USED

Section 2. No building, any part of which is for dwelling purposes, shall be in any manner occupied while in the course of original construction or until made to comply with all requirements as to cost and with all other conditions set forth or referred to herein or in any further restrictions established and applicable thereto. The work of construction of any building or structure shall be prosecuted diligently and continuously from the time of commencement until the same shall be fully completed. Every building, fence, wall or other structure placed on any part of said property shall be constructed from new material only and not from old or second hand material, and no building constructed elsewhere shall be moved to or constructed on said property, except with the approval of the Homes Association and the Art Jury.

STATUS OF SPLIT LOT OWNERSHIP

Section 3. An ownership or single lot holding comprising parts or portions of two or more adjoining lots, or all of one lot and parts of one or more lots adjacent thereto or other re-subdivision approved as herein provided, the total average width of which is not less than fifty (50) feet shall be deemed to be a single lot or building site for the purposes hereof.

COST OF IMPROVEMENTS

Section 4. The cost or value of the first building to be erected on any lot, including a reasonable fee of architect and reasonable profit for builder, shall be not less than the amount specified for that lot in any subsequent restrictions affecting the same and said minimum cost at any future date is to be taken as that sum which will build the

same amount of building as in the judgment of the Board of Directors of the Homes Association was possible to be built for the sum named on July 1, 1923. Nothing in this clause is intended to prevent the building of private garages or other approved accessory buildings, after or at the same time with the construction of the main building.

Section 5. Commonwealth Trust Company reserves the right to make such cuts and fills as are necessary to grade the streets or private ways, whether dedicated or not dedicated, within the boundaries thereof, in accordance with such grades as it may establish, including the right so far as is reasonable and proper for the necessary support and protection of streets so graded, to slope upon abutting lots, and may assign said rights or any of them to Palos Verdes Homes Association. (As amended by Amendment No. 3.)

STREET GRADES, CUTS AND FILLS

Section 6. If in the opinion of the Homes Association any public improvement, planting, tree or utility of any character shall be damaged by the negligence or carelessness of any property owner or of any person working by or through any property owner, then the Homes Association shall have the right to repair such damage, and/or to replace such planting and/or tree, to pay for same out of the general fund and to assess the cost thereof against the property of such owner; and it is hereby expressly stipulated that such expense shall constitute a lien against such property, and such lien is hereby reserved and established and shall be enforceable by the Homes Association in its own name or in the name of any property owner in said property in any court having competent jurisdiction. When paid by the property owner against whom the same has been assessed, the amount of said expense shall be returned to the general fund of the Homes Association.

OWNER LIABLE FOR DAMAGE TO STREETS CAUSED BY NEGLECT

Section 7. No tree over twenty feet in height above the ground shall be trimmed, cut back, removed or killed except with the approval of the Homes Association, and representatives of the Homes Association and/or of the Art Jury shall have the right at any time to enter on or upon any property for the purpose of cutting back trees or other plantings which may grow up to a greater height than in the opinion

TRIMMING AND REMOVAL OF TREES AND SHRUBS

clination as to their freedom from insect pests and plant diseases. The right is specifically reserved to said Park Department to enter upon any part of said property and inspect all plants and seeds thereon at any time, and if after due notice from said Park Department of the existence on any part of said property of infectious plant diseases or insect pests the owner thereof fails or neglects to take such measures for the eradication or control of the same as said Park Department deems necessary for the protection of the community, to enter thereon and at the expense of the owner thereof to destroy or remove infected or diseased plants and/or spray the same and/or take such other measures as may be necessary in the opinion of said Park Department to protect the same and/or take such other measures as may be necessary in the opinion of said Park Department to protect the community from the spread of such infection. (Added by Amendment No. 1.)

ARTICLE VI

DURATION, ENFORCEMENT, AMENDMENT

Section 1. All of the restrictions, conditions, covenants, liens and charges set forth in this declaration of restrictions shall continue and remain in full force and effect at all times against said property and the owners thereof, subject to the right of change or modification provided for in Sections 2 and 3 of Article VI hereof, until January 1, 1960, and shall as then in force be continued automatically and without further notice from that time for a period of twenty years, and thereafter for successive periods of twenty years each without limitation unless within the six months prior to January 1, 1960, or within the six months prior to the expiration of any successive twenty year period thereafter a written agreement executed by the then record owners of more than one-half in area of said property, exclusive of streets, parks, and open spaces be placed on record in the office of the County Recorder of Los Angeles County by the terms of which agreement any of said conditions, restrictions, covenants, liens or charges are changed, modified or extinguished in whole or in part, as to all or any part of the property originally subject thereto, in the manner and to the extent therein provided. In the event that any such written agreement of change or modification be

duly executed and recorded, the original conditions, restrictions, covenants, liens and charges as therein modified shall continue in force for successive periods of twenty years each unless and until further changed, modified or extinguished in the manner herein provided.

Section 2. Amendment, change, modification or termination of any of the conditions, restrictions, reservations, covenants, liens or charges set forth and established in Articles I, II, III and VI hereof (except the maintenance and improvement charges as provided in Section 3 of Article II hereof) may be made by Commonwealth Trust Company or its successors in interest, as the owner of the reversionary rights herein provided for, by mutual written agreement with the then owners of record (including the mortgagees under a recorded mortgage and the trustee under a recorded deed of trust) of not less than ninety (90) per cent in area of said property and with not less than eighty (80) per cent of all of the then owners of record title of said property and with the Homes Association, duly executed and placed of record in the office of the County Recorder of Los Angeles County, California.

Section 3. Any of the conditions, restrictions, covenants, reservations, liens or charges set forth in Articles IV and V hereof or hereafter established in any declaration of additional restrictions or deed, contract of sale or lease legally filed of record unless otherwise provided therein, may be changed or modified by written instrument duly executed and placed of record: (1) As to any property then owned by Commonwealth Trust Company, by Palos Verdes Homes Association and Commonwealth Trust Company; (2) as to any other property, by Palos Verdes Homes Association, the owner or owners of record of two-thirds in area of such property and Commonwealth Trust Company or its successors in interest as owner of the reversionary rights herein; provided, however, that in either case no change or modification shall be made without the written consent duly executed and recorded of the owners of record of not less than two-thirds in area of all lands held in private ownership within three hundred feet in any direction of the property concerning which a change or modification is sought to be made, and provided further that this shall

MODIFICATION
OF BASIC
RESTRICTIONS

MODIFICATION
OF OTHER
RESTRICTIONS

DURATION OF
RESTRICTIONS

not be construed as requiring the consent of the owners of any property not under jurisdiction of the Homes Association; and also provided that any approval given thereto by the Homes Association shall not be valid unless and until it shall first have had a public hearing thereon.

RECORDS AND REPORTS

Section 4. (1) Any agent or officer of the Homes Association and/or of the Art Jury may at any reasonable time enter, inspect and report upon any property subject to the jurisdiction of the Homes Association and/or the Art Jury as to its maintenance or improvement in compliance with the provisions hereof; and the Homes Association, the Art Jury and/or any agent or officer thereof shall not thereby be deemed guilty of any manner of trespass for such entry or inspection. The Homes Association and/or the Art Jury may issue a certificate of completion and compliance as to any property so inspected and make and collect a charge therefor.

(2) For the purpose of making a search upon or guaranteeing or insuring title to, or any lien on and/or interest in any lot or parcel of said property, and for the purpose of protecting purchasers and encumbrancers for value and in good faith as against the performance or non-performance of any of the acts in this declaration of restrictions authorized, permitted or to be approved by the Homes Association and/or the Art Jury, the records of the Secretary of the Homes Association and/or of the Art Jury shall be conclusive as to all matters shown by such records and the issuance of a certificate of completion and compliance by the Homes Association and by the Art Jury showing that the plans and specifications for the improvements or other matters herein provided for, or authorized, have been approved and that the said improvements have been made in accordance therewith, or of a certificate as to any matters relating to the Homes Association or to the Art Jury by the respective secretaries thereof shall be conclusive upon all persons and shall fully justify and protect any title company or person certifying, guaranteeing, or insuring the said title, or any lien thereon, and/or any interest therein, and shall also fully protect any purchaser or encumbrancer in good faith and for value in acting thereon, as to all matters within the jurisdiction of the Homes Association and/or the Art Jury. In any

event after the expiration of one year from the date of the issuance of a building permit by the Homes Association for any structure, work, improvement or alteration, the said structure, work, improvement or alteration shall, in favor of purchasers and encumbrancers in good faith and for value be deemed to be in compliance with all the provisions hereof, unless actual notice executed by the Homes Association and/or the Art Jury of such non-completion and/or non-compliance, shall appear of record in the office of the County Recorder of Los Angeles County, California, or legal proceedings shall have been instituted to enforce completion and/or compliance.

Section 5. If at any time the owner or owners of lands adjoining or outside of said property shall agree with Commonwealth Trust Company or its successors in interest and/or Palos Verdes Homes Association to hold, sell and convey said land subject to restrictions, conditions, covenants, reservations, liens or charges set forth in a Declaration of Restrictions by such owner or owners approved by the Homes Association and the Art Jury, and such agreement and/or Declaration of Restrictions shall thereafter be recorded in the office of the County Recorder of Los Angeles County, California, the Homes Association and the Art Jury shall then and thereafter have power to do and perform any and all of the acts, to fix, impose and collect charges, assessments and dues from the owners of said property as therein provided and to grant said owners membership in the Homes Association as therein agreed to and provided; provided, however, that the Art Jury shall have full jurisdiction over all lands and property over which the Homes Association may at any time have jurisdiction.

ANNEXATION OF ADDITIONAL PROPERTY

Section 6. Each and all of said restrictions, conditions and covenants, reservations, liens and charges is and are for the benefit of each owner of land (or any interest therein), in said property and they and each thereof shall inure to and pass with each and every parcel of said property, shall apply to and bind the respective successors in interest of Commonwealth Trust Company. Each grantee of Commonwealth Trust Company of any part or portion of the said property by acceptance of a deed incorporating the substance of this declaration either by setting it

REVERSION OF TITLE

forth or by reference therein, accepts the same subject to all of such restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers of the Art Jury and of the Homes Association. A breach of any of the restrictions, conditions and covenants hereby established shall cause the real property upon which such breach occurs to revert to Commonwealth Trust Company or its successor in interest as owner of the reversionary rights therein provided for, and the owner of such reversionary rights shall have the right of immediate re-entry upon such real property, in the event of any such breach; and, as to each lot owner in the said property, the said restrictions, conditions, and covenants shall be covenants running with the land, and the breach of any thereof, and the continuance of any such breach may be enjoined, abated or remedied by appropriate proceedings by the owner of the reversionary rights or by any such owner of other lots or parcels in said property or by the Homes Association, but such reversion shall not affect or impair the lien of any bona fide mortgage or deed of trust which shall have been given in good faith, and for value; provided, however, that any subsequent owner of said property shall be bound by the said restrictions, conditions, and covenants, whether obtained by foreclosure or at trustee's sale or otherwise.

**VIOLATION OF
CONDITIONS**

Section 7. The violation of any of the restrictions or conditions or breach of any of the covenants hereby established shall also give to Commonwealth Trust Company or its successors in interest and/or to Palos Verdes Homes Association the right to enter upon the property upon or as to which such violation or breach exists, and to summarily abate and remove at the expense of the owner thereof, any erection, thing or condition that may be or exist thereon contrary to the intent and meaning of the provisions hereof; and Commonwealth Trust Company or its successors in interest or Palos Verdes Homes Association shall not thereby be deemed guilty of any manner of trespass for such entry, abatement or removal.

**VIOLATION
CONSTITUTES
NUISANCE**

Section 8. Every act or omission, whereby any restriction, condition or covenant in this declaration set forth, is violated in whole or in part, is declared to be and shall constitute a nuisance, and may be abated by Commonwealth Trust Company

or its successors in interest and/or by Palos Verdes Homes Association and/or by any lot owner subject to the jurisdiction of the Homes Association; and such remedy shall be deemed cumulative and not exclusive.

Section 9. All of said restrictions, conditions, covenants, reservations, liens and charges contained in this declaration shall be construed together, but if it shall at any time be held that any one of said restrictions, conditions, covenants, reservations, liens or charges or any part thereof, is invalid, or for any reason becomes unenforceable no other restriction, condition, covenant, reservation, lien or charge or any part thereof, shall be thereby affected or impaired; and that the grantor and grantee, their successors, heirs and/or assigns shall be bound by each article, section, subsection, paragraph, sentence, clause and phrase of this declaration irrespective of the fact that any article, section, subsection, paragraph, sentence, clause or phrase be declared invalid.

**CONSTRUCTION
AND VALIDITY
OF RESTRICTIONS**

Section 10. Any or all of the rights and/or powers of Commonwealth Trust Company herein contained as to any of the said property may be delegated, transferred, assigned or conveyed to any person, corporation or association or to Palos Verdes Homes Association, and wherever the Commonwealth Trust Company is herein referred to, such reference shall be deemed to include its successors in interest as owner of the reversionary rights herein provided for.

**ASSIGNMENT
OF POWERS**

Section 11. In its own name, so far as it may lawfully do so, and/or in the name of Commonwealth Trust Company or of any lot or parcel owner subject to its jurisdiction, Palos Verdes Homes Association shall interpret and/or enforce any or all restrictions, conditions, covenants, reservations, liens, charges and agreements herein or at any time created for the benefit of the said property or in any property which may thereby be expressly made subject to its jurisdiction by the owners thereof, or to which said lots or any of them, may at any time be subject. In case of uncertainty as to meaning of said provisions or of any provisions of this declaration, the Homes Association shall (except as to the provisions of Article III hereof, which shall be interpreted by the Art Jury) in all cases interpret the same

**INTERPRETATION
AND ENFORCE-
MENT BY HOMES
ASSOCIATION**

and such interpretation shall be final and conclusive upon all interested parties.

RIGHT TO
ENFORCE

Section 12. The provisions contained in this declaration shall bind and inure to the benefit of and be enforceable by Commonwealth Trust Company, Palos Verdes Homes Association, by the owner or owners of any property in said tract, their, and each of their, legal representatives, heirs, successors and assigns and failure by the Commonwealth Trust Company, Palos Verdes Homes Association or any property owner, or their legal representatives, heirs, successors or assigns, to enforce any of such restrictions, conditions, covenants,

reservations, liens or charges shall in no event be deemed a waiver of the right to do so thereafter.

Section 13. Any portion of the said property or any interest therein, title to which is acquired by the State of California and/or the United States of America and/or by any public authority, may with the written approval of the Commonwealth Trust Company or its successors in interest to the reversionary rights provided for herein, and the Art Jury, be specifically exempted from any or all of the provisions herein except the provisions of Article I hereof.

EXCEPTIONS

IN WITNESS WHEREOF, said COMMONWEALTH TRUST COMPANY has this 26th day of June, 1923, hereunto caused its corporate name and seal to be affixed by its President and Assistant Secretary, thereunto duly authorized.

COMMONWEALTH TRUST COMPANY,

By JONATHAN S. DODGE, *President.*

By W. E. PINNEY, *Assistant Secretary.*

(Seal)

STATE OF CALIFORNIA. } ss
COUNTY OF LOS ANGELES. }

On this 26th day of June, in the year one thousand nine hundred and twenty-three, before me, Grace A. Wagner, a Notary Public in and for the said County, personally appeared Jonathan S. Dodge, known to me to be the President, and W. E. Pinney, known to me to be the Asst. Secretary of the corporation that executed the within instrument, on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

GRACE A. WAGNER,

*Notary Public in and for the County of Los Angeles,
State of California.*

(Seal)

ARTICLES OF INCORPORATION OF PALOS VERDES HOMES ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, a majority of whom are citizens and residents of the State of California, have this day voluntarily associated ourselves together for the purpose of forming a non-profit co-operative corporation, under the provisions of Title XXII of Part IV of Division First of the Civil Code, State of California, approved March 21, 1872, as thereafter amended, and we hereby certify:

I.

The name of the corporation shall be
"PALOS VERDES HOMES ASSOCIATION."

II.

The purposes for which it is formed are:

(1) To purchase, construct, improve, repair, maintain, operate, care for, own, and/or dispose of parks, parkways, playgrounds, open spaces and recreation areas, tennis courts, golf courses and/or club houses, swimming pools, bath houses, bathing beaches, boats, boat houses, boat landings, life rafts, life guards, life saving apparatus, skating rinks, hangars and fields for aircraft, band stands, dancing pavilions, casinos, places of amusement, hospitals, museums, aquariums, community buildings, community club houses, and, in general, community facilities appropriate for the use and benefit of its members and/or for the improvement and development of the property hereinafter described.

(2) To improve, light and/or maintain streets, roads, alleys, trails, bridle paths, courts, walks, gateways, fences, and ornamental features now existing or hereafter to be erected or created, fountains, shelters, comfort stations, and/or buildings and improvements ordinarily appurtenant to any of the foregoing, grass plots and other areas, trees and plantings within the lines of the streets immediately adjoining or within the property hereinafter referred to.

(3) To purchase, construct, maintain, and operate water works, pumping plants, and systems for the transportation and distribution of water and/or to purchase and distribute water for irrigation, domestic and/or other purposes in connection with the maintenance and use of property under its jurisdiction and care.

(4) To purchase, construct, improve, and/or maintain sewer systems, storm-water sewers, drains, and other utilities in-

stalled or to be installed upon said lands in connection therewith.

(5) To care for any lots and plots in said property, remove grass, weeds, and any unsightly or obnoxious thing therefrom, and to take any action with reference to such lots and plots as may be necessary or desirable in the opinion of the Board of Directors of this corporation, to keep the property neat and in good order; and to make and collect charges therefor.

(6) To provide for the sweeping, cleaning, and sprinkling of streets, collection and disposition of street sweepings, garbage, ashes, rubbish, and the like; and to make and collect charges therefor.

(7) To provide, so far as it may be lawful so to do, for community fire and/or police protection for the protection of all or any portion of the said property and/or the owners of said property and/or residents thereon.

(8) So far as it can legally do so, to grant franchises, rights-of-way, and easements for public utility or other purposes upon, over and/or under any of said property.

(9) To acquire by gift, purchase, lease or otherwise acquire and to own, hold, enjoy, operate, maintain, and to convey, sell, lease, transfer, mortgage and otherwise encumber, dedicate for public use and/or otherwise dispose of, real and/or personal property either within or without the boundaries of said property.

(10) To acquire by purchase, gift or otherwise, and to own and/or dispose of such works of art as may be approved by the Palos Verdes Art Jury established by restrictions effective upon said property or portions thereof.

(11) To create, maintain, and operate a Department of Buildings which shall be in charge of a Building Commissioner named by the Board of Directors of said corpora-

tion to serve at their pleasure, which Building Commissioner shall have full and sole authority to approve or disapprove in the name of said corporation and to issue building permits for any and all plans, specifications or construction work of any kind within the jurisdiction of said corporation, and shall inspect and supervise the construction of buildings and structures in or upon said property in accordance with the powers and rights conferred upon it by virtue of any restrictions or contractual agreements which may be placed upon or exist in connection with any of said property; to provide for the safety of building construction by establishing regulations for the granting of building permits, and for making and collecting a charge therefor, including such provisions as are usually contained in building codes; and to provide for light, air, sanitation, health, comfort, and convenience for the occupants of existing and/or hereafter erected buildings by establishing such regulations as are usually included in housing codes or zoning regulations.

(12) To keep records of building permits and/or other approvals or disapprovals made or issued by this corporation and to keep books and records showing all charges, levies, and assessments made, and to furnish certified copies of any record which the Board of Directors may authorize to be furnished and, from time to time, to issue certificates of completion and compliance covering respective parcels of property with respect to which buildings, structures, and/or other improvements or changes have been made, all as provided in the restrictions, conditions, and covenants affecting said property or portions thereof; and to make and collect charges therefor.

(13) To enforce liens, charges, restrictions, conditions, and covenants existing upon and/or created for the benefit of parcels of real property over which said corporation has jurisdiction and to which said parcels may be subject to the extent that this corporation has the legal right to enforce the same; and to pay all expenses incidental thereto; and to enforce the decisions and rulings of the Palos Verdes Art Jury having jurisdiction over any of said property to the extent that said corporation is authorized in said restrictions, conditions, and covenants to enforce same and to pay the expenses in connection there-

with and such other expenses of the Art Jury as this corporation may assume.

(14) To pay the taxes and assessments which may be levied by any public authority upon property used or set apart for streets, parks or recreation areas, and improvements thereon, now or hereafter opened, laid out or established in said property or on such other open recreation spaces as shall be maintained for the general benefit and use of the owners of lots in said property, and their successors in interest, and also on ornamental features, tennis courts, pumping plants, water systems, community club houses, sewers, and other utilities and storm drains established in or upon said property whether taxed or assessed as a part of said property or separately, and on any property of the Palos Verdes Homes Association or which may be held in trust for the Palos Verdes Art Jury, as provided in any restrictions, conditions or covenants to which said property may be subject.

(15) To establish or make provisions for the establishing of such Planning Board, Park Board, Health Board, Library Board, Recreation Board, and/or any other board specified in or permitted by the By-laws of this corporation for the general welfare of the owners of said property or residents thereon, and for these purposes to have authority to delegate to such boards such powers as the Palos Verdes Homes Association may lawfully delegate, and to make provision for the use by any such board and/or boards of such funds as the Board of Directors of the Palos Verdes Homes Association may, from time to time, deem advisable.

(16) To exercise such powers of control, interpretation, construction, consent, decision, determination, modification, amendment, cancellation, annulment, and/or enforcement of covenants, reservations, restrictions, liens, and charges imposed upon said property, as may be vested in, delegated to, or assigned to this corporation and such duties with respect thereto as may be assigned to and assumed by this corporation.

(17) To nominate to the proper person or corporation and/or to make appointments of members of the Palos Verdes Art Jury having jurisdiction over said property in accordance with the provisions of such restrictions, conditions, and covenants

as may be in effect upon any of said property.

(18) To receive, file, and preserve such reports as may, from time to time, be made to it; and to publish and distribute bulletins and reports.

(19) To approve and/or disapprove, as provided by restrictions, conditions, and covenants affecting said property, plans and specifications for and/or location of fences, walls, poles and structures to be erected or maintained upon said property or any portion thereof, and to approve or disapprove the kind, shape, height, and material for same and/or the block plan indicating the location of such structures on their respective building sites and such grading plans as may be required, and to issue or refuse to issue permits for the same; to pay any and all expenses and charges in connection with the performance of any of said powers or the carrying out of any of said purposes; to supervise construction of any buildings or structures to the extent deemed necessary by the Board of Directors, and to establish rules therefor.

(20) To approve or disapprove of subdivisions or re-subdivisions of any of said property from time to time to the extent and in the manner that it may exercise such approval or disapproval as provided in restrictions, conditions, and covenants affecting said property.

(21) To regulate and/or prohibit the erection, posting, pasting or displaying upon any of said property of bill-boards and/or signs of all kinds and character, and to remove and/or destroy all signs placed, erected or maintained upon said property without the authority of this corporation and/or the Palos Verdes Art Jury as provided in such restrictions, conditions, and covenants, as may affect the said property or any portion thereof.

(22) To fix, establish, levy, and collect annually such charges and/or assessments upon each and every lot or parcel of said property which may be subject to and in accordance with the restrictions, conditions, and covenants affecting said property; provided, that the amount of such annual charges or assessments shall be determined as provided in said restrictions, conditions, and covenants by the Board of Directors of this corporation.

(23) To expend the moneys collected by this corporation from assessments and charges and other sums received for the payment and discharge of costs, expenses, and obligations incurred by said corporation in carrying out any or all of the purposes for which this corporation is formed.

(24) Generally, to do any and all lawful things which may be advisable, proper, authorized, and/or permitted to be done by Palos Verdes Homes Association under or by virtue of any restrictions, conditions, and/or covenants or laws affecting said property or any portion thereof (including areas now or hereafter dedicated to public use) and to do and perform any and all acts which may be either necessary for, or incidental to the exercise of any of the foregoing powers or for the peace, health, comfort, safety, and/or general welfare of owners of said property, or portions thereof, or residents thereon. In exercising any of said powers, the Board of Directors may, so far as may legally be done, follow the same procedure as followed by Boards of Trustees of cities of the 6th Class of the State of California, so far as same are not in conflict with any of the provisions contained in restrictions, conditions, and covenants affecting said property, and provided that such method of procedure may be discontinued at any time as to said property or any portion thereof or as to any portion of said property which is or shall be annexed to or become a part of an incorporated city.

(25) To borrow money and mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred and to do any and all things that a corporation organized under the said laws of the State of California may lawfully do when operating for the benefit of its members or the property of its members, and without profit to said corporation.

All of the foregoing purposes and powers are to be carried into effect and exercised for the purpose of doing, serving, and applying the things above set forth for the benefit of that certain district or area and/or the people residing therein, situate in the County of Los Angeles, State of California, being a portion of Lot "H" of the Rancho Los Palos Verdes as set forth and described in that certain deed dated March 1, 1923, executed by Jay Lawyer, et al,

to Commonwealth Trust Company, a corporation, and recorded in Book 1849, page 389 of Official Records, Records of Los Angeles County, California, together with any and all other property which may hereafter, through the operation of restrictions, conditions, covenants, and/or contracts pertaining to same be placed under or submitted to the jurisdiction of this corporation and be accepted as within the jurisdiction of this corporation by resolution of the Board of Directors of this corporation.

III.

The principal place of business of said corporation shall be in the City of Los Angeles, State of California.

IV.

The term for which said corporation is to exist is fifty (50) years from the date of its incorporation.

V.

The number of directors of said corporation shall be five (5), and the names and residence of the directors who are appointed for the first year and to serve until the election or qualification of their successors are as follows:

NAMES	RESIDING AT
James F. Dawson	Redondo Beach, Cal.
John C. Low	Hermosa Beach, Cal.
Jay Lawyer	Los Angeles, Cal.
J. H. Coverley	Los Angeles, Cal.
M. V. Boaz	Los Angeles, Cal.

VI.

The voting power and property rights and interests of the members shall be unequal and shall be determined and fixed as follows:

For the purpose of determining the voting power and the property rights and interests of each member of the corporation, a building site shall be taken to be a lot (exclusive of streets, open recreation areas, and lands excepted, reserved, segregated or retained in accordance with the restrictions, conditions, and covenants affecting same, shown on any map of record);

(a) Of any ordinary subdivision of said land subject to the jurisdiction of this corporation, or

(b) Of any re-subdivision of any plots or parcels of said land which re-subdivision is permitted by this corporation

and is approved by the restrictions applicable thereto and thereby allowed to be used as a building site, or

(c) Of any subdivision or re-subdivision of any land which hereafter becomes subject to the jurisdiction of the Palos Verdes Homes Association by virtue of restrictions, conditions, covenants, and/or contracts relating thereto, and by acceptance of jurisdiction by the Board of Directors of this corporation.

That each member of this corporation shall have the right to cast as many votes at any meeting of the members of this corporation as the number of building sites to which, as shown by the records of this corporation, he holds the legal or equitable title, and/or contract of purchase; provided, however, that no person or corporation holding title as security for the payment of money or performance of other obligations shall have the right to a vote by reason thereof; and provided, further, that when the legal or equitable title to, or contract for purchase of, a building site is vested in or is in the name of two or more persons in joint tenancy or otherwise, the several owners or contract holders or purchasers of said building site shall collectively be entitled to only one vote, which vote may be cast in the manner provided by the By-laws of this corporation.

Each member of this corporation shall have such an interest in all the property owned by this corporation as is represented by the ratio of the number of votes to which said member is entitled to the total number of votes to which all members of this corporation are entitled; provided, however, that during the continuance and life of this corporation and renewals thereof, no member of this corporation shall have the right of distribution of any real or personal property held by or in the possession or control of this corporation; provided, however, that those persons who are members of this corporation at the time of its dissolution may, upon said dissolution, be and become entitled to such property as may be owned by this corporation and as may be subject to distribution among its members in proportion to their interests and property rights as above determined and according to the law then in force and effect.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 16th day of May, 1923.

JAMES F. DAWSON	(SEAL)
JOHN C. LOW	(SEAL)
JAY LAWYER	(SEAL)
J. H. COVERLEY	(SEAL)
M. V. BOAZ	(SEAL)

STATE OF CALIFORNIA, }
COUNTY OF LOS ANGELES. } ss.

On this 16th day of May, A. D., 1923, before me, NELLIE GRACE FRANTZ, a Notary Public in and for the County of Los Angeles, State of California, personally appeared James F. Dawson, John C. Low, Jay Lawyer, J. H. Coverley and M. V. Boaz, known to me to be the persons whose names are subscribed to the within instrument, and who acknowledged to me that they executed the same.

NELLIE GRACE FRANTZ,
*Notary Public in and for the
County of Los Angeles,
State of California.*

(Notarial Seal)

104057
ENDORSED
FILED

IN THE OFFICE OF THE
SECRETARY OF STATE OF THE
STATE OF CALIFORNIA

May 24, 1923

FRANK C. JORDAN, *Secretary of State,*
By FRANK H. CORY, *Deputy.*

STATE OF CALIFORNIA
DEPARTMENT OF STATE

I, FRANK C. JORDAN, Secretary of State of the State of California, do hereby certify that I have carefully compared the annexed copy of Articles of Incorporation of

"PALOS VERDES HOMES ASSOCIATION"

with the original now on file in my office, and that the same is a correct transcript therefrom, and of the whole thereof. I further certify that this authentication is in due form and by the proper officer.

IN WITNESS WHEREOF, I have hereunto set my hand and have caused the Great Seal of the State of California to be affixed hereto this 25th day of May, A. D., 1923.

FRANK C. JORDAN,
Secretary of State.

(GREAT SEAL OF THE
STATE OF CALIFORNIA)

By _____
Deputy.

BY-LAWS
OF
PALOS VERDES HOMES ASSOCIATION

Adopted June 25, 1923, Amended Dec. 5, 1923

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ARTICLE I

MEMBERSHIP AND DUES

**BUILDING SITE
DEFINED** *Section 1.* A "building site" shall be taken to be a lot (exclusive of streets, open recreation areas, and lands excepted, reserved, segregated or retained in accordance with the restrictions, conditions, and covenants affecting same, shown on any map of record):

(a) Of any original subdivision which is now on file or which shall hereafter be filed in the office of the County Recorder of the County of Los Angeles, California, of that certain tract of land situated in the County of Los Angeles, State of California, being a portion of Lot "H" of the Rancho Palos Verdes as set forth and described in that certain deed dated March 1, 1923, executed by Jay Lawyer et ux, to Commonwealth Trust Company, a corporation, and recorded in Book 1849, page 389 of

Official Records of Los Angeles County, California, or

(b) Of any re-subdivision of any plots or parcels of said land which re-subdivision is approved by this corporation and is permitted by the restrictions applicable thereto and thereby allowed to be used as a building site, or

(c) Of any subdivision or re-subdivision of any land which hereafter becomes subject to the jurisdiction of Palos Verdes Homes Association by virtue of restrictions, conditions, covenants, and/or contracts relating thereto, and by acceptance of jurisdiction by the Board of Directors of this corporation.

The members of this corporation shall be all who hold legal title of record to any such building site or who, while holding a contract for the purchase of any such building site from Commonwealth Trust

Company, shall reside upon the building site described in such contract. Such holding of legal title or such residence shall be the sole qualification for membership in the corporation. Contract holders shall establish their right to membership to the satisfaction of the Secretary of this corporation.

**QUALIFICATIONS
OF MEMBERS**

Section 2. The following persons shall be qualified to be, and shall become members of this corporation:

(a) Persons holding legal title to or an interest in any such building site, except as provided in (b) of this paragraph and provided, further, that no person or corporation taking title hereafter as security for the payment of money or performance of other obligations shall thereby become entitled to membership.

(b) Persons holding a contract for the purchase of any building site, who shall reside upon the property described in such contract, in which case the holder of the legal title shall not be qualified for membership by virtue of holding the title to such building site.

(c) The owner or owners of land adjoining or adjacent to said property when such land shall have been placed under the jurisdiction of the Art Jury and Palos Verdes Homes Association in accordance with the provisions of Section 6 of this Article.

**CREATION OF
MEMBERSHIP**

Section 3. (a) The acceptance by a grantee of a deed conveying to him such real property as to qualify him for membership in said Association shall ipso facto constitute such grantee a member of said Association.

(b) The acceptance by a purchaser of a contract of sale covering such real property as shall qualify him for membership, together with the act of residing thereon by such purchaser, shall ipso facto constitute such purchaser a member of said Association.

(c) The certificate of the Secretary certifying that a person is a member of this corporation shall be conclusive evidence in favor of all third persons as to the facts recited therein.

**TERMINATION OF
MEMBERSHIP**

Section 4. Whenever a member of said Association becomes disqualified for membership, as hereinabove provided, such person shall ipso facto cease to be a mem-

ber of said Association; if the member holds the legal title to more than one such building site, then upon the transfer of record of the legal title to all his building sites, or, if the member does not hold the legal title to any building site, then upon such member ceasing to be the holder of a contract for the purchase of any such building site or upon his ceasing to reside upon the building site described in such contract. A member holding the legal title of record to more than one building site may transfer membership with each building site transferred and retain membership for each building site not transferred. When a building site is owned of record in joint tenancy or tenancy-in-common, the membership as to such building site shall be joint and the rights of such membership shall be exercised only by the joint action of all owners of such building site.

Section 5. No membership fee shall be charged, nor shall members be required to pay at any time any amount to carry on the business of the corporation, except to pay annually the maintenance charge or assessment, which is or may be made a lien on the respective properties of the members, and such other liens, fees and charges as are set forth, authorized or permitted in the Declaration of Establishment of restrictions and conditions of Commonwealth Trust Company, dated June 26th, 1923, and recorded on July 5th, 1923, in the office of the County Recorder of the County of Los Angeles, State of California, in Volume 2360 of Official Records of Los Angeles County at page 231 and following pages, or any amendments thereof, or as set forth in any other Declaration of Commonwealth Trust Company, its assigns or successors in interest, applicable to said property on file or hereafter filed in the office of said County Recorder.

Section 6. If at any time the owner or owners of land adjoining, adjacent or within a distance deemed reasonable by the directors hereof of any portion of said property shall agree with the directors hereof to hold, sell and convey said land subject to conditions, restrictions, covenants, reservations, liens or charges set forth in a declaration of restrictions by such owner or owners approved by the Board of Directors of this corporation and the Art Jury, and such agreement and declaration are

**FEES AND DUES
OF MEMBERS**

**ANNEXATION OF
ADDITIONAL
PROPERTY**

hereafter recorded in the office of the Recorder of the County of Los Angeles, the Board of Directors of this corporation and the Art Jury shall have power to do and perform any and all of the acts and to fix, impose and collect charges, assessments and dues from the owners of lots in such property, on such basis, authority and power as they may have for the said property. Owners and contract holders of such additional property shall be entitled to membership in Palos Verdes Homes Association with property rights and voting power upon the same basis and conditions as herein provided for owners and contract holders already under the jurisdiction of the Palos Verdes Homes Association and the Board of Directors of this corporation and the Art Jury shall thenceforth have and assume the enforcement of the restrictions, conditions, covenants, reservations, liens or charges created for the benefit of the owners of building sites in said last named property, or to which said building sites may at any time be subject.

**PROPERTY
RIGHTS AND
INTEREST**

Section 7. No member of this corporation shall have any right of property in any of the real or personal property held by, or in the possession and control of this corporation, except those persons who are members of this corporation at the time of its dissolution, and their rights shall be determined by the law then in force and effect. Each member of this corporation shall have such an interest in all the property owned by this corporation as is represented by the ratio of the number of votes to which said member is entitled to the total number of votes to which all members of this corporation are entitled; provided, however, that during the continuance and life of this corporation and renewals thereof, that no member of this corporation shall have the right of distribution of any real or personal property held by or in the possession or control of this corporation, provided, however, that those persons who are members of this corporation at the time of its dissolution may, upon said dissolution, be and become entitled to such property, as may be owned by this corporation and as may be subject to distribution among its members in proportion to their interests and property rights as above determined and according to the law then in force and effect.

ARTICLE II

VOTING POWER

At all corporate meetings the voting power of the members of this corporation shall be unequal according to the following rules, to-wit:—

(a) Except as provided in (d) of this paragraph, each member of this corporation shall have at least one vote at any meeting of the members of the corporation.

(b) Except as provided in (d) of this paragraph, each member of this corporation holding legal title to more than one building site shall have the right as such member, at any meeting of the members of this corporation, to cast a number of votes equal to the total number of building sites, the title to which is held by him.

(c) Except as provided in (d) of this paragraph, each person who is a member of this corporation by reason of being a purchaser of more than one building site located in any subdivision of the said property under a contract or contracts of purchase shall have the right to cast as many votes, at any meeting of the members of this corporation, as shall equal the total number of building sites covered by his contract or contracts.

(d) When legal title to a building site is vested in, or subject to contract or agreement to convey to two or more persons in joint tenancy or otherwise, the several owners or purchasers of said building site shall collectively be entitled to one vote only therefor.

ARTICLE III

CORPORATE POWERS

The corporate powers of this corporation shall, except as otherwise provided herein, be vested in a Board of Directors who shall be members of this corporation, and three shall constitute a quorum for the transaction of business but a smaller number may adjourn from time to time.

ARTICLE IV

THE BOARD OF DIRECTORS

Section 1. The Directors shall be elected by secret ballot at the Annual Meeting of the members to serve in the first instance as follows: one for a period of one year, two for a period of two years and two for a period of three years, and to serve until their successors are elected. Their successors shall be elected for a term

**ELECTION OF
DIRECTORS**

of three years. The Board of Directors shall be the judge of the election and qualifications of its own members subject to review by the courts. Any member of the Board of Directors who shall have been convicted of a crime while in office shall thereby forfeit his office.

**VACANCIES
IN THE BOARD
OF DIRECTORS**

Section 2. Vacancies in the Board of Directors shall be filled by the remaining Directors when assembled as a Board and such appointees shall hold office until the next Annual or Special Meeting of the members thereafter at which time an election for the unexpired portion of the term shall be held.

**POWERS OF
DIRECTORS**

Section 3. The Directors shall have power:

(a) To call special meetings of the members whenever they deem it necessary, and they shall call a meeting at any time upon the written request of members holding the legal title of record of 20% in number of all said building sites.

(b) To select from their own number a president and vice-president and to appoint and remove a secretary, building commissioner, manager, and as herein further provided one or more members of the Art Jury, but no director shall serve as any of such officers; and subject to the further provisions hereof, to adopt appropriate resolutions prescribing their duties, fixing their compensation and requiring from them security for faithful service.

(c) Except as otherwise herein provided, to conduct, manage, and control the affairs and business of this corporation and to make regulations and rulings not inconsistent with the laws of the State of California, or of the By-Laws of this corporation for the guidance of the officers and management thereof, provided that not less than one-fourth of the receipts of the total annual maintenance charge or assessment, mentioned in Article I hereof, shall be appropriated and set aside for the sole use and support of the Park and Recreation Board as hereinafter provided.

(d) To determine its own rules of procedure, punish directors for misconduct and compel attendance of directors.

(e) To determine, levy and assess annually the maintenance charge or assessment mentioned in Article I hereof, and such other charges or fees as it may have power or jurisdiction over and to fix the

rate per annum of such maintenance charge or assessment, but never to exceed in any one year the total annual tax rate established for all purposes for the then current fiscal year by the City Council of the old City of Los Angeles.

(f) To make all needful rules and regulations for the conduct of election, for the prevention of fraud in elections and for the recount of the ballots in case of doubt or fraud.

Section 4. It shall be the duty of the Directors:

**DUTIES OF
DIRECTORS**

(a) To cause to be kept a complete record of all their minutes and acts, and of the proceedings of the members, and present a full statement at the regular annual meeting of the members, showing in detail the assets and liabilities of the corporation, and generally the condition of its affairs. A similar statement shall be presented at any other meeting of the members when required by persons holding of record the legal title to at least one-half of the said building sites.

(b) Except as otherwise provided herein, to supervise all officers and see that their duties are properly performed, and cause certificates of membership to be issued to the members of the corporation.

(c) To hold, after due notice, such public hearings as may be necessary or advisable for the modification, amendment, or approval of any restrictions, conditions, covenants, reservations, liens or charges applicable to any property subject to the jurisdiction of this corporation, or applying for acceptance thereof.

ARTICLE V

MEETINGS

Section 1. The annual meeting of the members shall be held in the City of Los Angeles, County of Los Angeles, on the second Tuesday in January of each year, and shall be called by a notice in writing mailed to each member at his last known place of residence or business, or directed to each member at Los Angeles; such notice to be deposited in the United States post-office at Los Angeles at least ten days preceding the date of meeting, and postage thereon must be prepaid.

**MEETINGS OF
MEMBERS**

Special meetings of the members shall be called in like manner after five days' notice.

No meeting of members shall be competent to transact business unless the record holders of legal title to a majority of the said building sites be represented, except to adjourn from day to day or until such time as may be deemed proper.

At such annual meeting of the members, Directors for the ensuing year shall be elected by secret ballot, to serve as herein provided and until their successors are elected. If, however, for want of a quorum or other cause, a member's meeting shall not be held on the day above named, or should the members fail to complete their elections, or such other business as may be presented for their consideration, those present may adjourn from day to day until the same shall be accomplished.

MEETINGS OF DIRECTORS

Section 2. Regular meetings of the Directors shall be held on the second and fourth Wednesday of each month, at the office of this corporation at two o'clock, p.m., provided that the Board of Directors may change, by regulation, the day of holding the regular meeting. No notice of the regular meeting of the Board of Directors need be given. The President or any two of the Directors, may call special meetings of the Directors at any time, and notice shall be given of such called meeting by depositing in the United States Post Office at Los Angeles, California, a written or printed notice thereof, with the postage thereon prepaid, addressed to each Director at the last address left with the Secretary, at least four days before the time of meeting, or by serving personally such notice on each Director one day before such meeting. Such service of notice shall be entered on the minutes of the corporation, and the said minutes, upon being read and approved at a subsequent meeting of the Board shall be conclusive upon the question of service.

Notice specified in this Article for the members need be given only to members appearing as such on the books of the corporation.

All meetings of Directors and sessions of their committees shall be open to members.

ARTICLE VI

REGULATIONS AND RESOLUTIONS

The Board of Directors shall act only by the adoption of a regulation or a resolution; and all regulations and resolutions,

except regulations making appropriations, shall be confined to one subject which shall be clearly expressed in the title. The regulations making appropriations shall be confined to the subject of appropriations. No regulation shall be passed until it has been read on two separate days or the requirement of readings on two separate days has been dispensed with by an affirmative vote of four Directors. The final reading shall be in full, unless the regulation shall have been typed or printed and a copy thereof furnished to each member prior to such reading. The ayes and noes shall be taken upon the passage of all regulations on resolutions and entered upon the journal of the proceedings of the Board of Directors, and every regulation or resolution shall require on final passage the affirmative vote of three Directors. No Director shall be excused from voting except on matters involving the consideration of his own official conduct, or where his financial interests are involved. Provisions shall be made for the printing and publication in full of every regulation within thirty (30) days after its final passage.

ARTICLE VII

THE RECALL

Section 1. The Board of Directors or any director may be removed from office by the members as herein provided.

Any member may make and file with the secretary an affidavit containing the name or names of the director or directors whose removal is sought and a statement of the grounds for removal. The secretary shall thereupon deliver to the member making such affidavit copies of petition blanks for such removal, printed forms of which he shall keep on hand. Such blanks shall be issued by the secretary with his signature and official seal thereto attached; they shall be dated and addressed to the directors, shall contain the name of the person to whom issued, the number of blanks so issued, the name of the director or directors whose removal is sought. A copy of the petition shall be entered in a record book to be kept in the office of the secretary. The petition before being returned and filed shall be signed by members who are holders of record title of at least fifty (50) per cent of all of said building sites owned by members and to every signature shall be added the place of residence of the signer, giving the street and number

PROCEDURE
FOR FILING
RECALL
PETITION

DEPARTMENT DIRECTORS *Section 3.* Each department director shall be appointed by the manager and may be removed by him at any time.

RESPONSIBILITY OF DEPARTMENT DIRECTORS *Section 4.* The department directors and the various boards and officers thereof, except as otherwise provided herein, shall be immediately responsible to the manager for the administration of their departments, and their advice in writing may be required by him on all matters affecting their departments. They shall prepare departmental estimates, which shall be open to public inspection, and they shall make all other reports and recommendations, concerning their departments at stated intervals or when requested by the manager. The Board of Directors, the manager, and any officer or board authorized by them, or either of them, shall have power to make investigations as to corporation affairs, and compel the production of books and papers.

ARTICLE XIV

PARK AND RECREATION BOARD

Section 1. The Department of Parks, Boulevards, Forestry, Music and Recreation shall be under the control and management of a Board to be known as the Park and Recreation Board composed of the manager and three persons named by the manager, well known for their intelligence and integrity, and whose term of office shall be for a period of three (3) years; provided, that the first members of said Board shall so classify themselves by lot that the term of one member shall expire at the end of one year, one at the end of two years, and one at the end of three years from the date of their first appointment, and at the expiration of the term of each member his successors shall be appointed by the manager for a term of three years from the date of expiration of the official term of his predecessor. Vacancies shall be filled by the manager for the unexpired portion of the term. Said commissioners shall serve without compensation. They shall elect their own officers, adopt their own rules and regulations and shall meet at least once a month. Two members of the Board shall constitute a quorum for the transaction of business and an affirmative vote of at least two appointed members shall be necessary to authorize any action of the Board.

Section 2. Said Board shall keep record of its proceedings and shall appoint a Secretary who shall not be a member of the Board and who shall hold office at the pleasure of the Board.

Section 3. The Park and Recreation Board shall also appoint a Landscape Architect, to advise the Board, and a Chief Executive Officer as superintendent under the Board who shall hold office at the pleasure of the Board and who shall in behalf of said Board and of this corporation have charge, supervision and direction of all work and of all officers and employees under said Board and may dismiss any officer or employee under him except the Secretary and Landscape Architect of the Board or other consulting expert who may be called in to render special service.

Section 4. The Park and Recreation Board shall have power and it shall be its duty:

(a) To devise and adopt a system of parks, parkways, boulevards, playgrounds, recreation areas and open spaces for the use of the members of this corporation and the inhabitants of said land, and by and with the approval and authority by regulations of the Board of Directors, to lease, purchase, and/or otherwise acquire in the name of this corporation lands for parks, parkways, playgrounds, recreation areas and/or common lands for general welfare and by and with the approval and authority by regulation of the Board of Directors to establish, change and/or re-establish the grade of any boulevard, parkway or other property under its supervision or control, and no change shall be made in the grade of any street subject to the jurisdiction of the Park and Recreation Board unless the Park and Recreation Board shall approve such change of grade.

(b) To superintend, control and manage any and all parks, parkways, boulevards, playgrounds, open spaces and recreation areas, tennis courts, golf courses and/or club houses, swimming pools, bath houses, bathing beaches, boats, boat houses, boat landings, life rafts, life guards, life saving apparatus, skating rinks, hangars and fields for air craft, band stands, dancing pavilions, casinos, places of amusement, community buildings, aquariums, and in general community facilities appropriate

SECRETARY

OTHER OFFICERS AND EMPLOYEES

POWERS AND DUTIES OF THE PARK AND RECREATION BOARD

for the use and benefit of members and/or for the improvement and development of said property, grass plots and other areas, and all trees or plantings, within the lines of streets, parkways, walks, or other easements or rights-of-way, or on school or other public grounds by arrangement with public authorities having jurisdiction therein, and except as otherwise provided herein all improvements in, on, or upon the same belonging to or under control of this corporation, and of such other grounds and thoroughfares as may upon the recommendation of the Park and Recreation Board be placed under the control and management of said Board and by and with the approval of the Board of Directors to construct, improve, adorn, regulate and maintain the same in such manner as it may deem best, and to establish a width of sidewalk on all boulevards and parkways. And the Board of Directors shall, upon the recommendation of the Park and Recreation Board, pass regulations for the control and orderly government of the same, and other lands subject to its control, and prescribe penalties for the violation thereof. No building, structure, planting or improvement of any kind shall be erected, constructed, altered or maintained in, on, or upon any land or portion of said property under the jurisdiction of the Park and Recreation Board except with the approval and authority of the Park and Recreation Board; nor shall any land or any portion of said property be acquired or leased by the Homes Association, nor any property once subject to the jurisdiction of the Park and Recreation Commission be at any time sold, conveyed, mortgaged, leased, encumbered, or in any way disposed of except with the approval of the Park and Recreation Board. No building or structure for any purpose other than a park purpose shall be erected, constructed, altered or maintained upon any land subject to the jurisdiction of the Homes Association, when such land has been accepted for park purposes only.

(c) To plant or replant, trim, cut back, remove or replace, care for and/or maintain hedges, trees, shrubs, or flowers on vacant or unimproved lots or on other private property as far as may be permitted by the restrictions applicable thereto and thereby allowed, and to remove and/or burn grass, weeds, or any unsightly or obnoxious thing therefrom.

(d) To make such agreements with county, township, state, national or other public officials, or with any corporation or individual, for and in behalf of the owners of said property and of this corporation, for a division of the work upon any property subject to the jurisdiction of the Park and Recreation Board or for the care, maintenance and improvement of the same, as will enable the Homes Association to co-operate with the said officials, corporations or individuals to secure the greatest benefit to the said property or portions thereof.

(e) By and with the approval of the Board of Directors, to accept bequests and donations, and to take and hold title to real and/or personal property, and to administer and disburse and/or dispose of the same and/or to use the income and/or proceeds therefrom for the purposes for which it is established.

ARTICLE XV

PLANNING BOARD

Section 1. There shall be a Planning Board of five members consisting of the Manager, the Director of Works and Utilities, and three members of the Homes Association, one of whom may also be a member of the Park and Recreation Board, named by the Manager whose term of office shall be for a period of three years; provided that the first appointed members of said Board shall so classify themselves by lot that the term of one member shall expire at the end of one year, one at the end of two years and one at the end of three years from the date of their first appointment, and at the expiration of said term his successor shall be appointed by the Manager for a term of three years. Vacancies shall be filled by the Manager for the unexpired portion of the term. Said board members shall serve without compensation. They shall elect their own officers, adopt their own rules and regulations and shall meet at least once a month. Three board members, at least two of whom shall be appointed members, shall constitute a quorum for the transaction of business.

Section 2. The Planning Board shall appoint a Consultant in City Planning to advise the Board and a Secretary who shall have some knowledge of city planning. The Engineer of the Department of Works

SECRETARY
AND OTHER
EMPLOYEES

and Utilities shall also serve as Chief Engineer of the Planning Board, and it shall be his particular duty to make recommendations designed to bring all the engineering work of this corporation into harmony as parts of one comprehensive plan. The Planning Board shall have power to call upon any officer or department or board of this corporation at any time for information and advice, which in its opinion, will insure the efficiency of its work.

**POWERS AND
DUTIES OF THE
PLANNING
BOARD**

Section 3. (a) The Planning Board shall have full and sole authority on behalf of this corporation to give approval in the name of the Homes Association for each subdivision or re-subdivision plat or map of any property subject to the jurisdiction of the Homes Association. Each such approval shall be certified to the Secretary of the Homes Association who shall thereupon affix the official seal of the corporation.

(b) It shall be the duty of the Planning Board to keep itself informed of the progress of city planning in this and other countries, to make studies and recommendations for the improvement of the general plan of the Palos Verdes region and vicinity with a view to the present and future movement of traffic, the convenience, amenity, health, recreation, general welfare, and other needs of this area dependent on such plan; to consider and report upon the designs and their relation to the general plan, of all new public ways, lands, buildings, bridges, and all other public places and structures, of additions to and alterations in those already existing, and of the layout or plotting of new subdivisions of this area or of territory adjacent thereto.

(c) All acts of the Board of Directors, officers or boards of this corporation affecting the general regional plan for Palos Verdes Rancho or any part thereof, shall be submitted to the Planning Board for report and recommendations. The Board of Directors may at any time call upon the Planning Board to report with recommendations, and the Planning Board of its own volition may also report to the Board of Directors with recommendations on any matter which in the opinion of either body, affects the general regional plan. Any matter referred by the Board of Directors to the Planning Board shall be acted upon by the Planning Board within thirty days of the date of reference, unless a longer or

shorter period is specified. No action by the Board of Directors involving any points hereinbefore set forth shall be legal or binding until it has been referred to the Planning Board and until the recommendations of the Planning Board thereon have been accepted or rejected by the Board of Directors.

**ANNUAL
REPORT**

(d) The Planning Board shall submit to the Board of Directors an annual report summarizing the activities of the Planning Board for the fiscal year, the recommendations made by it to the Board of Directors during the year and the action of the Board of Directors during the year on any and all recommendations made by the Planning Board in that or former years. The annual report of the Planning Board shall also contain a program for improvements to the regional plan year by year during the three years next ensuing, with estimates of the cost thereof and recommendations as to how the cost shall be met.

**ARTICLE XVI
HEALTH BOARD**

Section 1. The Department of Health shall be under the control and management of the Health Board composed of the Manager and three persons named by the Manager because of their special knowledge of public health and welfare matters, provided that at least one of said members shall be selected from a list of three persons nominated by the County Medical Society of Los Angeles County. The term of office of said members shall be for a period of three years, provided that the first members of said Board shall so classify themselves by lot that the term of one member shall expire at the end of one year, one at the end of two years and one at the end of three years from the date of their first appointment. And at the expiration of the term of each member his successor shall be appointed by the Manager for a term of three years from the date of expiration of the official term of his predecessor. Vacancies shall be filled by the Manager for the unexpired portion of the term. They shall elect their own officers, adopt their own regulations, and meet at least once a month.

Section 2. The Board shall appoint a Health Officer who shall be a person well trained in matters of public health, not necessarily an inhabitant of said property,

**HEALTH
OFFICER**

supplies or services, except on behalf of the corporation as a member of the Board of Directors, officer or employee; no officer or employee of a public utility operating on the Palos Verdes Rancho shall be a member of the Board of Directors. Any willful violation of this section shall constitute malfeasance in office, and any member of the Board of Directors, officer, or employee found guilty thereof, shall thereby forfeit his office or position. Any violation of this section, with the knowledge, expressed or implied, of the person or corporation contracting with this corporation, shall render the contract involved voidable by the manager or the Board of Directors.

ARTICLE XIX

BOOKS AND PAPERS

The books and such papers as may be placed on file by vote of the members or Directors shall, at all times in business hours, be subject to the inspection of the Board of Directors or of any member.

ARTICLE XX

CERTIFICATE OF MEMBERSHIP

Certificates of membership shall be of such form and device as the Board of Directors may direct, and each certificate shall be signed by the President and by the Secretary, and express on its face its number, date of issuance, the description of the building sites for which, and the person to whom it is issued, and shall contain a statement that the property rights and interest in the corporation, evidenced by said certificates, shall be appurtenant to the building site therein described, and that the membership, represented by the certificate, shall be transferred only with a building site described in the certificate.

If a certificate shall be lost or destroyed,

the Board of Directors may order a new certificate issued upon such guaranty by the parties claiming the same as the Directors may deem satisfactory.

ARTICLE XXI

TRANSFER OF MEMBERSHIP

Upon satisfactory evidence of such transfer of a building site the membership of the transferor shall be marked "cancelled" on the books of the corporation as to the building site transferred, without requiring a surrender or cancellation of the transferor's certificate of membership and a new certificate of membership may thereupon be issued to such transferee.

If a certificate shall be lost or destroyed, the Board of Directors may order a new certificate issued upon such guaranty by the parties claiming the same as the Directors may deem satisfactory.

ARTICLE XXII

AMENDMENTS

The By-Laws may be repealed or amended or new By-Laws may be adopted at any meeting of the members by a vote representing two-thirds of all the said building sites owned by members, or by the Board of Directors when thereunto authorized at any meeting of the members, by a vote representing two-thirds of all the said building sites, or by the written assent of the record holders of the legal titles to two-thirds of all the said building sites.

ARTICLE XXIII

SEAL

The corporation shall have a common seal, consisting of a circle, having conveniently arranged on said seal the words, "PALOS VERDES HOMES ASSOCIATION, California, Incorporated May, 1923."

WRITTEN ASSENT TO BY-LAWS

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, being the holders of more than two-thirds of the memberships of PALOS VERDES HOMES ASSOCIATION, a corporation under the laws of the State of California, and having its principal place of business in the City of Los Angeles, County of Los Angeles, in said State, hereby assent to the foregoing By-Laws contained on page 1 to page 27, both inclusive, of this "Book of By-Laws," and we hereby adopt the same as and for the By-Laws of said corporation.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 25th day of June, 1923.

(Signed) JAY LAWYER,
JOHN C. LOW,
JAMES FREDERICK DAWSON,
J. H. COVERLEY,
M. V. BOAZ.

CERTIFICATE TO BY-LAWS

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, being and constituting a majority of the Directors, and the Secretary of PALOS VERDES HOMES ASSOCIATION, a corporation under the laws of the State of California, and having its principal place of business in the City of Los Angeles, County of Los Angeles, in said State, do hereby certify and declare that the above and foregoing By-Laws set forth and contained on pages 1 to 27, both inclusive, of this "Book of By-Laws," were duly made and adopted as and for the By-Laws of said corporation, and do now constitute and are the By-Laws thereof.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 25th day of June, 1923.

(Signed) JAY LAWYER,
JOHN C. LOW,
JAMES FREDERICK DAWSON,
J. H. COVERLEY,
M. V. BOAZ.

Attest:
M. V. BOAZ, Secretary.

PALOS VERDES HOMES ASSOCIATION, a California corporation, in consideration of Ten Dollars (\$10.00) to it in hand paid, receipt of which is hereby acknowledged, does hereby GRANT TO

the CITY OF PALOS VERDES ESTATES,

a municipal corporation of the sixth class of the State of California, its successors and assigns, that certain real property in the County of Los Angeles, State of California, hereinafter referred to as "said realty", described as follows:

Item 1. Lots A, B, C, D, E, F, G, H, I, J, K, L and M of Tract 6882, as per map recorded in Book 76, pages 20 and 21, of Maps, records of said Los Angeles County.

Item 2. (a) Lot A of Tract 6884, as per map recorded in Book 82, pages 68 to 71 inclusive, of Maps, records of said Los Angeles County, except that portion thereof described as follows:

Beginning at a point in the most Westerly line of said Lot A which is North 20° 01' 16" West thereon 43 feet from the Southerly line of said lot; thence North 64° 44' 49" East 226.12 feet, more or less, to a point on the Northerly line of said lot; thence along said Northerly line in a generally westerly direction to the Northwesterly corner of said lot; thence along the said most Westerly line of said lot in a generally Southerly direction, 3.21 feet and 22.20 feet, more or less, to the point of beginning, enclosing an area of 0.13 acre, more or less.

(b) Lots B, C, D, E, G, H and I of said Tract 6884.

Item 3. (a) Lot H of Tract 6885, as per map recorded in Book 78, pages 49 to 52 inclusive, of Maps, records of said Los Angeles County, except that portion thereof lying between the Northerly line of Granvia La Costa (now known as Palos Verdes Drive West) as said line is shown on said map of Tract 6885, and a line drawn from the Easterly line of Lot 1 in Block 1613 of said tract in a generally Easterly direction and parallel to the straight section of said Northerly line of Granvia La Costa and 10 feet Nor-

therly therefrom, enclosing an area of 0.072 acre, more or less.

(b) Lots K, L, M, O, P, Q, R, T, U, W and X of said Tract 6885.

Item 4. (a) Lots E, F, G and K of Tract 6886, as per map recorded in Book 83, pages 77 to 80 inclusive, of Maps, records of said Los Angeles County.

(b) Lots H and W of said Tract 6886, except those portions thereof lying between the Southerly line of Granvia La Costa (now known as Palos Verdes Drive West) as said line is shown on said map of Tract 6886, and a line drawn parallel thereto and 34 feet Southerly therefrom, extending from the Northeasterly line of said Lot H to the Southwesterly line of said Lot W, enclosing an area of 0.271 acre, more or less; and also except those portions of said Lots H and W described as follows:

Beginning at a point in said line drawn parallel to the Southerly line of Granvia La Costa and 34 feet Southerly therefrom, said point being distant 79.04 feet in a Southwesterly direction from the Northeasterly line of said Lot H (a radial line to said point, of the curve in said parallel line, having a bearing of South 26°07'53" East); thence North 83°16'10" East 87.06 feet, more or less, to a point in the Northeasterly line of said Lot W; thence along the Northeasterly lines of said Lots W and H to the intersection of said parallel line with the Northeasterly line of said Lot H; thence along said parallel line in a Southwesterly direction to the point of beginning, enclosing an area of 0.023 acre, more or less.

(c) That portion of Lot J of said Tract 6886, lying Southwesterly from a straight line drawn from the most Southerly corner of Lot D of said tract to the Northeasterly corner of Lot 8 in Block 1436 of Tract 6884, as per map recorded in Book 82, pages 68 to 71 inclusive, of Maps, records of said Los Angeles County, enclosing an area of 0.30 acre, more or less.

(d) That portion of Lot M of said Tract 6886, described as follows:

Commencing at a point in the most Westerly line of Lot A of Tract 6884, as per map recorded in Book 82, pages 68 to 71 inclusive, of Maps, records of said Los Angeles County, which point is North 20°01'16" West thereon 43 feet from the Southerly line of said Lot A; thence North 64°44'49" East 226.12 feet, more or less, to a point on the Southerly line of said Lot M, which point is the true point of beginning of this description; thence North 86°15'53" East 169.73 feet to a point in said Lot M which is distant 34 feet Southerly, measured at right angles, from the line of Granvia La Costa (now known as Palos Verdes Drive West) as said line is shown on said map of Tract 6886; thence in a generally Easterly direction along a line drawn

parallel to and distant 34 feet Southerly from said line of Granvia La Costa to a point in the Easterly line of said Lot M; thence along the Easterly and Southerly lines of said Lot M to the point of beginning, enclosing an area of 0.25 acre, more or less.

(e) Lots N and O of said Tract 6886, except that portion of said Lot N lying between the Southerly line of Granvia La Costa (now known as Palos Verdes Drive West) as said line is shown on said map of Tract 6886, and a line drawn parallel thereto and 34 feet Southerly therefrom, extending from the Westerly line of said Lot N to the Easterly line thereof, enclosing an area of 0.839 acre, more or less; and also except those portions of said Lots N and O described as follows:

Beginning at the intersection of said parallel line with the Westerly line of said Lot N; thence South $30^{\circ}31'10''$ East along said Westerly line and the Westerly line of said Lot O, 31.54 feet; thence North $62^{\circ}49'04''$ East 305.12 feet to a point in said Lot O; thence North $60^{\circ}28'18''$ East 252.22 feet, more or less, to a point on the Northerly line of said Lot O; thence North $60^{\circ}28'18''$ East 81.79 feet, more or less, to a point on said parallel line; thence along said parallel line in a generally Westerly direction to the point of beginning, enclosing an area of 0.56 acre, more or less.

(f) Lot P of said Tract 6886, except that portion thereof lying Westerly from a line drawn parallel to the Easterly line of Granvia La Costa (now known as Palos Verdes Drive West) as said line is shown on said map of Tract 6886, and distant 40 feet Easterly therefrom, comprising an area of 0.569 acre, more or less.

Item 5. (a) Lot A of Tract 7540, as per map recorded in Book 104, pages 56 to 59 inclusive, of Maps, records of said Los Angeles County, except those portions thereof described as follows:

(1) Beginning at the Southeasterly corner of Lot 14 in Block 1750 of said tract; thence South $14^{\circ}09'40''$ West along the Easterly line of said Lot A, 64 feet to a point in said Easterly line; thence North $76^{\circ}23'15''$ West 136.71 feet, more or less, to a point on the Southerly prolongation of the Westerly line of said Lot 14; thence North $19^{\circ}13'55''$ West along the said Southerly prolongation, 45 feet to the Southwesterly corner of said Lot 14; thence South $85^{\circ}35'10''$ East along the Southerly line of said Lot 14, 153.84 feet to the point of beginning, enclosing an area of 0.178 acre, more or less.

(2) Commencing at the Westerly terminus of that certain course in the Northerly boundary of said Lot A, having a length of 420.89 feet and a bearing of North $83^{\circ}00'36''$ East, as shown on said map of said tract; thence South $57^{\circ}33'26''$ West 81.57 feet to the true point of beginning of this description; thence South $19^{\circ}52'15''$

East 90 feet; thence South 70°07'45" West 50 feet; thence North 19°52'15" West 90 feet; thence North 70°07'45" East 50 feet to the point of beginning, enclosing an area of 0.108 acre, more or less.

(3) Commencing at the Westerly terminus of that certain course in the Northerly boundary of said Lot A, having a length of 350.15 feet and a bearing of South 79°27'53" East, as shown on said map of said tract; thence South 03°06'02" East 12.15 feet to the true point of beginning of this description; thence South 19°31'53" East 60 feet; thence South 70°28'07" West 40 feet; thence North 19°31'53" West 60 feet; thence North 70°28'07" East 40 feet to the point of beginning, enclosing an area of 0.055 acre, more or less.

(4) Commencing at the Northwesternly terminus of that certain course in the Southwesterly boundary of said Lot A, having a length of 230.08 feet and a bearing of North 24°06'51" West, as shown on said map of said tract; thence North 76°03'03" East 45.85 feet to the true point of beginning of this description; thence North 54°41'20" West 50 feet; thence North 35°19'40" East 100 feet; thence South 54°41'20" East 50 feet; thence South 35°19'40" West 100 feet to the point of beginning, enclosing an area of 0.115 acre, more or less.

(b)(1) An easement, heretofore reserved to the Grantor herein by deed recorded in Book 10326, page 288, of Official Records of said Los Angeles County, for a storm-water drain ditch, approximately twenty (20) feet in width, through the portion of said Lot A of Tract 7540 described as Item 5 (a)(1) above, and lying to the North of a certain three (3) foot easement for an electrical conduit described in said recorded deed, between said last-mentioned easement and a straight line drawn from the Northeastern corner of said portion of Lot A, Westerly, to intersect the Westerly line of said portion of Lot A at a point distant 7.60 feet Southeasternly from the Northwesternly corner of said portion of Lot A.

(2) An easement, heretofore reserved to the Grantor herein, for a storm drain over and across that portion of said Lot A of Tract 7540 described as Item 5 (a)(2) above.

(c) Lot B of said Tract 7540, except that portion thereof described as follows:

Beginning at the Southeasterly corner of Lot 14 in Block 1730 of said tract; thence North 09°00'00" East along the Easterly line of Lots 14 and 15 in said Block 1730, 190 feet to the most Easterly corner of said Lot 15, said corner being a point in the Southerly right-of-way line of Via Campesina; thence South 44°00'00" East along said right-of-way line, 10 feet to the beginning of a curve concave to the Northeast and having a radius of 309.17 feet;

thence Southeasterly along said curve, and continuing along said right-of-way line, 25 feet to a point therein (a radial line to said curve at said point bears North 41°22'01" East); thence South 06°49'20" West 232 feet; thence South 83°44'01" West 44.29 feet, more or less, to a point in the Westerly line of said Lot B; thence North 14°09'40" East along said Westerly line, 64 feet to the point of beginning, enclosing an area of 0.164 acre, more or less.

(d) An easement, heretofore reserved to the Grantor herein by deed recorded in Book 10326, page 266, of Official Records of said Los Angeles County, for a storm-water drain ditch, approximately twenty (20) feet in width, through the portion of said Lot B of Tract 7540 described as Item 5 (c) above, being in and over that portion of said Lot B described as follows:

Beginning at a point in the Westerly line of said portion of Lot B, distant 43.50 feet Northeasterly from the Southwesterly corner of said portion of Lot B; thence Easterly, intersecting the easterly line of said portion of Lot B at a point distant 37.8 feet Northeasterly from the Southeasterly corner of said portion of Lot B; thence North 06°49'20" East along the Easterly line of said portion of Lot B, 20.50 feet; thence westerly in a straight line to the Southeasterly corner of Lot 14 in Block 1730 of said tract; thence South 14°09'40" West along the Westerly line of said portion of Lot B, 20.5 feet, more or less, to the point of beginning.

(e) Lot E of said Tract 7540, except that portion thereof described as follows:

Beginning at the Northwestern corner of Lot 1 in Block 1630 of Tract 7142, as per map recorded in Book 82, pages 83 and 84, of Maps, records of said Los Angeles County; thence North 45°18'36" East along the Northwestern boundary of said Lot 1, 213.70 feet to the most Northerly corner thereof; thence South 60°37'10" West 123.53 feet to a point in said Lot E; thence South 26°16'40" West 100.02 feet, more or less, to the point of beginning, enclosing an area of 0.08 acre, more or less.

Item 6. Lot B of Tract 10561, as per map recorded in Book 161, pages 9 and 10, of Maps, records of said Los Angeles County.

Item 7. Lots A, B, C, D and E of Tract 10624, as per map recorded in Book 163, pages 7 to 9 inclusive, of Maps, records of said Los Angeles County.

Excepting and reserving therefrom any and all streets, alleys, walks, roads and/or highways abutting or adjoining said realty and all land within or under same, and the easements and rights-of-way hereinafter referred to. It is the express intention of the parties hereto that title to all land under or within all streets, alleys, walks, roads and/or highways abutting or adjoining said realty is

reserved unto the Grantor herein, its successors and assigns, and the Grantee herein acquires no interest therein by virtue of this deed.

This conveyance is made and accepted and said realty is hereby granted, subject to State and County taxes now a lien and now due and/or delinquent and to any and all rights and easements of record, but without warranty on the part of the Grantor herein of any kind or character, either express or implied, as to any matters not contained or referred to herein; and upon and subject to each of the following provisions, conditions, restrictions and covenants, to-wit:

1. The express condition that the Grantor herein is not responsible or liable, in any way, for any inducement, representation, agreement, condition or stipulation not set forth herein, or in deeds of record heretofore conveying said realty and rights and easements applicable thereto, or in the Declarations of Restrictions hereinafter mentioned.

2. Each and every provision, condition, restriction, reservation, lien, charge, easement and covenant contained in the Declaration of Establishment of Basic Protective Restrictions executed by Commonwealth Trust Company, as owner, recorded in Book 2360, page 231 of Official Records of said Los Angeles County, and Amendments Nos. 1 and 3 thereto (executed by Bank of America, successor in interest to said Commonwealth Trust Company), recorded in Book 2940, page 27 and in Book 4019, page 274, respectively, of said Official Records; and in Declaration No. 2, recorded in Book 2698, page 290, in Declaration No. 4, recorded in Book 2966, page 249, in Declaration No. 5, recorded in Book 2863, page 364, in Declaration No. 6, recorded in Book 2779, page 114, and in Declaration No. 12, recorded in Book 4803, page 175 of said Official Records (said Declarations having been executed by said Bank of America); and in Declaration No. 27 (executed by Bank of Italy National Trust and Savings Association, successor in interest to said Bank of America), recorded in Book 8134, page 261 of said Official Records; and in Amendment No. 3 to said Declarations Nos. 2, 4, 5 and 6, recorded in Book 4019, page 274, and in Amendment No. 6 to said Declarations Nos. 5 and 6, recorded in Book 5583, page 28 of said Official Records (said Amendments having been executed by said Bank of America); and in those certain conveyances executed by said Bank of America to Grantor herein and recorded in Book 3400, page 279 and in Book 4459, page 123 of said Official Records, executed by said Bank of Italy National Trust and Savings Association to Grantor herein and recorded in Book 7372, page 273 and in Book 9357, page 253 of said Official Records, and executed by Bank of America National Trust and Savings Association to Grantor herein and recorded in Book 11605, page 164 and in Book 13800, page 308 of said Official Records, whereby there was estab-

lished a general plan for the improvement and development of said realty and other property described and/or referred to in said Declarations of Restrictions, and provisions, conditions, restrictions, reservations, liens, charges, easements and covenants were fixed, including the establishment, maintenance and operation of Palos Verdes Homes Association, a California corporation, and of the Art Jury as therein provided, subject to which said property and/or all parcels thereof should be sold and conveyed and all of said provisions, conditions, restrictions, reservations, liens, charges, easements and covenants are hereby made a part of this conveyance and expressly imposed upon said realty as fully and completely as if herein set forth in full.

3. That, except as hereinafter provided, said realty is to be used and administered forever for park and/or recreation purposes only (any provisions of the Declarations of Restrictions above referred to, or of any amendments thereto, or of any prior conveyances of said realty, or of any laws or ordinances of any public body applicable thereto, to the contrary notwithstanding), for the benefit of the (1) residents and (2) non-resident property owners within the boundaries of the property heretofore commonly known as "Palos Verdes Estates" (that is to say, within the boundaries of the Grantee municipality, of Tracts 8881 and 9302 of said Los Angeles County, and of any other property that may be under the jurisdiction of said Palos Verdes Homes Association), under such regulations consistent with the other conditions set forth in this deed as may from time to time hereafter be established by said municipality or other body suitably constituted by law to take, hold, maintain and regulate public parks, for the purpose of safeguarding said realty and any vegetation and/or improvements thereon from damage or deterioration, and for the further purpose of protecting the residents of said Palos Verdes Estates from any uses or conditions in or upon said realty which are, or may be, detrimental to the amenities of the neighborhood; provided,

(a) That any portion of said realty, title to which is acquired by the United States of America, the State of California, or by any public authority, and which is used for governmental purposes, may with the written approval of the owner of the reversionary rights

provided for herein, and the Art Jury, be specifically exempted from this provision requiring exclusive use thereof for park and/or recreation purposes.

(b) That the easement is specifically reserved to Palos Verdes Homes Association and its successors in interest to establish and maintain such reasonable number of water mains and other public utilities as to it may seem advisable in and over said realty in a manner not inconsistent with the purposes for which said realty is hereby conveyed.

(c) That rights-of-way for road purposes are reserved upon and across Item 5 (a) of said realty to provide access to certain streets from properties of the Palos Verdes Water Co., as follows: (1) to Via Pinale from "Pump House No. 5" whose location is described in paragraph (2) under said Item 5 (a); to Via Ramon or Via Campesina from "Main Pressure Break" whose location is described in paragraph (3) under said Item 5 (a); and (3) to Lot H of Tract 7142, as per map recorded in Book 82, pages 83 and 84, of Maps, records of said Los Angeles County, over which lot a further right-of-way continues to Via Rincon, from "No. 5 Reservoir" whose location is described in paragraph (4) under said Item 5 (a).

(d) (1) That a non-exclusive easement is reserved to Southern California Edison Co., Ltd. for the use, maintenance and replacement of one line of poles with the usual appurtenances, to be used for conveying electric energy, in and over said Lots P and Q of Tract 6885, as per deed dated February 6, 1925 from Grantor herein to Southern California Edison Co.

(2) That non-exclusive easements are reserved to Southern California Edison Co., Ltd. for the use, maintenance and replacement of an underground conduit system, to be used for conveying electric energy, in and over said Lot Q of Tract 6885 and said Lot A of Tract 7540, as per deed dated June 10, 1927 from Grantor herein to said Edison Co.; and also in and over said Lots B and E of Tract 7540, as per deed dated September 7, 1932 from Grantor herein to said Edison Co.

(3) That non-exclusive easements are reserved to Associated Telephone Co., Ltd. for the use, maintenance and replacement of an underground telephone conduit system, in and over said Lot Q of Tract 6885, said Lots A, B and E of Tract 7540 and said Lot A of Tract 10624, as per deed dated October 3, 1929 from Grantor herein to said Telephone Co.; and also in and over said Lot B of Tract 7540 as per deed dated September 7, 1932 from Grantor herein to said Telephone Co.

4. That, except as provided above, no buildings, structures or concessions shall be erected, maintained or permitted upon said realty, except such as are properly incidental to the convenient and/or proper use of said realty for park and/or recreation purposes.

5. That, except as provided in paragraph 3 hereof, said realty shall not be sold or conveyed, in whole or in part, by the Grantee herein except subject to the conditions, restrictions and reservations set forth and/or referred to herein and except to a body suitably constituted by law to take, hold, maintain and regulate public parks; provided, that portions of said realty may be dedicated to the public for parkway and/or street purposes.

6. That said municipality or other body having jurisdiction may, by and with the written approval of Palos Verdes Art Jury first obtained, permit the owner of a lot abutting on said realty to construct and/or maintain paths, steps and/or other landscape improvements, as a means of egress from and ingress to said lot or for the improvement of views therefrom, in such a manner and for such length of time and under such rules and regulations as will not, in the opinion of said municipality or other body and of Palos Verdes Art Jury, impair or interfere with the use and maintenance of said realty for park and/or recreation purposes, as hereinbefore set forth.

7. That none of the conditions, restrictions, covenants and reservations set forth in paragraphs 3 to 6, inclusive, hereof may be changed or modified by the procedure established in Section 3 of Article VI of said Declaration of Establishment of Basic Protective Restrictions, and in that certain section, entitled "Modification of Restrictions", of Declarations Nos. 2, 4, 5, 6, 12 and 27 of Establishment of Local Protective Restrictions hereinabove referred to.

PROVIDED, that a breach of any of the provisions, conditions, restrictions, reservations, liens, charges and covenants set forth in paragraphs 2 to 7, inclusive, hereof shall cause said realty to revert to the Grantor herein, or its successor in interest, as owner of the reversionary rights herein provided for, and the disincorporation of the Grantee herein as a municipality or the dissolution of said body referred to in paragraph 5 hereof (in the event of the transfer of any of said realty thereto) shall in like manner cause said realty to revert to the Grantor herein or its successor in interest, and the owner of such reversionary rights shall have the right of immediate reentry upon said realty in the event of any such breach and in the event of such disincorporation or dissolution, and, as to each lot and/or parcel owner of said property or other property described and/or referred to in said Declarations of Restrictions, the said provisions, conditions, restrictions, reservations, liens, charges and covenants shall be covenants running with the land, and the breach of any thereof or the continuance of any such breach may be enjoined, abated or remedied by appropriate proceedings by the Grantor herein or its successors in interest, or by such other lot or parcel owner, and/or by any other person or corporation designated in said Declarations of Restrictions.

PROVIDED, ALSO, that by the acceptance of this conveyance the Grantee agrees with the Grantor that the reservations, provisions, conditions, restrictions, liens, charges and covenants herein set forth or mentioned are a part of the general plan for the improvement and development of the property described and/or referred to in said Declarations of Restrictions, and are for the benefit of all of said property as described and/or referred to and each owner of any land therein, and shall inure to and pass with said property and each and every parcel of land therein, and shall apply to and bind the respective successors in interest of the parties hereto, and are, and each thereof is, imposed upon said realty as a servitude in favor of said property and each and every parcel of land therein as the dominant tenement or tenements.

IN WITNESS WHEREOF, PALOS VERDES HOMES ASSOCIATION has caused this deed to be duly executed, by its officers thereunto duly authorized, this 14th day of June, 1940.

PALOS VERDES HOMES ASSOCIATION

The Park and Recreation Board of Palos Verdes Homes Association hereby expressly approves and consents to the execution of the foregoing deed.

Harmoned Table
Chairman

Walter E. Miller
President

Everett M. York
Secretary

STATE OF CALIFORNIA }

COUNTY OF LOS ANGELES }

ss:

On this 14 day of June, 1940, before me, Lillian Throne, a Notary Public in and for said County, personally appeared Walter E. Miller, known to me to be the President, and Everett M. York, known to me to be the Secretary, of Palos Verdes Homes Association, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

Witness my hand and official seal.

Lillian Throne
Notary Public in and for the
County of Los Angeles,
State of California

PALOS VERDES HOMES ASSOCIATION, a California corporation, in consideration of Ten Dollars (\$10.00) to it in hand paid, receipt of which is hereby acknowledged, does hereby GRANT TO

the CITY OF PALOS VERDES ESTATES,

a municipal corporation of the sixth class of the State of California, its successors and assigns, that certain real property in the County of Los Angeles, State of California, hereinafter referred to as "said realty", described as follows:

Item 1. Lot H of Tract 7142, as per map recorded in Book 82, pages 83 and 84 of Maps, records of said Los Angeles County.

Item 2. Lot C of Tract 7330, as per map recorded in Book 90, pages 37 to 39 inclusive, of Maps, records of said Los Angeles County.

Item 3. Lots A, C and D of Tract 7333, as per map recorded in Book 113, pages 72 to 75 inclusive, of Maps, records of said Los Angeles County.

Item 4. (a) Lots A, D, E and F of Tract 7334, as per map recorded in Book 150, pages 12 to 16 inclusive, of Maps, records of said Los Angeles County.

(b) Lot B of said Tract 7334, except that portion thereof described as follows (the basis of bearings is North 43°38'00" West, being the bearing of the southwesterly line of Lot 6 of Block 7 of said tract):

That portion of said Lot B of Tract 7334 which is included within a circle having a radius of 40 feet, the center point of said circle bearing North 65°43'40" West 181.76 feet from the most southerly corner of said Lot 6; enclosing an area of 0.115 acre, more or less.

Item 5. Lots E, C, H and J of Tract 7538, as per map recorded in Book 148, pages 64 to 69 inclusive, of Maps, records of said Los Angeles County.

Item 6. Lots A, D, E, F, G and H of Tract 6043, as per map recorded in Book 142, pages 28 to 33 inclusive, of maps, records of said Los Angeles County.

Item 7. (a) Lots B and C of Tract 6652, as per map recorded in Book 135, pages 35 to 37 inclusive, of maps, records of said Los Angeles County.

(b) Lot A of said Tract 6652, except those portions thereof described as follows:

(1) Beginning at the most westerly corner of Lot 11 of Block 1733 of said tract; thence North $17^{\circ}00'00''$ East along the westerly line thereof, 75 feet; thence North $51^{\circ}00'00''$ East along the Northwesterly line thereof, 175 feet to the most Northerly corner thereof; thence due West 150 feet; thence South $89^{\circ}00'00''$ West 50.5 feet; thence South $02^{\circ}01'46''$ West 155.12 feet, more or less, to a point in the Southerly line of said Lot A and in the Northerly line of Via Panorama, as shown on said map of said tract, being a point in a curve concave to the West and having a radius of 65 feet; thence Easterly along said curve a distance of 21 feet to the point of beginning, enclosing an area of 0.306 aers. more or less.

(2) Beginning at the Northerly corner of Lot 6 of Block 1752 of said tract; thence along the Northwest-erly prolongation of the Northeast-erly line of said Lot 6, North $42^{\circ}13'30''$ West 70 feet; thence South $47^{\circ}46'50''$ West 68 feet; thence South $13^{\circ}59'40''$ West 142.30 feet, more or less, to the Westerly corner of said Lot 6; thence along the Northwesterly line thereof North $43^{\circ}55'25''$ East 192.11 feet to the point of beginning, enclosing an area of 0.219 acre, more or less.

Item 8. Lot 1 of Block 1 of Tract 10716, as per map recorded in Book 132, pages 40 and 41 of maps, records of said Los Angeles County.

Excepting and reserving therefrom any and all streets, alleys, walks, roads and/or highways abutting or adjoining said realty and all land within or under same, and the easements and rights-of-way hereinafter referred to. It is the express intention of the parties hereto that title to all land under or within all streets, alleys, walks, roads and/or highways abutting or adjoining said realty is reserved unto the Grantor herein, its successors and assigns, and the Grantee herein acquires no interest therein by virtue of this deed.

This conveyance is made and accepted and said realty is hereby granted, subject to State and County taxes now a lien and now due and/or delinquent and to any and all rights and easements of record, but without warranty on the part of the Grantor herein of

any kind or character, either express or implied, as to any matters not contained or referred to herein; and upon and subject to each of the following provisions, conditions, restrictions and covenants, to-wit:

1. The express condition that the Grantor herein is not responsible or liable, in any way, for any inducement, representation, agreement, condition or stipulation not set forth herein, or in deeds of record heretofore conveying said realty and rights and easements applicable thereto, or in the Declarations of Restrictions hereinafter mentioned.

2. Each and every provision, condition, restriction, reservation, lien, charge, easement and covenant contained in the Declaration of Establishment of Basic Protective Restrictions executed by Commonwealth Trust Company, as owner, recorded in Book 2360, page 231 of Official Records of said Los Angeles County, and Amendments Nos. 1 and 3 thereto (executed by Bank of America, successor in interest to said Commonwealth Trust Company), recorded in Book 2940, page 27 and in Book 4019, page 274, respectively, of said Official Records; and in Declaration No. 4, recorded in Book 2966, page 248; Declaration No. 20, recorded in Book 3168, page 80, in Declaration No. 23, recorded in Book 5190, page 30, in Declaration No. 24, recorded in Book 7168, page 549, and in Declaration No. 25, recorded in Book 6052, page 86, of said Official Records (said Declarations having been executed by said Bank of America); and in Amendment No. 3 to said Declarations Nos. 4 and 20, recorded in Book 4019, page 274, and in Amendment No. 6 to said Declaration No. 23, recorded in Book 5583, page 28, of said Official Records (said Amendments Nos. 3 and 6 having been executed by said Bank of America); and in Amendment No. 55 to said Declaration No. 25, executed by Palos Verdes Estates, Inc. and recorded in Book 14543, page 215 of said Official Records; and in Amendment No. 56 to said Declaration No. 24, executed by said Palos Verdes Estates, Inc. and Grantor herein, and recorded in Book 14727, page 267 of said Official Records; and in that certain conveyance executed by said Bank of America to Grantor herein and recorded in Book 5400, page 279 of said Official Records; and in those certain conveyances executed by Bank of America National Trust and Savings Association to Grantor herein and recorded in Book 10494, page 360, in Book 11605, page 184, in Book 13900, page 308 and in Book 14125, page 368 of said Official Records, whereby there was established a general plan for the improvement and development of said realty and other property described and/or referred to in said Declarations of Restrictions, and provisions, conditions, restrictions, reservations, liens, charges, easements and covenants were fixed, including the establishment, maintenance and operation of Palos Verdes Homes Association, a California corporation, and of the Art Jury as therein provided, subject to which said property and/or all parcels thereof should be sold and conveyed and all of said provisions, conditions, restrictions, reservations, liens, charges, easements and covenants are hereby made a part of this conveyance and expressly imposed upon said realty as fully and completely as if herein set forth in full.

3. That, except as hereinafter provided, said realty is to be used and administered forever for park and/or recreation purposes only (any provisions of the Declarations of Restrictions above referred to, or of any amendments thereto, or of any prior conveyances of said realty, or of any laws or ordinances of any public body applicable thereto, to the contrary notwithstanding), for the benefit of the (1) residents and (2) non-resident property owners within the boundaries of the property heretofore commonly known as "Palos Verdes Estates" (that is to say, within the boundaries of the Grantee municipality, of Tracts 6881 and 9302 of said Los Angeles County, and of any other property that may be under the jurisdiction of said Palos Verdes Homes Association), under such regulations consistent with the other conditions set forth in this deed as may from time to time hereafter be established by said municipality or other body suitably constituted by law to take, hold, maintain and regulate public parks, for the purpose of safeguarding said realty and any vegetation and/or improvements thereon from damage or deterioration, and for the further purpose of protecting the residents of said Palos Verdes Estates from any uses of or conditions in or upon said realty which are, or may be, detrimental to the amenities of the neighborhood; provided,

(a) That any portion of said realty, title to which is acquired by the United States of America, the State of California, or by any public authority, and which is used for governmental purposes, may with the written approval of the owner of the reversionary rights provided for herein, and the Art Jury, be specifically exempted from this provision requiring exclusive use thereof for park and/or recreation purposes.

(b) That the easement is specifically reserved to Palos Verdes Homes Association and its successors in interest to establish and maintain such reasonable number of water mains and other public utilities as to it may seem advisable in and over said realty in a manner not inconsistent with the purposes for which said realty is hereby conveyed, except that under the terms of this easement Bank of America National Trust and Savings Association shall be allowed, without further approval, to establish and maintain such utilities in and over said realty as an incident of the development of neighboring property.

(c) That rights-of-way for road purposes are reserved upon and across said Lot H of Tract 7142 to provide access to Via Rincon from "No. 5 Reservoir" of the Palos Verdes Water Co. located to the northward of said Lot H; and upon and across said Lot B of Tract 7534 to provide access to Via Zurita from "No. 6 Reservoir" of said Water Co. whose location is described in the exception under Item 4 (b) of said realty.

(d)(1) That a non-exclusive easement is reserved to Southern California Edison Co., Ltd. for the use, maintenance and replacement of one line of poles with the usual appurtenances, to be used for conveying elec-

tric energy, in and over said Lot C of Tract 7330, as per deed dated February 15, 1925 from Grantor herein to said Edison Co.

(2) That a non-exclusive easement is reserved to Southern California Edison Co., Ltd. for the use, maintenance and replacement of an underground conduit system, to be used for conveying electric energy, in and over said Lot C of Tract 7330, as per deed dated June 10, 1927 from Grantor herein to said Edison Co.

(3) That a non-exclusive easement is reserved to Associated Telephone Co., Ltd. for the use, maintenance and replacement of an underground telephone conduit system, in and over said Lot C of Tract 7330, as per deed dated October 3, 1929 from Grantor herein to said Telephone Co.

4. That, except as provided above, no buildings, structures or concessions shall be erected, maintained or permitted upon said realty, except such as are properly incidental to the convenient and/or proper use of said realty for park and/or recreation purposes.

5. That, except as provided in paragraph 3 hereof, said realty shall not be sold or conveyed, in whole or in part, by the Grantee herein except subject to the conditions, restrictions and reservations set forth and/or referred to herein and except to a body suitably constituted by law to take, hold, maintain and regulate public parks; provided, that portions of said realty may be dedicated to the public for parkway and/or street purposes.

6. That said municipality or other body having jurisdiction may, by and with the written approval of Palos Verdes Art Jury first obtained, permit the owner of a lot abutting on said realty to construct and/or maintain paths, steps and/or other landscape improvements, as a means of egress from and ingress to said lot or for the improvement of views therefrom, in such a manner and for such length of time and under such rules and regulations as will not, in the opinion of said municipality or other body and of Palos Verdes Art Jury, impair or interfere with the use and maintenance of said realty for park and/or recreation purposes, as hereinbefore set forth.

7. That none of the conditions, restrictions, covenants and reservations set forth in paragraphs 3 to 6, inclusive, hereof may be changed or modified by the procedure established in Section 5 of Article VI of said Declaration of Establishment of Basic Protective Restrictions, in Section 9 of said Declarations Nos. 4, 20, 25 and 24 of Establishment of Local Protective Restrictions, and in Section 10 of said Declaration No. 25 of Establishment of Local Protective Restrictions.

PROVIDED, that a breach of any of the provisions, conditions, restrictions, reservations, liens, charges and covenants set forth in paragraphs 2 to 7, inclusive, hereof shall cause said realty to revert to the Grantor herein, or its successor in interest, as owner of the reversionary rights herein provided for, and the disincorporation of

the Grantee herein as a municipality or the dissolution of said body referred to in paragraph 5 hereof (in the event of the transfer of any of said realty thereto) shall in like manner cause said realty to revert to the Grantor herein or its successor in interest, and the owner of such reversionary rights shall have the right of immediate reentry upon said realty in the event of any such breach and in the event of such disincorporation or dissolution, and, as to each lot and/or parcel owner of said property or other property described and/or referred to in said Declarations of Restrictions, the said provisions, conditions, restrictions, reservations, liens, charges and covenants shall be covenants running with the land, and the breach of any thereof or the continuance of any such breach may be enjoined, abated or remedied by appropriate proceedings by the Grantor herein or its successors in interest, or by such other lot or parcel owner, and/or by any other person or corporation designated in said Declarations of Restrictions.

PROVIDED, ALSO, that by the acceptance of this conveyance the Grantee agrees with the Grantor that the reservations, provisions, conditions, restrictions, liens, charges and covenants herein set forth or mentioned are a part of the general plan for the improvement and development of the property described and/or referred to in said Declarations of Restrictions, and are for the benefit of all of said property as described and/or referred to and each owner of any land therein, and shall inure to and pass with said property and each and every parcel of land therein, and shall apply to and bind the respective successors in interest of the parties hereto, and are, and each thereof is, imposed upon said realty as a servitude in favor of said property and each and every parcel of land therein as the dominant tenement or tenements.

IN WITNESS WHEREOF, PALOS VERDES HOMES ASSOCIATION has caused this deed to be duly executed, by its officers thereunto duly authorized, this 1st day of June, 1940.

PALOS VERDES HOMES ASSOCIATION

The Park and Recreation Board of Palos Verdes Homes Association hereby expressly approves and consents to the execution of the foregoing deed.

Harmon S. Taylor
Chairman

Wm. E. Wiltburg
Vice-President

Everett M. Cook
Secretary

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss:

On this 14 day of June 1940, before me, Lillian Throne,
a Notary Public in and for said County, personally appeared ^{Val E.}~~Walter E.~~
~~Miltentberger~~ ^{Walter} Bray, known to me to be the President, and Everett M. York, known to
me to be the Secretary, of Palos Verdes Homes Association, the cor-
poration that executed the within instrument, known to me to be the
persons who executed the within instrument on behalf of the corpora-
tion therein named, and acknowledged to me that such corporation
executed the same.

Witness my hand and official seal.

Lillian Throne
Notary Public in and for the
County of Los Angeles,
State of California.
My Commission Expires Dec. 1, 1942.

RESOLUTION #12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALOS VERDES ESTATES, CALIFORNIA AUTHORIZING THE CITY TO ACCEPT TITLE TO THE PARK PROPERTIES AND TO ACCEPT TITLE TO THOSE CERTAIN LOTS DESCRIPTION TO WHICH IS ATTACHED AND HEREWITH INCORPORATED BY REFERENCE AND AUTHORIZING THE CITY ATTORNEY TO RECORD THE SAME. AND TO PETITION THE COUNTY BOARD OF SUPERVISORS TO CANCEL THE DELINQUENT TAXES AND TAX DEEDS.

The City Council of the City of Palos Verdes Estates do ordain as follows:-

Section 1 That the City Council of the City of Palos Verdes Estates hereby accept the grant deeds and quit claim deeds description of which is attached.

Section 2 That the City Attorney is hereby authorized to record the above mentioned deeds with the County Recorder.

Section 3 That the City Attorney is hereby authorized to Petition the Board of Supervisors to direct the cancellation of the Tax Deeds now in the name of the State of California.

Section 4 The City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the Book of original Resolutions of said City; shall make a minute of the passage and adoption thereof in the records of the proceedings of said City Council and in the minutes of the meeting at which the same is passed and adopted.

Passed and adopted this 12th day of June, 1940.

(Seal)

H. F. B. Roessler.
Mayor of the City of Palos Verdes
Estates, California

Attest:

Seymour F. Bergstrom
City Clerk of the City of Palos
Verdes Estates, Calif.

State of California County of Los Angeles City of Palos Verdes Estates)ss

I, Seymour F. Bergstrom, City Clerk of the City of Palos Verdes Estates, California, do hereby certify that the whole number of City Council is five; that the foregoing resolution, being Resolution No. 12 was duly passed and adopted by said City Council, approved and signed by the Mayor of said City, and attested by the City Clerk, all at a Special Meeting of said City Council held on the 12th day of June, 1940, and that the same was so passed and adopted by the following votes: Ayes: Councilmen Reeder, Smith, Sadler and Mayor Roessler. Noes: None Absent Councilman Bray

Witness my hand and seal of said City this 12th day of June, 1940.

(Seal)

Seymour F. Bergstrom
City Clerk of the City of Palos Verdes
Estates, California.

(1)

Palos Verdes Homes Association, a California corporation, in consideration of Ten Dollars (\$10.00) to it in hand paid, receipt of which is hereby acknowledged, does hereby Grant to the City of Palos Verdes Estates, a municipal corporation of the sixth class of the State of California, its successors and assigns, that certain real property in the County of Los Angeles, State of California, hereinafter referred to as "said realty", described as follows: Item 1. Lots J, V and Y of Tract 6885, as per map recorded in Book 78, pages 49 to 52 inclusive, of Maps, records of said Los Angeles County, and that portion of Lot B of Tract 4400, as per map recorded in Book 72, pages 95 and 96 of Maps, records of said Los Angeles County, described as follows (with the exceptions hereinafter described in paragraphs (a) and (b) hereof): Commencing at the Easterly terminus of that certain course in the Southerly boundary of Tract 6882, as per map recorded in Book 76, pages 20 and 21 of Maps, records of said Los Angeles County, having a length of 311.48 feet and a bearing of North 89° 43' 20" West, as shown on said map of Tract 6882; thence along said course North 89° 43' 20" West 106.20 feet to a point which is the true point of beginning of this description and also the Northeasterly corner of Lot V in Tract 6885, as per map recorded in Book 78, pages 49 to 52 inclusive, of Maps, records of said Los Angeles County; thence along the said Southerly boundary of Tract 6882, South 89° 43' 20" East 106.20 feet to the beginning of a curve concave to the North and having a radius of 7796.53 feet; thence along said curve 1523.89 feet to the beginning of a curve concave to the North and having a radius of 3025.50 feet; thence along said curve 243.74 feet to the beginning of a curve concave to the South and having a radius of 774.50 feet; thence along said curve 235.50 feet to the beginning of a curve concave to

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the South and having a radius of 4942.5 feet; thence along said curve 51.54 feet to the end thereof; thence due South 32.28 feet; thence South $38^{\circ} 18' 32''$ East 64.55 feet to an angle point in the Westerly boundary of Tract 6885, as per map recorded in Book 77, pages 73 and 74, of Maps, records of said Los Angeles County; thence along the Westerly boundary of said Tract 6885 and of Tract 10320, as per map recorded in Book 151, pages 48 to 50 inclusive, of Maps, records of said Los Angeles County, due South 232.46 feet and South $13^{\circ} 54'$ West 100 feet to the most Westerly corner of Lot A of said Tract 10320; thence along the Southerly line of said Lot A and along the Southwestery and Westerly line of Lot B of said Tract 10320 to the most Southwestery corner thereof, which is a point on the Southerly boundary of said Lot B of Tract 4400; thence in a generally Westerly and Northwestery direction, along the said Southerly boundary of Lot B of Tract 4400, the Northeastery and Northerly boundary of Tract 7540, as per map recorded in Book 104, pages 56 to 59 inclusive, of Maps, records of said Los Angeles County, and the Easterly boundary of said Tract 6885, to the point of beginning, enclosing an area of 213.44 acres, more or less.

(a) Except those portions of said Lots J, V and Y of Tract 6885 and of said Lot B of Tract 4400, described as follows: Beginning at a point in the Southwestery boundary of said Lot J which is South $38^{\circ} 25' 00''$ East thereon 16.51 feet from the Northerly boundary of said Lot J; thence South $58^{\circ} 25' 00''$ East 72.89 feet to the beginning of a curve concave to the Northeast, tangent to said last-mentioned course and having a radius of 350 feet; thence Southeastery along said curve 27.65 feet to the beginning of a curve concave to the North, tangent to said last-mentioned curve and having a radius of 115 feet; thence Easterly along said last-mentioned curve 100.15 feet to the beginning of a curve concave to the South, tangent to said last-mentioned curve and having a radius of 1140 feet; thence Easterly along said last-mentioned curve 325.89 feet; thence North $83^{\circ} 32' 24''$ East 126.12 feet to the Southerly boundary of Tract 6882, as per map recorded in Book 76, pages 20 and 21 of Maps, records of said Los Angeles County; thence Easterly along the boundary of said Tract 6882 and following the same in all its various courses to the Northerly terminus of that certain course in the most Westerly boundary of Tract 6883, as per map recorded in Book 77, pages 73 and 74 of Maps, records of said Los Angeles County, having a bearing due North and a length of 222.46 feet, as shown on said map; thence South along said most Westerly boundary 62.16 feet to the beginning of a curve concave to the South and having a radius of 4793.50 feet, a radial line of said curve to said beginning thereof bearing North $07^{\circ} 19' 41''$ West; thence Westerly along said last-mentioned curve 51.15 feet to the beginning of a curve concave to the South, tangent to said last-mentioned curve and having a radius of 1625.50 feet; thence Westerly along said last-mentioned curve 215.54 feet to the beginning of a curve concave to the North, tangent to said last-mentioned curve and having a radius of 3174.50 feet; thence Westerly along said last-mentioned curve 150.29 feet to the beginning of a curve concave to the South and having a radius of 2550 feet, a radial line of said curve to said beginning thereof bearing North $05^{\circ} 32' 53''$ East; thence Easterly along said last-mentioned curve 371.71 feet; thence South $76^{\circ} 06' 00''$ East 42.47 feet to the Southerly terminus of the above described course having a bearing due North and a length of 222.46 feet; thence South $13^{\circ} 54' 00''$ West along the Westerly boundary of said Tract 6883, 80 feet; thence North $76^{\circ} 06' 00''$ West 42.47 feet to the beginning of a curve concave to the South, tangent to said last-mentioned course and having a radius of 2470 feet; thence Westerly along said last-mentioned curve 658.26 feet; thence South $88^{\circ} 37' 00''$ West 77.80 feet to the beginning of a curve concave to the North and having a radius of 7945.53 feet, a radial line of said last-mentioned curve to said beginning thereof bearing South $08^{\circ} 51' 57''$ East; thence Westerly along said last-mentioned curve 1131.25 feet; thence South $83^{\circ} 32' 24''$ West 559.06 feet to the beginning of a curve concave to the South, tangent to said last-mentioned course and having a radius of 940 feet; thence Westerly along said last-mentioned curve 338.21 feet; thence South $71^{\circ} 07' 38''$ West 210.28 feet to a line that is parallel with and 10 feet Southeastery, measured at right angles, from the line bearing South $62^{\circ} 55' 30''$ West in the Northwestery boundary of said Lot J of Tract 6885, as shown on said map of said tract; thence South $62^{\circ} 55' 30''$ West along said parallel line, 221.39 feet to the Southwestery line of said Lot J; thence Northerly, Northeastery and Northerly along the boundary of said Lot J, to the point of beginning; enclosing an area of 1.41 acres, more or less, within the boundaries of said Lot J, and 2.19 acres, more or less, within the boundaries of said Lot V, and 0.50 acre, more or less, within the boundaries of said Lot Y, all in said Tract 6885; and enclosing also an area of 8.46 acres, more or less, within the boundaries of said Lot B of Tract 4400.

(b) Also except those portions of said Lot B of Tract 4400, described as follows (the basis of

bearings is "East", being the bearing of the Southerly line of said Lot B, extending from the angle point marked "B" to the angle point marked "A", as shown on said map of Tract 4400):

(1) Commencing at said angle point marked "B"; thence North 85° 38' 27" East 3888.87 feet to the true point of beginning of this description; thence North 26° 20' 50" West 48 feet; thence North 47° 38' 25" East 31.21 feet; thence North 53° 38' 10" East 16 feet; thence South 26° 20' 50" East 56.60 feet; thence South 83° 39' 10" West 46 feet, more or less, to the point of beginning, enclosing an area of 0.057 acre, more or less.

(2) Commencing at said angle point marked "B"; thence North 86° 31' 38" East 3942.44 feet to the true point of beginning of this description; thence North 26° 20' 50" West 40 feet; thence North 83° 39' 10" East 65 feet; thence South 26° 20' 50" East 50 feet; thence South 72° 23' 58" West 65.76 feet, more or less, to the point of beginning, enclosing an area of 0.067 acre, more or less.

(3) That portion of said Lot B of Tract 4400 which is included within a circle having a radius of 85.60 feet, the center point of said circle bearing North 86° 48' 14" East 1965.79 feet from said angle point marked "B"; enclosing an area of 0.53 acre, more or less.

Item 2. The triangular portion of Lot 1 in Block 1712 of Tract 6885, as per map recorded in Book 78, pages 49 to 52 inclusive, of Maps, records of said Los Angeles County, lying Northeast of a line drawn from the Northwesterly corner thereof to a point on the Easterly line thereof one hundred (100) feet Southerly of the Northeastly corner thereof, comprising an area of 0.078 acre, more or less.

Item 3. Lots A and B of Tract 10320, as per map recorded in Book 151, pages 48 to 50 inclusive, of Maps, records of said Los Angeles County. Excepting and reserving therefrom any and all streets, alleys, walks, roads and/or highways abutting or adjoining said realty and all land within or under same, and the easements and rights-of-way hereinafter referred to. It is the express intention of the parties hereto that title to all land under or within all streets, alleys, walks, roads and/or highways abutting or adjoining said realty is reserved unto the Grantor herein, its successors and assigns, and the Grantee herein acquires no interest therein by virtue of this deed.

This conveyance is made and accepted and said realty is hereby granted, subject to State and County taxes now a lien and now due and/or delinquent and to any and all rights and easements of record, but without warranty on the part of the Grantor herein of any kind or character, either express or implied, as to any matters not contained or referred to herein; and upon and subject to each of the following provisions, conditions, restrictions and covenants, to-wit:

1. The express condition that the Grantor herein is not responsible or liable, in any way, for any inducement, representation, agreement, condition or stipulation not set forth herein, or in deeds of record heretofore conveying said realty and rights and easements applicable thereto, or in the Declarations of Restrictions hereinafter mentioned.

2. Each and every provision, condition, restriction, reservation, lien, charge, easement and covenant contained in the Declaration of Establishment of Basic Protective Restrictions executed by Commonwealth Trust Company, as owner, recorded in Book 2360, page 231 of Official Records of said Los Angeles County, and Amendments Nos. 1 and 3 thereto (executed by Bank of America, successor in interest to said Commonwealth Trust Company), recorded in Book 2940, page 27 and in Book 4019, page 274, respectively, of said Official Records; and in Declaration No. 5 of Establishment of Local Protective Restrictions, executed by said Bank of America and recorded in Book 2863, page 364 of said Official Records; and in Amendments Nos. 3 and 6 to said Declaration No. 5, executed by said Bank of America and recorded in Book 4019, page 274 and in Book 5583, page 28, respectively, of said Official Records; and in Amendment No. 80 to said Declaration No. 5, executed by Palos Verdes Estates, Inc. and recorded in Book 16565, page 183 of said Official Records; and in that certain conveyance executed by said Bank of America to Grantor herein and recorded in Book 3400, page 279 of said Official Records, whereby there was established a general plan for the improvement and development of said realty and other property described and/or referred to in said Declarations of Restrictions, and provisions, conditions, restrictions, reservations, liens, charges, easements and covenants were fixed, including the establishment, maintenance and operation of Palos Verdes Homes Association, a California corporation, and of the Art Jury as therein provided, subject to which said property and/or all parcels thereof should be sold and conveyed and all of said provisions, conditions, restrictions, reservations, liens, charges, easements and covenants are hereby made a part of this conveyance and expressly imposed upon said realty as fully and completely as if herein set forth in full.

3. That, except as hereinafter provided, said realty is to be used and administered forever for park and/or

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any laws or ordinances of any public body applicable thereto, to the contrary notwithstanding), for the benefit of the (1) residents and (2) non-resident property owners within the boundaries of the property heretofore commonly known as "Palos Verdes Estates" (that is to say, within the boundaries of the Grantee municipality, of Tracts 8881 and 8802 of said Los Angeles County, and of any other property that may be under the jurisdiction of said Palos Verdes Homes Association), under such regulations consistent with the other conditions set forth in this deed as may from time to time hereafter be established by said municipality or other body suitably constituted by law to take, hold, maintain and regulate public parks, for the purpose of safeguarding said realty and any vegetation and/or improvements thereon from damage or deterioration, and for the further purpose of protecting the residents of said Palos Verdes Estates from any uses of or conditions in or upon said realty which are, or may be, detrimental to the amenities of the neighborhood; Except that said realty may be used for the operation of a golf course and club house, with the usual appurtenances thereof; provided, (a) That any portion of said realty, title to which is acquired by the United States of America, the State of California, or by any public authority, and which is used for governmental purposes, may with the written approval of the owner of the reversionary rights provided for herein, and the Art Jury, be specifically exempted from this provision requiring exclusive use thereof for park and/or recreation purposes. (b) That the easement is specifically reserved to Palos Verdes Homes Association and its successors in interest to establish and maintain such reasonable number of water mains and other public utilities as to it may seem advisable in and over said realty in a manner not inconsistent with the purposes for which said realty is hereby conveyed. (c) That rights-of-way for road purposes are reserved upon and across that portion of Lot B of Tract 4400 hereinabove described in Item 1 of said realty to provide access to Lot A of Tract 9822, as per map recorded in Book 139, pages 45 to 47 inclusive, of Maps, records of said Los Angeles County (over which lot further rights-of-way continue to Via Campesina), from properties of the Palos Verdes Water Co., as follows: (1) from two parcels of land whose location is described in paragraphs (1) and (2) of exception (b) under said Item 1 and upon which are located "Pump House No. 4" and "Pump House No. 8", respectively; and (2) from a parcel of land, whose location is described in paragraph (3) of exception (b) under said Item 1 and upon which is located the "No. 1 Main Reservoir". (d)(1) That non-exclusive easements are reserved to Southern California Edison Co., Ltd. for the use, maintenance and replacement of one line of poles with the usual appurtenances, to be used for conveying electric energy, in and over said Lot V of Tract 8885 and along the Northerly line of said Lot 1 in Block 1712 of said tract, as per deeds dated January 23, 1925 and February 6, 1925 from Grantor herein to said Edison Co.; and also in the neighborhood of the Northeastly corner of said Lot 1 in Block 1712, and in and over that portion of Lot B of Tract 4400 hereinabove described in Item 1 of said realty, as per deed dated March 18, 1927 from Grantor herein to said Edison Co. (2) That non-exclusive easements are reserved to Southern California Edison Co., Ltd. for the use, maintenance and replacement of an underground conduit system, to be used for conveying electric energy, in and over that portion of Lot B of Tract 4400 hereinabove described in Item 1 of said realty, as per deeds dated June 10, 1927 and September 7, 1932 from Grantor herein to said Edison Co. (3) That non-exclusive easements are reserved to Associated Telephone Co., Ltd. for the use, maintenance and replacement of an underground telephone conduit system, in and over that portion of Lot B of Tract 4400 hereinabove described in Item 1 of said realty, as per deed dated October 3, 1929 from Grantor herein to said Telephone Co. (4) That a non-exclusive right-of-way and easement is reserved to Associated Telephone Co., Ltd. for the construction, maintenance and operation of telephone conduits, cables and wires, together with the necessary appurtenances thereto and the right of entry to said easement, in and over a six (6) foot strip of land lying three (3) feet on either side of the following center line: Beginning at a point on the Northerly line of Via Tejon, as shown on said map of Tract 8885, which point is the intersection of said Northerly line with a line bearing North 14° 44' 25" West from the Northeastly corner of Lot 1 in Block 1710 of said tract; thence along said line bearing North 14° 44' 25" West, across Lots V, Y and J of said tract to a point in the Southeastly line of Palos Verdes Drive, said Southeastly line being that course bearing South 71° 07' 38" West and having a length of 210.28 feet, in the latter part of the description of exception (a) under Item 1 of said realty.

property owners, both resident and non-resident, of said Palos Verdes Estates, as above delimited, on at least as favorable terms as are granted to the most favored members and/or patrons of said Country Club.

4. That, except as provided above, no buildings, structures or concessions shall be erected, maintained or permitted upon said realty, except such as are properly incidental to the convenient and/or proper use of said realty for park and/or recreation purposes.

5. That, except as provided in paragraph 3 hereof, said realty shall not be sold or conveyed, in whole or in part, by the Grantee herein except subject to the conditions, restrictions and reservations set forth and/or referred to herein and except to a body suitably constituted by law to take, hold, maintain and regulate public parks; provided, that portions of said realty may be dedicated to the public for parkway and/or street purposes.

6. That said municipality or other body having jurisdiction may, by and with the written approval of Palos Verdes Art Jury first obtained, permit the owner of a lot abutting on said realty to construct and/or maintain paths, steps and/or other landscape improvements, as a means of egress from and ingress to said lot or for the improvement of views therefrom, in such a manner and for such length of time and under such rules and regulations as will not, in the opinion of said municipality or other body and of Palos Verdes Art Jury, impair or interfere with the use and maintenance of said realty for park and/or recreation purposes, as hereinbefore set forth.

7. That none of the conditions, restrictions, covenants and reservations set forth in paragraphs 3 to 6, inclusive, hereof may be changed or modified by the procedure established in Section 3 of Article VI of said Declaration of Establishment of Basic Protective Restrictions and in Section 9 of said Declaration No. 5 of Establishment of Local Protective Restrictions.

Provided, that a breach of any of the provisions, conditions, restrictions, reservations, liens, charges and covenants set forth in paragraphs 2 to 7, inclusive, hereof shall cause said realty to revert to the grantor herein, or its successor in interest, as owner of the reversionary rights herein provided for, and the disincorporation of the Grantee herein as a municipality or the dissolution of said body referred to in paragraph 5 hereof (in the event of the transfer of any of said realty thereto) shall in like manner cause said realty to revert to the Grantor herein or its successor in interest, and the owner of such reversionary rights shall have the right of immediate reentry upon said realty in the event of any such breach and in the event of such disincorporation or dissolution, and, as to each lot and/or parcel owner of said property or other property described and/or referred to in said Declarations of Restrictions, the said provisions, conditions, restrictions, reservations, liens, charges and covenants shall be covenants running with the land, and the breach of any thereof or the continuance of any such breach may be enjoined, abated or remedied by appropriate proceedings by the Grantor herein or its successors in interest, or by such other lot or parcel owner, and/or by any other person or corporation designated in said Declarations of Restrictions.

Provided, Also, that by the acceptance of this conveyance the Grantee agrees with the Grantor that the reservations, provisions, conditions, restrictions, liens, charges and covenants herein set forth or mentioned are a part of the general plan for the improvement and development of the property described and/or referred to in said Declarations of Restrictions, and are for the benefit of all of said property as described and/or referred to and each owner of any land therein, and shall inure to and pass with said property and each and every parcel of land therein, and shall apply to and bind the respective successors in interest of the parties hereto, and are, and each thereof is, imposed upon said realty as a servitude in favor of said property and each and every parcel of land therein as the dominant tenement or tenements.

In Witness Whereof, Palos Verdes Homes Association has caused this deed to be duly executed, by its officers thereunto duly authorized, this 14th day of June, 1940.

(Seal)

Palos Verdes Homes Association
Val E. Miltenberger Vice-President
Everett M. York Secretary

The Park and Recreation Board of Palos Verdes Homes Association hereby expressly approves and consents to the execution of the foregoing deed.
Hammond Sadler Chairman

State of California County of Los Angeles)ss: On this 14 day of June 1940, before me, William Throne, a Notary Public in and for said County, personally appeared Urie-B.-Gray Val E. Miltenberger, known to me to be the Vice president, and Everett M. York, known to me to be the Secretary, of Palos Verdes Homes Association, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation.

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Palos Verdes Homes Association, a California corporation, in consideration of Ten Dollars (\$10.00) to it in hand paid, receipt of which is hereby acknowledged, does hereby Grant to the City of Palos Verdes Estates, a municipal corporation of the sixth class of the State of California, its successors and assigns, that certain real property in the County of Los Angeles, State of California, hereinafter referred to as "said realty", described as follows:

Lot F of Tract 10624, as per map recorded in Book 163, pages 7 to 9 inclusive, of Maps, records of said Los Angeles County, except that portion thereof described as follows:

Beginning at the most Westerly corner of Lot 2, in Block 2 of said tract; thence along the Southerly line of said Lot 2, North 89° 48' 27" East 257.45 feet to the most Westerly corner of Lot 1, in said block; thence along the Westerly line of said Lot 1, South 22° 27' 40" East 65.04 feet; thence North 78° 08' 54" West 248.44 feet; thence South 87° 10' 06" West 69.87 feet; thence North 57° 16' 17" East 38.04 feet, more or less, to a point in the Westerly line of said Lot 2, distant thereon North 08° 43' East 9 feet from the most Westerly corner thereof; thence South 08° 43' West 9 feet to the point of beginning, enclosing an area of 0.189 acre, more or less.

Excepting and reserving therefrom any and all streets, roads and/or highways abutting or adjoining said realty and all land within or under same. It is the express intention of the parties hereto that title to all land under or within all streets, roads and/or highways abutting or adjoining said realty is reserved unto the Grantor herein, its successors and assigns, and the Grantee herein acquires no interest therein by virtue of this deed.

This conveyance is made and accepted and said realty is hereby granted, subject to State and County taxes now a lien and now due and/or delinquent and to any and all rights and easements of record, but without warranty on the part of the Grantor herein of any kind or character, either express or implied, as to any matters not contained or referred to herein; and upon and subject to each of the following provisions, conditions, restrictions and covenants, to-wit:

1. The express condition that the Grantor herein is not responsible or liable, in any way, for any inducement, representation, agreement, condition or stipulation not set forth herein, or in deeds of record heretofore conveying said realty, or in the Declarations of Restrictions hereinafter mentioned. 2. Each and every provision, condition, restriction, reservation, lien, charge, easement and covenant contained in the Declaration of Establishment of Basic Protective Restrictions executed by Commonwealth Trust Company, as owner, recorded in Book 2360, page 231 of Official Records of said Los Angeles County, and Amendments Nos. 1 and 3 thereto (executed by Bank of America, successor in interest to said Commonwealth Trust Company), recorded in Book 2940, page 27 and in Book 4019, page 274, respectively, of said Official Records; and in Declaration No. 27 of Establishment of Local Protective Restrictions (executed by Bank of Italy National Trust and Savings Association, successor in interest to said Bank of America), recorded in Book 8134, page 261 of said Official Records; and in that certain conveyance executed by Bank of Italy National Trust and Savings Association to Grantor herein and recorded in Book 9352, page 271 of said Official Records, whereby there was established a general plan for the improvement and development of said realty and other property described and/or referred to in said Declarations of Restrictions, and provisions, conditions, restrictions, reservations, liens, charges, easements and covenants were fixed, including the establishment, maintenance and operation of Palos Verdes Homes Association, a California corporation, and of the Art Jury as therein provided, subject to which said property and/or all parcels thereof should be sold and conveyed and all of said provisions, conditions, restrictions, reservations, liens, charges, easements and covenants are hereby made a part of this conveyance and expressly imposed upon said realty as fully and completely as if hereinafter set forth in full.

3. That said realty is to be used and administered forever for park and/or recreation purposes only (any provisions of the Declarations of Restrictions above referred to, or of any prior conveyances of said realty, or of any laws or ordinances of any public body applicable thereto, to the contrary notwithstanding), for the benefit of the (1) residents and (2) non-resident property owners within the boundaries of the property heretofore commonly known as "Palos Verdes Estates" (that is to say, within the boundaries of the Grantee municipality, of Tracts 6881 and 9302 of said Los Angeles County, and of any other property that may be under the jurisdiction of said Palos Verdes Homes Association); provided, however, that portions of said realty may be used or leased for the purpose of maintaining, operating or conducting private, semi-public or public facilities, concessions, club houses, accessory buildings and/or grounds for bathing, boating, yachting and/or any other private, semi-public or public park or amusement or recrea-

owners, both resident and non-resident, of said Palos Verdes Estates, as above delimited, on at least as favorable terms as are granted to the most favored patrons of said facilities; and except where said realty and/or portions thereof is restricted as to use under such regulations, said realty is to be open and available for use as a park by the general public, under such regulations consistent with the other conditions set forth in this deed as may from time to time hereafter be established by said municipality or other body having jurisdiction for the purpose of safeguarding said realty, and any vegetation and/or improvements thereon, from damage or deterioration, and for the further purpose of protecting the residents of said Palos Verdes Estates from any uses of or conditions in or upon said realty which are, or may be, detrimental to the amenities of the neighborhood.

4. There shall not at any time be constructed or maintained within any portion of said realty lying between the ocean and a lot abutting directly upon said realty and lying between the side lines of said lot extended to the seashore from the extreme shoreward corners of said lot, any path or other improvement open to public use or designed or constructed so as to be physically adapted or adaptable to use by the public, except at an elevation of not less than seven (7) feet below the natural elevation, at time of construction of said path or improvement, of the nearest portion of said lot, and except same be constructed and maintained in such a manner as reasonably to protect the privacy of said lot and/or the persons residing thereon; provided said restriction may be waived and removed as to any lot by the then owner thereof by written agreement with Palos Verdes Homes Association duly filed of record.

5. There shall not at any time be maintained or permitted within any portion of said realty lying between the ocean and a lot abutting directly upon said realty and lying between the side lines of said lot extended to the seashore from the extreme shoreward corner of said lot, any improvement or plantation which in the opinion of Palos Verdes Homes Association and/or Palos Verdes Art Jury seriously obstructs or interferes with important views from said lot, unless the owner of said lot shall have filed with Palos Verdes Homes Association his written approval and consent thereto.

6. That said municipality or other body having jurisdiction may, by and with the written approval of Palos Verdes Art Jury first obtained, permit the owner of a lot abutting on said realty to construct and/or maintain paths, steps and/or other landscape improvements, as a means of egress from and ingress to said lot or for the improvement of views therefrom, in such a manner and for such length of time and under such rules and regulations as will not, in the opinion of said municipality or other body and of Palos Verdes Art Jury, impair or interfere with the use and maintenance of said realty for park and/or recreation purposes, as hereinbefore set forth.

7. That no buildings, structures or concessions shall be erected, maintained or permitted upon said realty, except such as in the opinion of said municipality or other body having jurisdiction are properly incidental to the convenient and/or proper use of said realty for the public and/or private purposes hereinabove enumerated.

8. That said realty shall not be sold or conveyed, in whole or in part, by the Grantee herein except subject to the conditions, restrictions and reservations set forth and/or referred to herein and except to a body suitably constituted by law to take, hold, maintain and regulate public parks.

9. That none of the conditions, restrictions, covenants and reservations set forth in paragraphs 3 to 8, inclusive, hereof may be changed or modified by the procedure established in Section 3 of Article VI of said Declaration of Establishment of Basic Protective Restrictions and in Section 9 of said Declaration No. 27 of Establishment of Local Protective Restrictions.

Provided, that a breach of any of the provisions, conditions, restrictions, reservations, liens, charges and covenants set forth in paragraphs 2 to 9, inclusive, hereof, shall cause said realty to revert to the Grantor herein, or its successor in interest, as owner of the reversionary rights herein provided for, and the disincorporation of the Grantee herein as a municipality or the dissolution of said body referred to in paragraph 8 hereof (in the event of the transfer of any of said realty thereto) shall in like manner cause said realty to revert to the Grantor herein or its successor in interest, and the owner of such reversionary rights shall have the right of immediate reentry upon said realty in the event of any such breach and in the event of such disincorporation or dissolution, and, as to each lot and/or parcel owner of said property or other property described and/or referred to in said Declarations of Restrictions, the said provisions, conditions, restrictions, reservations, liens, charges and covenants shall be covenants running with the land, and the breach of any thereof or the continuance of any such breach shall cause said realty to revert to the Grantor herein, or its successor in interest, as owner of the reversionary rights herein provided for.

...to a point in the Northerly line of said Lot W; thence along the Northeasterly lines of said Lots W and S to the intersection of said parallel line with the Northeasterly line of said Lot H; thence along said parallel line in a Southwesterly direction to the point of beginning, enclosing an area of 0.025 acre, more or less.

(c) That portion of Lot J of said Tract 6886, lying Southwesterly from a straight line drawn from the most Southerly corner of Lot D of said tract to the Northeasterly corner of Lot S in Block 1436 of Tract 6884, as per map recorded in Book 88, pages 68 to 71 inclusive, of Maps, records of said Los Angeles County, enclosing an area of 0.30 acre, more or less.

(d) That portion of Lot M of said Tract 6886, described as follows: Commencing at a point in the most Westerly line of Lot A of Tract 6884, as per map recorded in Book 82, pages 68 to 71 inclusive, of Maps, records of said Los Angeles County, which point is North 20° 01' 16" West thereon 43 feet from the Southerly line of said Lot A; thence North 64° 44' 49" East 226.12 feet, more or less, to a point on the Southerly line of said Lot M, which point is the true point of beginning of this description; thence North 86° 15' 53" East 169.73 feet to a point in said Lot M which is distant 54 feet Southerly, measured at right angles, from the line of Granvia La Costa (now known as Palos Verdes Drive West) as said line is shown on said map of Tract 6886; thence in a generally Easterly direction along a line drawn parallel to and distant 34 feet Southerly from said line of Granvia La Costa to a point in the Easterly line of said Lot M; thence along the Easterly and Southerly lines of said Lot M to the point of beginning, enclosing an area of 0.25 acre, more or less.

(e) Lots N and O of said Tract 6886, except that portion of said Lot N lying between the Southerly line of Granvia La Costa (now known as Palos Verdes Drive West) as said line is shown on said map of Tract 6886, and a line drawn parallel thereto and 34 feet Southerly therefrom, extending from the Westerly line of said Lot N to the Easterly line thereof, enclosing an area of 0.839 acre, more or less; and also except those portions of said Lots N and O described as follows:

Beginning at the intersection of said parallel line with the Westerly line of said Lot N; thence South 30° 31' 10" East along said Westerly line and the Westerly line of said Lot O, 31.54 feet; thence North 62° 48' 04" East 305.12 feet to a point in said Lot O; thence North 60° 28' 18" East 252.22 feet, more or less, to a point on the Northerly line of said Lot O; thence North 60° 28' 18" East 81.79 feet, more or less, to a point on said parallel line; thence along said parallel line in a generally Westerly direction to the point of beginning, enclosing an area of 0.36 acre, more or less.

(f) Lot P of said Tract 6886, except that portion thereof lying Westerly from a line drawn parallel to the Easterly line of Granvia La Costa (now known as Palos Verdes Drive West) as said line is shown on said map of Tract 6886, and distant 40 feet Easterly therefrom, comprising an area of 0.369 acre, more or less.

Item 5. (a) Lot A of Tract 7540, as per map recorded in Book 104, pages 56 to 59 inclusive, of Maps, records of said Los Angeles County, except those portions thereof described as follows: (1) Beginning at the Southeasterly corner of Lot 14 in Block 1730 of said tract; thence South 14° 09' 40" West along the Easterly line of said Lot A, 64 feet to a point in said Easterly line; thence North 76° 23' 15" West 136.71 feet, more or less, to a point on the Southerly prolongation of the Westerly line of said Lot 14; thence North 19° 13' 55" West along the said Southerly prolongation, 45 feet to the Southwesterly corner of said Lot 14; thence South 85° 35' 10" East along the Southerly line of said Lot 14, 163.84 feet to the point of beginning, enclosing an area of 0.178 acre, more or less. (2) Commencing at the Westerly terminus of that certain course in the Northerly boundary of said Lot A, having a length of 420.89 feet and a bearing of North 83° 00' 36" East, as shown on said map of said tract; thence South 57° 33' 26" West 81.57 feet to the true point of beginning of this description; thence South 19° 52' 15" East 90 feet; thence South 70° 07' 45" West 50 feet; thence North 19° 52' 15" West 90 feet; thence North 70° 07' 45" East 50 feet to the point of beginning, enclosing an area of 0.103 acre, more or less. (3) Commencing at the Westerly terminus of that certain course in the Northerly boundary of said Lot A, having a length of 350.15 feet and a bearing of South 79° 27' 53" East, as shown on said map of said tract; thence South 03° 06' 02" East 12.15 feet to the true point of beginning of this description; thence South 19° 31' 53" East 60 feet; thence South 70° 28' 07" West 40 feet; thence North 19° 31' 53" West 60 feet; thence North 70° 28' 07" East 40 feet to the point of beginning, enclosing an area of 0.055 acre, more or less. (4) Commencing at the Northwestern terminus of that certain course in the Southwesterly boundary of said Lot A, having a length of 230.08 feet and a bearing of North 24° 06' 51" West, as

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owner, and/or by any other person or corporation designated in said Declarations of Restrictions. Provided, Also, that by the acceptance of this conveyance the Grantee agrees with the Grantor that the reservations, provisions, conditions, restrictions, liens, charges and covenants herein set forth or mentioned are a part of the general plan for the improvement and development of the property described and/or referred to in said Declarations of Restrictions, and are for the benefit of all of said property as described and/or referred to and each owner of any land therein, and shall inure to and pass with said property and each and every parcel of land therein, and shall apply to and bind the respective successors in interest of the parties hereto, and are, and each thereof is, imposed upon said realty as a servitude in favor of said property and each and every parcel of land therein as the dominant tenement or tenements. In Witness Whereof, Palos Verdes Homes Association has caused this deed to be duly executed, by its officers thereunto duly authorized, this 14th day of June, 1940.

(Seal)

Palos Verdes Homes Association
Val E. Miltenberger Vice-President
Everett M. York Secretary

The Park and Recreation Board of Palos Verdes Homes Association hereby expressly approves and consents to the execution of the foregoing deed.

Hammond Sadler Chairman

State of California County of Los Angeles ss: On this 14 day of June 1940, before me, Lillian Throne, a Notary Public in and for said County, personally appeared Wille-B.-Bray Val E. Miltenberger, known to me to be the Vice-President, and Everett M. York, known to me to be the Secretary, of Palos Verdes Homes Association, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same. Witness my hand and official seal.

(Seal)
in and for the County of Los Angeles, State of California Lillian Throne Notary Public
1, 1940. My Commission Expires Dec.

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Palos Verdes Homes Association, a California corporation, in consideration of Ten Dollars (\$10.00) to it in hand paid, receipt of which is hereby acknowledged, does hereby Grant to the City of Palos Verdes Estates, a municipal corporation of the sixth class of the State of California, its successors and assigns, that certain real property in the County of Los Angeles, State of California, hereinafter referred to as "said realty", described as follows: Item 1. Lots A, B, C, D, E, F, G, H, I, J, K, L and M of Tract 6882, as per map recorded in Book 76, pages 20 and 21, of Maps, records of said Los Angeles County. Item 2. (a) Lot A of Tract 6884, as per map recorded in Book 82, pages 68 to 71 inclusive, of Maps, records of said Los Angeles County, except that portion thereof described as follows: Beginning at a point in the most Westerly line of said Lot A which is North 20° 01' 16" West thereon 43 feet from the Southerly line of said lot; thence North 64° 44' 49" East 226.12 feet, more or less, to a point on the Northerly line of said lot; thence along said Northerly line in a generally Westerly direction to the Northwestern corner of said lot; thence along the said most Westerly line of said lot in a generally Southerly direction, 3.21 feet and 22.20 feet, more or less, to the point of beginning, enclosing an area of 0.13 acre, more or less. (b) Lots B, C, D, E, G, H and I of said Tract 6884. Item 3. (a) Lot H of Tract 6885, as per map recorded in Book 78, pages 49 to 52 inclusive, of Maps, records of said Los Angeles County, except that portion thereof lying between the Northerly line of Granvia La Costa (now known as Palos Verdes Drive West) as said line is shown on said map of Tract 6885, and a line drawn from the Easterly line of Lot 1 in Block 1615 of said tract in a generally Easterly direction and parallel to the straight section of said Northerly line of Granvia La Costa and 10 feet Northerly therefrom, enclosing an area of 0.072 acre, more or less. (b) Lots K, L, M, O, P, Q, R, T, U, W and X of said Tract 6885. Item 4. (a) Lots E, F, G and K of Tract 6886, as per map recorded in Book 83, pages 77 to 80 inclusive, of Maps, records of said Los Angeles County. (b) Lots H and W of said Tract 6886, except those portions thereof lying between the Southerly line of Granvia La Costa (now known as Palos Verdes Drive West) as said line is shown on said map of Tract 6886, and a line drawn parallel thereto and 34 feet Southerly therefrom, extending from the Northeasterly line of said Lot H to the Southwesterly line of said Lot W, enclosing an area of 0.271 acre, more or less; and also except those portions of said Lots H and W described as follows: Beginning at a point in said line drawn parallel to the Southerly line of Granvia La Costa and 34 feet Southerly therefrom, said point being distant 79.04 feet in a Southwesterly

North 85° 19' 40" East 100 feet; thence South 84° 41' 20" East 50 feet; thence South 35° 19' 40" West 100 feet to the point of beginning, enclosing an area of 0.115 acre, more or less.

(b)(1) An easement, heretofore reserved to the Grantor herein by deed recorded in Book 10326, page 268, of Official Records of said Los Angeles County, for a storm-water drain ditch, approximately twenty (20) feet in width, through the portion of said Lot A of Tract 7540 described as Item 5 (a) (1) above, and lying to the North of a certain three (3) foot easement for an electrical conduit described in said recorded deed, between said last-mentioned easement and a straight line drawn from the Northeasterly corner of said portion of Lot A, Westerly, to intersect the Westerly line of said portion of Lot A at a point distant 7.60 feet Southeasterly from the Northwestern corner of said portion of Lot A.

(2) An easement, heretofore reserved to the Grantor herein, for a storm drain over and across that portion of said Lot A of Tract 7540 described as Item 5 (a)(2) above.

(c) Lot B of said Tract 7540, except that portion thereof described as follows:

Beginning at the Southeasterly corner of Lot 14 in Block 1730 of said tract; thence North 09° 00' 00" East along the Easterly line of Lots 14 and 15 in said Block 1730, 190 feet to the most Easterly corner of said Lot 15, said corner being a point in the Southerly right-of-way line of Via Campesina; thence South 44° 00' 00" East along said right-of-way line, 10 feet to the beginning of a curve concave to the Northeast and having a radius of 309.17 feet; thence Southeasterly along said curve, and continuing along said right-of-way line, 25 feet to a point therein (a radial line to said curve at said point bears North 41° 22' 01" East); thence South 06° 49' 20" West 222 feet; thence South 83° 44' 01" West 44.29 feet, more or less, to a point in the Westerly line of said Lot B; thence North 14° 09' 40" East along said Westerly line, 64 feet to the point of beginning, enclosing an area of 0.164 acre, more or less.

(d) An easement, heretofore reserved to the Grantor herein by deed recorded in Book 10326, page 268, of Official Records of said Los Angeles County, for a storm-water drain ditch, approximately twenty (20) feet in width, through the portion of said Lot B of Tract 7540 described as Item 5 (c) above, being in and over that portion of said Lot B described as follows:

Beginning at a point in the Westerly line of said portion of Lot B, distant 43.50 feet Northeasterly from the Southwesterly corner of said portion of Lot B; thence Easterly, intersecting the Easterly line of said portion of Lot B at a point distant 37.8 feet Northeasterly from the Southeasterly corner of said portion of Lot B; thence North 06° 49' 20" East along the Easterly line of said portion of Lot B, 20.50 feet; thence Westerly in a straight line to the Southeasterly corner of Lot 14 in Block 1730 of said tract; thence South 14° 09' 40" West along the Westerly line of said portion of Lot B, 20.5 feet, more or less, to the point of beginning.

(e) Lot E of said Tract 7540, except that portion thereof described as follows:

Beginning at the Northwestern corner of Lot 1 in Block 1630 of Tract 7142, as per map recorded in Book 82, pages 83 and 84, of Maps, records of said Los Angeles County; thence North 45° 18' 36" East along the Northwestern boundary of said Lot 1, 213.70 feet to the most Northerly corner thereof; thence South 60° 37' 10" West 123.53 feet to a point in said Lot E; thence South 26° 16' 40" West 100.02 feet, more or less, to the point of beginning, enclosing an area of 0.08 acre, more or less.

Item 6. Lot B of Tract 10561, as per map recorded in Book 161, pages 9 and 10, of Maps, records of said Los Angeles County.

Item 7. Lots A, B, C, D and E of Tract 10624, as per map recorded in Book 163, pages 7 to 9 inclusive, of Maps, records of said Los Angeles County. Excepting and reserving therefrom any and all streets, alleys, walks, roads and/or highways abutting or adjoining said realty and all land within or under same, and the easements and rights-of-way hereinafter referred to. It is the express intention of the parties hereto that title to all land under or within all streets, alleys, walks, roads and/or highways abutting or adjoining said realty is reserved unto the Grantor herein, its successors and assigns, and the Grantee herein acquires no interest therein by virtue of this deed.

This conveyance is made and accepted and said realty is hereby granted, subject to State and County taxes now a lien and now due and/or delinquent and to any and all rights and easements of record, but without warranty on the part of the Grantor herein of any kind or character, either express or implied, as to any matters not contained or referred to herein; and upon and subject to each of the following provisions, conditions, restrictions and covenants, to-wit: 1. The express condition that the Grantor herein is not responsible or liable, in any way, for any inducement, representation, agreement, condition or stipulation not set forth herein, or in deeds of record heretofore conveying said realty and rights and easements applicable thereto, or in the Declarations of Re-

establishment of Basic Protective Restrictions executed by Commonwealth Trust Company, as owner, recorded in Book 2360, page 231 of Official Records of said Los Angeles County, and Amendments Nos. 1 and 3 thereto (executed by Bank of America, successor in interest to said Commonwealth Trust Company), recorded in Book 2940, page 27 and in Book 4019, page 274, respectively, of said Official Records; and in Declaration No. 2, recorded in Book 2698, page 290, in Declaration No. 4, recorded in Book 2966, page 248, in Declaration No. 5, recorded in Book 2863, page 364, in Declaration No. 6, recorded in Book 2779, page 114, and in Declaration No. 12, recorded in Book 4203, page 175 of said Official Records (said Declarations having been executed by said Bank of America); and in Declaration No. 27 (executed by Bank of Italy National Trust and Savings Association, successor in interest to said Bank of America), recorded in Book 8154, page 261 of said Official Records; and in Amendment No. 3 to said Declarations Nos. 2, 4, 5 and 6, recorded in Book 4019, page 274, and in Amendment No. 6 to said Declarations Nos. 5 and 6, recorded in Book 5583, page 28 of said Official Records (said Amendments having been executed by said Bank of America); and in those certain conveyances executed by said Bank of America to Grantor herein and recorded in Book 3400, page 279 and in Book 4459, page 123 of said official Records, executed by said Bank of Italy National Trust and Savings Association to Grantor herein and recorded in Book 7372, page 276 and in Book 9357, page 253 of said Official Records, and executed by Bank of America National Trust and Savings Association to Grantor herein and recorded in Book 11605, page 164 and in Book 13900, page 308 of said Official Records, whereby there was established a general plan for the improvement and development of said realty and other property described and/or referred to in said Declarations of Restrictions, and provisions, conditions, restrictions, reservations, liens, charges, easements and covenants were fixed, including the establishment, maintenance and operation of Palos Verdes Homes Association, a California corporation, and of the Art Jury as therein provided, subject to which said property and/or all parcels thereof should be sold and conveyed and all of said provisions, conditions, restrictions, reservations, liens, charges, easements and covenants are hereby made a part of this conveyance and expressly imposed

upon said realty as fully and completely as if herein set forth in full. 3. That, except as hereinafter provided, said realty is to be used and administered forever for park and/or recreation purposes only (any provisions of the Declarations of Restrictions above referred to, or of any amendments thereto, or of any prior conveyances of said realty, or of any laws or ordinances of any public body applicable thereto, to the contrary notwithstanding), for the benefit of the (1) residents and (2) non-resident property owners within the boundaries of the property heretofore commonly known as "Palos Verdes Estates" (that is to say, within the boundaries of the Grantee municipality, of Tracts 6881 and 9362 of said Los Angeles County, and of any other property that may be under the jurisdiction of said Palos Verdes Homes Association), under such regulations consistent with the other conditions set forth in this deed as may from time to time hereafter be established by said municipality or other body suitably constituted by law to take, hold, maintain and regulate public parks, for the purpose of safeguarding said realty and any vegetation and/or improvements thereon from damage or deterioration, and for the further purpose of protecting the residents of said Palos Verdes Estates from any uses of or conditions in or upon said realty which are, or may be, detrimental to the amenities of the neighborhood;

provided, (a) That any portion of said realty, title to which is acquired by the United States of America, the State of California, or by any public authority, and which is used for governmental purposes, may with the written approval of the owner of the reversionary rights provided for herein, and the Art Jury, be specifically exempted from this provision requiring exclusive use thereof for park and/or recreation purposes. (b) That the easement is specifically reserved to Palos Verdes Homes Association and its successors in interest to establish and maintain such reasonable number of water mains and other public utilities as to it may seem advisable in and over said realty in a manner not inconsistent with the purposes for which said realty is hereby conveyed. (c) That rights-of-way for road purposes are reserved upon and across Item 5 (a) of said realty to provide access to certain streets from properties of the Palos Verdes Water Co., as follows: (1) to Via Pinalte from "Pump House No. 5" whose location is described in paragraph (2) under said Item 5 (a); to Via Ramon or Via Campesina from "Main Pressure Break" whose location is described in paragraph (3) under said Item 5 (a); and (3) to Lot H of Tract 7142, as per map recorded in Book 82, pages 83 and 84, of Maps, records of said Los Angeles County, over which lot a further right-of-way continues to Via Rincon, from "No. 5 Reservoir"

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and replacement of one line of poles with the usual appurtenances, to be used for conveying electric energy, in and over said Lots F and G of Tract 6885, as per deed dated February 6, 1925 from grantor herein to Southern California Edison Co. (2) That

non-exclusive easements are reserved to Southern California Edison Co., Ltd. for the use, maintenance and replacement of an underground conduit system, to be used for conveying electric energy, in and over said Lot Q of Tract 6885 and said Lot A of Tract 7540, as per deed dated June 10, 1927 from Grantor herein to said Edison Co.; and also in and over said Lots B and E of Tract 7540, as per deed dated September 7, 1932 from Grantor herein to said Edison Co.

(3) That non-exclusive easements are reserved to Associated Telephone Co., Ltd. for the use, maintenance and replacement of an underground telephone conduit system, in and over said Lot Q of Tract 6885, said Lots A, B and E of Tract 7540 and said Lot A of Tract 10624, as per deed dated October 3, 1929 from Grantor herein to said Telephone Co.; and also in and over said Lot B of Tract 7540 as per deed dated

September 7, 1932 from Grantor herein to said Telephone Co.

4. That, except as provided above, no buildings, structures or concessions shall be erected, maintained or permitted upon said realty, except such as are properly incidental to the convenient and/or proper use of said realty for park and/or recreation purposes.

5. That, except as provided in paragraph 3 hereof, said realty shall not be sold or conveyed, in whole or in part, by the Grantees herein except subject to the conditions, restrictions and reservations set forth and/or referred to herein and except to a body suitably constituted by law to take, hold, maintain and regulate public parks; provided, that portions of said realty may be dedicated to the public for parkway and/or street purposes.

6. That said municipality or other body having jurisdiction may, by and with the written approval of Palos Verdes Art Jury first obtained, permit the owner of a lot abutting on said realty to construct and/or maintain paths, steps and/or other landscape improvements, as a means of egress from and ingress to said lot or for the improvement of views therefrom, in such a manner and for such length of time and under such rules and regulations as will not, in the opinion of said municipality or other body and of Palos Verdes Art Jury, impair or interfere with the use and maintenance of said realty for park and/or recreation purposes, as hereinbefore set forth.

7. That none of the conditions, restrictions, covenants and reservations set forth in paragraphs 3 to 6, inclusive, hereof may be changed or modified by the procedure established in Section 3 of Article VI of said Declaration of Establishment of Basic Protective Restrictions, and in that certain section, entitled "Modification of Restrictions", of Declarations Nos. 2, 4, 5, 6, 12 and 27 of Establishment of Local Protective Restrictions hereinabove referred to.

Provided, that a breach of any of the provisions, conditions, restrictions, reservations, liens, charges and covenants set forth in paragraphs 2 to 7, inclusive, hereof shall cause said realty to revert to the Grantor herein, or its successor in interest, as owner of the reversionary rights herein provided for, and the disincorporation of the Grantee herein as a municipality or the dissolution of said body referred to in paragraph 5 hereof (in the event of the transfer of any of said realty thereto) shall in like manner cause said realty to revert to the Grantor herein or its successor in interest, and the owner of such reversionary rights shall have the right of immediate reentry upon said realty in the event of any such breach and in the event of such disincorporation or dissolution, and, as to each lot and/or parcel owner of said property or other property described and/or referred to in said Declarations of Restrictions, the said provisions, conditions, restrictions, reservations, liens, charges and covenants shall be covenants running with the land, and the breach of any thereof or the continuance of any such breach may be enjoined, abated or remedied by appropriate proceedings by the Grantor herein or its successors in interest, or by such other lot or parcel owner, and/or by any other person or corporation designated in said Declarations of Restrictions.

Provided, Also, that by the acceptance of this conveyance the Grantee agrees with the Grantor that the reservations, provisions, conditions, restrictions, liens, charges and covenants herein set forth or mentioned are a part of the general plan for the improvement and development of the property described and/or referred to in said Declarations of Restrictions, and are for the benefit of all of said property as described and/or referred to and each owner of any land therein, and shall inure to and pass with said property and each and every parcel of land therein, and shall apply to and bind the respective successors in interest of the parties hereto, and are, and each thereof is, imposed upon said realty as a servitude in favor of said property and each and every parcel of land therein as the dominant tenement or tenements.

(Seal)

Palos Verdes Homes Association
Val E. Miltenberger
Everett M. York

Vice President
Secretary

The Park and Recreation Board of Palos Verdes
Homes Association hereby expressly approves and con-
sents to the execution of the foregoing deed.

Raymond Sadler Chairman

state of California County of Los Angeles)ss: On this 14 day of June 1940, before
me, Lillian Throne, a Notary Public in and for said County, personally appeared Wirta-B.
gray, Val E. Miltenberger, known to me to be the Vice-President, and Everett M. York,
known to me to be the Secretary, of Palos Verdes Homes Association, the corporation that
executed the within instrument, known to me to be the persons who executed the within
instrument on behalf of the corporation therein named, and acknowledged to me that such
corporation executed the same. Witness my hand and official seal.

(Seal)

in and for the County of Los Angeles, State of California. My Commission Expires Dec. 1,
1940.

Palos Verdes Homes Association, a California corporation, in consideration of Ten Dol-
lars (\$10.00) to it in hand paid, receipt of which is hereby acknowledged, does hereby
Grant to the City of Palos Verdes Estates, a municipal corporation of the sixth class of
the State of California, its successors and assigns, that certain real property in the
County of Los Angeles, State of California, hereinafter referred to as "said realty", de-
scribed as follows: Item 1. Lots A, B, C, D, E and F of Tract 6883, as per map re-
corded in Book 77, pages 73 and 74, of Maps, records of said Los Angeles County.

Item 2. (a) Lots A, B, C, D, E, F, G, H, J, K, L, M, N, P, Q, S and U of Tract 6887,
as per map recorded in Book 96, pages 28 to 32 inclusive, of Maps, records of said Los
Angeles County. (b) Lot O of said Tract 6887, except that portion thereof lying be-
tween the Easterly line of Granvia Valmonte (now known as Palos Verdes Drive North), as
shown on said map of said tract, and a line drawn parallel to said Easterly line and its
Southerly prolongation, and 17 feet Easterly therefrom. (c) Lot R of said Tract 6887,
except that portion thereof lying between the Westerly line of Granvia Valmonte (now known
as Palos Verdes Drive North), as shown on said map of said tract, and a line drawn parallel
to said Westerly line and its Southerly prolongation, and 17 feet Westerly therefrom.

Item 3. Lots A, B, C, D, E, F, G and H of Tract 7143, as per map recorded in Book 99,
pages 46 to 51 inclusive, of Maps, records of said Los Angeles County. Excepting and
reserving therefrom any and all streets, alleys, walks, roads and/or highways abutting
or adjoining said realty and all land within or under same, and the easements and rights-
of-way hereinafter referred to. It is the express intention of the parties hereto that
title to all land under or within all streets, alleys, walks, roads and/or highways abut-
ting or adjoining said realty is reserved unto the Grantor herein, its successors and as-
signs, and the Grantee herein acquires no interest therein by virtue of this deed.

This conveyance is made and accepted and said realty is hereby granted, subject to
State and County taxes now a lien and now due and/or delinquent and to any and all rights
and easements of record, but without warranty on the part of the Grantor herein of any
kind or character, either express or implied, as to any matters not contained or referred
to herein; and upon and subject to each of the following provisions, conditions, restric-
tions and covenants, to-wit: 1. The express condition that the Grantor herein is not
responsible or liable, in any way, for any inducement, representation, agreement, condi-
tion or stipulation not set forth herein, or in deeds of record heretofore conveying said
realty and rights and easements applicable thereto, or in the Declarations of Restric-
tions hereinafter mentioned. 2. Each and every provision, condition, restriction,
reservation, lien, charge, easement and covenant contained in the Declaration of Estab-
lishment of Basic Protective Restrictions executed by Commonwealth Trust Company, as own-
er, recorded in Book 2360, page 231 of Official Records of said Los Angeles County, and
Amendments Nos. 1 and 3 thereto (executed by Bank of America, successor in interest to
said Commonwealth Trust Company), recorded in Book 2940, page 27 and in Book 4019, page
274, respectively, of said Official Records; and in Declaration No. 3, recorded in Book
2784, page 214 and Declaration No. 7, recorded in Book 3443, page 146 of said Official
Records (said Declarations having been executed by said Bank of America); and in Amend-
ment No. 3 to said Declaration No. 3, recorded in Book 4019, page 274, and in Amendment
No. 6 to said Declarations Nos. 3 and 7, recorded in Book 5583, page 28, of said Official
Records (said Amendments having been executed by said Bank of America); and in those cer-
tain conveyances executed by said Bank of America to Grantor herein and recorded in Book

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party described and/or referred to in said Declarations of Restrictions, and provisions, conditions, restrictions, reservations, liens, charges, easements and covenants were fixed, including the establishment, maintenance and operation of Palos Verdes Homes Association, a California corporation, and of the Art Jury as therein provided, subject to which said property and/or all parcels thereof should be sold and conveyed and all or said provisions, conditions, restrictions, reservations, liens, charges, easements and covenants are hereby made a part of this conveyance and expressly imposed upon said realty as fully and completely as if herein set forth in full.

5. That, except as hereinafter provided, said realty is to be used and administered forever for park and/or recreation purposes only (any provisions of the Declarations of Restrictions above referred to, or of any amendments thereto, or of any prior conveyances of said realty, or of any laws or ordinances of any public body applicable thereto, to the contrary notwithstanding), for the benefit of the (1) residents and (2) non-resident property owners within the boundaries of the property heretofore commonly known as "Palos Verdes Estates" (that is to say, within the boundaries of the Grantee municipality, of Tracts 6881 and 9302 of said Los Angeles County, and of any other property that may be under the jurisdiction of said Palos Verdes Homes Association), under such regulations consistent with the other conditions set forth in this deed as may from time to time hereafter be established by said municipality or other body suitably constituted by law to take, hold, maintain and regulate public parks, for the purpose of safeguarding said realty and any vegetation and/or improvements thereon from damage or deterioration, and for the further purpose of protecting the residents of said Palos Verdes Estates from any uses of or conditions in or upon said realty which are, or may be, detrimental to the amenities of the neighborhood; provided,

(a) That any portion of said realty, title to which is acquired by the United States of America, the State of California, or by any public authority, and which is used for governmental purposes, may with the written approval of the owner of the reversionary rights provided for herein, and the Art Jury, be specifically exempted from this provision requiring exclusive use thereof for park and/or recreation purposes.

(b) That the easement is specifically reserved to Palos Verdes Homes Association and its successors in interest to establish and maintain such reasonable number of water mains and other public utilities as to it may seem advisable in and over said realty in a manner not inconsistent with the purposes for which said realty is hereby conveyed.

(c) That non-exclusive easements are reserved to Southern California Edison Co., Ltd. for the use, maintenance and replacement of one line of poles with the usual appurtenances, to be used for conveying electric energy, in and over said Lot C in Tract 6887, as per deed dated January 13, 1926 from Grantor herein to said Edison Co.; also in and over said Lot B in Tract 6883, as per deed dated June 22, 1927 from Grantor herein to said Edison Co.

(d) That the buildings and appurtenances of the Palos Verdes Riding Academy, located on portions of said Lot C of Tract 6887 and said Lot H of Tract 7143, may be leased to a private operator or operators, and the privileges thereof shall always be available to the property owners, both resident and non-resident, of said Palos Verdes Estates, as above delimited, on at least as favorable terms as are granted to the most favored patrons of said Riding Academy.

4. That, except as provided above, no buildings, structures or concessions shall be erected, maintained or permitted upon said realty, except such as are properly incidental to the convenient and/or proper use of said realty for park and/or recreation purposes.

5. That, except as provided in paragraph 3 hereof, said realty shall not be sold or conveyed, in whole or in part, by the Grantee herein except subject to the conditions, restrictions and reservations set forth and/or referred to herein and except to a body suitably constituted by law to take, hold, maintain and regulate public parks; provided, that portions of said realty may be dedicated to the public for parkway and/or street purposes.

6. That said municipality or other body having jurisdiction may, by and with the written approval of Palos Verdes Art Jury first obtained, permit the owner of a lot abutting on said realty to construct and/or maintain paths, steps and/or other landscape improvements, as a means of egress from and ingress to said lot or for the improvement of views therefrom, in such a manner and for such length of time and under such rules and regulations as will not, in the opinion of said municipality or other body and of Palos Verdes Art Jury, impair or interfere with the use and maintenance of said realty for park and/or recreation purposes, as hereinbefore set forth.

7. That none of the conditions, restrictions, covenants and reservations set forth in paragraphs 3 to 6, inclusive, hereof may be changed or modified

of Establishment of Local Protective Restrictions. Provided, that a breach of any of the provisions, conditions, restrictions, reservations, liens, charges and covenants set forth in paragraphs 2 to 7, inclusive, hereof shall cause said realty to revert to the Grantor herein, or its successor in interest, as owner of the reversionary rights herein provided for, and the disincorporation of the Grantee herein as a municipality or the dissolution of said body referred to in paragraph 5 hereof (in the event of the transfer of any of said realty thereto) shall in like manner cause said realty to revert to the Grantor herein or its successor in interest, and the owner of such reversionary rights shall have the right of immediate reentry upon said realty in the event of any such breach and in the event of such disincorporation or dissolution, and, as to each lot and/or parcel owner of said property or other property described and/or referred to in said Declarations of Restrictions, the said provisions, conditions, restrictions, reservations, liens, charges and covenants shall be covenants running with the land, and the breach of any thereof or the continuance of any such breach may be enjoined, abated or remedied by appropriate proceedings by the Grantor herein or its successors in interest, or by such other lot or parcel owner, and/or by any other person or corporation designated in said Declarations of Restrictions.

Provided, Also, that by the acceptance of this conveyance the Grantee agrees with the Grantor that the reservations, provisions, conditions, restrictions, liens, charges and covenants herein set forth or mentioned are a part of the general plan for the improvement and development of the property described and/or referred to in said Declarations of Restrictions, and are for the benefit of all of said property as described and/or referred to and each owner of any land therein, and shall inure to and pass with said property and each and every parcel of land therein, and shall apply to and bind the respective successors in interest of the parties hereto, and are, and each thereof is, imposed upon said realty as a servitude in favor of said property and each and every parcel of land therein as the dominant tenement or tenements.

In Witness Whereof, Palos Verdes Homes Association has caused this deed to be duly executed, by its officers thereunto duly authorized, this 14th day of June, 1940.

(Seal)

Palos Verdes Homes Association
Val E. Miltenberger Vice-President
Everett M. York Secretary

The Park and Recreation Board of Palos Verdes Homes Association hereby expressly approves and consents to the execution of the foregoing deed.

Hammond Sadler Chairman

State of California County of Los Angeles: On this 14 day of June 1940, before me, Lillian Throne, a Notary Public in and for said County, personally appeared Wile-E.-Bray, Val E. Miltenberger, known to me to be the Vice-President, and Everett M. York, known to me to be the Secretary, of Palos Verdes Homes Association, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same. Witness my hand and official seal.

(Seal)

Lillian Throne Notary Public
in and for the County of Los Angeles, State of California. My Commission Expires Dec. 1, 1940.

Palos Verdes Homes Association, a California corporation, in consideration of Ten Dollars (\$10.00) to it in hand paid, receipt of which is hereby acknowledged, does hereby grant to the City of Palos Verdes Estates, a municipal corporation of the sixth class of the State of California, its successors and assigns, that certain real property in the County of Los Angeles, State of California, hereinafter referred to as "said realty", described as follows: Item 1. Lot B of Tract 6889, as per map recorded in Book 83, pages 81 to 84 inclusive, of Maps, records of said Los Angeles County; and Lot A of said tract, except that portion thereof described as follows: Commencing at the most Northerly corner of Lot 1 in Block 1373 of said tract; thence South 63° 38' 10" East, along the Northeasterly line of said lot, 65.49 feet to the true point of beginning of this description; thence, continuing along the Northeasterly boundary of said lot, South 18° 34' 20" East 60.80 feet to the beginning of a curve concave to the Northeast and having a radius of 165 feet, and Southeasterly along said curve 133.11 feet to the end thereof; thence, leaving said Northeasterly boundary and along a radial line to said curve, North 25° 12' 17" East 50 feet to the beginning of a curve concave to the Northeast, concentric with said last-mentioned curve and having a radius of 115 feet; thence Easterly along said curve 29.10 feet to the end thereof (a radial line to said curve at said point bearing South 10° 42' 17" West); thence in a direct line across said Lot A, North 52° 55'

corded in Book 88, pages 10 to 13 inclusive, of Maps, records of said Los Angeles County.

Item 5. (a) Lot B of Tract 7536, as per map recorded in Book 86, pages 48 to 50 inclusive, of Maps, records of said Los Angeles County. (b) Lots C and J of said Tract 7536, except those portions thereof lying between the Southerly line of Granvia La Costa (now known as Palos Verdes Drive West), as shown on said map of said tract, and a line drawn parallel thereto and 50 feet Southerly therefrom. (c) Those portions of Lots D, E and F of said Tract 7536, described as follows: Beginning at that point which is the most Southerly corner of said Lot D and also the most Westerly corner of said Lot E; thence North 62° 24' 15" East 862.54 feet to a point in said Lot F; thence South 27° 35' 45" East 120 feet to a point in said Lot E; thence North 68° 36' 35" East 521.96 feet; thence North 28° 18' 15" East 617.25 feet; thence North 03° 30' West 240.34 feet; thence North 62° 58' West 138.77 feet to a point in said Lot D, which is the beginning of a curve concave to the West and having a radius of 527.15 feet (a radial line to said curve at said point bearing North 83° 17' 32" East); thence Northerly along said curve 74.61 feet to a point in the Northerly line of said Lot D, in a curve concave to the Southeast and having a radius of 65 feet (a radial line to said curve at said point bearing North 41° 28' 05" West); thence Northeasterly along said curve 4.61 feet to the beginning of a curve concave to the Northwest and having a radius of 135 feet; thence Northeasterly along said curve 20.71 feet to the most Northerly corner of said Lot D, which corner is also the intersection of two curves in the Westerly line of said Lot E, as shown on said map; thence along the Westerly boundary of said Lot E to the Northwestern corner thereof; thence along the Northerly, Easterly, Southeasterly and Southwesterly lines of said Lot E to the point of beginning, enclosing an area of 8.27 acres, more or less. (d) Lot H of said Tract 7536, except that portion described as follows: Commencing at the Easterly terminus of that certain course in the Southerly boundary of said Lot H, having a length of 196.06 feet and a bearing of North 81° 16' 35" East, as shown on said map of said tract; thence North 14° 24' 28" East 124.10 feet to the true point of beginning of this description; thence North 85° 54' 40" West 100 feet; thence North 04° 05' 20" East 70 feet; thence South 85° 54' 40" East 100 feet; thence South 04° 05' 20" West 70 feet to the point of beginning, enclosing an area of 0.160 acre, more or less. Excepting and reserving therefrom any and all streets, alleys, walks, roads and/or highways abutting or adjoining said realty and all land within or under same, and the easements and rights-of-way hereinafter referred to. It is the express intention of the parties hereto that title to all land under or within all streets, alleys, walks, roads and/or highways abutting or adjoining said realty is reserved unto the Grantor herein, its successors and assigns, and the Grantee herein acquires no interest therein by virtue of this deed. This conveyance is made and accepted and said realty is hereby granted, subject to State and County taxes now a lien and now due and/or delinquent and to any and all rights and easements of record, but without warranty on the part of the Grantor herein of any kind or character, either express or implied, as to any matters not contained or referred to herein; and upon and subject to each of the following provisions, conditions, restrictions and covenants, to-wit: 1. The express condition that the Grantor herein is not responsible or liable, in any way, for any inducement, representation, agreement, condition or stipulation not set forth herein, or in deeds of record heretofore conveying said realty and rights and easements applicable thereto, or in the Declarations of Restrictions hereinafter mentioned. 2. Each and every provision, condition, restriction, reservation, lien, charge, easement and covenant contained in the Declaration of Establishment of Basic Protective Restrictions executed by Commonwealth Trust Company, as owner, recorded in Book 2360, page 231 of Official Records of said Los Angeles County, and Amendments Nos. 1 and 3 thereto (executed by Bank of America, successor in interest to said Commonwealth Trust Company), recorded in Book 2940, page 27 and in Book 4019, page 274, respectively, of said Official Records; and in Declaration No. 9, recorded in Book 3013, page 231, in Declaration No. 10, recorded in Book 3113, page 194, and in Declaration No. 26, recorded in Book 16017, page 389, of said Official Records (said Declarations Nos. 9 and 10 having been executed by said Bank of America, and said Declaration No. 26 having been executed by Bank of America National Trust and Savings Association, Palos Verdes Estates, Inc. and grantor herein); and in Amendment No. 3 to said Declarations Nos. 9 and 10, recorded in Book 4019, page 274, and in Amendment No. 6 to said Declaration No. 10, recorded in Book 5583, page 28, of said Official Records (said Amendments having been executed by said Bank of America);

executed by said Bank of America National Trust and Savings Association to Grantor herein and recorded in Book 14640, page 377 of said Official Records, whereby there was established a general plan for the improvement and development of said realty and other property described and/or referred to in said Declarations of Restrictions, and provisions, conditions, restrictions, reservations, liens, charges, easements and covenants were fixed, including the establishment, maintenance and operation of Palos Verdes Homes Association, a California corporation, and of the Art Jury as therein provided, subject to which said property and/or all parcels thereof should be sold and conveyed and all of said provisions, conditions, restrictions, reservations, liens, charges, easements and covenants are hereby made a part of this conveyance and expressly imposed upon said realty as fully and completely as if herein set forth in full.

3. That, except as herein after provided, said realty is to be used and administered forever for park and/or recreation purposes only (any provisions of the Declarations of Restrictions above referred to, or of any amendments thereto, or of any prior conveyances of said realty, or of any laws or ordinances of any public body applicable thereto, to the contrary notwithstanding), for the benefit of the (1) residents and (2) non-resident property owners within the boundaries of the property heretofore commonly known as "Palos Verdes Estates" (that is to say, within the boundaries of the Grantee municipality, of Tracts 6881 and 9302 of said Los Angeles County, and of any other property that may be under the jurisdiction of said Palos Verdes Homes Association), under such regulations consistent with the other conditions set forth in this deed as may from time to time hereafter be established by said municipality or other body suitably constituted by law to take, hold, maintain and regulate public parks, for the purpose of safeguarding said realty and any vegetation and/or improvements thereon from damage or deterioration, and for the further purpose of protecting the residents of said Palos Verdes Estates from any uses of or conditions in or upon said realty which are, or may be, detrimental to the amenities of the neighborhood; provided,

(a) That any portion of said realty, title to which is acquired by the United States of America, the State of California, or by any public authority, and which is used for governmental purposes, may with the written approval of the owner of the reversionary rights provided for herein, and the Art Jury, be specifically exempted from this provision requiring exclusive use thereof for park and/or recreation purposes. (b)

That the easement is specifically reserved to Palos Verdes Homes Association and its successors in interest to establish and maintain such reasonable number of water mains and other public utilities as to it may seem advisable in and over said realty in a manner not inconsistent with the purposes for which said realty is hereby conveyed, except that under the terms of this easement Bank of America National Trust and Savings Association shall be allowed, without further approval, to establish and maintain such utilities in and over said realty as an incident of the development of neighboring property.

(c) That rights-of-way for road purposes are reserved upon and across Items 3 (b) and (d) of said realty to provide access to Palos Verdes Drive West and/or Via Boronada from "No. 6 Pump House" of the Palos Verdes Water Co., whose location is described in said Item 3 (d). (d) That a non-exclusive easement is reserved to Southern California Edison Co., Ltd. for the use, maintenance and replacement of one line of poles with the usual appurtenances, to be used for conveying electric energy, in and over said Lot H of Tract 7536, as per deed dated January 13, 1926 from Grantor herein to said Edison Co.

4. That, except as provided above, no buildings, structures or concessions shall be erected, maintained or permitted upon said realty, except such as are properly incidental to the convenient and/or proper use of said realty for park and/or recreation purposes.

5. That, except as provided in paragraph 3 hereof, said realty shall not be sold or conveyed, in whole or in part, by the Grantee herein except subject to the conditions, restrictions and reservations set forth and/or referred to herein and except to a body suitably constituted by law to take, hold, maintain and regulate public parks; provided, that portions of said realty may be dedicated to the public for parkway and/or street purposes. 6. That said municipality or other body having jurisdiction may, by and with the written approval of Palos Verdes Art Jury first obtained, permit the owner of a lot abutting on said realty to construct and/or maintain paths, steps and/or other landscape improvements, as a means of egress from and ingress to said lot or for the improvement of views therefrom, in such a manner and for such length of time and under such rules and regulations as will not, in the opinion of said municipality or other body and of Palos Verdes Art Jury, impair or interfere with the use and maintenance of said realty for

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ative, hereof may be changed or modified by the procedure established in Section 3 of Article VI of said Declaration of Establishment of Basic Protective Restrictions, and in Section 9 of said Declarations Nos. 9, 10 and 26 of Establishment of Local Protective Restrictions.

Provided, that a breach of any of the provisions, conditions, restrictions, reservations, liens, charges and covenants set forth in paragraphs 2 to 7, inclusive, hereof shall cause said realty to revert to the Grantor herein, or its successor in interest, as owner of the reversionary rights herein provided for, and the dissolution of the Grantee herein as a municipality or the dissolution of said body referred to in paragraph 5 hereof (in the event of the transfer of any of said realty thereto) shall in like manner cause said realty to revert to the Grantor herein or its successor in interest, and the owner of such reversionary rights shall have the right of immediate re-entry upon said realty in the event of any such breach and in the event of such dissolution or dissolution, and, as to each lot and/or parcel owner of said property or other property described and/or referred to in said Declarations of Restrictions, the said provisions, conditions, restrictions, reservations, liens, charges and covenants shall be covenants running with the land, and the breach of any thereof or the continuance of any such breach may be enjoined, abated or remedied by appropriate proceedings by the Grantor herein or its successors in interest, or by such other lot or parcel owner, and/or by any other person or corporation designated in said Declarations of Restrictions.

Provided, Also, that by the acceptance of this conveyance the Grantee agrees with the Grantor that the reservations, provisions, conditions, restrictions, liens, charges and covenants herein set forth or mentioned are a part of the general plan for the improvement and development of the property described and/or referred to in said Declarations of Restrictions, and are for the benefit of all of said property as described and/or referred to and each owner of any land therein, and shall inure to and pass with said property and each and every parcel of land therein, and shall apply to and bind the respective successors in interest of the parties hereto, and are, and each thereof is, imposed upon said realty as a servitude in favor of said property and each and every parcel of land therein as the dominant tenement or tenements. In Witness Whereof, Palos Verdes Homes Association has caused this deed to be duly executed, by its officers thereunto duly authorized, this 14th day of June, 1940.

(Seal)

Palos Verdes Homes Association
Val E. Miltenberger Vice-President
Everett M. York Secretary

The Park and Recreation Board of Palos Verdes Homes Association hereby expressly approves and consents to the execution of the foregoing deed.

Hammond Sadler Chairman

State of California County of Los Angeles)ss: On this 14 day of June 1940, before me, Lillian Throne, a Notary Public in and for said County, personally appeared Wm. B. Eway, Val E. Miltenberger, known to me to be the Vice-President, and Everett M. York, known to me to be the Secretary, of Palos Verdes Homes Association, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same. Witness my hand and official seal.

(Seal)

Lillian Throne Notary Public
in and for the County of Los Angeles, State of California My Commission Expires Dec. 1, 1940.

Palos Verdes Homes Association, a California corporation, in consideration of Ten Dollars (\$10.00) to it in hand paid, receipt of which is hereby acknowledged, does hereby Grant to the City of Palos Verdes Estates, a municipal corporation of the sixth class of the State of California, its successors and assigns, that certain real property in the County of Los Angeles, State of California, hereinafter referred to as "said realty", described as follows: Item 1. Lots A, B, C, D and E of Tract 6888, as per map recorded in Book 100, pages 67 to 72 inclusive, of Maps, records of said Los Angeles County.

Item 2. Lots B, D, F and G of Tract 6880, as per map recorded in Book 100, pages 82 to 85 inclusive, of Maps, records of said Los Angeles County. Item 3. Lot A of Tract 7141, as per map recorded in Book 84, pages 49 to 51 inclusive, of Maps, records of said Los Angeles County.

Item 4. Lots A, B, C, D, E, F and K of Tract 7332, as per map recorded in Book 102, pages 42 to 45 inclusive, of Maps, records of said Los Angeles County.

Item 5. (a) Lot E of Tract 7537, as per map recorded in Book 104, pages 12 to 15 inclusive, of Maps, records of said Los Angeles County, except that portion thereof lying between Block 2300 and Block 2306 of said tract and comprising an area

id Lot 2 and comprising an area of 0.06 acre, more or less. (c) That portion of
at 1 of Block 2307 of said Tract 7537, described as follows: Beginning at a point
the Westerly line of said Lot 1, said point being at the Southerly extremity of a cer-
in curve, concave to the West, having a radius of 696.32 feet and a length of 163.46
et; thence Northerly along said curve 163.46 feet to the most Northerly corner of said
ot 1; thence, following the boundary of said Lot 1, South 59° 26' 48" East 161.65 feet,
outh 04° 45' 55" West 105 feet, South 50° 57' 10" East 185 feet, South 05° 36' 20" East
5.61 feet to the beginning of a curve concave to the Northwest and having a radius of 45
et, Southwesterly along said curve 68.54 feet to the end thereof, and South 79° 14' 30"
est 46.09 feet to the most Southerly corner of the parcel of land herein described; thence,
aving the boundary of said Lot 1, North 44° 26' 33" West 316.77 feet, more or less, to
the point of beginning, enclosing an area of 1.12 acres, more or less. Excepting and
reserving therefrom any and all streets, alleys, walks, roads and/or highways abutting or
adjoining said realty and all land within or under same, and the easements and rights-of-
way hereinafter referred to. It is the express intention of the parties hereto that
title to all land under or within all streets, alleys, walks, roads and/or highways abut-
ting or adjoining said realty is reserved unto the Grantor herein, its successors and as-
signs, and the Grantee herein acquires no interest therein by virtue of this deed.

This conveyance is made and accepted and said realty is hereby granted, subject to
State and County taxes now a lien and now due and/or delinquent and to any and all rights
and easements of record, but without warranty on the part of the Grantor herein of any
kind or character, either express or implied, as to any matters not contained or referred
to herein; and upon and subject to each of the following provisions, conditions, restric-
tions and covenants, to-wit: 1. The express condition that the Grantor herein is
not responsible or liable, in any way, for any inducement, representation, agreement,
condition or stipulation not set forth herein, or in deeds of record heretofore convey-
ing said realty and rights and easements applicable thereto, or in the Declarations of
Restrictions hereinafter mentioned. 2. Each and every provision, condition, restric-
tion, reservation, lien, charge, easement and covenant contained in the Declaration of
Establishment of Basic Protective Restrictions executed by Commonwealth Trust Company, as
owner, recorded in Book 2350, page 231 of Official Records of said Los Angeles County,
and Amendments Nos. 1 and 3 thereto (executed by Bank of America, successor in interest
to said Commonwealth Trust Company), recorded in Book 2940, page 27 and in Book 4019, page
274, respectively, of said Official Records; and in Declaration No. 8, recorded in Book
3443, page 289, in Declaration No. 11, recorded in Book 2870, page 274, in Declaration No.
14, recorded in Book 4060, page 264, and in Declaration No. 17, recorded in Book 4236,
page 240 of said Official Records (said Declarations having been executed by said Bank of
America); and in Amendment No. 3 to said Declaration No. 11, recorded in Book 4019, page
274, and in Amendment No. 6 to said Declarations Nos. 8, 11, 14 and 17, recorded in Book
5583, page 28, of said Official Records (said Amendments having been executed by said Bank
of America); and in those certain conveyances executed by said Bank of America to Grantor
herein and recorded in Book 3400, page 279 and in Book 4459, page 123 of said Official
Records, and executed by Bank of America National Trust and Savings Association to Grantor
herein and recorded in Book 10494, page 360 and in Book 13900, page 308 of said Official
Records, whereby there was established a general plan for the improvement and development
of said realty and other property described and/or referred to in said Declarations of
Restrictions, and provisions, conditions, restrictions, reservations, liens, charges,
easements and covenants were fixed, including the establishment, maintenance and opera-
tion of Palos Verdes Homes Association, a California corporation, and of the Art Jury as
therein provided, subject to which said property and/or all parcels thereof should be
sold and conveyed and all of said provisions, conditions, restrictions, reservations, liens,
charges, easements and covenants are hereby made a part of this conveyance and expressly
imposed upon said realty as fully and completely as if herein set forth in full.

3. That, except as hereinafter provided, said realty is to be used and administered
forever for park and/or recreation purposes only (any provisions of the Declarations of
Restrictions above referred to, or of any amendments thereto, or of any prior conveyances
of said realty, or of any laws or ordinances of any public body applicable thereto, to
the contrary notwithstanding), for the benefit of the (1) residents and (2) non-resident
property owners within the boundaries of the property heretofore commonly known as "Palos
Verdes Estates" (that is to say, within the boundaries of the Grantee municipality, of

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consistent with the other conditions set forth in this deed as may from time to time hereafter be established by said municipality or other body suitably constituted by law to take, hold, maintain and regulate public parks, for the purpose of safeguarding said realty and any vegetation and/or improvements thereon from damage or deterioration, and for the further purpose of protecting the residents of said Palos Verdes Estates from any uses of or conditions in or upon said realty which are, or may be, detrimental to the amenities of the neighborhood; provided,

(a) That any portion of said realty, title to which is acquired by the United States of America, the State of California, or by any public authority, and which is used for governmental purposes, may with the written approval of the owner of the reversionary rights provided for herein, and the Art Jury, be specifically exempted from this provision requiring exclusive use thereof for park and/or recreation purposes.

(b) That the easement is specifically reserved to Palos Verdes Homes Association and its successors in interest to establish and maintain such reasonable number of water mains and other public utilities as to it may seem advisable in and over said realty in a manner not inconsistent with the purposes for which said realty is hereby conveyed, except that under the terms of this easement Bank of America National Trust and Savings Association shall be allowed, without further approval, to establish and maintain such utilities in and over said realty as an incident of the development of neighboring property.

4. That, except as provided above, no buildings, structures or concessions shall be erected, maintained or permitted upon said realty, except such as are properly incidental to the convenient and/or proper use of said realty for park and/or recreation purposes.

5. That, except as provided in paragraph 3 hereof, said realty shall not be sold or conveyed, in whole or in part, by the Grantee herein except subject to the conditions, restrictions and reservations set forth and/or referred to herein and except to a body suitably constituted by law to take, hold, maintain and regulate public parks; provided, that portions of said realty may be dedicated to the public for parkway and/or street purposes.

6. That said municipality or other body having jurisdiction may, by and with the written approval of Palos Verdes Art Jury first obtained, permit the owner of a lot abutting on said realty to construct and/or maintain paths, steps and/or other landscape improvements, as a means of egress from and ingress to said lot or for the improvement of views therefrom, in such a manner and for such length of time and under such rules and regulations as will not, in the opinion of said municipality or other body and of Palos Verdes Art Jury, impair or interfere with the use and maintenance of said realty for park and/or recreation purposes, as hereinbefore set forth.

7. That none of the conditions, restrictions, covenants and reservations set forth in paragraphs 3 to 6, inclusive, hereof may be changed or modified by the procedure established in Section 3 of Article VI of said Declaration of Establishment of Basic Protective Restrictions, and in that certain section, entitled "Modification of Restrictions", of Declarations Nos. 3, 11, 14 and 17 of Establishment of Local Protective Restrictions hereinabove referred to.

Provided, that a breach of any of the provisions, conditions, restrictions, reservations, liens, charges and covenants set forth in paragraphs 2 to 7, inclusive, hereof shall cause said realty to revert to the Grantor herein, or its successor in interest, as owner of the reversionary rights herein provided for, and the disincorporation of the Grantee herein as a municipality or the dissolution of said body referred to in paragraph 5 hereof (in the event of the transfer of any of said realty thereto) shall in like manner cause said realty to revert to the Grantor herein or its successor in interest, and the owner of such reversionary rights shall have the right of immediate reentry upon said realty in the event of any such breach and in the event of such disincorporation or dissolution, and, as to each lot and/or parcel owner of said property or other property described and/or referred to in said Declarations of Restrictions, the said provisions, conditions, restrictions, reservations, liens, charges and covenants shall be covenants running with the land, and the breach of any thereof or the continuance of any such breach may be enjoined, abated or remedied by appropriate proceedings by the Grantor herein or its successors in interest, or by such other lot or parcel owner, and/or by any other person or corporation designated in said Declarations of Restrictions.

Provided, Also, that by the acceptance of this conveyance the Grantee agrees with the Grantor that the reservations, provisions, conditions, restrictions, liens, charges and covenants herein set forth or mentioned are a part of the general plan for the improvement and development of the property described

shall apply to and bind the respective successors in interest of the parties hereto, and
re, and each thereof is, imposed upon said realty as a servitude in favor of said pro-
erty and each and every parcel of land therein as the dominant tenement or tenements.

In Witness Whereof, Palos Verdes Homes Association has caused this deed to be duly
executed, by its officers thereunto duly authorized, this 14th day of June, 1940.

(Seal) Palos Verdes Homes Association
Val E. Miltenberger Vice-President
Everett M. York Secretary

The Park and Recreation Board of Palos Verdes
Homes Association hereby expressly approves and
consents to the execution of the foregoing deed.

Hammond Sadler Chairman

State of California County of Los Angeles)as: On this 14 day of June 1940, before
s, Lillian Throne, a Notary Public in and for said County, personally appeared Wirtz-B-
ray, Val E. Miltenberger, known to me to be the Vice-President, and Everett M. York,
known to me to be the Secretary, of Palos Verdes Homes Association, the corporation that
executed the within instrument, known to me to be the persons who executed the within
instrument on behalf of the corporation therein named, and acknowledged to me that such
corporation executed the same. Witness my hand and official seal.

(Seal) Lillian Throne Notary Public
in and for the County of Los Angeles, State of California My Commission Expires Dec. 1,
1940

Palos Verdes Homes Association, a California corporation, in consideration of Ten Dol-
lars (\$10.00) to it in hand paid, receipt of which is hereby acknowledged, does hereby
Grant to the City of Palos Verdes Estates, a municipal corporation of the sixth class of
the State of California, its successors and assigns, that certain real property in the
County of Los Angeles, State of California, hereinafter referred to as "said realty", de-
scribed as follows: Item 1. Lot H of Tract 7142, as per map recorded in Book 82, pages
83 and 84 of Maps, records of said Los Angeles County. Item 2. Lot C of Tract 7350,
as per map recorded in Book 90, pages 37 to 39 inclusive, of Maps, records of said Los
Angeles County. Item 3. Lots A, C and D of Tract 7333, as per map recorded in Book
113, pages 72 to 75 inclusive, of Maps, records of said Los Angeles County. Item 4.
(a) Lots A, D, E and F of Tract 7334, as per map recorded in Book 150, pages 12 to 16 in-
clusive, of Maps, records of said Los Angeles County. (b) Lot B of said Tract 7334,
except that portion thereof described as follows (the basis of bearings is North 43° 38'
00" West, being the bearing of the Southwesterly line of Lot 6 of Block 7 of said tract):

That portion of said Lot B of Tract 7334 which is included within a circle having a
radius of 40 feet, the center point of said circle bearing North 63° 43' 40" West 181.76
feet from the most Southerly corner of said Lot 6; enclosing an area of 0.115 acre, more
or less. Item 5. Lots B, C, H and J of Tract 7538, as per map recorded in Book 148,
pages 64 to 69 inclusive, of Maps, records of said Los Angeles County. Item 6.
Lots A, D, E, F, G and H of Tract 8043, as per map recorded in Book 142, pages 78 to 82 in-
clusive, of Maps, records of said Los Angeles County. Item 7. (a) Lots B and D of
Tract 8452, as per map recorded in Book 125, pages 85 to 87 inclusive, of Maps, records

of said Los Angeles County. (b) Lot A of said Tract 8452, except those portions there-
of described as follows: (1) Beginning at the most Westerly corner of Lot 11 of Block
1733 of said tract; thence North 17° 00' 00" East along the Westerly line thereof, 75 feet;
thence North 51° 00' 00" East along the Northwesterly line thereof, 175 feet to the most
Northerly corner thereof; thence due West 130 feet; thence South 59° 00' 00" West 50.5
feet; thence South 02° 01' 45" West 153.12 feet, more or less, to a point in the Southerly
line of said Lot A and in the Northerly line of Via Panorama, as shown on said map of said
tract, being a point in a curve concave to the West and having a radius of 65 feet; thence
Easterly along said curve a distance of 21 feet to the point of beginning, enclosing an
area of 0.306 acre, more or less. (2) Beginning at the Northerly corner of Lot 6 of
Block 1732 of said tract; thence along the Northwesterly prolongation of the Northeasterly
line of said Lot 6, North 42° 13' 30" West 70 feet; thence South 47° 46' 30" West 68 feet;
thence South 13° 59' 40" West 148.80 feet, more or less, to the Westerly corner of said
Lot 6; thence along the Northwesterly line thereof North 43° 58' 25" East 192.11 feet to
the point of beginning, enclosing an area of 0.219 acre, more or less. Item 8. Lot 1
of Block 1 of Tract 10716, as per map recorded in Book 169, pages 40 and 41 of Maps, rec-
ords of said Los Angeles County. Excepting and reserving therefrom any and all street,
alleys, walks, roads and/or highways abutting or adjoining said realty and all land within
or under same, and the easements and rights-of-way hereinafter referred to. It is the ex-

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(8)

the Grantor herein, its successors and assigns, and the grantee herein acquires no interest therein by virtue of this deed. This conveyance is made and accepted and said realty is hereby granted, subject to State and County taxes now a lien and now due and/or delinquent and to any and all rights and easements of record, but without warranty on the part of the Grantor herein of any kind or character, either express or implied, as to any matters not contained or referred to herein; and upon and subject to each of the following provisions, conditions, restrictions and covenants, to-wit: 1. The express condition that the Grantor herein is not responsible or liable, in any way, for any inducement, representation, agreement, condition or stipulation not set forth herein, or in deeds of record heretofore conveying said realty and rights and easements applicable thereto, or in the Declarations of Restrictions hereinafter mentioned. 2. Each and every provision, condition, restriction, reservation, lien, charge, easement and covenant contained in the Declaration of Establishment of Basic Protective Restrictions executed by Commonwealth Trust Company, as owner, recorded in Book 2360, page 231 of Official Records of said Los Angeles County, and Amendments Nos. 1 and 3 thereto (executed by Bank of America, successor in interest to said Commonwealth Trust Company), recorded in Book 2940, page 27 and in Book 4019, page 274, respectively, of said Official Records; and in Declaration No. 4, recorded in Book 2966, page 248, in Declaration No. 20, recorded in Book 3168, page 30, in Declaration No. 23, recorded in Book 5190, page 30, in Declaration No. 24, recorded in Book 7188, page 348, and in Declaration No. 25, recorded in Book 8052, page 86, of said Official Records (said Declarations having been executed by said Bank of America); and in Amendment No. 3 to said Declarations Nos. 4 and 20, recorded in Book 4019, page 274, and in Amendment No. 6 to said Declaration No. 23, recorded in Book 5583, page 23, of said Official Records (said Amendments Nos. 3 and 6 having been executed by said Bank of America); and in Amendment No. 55 to said Declaration No. 25, executed by Palos Verdes Estates, Inc. and recorded in Book 14343, page 215 of said Official Records; and in Amendment No. 56 to said Declaration No. 24, executed by said Palos Verdes Estates, Inc. and Grantor herein, and recorded in Book 14727, page 287 of said Official Records; and in that certain conveyance executed by said Bank of America to Grantor herein and recorded in Book 3400, page 279 of said Official Records; and in those certain conveyances executed by Bank of America National Trust and Savings Association to Grantor herein and recorded in Book 10494, page 380, in Book 11605, page 164, in Book 13900, page 308 and in Book 14125, page 368 of said Official Records, whereby there was established a general plan for the improvement and development of said realty and other property described and/or referred to in said Declarations of Restrictions, and provisions, conditions, restrictions, reservations, liens, charges, easements and covenants were fixed, including the establishment, maintenance and operation of Palos Verdes Homes Association, a California corporation, and of the Art Jury as therein provided, subject to which said property and/or all parcels thereof should be sold and conveyed and all of said provisions, conditions, restrictions, reservations, liens, charges, easements and covenants are hereby made a part of this conveyance and expressly imposed upon said realty as fully and completely as is herein set forth in said Declarations of Restrictions, and Amendments thereto, except as hereinafter provided, said realty is to be used and administered forever for park and/or recreation purposes only (any provisions of the Declarations of Restrictions above referred to, or of any amendments thereto, or of any prior conveyances of said realty, or of any laws or ordinances of any public body applicable thereto, to the contrary notwithstanding), for the benefit of the (1) residents and (2) non-resident property owners within the boundaries of the property heretofore commonly known as "Palos Verdes Estates" (that is to say, within the boundaries of the Grantee municipality, of Tracts 6881 and 9302 of said Los Angeles County, and of any other property that may be under the jurisdiction of said Palos Verdes Homes Association), under such regulations consistent with the other conditions set forth in this deed as may from time to time hereafter be established by said municipality or other body suitably constituted by law to take, hold, maintain and regulate public parks, for the purpose of safeguarding said realty and any vegetation and/or improvements thereon from damage or deterioration, and for the further purpose of protecting the residents of said Palos Verdes Estates from any uses of or conditions in or upon said realty which are, or may be, detrimental to the amenities of the neighborhood; provided, (a) That any portion of said realty, title to which is acquired by the United States of America, the State of California, or by any public authority, and which is used for governmental purposes, may with the written approval of the owner of the rever-

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(8) a

(b) That the easement is specifically reserved to Palos Verdes Homes Association and its successors in interest to establish and maintain such reasonable number of water mains and other public utilities as to it may seem advisable in and over said realty in a manner not inconsistent with the purposes for which said realty is hereby conveyed, except that under the terms of this easement Bank of America National Trust and Savings Association shall be allowed, without further approval, to establish and maintain such utilities in and over said realty as an incident of the development of neighboring property.

(3) That rights-of-way for road purposes are reserved upon and across said Lot H of Tract 7142 to provide access to Via Rincon from "No. 5 Reservoir" of the Palos Verdes Water Co. located to the northward of said Lot H; and upon and across said Lot B of Tract 7334 to provide access to Via Zurita from "No. 6 Reservoir" of said Water Co. whose location is described in the exception under item 4 (b) of said realty.

(d)(1) That a non-exclusive easement is reserved to Southern California Edison Co., Ltd. for the use, maintenance and replacement of one line of poles with the usual appurtenances, to be used for conveying electric energy, in and over said Lot C of Tract 7330, as per deed dated February 18, 1925 from Grantor herein to said Edison Co.

(2) That a non-exclusive easement is reserved to Southern California Edison Co., Ltd. for the use, maintenance and replacement of an underground conduit system, to be used for conveying electric energy, in and over said Lot C of Tract 7330, as per deed dated June 10, 1927 from Grantor herein to said Edison Co.

(3) That a non-exclusive easement is reserved to Associated Telephone Co., Ltd. for the use, maintenance and replacement of an underground telephone conduit system, in and over said Lot C of Tract 7330, as per deed dated October 3, 1929 from Grantor herein to said Telephone Co.

4. That, except as provided above, no buildings, structures or concessions shall be erected, maintained or permitted upon said realty, except such as are properly incidental to the convenient and/or proper use of said realty for park and/or recreation purposes.

5. That, except as provided in paragraph 3 hereof, said realty shall not be sold or conveyed, in whole or in part, by the Grantee herein except subject to the conditions, restrictions and reservations set forth and/or referred to herein and except to a body suitably constituted by law to take, hold, maintain and regulate public parks; provided, that portions of said realty may be dedicated to the public for parkway and/or street purposes.

6. That said municipality or other body having jurisdiction may, by and with the written approval of Palos Verdes Art Jury first obtained, permit the owner of a lot abutting on said realty to construct and/or maintain paths, steps and/or other landscape improvements, as a means of egress from and ingress to said lot or for the improvement of views therefrom, in such a manner and for such length of time and under such rules and regulations as will not, in the opinion of said municipality or other body and of Palos Verdes Art Jury, impair or interfere with the use and maintenance of said realty for park and/or recreation purposes, as hereinbefore set forth.

7. That none of the conditions, restrictions, covenants and reservations set forth in paragraphs 3 to 6, inclusive, hereof may be changed or modified by the procedure established in Section 3 of Article VI of said Declaration of Establishment of Basic Protective Restrictions, in Section 9 of said Declarations Nos. 4, 20, 23 and 24 of Establishment of Local Protective Restrictions, and in Section 10 of said Declaration No. 25 of Establishment of Local Protective Restrictions.

Provided, that a breach of any of the provisions, conditions, restrictions, reservations, liens, charges and covenants set forth in paragraphs 2 to 7, inclusive, hereof shall cause said realty to revert to the grantor herein, or its successor in

interest, as owner of the reversionary rights herein provided for, and the reincorporation of the Grantee herein as a municipality or the dissolution of said body referred to in paragraph 5 hereof (in the event of the transfer of any of said realty thereto) shall in like manner cause said realty to revert to the Grantor herein or its successor in interest, and the owner of such reversionary rights shall have the right of immediate re-entry upon said realty in the event of any such breach and in the event of such reincorporation or dissolution, and, as to each lot and/or parcel owner of said property or other property described and/or referred to in said Declarations of Restrictions, the said provisions, conditions, restrictions, reservations, liens, charges and covenants shall be covenants running with the land, and the breach of any thereof or the continuance of any such breach may be enjoined, abated or remedied by appropriate proceedings by the Grantor herein or its successors in interest, or by such other lot or parcel owner, and/or by any other person or corporation designated in said Declarations of Restrictions.

covenants herein set forth or mentioned are a part of the general plan for the improvement and development of the property described and/or referred to in said Declarations of Restrictions, and are for the benefit of all of said property as described and/or referred to and each owner of any land therein, and shall inure to and pass with said property and each and every parcel of land therein, and shall apply to and bind the respective successors in interest of the parties hereto, and are, and each thereof is, imposed upon said realty as a servitude in favor of said property and each and every parcel of land therein as the dominant tenement or tenements. In Witness Whereof, Palos Verdes Homes Association has caused this deed to be duly executed, by its officers thereunto duly authorized, this 14th day of June, 1940.

(Seal)

Palos Verdes Homes Association
Val E. Miltenberger Vice-President
Everett M. York Secretary

The Park and Recreation Board of Palos Verdes Homes Association hereby expressly approves and consents to the execution of the foregoing deed.

Hammond Sadler Chairman

State of California County of Los Angeles)ss: On this 14 day of June 1940, before me, Lillian Throne, a Notary Public in and for said County, personally appeared Val E. Miltenberger, known to me to be the Vice-President, and Everett M. York, known to me to be the Secretary, of Palos Verdes Homes Association, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same. Witness my hand and official seal.

(Seal)

Lillian Throne Notary Public
in and for the County of Los Angeles, State of California My Commission Expires Dec. 1, 1940

Palos Verdes Homes Association, a California corporation, in consideration of Ten Dollars (\$10.00) to it in hand paid, receipt of which is hereby acknowledged, does hereby Grant to the City of Palos Verdes Estates, a municipal corporation of the sixth class of the State of California, its successors and assigns, that certain real property in the County of Los Angeles, State of California, hereinafter referred to as "said realty", described as follows: Lot 19 of Block 6226 of Tract 6887, as per map recorded in Book 96, pages 28 to 32 inclusive, of Maps, records of said Los Angeles County. Excepting and reserving therefrom any and all streets, alleys, roads and/or highways abutting or adjoining said realty and all land within or under same, and the easements and rights-of-way hereinafter referred to. It is the express intention of the parties hereto that title to all land under or within all streets, alleys, roads and/or highways abutting or adjoining said realty is reserved unto the Grantor herein, its successors and assigns, and the Grantee herein acquires no interest therein by virtue of this deed.

This conveyance is made and accepted and said realty is hereby granted, subject to State and County taxes now a lien and now due and/or delinquent and to any and all rights and easements of record, but without warranty on the part of the Grantor herein of any kind or character, either express or implied, as to any matters not contained or referred to herein; and upon and subject to each of the following provisions, conditions, restrictions and covenants, to-wit: 1. The express condition that the Grantor herein is not responsible or liable, in any way, for any inducement, representation, agreement, condition or stipulation not set forth herein, or in deeds of record heretofore conveying said realty and rights and easements applicable thereto, or in the Declarations of Restrictions hereinafter mentioned. 2. Each and every provision, condition, restriction, reservation, lien, charge, easement and covenant contained in the Declaration of Establishment of Basic Protective Restrictions executed by Commonwealth Trust Company, as owner, recorded in Book 2360, page 231 of Official Records of said Los Angeles County, and Amendments Nos. 1 and 3 thereto (executed by Bank of America, successor in interest to said Commonwealth Trust Company), recorded in Book 2940, page 27 and in Book 4019, page 274, respectively, of said Official Records; and in Declaration No. 7 of Establishment of Local Protective Restrictions, executed by said Bank of America and recorded in Book 3443, page 146 of said Official Records; and in Amendment No. 8 to said Declaration No. 7, executed by said Bank of America and recorded in Book 5583, page 28 of said Official Records; and in Amendment No. 42 to said Declaration No. 7, executed by Palos Verdes Estates, Inc. and recorded in Book 13942, page 17 of said Official Records; and in that certain conveyance executed by said Palos Verdes Estates, Inc. to Grantor herein and recorded in Book 16045, page 11 of said Official Records, whereby there was established

tions, restrictions, reservations, liens, charges, easements and covenants were fixed, including the establishment, maintenance and operation of Palos Verdes Homes Association, a California corporation, and of the Art Jury as therein provided, subject to which said property and/or all parcels thereof should be sold and conveyed and all of said provisions, conditions, restrictions, reservations, liens, charges, easements and covenants are hereby made a part of this conveyance and expressly imposed upon said realty as fully and completely as if herein set forth in full. 3. That said realty shall not be sold or conveyed, in whole or in part, by the Grantee herein except subject to the conditions, restrictions and reservations set forth and/or referred to herein and except to a body suitably constituted by law to take, hold, maintain and regulate public parks, provided that portions of said realty may be dedicated to the public for parkway and/or street purposes; and this restriction, condition and covenant may not be changed or modified by the procedure established in Section 3 of Article VI of said Declaration of Establishment of Basic Protective Restrictions and in Section 9 of said Declaration No. 7 of Establishment of Local Protective Restrictions.

Provided, that a breach of any of the provisions, conditions, restrictions, reservations, liens, charges and covenants set forth in paragraphs 2 and 3 hereof shall cause said realty to revert to the Grantor herein, or its successor in interest, as owner of the reversionary rights herein provided for, and the disincorporation of the Grantee herein as a municipality or the dissolution of said body referred to in paragraph 3 hereof (in the event of the transfer of any of said realty thereto) shall in like manner cause said realty to revert to the Grantor herein or its successor in interest, and the owner of such reversionary rights shall have the right of immediate reentry upon said realty in the event of any such breach and in the event of such disincorporation or dissolution, and as to each lot and/or parcel owner of said property or other property described and/or referred to in said Declarations of Restrictions, the said provisions, conditions, restrictions, reservations, liens, charges and covenants shall be covenants running with the land, and the breach of any thereof or the continuance of any such breach may be enjoined, abated or remedied by appropriate proceedings by the Grantor herein or its successors in interest, or by such other lot or parcel owner, and/or by any other person or corporation designated in said Declarations of Restrictions.

Provided, Also, that by the acceptance of this conveyance the Grantee agrees with the Grantor that the reservations, provisions conditions, restrictions, liens, charges and covenants herein set forth or mentioned are a part of the general plan for the improvement and development of the property described and/or referred to in said Declarations of Restrictions, and are for the benefit of all of said property as described and/or referred to and each owner of any land therein, and shall inure to and pass with said property and each and every parcel of land therein, and shall apply to and bind the respective successors in interest of the parties hereto, and are, and each thereof is, imposed upon said realty as a servitude in favor of said property and each and every parcel of land therein as the dominant tenement or tenements. In Witness Whereof, Palos Verdes Homes Association has caused this deed to be duly executed, by its officers thereunto duly authorized, this 14th day of June, 1940.

(Seal)

Palos Verdes Homes Association
Val E. Miltenberger Vice-President
Everett M. York Secretary

State of California County of Los Angeles)ss: On this 14 day of June 1940, before me, Lillian Throne, a Notary Public in and for said County, personally appeared Marie-B. Gray Val E. Miltenberger, known to me to be the Vice-President, and Everett M. York, known to me to be the Secretary, of Palos Verdes Homes Association, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same. Witness my hand and official seal.

(Seal)

Lillian Throne Notary Public
in and for the County of Los Angeles, State of California My Commission Expires Dec. 1, 1940

#963 Copy of original recorded at request of Frederic H. Binn Jun 24 1940, 1:56 P.M.

Copyist #120-Compared, Mame B. Beatty, County Recorder, By
Pres-307.P.

E. C. Colan (13) Deputy.

RECORDING REQUESTED BY:
FIRST AMERICAN TITLE COMPANY
NATIONAL HOMEOWNER SERVICES
SUBDIVISION DEPARTMENT

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Palos Verdes Homes Association
320 Palos Verdes Drive West
Palos Verdes Estates, CA 90274



4132274-50

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

APN: 7545-002-900

DOCUMENTARY TRANSFER TAX

53
550
Computed on the consideration or value of property
conveyed; OR
Computed on the consideration or value less liens or
encumbrances remaining at time of sale.

First American Title
Signature of Declarant or Agent determining tax Firm
Name

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the CITY OF PALOS VERDES ESTATES, a municipal corporation, organized and existing under the general laws of the State of California ("Grantor"), hereby remises, releases and forever quitclaims to the PALOS VERDES HOMES ASSOCIATION, a California corporation ("Grantee"), the real property ("Property") in the County of Los Angeles, State of California, described on Exhibit "A" and shown on Exhibit "B," attached hereto and by this reference made a part hereof, together with all tenements and appurtenances thereunto belonging or in anywise appertaining.

THIS DEED IS SUBJECT TO THE FOLLOWING EXPRESS CONDITIONS:

1. Grantor reserves for the benefit of the City of Palos Verdes Estates an open space easement on the Property described on Exhibit "A" and shown on Exhibit "B," attached hereto and by this reference made a part hereof, the preservation and management of which is consistent with the present and continued use of the Property for open space purposes. This open space easement does not include a right to public access. Except as provided for under Sections 5 and 6 herein, Grantee shall not perform, or allow others to perform, any act on or affecting the Property that is inconsistent with the open space restriction.
2. Grantor reserves for the benefit of the City of Palos Verdes Estates a non-exclusive, permanent easement, for the use by City and any of its agents, for sewer utility-related

Mail Tax Statements to Return Address Above

purposes including but not limited to installation, repair, access to and maintenance of the sewer facilities, which easement is described on Exhibit "F" attached hereto and by this reference made a part hereof, and shown on Exhibit "G" as "Exhibit F Sewer Easement."

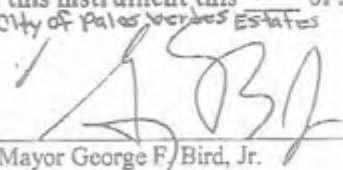
3. Grantor reserves for the benefit of the City of Palos Verdes Estates a non-exclusive, permanent easement, for the use by City and any of its agents, for storm drain utility-related purposes including but not limited to installation, repair, access to and maintenance of the storm drain facilities described on Exhibit "H" attached hereto and by this reference made a part hereof, and shown as "Exhibit H Storm Drain Easement" on Exhibit "I".
4. Grantor reserves for the benefit of the City of Palos Verdes Estates and any emergency service agency a permanent easement described on Exhibit "E" attached hereto and by this reference made a part hereof, and shown as "Fire Access" on Exhibit "B" for the use by City and any emergency service agency emergency vehicles. The easement shall be for purposes of egress and ingress to provide, without limitation, fire and police protection, ambulances and rescue services and other lawful governmental or private emergency services to the premises, owners, occupants or others. The foregoing easement shall in no way be construed as a dedication of any roadways to the public.
5. Within six (6) months of recordation of this Deed, Grantee shall either remove all encroachments inconsistent with the open space use or seek and obtain all required approvals including but not limited to an after-the-fact permit pursuant to PVEMC Section 17.04.110 permitting the existing retaining walls located in the area described on Exhibit "D," attached hereto and by this reference made a part hereof, and shown as Area 1 on Exhibit "B"; and a zone change to permit the accessory uses permitted in Section 6 below in the area described on Exhibit "C" and shown as Area 3 on Exhibit "B" and in any areas which may be the subject of a lot line adjustment.
6. Unless expressly provided for herein, Grantee shall not construct any structure on the Property and the Property shall be restricted to use as open space. Upon obtaining any and all required permits and approvals from Grantor, Grantee may construct any of the following: a gazebo, sports court, retaining wall, landscaping, barbeque, and/or any other "accessory structure," as defined by Palos Verdes Estates Municipal Code ("PVEMC") Section 18.32.010.D within the area described on Exhibit "C," attached hereto and by this reference made a part hereof, and shown as Area 3 on Exhibit "B." Any such structure shall comply with any and all requirements of Grantor, Grantee, and the Art Jury including but not limited to height, size, orientation, design, and setback. Grantee shall not perform, or allow others to perform, any act on or affecting the Property that is inconsistent with this paragraph.
7. Grantee shall keep and maintain the Property free of weeds and trash and shall provide landscaping in Area 3 that is compatible with adjoining properties and that is satisfactory to Grantor. Grantee shall be solely responsible for such maintenance.

8. This Deed shall not cause the Property to be merged with any adjacent lot and any such merger shall be prohibited.
9. All terms and conditions in this Deed shall be binding upon Grantee and its successors and assigns. The benefits and burdens described herein are intended to and shall run with the land. Every person or entity who now or hereafter owns or acquires any right, title, or interest in and to any portion of the Property is and shall be conclusively deemed to have consented and agreed to the conditions stated herein, whether or not any reference to this Deed is contained in the instrument by which such party acquired an interest in the Property.
10. Grantee acknowledges and agrees that Grantor would not convey the Property without the conditions being set forth herein. In the event of any violation by Grantee of said conditions, Grantor shall have the right, without posting bond or security, to enjoin such violation, to bring an action for specific performance of declaratory relief in a court of competent jurisdiction, to request that any improvements installed and/or maintained by Grantee on the Property be removed, or bring an action at law for damages. In the event a party brings an action to enforce or seek redress for breach of these conditions, the prevailing party in such action shall be entitled to its costs and reasonable attorneys' fees incurred in trial, on appeal or in petition for review, in addition to other appropriate relief.
11. No breach of the conditions stated herein shall entitle any person or entity to terminate the conditions or any of them, but such limitation shall not affect in any manner any other rights or remedies which any person or entity may have under this Deed by reason of any breach thereof.
12. Grantee, for itself, its successors and assigns, with respect to the Property, acknowledges and agrees to be bound by all of the terms and provisions of this Deed.
13. This Deed may be executed in any number or counterparts, each of which will be an original, but all of which together will constitute one instrument executed on the same date.

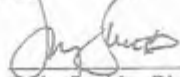
IN WITNESS WHEREOF, Grantor has executed this instrument this 9th of August 2012.
City of Palos Verdes Estates

GRANTOR:

Dated 8-8-12


 Mayor George F. Bird, Jr.

ATTEST:

By: 
 Judy Smith, City Clerk

State of California)

County of Los Angeles)

On August 8, 2012 before me, Vickie Kroneberger, a Notary Public in and for said State, George F. Bird, Jr. personally appeared, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Vickie Kroneberger



(This area for notary stamp)

Agreed and accepted this 13 day of August 2012

GRANTEE:

Palos Verdes Homes Association

By: _____

Dale P. Hoffman
Palos Verdes Homes Association

By: Dale P. Hoffman, President

State of California)

County of Los Angeles)

On August 13, 2013 before me, Vickie Kroneberger, a Notary Public in and for said State, Dale P. Hoffman personally appeared, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

This page is part of your document - DO NOT DISCARD



20121327415



Pages:
0020

Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

09/05/12 AT 08:00AM

FEES:	93.00
TAXES:	550.00
OTHER:	0.00
PAID:	643.00

PCOR SURCHARGE \$20.00



LEADSHEET



201209050240010

00006385279



004255022

SEQ:
10

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

T44

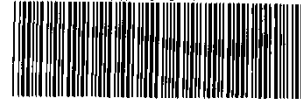
646077

RECORDING REQUESTED BY:
FIRST AMERICAN TITLE COMPANY
NATIONAL HOMEBUILDER SERVICES
SUBDIVISION DEPARTMENT

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Thomas J. Lieb
25550 Hawthorne Blvd.
Torrance, CA 90505

09/05/2012



20121327415

4132274-50

APN: 7545-002-900

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

DOCUMENTARY TRANSFER TAX

\$ 350.00

Computed on the consideration or value of property
conveyed; OR

Computed on the consideration or value less liens or
encumbrances remaining at time of sale.

[Signature] First American Title
Signature of Declarant or Agent determining tax Firm
Name

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the PALOS VERDES HOMES ASSOCIATION, a California corporation ("Grantor"), hereby GRANTS to THOMAS J. LIEB, TRUSTEE, THE VIA PANORAMA TRUST U/DO MAY 2, 2012 ("Grantee"), the real property ("Property") in the County of Los Angeles, State of California, described on Exhibit "A" and shown on Exhibit "B," attached hereto and by this reference made a part hereof, together with all tenements and appurtenances thereunto belonging or in anywise appertaining.

THIS DEED IS SUBJECT TO THE FOLLOWING EXPRESS CONDITIONS:

1. Grantee acknowledges that the Property is subject to certain easements in favor of the City of Palos Verdes Estates ("City") and other conditions and restrictions as stated in the quitclaim deed transferring the Property from the City to the Grantor and the conditions, restrictions and reservations of record stated in Section 10 herein.
2. Unless expressly provided for herein, Grantee shall not construct any structure on the Property and the Property shall be restricted to open space. It is the intent of the parties, subject to compliance with the requirements for such development of accessory structures of the City and Grantor, that Grantee may construct any of the following: a gazebo, sports court, retaining wall, landscaping, barbeque, and/or any other uninhabitable "accessory structure," as defined by Palos Verdes Estates Municipal Code ("PVEMC") Section 18.32.010.D within the area described on Exhibit "C," attached hereto and by this

Mail Tax Statements to Return Address Above

reference made a part hereof, and shown as Area 3 on Exhibit "B." Grantee shall apply for approval of any such permitted structures by Grantor and the City in accordance with standard procedure and in conformance with applicable covenants, ordinances, and codes. Any such structure shall comply with any and all requirements of City, Grantor, and the Art Jury including but not limited to height, size, orientation, design, and setback. Grantee shall not perform, or allow others to perform, any act on or affecting the Property that is inconsistent with this paragraph.

3. Grantee shall keep and maintain the Property free of weeds and trash and shall provide landscaping in Area 3 that is compatible with adjoining properties and that is satisfactory to City. Grantee shall be solely responsible for such maintenance.
4. This Deed shall not cause the Property to be merged with any adjacent lot and any such merger shall be prohibited.
5. All terms and conditions in this Deed shall be binding upon Grantee and their successors and assigns. The benefits and burdens described herein are intended to and shall run with the land. Every person or entity who now or hereafter owns or acquires any right, title, or interest in and to any portion of the Property is and shall be conclusively deemed to have consented and agreed to the conditions stated herein, whether or not any reference to this Deed is contained in the instrument by which such party acquired an interest in the Property.
6. Grantee acknowledges and agrees that Grantor would not convey the Property without the conditions being set forth herein and that Grantee would not accept the conveyance without the statements of the parties' intent set forth herein. In the event of any violation by Grantee of said conditions, Grantor shall have the right, without posting bond or security, to enjoin such violation, to bring an action for specific performance of declaratory relief in a court of competent jurisdiction, to request that any improvements installed and/or maintained by Grantee on the Property be removed, or bring an action at law for damages. In the event a party brings an action to enforce or seek redress for breach of these conditions, the prevailing party in such action shall be entitled to its costs and reasonable attorneys' fees incurred in trial, on appeal or in petition for review, in addition to other appropriate relief.
7. No breach of the conditions stated herein shall entitle any person or entity to terminate the conditions or any of them, but such limitation shall not affect in any manner any other rights or remedies which any person or entity may have under this Deed by reason of any breach thereof.
8. Grantee, for itself, its successors and assigns, with respect to the Property, acknowledges and agrees to be bound by all of the terms and provisions of this Deed.
9. This Deed may be executed in any number or counterparts, each of which will be an original, but all of which together will constitute one instrument executed on the same

date.

10. This conveyance is made and accepted and said realty is hereby conveyed subject to conditions, restrictions and reservations of record, including but not limited to, that certain Declaration No. 1 - Declaration of Establishment of Basic Protective Restrictions, Conditions, Covenants, Reservations, Liens and Charges for Palos Verdes Estates recorded July 5, 1923 in Book 2360, page 231 of the Official Records of Los Angeles County (including all amendments thereto of record) (Declaration No. 1) and that certain Declaration No. 25 of Establishment of Local Protective Restrictions, Conditions, Covenants, Reservations, Liens and Charges for Tract 8562 Palos Verdes Estates recorded July 26, 1926, in Book 6052, page 86 et. seq. of Official Records of Los Angeles County (including all amendments thereto of record) (Declaration No. 25). It is the intent of the parties that the structures permitted under Section 2 hereof are permitted under the conditions, restrictions and reservations cited herein, subject to compliance with the application and approval requirements of Section 2.

IN WITNESS WHEREOF, Grantor has executed this instrument this 13 day of August 2012.

GRANTOR:

Palos Verdes Homes Association

By: Dale P. Hoffman
Dale P. Hoffman

Agreed and accepted this 14 day of August 2012

GRANTEE:

Thomas J. Lieb, Trustee, the Via Panorama Trust u/do May 2, 2012

By: Thomas J. Lieb, Trustee
Thomas J. Lieb

State of California)

County of Los Angeles)

On August 13, 2012 before me, VICKIE KRONBERGER, a Notary Public in and for said State, Dale P. Hoffmann personally appeared, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Vickie Kronberger



(This area for notary stamp)

State of California)

County of Los Angeles)

On Aug 14, 2012 before me, IRMA MARQUEZ, a Notary Public in and for said State, Thomas J. Lieb, Trustee, personally appeared, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Irma Marquez



(This area for notary stamp)

b



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

Signature _____

(This area for official notaries seal)

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

} SS.

7

On August 13, 2012, before me, Vickie Kroneberger, a notary public, personally appeared Dale P. Hoffman, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledge to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(This area for official notaries seal)

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

}
} SS.
}

On August 14, 2012, before me, Irma Marquez, a notary public, personally appeared Thomas J. Lieb, Trustee, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledge to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Signature Irma Marquez



(This area for official notaries seal)

4

EXHIBIT A
PROPERTY LEGAL DESCRIPTION

EXHIBIT "A"**LEGAL DESCRIPTION OF PROPERTY**

THOSE PORTIONS OF THE FOLLOWING PARCELS: LOT A, TRACT 8652 OF THE MAP RECORDED IN MAP BOOK 125, PAGES 85-87, LOT 12, TRACT 26341 OF THE MAP RECORDED IN MAP BOOK 902, PAGES 98- 100 AND LOT A, TRACT 7540 OF THE MAP RECORDED IN MAP BOOK 104, PAGES 56-59, IN THE CITY OF PALOS VERDES ESTATES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST WESTERLY CORNER OF LOT 11, BLOCK 1733, TRACT 8652 OF THE MAP RECORDED IN MAP BOOK 125, PAGES 85-87, OF SAID COUNTY RECORDER, SAID POINT BEING ON THE RIGHT OF WAY OF VIA PANORAMA, A PUBLIC STREET AS SHOWN ON THE MAP OF SAID TRACT 8652, AND THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 65.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 17°00'16" WEST;

THENCE WESTERLY ALONG SAID CURVE AND SAID RIGHT OF WAY, THROUGH A CENTRAL ANGLE OF 18°30'39", AN ARC DISTANCE OF 21.00 FEET, TO **TRUE POINT OF BEGINNING**;

THENCE CONTINUING WESTERLY ALONG SAID CURVE AND SAID RIGHT OF WAY, THROUGH A CENTRAL ANGLE OF 12°32'37", AN ARC DISTANCE OF 14.23 FEET (C1);

THENCE SOUTH 75°57'00" WEST, 81.57 FEET (L1);

THENCE SOUTH 47°46'30" WEST, 30.82 FEET (L2);

THENCE DEPARTING FROM SAID RIGHT OF WAY NORTH 13°38'09" WEST, 170.82 FEET (L3);

THENCE NORTH 31°07'01" EAST, 141.69 FEET (L4);

THENCE NORTH 67°23'03" EAST, 144.69 FEET (L5) TO A SOUTHERLY LINE OF SAID LOT A, TRACT 7540;

THENCE CONTINUING NORTH 67°23'03" EAST, 53.61 FEET (L6);

THENCE SOUTH 63°38'17" EAST, 46.43 FEET (L7) TO THE NORTHERLY LINE OF SAID LOT A, TRACT 8652;

THENCE CONTINUING SOUTH 63°38'17" EAST, 109.59 FEET (L8);

THENCE SOUTH 44°16'41" EAST, 55.79 FEET (L9);

THENCE SOUTH 23°40'31" EAST, 42.75 FEET (L10) TO THE WESTERLY LINE OF SAID LOT 12, TRACT 26341;

THENCE CONTINUING SOUTH 23°40'31" EAST, 18.58 FEET (L11);

THENCE SOUTH 9°29'24" EAST, 55.29 FEET (L12);

THENCE SOUTH 42°31'34" WEST, 28.99 FEET (L13);

THENCE SOUTH 11°48'21" WEST, 135.81 FEET (L14);

THENCE NORTH 77°50'33" WEST, 7.82 FEET (L15);

THENCE SOUTH 11°48'21" WEST, 121.49 FEET (L16);

THENCE NORTH 78°56'11" WEST, 8.24 FEET (L17) TO SOUTHEAST CORNER OF LOT 10, BLOCK 1733 OF SAID TRACT 8652;

EXHIBIT "A"

1 OF 2

THENCE ALONG THE EASTERN LINE OF SAID LOT 10 AND LOT 11, BLOCK 1733 OF SAID TRACT 8652, NORTH 11°48'21" EAST, 242.08 FEET (L18) TO THE NORTHEASTERLY CORNER OF SAID LOT 11;

THENCE NORTH 40°41'40" WEST, 146.21 FEET (L19) ALONG THE NORTHEASTERLY LINE OF SAID LOT 11;

THENCE NORTH 80°00'00" WEST, 130.00 FEET (L20) ALONG THE NORTHERN LINE OF A PORTION OF LOT A, TRACT 8652, AS PER DEED RECORDED IN INSTRUMENT NO. 20071588481 ON JULY 3, 2007 O.R.;

THENCE SOUTH 59°00'00" WEST, 50.50 FEET (L21) ALONG THE NORTHWESTERLY LINE OF SAID PORTION OF LOT A;

THENCE SOUTH 2°01'45" WEST, 153.12 FEET (L22) ALONG THE WESTERLY LINE OF SAID PORTION OF LOT A, TO THE TRUE POINT OF BEGINNING.

CONTAINS 77,349 SQUARE FEET, MORE OR LESS.

AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

PREPARED BY BOLTON ENGINEERING CORPORATION:

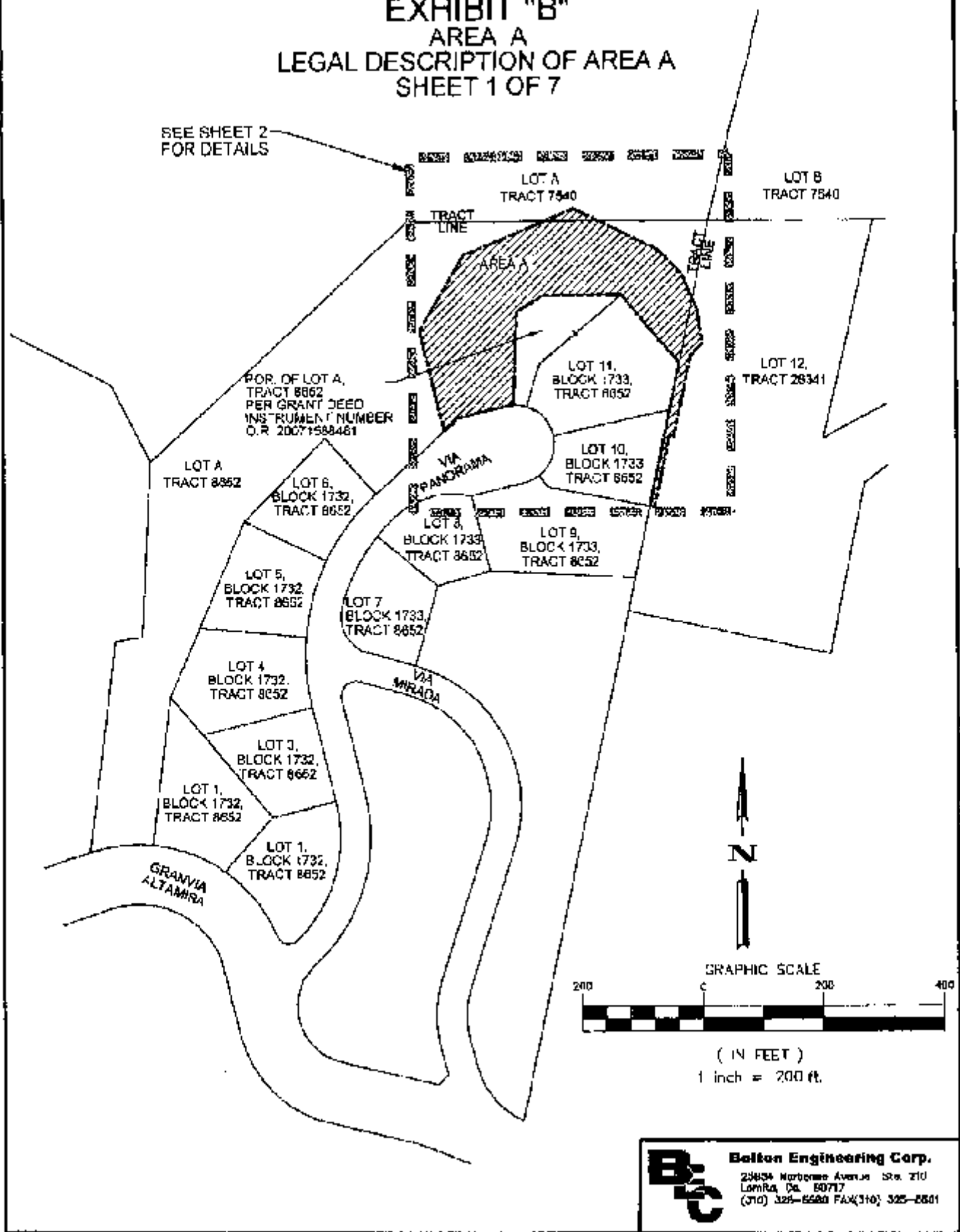
Ross N. Bolton Aug 30, 2012
 Ross N. Bolton R.C.E. 26120 DATE



**EXHIBIT B
PROPERTY MAP**

EXHIBIT "B"
AREA A
LEGAL DESCRIPTION OF AREA A
SHEET 1 OF 7

SEE SHEET 2
FOR DETAILS



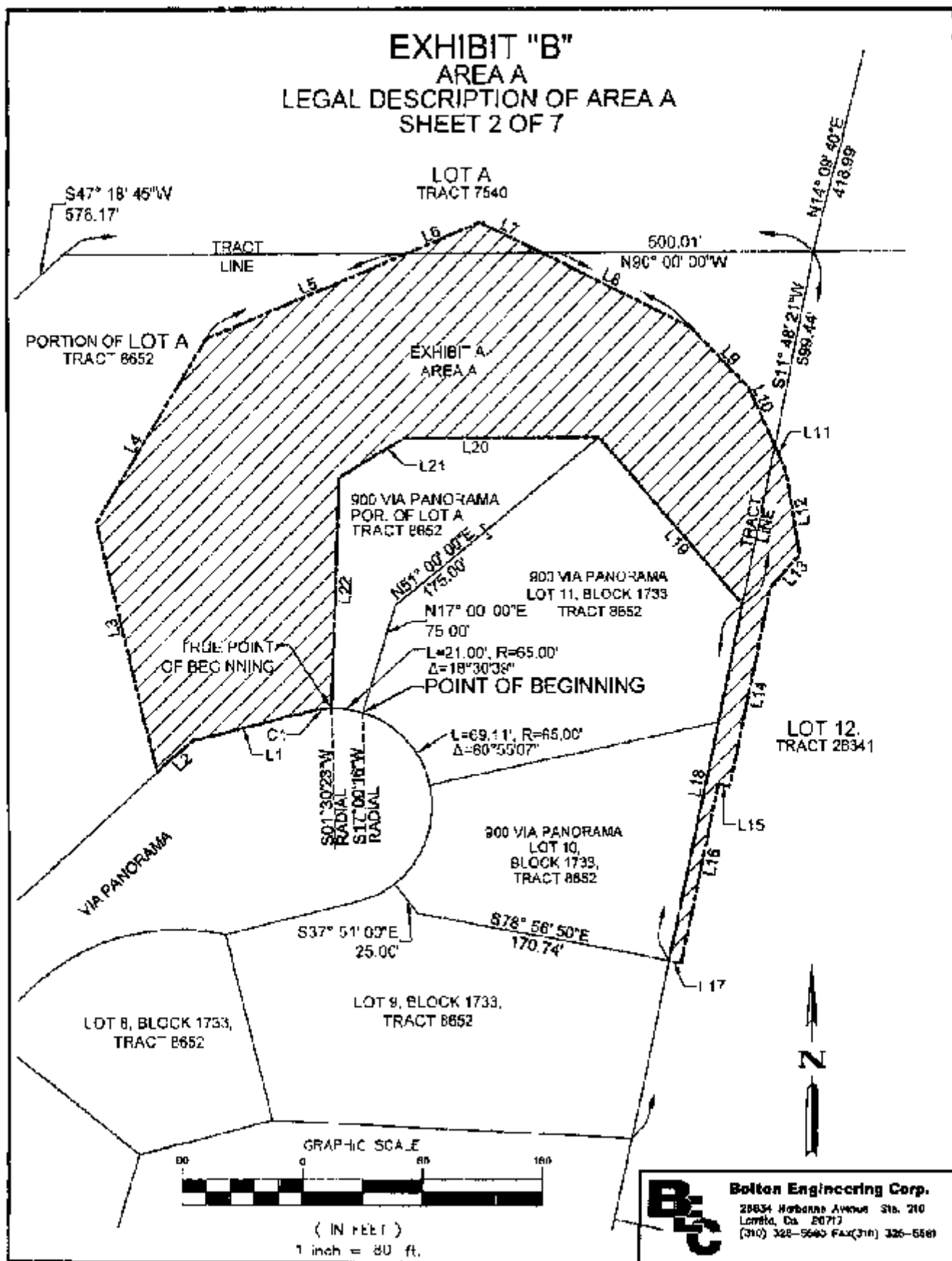


EXHIBIT "B"
AREA A
LEGAL DESCRIPTION OF AREA A
SHEET 3 OF 7

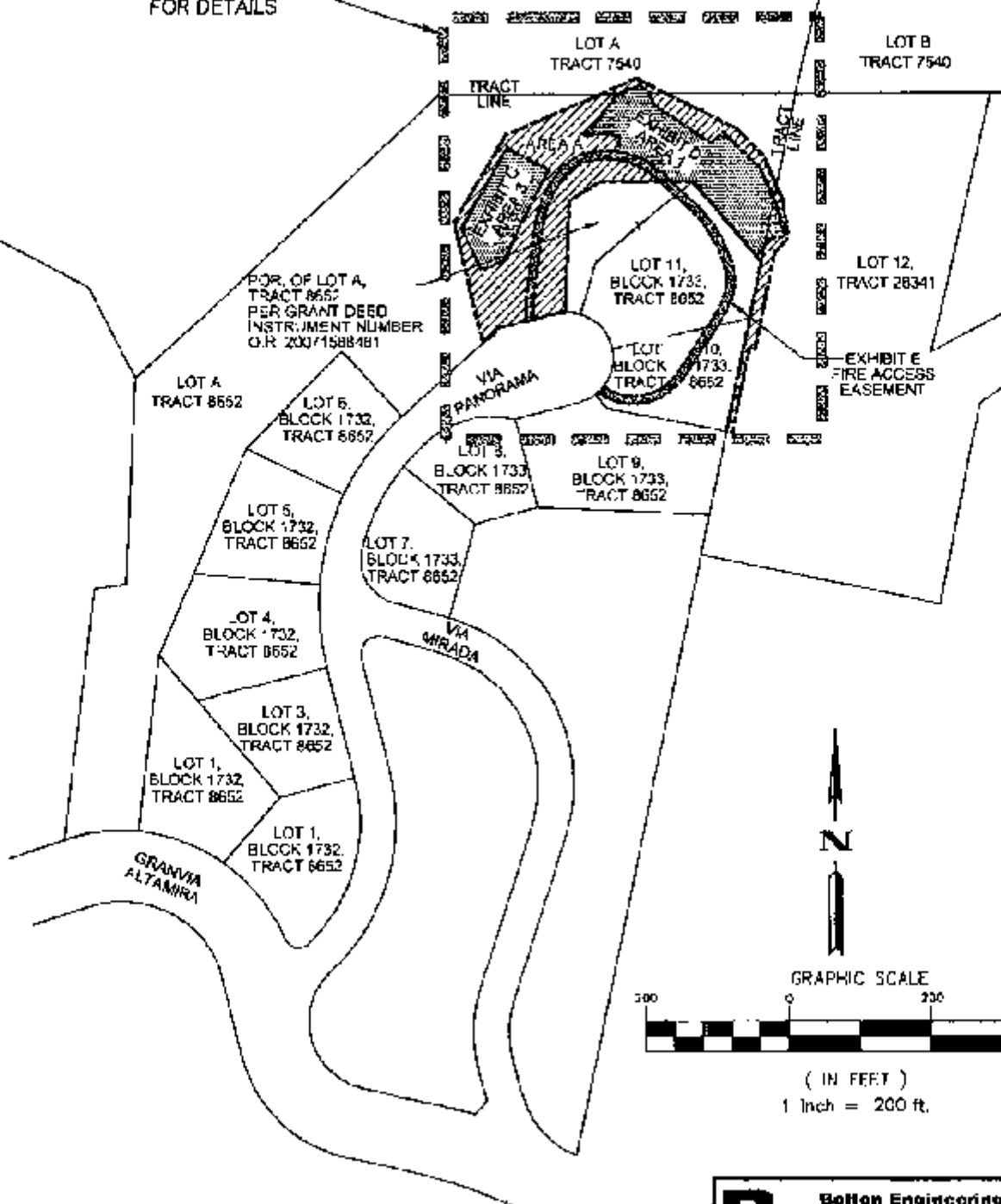
Parcel Table- Area A			
Line #/Curve #	Length	Direction/Delta	Radius
G1	14.23'	012°32'37"	65.00'
L1	81.57'	S75° 51' 00"W	
L2	30.82'	S47° 45' 30"W	
L3	170.82'	N13° 38' 09"W	
L4	141.69'	N31° 07' 01"E	
L5	144.89'	N67° 23' 03"E	
L6	53.61'	N67° 23' 03"E	
L7	45.43'	S03° 38' 17"E	
L8	109.59'	S63° 38' 17"E	
L9	55.79'	S44° 16' 41"E	
L10	42.75'	S23° 40' 31"E	
L11	19.58'	S23° 40' 31"E	
L12	55.29'	S09° 29' 24"E	
L13	28.99'	S42° 31' 34"W	
L14	135.61'	S11° 48' 21"W	
L15	7.62'	N77° 50' 33"W	
L16	121.49'	S11° 48' 21"W	
L17	8.24'	N78° 58' 11"W	
L18	242.08'	N11° 48' 21"E	
L19	146.21'	N40° 41' 40"W	
L20	130.00'	N30° 00' 00"W	
L21	50.50'	S59° 00' 00"W	
L22	153.12'	S02° 01' 45"W	



Bolton Engineering Corp.
38834 Harbottle Avenue Ste. 210
Lomita, Ca. 90717
(310) 326-8280 FAX(310) 326-8881

EXHIBIT "B" LEGAL DESCRIPTION OF ADDITIONAL AREAS SHEET 4 OF 7

SEE SHEET 5
FOR DETAILS



BEC Bolton Engineering Corp.
25834 Harborside Avenue Ste. 210
Lanette, Ca. 90717
(310) 328-8580 FAX(310) 328-5501

EXHIBIT "B" LEGAL DESCRIPTION OF ADDITIONAL AREAS SHEET 5 OF 7

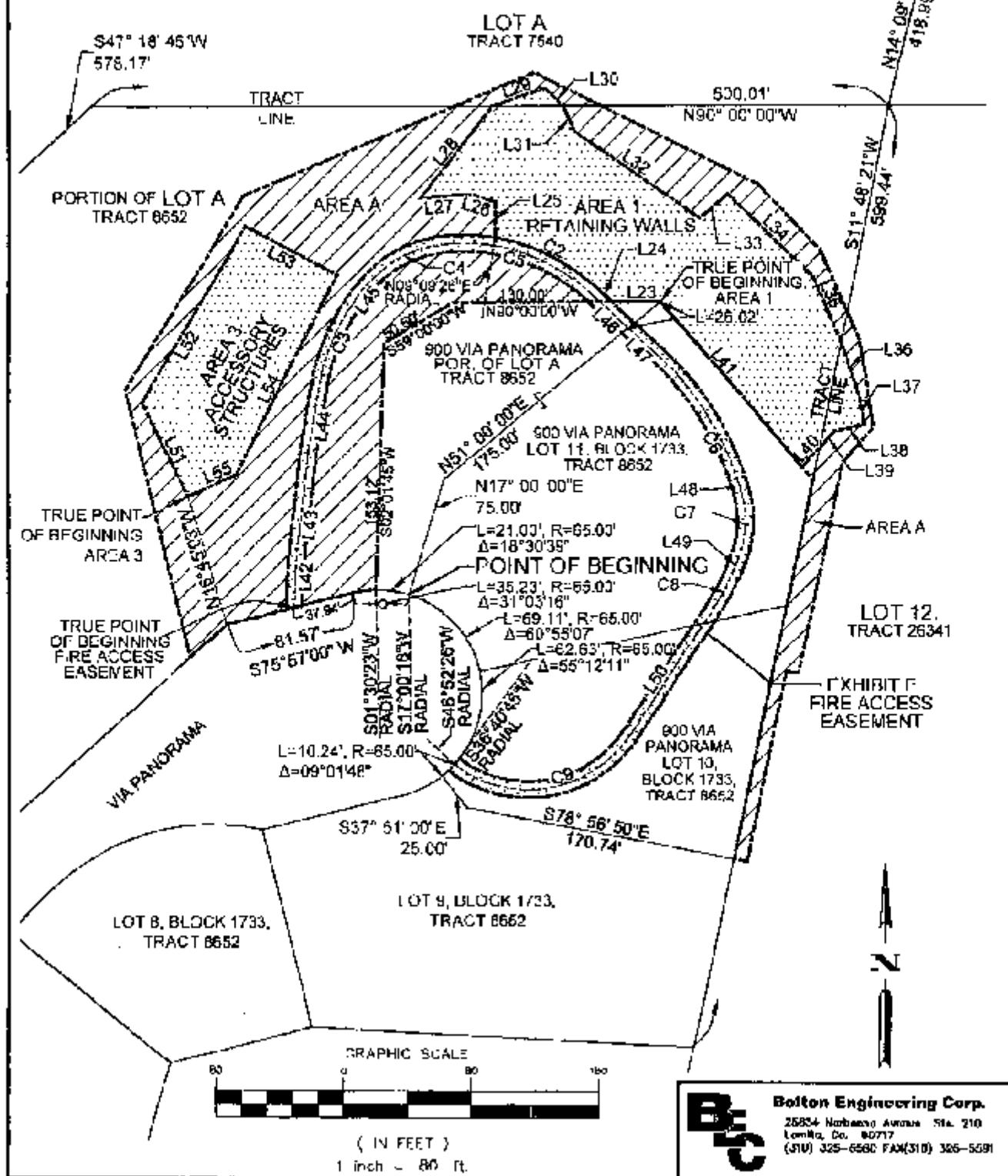


EXHIBIT "B"
LEGAL DESCRIPTION
OF ADDITIONAL AREAS
SHEET 6 OF 7

Parcel Table- Area 1: Retaining Walls			
Line #/Curve #	Length	Direction/Delta	Radius
L23	30.50'	N90° 00' 00"W	
L24	14.31'	N46° 51' 25"W	
C2	70.90'	033° 51' 03"	20.00'
L25	21.80'	N01° 28' 14"E	
L26	17.17'	N73° 44' 50"W	
L27	31.15'	S85° 10' 03"W	
L28	73.28'	N38° 54' 47"E	
L29	34.44'	N71° 43' 24"E	
L30	15.72'	S46° 36' 20"E	
L31	17.27'	S23° 22' 57"E	
L32	95.37'	S55° 41' 39"E	
L33	22.70'	N48° 58' 32"E	
L34	73.24'	S48° 33' 00"E	
L35	45.24'	S23° 13' 00"E	
L36	35.63'	S18° 30' 58"E	
L37	17.79'	S11° 08' 09"E	
L38	20.22'	S78° 08' 50"W	
L39	12.97'	S41° 19' 15"W	
L40	18.83'	S41° 19' 15"W	
L41	135.78'	N40° 41' 40"W	



Bolton Engineering Corp.
 20834 Norborne Avenue Ste. 270
 Lomita, Ca. 90717
 (310) 328-5880 FAX (310) 328-8561

EXHIBIT "B"
LEGAL DESCRIPTION
OF ADDITIONAL AREAS
SHEET 7 OF 7

Parcel Table- Fire Access Easement			
Line #/Curve #	Length	Direction/Delta	Radius
L42	26.17'	N02° 04' 55"E	
L43	65.90'	N06° 34' 58"E	
L44	3E 76'	N09° 36' 03"E	
C3	62.18'	026°23'26"	135.00'
L45	5.00'	N35° 59' 29"E	
C4	53.82'	044°03'01"	70.00'
C5	106.31'	052°57'50"	115.00'
L46	33.00'	S45° 59' 31"E	
L47	26.08'	S45° 59' 31"E	
C6	94.11'	029°08'47"	185.00'
L48	3.60'	S17° 50' 44"E	
C7	45.26'	039°53'30"	65.00'
L49	6.91'	S22° 02' 45"W	
C8	29.79'	011°22'38"	150.00'
L50	90.67'	S33° 25' 23"W	
C9	126.64'	093°15'22"	77.80'

Parcel Table- Area 3: Accessory Structures			
Line #/Curve #	Length	Direction/Delta	Radius
L51	64.3'	N26° 27' 12"W	
L52	128.00'	N30° 04' 46"E	
L53	65.00'	S62° 26' 47"E	
L54	139.90'	S26° 45' 41"W	
L55	32.96'	S66° 06' 05"W	



Boltan Engineering Corp.
 25834 Norbonne Avenue Ste. 210
 Compton, Ca. 90217
 (310) 325-3680 FAX (310) 325-6681

**EXHIBIT C- ACCESSORY STRUCTURES
AREA 3 LEGAL DESCRIPTION**

28

EXHIBIT "C"

AREA 3 ACCESSORY STRUCTURES

THOSE PORTIONS OF LOT A, TRACT 8652 OF THE MAP RECORDED IN MAP BOOK 125, PAGES 85-87 IN THE CITY OF PALOS VERDES ESTATES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST WESTERLY CORNER OF LOT 11, BLOCK 1733, TRACT 8652 OF THE MAP RECORDED IN MAP BOOK 125, PAGES 85-87, OF SAID COUNTY RECORDER, SAID POINT BEING ON THE RIGHT OF WAY OF VIA PANORAMA, A PUBLIC STREET AS SHOWN ON THE MAP OF SAID TRACT 8652, AND THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 65.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 17°00'16" WEST;

THENCE WESTERLY ALONG SAID CURVE AND SAID RIGHT OF WAY, THROUGH A CENTRAL ANGLE OF 31°03'16", AN ARC DISTANCE OF 35.23 FEET;

THENCE CONTINUING ALONG SAID RIGHT OF WAY SOUTH 75°57'00" WEST, 81.57 FEET;

THENCE DEPARTING FROM SAID RIGHT OF WAY NORTH 16°45'03" WEST 83.37 FEET TO THE **TRUE POINT OF BEGINNING**;

THENCE NORTH 26°27'12" WEST, 64.31 FEET (L51);

THENCE NORTH 30°04'46" EAST, 128.00 FEET (L52);

THENCE SOUTH 62°26'47" EAST, 65.00 FEET (L53);

THENCE SOUTH 26°45'41" WEST, 139.90 FEET (L54);

THENCE SOUTH 66°06'05" WEST, 32.96 FEET (L55) TO THE **TRUE POINT OF BEGINNING**.

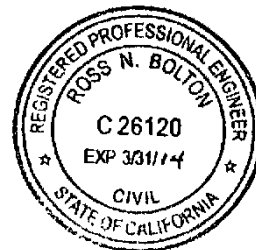
CONTAINS 10,280 SQUARE FEET, MORE OR LESS.

AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

PREPARED BY **BOLTON ENGINEERING CORPORATION:**


Ross N. Bolton, R.C.E. 26120

Aug 30, 2012
DATE



FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES

SEP 22 2011

RECEIVED BY John A. Clarke, Executive Officer/Clerk
Linda Klein Deputy

AUG 22 2011

DEPT. 15

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES
CENTRAL DISTRICT

PALOS VERDES PENINSULA UNIFIED
SCHOOL DISTRICT,

Plaintiff,

v.

PALOS VERDES HOMES ASSOCIATION,
a California corporation; CITY OF PALOS
VERDES ESTATES; and DOES 1 through
20,

Defendants.

Case No. BC431020

Assigned to the Honorable Richard Fruin,
Department: 15

**~~PROPOSED~~ JUDGMENT FOR
DEFENDANT PALOS VERDES
HOMES ASSOCIATION FOR QUIET
TITLE AND DECLARATORY RELIEF**

This action was tried to the Court sitting without a jury on March 29 and 30 and April 1 and 4, 2011, with argument on April 14, 2011 and supplemental argument on May 20, 2011. Jeffrey L. Parker of the law firm Robinson & Parker, LLP represented plaintiff Palos Verdes Peninsula Unified School District (the "School District"). Andrew J. Haley and Andrew S. Pauly, of the law firm Greenwald, Pauly, Foster & Miller, A Professional Corporation, represented defendant Palos Verdes Homes Association (the "Homes Association").

Based on the oral and documentary evidence presented, the written and oral argument of counsel, and having already filed a Statement of Decision on August 22, 2011, and good

1 cause appearing, **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that
2 judgment on the two causes of action in the School District's First Amended Complaint is
3 entered *in favor of the Homes Association, and against the School District*, as follows:

4 1. This Judgment affects that real property located in the City of Palos Verdes
5 Estates, County of Los Angeles, State of California commonly known as Lots C and D of
6 Tract 7331 (the "Property") and legally described as:

7 LOTS C AND D OF TRACT 7331, IN THE CITY OF PALOS
8 VERDES ESTATES AS PER MAP RECORDED IN BOOK 102
9 PAGE(S) 46 TO 50 INCLUSIVE OF MAPS, IN THE OFFICE OF
10 THE COUNTY RECORDER OF SAID COUNTY
11 AKA: APN 7542-002-900 AND 7542-002-901

12 2. As of the filing of the Complaint on February 1, 2010, the School District held
13 and continues to hold its interest in the Property as a fee simple owner pursuant to that
14 certain Grant Deed, dated December 7, 1938, from the Homes Association to the School
15 District, recorded January 31, 1939 in Book 16374 Page 140 in the Official Records of Los
16 Angeles County (the "1938 Grant Deed"), which Property was originally granted in fee
17 simple to the Homes Association by Grant Deed, dated June 29, 1925 from Bank of
18 America, as trustee, recorded June 30, 1925 in Book 4459 Page 123 in the Official Records
19 of Los Angeles County (the "1925 Grant Deed").

20 3. The Property remains subject to the restrictions set forth in the 1925 Grant
21 Deed (the "1925 Restrictions"), which 1925 Restrictions are valid and enforceable equitable
22 servitudes against the Property enforceable by injunction by the dominant tenements of the
23 1925 Restrictions. The dominant tenements of the 1925 Restrictions are the residents of
24 Tract 4400 (the City of Palos Verdes Estates) and Tract 6881 (the Miraleste district of
25 Rancho Palos Verdes).

26 4. The Property also remains subject to the restrictions set forth in the 1938 Grant
27 Deed (the "1938 Restrictions"), including that the Property may not be used for any purpose
28 other than for the establishment and maintenance of public schools, parks, playgrounds

1 and/or recreation areas. The 1938 Restrictions are valid and enforceable equitable servitudes
2 against the Property enforceable by injunction by the dominant tenements of the 1938
3 Restrictions. The dominant tenements of the 1938 Restrictions are the residents of Tract
4 4400 (the City of Palos Verdes Estates) and Tract 6881 (the Miraleste district of Rancho
5 Palos Verdes).

6 5. The 1938 Grant Deed created a binding contract between the School District
7 and the Homes Association, which contract restricted the use that the School District can
8 make of the Property to only public schools, parks, playgrounds and/or recreation areas. This
9 contract (including the use restrictions set forth therein) continues to remain valid and
10 enforceable and a violation of the restrictions set forth in such contract would cause
11 irreparable harm to the development plan for Tract 7331 – Lunada Bay – Palos Verdes Estate
12 that can be judicially enjoined.

13 6. The Marketable Record Title Act, Civil Code §§ 880.020, *et seq.*, (the
14 “MRTA”) does not apply to the 1925 Restrictions or the 1938 Restrictions.

15 7. The Property also remains subject to all other conditions, covenants,
16 restrictions and reservations of record, including, but not limited to, that certain Declaration
17 No. 1 – Declaration of Establishment of Basic Protective Restrictions, Conditions, Covenants
18 Reservations, Liens and Charges for Palos Verdes Estates, recorded July 5, 1923 in Book
19 2360, Page 231 of the Official Records of Los Angeles County (including all amendments
20 thereto of record) (“Declaration No. 1”) and that certain Declaration No. 21 of Establishment
21 of Local Protective Restrictions, Conditions, Covenants, Reservations, Liens and Charges for
22 Tract 7331 – Lunada Bay – Palos Verdes Estates, recorded September 29, 1924 in Book
23 3434 Page 165 of the Official Records of Los Angeles County (including all amendments
24 thereto of record) (“Declaration No. 21”).

25 8. Notwithstanding the School District’s ownership of the Property, the Property
26 remains subject to the same policies and procedures that the Homes Association applies to
27 other properties in that area of the City of Palos Verdes as established under Declaration No.
28 1 and Declaration No. 21, including the Art Jury.

1 9. ~~This Judgment shall be recorded and all of the terms and conditions herein~~
2 ~~shall run with the Property.~~

3 10. The School District shall take nothing on its First Amended Complaint.

4 11. The Homes Association is the prevailing party. The Court awards costs of
5 \$ 116,491.83⁰⁰ in favor of the Homes Association and against the School District
6 pursuant to a timely filed and served Memorandum of Costs.

7 12. ~~The Court awards reasonable attorneys' fees of \$ _____ in~~
8 ~~favor of the Homes Association and against the School District pursuant to a timely filed and~~
9 ~~served motion.~~

10 13. ~~Interest on this Judgment shall accrue at the legal rate of 10% per annum from~~
11 ~~the date this Judgment is entered as allowed by law. The Homes Association shall further be~~
12 ~~entitled to all reasonable and necessary costs incurred in enforcing this Judgment as allowed~~
13 ~~by law.~~

14 DATED: September 22, 2011

Richard Fruin
HONORABLE RICHARD FRUIN
JUDGE OF THE SUPERIOR COURT

17 *Respectfully submitted by:*

18 DATED: August 22, 2011

19 GREENWALD, PAULY, FOSTER & MILLER,
20 A Professional Corporation
21 ANDREW S. PAULY (SBN 90145)
22 ANDREW J. HALEY (SBN 202900)
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25 Torrance, CA 90503-6705
Tel. (310) 316-8090

26 By: Andrew J. Haley
27 ANDREW J. HALEY
Attorneys for Defendant
28 PALOS VERDES HOMES ASSOCIATION

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES.

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 1299 Ocean Avenue, Suite 400, Santa Monica, California 90401-1007.

On August 22, 2011, I served the foregoing document(s) described as [PROPOSED] JUDGMENT FOR DEFENDANT PALOS VERDES HOMES ASSOCIATION FOR QUIET TITLE AND DECLARATORY RELIEF on the interested parties in this action by placing a true copy thereof enclosed in a sealed envelope addressed to the addressee(s) as follows:

PLEASE SEE ATTACHED SERVICE LIST

☒ BY MAIL: I caused such envelope to be deposited in the mail at Santa Monica, California. The envelope was mailed with postage thereon fully prepaid. I am readily familiar with the firm's practice of collection and processing correspondence for mailing. It is deposited with the United States Postal Service on that same day in the ordinary course of business.

☐ BY PERSONAL SERVICE: I personally delivered such envelope by hand to the offices of the addressee.

☐ BY FEDEX: The FedEx package tracking number for this envelope is _____, and the envelope was sent [mode] for receipt on [day], [date].

☐ BY ELECTRONIC MEANS: A courtesy copy of the above-referenced document was transmitted by ☐ facsimile and/or ☐ e-mail transmission; said transmission was reported as complete and without error.

☒ Executed on August 22, 2011, at Santa Monica, California.

☒ (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

☐ (Federal) I declare under penalty of perjury that I am employed in the office of a member of the bar of this Court at whose direction the service was made.


KATHY M. BARONE

SERVICE LIST

***Palos Verdes Peninsula Unified School District v.
Palos Verdes Homes Association, et al.***
Los Angeles County Superior Court, Case No. BC431020

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Robinson & Parker LLP
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1
2
3 SUPERIOR COURT OF THE STATE OF CALIFORNIA
4 FOR THE COUNTY OF LOS ANGELES
5

6 CERTIFICATE OF SERVICE--I hereby certify that I delivered a true copy of the STATEMENT
7 OF DECISION AND JUDGMENT FOR DEFENDANT ALOS VERDES HOMES
8 ASSOCIATION FOR QUIET TITLE AND DECLARATORY RELIEF to counsel named below
9 by placing a copy thereof in a sealed envelope addressed as shown below in such manner as to
10 cause it to be deposited with postage prepaid in the U. S. Mail on the date shown below in the
11 ordinary course
12

13 DATED: September 22, 2011

JOHN A. CLARKE, Executive Officer/Clerk

14 By: R Klein

15 L. KLEIN, DEPUTY CLERK

16 DEPARTMENT 15
17
18

19 ROBINSON & PARKER

20 JEFFREY L. PARKER

21 21535 HAWTHORNE BLVD. SUITE 210

22 TORRANCE, CA 90503
23

24 GREENWALD, PAULY, FOSTER, & MILLER

25 ANDREW J. HALEY

26 1299 OCEAN AVE. SUITE 400

27 SANTA MONICA, CA 90401-9889
28

9/23/11
17:03:41

PROOF OF SERVICE

Privileged and Confidential Pursuant to California Evidence Code Sections 1152 and 1154

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City Clerk
Palos Verdes Estates City Hall
40 Palos Verdes Drive West
Palos Verdes Estates, CA 90274

(Space Above Line For Recorder's Use Only)

RECORDING FEES EXEMPT PURSUANT
TO GOVERNMENT CODE SECTION 27383

City Clerk
(Seal)

MEMORANDUM OF UNDERSTANDING

AMONG

PALOS VERDES PENINSULA UNIFIED SCHOOL DISTRICT

PALOS VERDES HOMES ASSOCIATION, INC.

CITY OF PALOS VERDES ESTATES

AND

**THOMAS J. LIEB, TRUSTEE, THE VIA PANORAMA TRUST U/DO MAY 2, 2012,
TOGETHER WITH TRUSTS FOR THE BENEFIT OF RELATED PARTIES**

REGARDING

**RESOLUTION OF ENFORCEABILITY OF DEED RESTRICTIONS ON PROPERTY
OWNED BY PVPUSD AND OF ENCROACHMENT IN CITY PARKLAND NEAR 900
VIA PANORAMA AND DISPOSITION OF CERTAIN OPEN SPACE PROPERTIES
(LOTS C & D)**

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is made and entered into by and among the PALOS VERDES PENINSULA UNIFIED SCHOOL DISTRICT (“School District”); The PALOS VERDES HOMES ASSOCIATION, a California corporation (“Homes Association”); the CITY OF PALOS VERDES ESTATES (“City”); and THOMAS J. LIEB, TRUSTEE, THE VIA PANORAMA TRUST U/DO MAY 2, 2012, TOGETHER WITH TRUSTS FOR THE BENEFIT OF RELATED PARTIES, the owners of 900 Via Panorama in Palos Verdes Estates (“Property Owners”), all of which are collectively referred to herein as the “Parties” or individually as “Party.”

R E C I T A L S

WHEREAS, all properties within the City are subject to certain protective restrictions, commonly referred to as Covenants, Conditions & Restrictions or CC&Rs. Certain properties within the City are also subject to use restrictions based on requirements imposed on those properties in the grant deeds conveying the properties which limited the use of the properties to public schools, parks, playgrounds or recreation areas. Specifically, in 1925, the original developers of the Palos Verdes Peninsula conveyed to the Homes Association by grant deed (the “1925 Grant Deed”) various lots subject to deed restrictions which limited the use of the properties to public schools, parks, playgrounds or recreations areas. In 1938, the Homes Association conveyed 13 properties (“1938 Conveyed Properties”) in the City to the School District’s predecessor-in-interest subject to the same use restrictions stated in the 1925 Grant Deed.¹

WHEREAS, two of the 1938 Conveyed Properties were Lots C & D of Tract 7331. Lot C is approximately 19,984 square feet and Lot D is approximately 17,978 square feet. Lots C & D are flanked on either side by houses located between 2032-2100 Via Pacheco and 2037-2101 Palos Verdes Drive West. Like all School District owned property in the City, Lots C & D are zoned OS (Open Space) and designated Class F pursuant to the use restrictions described above. The 1938 Grant Deed also included a right of reversion providing that ownership of Lots C & D could revert back to the Homes Association if the property was not used in compliance with the deed restrictions.

WHEREAS, to clarify the School District’s rights with regard to Lots C & D, the School District filed a lawsuit against the City and the Homes Association, Los Angeles County

¹The 13 lots conveyed in the 1938 grant deed are grouped into seven properties. Those seven properties are commonly known to residents as (i) Malaga Cove Administration Center; (ii) Valmonte Early Learning Academy; (iii) Lunada Bay Elementary ; (iv) Palos Verdes High School; (v) Montemalaga Elementary; (vi) Margate (Palos Verdes Intermediate School and playing fields at Campo Verde) and (vii) via Zurita property (George Allen Field). In 1988, the via Zurita property was transferred from the District to the Homes Association and from the Homes Association to the City, so that it is currently under City ownership. However, the 1988 transfer establishes a reversionary interest in the District under certain circumstances.

Superior Court Case No. BC431020. The lawsuit has two causes of action. The first is to “quiet title” and is against only the Homes Association. That cause of action addresses whether the use restrictions on Lots C & D are still enforceable. The second cause of action is for declaratory relief and was against both the City and the Homes Association. The School District sought a court order declaring that (a) the Homes Association cannot prevent the subdivision of Lots C & D and (b) the School District is not subject to the City’s ordinary hearing procedures for rezoning and subdivision applications and that Government Code section 65852.9 compels the rezoning and subdivision of Lots C & D without public hearing. The School District dismissed the City from this latter claim and applied to the City for rezoning.

WHEREAS, in the summer 2010, the School District applied to the City to re-zone Lots C & D from OS to R-1 in order to facilitate the sale of Lots C & D. The School District sought to take advantage of Government Code section 65852.9, which affords the School District the right to rezoning under certain circumstances. The City held a public hearing to consider the application and tabled the matter until the court determined whether the deed restrictions (which precluded residential development) were valid and enforceable.

WHEREAS, following approximately four and a half days of trial in spring 2011, on September 22, 2011, the trial court entered judgment (“Judgment”) for the Homes Association in the School District’s lawsuit. The Judgment is attached hereto as **Exhibit 1**. The trial court held, among other things, that the use restrictions contained in the 1925 Grant Deed and reiterated in the 1938 Grant Deed are valid and enforceable against the School District as to Lots C & D. The Court further held that Lots C & D remain subject to all applicable protective restrictions. As the prevailing party, the Homes Association was awarded costs of \$16,491.83. The Homes Association also filed a motion with the trial court seeking to recover \$291,701.25 in attorneys’ fees. That motion was denied on February 14, 2012, which denial is appealable.

WHEREAS, while the Judgment is only applicable to Lots C & D, the Judgment additionally implies that all properties, including the 1938 Conveyed Properties owned by the School District by the 1938 Grant Deed remain subject to the restrictions set forth in the 1925 Grant Deed by which the properties were originally granted to the Homes Association. The Judgment also implies that all properties also remain subject to the restrictions set forth in the 1938 Grant Deed, including but not limited to the restriction that the properties may not be used for any purpose other than for the establishment and maintenance of public schools, parks, playgrounds or recreation areas which restrictions are valid and enforceable equitable servitudes against the Property. The 1925 Grant Deed and 1938 Grant Deed are attached as **Exhibit 2**. A school site in the Miraleste district within the city of Rancho Palos Verdes was also included in the 1925 deed, and conveyed to the School District in 1929. This MOU only affects the rights and obligations of the parties with respect to properties within the City of Palos Verdes Estates.

WHEREAS, the School District appealed the Judgment and that appeal is currently pending in the Second Appellate District Court bearing Case No. B237444. The Homes Association also filed a cross-appeal, which is currently pending in the same court. The Homes Association has the right to also file an appeal of the trial court’s denial of its fee motion and

intends to do so. The initial lawsuit, appeal, cross-appeal, and attorneys' fees motion are collectively referred to in this MOU as the "Litigation."

WHEREAS, State law provides that the School Board may vote to exempt itself from compliance with the City's zoning regulations for classroom facilities under Government Code Section 53094, which may include athletic fields, under certain circumstances; and the City believes that outdoor institutional lighting warrants careful review to determine neighborhood compatibility and avoid any adverse land use impacts.

WHEREAS, the School District no longer intends to use Lots C & D for school, park, playground or recreation purposes.

WHEREAS, 900 Via Panorama ("Via Panorama Property") is owned by the Property Owners and located at the end of a cul-du-sac and is adjacent to City-owned parkland on three sides. To the North/Northwest of the Via Panorama Property, the prior owner installed a series of retaining walls to stabilize the Via Panorama Property. This installation was done without a permit. The Property Owners have applied to the City for an encroachment permit to allow the retaining walls to remain and be maintained by the Property Owners. To the West of the Via Panorama Property, in the area shown as Area A on the attached **Exhibit 3**, in City-owned parkland, the Property Owners landscaped and improved Area A, including placing a gazebo and other accessory, non-habitable structures. At the City's direction, Property Owners removed the structures encroaching on the City's parkland. Property Owners desire to make Area A part of the Via Panorama Property. Area A is approximately 75,930 square feet and roughly equivalent in size and value to Lots C & D, although less useful as parkland because Area A is less accessible than Lots C & D. Having Lots C & D be restricted to open space is a key element of the City's General Plan.

WHEREAS, the Parties have reached agreement to achieve their respective goals and wish to memorialize the agreement in this MOU.

NOW, THEREFORE, based on the above recitals, the Parties do hereby agree as follows:

ARTICLE I – Purpose of MOU and Parties' Authority to Enter

- A. Purpose of MOU:** The purpose of this MOU is to memorialize the Parties' agreement and create binding obligations which are intended to (1) reaffirm application of the use restrictions and protective restrictions on the 1938 Conveyed Properties owned by the School District in the City which were conveyed subject to use restrictions by the Homes Association, to the extent set forth herein; (2) create a mechanism for the Parties to resolve the Litigation without further expense; (3) subject future lighting on the athletic field for Palos Verdes High School ("PVHS") to the City's zoning regulations and the approval of the Homes Association, as set forth in the protective restrictions and described in Article II below; (4) resolve the encroachments into City parkland from the

Property Owners, including establishing responsibility for maintaining retaining walls and (5) establish Lots C & D as an open space area within the City.

- B. Authority to Enter into MOU:** The School District has the authority to enter into this MOU pursuant to the California Education Code. The Homes Association, through its Board, has authority to enter into this MOU by virtue of Article 3 of its by-laws. The City has authority to enter into this MOU, which is within the scope of its police powers. The Property Owners are authorized to act on behalf of the Via Panorama Family Trust pursuant to the trust instrument.

ARTICLE II – Obligations of the School District.

- A. Affirms application of all protective and use restrictions to the 1938 Conveyed Properties and agrees to process for application of deed restrictions as to all 1938 Conveyed Properties deeded to School District by Homes Association and owned by School District in the City.** To clarify the responsibility of the Parties, the School District agrees that the use and protective restrictions set forth in the Judgment and the grant deeds attached as **Exhibit 2** apply to properties owned by the School District, including, but not necessarily limited to, the 1938 Conveyed Properties in the City. However, as long as the School District is in compliance with its obligations under this MOU and does not exempt itself from the City's zoning regulations for the purpose of installing lights² on the athletic field at PVHS except as allowed under this MOU, the Parties agree that the process for School District use of the 1938 Conveyed Properties shall be consistent with the structural approval process followed by the School District and Homes Association regarding improvements to the 1938 Conveyed Properties prior to the Litigation. The past practice has been that the School District will give notice of its projects by providing a courtesy copy of the plans to the Homes Association for comment within 30 days or as far in advance as practicable.

With the exception of the use or installation of lights on the athletic field at PVHS without the consent of the City, the Homes Association agrees that it shall not exert jurisdiction or seek fees associated with School District improvements to any of the 1938 Conveyed Properties, or otherwise impede or restrict any improvements to any of the 1938 Conveyed Properties, as long as those improvements are consistent with the grant deed restriction in **Exhibit 2**. This MOU does not convey any additional rights on the Homes Association that are not specifically set forth in any applicable use restrictions. This MOU does convey certain procedural advantages to the School District that the School District acknowledges are afforded to the School District in consideration for and only so long as the School District does not install or otherwise use lights at PVHS without the consent of the City.

² For purposes of this MOU, "install" shall mean the use or installation of permanent or temporary lights.

- B. Agrees to subject lights at PVHS athletic field to City's zoning regulations and Homes Association approval process as set forth in the protective restrictions.** The School District has no present plans to install or use lights on the athletic field at PVHS, located in the City. Should the School District wish to use or install lights on the field at PVHS, notwithstanding state law which currently allows the School District to exempt itself from the City's zoning regulations under Government Code Section 53094 under certain circumstances and with respect to classroom facilities or any other contrary provision of law, the School District agrees that, with regard to athletic field at PVHS only, it will not utilize the exemption process under Government Code Section 53094. With regard to the athletic field at PVHS only, the School District will comply with requirements to obtain whatever permits or approvals are required by the then-current City zoning regulations and, notwithstanding any prior practice or any contrary provision of this MOU, obtain approval from the Homes Association before and as a prerequisite to installing or otherwise using any lights, whether temporary or permanent, on the athletic fields at PVHS. The required approval from the Homes Association will be in accordance with the process as set forth in the protective restrictions.

In the event that the School District is mandated to install or use lights at the PVHS athletic field in order to maintain its athletic programs or for any other reason ("Mandate"), the School District may, without penalty, exempt itself from the City's zoning regulations under Government Code Section 53094. For purposes of this MOU a Mandate is defined as a requirement, rule or other obligation applied by the California Department of Education ("CDE"), California Interscholastic Federation ("CIF") or any other entity that has jurisdiction over School District athletic programs or School District facilities and programs in general, but which is not the School District itself or any entity to which the School District directly appoints members or representatives and which Mandate is also applicable to other similarly situated districts and may not be satisfied by any equivalent alternative field or other reasonable means.

Should the School District install lights at the PVHS athletic field, as alternative consideration for this MOU, the School District shall pay to the City an amount equal to the appraised value of Lots C & D as of the date of this MOU. Such amount shall be paid to the City within 10 days of the filing of a Notice of Completion for the installation of the lights at the PVHS athletic field.

Should the School District install lights at the PVHS athletic field, the Homes Association may enforce compliance with the protective restrictions, including but not limited to, exerting jurisdiction and imposing fees associated with School District improvements relating to the lights and any other improvements to all and any 1938 Conveyed Properties.

- C. Reversion of Lot C& D's Ownership to Homes Association.** The trial court found that the use restrictions in the 1925 and 1938 Deeds are valid and enforceable against the School District. The 1925 Grant Deed by which the 1938 Conveyed Properties were

originally granted to the Homes Association originally included a right of reversion if Lots C & D were not used in compliance with the deed restrictions. Thus, the Parties agree that Lots C & D will revert back to the Homes Association, pursuant to the terms of this MOU. The School District and Homes Association will execute and deliver any necessary documents to effectuate that end. The reversion shall occur on the Closing Date, as defined below.

- D. Dismisses appeal and allows Judgment to be final.** Within 10 days of the close of escrow on the transfer of Lots C & D to the Homes Association (“Closing Date”), School District shall file with the court a request to dismiss the appeal and cause the Judgment to be final.

ARTICLE III – Obligations of the Homes Association

- A. Dismisses cross-appeal and any appeal concerning attorneys’ fees motion.** Within 10 days of receipt of the School District’s request to dismiss its appeal and cause the Judgment to be final, the Homes Association shall file with the Court of Appeal a request to dismiss its cross-appeal and appeal of the Court’s denial of the Homes Association’s attorneys’ fees motion, if filed by that date.
- B. Land Exchange.** Concurrent with the Closing Date, the Homes Association shall exchange with the City ownership of Lots C & D for ownership of Area A.
- C. Transfer \$100,000 to City to defray the costs of maintenance of Lots C & D or other open space.** Within 5 days of the sale of Area A, Homes Association shall pay City \$100,000 to compensate the City for the cost of maintenance of Lots C & D and other costs incurred in connection with the matters that are the subject of this MOU, which funds may be used for any municipal purpose.
- D. Sale of Area A.** The Homes Association shall sell Area A, subject to the use restrictions set forth in **Exhibit 3**, to the Property Owners for \$500,000, concurrent with the Closing Date.
- E. Warranty of title transferred.** As of the date of the transfer of Area A, the Homes Association represents and warrants to Property Owners that the condition of Area A does not violate any recorded covenant, condition or declaration enforceable by the Homes Association, which could allow the exercise of any reversionary interest to the Homes Association in Area A.

ARTICLE IV – Obligation of the City

- A. Exchange Area A (subject to the deed restrictions in Exhibit 4) for C & D with Homes Association, concurrent with the Closing Date.**

ARTICLE V – Obligations of the Property Owners

- A. **Apply for after-the-fact permits for retaining walls installed by Property Owners' predecessor-in-interest.** Property Owners shall apply for planning approvals and city permits to allow them to maintain the retaining walls located as shown on **Exhibit 3**.
- B. **Obtain an appraisal of Lots C& D and of Area A.** In order to effectuate the property transfers contemplated by this MOU, prior to the land exchange between the City and the Homes Association, Property Owners shall obtain appraisals of Lots C & D and Area A, which appraisals shall meet the standards required by the City.
- C. **Purchase Area A.** Property Owners shall purchase Area A from the Homes Association for \$500,000. Area A shall be subject to deed restrictions as set forth in substantial form in **Exhibit 4**.

ARTICLE VI – Litigation Stay; no admission; other lawsuits

- A. **Stay litigation:** Implementation of some of the obligations of this MOU will require preparation of legal documents and, in some cases, action by bodies subject to state open meeting laws or other constraints that will require time. The Parties do not wish to incur any unnecessary legal fees or other litigation costs while this MOU is being implemented. To that end, the Parties agree to cooperate in requesting, if necessary, that the Court stay the current Litigation described herein by filing an appropriate stipulation to stay the Litigation for 90 days. Nothing herein shall prohibit a Party from perfecting or preserving any appeal rights while the Parties are performing their obligations under this MOU.
- B. **No Admission:** The entry into this MOU by the Parties shall not be construed to represent any admission by any Party with respect to the subject or sufficiency of any Party's claims or any defenses thereto, except to the extent provided herein.
- C. **Other Lawsuits:** The Parties represent that other than the Litigation described herein, there are no other lawsuits filed between or among them involving the subject matter of this MOU.

ARTICLE VII – Term of MOU

- A. **Term of MOU:** The term of this MOU shall begin upon its approval by the Parties and shall remain in effect, unless terminated earlier. During the term of this MOU, the Parties agree to negotiate, in good faith, modifications to the MOU that may be reasonably necessary to assure implementation of the obligations of the Parties set forth in this MOU.
- B. **Termination:** This MOU may be terminated by any Party, prior to the recording of the MOU only, by giving written notice in accordance with the notice provisions in Article

VIII(A) hereof. Termination by the City or School District shall be effective only upon a duly noticed public meeting conducted by the City or the School Board. Prior to any termination becoming effective the terminating Party shall cooperate with the non-terminating Parties to wind down any transactions related to this MOU and agrees to execute and deliver all such documents and instruments as may be necessary and appropriate to effectuate the termination of this MOU and resolution of any ongoing transactions related to this MOU.

C. Timing of obligations: The Parties will act in good faith to meet this timeline. The timeline is estimated to be:

- Closing Date: School District transfers Lots C & D to Homes Association
Homes Association exchanges Lots C & D with City for City's Area A
Homes Association sells Area A to Property Owner
- Within 5 Days of Closing Date: Homes Association pays City \$100,000.00
- Within 10 days of Closing Date: All Parties dismiss any pending Litigation

ARTICLE VIII – General Provisions

A. Notices: Any notices or other communication required or permitted by this MOU shall be in writing and shall be delivered to the Representatives of the Party at the addresses set forth below. Parties shall promptly notify each other of any change of contact information provided below. Written notice shall include notice delivered via email. A notice shall be deemed to have been received on (a) the date of delivery, if delivered by hand during regular business hours, or by confirmed facsimile or by email; or (b) on the third business day following deposit in the United States mail, postage prepaid to the addresses set forth below:

To the School Board:

Walker Williams
Palos Verdes Peninsula Unified School District
375 Via Almar
Palos Verdes Estates, CA 90274
310-896-3408
williamsw@pvpusd.k12.ca.us

and

Terry Tao
Chief Counsel
Atkinson, Andelson, Loya, Ruud & Romo
12800 Center Court Drive, Suite 300
Cerritos, CA 90703
562-653-3200
ttao@aalrr.com

To the Homes Association:

Palos Verdes Homes Association
320 Palos Verdes Drive West
Palos Verdes Estates, CA 90274
pvha.aj@verizon.net

and

Sidney F. Croft
3858 Carson #127
Torrance, CA 90503
(310) 316-8090
sfcroftlaw@aol.com

and

Andrew S. Pauly, Esq.
Andrew J. Haley, Esq.
Greenwald, Pauly, Foster & Miller
A Professional Corporation
1299 Ocean Avenue, Suite 400
Santa Monica, CA 90274
Phone: (310) 451-8001
Fax: (310) 395-5961
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Email: ahaley@gpfm.com

To the City:

Judy Smith
City Manager
City of Palos Verdes Estates
40 Palos Verdes Drive West
Palos Verdes Estates, CA 90274|
Phone: (310) 378-0383
Fax:
Email: jsmith@pvestates.org

and

Christi Hogin
Jenkins & Hogin, LLP
1230 Rosecrans Avenue, Suite 110
Manhattan Beach, CA 90266
Phone: (310) 643-8448
Fax: (310) 643-8441
Email: chogin@localgovlaw.com

To Property Owners:

Thomas J. Lieb
25550 Hawthorne Blvd.
Torrance, CA 90505

- B. Relationship of the Parties:** The Parties are and shall remain at all times as to each other, wholly independent entities. No Party to this MOU shall have power to incur any debt, obligation, or liability on behalf of another Party or otherwise act as an agent of another Party except as expressly provided to the contrary by this MOU.
- C. Cooperation, Further Acts:** Parties shall cooperate fully with one another to attain the purposes of this MOU.
- D. Amendments:** All amendments must be in writing, approved and executed by all Parties.
- E. Reservation of Rights:** Each Party shall be solely responsible and liable in connection with its actions associated with its responsibilities under this MOU. For purposes of this MOU, the relationship of the Parties is that of independent entities and not as agents of each other or as joint venturers or partners. The Parties shall maintain sole and exclusive control over their personnel, agents, consultants, and operations. Nothing in this MOU is intended to limit the legal authority or responsibilities of the Parties, except as agreed to herein.
- F. Third Parties:** Nothing in this MOU is intended to create duties or obligations to or rights in third parties to this MOU.
- G. Dispute Resolution:** The Parties agree to attempt to informally resolve any disputes that arise with respect to this MOU prior to terminating the MOU by notifying the other Party if a dispute arises and identifying the issues in dispute. Each Party reserves its rights if informal dispute is not effective.
- H. Governing Law:** This MOU is governed by, interpreted under and construed and enforced in accordance with the laws of the State of California.
- I. Authorized signatures:** The Parties hereby represent and warrant that their respective signatory of this MOU is duly authorized to execute and bind the agency for which he or she signs.
- J. Time is of the Essence:** Time is of the essence in the performance of and compliance with each of the provisions and conditions of this MOU.
- K. Counterparts:** This MOU may be executed in counterparts and all such executed counterparts shall constitute one MOU which shall be binding upon all of the Parties, notwithstanding that all of the Parties are not signatories to the original or same counterpart. For purposes of this MOU, a faxed or emailed signature on a counterpart

shall be fully binding as though it was an original signature; provided, however, that the Parties shall provide original-ink signed signatures of the documents referenced herein that are intended to be recorded.

- L. Binding Agreement; Successors and Assigns:** This MOU shall be binding on all Parties. This MOU shall be binding upon and inure to the benefit of the successors and assigns of the Parties.
- M. Entire Agreement:** This MOU sets forth in full the terms of agreement between the Parties and is intended as the full, complete and exclusive contract governing the subject matter of this MOU. This MOU supersedes all other discussions, promises, representations, warranties, agreements and understandings between the Parties with respect to the subject matter hereof.
- N. Right to Cure:** In the event that any party believes that another materially has breached any obligations under this MOU, such party shall so notify the breaching party in writing. The breaching party shall have thirty days from the receipt of notice to cure the alleged breach and to notify the non-breaching party in writing that cure has been effected.
- O. Legal Counsel.** Each of the parties to this MOU has received independent legal advice from such Party's respective attorneys with respect to the advisability of executing this MOU. The Parties are entering into this MOU wholly of their own free will and volition.

IN WITNESS WHEREOF, the Parties to this MOU have caused this MOU to be executed on their behalf as of the date specified below, respectively, as follows:

FOR THE SCHOOL DISTRICT:

Dated: _____, 2012

Walker Williams, Superintendent

APPROVED AS TO FORM:

Terry Tao, General Counsel

shall be fully binding as though it was an original signature; provided, however, that the Parties shall provide original-ink signed signatures of the documents referenced herein that are intended to be recorded.

- L. **Binding Agreement; Successors and Assigns:** This MOU shall be binding on all Parties. This MOU shall be binding upon and inure to the benefit of the successors and assigns of the Parties.
- M. **Entire Agreement:** This MOU sets forth in full the terms of agreement between the Parties and is intended as the full, complete and exclusive contract governing the subject matter of this MOU. This MOU supersedes all other discussions, promises, representations, warranties, agreements and understandings between the Parties with respect to the subject matter hereof.
- N. **Right to Cure:** In the event that any party believes that another materially has breached any obligations under this MOU, such party shall so notify the breaching party in writing. The breaching party shall have thirty days from the receipt of notice to cure the alleged breach and to notify the non-breaching party in writing that cure has been effected.
- O. **Legal Counsel.** Each of the parties to this MOU has received independent legal advice from such Party's respective attorneys with respect to the advisability of executing this MOU. The Parties are entering into this MOU wholly of their own free will and volition.

IN WITNESS WHEREOF, the Parties to this MOU have caused this MOU to be executed on their behalf as of the date specified below, respectively, as follows:

FOR THE SCHOOL DISTRICT:

Dated: May 14, 2012

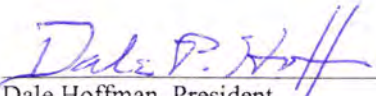

Walker Williams, Superintendent

APPROVED AS TO FORM:

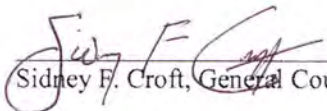

Terry Tao, General Counsel

FOR THE HOMES ASSOCIATION:

Dated: May 4, 2012


Dale Hoffman, President

APPROVED AS TO FORM:


Sidney F. Croft, General Counsel

FOR THE CITY:

Dated: _____, 2012

George F. Bird, Jr., Mayor

ATTEST:

Judy Smith

APPROVED AS TO FORM:

Christi Hogin, City Attorney

FOR THE HOMES ASSOCIATION:

Dated: _____, 2012

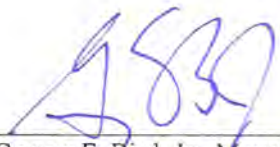
Dale Hoffman, President

APPROVED AS TO FORM:

Sidney F. Croft, General Counsel

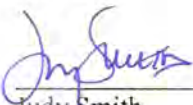
FOR THE CITY:

Dated: _____, 2012



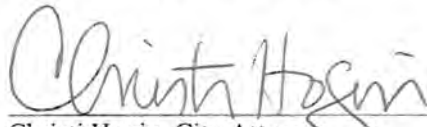
George F. Bird, Jr., Mayor

ATTEST:



Judy Smith

APPROVED AS TO FORM:



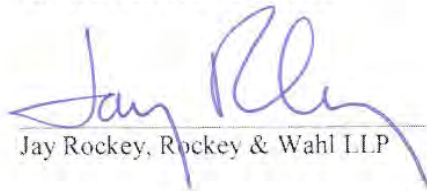
Christi Hogin, City Attorney

FOR THE PROPERTY OWNERS:

Dated: 5/9/2012, 2012

Thomas J. Lieb, Trustee,
the Via Panorama Trust u/do May 2, 2012

APPROVED AS TO FORM:


Jay Rockey, Rockey & Wahl LLP

* SEE ATTACHED ACKNOWLEDGMENT
5/9/12

ACKNOWLEDGMENT

State of CALIFORNIA

County of LOS ANGELES

On 5/9/12, before me, MATTHEW T. BOHNER - NOTARY PUBLIC
(insert name and title of the officer)

personally appeared JAY D. ROCKEY who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the law of the State of
CALIFORNIA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature


Matthew T. Bohner

(Seal)



FOR THE PROPERTY OWNERS:

Dated: _____, 2012


Thomas J. Ljeb, Trustee,
the Via Panorama Trust u/do May 2, 2012

APPROVED AS TO FORM:

Jay Rockey, Rockey & Wahl LLP

State of California)

County of LOS ANGELES)

On 5/2/2012 before me, IRMA MARQUEZ, a Notary Public in and for said State, Thomas J. Lieb, Trustee, personally appeared, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Irma Marquez



(This area for notary stamp)

1 ARMBRUSTER GOLDSMITH & DELVAC LLP
R.J. COMER, State Bar No. 186284
2 DAMON P. MAMALAKIS, State Bar No. 184489
11611 San Vicente Blvd., Suite 900
3 Los Angeles, CA 90049
Phone: (310) 209-8800
4 Fax: (310) 209-8801

5 Attorneys for Defendants
6 ROBERT LUGLIANI and DOLORES A. LUGLIANI,
as trustees of THE LUGLIANI TRUST, THOMAS J.
7 LIEB, TRUSTEE, THE VIA PANORAMA TRUST

8
9 SUPERIOR COURT OF CALIFORNIA
10 COUNTY OF LOS ANGELES – CENTRAL DISTRICT

11 CITIZENS FOR ENFORCEMENT OF
12 PARKLAND COVENANTS and JOHN A.
HARBISON

13
14 Plaintiff,

15 vs.

16 CITY OF PALOS VERDES ESTATES, a
municipal corporation; PALOS VEREDDES
17 HOMES ASSOCIATION, a California
corporation; ROBERT LUGLIANI and
18 DELORES A. LUGLIANI, as co-trustees of
THE LUGLIANI TRUST; THOMAS J.
19 LIEB, TRUSTEE, THE VIA PANORAMA
TRUST U/DO MAY 2, 2012 and DOES 1
20 through 20

21 Defendants,
22
23
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Case No.: BS142768

*Assigned for all purposes to the
Hon. Barbara A. Meiers, Dept. 12*

**VERIFIED JOINT ANSWER OF
DEFENDANTS ROBERT LUGLIANI and
DOLORES A. LUGLIANI, as co-trustees
of THE LUGLIANI TRUST; and
THOMAS J. LIEB, TRUSTEE, THE VIA
PANORAMA TRUST U/DO MAY 2, 2012
TO VERIFIED SECOND AMENDED
COMPLAINT FOR**
1. DECLARATORY RELIEF,
2. WASTE OF PUBLIC FUNDS AND
3. NUISANCE

Action Filed: May 13, 2013
Trial Date: Not Set

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VERIFIED JOINT ANSWER

TO VERIFIED SECOND AMENDED COMPLAINT

Defendant, Robert Lugliani and Dolores Lugliani as Co-Trustees of The Lugliani Trust (“Lugliani”), and Defendant, Thomas J. Lieb, Trustee of the Via Panorama Trust U/DO May 2, 2012 (“Lieb”) jointly answer the Verified Second Amended Complaint (the “Action”) brought by Plaintiffs, Citizens for Enforcement of Parkland Covenants (“CEPC”) and John A. Harbison (“Harbison”). Lugliani and Lieb shall be collectively referred to herein as “Lugliani & Lieb.”

This Answer is filed concurrently with a Motion to Strike portions of the Second Amended Complaint.

Answering paragraph 1, Lugliani & Lieb lack sufficient knowledge and information regarding the allegations and, therefore, can neither admit nor deny the allegations with regard to the purpose of the Action. To the extent these allegations refer to documents, agreements, or covenants, the terms of such documents agreements, or covenants, speak for themselves.

Answering paragraph 2, Lugliani & Lieb do not possess any personal knowledge regarding the organization, membership, purposes, or activities of CEPC or Mr. Harbison and, therefore, can neither admit nor deny the allegation.

Answering paragraph 3, Lugliani & Lieb admit that to best of their understanding the allegation is correct.

Answering paragraph 4, Lugliani & Lieb admit that to best of their understanding the allegation is correct.

Answering paragraph 5, Lugliani & Lieb possess no personal knowledge on which to admit or deny the allegation.

Answering paragraph 6, Lugliani & Lieb admit that the Via Panorama Trust U/DO May 2, 2012 is the current legal owner of “Area A” as described on Exhibit 2 of the Action. Lugliani & Lieb deny that Area A is “Parkland” as described in the Action. With regard to “DOES 1 through 10” Lugliani & Lieb possess no personal knowledge on which to admit or deny the allegation.

1 Answering paragraph 7, Lugliani & Lieb admit that Lugliani is the current legal owner of
2 the property located at 900 Via Panorama, Palos Verdes Estates, California. With regard to “DOES
3 11 through 20,” Lugliani & Lieb possess no personal knowledge on which to admit or deny the
4 allegation.

5 Answering paragraph 8, the allegation asserts legal conclusions regarding CEPC’s and
6 Harbison’s standing to bring the Action. Consequently, Lugliani & Lieb neither admit nor deny the
7 allegation.

8 Answering paragraph 9, to the extent these allegations refer to or interpret the meaning of
9 documents, the terms of such documents speak for themselves. Consequently, Lugliani & Lieb
10 neither admit nor deny the allegation.

11 Answering paragraph 10, Lugliani & Lieb admit that Exhibits 3 and 4 of the Action
12 accurately depict the boundaries of Area A. Lugliani & Lieb deny that Area A is “Parkland” as
13 described in the Action.

14 Answering paragraph 11, Lugliani & Lieb lack sufficient knowledge and information
15 regarding the allegation and, therefore, can neither admit nor deny the allegation.

16 Answering paragraph 12, Lugliani & Lieb admit that the paragraph correctly summarizes
17 the historic facts alleged based on the document referred to. To the extent these allegations refer to
18 documents or deeds the terms of such documents or deeds speak for themselves. Lugliani & Lieb
19 deny that Area A is “Parkland” as described in the Action.

20 Answering paragraph 13, the allegation asserts legal conclusions regarding the
21 enforceability and meaning of enforceability of “transactions and instruments.” Consequently,
22 Lugliani & Lieb neither admit nor deny the allegation. The terms of such “instruments” speak for
23 themselves. Lugliani & Lieb deny that Area A is “Parkland” as described in the Action and deny
24 that there are any parkland restrictions applicable to Area A.

25 Answering paragraph 14, to the extent these allegations refer to or transcribe the documents
26 referenced therein, the terms of such documents speak for themselves. Consequently, Lugliani &
27 Lieb neither admit nor deny the allegation.

1 Answering paragraph 15, to the extent these allegations refer to deeds referenced therein,
2 the terms of such deeds speak for themselves. Consequently, Lugliani & Lieb neither admit nor
3 deny the allegation.

4 Answering paragraph 16, to the extent these allegations refer to what is not included the
5 deeds referenced therein, the terms of such deeds speak for themselves. Consequently, Lugliani &
6 Lieb neither admit nor deny the allegation.

7 Answering paragraph 17, to the extent these allegations refer to a Resolution passed by the
8 City of Palos Verdes Estates (“City”), the terms of such resolution speak for themselves.
9 Consequently, Lugliani & Lieb neither admit nor deny the allegation.

10 Answering paragraph 18, to the extent these allegations refer to and interpret provisions of
11 the City’s Municipal Code, such code provisions speak for themselves. Consequently, Lugliani &
12 Lieb neither admit nor deny the allegation.

13 Answering paragraph 19, Lugliani & Lieb deny that any conveyances described in the
14 Action were illegal. Lugliani & Lieb deny that Area A is “Parkland” as described in the Action.
15 To the extent the allegation concludes that “land use restrictions” are enforceable, such allegations
16 are legal conclusions. Consequently, Lugliani & Lieb neither admit nor deny such allegations.

17 Answering paragraph 20, Lugliani & Lieb admit that 900 Via Panorama is located at the
18 end of a cul-du-sac and abuts Area A. Lugliani & Lieb deny the remaining allegations.

19 Answering paragraph 21, Lugliani & Lieb deny the allegations.

20 Answering paragraph 22, Lugliani & Lieb deny the allegations regarding Area A. With
21 regard to City actions between 2005 and 2011, Lugliani & Lieb possess no personal knowledge on
22 which to admit or deny the allegation.

23 Answering paragraph 23 through 27, the allegations refer to prior litigation that did not
24 involve Lugliani & Lieb. Consequently, Lugliani & Lieb possess no personal knowledge on which
25 to admit or deny the allegation.

26 Answering paragraph 28, Lugliani & Lieb deny the allegations regarding the “AREA A
27 RECIPIENTS.”
28

1 Answering paragraph 29, Lugliani & Lieb admit that Lugliani entered into the agreement
2 referred to as the “MOU.” To the extent the allegation purports to summarize or characterize the
3 terms of the MOU, the MOU speaks for itself.

4 Answering paragraph 30, Lugliani & Lieb admit that Exhibit 2 appears to be a correct copy
5 of the MOU.

6 Answering paragraph 31, Lugliani & Lieb admit that as part of the MOU transactions,
7 Robert and Dolores Lugliani provided \$1.5 million to the Palos Verdes Peninsula Unified School
8 District in 2012 to address the school budgetary deficit with the expectation that the MOU
9 transactions would be completed and that required governmental authorizations referred to in the
10 MOU would be granted provided the applications for such authorizations satisfied all applicable
11 standards and conditions.

12 Answering paragraph 32, Lugliani & Lieb deny the allegation that City meeting on May 8,
13 2012, “was not well-publicized.”

14 Answering paragraph 33, Lugliani & Lieb admit that the deeds described therein were
15 executed and recorded. To the extent the allegation purports to summarize or characterize the terms
16 of the deeds, the deeds speak for themselves. Lugliani & Lieb deny the remaining allegations in the
17 paragraph.

18 Answering paragraph 34, Lugliani & Lieb admit that in early 2013 the City heard and
19 considered an application to re-zone Area A and that the City has taken no action. Lugliani & Lieb
20 deny the remaining allegations in the paragraph.

21 Answering paragraph 35, Lugliani & Lieb restate its answers to the preceding paragraphs.

22 Answering paragraph 36, Lugliani & Lieb admit that the quitclaim deed referred to therein
23 was recorded on or about September 5, 2012. Lugliani & Lieb deny the remaining allegations in
24 paragraph 36 a) through b). Lugliani & Lieb have concurrently moved to strike paragraphs 36 c)
25 and d).

26 Answering paragraph 37, Lugliani & Lieb admit the allegation.
27
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1 Answering paragraph 38, the paragraph purports to summarize the legal contentions and
2 conclusions of Lugliani & Lieb. Consequently, Lugliani and Lieb neither deny nor admit the
3 allegation.

4 Answering paragraph 39, Lugliani & Lieb admit the allegation.

5 Answering paragraph 40, Lugliani & Lieb deny that CEPC or Harbison are entitled to the
6 judicial declaration sought. Lugliani & Lieb have concurrently moved to strike paragraphs 40 d)
7 and e).

8 Answering paragraphs 41 through 45, the Action is not directed against Lugliani & Lieb.
9 Consequently, Lugliani & Lieb do not answer those portions of the Action.

10 Answering paragraph 46, Lugliani & Lieb restate its answers to the preceding paragraphs.

11 Answering paragraph 47, to the extent the allegations refer to the legal rights and duties of
12 the City or of Harbison to enforce deed restrictions, such allegations are legal conclusions.
13 Consequently, Lugliani & Lieb neither admit nor deny such allegations. To the extent the
14 allegations purport to summarize or characterize the terms of the document identified therein as
15 “Declaration No. 25” the document speaks for itself.

16 Answering paragraph 48, Lugliani & Lieb deny the allegation.

17 Answering paragraph 49, Lugliani & Lieb deny the allegation. To the extent the allegation
18 purports to characterize provisions of the City’s Municipal Code, such provisions speak for
19 themselves.

20 Answering paragraph 50, Lugliani & Lieb deny the allegation.

21 With regard to CEPC’s and Harbison’s prayers for relief, Lugliani & Lieb deny that CEPC
22 or Harbison are entitled to the relief sought in paragraphs 1 through 8 of the Prayer for Relief
23 portion of the Action. Lugliani & Lieb have concurrently moved to strike Prayer for Relief
24 paragraphs 1 d) and e).

25 **AFFIRMATIVE DEFENSES**

26 As separate and distinct answers and defenses to the Action, Lugliani & Lieb allege as
27 follows:
28

1. **Laches.** The Action is barred by the doctrine of laches, as CEPC and Harbison unreasonably delayed raising the claims set forth in the Action in a manner that has resulted in prejudice to Lugliani & Lieb.
2. **Unclean Hands.** The Action is barred by the doctrine of unclean hands as it contains numerous misrepresentations of the facts.
3. **Failure to State a Cause of Action.** The Action and each purported cause of action set forth therein fail to state facts sufficient to constitute a cause of action for the relief prayed for in the Action.
4. **Lack of Standing.** The Action is barred because neither CEPC nor Harbison have standing to pursue some or all of the claims alleged in the Action.
5. **Failure to Exhaust Administrative Remedies.** The Action is barred because CEPC and Harbison failed to exhaust their administrative remedies, including, but not limited to, their failure to raise issues alleged in the Action during the process of the approvals regarding the MOU.
6. **Failure to Raise Claims in Administrative Proceedings.** The Action, and each cause of action presented therein, is barred to the extent CEPC's and Harbison's claims were not raised in the administrative proceedings which gave rise to this Action.
7. **Statute of Limitations.** The Action is barred by the applicable statute of limitations.
8. **Claims Not Ripe.** Some or all of the claims asserted in the Action are not ripe for adjudication.
9. **Waiver.** The Action and each purported cause of action set forth therein are barred by the doctrine of waiver.
10. **Estoppel.** CEPC and Harbison are estopped from obtaining the relief they seek.
11. **Public Interest.** The Action is not brought in the public interest.

12. **Ineligible for Attorney's Fees.** If CEPC or Harbison or both are the prevailing party, then neither of them are entitled to attorneys' fees because they are motivated by their own specific economic, personal, pecuniary and private interests.
13. **Subsequently Discovered Defenses.** Lugliani & Lieb allege that they presently have insufficient knowledge or information upon which to form a belief as to whether they have additional, as yet unstated, affirmative defenses. Accordingly, Lugliani and Lieb reserve the right to allege other affirmative defenses as they may become known to them through the course of this litigation.

WHEREFOR, Lugliani & Lieb respectfully request entry of judgment as follows:

1. That all relief requested in the Action be denied with prejudice;
2. That neither CEPC nor Harbison take anything by this Action;
3. That judgment be entered in favor of Lugliani & Lieb and Defendants;
4. That Lugliani & Lieb be awarded its costs of suit, including reasonable attorneys' fees and costs; and
5. Such further and other relief as this Court deems just and proper.

DATED: July 24, 2014

Respectfully submitted,

ARMBRUSTER GOLDSMITH & DELVAC LLP

BY:



R.J. COMER
Attorneys for Defendants,
ROBERT LUGLIANI and DOLORES A.
LUGLIANI, as co-trustees of THE LUGLIANI
TRUST; THOMAS J. LIEB, TRUSTEE, THE VIA
PANORAMA TRUST

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VERIFICATION

STATE OF CALIFORNIA }
 } ss:
COUNTY OF LOS ANGELES }

I, ROBERT LUGLIANI, declare as follows:

I am the co-trustee of The Lugliani Trust, defendant in this action. I am authorized to make this verification on behalf of THE LUGLIANI TRUST.

I have read the foregoing Joint Answer Of Defendants To Verified Second Amended Complaint and I am familiar with its contents. The same is true of my own knowledge, except as to those matters which are therein stated on information and belief, and, as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at, Torrance, California on the 18th day of July, 2014.


ROBERT LUGLIANI

VERIFIED JOINT ANSWER OF DEFENDANTS TO
VERIFIED SECOND AMENDED COMPLAINT

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VERIFICATION

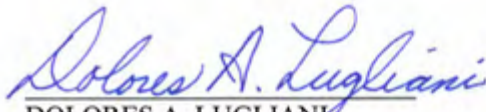
STATE OF CALIFORNIA }
 } ss:
COUNTY OF LOS ANGELES }

I, DOLORES A. LUGLIANI, declare as follows:

I am the co-trustee of The Lugliani Trust, defendant in this action. I am authorized to make this verification on behalf of THE LUGLIANI TRUST.

I have read the foregoing Joint Answer Of Defendants To Verified Second Amended Complaint and I am familiar with its contents. The same is true of my own knowledge, except as to those matters which are therein stated on information and belief, and, as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at, Torrance, California on the 18th day of July, 2014.


DOLORES A. LUGLIANI

VERIFIED JOINT ANSWER OF DEFENDANTS TO
VERIFIED SECOND AMENDED COMPLAINT

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VERIFICATION

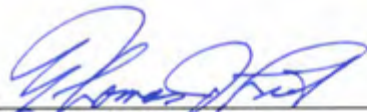
STATE OF CALIFORNIA }
 } ss:
COUNTY OF LOS ANGELES }

I, THOMAS J. LIEB, declare as follows:

I am the Trustee for The Via Panorama Trust, defendant in this action. I am authorized to make this verification on behalf of THE VIA PANORAMA TRUST.

I have read the foregoing Joint Answer Of Defendants To Verified Second Amended Complaint and I am familiar with its contents. The same is true of my own knowledge, except as to those matters which are therein stated on information and belief, and, as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at Folsom, California on the 18th day of July, 2014.



THOMAS J. LIEB

1 **LEWIS BRISBOIS BISGAARD & SMITH LLP**

DANIEL V. HYDE, SB No. 063365

2 E-Mail: Daniel.Hyde@lewisbrisbois.com

BRANT H. DVEIRIN, SB No. 130621

3 E-Mail: Brant.Dveirin@lewisbrisbois.com

221 North Figueroa Street, Suite 1200

4 Los Angeles, California 90012

Telephone: 213.250.1800

5 Facsimile: 213.250.7900

6 Attorneys for Defendant, PALOS VERDES HOMES ASSOCIATION

7

8 SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

9 CENTRAL DISTRICT - STANLEY MOSK COURTHOUSE

10

11 CITIZENS FOR ENFORCEMENT OF
12 PARKLAND COVENANTS, an
unincorporated association; JOHN
13 HARBISON, an individual,

Plaintiffs /Petitioners,

14

vs.

15

16 CITY OF PALOS VERDES ESTATES, a
municipal corporation; PALOS VERDES
HOMES ASSOCIATION, a California
17 corporation; PALOS VERDES PENINSULA
UNIFIED SCHOOL DISTRICT, a political
18 subdivision of the State of California,

19

Defendants/Respondents.

20

21 ROBERT LUGLIANI and DOLORES A.
LUGLIANI, as co-trustees of the LUGLIANA
TRUST; THOMAS J. LIEB, TRUSTEE, THE
22 VIA PANORAMA TRUST,

23

Defendants/Real Parties in Interest.

24

25 Defendant PALOS VERDES HOMES ASSOCIATION answers the Verified Second

26 Amended Complaint for Declaratory Relief, Waste of Public Funds and Nuisance as follows:

27

1. Defendant denies the allegations in paragraph 1.

28

2. Defendant admits that Exhibit "1," the alleged list of over 130 persons, speaks for

4837-8683-5740.7

**DEFENDANT PALOS VERDES HOMES ASSOCIATION'S ANSWER TO VERIFIED SECOND AMENDED
COMPLAINT FOR DECLARATORY RELIEF, WASTE OF PUBLIC FUNDS AND NUISANCE**

CASE NO.: BS 142 768

Assigned to:

JUDGE: Hon. Barbara A. Meiers

DEPT.: 12

**DEFENDANT PALOS VERDES HOMES
ASSOCIATION'S ANSWER TO
VERIFIED SECOND AMENDED
COMPLAINT FOR DECLARATORY
RELIEF, WASTE OF PUBLIC FUNDS
AND NUISANCE**

Action filed: May 13, 2013

Trial Date: None

**LEWIS
BRISBOIS
BISGAARD
& SMITH LLP**
ATTORNEYS AT LAW

1 itself. Defendant further admits that Plaintiff JOHN HARBISON is a member of the Association
2 and subject to the Associations CC&R's. Except as admitted, Defendant lacks information and
3 belief, and on that basis denies the allegations in paragraph 2.

4 3. Defendant lacks information and belief, and on that basis denies the allegations in
5 paragraph 3.

6 4. Defendant admits the allegations in paragraph 4.

7 5. Defendant lacks information and belief, and on that basis denies the allegations in
8 paragraph 5.

9 6. Defendant admits that Exhibit "2," the legal description of property, speak for
10 itself. Except as admitted, Defendant lacks information and belief, and on that basis denies the
11 allegations in paragraph 6.

12 7. Defendant lacks information and belief, and on that basis denies the allegations in
13 paragraph 7.

14 8. Defendant lacks information and belief, and on that basis denies the allegations in
15 paragraph 8.

16 9. Defendant admits that the Association's bylaws speak for themselves. Defendnat
17 further admits that Plaintiff JOHN HARBISON is a member of the Association and owns property
18 within Palos Verdes Estates. Except as admitted, Defendant lacks information and belief, and on
19 that basis denies the allegations in paragraph 9.

20 10. Defendant admits that Exhibits "3" and "4," area maps, speak for themselves.
21 Except as admitted, Defendant lacks information and belief, and on that basis denies the
22 allegations in paragraph 10.

23 11. Defendant lacks information and belief, and on that basis denies the allegations in
24 paragraph 11.

25 12. Defendant lacks information and belief, and on that basis denies the allegations in
26 paragraph 12.

27 13. Defendant lacks information and belief, and on that basis denies the allegations in
28 paragraph 13.

1 14. Defendant admits that Exhibit "5," Declaration Nos. 1 and 25, and the Association's
2 articles and bylaws, speak for themselves. Except as admitted, Defendant lacks information and
3 belief, and on that basis denies the allegations in paragraph 14.

4 15. Defendant admits that Exhibits "6" and "7," grant deeds of property, speak for
5 themselves. Except as admitted, Defendant denies the allegations in paragraph 15.

6 16. Defendant denies the allegations in paragraph 16.

7 17. Defendant admits that Exhibit "8," Resolution No. 12, speaks for itself. Except as
8 admitted, Defendant lacks information and belief, and on that basis denies the allegations in
9 paragraph 17.

10 18. Defendant admits that the provisions of the City's Municipal Code speak for
11 themselves. Except as admitted, Defendant lacks information and belief, and on that basis denies
12 the allegations in paragraph 18.

13 19. Defendant denies the allegations in paragraph 19.

14 20. Defendant denies the allegations in paragraph 20.

15 21. Defendant denies the allegations in paragraph 21.

16 22. Defendant lacks information and belief, and on that basis denies the allegations in
17 paragraph 22.

18 23. Defendant admits that Exhibit "3," a map, speaks for itself. Except as admitted,
19 Defendant lacks information and belief, and on that basis denies the allegations in paragraph 23.

20 24. Defendant admits that the lawsuit in *Palos Verdes Peninsula Unified School*
21 *District v. Palos Verdes Homes Association* Los Angeles Superior Court Case Number BC431020
22 speaks for itself. Except as admitted, Defendant lacks information and belief, and on that basis
23 denies the allegations in paragraph 24.

24 25. Defendant admits that Exhibit "11," the Judgment in the lawsuit in Case No.
25 BC431020, speaks for itself. Except as admitted, Defendant lacks information and belief, and on
26 that basis denies the allegations in paragraph 25.

27 26. Defendant admits that the lawsuit in Case No. BC431020 speaks for itself. Except
28 as admitted, Defendant lacks information and belief, and on that basis denies the allegations in

1 paragraph 26.

2 27. Defendant admits that the lawsuit in Case No. BC431020, and the appeal of the
3 Case, speak for themselves. Except as admitted, Defendant lacks information and belief, and on
4 that basis denies the allegations in paragraph 27.

5 28. Defendant lacks information and belief, and on that basis denies the allegations in
6 paragraph 28.

7 29. Defendant admits that Exhibit "12," Memorandum of Understanding, speaks for
8 itself. Except as admitted, Defendant lacks information and belief, and on that basis denies the
9 allegations in paragraph 29.

10 30. Defendant admits that Exhibit "12," Memorandum of Understanding, speaks for
11 itself. Except as admitted, Defendant lacks information and belief, and on that basis denies the
12 allegations in paragraph 30.

13 31. Defendant denies the allegations in paragraph 31.

14 32. Defendant denies the allegations in paragraph 32.

15 33. Defendant admits that Exhibits "9" and "10," grant deeds of property, speaks for
16 themselves. Except as admitted, Defendant lacks information and belief, and on that basis denies
17 the allegations in paragraph 33.

18 34. Defendant admits that the hearings before the City Planning Commission and City
19 Council speak for themselves. Except as admitted, Defendant lacks information and belief, and on
20 that basis denies the allegations in paragraph 34.

21 35. Defendant incorporates by reference each of its answers to paragraphs 1 through 34
22 above as though fully set forth herein.

23 36. Defendant denies the allegations in paragraph 36.

24 37. Defendant admits that the parties in this case dispute contentions. Except as
25 admitted, Defendant lacks information and belief, and on that basis denies the allegations in
26 paragraph 37.

27 38. Defendant lacks information and belief, and on that basis denies the allegations in
28 paragraph 38.

1 39. Defendant admits that a controversy exists between the parties. Except as
2 admitted, Defendant lacks information and belief, and on that basis denies the allegations in
3 paragraph 29.

4 40. Defendant denies the allegations in paragraph 40.

5 41. The second cause of action is not alleged against Defendant, and no response is
6 required to paragraphs 41 through 45.

7 46. The third cause of action is not alleged against Defendant, and no response is
8 required to paragraphs 46 through 50.

9 **FIRST AFFIRMATIVE DEFENSE**

10 (Failure to State a Cause of Action)

11 51. The Complaint fails to state any claim upon which this court may grant relief to
12 Plaintiffs.

13 **SECOND AFFIRMATIVE DEFENSE**

14 (Lack of Standing)

15 52. Plaintiffs, either one or both of them, lack standing to bring the action.

16 **THIRD AFFIRMATIVE DEFENSE**

17 (Waiver)

18 53. Plaintiffs action is barred by the doctrine of waiver.

19 **FOURTH AFFIRMATIVE DEFENSE**

20 (Estoppel)

21 54. Plaintiffs' action is barred by the doctrine of estoppel.

22 **FIFTH AFFIRMATIVE DEFENSE**

23 (Merger of Deeds)

24 55. Plaintiffs' action is barred by the doctrine of merger of deeds.

25 **SIXTH AFFIRMATIVE DEFENSE**

26 (*Res Judicata*/collateral estoppel)

27 56. Plaintiffs' action is barred by the doctrines *res judicata* and/or collateral estoppel.

28 ///

LEWIS
BRISBOIS
BIGGAARD
& SMITH LLP
ATTORNEYS AT LAW

4837-2683-5740.7

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DEFENDANT PALOS VERDES HOMES ASSOCIATION'S ANSWER TO VERIFIED SECOND AMENDED
COMPLAINT FOR DECLARATORY RELIEF, WASTE OF PUBLIC FUNDS AND NUISANCE

1 SEVENTH AFFIRMATIVE DEFENSE

2 (Failure to Join a Necessary/Indispensable Party)

3 57. Plaintiffs' action is barred for failing to join a necessary and/or indispensable party.

4 Wherefore Defendant PALOS VERDES HOMES ASSOCIATION prays as
5 follows:

- 6 1. That all relief requested in the Complaint be denied with prejudice;
7 2. That the court deny the Plaintiffs' request for declaratory relief;
8 3. That the court deny the Plaintiffs' request for injunctive relief;
9 4. For an award of costs and attorneys' fees as allowed by law; and
10 5. For such other and further relief as the court may deem just and proper.

11 DATED: July 21, 2014

LEWIS BRISBOIS BISGAARD & SMITH LLP

12
13 By: 
14

BRANT H. DVEIRIN, ESQ.

Attorneys for Defendant,
PALOS VERDES HOMES ASSOCIATION

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VERIFICATION

Citizens for Enforcement of Parkland Covenants, et al.

v.
City of Palos Verdes Estates, et al.
File No.: 50013.1840

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I have read the foregoing DEFENDANT PALOS VERDES HOMES ASSOCIATION'S ANSWER TO VERIFIED SECOND AMENDED COMPLAINT FOR DECLARATORY RELIEF, WASTE OF PUBLIC FUNDS AND NUISANCE and know its contents.

☐ I am a party to this action. The matters stated in the foregoing document are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

☒ I am a representative of PALOS VERDES HOMES ASSOCIATION, a party to this action, and am authorized to make this for and on its behalf, and I make this verification for that reason. ☐ ☒ I am informed and believe and on that ground allege that the matters stated in the foregoing document are true. ☐ ☒ The matters stated in the foregoing document are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

☐ I am one of the attorneys for _____, a party to this action. Such party is absent from the county where such attorneys have their offices, and I make this verification for and on behalf of that party for that reason. I am informed and believe and on that ground allege that the matters stated in the foregoing document are true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on July 21, 2014, at London, United Kingdom.

Philip J. Frenks
(Signature)

Representative for:

PALOS VERDES HOMES ASSOCIATION

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DEFENDANT PALOS VERDES HOMES ASSOCIATION'S ANSWER TO VERIFIED SECOND AMENDED COMPLAINT FOR DECLARATORY RELIEF, WASTE OF PUBLIC FUNDS AND NUISANCE

CALIFORNIA STATE COURT PROOF OF SERVICE

Citizens for Enforcement of Parkland Covenants, et al. v. City of Palos Verdes Estates, et al.
File No.: 50013.1840

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

At the time of service, I was over 18 years of age and not a party to the action. My business address is 221 North Figueroa Street, Suite 1200, Los Angeles, CA 90012.

On the below date, I served the following document(s) described as:
DEFENDANT PALOS VERDES HOMES ASSOCIATION'S ANSWER TO VERIFIED SECOND AMENDED COMPLAINT FOR DECLARATORY RELIEF, WASTE OF PUBLIC FUNDS AND NUISANCE on the following persons at the following addresses (including fax numbers and e-mail addresses, if applicable):

SEE ATTACHED SERVICE LIST

☒ **(BY U.S. MAIL)** I enclosed the above-stated document(s) in a sealed envelope or package addressed to the person(s) at the address(es) listed by placing the envelope or package for collection and mailing, following our ordinary business practices. I am readily familiar with the firm's practice for collection and processing correspondence for mailing. Under that practice, on the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the U.S. Postal Service, in a sealed envelope or package with the postage fully prepaid thereon. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

☐ **(BY FAX TRANSMISSION)** Based on an agreement of the parties to accept service by fax transmission, I faxed the documents to the persons at the fax numbers listed above. No error was reported by the fax machine that I used. A copy of the record of the fax transmission containing the time, date, and sending fax machine telephone number, which I printed out, is attached.

☐ **(BY OVERNIGHT DELIVERY)** I enclosed the documents in an envelope or package provided by an overnight delivery carrier and addressed to the persons at the addresses listed above. I placed the envelope or package for collection and delivery at an office or a regularly utilized drop box of the overnight delivery carrier.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on July 21, 2014, at Los Angeles, California.


DONNA L. MATA

SERVICE LIST

Citizens for Enforcement of Parkland Covenants, et al.
v.
City of Palos Verdes Estates, et al.
File No.: 50013.1840

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trustees of the LUGLIANA TRUST; THOMAS J. LIEB, trustee, THE VIA PANORAMA TRUST*

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*Exempt from fees pursuant to
Government Code § 6103*

6 Attorneys for Respondents/Defendants,
7 City of Palos Verdes Estates and the City
8 Council of the City of Palos Verdes Estates

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **FOR THE COUNTY OF LOS ANGELES**

11 CITIZENS FOR ENFORCEMENT OF
12 PARKLAND COVENANTS, an
unincorporated association; JOHN
13 HARBISON, an individual,

14 Plaintiffs and Petitioners,

15 v.

16 CITY OF PALOS VERDES ESTATES, a
17 municipal corporation; PALOS VERDES
HOMES ASSOCIATION, a California
18 corporation,

19 Defendants and Respondents,

20 ROBERT LUGLIANI and DOLORES A.
21 LUGLIANI, as co-trustees of THE LUGLIANI
TRUST; THOMAS J. LIEB, TRUSTEE, THE
22 VIA PANORAMA TRUST U/DO MAY 2,
2012 and DOES 1 through 20,

23
24 Defendants and Real Parties in Interest.

CASE NO. BS142768

*Assigned to Hon. Barbara A. Meiers,
Department 12*

**CITY'S ANSWER TO PLAINTIFFS
SECOND AMENDED COMPLAINT**

Petition and Complaint Filed: May 13, 2013
Second Amended Complaint
Filed : June 16, 2014

25 **TO PLAINTIFFS AND THEIR ATTORNEYS OF RECORD:**

26 Defendant City of Palos Verdes Estates ("City") answers the Plaintiffs' Verified
27 Second Amended Complaint, for Declaratory Relief, Waste of Public Funds, and Nuisance,
28 as follows:

CITY'S ANSWER TO PLAINTIFFS' SECOND AMENDED COMPLAINT

- 1 1. The City denies the allegations of Paragraph 1.
- 2 2. The City admits that HARBISON is a member of the CEPC, and that
- 3 HARBISON is a member of the ASSOCIATION and that he is subject to the
- 4 ASSOCIATION'S CC&R's. City admits that Exhibit "1", the alleged list of over 130
- 5 persons, speaks for itself. The City lacks information and belief upon which to admit or deny
- 6 the remainder of the allegations in Paragraph 2 and, on that basis, denies the allegations
- 7 therein.
- 8 3. The City admits the allegations of Paragraph 3.
- 9 4. The City admits the allegations of Paragraph 4.
- 10 5. The City lacks information and belief upon which to admit or deny the
- 11 allegations in Paragraph 5 and, on that basis, denies the allegations therein.
- 12 6. Except with respect to the allegations relating to DOE DEFENDANTS about
- 13 which the City lacks sufficient information on which to admit or deny, the City admits the
- 14 allegations in Paragraph 6.
- 15 7. Admit.
- 16 8. Paragraph 8 consists of legal argument, theory and conclusions that require no
- 17 response herein. To the extent that Paragraph 8 contains any allegations of fact, the City
- 18 lacks information and belief upon which to admit or deny the allegations in Paragraph 8 and,
- 19 on that basis, denies the allegations therein.
- 20 9. The City admits that the ASSOCIATION'S by-laws speak for themselves. The
- 21 City admits that HARBISON is a member of the ASSOCIATION and owns property within
- 22 the City of Palos Verdes Estates. Except as admitted, the City lacks information and belief
- 23 upon which to admit or deny the remainder of the allegations in Paragraph 9 and, on that
- 24 basis, denies the allegations therein.
- 25 10. The City admits that Exhibits "3" and "4", maps, speak for themselves. Except
- 26 as admitted, the City lacks information and belief upon which to admit or deny the remainder
- 27 of the allegations in Paragraph 10 and, on that basis, denies the allegations therein.

1 11. The City lacks information and belief upon which to admit or deny the
2 allegations in Paragraph 11 and, on that basis, denies the allegations therein.

3 12. Admit.

4 13. The City admits only that the Panorama parkland is subject to the Palos Verdes
5 Estates Municipal Code ("PVEMC") to the same extent as any other property within the
6 City. Except as admitted, the City lacks information and belief upon which to admit or deny
7 the remainder of the allegations in Paragraph 13 and, on that basis, denies the allegations
8 therein.

9 14. The City admits that Exhibit "5", Declaration Nos. 1 and 25, and the
10 ASSOCIATIONS' articles and bylaws speak for themselves. Except as admitted, the City
11 lacks information and belief upon which to admit or deny the remainder of the allegations in
12 Paragraph 14 and, on that basis, denies the allegations therein.

13 15. The City admits that Exhibits "6" and "7", the grant deeds, speak for
14 themselves. Except as admitted, the City lacks information and belief upon which to admit
15 or deny the remainder of the allegations in Paragraph 15 and, on that basis, denies the
16 allegations therein.

17 16. The City admits that Exhibits "6" and "7", the grant deeds, speak for
18 themselves. Except as admitted, the City denies the remainder of the allegations in
19 Paragraph 16.

20 17. The City admits that Exhibit "8", Resolution No. 12, speaks for itself. Except
21 as admitted, the City lacks information and belief upon which to admit or deny the remainder
22 of the allegations in Paragraph 17 and, on that basis, denies the allegations therein.

23 18. The City admits only that the precise language of the PVEMC as set forth in
24 the PVEMC speaks for itself. The remainder of Paragraph 18 consists of legal argument,
25 theory and conclusions that require no response herein.

26 19. The City denies the allegations of Paragraph 19.

27 20. The City admits the first and second sentences of Paragraph 20. The third and
28

1 fifth sentences of Paragraph 20 consist of legal argument, theory and conclusions that require
2 no response herein. The City denies the remainder of Paragraph 20.

3 21. Paragraph 21 consists of legal argument, theory and conclusions that require no
4 response herein.

5 22. The City admits only that has in the past enforced provisions of the PVEMC to
6 compel removal of encroachments. The City lacks information and belief upon which to
7 admit or deny the remainder of the allegations in Paragraph 22 and, on that basis, denies the
8 allegations therein.

9 23. The City admits that Exhibit "3", a map, speaks for itself. Except as admitted,
10 the City lacks information and belief upon which to admit or deny the remainder of the
11 allegations in Paragraph 23 and, on that basis, denies the allegations therein.

12 24. The City admits that the lawsuit in *Palos Verdes Peninsula Unified School*
13 *District v. Palos Verdes Homes Association*, Los Angeles Superior Court Case no.
14 BC431020 speaks for itself. Except as admitted, the City lacks information and belief upon
15 which to admit or deny the remainder of the allegations in Paragraph 24 and, on that basis,
16 denies the allegations therein.

17 25. The City admits that Exhibit "11", the Judgment in *Palos Verdes Peninsula*
18 *Unified School District v. Palos Verdes Homes Association*, Los Angeles Superior Court
19 Case no. BC431020 speaks for itself. Except as admitted, the City lacks information and
20 belief upon which to admit or deny the remainder of the allegations in Paragraph 25 and, on
21 that basis, denies the allegations therein.

22 26. The City admits that the lawsuit in *Palos Verdes Peninsula Unified School*
23 *District v. Palos Verdes Homes Association*, Los Angeles Superior Court Case no.
24 BC431020 speaks for itself. Except as admitted, the City lacks information and belief upon
25 which to admit or deny the remainder of the allegations in Paragraph 26 and, on that basis,
26 denies the allegations therein.

27 27. The City admits that the lawsuit in *Palos Verdes Peninsula Unified School*
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1 *District v. Palos Verdes Homes Association*, Los Angeles Superior Court Case no.
2 BC431020, and the appeal, speaks for themselves. Except as admitted, the City lacks
3 information and belief upon which to admit or deny the remainder of the allegations in
4 Paragraph 27 and, on that basis, denies the allegations therein.

5 28. The City lacks information and belief upon which to admit or deny the
6 allegations in Paragraph 28 and, on that basis, denies the allegations therein.

7 29. The City admits that Exhibit "12", the Memorandum of Understanding, speaks
8 for itself. Except as admitted, the City lacks information and belief upon which to admit or
9 deny the remainder of the allegations in Paragraph 29 and, on that basis, denies the
10 allegations therein.

11 30. The City admits that Exhibit "12", the Memorandum of Understanding speaks
12 for itself. Except as admitted, the City lacks information and belief upon which to admit or
13 deny the remainder of the allegations in Paragraph 30 and, on that basis, denies the
14 allegations therein.

15 31. The City lacks information and belief upon which to admit or deny the
16 allegations in Paragraph 31 and, on that basis, denies the allegations therein.

17 32. The City denies the allegations set forth in the first sentence of Paragraph 32.
18 As to the second sentence, the City admits only that it did not post a sign on the Panorama
19 Parkland regarding a May 8, 2012 meeting; the City denies the remainder of the allegations
20 contained within the second sentence of Paragraph 32. As to the third sentence, the City
21 admits only that it did not send correspondence via U.S. Mail to residents living in the
22 vicinity of the Panorama Parkland regarding a May 8, 2012 meeting; the City denies the
23 remainder of the allegations contained within the third sentence of Paragraph 32. As to the
24 fourth sentence, the City admits only that it did not place an advertisement in a local
25 newspaper regarding a May 8, 2012 meeting; except as admitted, the City lacks information
26 and belief upon which to admit or deny the remainder of the allegations in the fourth
27 sentence of Paragraph 32. As to the fifth sentence, the City admits only that it posted a copy

1 of the May 8, 2012 City Council agenda at City Hall, the local library, the golf club and on
2 the City's website; the City denies the remainder of the allegations of the fifth sentence of
3 Paragraph 32. Except as specifically admitted or denied, the City lacks information and
4 belief upon which to admit or deny the remainder of the allegations in Paragraph 32 and, on
5 that basis, denies the allegations therein.

6 33. The City admits that Exhibit "9", a quitclaim deed, and Exhibit "10", a grant
7 deed, speak for themselves. Except as admitted, the City lacks information and belief upon
8 which to admit or deny the remainder of the allegations in Paragraph 33 and, on that basis,
9 denies the allegations therein.

10 34. The City admits that on February 19, 2013, its Planning Commission
11 considered an application for rezoning and related miscellaneous requests, made a
12 recommendation to the City Council and that on March 12, 2013, the City Council opened
13 the hearing on the applications and took no action. The City admits that the resolutions and
14 minutes of the February 19, 2013 Planning Commission meeting and the March 12, 2013
15 City Council meeting that are maintained by the City Clerk speak for themselves. Except as
16 specifically admitted, the City denies the allegations in Paragraph 34.

17 35. The City incorporates by reference each of its answers to paragraphs 1 through
18 34, above, as though fully set forth herein.

19 36. The City admits only that CEPC and HARBISON'S contentions are set forth in
20 Paragraph 36. The City denies each and every other allegation of Paragraph 36.

21 37. The City admits only that the City disputes the contentions set forth in the
22 preceding Paragraph 36, and that the contentions of the other parties to this litigation are set
23 forth within their respective pleadings. Except as admitted, the City lacks information and
24 belief upon which to admit or deny the remainder of the allegations in Paragraph 37 and, on
25 that basis, denies the allegations therein.

26 38. The City admits only that the contentions of CEPC, HARBISON and other
27 parties to this litigation are set forth in their respective pleadings. The City lacks information
28

1 and belief upon which to admit or deny the remainder of the allegations in Paragraph 38 and,
2 on that basis, denies the allegations therein.

3 39. Paragraph 39 consists of legal argument, theory and conclusions that require no
4 response herein.

5 40. The City admits only that CEPC and HARBISON seek a declaration. The City
6 denies each and every allegation therein.

7 41. The City incorporates by reference each of its answers to paragraphs 1 through
8 40, above, as though fully set forth herein,

9 42. Paragraph 42 consists of legal argument, theory and conclusions that require no
10 response herein.

11 43. The City denies the allegations, and each of them, of Paragraph 43.

12 44. The City denies the allegations, and each of them, of Paragraph 44.

13 45. Paragraph 45 consists of legal argument, theory and conclusions that require no
14 response herein.

15 46. The Third Cause of Action is not alleged against the City, and therefore no
16 response is required to Paragraphs 46 through 50.

17 **AFFIRMATIVE DEFENSES**

18 **FIRST AFFIRMATIVE DEFENSE**

19 (Failure to state a cause of action)

20 47. As and for a separate and distinct affirmative defense the City alleges that the
21 Second Amended Complaint fails to state facts sufficient to state a cause of action against
22 the City.

23 **SECOND AFFIRMATIVE DEFENSE**

24 (Failure to state a claim)

25 48. As and for a separate and distinct affirmative defense, the City alleges that the
26 Second Amended Complaint and each cause of action contained therein fails to state a claim
27 upon which relief may be granted.

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THIRD AFFIRMATIVE DEFENSE

(Discretionary Action Supported by Substantial Evidence)

49. As and for a separate and distinct affirmative defense, the City admits and alleges that the City's actions are well within its discretion and supported by substantial evidence in the record.

FOURTH AFFIRMATIVE DEFENSE

(Mootness)

50. As and for a separate and distinct affirmative defense, the City alleges that all claims for relief are moot.

FIFTH AFFIRMATIVE DEFENSE

(Ripeness)

51. As and for a separate and distinct affirmative defense, the City alleges that to the extent that Plaintiff's claims address actions by the City not yet final the claims for relief are barred due to by because they are not yet ripe for adjudication.

SIXTH AFFIRMATIVE DEFENSE

(Estoppel)

52. As and for a separate and distinct affirmative defense, the City alleges that all claims for relief are barred by the doctrine of estoppel.

SEVENTH AFFIRMATIVE DEFENSE

(Public Policy)

53. As and for a separate and distinct affirmative defense, the City alleges that the Second Amended Complaint and each cause of action contained therein are barred by public policy.

EIGHTH AFFIRMATIVE DEFENSE

(Standing)

54. As and for a separate and distinct affirmative defense, the City alleges that Plaintiffs, and each of them, lack standing to bring the causes of action alleged in the Second

1 Amended Complaint.

2 TENTH AFFIRMATIVE DEFENSE

3 (Compliance with laws)

4 55. As and for a separate and distinct affirmative defense, the City alleges that at
5 all times relevant to the Second Amended Complaint, the City's conduct and activities were
6 in compliance with applicable provisions of law.

7 ELEVENTH AFFIRMATIVE DEFENSE

8 (Merger of Deeds)

9 56. As and for a separate and distinct affirmative defense, the City alleges that
10 Plaintiffs' action is barred by the doctrine on merger of deeds.

11 TWELFTH AFFIRMATIVE DEFENSE

12 (Res Judicata/Collateral Estoppel)

13 57. As and for a separate and distinct affirmative defense, the City alleges that at
14 all times relevant to the Second Amended Complaint, Plaintiffs' action is barred by the
15 doctrine of of res judicata and/or collateral estoppel.

16 THIRTEENTH AFFIRMATIVE DEFENSE

17 (Failure to Name a Necessary and/or Indispensable Party)

18 58. As and for a separate and distinct affirmative defense, the City alleges that the
19 Second Amended Complaint, Plaintiffs' action is barred because Plaintiff purports to
20 challenge the validity of a contract but fails to name all parties to the contract.

21 FIFTEENTH AFFIRMATIVE DEFENSE

22 (Additional defenses)

23 59. As and for a separate and distinct affirmative defense, the City alleges that the
24 Second Amended Complaint does not describe Plaintiffs' allegations with sufficient
25 particularity or clarity to enable the City to determine what defenses may exist to Plaintiffs'
26 causes of action. The City therefore reserves the right to assert all defenses which may
27 pertain to the Second Amended Complaint once the precise nature of Plaintiffs' causes of

1 action is more fully ascertained.

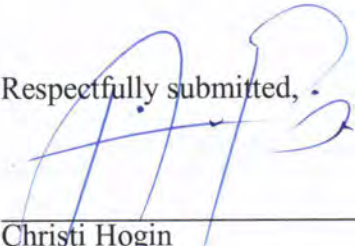
2 WHEREFORE, Respondent City prays that:

- 3 1. The Second Amended Complaint be denied;
- 4 2. That the complaint for declaratory relief, waste of public funds, and nuisance
- 5 be denied;
- 6 2. Plaintiffs take nothing by this proceeding;
- 7 3. The City recover its costs and attorneys' fees in this proceeding; and,
- 8 4. The Court award such other relief as it considers just and proper.
- 9

10 DATED: November 24 , 2014 Respectfully submitted, .

11

12

13 
Christi Hogin
Tarquin Preziosi
14 **JENKINS & HOGIN, LLP**
Attorneys for Respondents/Defendants
15 CITY OF PALOS VERDES ESTATES, CITY COUNCIL
16 OF THE CITY OF PALOS VERDES ESTATES

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1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

3 I am employed in the County of Los Angeles, State of California. I am over the age of 18
4 and not a party to the within action; my business address is 1230 Rosecrans Avenue, Suite 110,
Manhattan Beach, CA 90266.

5 On November 24, 2014, I served the foregoing documents described as:

6 **CITY'S ANSWER TO PLAINTIFFS SECOND AMENDED COMPLAINT**

7 on the interested party or parties in this action by placing the original thereof enclosed in sealed
8 envelopes with fully prepaid postage thereon and addressed as follows:

9 *PLEASE SEE SERVICE LIST ATTACHED*

10 ☒ **VIA EMAIL.** I caused such document as described above, to be transmitted via E-Mail
to the offices of the addressee(s).

11 ☐ **VIA FACSIMILE.** I caused such document to be transmitted via facsimile to the offices
12 of the addressee(s).

13 ☐ **VIA OVERNIGHT DELIVERY.** I enclosed the documents in an envelope or package
provided by an overnight delivery carrier and addressed to the person(s) at the address(es)
14 stated above. I placed the envelope or package for collection and overnight delivery at a
regularly utilized drop box of the overnight delivery carrier.

15 ☒ **VIA U.S.MAIL.** I enclosed the above described documents in a sealed envelope or
package addressed to the person(s) listed above or on the attached; caused such envelope
16 with postage thereon fully prepared to be placed in the United States mail at Los Angeles,
California.

17
18 *I am readily familiar with the Jenkins & Hogg, LLP's practice of collection and processing correspondence for
outgoing mailing. Under that practice it would be deposited with U.S. Postal Service on that same day with
19 postage thereon prepaid at Manhattan Beach, California, in the ordinary course of business. I am aware that
on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is
more than one day after date of deposit for mailing in affidavit.*

20 ☒ **STATE.** I declare under penalty of perjury under the laws of the State of California
21 that the above is true and correct.

22 ☐ **FEDERAL.** I declare that I am employed in the office of a member of the Bar of this
23 Court at whose direction the service is made.

24 Executed this 24th day of November, 2014, at Manhattan Beach, California.

25 Wendy Hoffman
26 WENDY HOFFMAN
27
28

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*Robert Lugliani and Dolores E. Lugliani, as
co-trustees of THE LUGLIANI TRUST;
THOMAS J. LIEB, TRUSTEE, THE VIA
PANORAMA TRUST*

P.C. agenda file

⑥

PALOS VERDES HOMES ASSOCIATION

PALOS VERDES ESTATES
CALIFORNIA

A NON-STOCK, NON-PROFIT, COMMUNITY ASSOCIATION, INCORPORATED UNDER THE LAWS OF THE STATE OF CALIFORNIA IN WHICH EVERY BUILDING SITE OF PALOS VERDES ESTATES HAS ONE VOTE, ESTABLISHED FOR MAINTENANCE, IMPROVEMENT, CARE AND UPKEEP OF PARKS, RECREATION AREAS, SHORES, PLANTINGS, ETC. AND FOR THE ENFORCEMENT OF THE BUILDING CODE AND RESTRICTIONS

City Council
City of Palos Verdes Estates
California 90274

Re: Lots 10 & 11, Block 1733 and
a portion of Lot A, Tract 8652

Gentlemen:

The existence of a paved driveway and parking area within the parkland portion of Lot A, Tract 8652 which serve the residence within the reference property was studied by the Board of Directors at the meeting held December 8, 1972. Following extensive review the Board expressed the opinion that the use of parkland for the benefit of a single private residence is not consistent with the intent of the deed restrictions and such use should be disallowed; further, that an alternate access within the confines of the owner's property to the garage area should be provided.

If the City finds justification for the continued existence or use of the paved driveway, etc., within the parkland please advise the Board so that further consideration may be given the matter.

Respectfully submitted,

PALOS VERDES HOMES ASSOCIATION

By *Patricia H. Gribbin*
Patricia H. Gribbin, Secretary

PH/g

cc: City Engineer

PVE PRA 000379

CITY OF PALOS VERDES ESTATES



July 18, 2003

Robert and Dolores Lugliani
P.O. Box 7000 384
Redondo Beach, California 90277

Dear Mr. and Mrs. Lugliani:

City records indicate that in 1973, the City Council required closure of the driveway and gate constructed on City Parklands adjacent to the west side of your property at 900 Via Panorama, and that this road was to be used for Police and Fire Department access only. In addition, in 1989, the City Council required removal of all fences encroaching on City property. It has come to the City's attention that encroachments still exist on City Parklands adjacent to this property.

This is to request that you call the Planning and Public Works Director, Allan Rigg, at (310) 378-0383 upon receipt of this notice to schedule an office conference to discuss the above mentioned encroachments.

Thank you very much for your cooperation.

Sincerely,

Susan Matthews
Code Enforcement Officer



MEMORANDUM

TO: FILE

FROM: ALLAN RIGG, PUBLIC WORKS DIRECTOR

SUBJECT: 900 VIA PANORAMA

DATE: AUGUST 11, 2003

The following is a history of events regarding the illegal improvements on the parklands adjacent to 900 Via Panorama:

- August 14, 1973 - City Council requires that the illegal driveway constructed on the City-owned parklands must be padlocked to only allow access for Fire and Police vehicles
- August 14, 1973 - City Council requires that the illegal parking area constructed on the City-owned parklands be returned to its natural state
- September 26, 1989 – City Council requires that all fences be removed from the City-owned parklands

We have recently become aware that there are fences on the City-owned parklands and that the gate is not locked and is regularly being used by the resident of 900 Via Panorama. There are numerous encroachments on the parklands which are not within any of our documentation. The dumpster owned by BFI is in violation of our City Code as all dumpsters serving single family residences must be from Norcal.





The City of Palos Verdes Estates owns 849 acres of Parklands in the City that was obtained from the Homes Association. The Parklands were originally designed into the master subdivision of Palos Verdes Estates for all the people of the City to enjoy. The original developers of the City placed restrictions on these properties so that they would be eternally open to all people, and not used privately. These restrictions legally bind the City to keep these areas free of fences, walls, or any other private usage.

However, some residents over the years have illegally built structures on the Parklands and have taken this land for themselves. I would like to emphasize the term illegal as the construction was done without permit or authority from the City. Section 12.04.010 of the City's Municipal Code dictates that no person shall permanently occupy any portion of City property without obtaining an encroachment permit. The City has not and will not grant any permits for permanent private occupation of City Parklands as we are legally bound to keep these areas open to the public.

In 1992 the Council became very concerned with the large number of illegal structures on the City Parklands. They recognized that although they had the authority to require the immediate

removal of all illegal structures on City Parklands, this would be a significant burden on many residents. They decided to not proceed with a large-scale removal, but to direct staff to enforce the existing City Ordinances. I will state the three triggers for removal and the corresponding Code Section:

Removal of illegal structures during a discretionary review by the City's Planning Commission

Section 17.04.090 of the City's Municipal Code states that the approval of any development entitlement application per Title 17 or 18 of the Code may be conditioned by the Planning Commission or Council. These conditions may include conditions regarding fences, walls, landscaping, and other appropriate items. The Planning Commission has a standard condition of approval that all illegal encroachments on Parklands must be removed.

Removal of illegal structures when they fall into disrepair

Section 8.48.015 H of the City's Municipal Code states that it is a public nuisance to maintain fence, wall, landscaping, or walkways that are maintained in such a condition so as to become defective, unsightly, or no longer viable. As the existing structures fall into disrepair, they become a public nuisance and must be removed.

Removal of illegal structures when modified

As I mentioned previously, Section 12.04.010 of the City's Municipal Code does not allow permanent private occupation on City property without a permit. Any work done to an already existing or new illegal structure is cause for a citation and removal.

We have documented the current illegal encroachments on the City-owned parklands. The resident will be required to immediately padlock the gates as required by the City Council in 1971. remove all fences on parklands, and remove the BFI dumpster.

Additionally, any modification to any of the existing illegal encroachments will cause the need for the removal of all illegal encroachments other than the road and gates. This includes tree trimming, planting, repairs of any magnitude, and any additional encroachments.

900 Via Panorama

262



STONE
TILE WALL
West boundary
wall

Scale: 1" = 100'
N CityGIS2
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property of the contributors supplied under license and
may not be reproduced except as licensed by
Digital Map Products

~~1990~~

Feb 3, '86

4/6/89 (Wall) ^{Block} PV Stone - both sides

8-13-86 Stone faced walls

↳ "partial plot plan"

↓
garage remodel





CITY OF
Palos Verdes Estates

April 14, 2009

Delores A. Lugliani Trust
P. O. Box 7000-384
Redondo Beach, CA 90277

Re: Requirements to Remove Unauthorized Encroachments on City Parkland Adjacent to 900
Via Panorama

Dear Delores A. Lugliani Trustee,

This is to serve as a reminder to remove unauthorized encroachments on City parkland adjacent to the above-mentioned property. The encroachments must be removed **before or by September 8, 2011**.

Encroachments consist of the placement of any permanent feature by a private property owner onto the publicly-owned land, including: fences, walls, and hardscape. Although there is a provision in the Palos Verdes Estates Municipal Code for encroachment permits on other public property, because such encroachments in parklands would violate the deed restrictions, which the City must legally comply with, they cannot be, and are not, permitted on parklands.

Over the years, the City has been actively working to remove unauthorized encroachments on City parklands with limited success. The Council reviewed the existing policy and Municipal Code in November 2005, and determined that it wanted to accelerate said encroachments' removal. I have enclosed the Policy for the Removal of Unauthorized Encroachments in the City's Parklands for your reference.

The removals must include any fences, walls, hardscape, tree houses, and any other man-made items beyond your property line. You cannot remove vegetation or trees. We encourage you to remove the encroachments prior to the deadline so you can control the timing of the removals and can more leisurely make arrangements for new fences/vegetation as needed on your private property.

If you have any questions, please contact me at (310) 378-0383.

Sincerely,

Allan Rigg
Public Works and Planning Director

CITY OF PALOS VERDES ESTATES



FINAL NOTICE

September 19, 2011

Lugliani Residence
900 Via Panorama
Palos Verdes Estates, CA 90274

Re: Non-Permitted Encroachments on City Parkland

Dear Resident:

The City Palos Verdes Estates is aware that your property continues to remain in violation of the City's mandated standards and conditions set forth by the Palos Verdes Estates City Council. At this time, the City of Palos Verdes Estates requires immediate compliance with the removal of all non-permitted encroachments and debris located on the City's Parkland.

Please contact the City Code Enforcement Department by Friday September 23, 2011 in order to give a suitable timeframe for the removal of all non-permitted encroachments. Restoration includes but is not limited to the grading and soil stabilization of all affected areas and the removal of all debris. Compliance of this notice must include the removal of any fences, walls, hardscape, tree houses, and any other man-made items beyond your property line.

Keep in mind, if you do not comply with this notice, the Palos Verdes Estates City Council will begin its Nuisance Abatement Process.

Please contact the City Code Enforcement Department at (310) 378-0383 Ext. 2209.

Thank you for your cooperation in this matter.

Sincerely,

Joe Mendoza
Code Enforcement Officer

cc: Allan Rigg, Director of Public Works/ Building & Planning
Address file of 900 Via Panorama

340 PALOS VERDES DRIVE WEST PALOS VERDES ESTATES, CALIFORNIA 90274-1299
(310) 378-0383 FX: (310) 378-7820

PVE PRA 000148

RESOLUTION 166

RESOLUTION OF THE BOARD OF DIRECTORS OF PALOS VERDES HOMES ASSOCIATION RE AUTHORIZING PRESIDENT TO SIGN DOCUMENTS

This Resolution is made with reference to the following facts:

1. For the last two years the Palos Verdes Homes Association ("PVHA") has been involved in a lawsuit entitled Palos Verdes Unified School District v. Palos Verdes Homes Association, Los Angeles County Superior Court Case No. BC 431 020.
2. The PVUSD sought to quiet title to two lots ("Lots C&D") that had been conveyed to the PVUSD by PVHA and to use restrictions included in the conveyances from PVHA to PVUSD. The PVUSD also sought to avoid requirements set out in Declaration No. 1 the basic Covenants, Conditions and Restrictions that apply to all properties in Palos Verdes Estates. PVHA opposed the claims on the grounds that Lots C&D were subject to the conditions in the deeds and the requirements in Declaration No. 1.
3. On September 22, 2011 Judgment was entered in favor of PVHA.
4. PVUSD filed an appeal of the Judgment, and PVHA filed a cross appeal.
5. PVHA has been negotiating with the City of Palos Verdes ("PVE") and a private citizen on a means to settle the litigation. The terms are set out in the attached "FINAL DRAFT MEMORANDUM OF UNDERSTANDING AMONG PALOS VERDES UNIFIED SCHOOL DISTRICT, PALOS VERDES HOMES ASSOCIATION, INC, CITY OF PALSO VERDES ESTATES AND THOMAS J. LIEB, TRUSTEE, THE VIA PANORAMA TRUST U/DO MAY 12, 2012 TOGETHER WITH TRUST FOR THE BENEFIT OF RELATED PARTIES, REGARDING RESOLUTION OF ENFORCEABILITY OF DEED RESTRICTIONS ON PROPERTY OWNED BY PVUSD AND OF ENCROACHMENT IN CITY PARKLAND NEAR 900 VIA PANORAMA AND DISPOSITION OF CERTAIN OPEN SPACE PROPERTIES (LOTS C & D)" (the "MOU").
6. The Board has been involved in and informed of the negotiations for the past several months.
7. It is the Board's decision that signing the MOU is in the best interest of PVHA and its members.
8. The Board has considered the advice of its attorneys in reaching this decision.

9. The purpose of this resolution is to authorize the President of the PVHA to sign the MOU and any other documents specified in the MOU on behalf of PVHA.

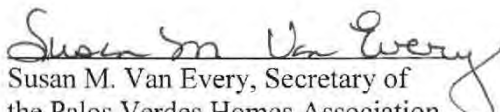
IT IS HEREBY RESOLVED AS FOLLOWS:

That the President of the PVHA is authorized to sign the MOU and any documents necessary as specified in ARTICLE III – Obligations of the Homes Association on behalf of PVHA.

PASSED, APPROVED AND ADOPTED this 19th day of April, 2012 at a regular meeting of the Board of Directors of the PVHA .


DALE HOFFMAN, President of
the Palos Verdes Homes Association

ATTEST:


Susan M. Van Every, Secretary of
the Palos Verdes Homes Association

VIA PANORAMA TRUST

U/D/O MAY 2, 2012

Prepared by:
MICHAEL A. BARTH
A PROFESSIONAL CORPORATION
31 Malaga Cove Plaza
Palos Verdes Estates, CA 90274
Telephone: (310) 375-3855
Facsimile: (310) 375-2825

VP001921

VIA PANORAMA TRUST

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VIA PANORAMA TRUST

ARTICLE ONE

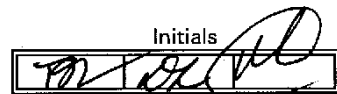
CREATION OF TRUST

1.1. Parties. This trust agreement is made by ROBERT LUGLIANI and DOLORES ANN LUGLIANI, husband and wife, (collectively the "Settlor" or "Settlers" as the context requires) of Los Angeles County, California, as Settlers, and THOMAS J. LIEB, as Trustee (the "Trustee"). The Settlers hereby transfer and assign to the Trustee certain property (the "Trust Estate"), in trust, to be held, administered, and distributed as provided in this instrument.

1.2. Transfer in Trust. The Settlers have irrevocably transferred and delivered to the Trustee, without consideration on their part, upon the terms and subject to the uses and purposes hereinafter set forth, the following property described in **Schedule "A"**, which is attached hereto and made a part hereof, the receipt of which is hereby acknowledged by the Trustee, which shall constitute the initial Trust Estate.

1.3. Release of All Rights and Trust Assets. Without exception of any kind or nature, the Settlers hereby renounce all interest, either vested or contingent, including reversion and interest in possibilities of reverter or appointment, which the Settlers might at any time be held to have in the income or corpus of this trust.

1.4. Additions to Trust Estate. Additional property acceptable to the Trustee may be transferred in the future to the Trustee hereunder, by way of inter vivos transfers or by way of proceeds of insurance policies, or by way of transfers pursuant to

Initials


the terms of the Settlor's Wills, or the Wills of other persons, by way of transfers pursuant to directions contained in inter vivos trust agreements, qualified personal residence trusts, or otherwise, such property to be held upon the terms and subject to the uses and purposes hereinafter set forth.

1.5. Additional Settlor's. If at any time or times, any person other than a Settlor makes any additional gift hereunder, such person or persons shall be deemed thereafter to be an additional "Settlor" with respect to such addition for purposes of the renunciation and restriction provisions referring to the "Settlor" contained in Paragraph 1.3.

1.6. Reserved Power to Reacquire Trust Assets. The Settlor's reserve the power unto themselves, exercisable unanimously in a non-fiduciary capacity, to reacquire trust assets by substituting other property of equivalent value. If either Settlor is unable to exercise this power the remaining Settlor may exercise it alone.

1.7. Names of Trusts. The trust created by this instrument shall be known as the VIA PANORAMA TRUST, and each separate trust created under this instrument shall be referred to by adding the name or designation of that separate trust as it appears in the appropriate section of this instrument.

1.8. Effective Date. This agreement shall be effective immediately on execution by all the parties.

1.9. Identification of Beneficiaries. The beneficiaries of this trust are the Settlor's children or the issue of a deceased child of the Settlor's ("Beneficiary" or "Beneficiaries" as the context requires).

1.10. Marital Status. The Settlers are married to each other and all references in this trust instrument to the Settlor's spouse are to the other Settlor.

1.11. Identification of Living Children. The Settlers have seven living children, as follows:

<u>Name</u>	<u>Date of Birth</u>
MATTHEW ROBERT LUGLIANI	January 3, 1967
DAVID ROBERT LUGLIANI	June 1, 1968
LETIZIA MARIA LUGLIANI;	March 6, 1971
TANYA MARIA LUGLIANI	August 20, 1972
NATALIA MARIA LUGLIANI	January 23, 1980
LEANNA MARIA LUGLIANI	September 14, 1981
TAMARA MARIA LUGLIANI	April 12, 1986

1.12. No Deceased Children. The Settlers have no deceased children.

1.13. Definitions of Child, Children, and Issue. As used in this instrument, the terms "child" and "children" refer to the Settlers' children born of their marriage and their issue, natural children and children who have been legally adopted during minority by the parent or parents from or through whom their right to inherit or to take is determined or derived and the term "issue" refers to all lineal descendants of all generations, with the relationship of parent and child at each generation being determined by the definitions of "child" and "children" set forth in this instrument.

1.14. Irrevocability of Trust. This trust is irrevocable. It may not be amended, revoked, or terminated, in whole or in part, except as otherwise specified in this instrument.

ARTICLE TWO

TRUST ESTATE

2.1. Definition of Trust Estate. All property subject to this instrument from time to time is referred to as the "Trust Estate" and shall be held, administered, and distributed as provided in this instrument. The Trustee shall hold, administer, and distribute the property described in **Schedule "A"** (which is attached and made a part of this trust instrument), any other property that may become subject to this trust, and the income and proceeds attributable to all such property, in accordance with the provisions of this instrument.

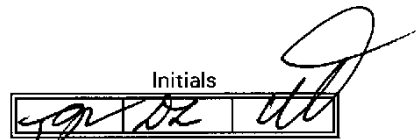
2.2. Additions to Trust. From time to time, the Trustee may accept additions to this trust from any source. All such additions shall become part of the Trust Estate and shall be held, administered, and distributed in accordance with the terms of this instrument. That additional property shall become part of the Trust Estate on written acceptance of it by the Trustee. Any additions to the trust shall be made by designating in writing the property to be added. However, the titling of any account, deed, or similar asset in the name of the Trustee, as Trustee of this trust, or any alternate or Successor Trustee acting under this instrument, shall be deemed to be a transfer to this trust. Any designation by a third party, whether by will, deed, account title designation, or similar transfer, shall also be a transfer to the Trust Estate.

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Initials


ARTICLE THREE

RIGHTS AND POWERS OF SETTLORS

3.1. Irrevocability of Trust. The Settlers may not amend, revoke, or terminate this trust, in whole or in part, except as otherwise specified in this instrument or as allowed under the law.

3.2. Limitation on Powers of Settlers. Other than the power reserved to the Settlers under Section 1.6, the Settlers shall not have:

(a) Any right to the possession or enjoyment of the principal or income of the Trust Estate, or any part of the Trust Estate, or any right, either alone or in conjunction with any other person, to designate the persons who will possess or enjoy the principal or income of the Trust Estate, or any part of the Trust Estate, as those terms are used in Internal Revenue Code Section 2036.

(b) Any right to vote (directly or indirectly) any shares of stock of a controlled corporation, as that term is defined in Internal Revenue Code Section 2036(b)(2), that may be part of the Trust Estate.

(c) Any power or discretion in any capacity whatever, either alone or in conjunction with any other person, to alter, amend, revoke, or terminate the enjoyment of the Trust Estate, as those terms are used in Internal Revenue Code Section 2038.

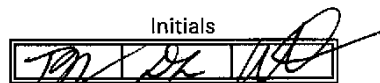
(d) Any power that is exercisable in favor of the Settlers, the Settlers' estate, the Settlers' creditors, or creditors of the Settlers' estate, or any other power that would constitute a general power of appointment, as defined in Internal Revenue Code Section 2041.

(e) Any incidents of ownership, as that term is defined in Internal Revenue Code Section 2042, as amended, in any insurance policy that is part of the Trust Estate.

(f) Any power or discretion that would cause the Trust Estate, or any part of the Trust Estate, to be included in the gross estate of the Settlor under any provisions of the Internal Revenue Code, as amended.

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ARTICLE FOUR

PAYMENTS AND DISTRIBUTIONS

4.1. Right to Withdraw Gifts. The Settlers shall designate the withdrawal rights of a Beneficiary ("withdrawal beneficiary") who has the right to withdraw a gift made to the trust at the time the gift is made. If the Settlers shall fail to designate the withdrawal rights of a withdrawal beneficiary, then each withdrawal beneficiary shall have the right to withdraw any gift made to the trust in accordance with the following provisions:

(a) Notice of Gifts. The Trustee shall promptly give written notice to each of the withdrawal beneficiaries of each gift made to the trust.

(b) Power to Withdraw Gifts. Each of the withdrawal beneficiaries who are then living may withdraw a fraction of the gift equal to one divided by the number of the withdrawal beneficiaries who are then living, or any portion of that fraction; provided, however, that the aggregate amount of gifts to the trust from any one donor that each withdrawal beneficiary may withdraw during any calendar year shall not exceed the amount that may from time to time be specified for gift tax exclusion in Internal Revenue Code Section 2503(b), as amended, for gifts from one donor to one donee (the "annual exclusion amount") per person; and provided further that the aggregate amount of gifts to the trust from all donors that each withdrawal beneficiary may withdraw during any calendar year shall not exceed the amount that may from time to time be specified in Internal Revenue Code Section 2041(b)(2), as amended, as the maximum amount of property with respect to which the lapse of a general power of appointment will not be deemed a release of a general power of appointment ("the non-taxable lapse amount").

(c) Exercise of Withdrawal Power. The power of any person to withdraw the non-taxable lapse amount as specified in this section must be exercised, if at all, by electing to do so in an instrument in writing delivered to the Trustee within thirty (30) days after the later of (1) the date on which the gift is made, or (2) the date on which the person is given notice of the gift. The Trustee may satisfy the exercise of any withdrawal right by distributing to the person cash or other property, including all or an undivided interest in a life insurance policy.

(d) Power Noncumulative and Subject to Lapse. The right of any person to withdraw a gift as specified in this section is noncumulative. If any person does not withdraw the full amount of the gift or gifts that the person is entitled to withdraw within the time limit specified for exercise of the right, the right to

withdraw the amount not withdrawn shall lapse and may not be exercised after the time limit specified.

(e) Incapacity. If any person who has a right to withdraw a gift as specified in this section is a minor or is otherwise subject to any legal incapacity, the Trustee shall give the written notice required to be given as specified in this section to the guardian or conservator of that person, and the guardian or conservator may make the withdrawal on behalf of that person. Any property delivered to a guardian or conservator shall be held by the guardian or conservator for the benefit and use of that person.

(f) Power of Appointment. Section 2041(b)(2) of the Internal Revenue Code defines the maximum amount of property with respect to which the lapse of a general power of appointment will not be deemed a release of a general power of appointment per person (the "non-taxable amount"). In addition to any other power of appointment granted to a beneficiary under this trust, the beneficiary shall retain a testamentary general power of appointment over that portion of any contribution or addition to the trust which exceeds the non-taxable amount, calculated in the calendar year of the gift. The power of appointment may only be exercised upon the death of the beneficiary in favor of the beneficiary's siblings, spouse, to one or more of the beneficiary's issue then living, to the beneficiary's parents, or to a trust or trusts for any of their benefit. Such power of appointment shall be exercised only by a provision in the last will of the beneficiary expressly exercising such power. Unless within ninety (90) days after the beneficiary's death the Trustee has actual notice of the existence of the will exercising such power, the Trustee shall, without incurring any liability to any appointee, proceed as if such power had not been exercised; provided, however, that this sentence shall not bar any right which an appointee may have to enforce the appointment.

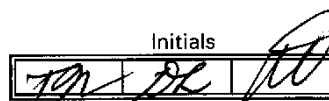
4.2. Sprinkling Trust. After giving effect to the distributions in Section 4.1, the balance of the Trust Estate shall be held as a Sprinkling Trust for the benefit of the trust beneficiaries (as defined in Section 4.2.1 below) as follows:

4.2.1. Beneficiaries. The beneficiaries of the Sprinkling Trust are the children of the Settlers or the issue of a deceased child of the Settlers.

4.2.2. Right to Use Main House and Grounds of Residence. If the improved real property located at 900 Via Panorama, Palos Verdes Estates, California 90274 ("Residence") is an asset of this trust, then notwithstanding any beneficiary's right to occupy or actual occupancy of the main house or the living suites, all beneficiaries of this trust shall have the right to use the main house and grounds of the residence

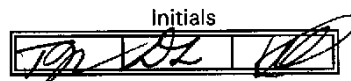
for family gatherings, parties and special occasions including, but not limited to, Easter, Thanksgiving and Christmas dinners.

- 4.2.3. Right to Occupy Main House. If the Residence is an asset of this trust, then the oldest living child of the Settlers who desires to live in the main house, which includes the upstairs, downstairs, gameroom and garages, but not the living suites, shall have the right to occupy the main house as his or her primary residence for a period not to exceed thirty-six (36) months, subject to the following conditions: the child or issue who shall be occupying the main house shall (1) pay monthly the market rent or such lesser amount as shall be determined by a two-thirds (2/3) vote of the eligible beneficiaries and (2) not interfere or prohibit any use of the property by the other beneficiaries. Should an eligible child not desire to occupy the main house as his or her residence or not abide by the two conditions set forth above for living in the main house, the next oldest living child of the Settlers shall have the right to occupy the main house subject to the conditions above. If there are no living children of the Settlers, the oldest living issue of the Settlers shall have the right to occupy the main residence subject to the above conditions. Should an eligible issue not desire to occupy the main house as his or her residence or not abide by the two conditions set forth above for living in the main house, the next oldest living issue of the Settlers shall have the right to occupy the main house subject to the conditions above.
- 4.2.4. Right to Occupy Living Suites. If the Residence is an asset of this trust, then any issue of the Settlers not occupying the main house shall have the right to occupy the living suites. The order of priority for choosing a living suite shall be the oldest living issue who is not occupying the main house down to the youngest living issue. If only one child of the Settlers, or more than one issue of a deceased child, shall occupy a living suite, he or she shall pay the lesser of a prorata share or one-seventh (1/7) of the monthly expenses to maintain the Residence. If more than one child of the Settlers, or more than one issue of a deceased child, shall be occupying the living suites, such children or issue shall pay a prorata share of the expenses to maintain the Residence, but the total paid by such children or issue shall not exceed one-seventh (1/7) individually, and three-sevenths (3/7) collectively. Notwithstanding the foregoing provisions, until a child of the Settlers attains age 30, he or she can live rent-free in a living suite.
- 4.2.5. Right to Change Provisions Regarding Use of Main House and Living Suites. If the Residence is an asset of this trust, the eligible beneficiaries of this trust may change the provisions of this trust

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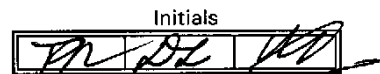
regarding use of the main house and living suites upon the agreement of two-thirds (2/3) of the beneficiaries entitled to vote.

- 4.2.6. Voting Process. Anytime a vote is required or allowed under this Section 4.2, the beneficiaries eligible to vote (the "eligible beneficiaries") shall be the adult children of the Settlers or the adult children of a deceased child; provided, however, the adult children of a deceased child shall only have one vote that will be determined by the majority consensus of such children of a deceased child.
- 4.2.7. All Other Assets. All other assets of this trust, other than the Residence, shall be used and enjoyed by the beneficiaries in the discretion of the Trustee.
- 4.2.8. Termination of Trust. The Sprinkling Trust shall terminate upon the later of the sale of the Residence (whether it is an asset of this or any other trust as provided below), or the death of the last living grandchild of the Settlers living at the date of the adoption of this trust.
- 4.2.9. Sale of Residence. If the Residence is an asset of this trust, the Residence may only be sold upon unanimous consent of the children of the Settlers. If there are no living adult children of the Settlers, then the Residence may be sold only upon the unanimous consent of the adult living grandchildren of the Settlers.
- 4.2.10. Distribution on Sale. If the trust terminates on the sale of the Residence, or if the Residence shall have been sold prior to the death of the last to die of the Settlers and the Trustee did not purchase a replacement residence, the Trustee shall allocate the remaining trust property to the then-living issue of the Settlers in the manner provided in California Probate Code Section 246. Shares for issue who have attained 35 years of age shall be distributed outright; shares for issue under the age of 35 shall be held, administered, and distributed by the Trustee in a separate trust for that issue according to the terms set forth in this Section 4.3 applicable to the Separate Share Trust, or added to an existing Separate Share Trust previously created for that issue.
- 4.2.11. Final Disposition. If the trust property is not completely disposed of by the preceding provisions the undisposed of portion shall be distributed outright one half to the heirs of ROBERT LUGLIANI and one half to the heirs of DOLORES ANN LUGLIANI.

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4.3. Separate Share Trust. Each portion or share of the Trust Estate, or of the trust property of any other trust created by this trust instrument, that is allocated to a Separate Share Trust for the benefit of the beneficiary (as defined in subsection 4.3.1. below) shall be held, administered, and distributed by the Trustee as a separate trust, as follows:

- 4.3.1. Beneficiary. The beneficiary of each Separate Share Trust is a child of the Settlor or the individual issue of a deceased child of the Settlor, as the case may be, for whom this trust is created pursuant to the other provisions of this trust instrument.
- 4.3.2. Discretionary Payments of Income Until Age 25. The Trustee shall pay to or apply for the benefit of the beneficiary, until the beneficiary reaches the age of twenty-five (25) years, as much of the net income of the Separate Share Trust as the Trustee deems proper for that beneficiary's health, education, support, and maintenance. In exercising discretion, the Trustee shall give the consideration that the Trustee deems proper to all other income and resources that are known to the Trustee and that are readily available to the beneficiary for use for these purposes. The Trustee shall accumulate and add to principal any net income not distributed.
- 4.3.3. Mandatory Payments of Income After Age 25. After the beneficiary reaches the age of 25 years, the Trustee shall pay to or apply for the benefit of the beneficiary all of the net income of the Separate Share Trust, in monthly or other convenient installments, but not less often than annually, for the term of the Separate Share Trust.
- 4.3.4. Discretionary Payments of Principal. At any time or times during the Separate Share Trust term, the Trustee shall pay to or apply for the benefit of the beneficiary as much of the principal of the Separate Share Trust as the Trustee deems proper for that beneficiary's health, education, support, and maintenance. In exercising discretion, the Trustee shall give the consideration that the Trustee deems proper to all other income and resources that are known to the Trustee and that are readily available to the beneficiary for use for these purposes.
- 4.3.5. Termination of Trust. A Separate Share Trust shall terminate on the beneficiary reaching the age of 35 years or on the death of the beneficiary, whichever occurs first.
- 4.3.6. Distribution in Three Stages When Beneficiary Living. When the beneficiary reaches the age of 25 years, the Trustee shall distribute to the beneficiary one-third (1/3) of the principal of the Separate Share Trust. When the beneficiary reaches the age of thirty (30) years, the

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Trustee shall distribute to the beneficiary one-half of the remaining principal of the Separate Share Trust. When the beneficiary reaches the age of 35 years, the Trustee shall distribute the remaining trust property (including all income then accrued but uncollected and all net income then remaining in the hands of the Trustee) to the beneficiary outright. If the beneficiary has already reached the age of 25 years or 30 years when the beneficiary's share is first allocated to the Separate Share Trust under this trust, then on making the allocation, the Trustee shall distribute to the beneficiary one-third or two-thirds, as the case may be, of the beneficiary's share of the principal of the trust, and the balance shall be retained in trust for the beneficiary pursuant to the applicable provisions of this section.

4.3.7. Distribution on Death of Beneficiary. If the Separate Share Trust terminates on the death of the beneficiary, the Trustee shall allocate the remaining Separate Share Trust property to the then-living issue of the beneficiary in the manner provided in California Probate Code Section 246, or if the beneficiary leaves no then-living issue, then to the heirs of the beneficiary who are issue of the Settlers. Shares for issue who have attained 35 years of age shall be distributed outright; shares for issue under the age of 35 shall be held, administered, and distributed by the Trustee in a separate trust for that issue according to the terms set forth in this Article Four applicable to the Separate Share Trust, or added to an existing Separate Share Trust previously created for that issue.

4.3.8. Final Disposition. If the trust property is not completely disposed of by the preceding provisions, the undisposed-of portion shall be distributed one half to the heirs of ROBERT LUGLIANI and one half to the heirs of DOLORES ANN LUGLIANI.

4.4. Decisions Solely Within the Discretion of the Trustee. All decisions of the Trustee regarding payments under this Article Four, if any, are within the Trustee's discretion and shall be final and incontestable by anyone. All payments made pursuant to this provision shall be made in convenient installments, but not less often than annually. The Trustee shall accumulate and add to principal any net income not distributed.

4.5. Allocation of Shares; Qualified Retirement Plan Benefits. If any part of the Trust Estate consists of benefits payable under any "qualified retirement plan," "individual retirement account" or similar retirement plan, annuity or arrangement (the

"Plans"), the Trustee shall allocate each payment from a Plan allocated in whole or in part to one trust and described below as follows:

(a) Payment. For purposes of this paragraph, the term "Payment" refers to an amount:

(i) that is received or withdrawn pursuant to a contractual, custodial, or trust arrangement that provides for Payments to the Trust, including by way of example and not limitation, qualified retirement plans, IRAs, Roth IRAs, annuities (including private annuities), and deferred compensation (including payments received directly from an "entity" as defined in Probate Code Section 16350); and,

(ii) that is one of a series of Payments that have been or will be received over a fixed number of years or during the life of one or more individuals, or is a single Payment that the Trustee could have received over a fixed number of years or during the life of one or more individuals.

(b) Payment Characterized as Interest or Dividend. If any portion of a Payment is characterized as a Payment to the Trustee of interest, dividends, or a dividend equivalent, the Trustee shall allocate the portion so characterized to income, and the balance to principal.

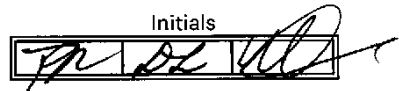
(c) Payment from Plan Account. If no part of a Payment is allocated under subparagraph (b) above and the Payment is received from a plan that maintains separate accounts for its participants (including by way of example and not limitation, defined contribution retirement plans, IRAs, Roth IRAs, and deferred compensation plans), the Trustee shall allocate to income the portion (up to the whole) that equals the amount of "Plan Income" that the Trustee reasonably determines was earned inside the Trust's plan account since it became subject to trust (and not previously allocated to trust income), and the balance to principal. The term "Plan Income" refers to the amount inside the plan account that, if the plan account were a trust, would be allocated to income under the California Probate Code rules governing allocation of principal and income for trusts.

(d) Other Payments. If no part of a Payment is allocated under subparagraphs (b) and (c) above, the Trustee shall allocate to income the portion that exceeds the present value of the Payment measured on the date of the preceding Payment (or, if none, on the date the property interest become subject to trust), using a discount rate reasonably determined by the Trustee.

4.6. Distributions of Trust Income and Principal. If any portion of the Trust Estate consists of an interest in a Plan (as defined in Paragraph 4.5) then after giving

effect to Paragraph 4.5 above at any time or times during the trust term, the Trustee shall pay to or apply for the benefit of the trust beneficiaries ("Beneficiary(ies)") the greater of (i) the Beneficiary's share of any Plan annual Minimum Distribution Amount (as defined, from time to time, in the Internal Revenue Code or the Regulation, Revenue Rulings or other announcements or decisions promulgated by the Internal Revenue Service) or (ii) as much, or all, of the net income and principal of the trust as the Trustee deems proper for the trust Beneficiary's health, education, support and maintenance. In exercising discretion, the Trustee shall give the consideration that the Trustee deems proper to all other income and resources that are known to the Trustee and that are readily available to the Beneficiary for use for these purposes. All decisions of the Trustee regarding payments under this subsection, if any, are within the Trustee's discretion and shall be final and incontestable by anyone. The Trustee shall accumulate and add to principal any net income not distributed.

4.7. Spendthrift Clause. The interests of the beneficiaries under this instrument are not transferable by voluntary or involuntary assignment or by operation of law, and shall be free from the claims of creditors and from attachment, execution, bankruptcy, and other legal process, to the maximum extent permitted by law. If any such transfer is made or attempted by or against any Beneficiary, all further trust payments of income or principal or both to that Beneficiary (and any right of that Beneficiary to such payments) shall be suspended for a period of time or indefinitely (but in no case for longer than the term of the trust) as the Trustee determines. In lieu of payments to that Beneficiary, the Trustee may apply so much of the trust income or principal or both to which the Beneficiary would otherwise be entitled as the Trustee deems necessary for the Beneficiary's education and support. All trust income (to which the Beneficiary would otherwise be entitled) not so applied shall in the discretion

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of the Trustee be accumulated and added to trust principal at such time or times as the Trustee deems proper. Notwithstanding anything to the contrary in this section of this instrument, the right of the Settlor's issue to withdrawal of gifts made to the trust during the lifetimes of both of the Settlor's, as specified in Section 4.1 shall not be limited by this section.

4.8. Administration of Generation-Skipping Trusts. The provisions of this section apply to any trust under this instrument in which there is property that is or may become subject to the federal generation-skipping transfer tax:

(a) Allocation of Exemption to Part of Trust. On written notification by the Settlor's that the Settlor's intend, or by the executor of either or both of the Settlor's that the executor intends, to allocate any part of the generation-skipping transfer tax exemption that is available to the Settlor's under Internal Revenue Code Section 2631(a) to some but not all of the property in any trust to which this section applies, the Trustee shall divide that trust into two separate trusts, to be designated as the Exempt Trust and the Nonexempt Trust. The Exempt Trust shall contain the fractional share of the property of that trust that represents the amount of the generation-skipping transfer tax exemption that a Settlor or executor intends to allocate to the trust. The Exempt Trust shall have an inclusion ratio of zero (0) for federal generation-skipping transfer tax purposes. The Nonexempt Trust shall contain the balance of the property of that trust and shall have an inclusion ratio of one (1) for federal generation-skipping transfer tax purposes. It is the Settlor's intention that a Settlor or executor then actually allocate the generation-skipping transfer tax exemption to the Exempt Trust and not to the Nonexempt Trust. The Trustee shall not be liable for relying on the written instructions of the Settlor or the executor when acting in accordance with the provisions of this subsection.

(b) Method of Allocation. In allocating assets between the Exempt Trust and Nonexempt Trust for purposes of this section, the Trustee shall allocate the trust assets in cash or in kind, or partly in each, on a pro rata or non pro rata basis, and in undivided interests or not. Assets shall be valued at their values on the date or dates of distribution.

(c) Allocation or Nonallocation of Exemption to Entire Trust. Regardless of whether subsection (a) applies, if the amount of a Settlor's generation-skipping transfer tax exemption actually allocated to a trust to which this section applies is equal to the value of the property of that trust so that the entire trust has an inclusion ratio of zero (0) for federal generation-skipping transfer tax purposes, the entire trust shall be

referred to as the Exempt Trust. On the other hand, if no part of a Settlor's generation-skipping transfer tax exemption is actually allocated to the trust so that the entire trust has an inclusion ratio of one (1) for federal generation-skipping transfer tax purposes (or if a Settlor is not the transferor of that trust for generation-skipping transfer tax purposes), the entire trust shall be referred to as the Nonexempt Trust.

(d) Trust Distributions. The Trustee may, but is not required to, administer the trusts under this instrument to which this section applies in such a manner that distributions made during the trust terms to "skip persons" (as defined in Internal Revenue Code Section 2613(a) or any equivalent successor statute) are made from Exempt Trusts, and distributions made during the trust terms to "non-skip persons" (as defined in Internal Revenue Code Section 2613(b) or any equivalent successor section) are made from Nonexempt Trusts.

(e) Trustee's Power to Petition Court to Amend Nonexempt Trust. If the Trustee determines that the burdens of generation-skipping transfer taxes, income taxes, gift taxes, and death taxes on a Nonexempt Trust, a Settlor, the Settlor's estate, or the beneficiaries of that trust would be reduced, the Trustee may petition the court to amend the trust to grant to one or more trust beneficiaries who are non-skip persons in a generation below the Settlor a general testamentary power of appointment over all or a specified portion of that Nonexempt Trust. Any power to amend the trust is within the discretion of the court, and the preceding sentence shall not be construed to give the Trustee any power that the Trustee does not already have under California trust law to petition the court under the appropriate circumstances, nor shall it be construed to limit the power of the Trustee or any Beneficiary under California trust law to petition the court under the appropriate circumstances.

(f) Purpose of Section. The purpose of this section is to allow the Trustee to administer the trusts so as to decrease the amount of generation-skipping transfer taxes owed on transfers from the trusts. The Trustee shall balance that consideration against any other tax and nontax considerations, and may disregard the generation-skipping transfer tax consequences to the extent that the Trustee determines that doing so will allow the Trustee to carry out the Settlor's intentions in creating the trusts. All decisions of the Trustee under this subsection are within the Trustee's discretion and shall be final and incontestable by anyone.

(g) Amendment of Trust to Reflect Changes in Tax Law. If, in the judgment of the executor or the Trustee, at any time after the execution of this trust instrument, any statute, regulation, court decision, or administrative ruling imposes different or additional requirements on the trust in connection with the generation-skipping transfer tax the executor

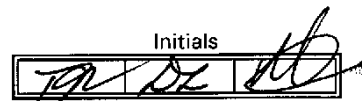
or the Trustee may petition the court to amend the terms of the trust to meet those requirements and achieve the purpose of this section.

ARTICLE FIVE

TRUSTEE

5.1. Successor Trustees. If, while acting as Trustees, THOMAS J. LIEB dies, becomes incapacitated, or is otherwise unable or unwilling to continue to act as a Cotrustee, and no Successor Cotrustee has been designated by the Settlers or under any other provision of this trust instrument then MATTHEW ROBERT LUGLIANI ("MATTHEW"), DAVID ROBERT LUGLIANI ("DAVID") and LETIZIA MARIA LUGLIANI ("LETIZIA") shall serve together as Successor Cotrustees. During the period of his initial appointment, MATTHEW shall serve as a Cotrustee for the shorter of three years or such time as he shall be or become unable or unwilling to act. During the period of his initial appointment, DAVID shall serve as a Successor Cotrustee for the shorter of two years or such time as he shall be or become unable or unwilling to act. During the period of her initial appointment, LETIZIA shall serve as a Successor Cotrustee for the shorter of one year or such time as she shall be or become unable or unwilling to act. If any of MATTHEW, DAVID or LETIZIA dies, resigns, is unable to act because of incapacity, or is unwilling to act, or following his or her stated term, the children of the Settlers shall serve as Cotrustees in rotating order, as follows: TANYA MARIA LUGLIANI, NATALIA MARIA LUGLIANI, LEANNA MARIA LUGLIANI, TAMARA MARIA LUGLIANI, MATTHEW ROBERT LUGLIANI, DAVID ROBERT LUGLIANI, and LETIZIA MARIA LUGLIANI.

The Cotrustees shall act by majority agreement. If the number of Cotrustees falls below three, and there are no more named individuals above able and willing to act as Cotrustee, the remaining Cotrustees or Trustee may appoint a Successor Trustee or

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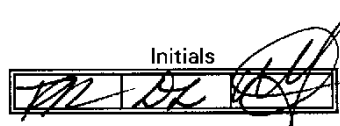
Cotrustees so that the number of acting Trustees will be equal or greater than three. In the event there is a vacancy and no successor has been named, a new Trustee or Cotrustees shall be appointed by majority vote of the beneficiaries of the trust who are then entitled to receive income under the trust, or who would be entitled to receive a distribution of principal from the trust if the trust were then terminating, and who then have the legal capacity to give such a vote. If any beneficiary who otherwise would be entitled to vote on appointment of a Trustee under this section is a minor or is under a legal incapacity, then the custodial parent(s), guardian, or conservator of that beneficiary may vote on behalf of the beneficiary.

5.2. Definition of Trustee. Reference in this instrument to "the Trustee" shall be deemed a reference to whoever is serving as Trustee or Cotrustees, and shall include alternate or Successor Trustees or Cotrustees, unless the context requires otherwise.

5.3. Removal and Replacement of Trustee by Order of Court. Any Trustee serving under this instrument may be removed as Trustee at any time by court order upon petition by any Beneficiary for any of the following grounds:

- (a) Commission of a breach of trust;
- (b) Insolvency or other unfitness to administer the trust;
- (c) Hostility or lack of cooperation among the Cotrustees that impairs the administration of the trust;
- (d) Failure or refusal to act; or
- (e) Other good cause, as determined by the court.

If a vacancy occurs in the office of Trustee, whether by removal of a Trustee or otherwise, the Superior Court shall appoint a new Trustee to fill the vacancy. The court may, in its discretion, appoint the original number, or any lesser number of Trustees. In

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selecting a Trustee, the court shall give consideration to the wishes of the adult beneficiaries and the representatives of the beneficiaries who are minors.

5.4. Settlors May Not Serve as Trustee. Notwithstanding any other provision in this instrument, in no event shall a Settlor be appointed to serve as Trustee.

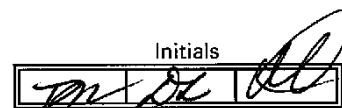
5.5. Waiver of Bond. No bond or undertaking shall be required of any individual who serves as a Trustee under this instrument.

5.6. Compensation of Individual Trustees. Each individual who is a Trustee under this instrument shall be entitled to reasonable compensation for services rendered, payable without court order.

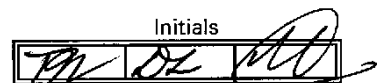
5.7. Procedure for Resignation. Any Trustee may resign at any time, without giving a reason for the resignation, by giving written notice, at least thirty (30) days before the time the resignation is to take effect, to the Settlor, if living, to any other Trustee then acting, to any persons authorized to designate a Successor Trustee, to all trust beneficiaries known to the Trustee (or, in the case of a minor Beneficiary, to the parent or guardian of that Beneficiary) and to the Successor Trustee. A resignation shall be effective on written acceptance of the trust by the Successor Trustee.

5.8. General Powers of Trustee. To carry out the purposes of the trusts created under this instrument, and subject to any limitations stated elsewhere in this instrument, the Trustee shall have all of the following powers, in addition to all of the powers now or hereafter conferred on Trustees by law:

(a) With or without court authorization, sell (for cash or on deferred payments, and with or without security), convey, exchange, partition, and divide trust property; grant options for the sale or exchange of trust property for any purpose, whether the contract is to be performed or the option is to be exercised within or beyond the term of the trust; and lease trust property for any purpose, for terms within or extending beyond the expiration of the trust, regardless of whether the leased property is commercial or residential and regardless of the number of units leased.

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- (b) Manage, control, improve, and maintain all real and personal trust property.
- (c) Subdivide or develop land; make or obtain the vacation of plats and adjust boundaries, or adjust differences in valuation on exchange or partition by giving or receiving consideration; and dedicate land or easements to public use with or without consideration.
- (d) Make ordinary or extraordinary repairs or alterations in buildings or other trust property, demolish any improvements, raze existing party walls or buildings, and erect new party walls or buildings, as the Trustee deems advisable.
- (e) Employ and discharge agents and employees, including but not limited to attorneys, accountants, investment and other advisers, custodians of assets, property managers, real estate agents and brokers, and appraisers, to advise and assist the Trustee in the management of any trusts created under this trust instrument, and compensate them from the trust property. The agents and employees may be associated or affiliated with the Trustee, or may be descendants or other persons related to the Trustee or to either or both of the Settlers, or a company associated with any such persons. The Trustee is entitled to rely on the advice of any professional advisers employed under this provision. Reasonable compensation paid to any such agents or employees shall not diminish the compensation to which the Trustee is otherwise entitled.
- (f) With respect to securities held in trust, exercise all the rights, powers, and privileges of an owner, including, but not limited to, the power to vote, give proxies, and pay assessments and other sums deemed by the Trustee necessary for the protection of the trust property; participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers, and liquidations, and, in connection therewith, deposit securities with and transfer title to any protective or other committee under such terms as the Trustee deems advisable; exercise or sell stock subscription or conversion rights; and accept and retain as investments of the trust any securities or other property received through the exercise of any of the foregoing powers.
- (g) Hold securities or other trust property in the Trustee's own name or in the name of a nominee, with or without disclosure of the trust, or in unregistered form, so that title may pass by delivery.
- (h) Deposit securities in a securities depository that is either licensed or exempt from licensing.
- (i) Borrow money for any trust purpose from any person or entity, including one acting as Trustee hereunder, on such terms and conditions as the Trustee deems advisable, and obligate the trust for

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repayment; encumber any trust property by mortgage, deed of trust, pledge, or otherwise, whether for terms within or extending beyond the term of the trust, as the Trustee deems advisable, to secure repayment of any such loan; replace, renew, and extend any such loan or encumbrance; and pay loans or other obligations of the trust deemed advisable by the Trustee.

(j) Procure and carry, at the expense of the trust, insurance in such forms and in such amounts as the Trustee deems advisable to protect the trust property against damage or loss, and to protect the Trustee against liability with respect to third persons.

(k) Enforce any obligation owing to the trust, including any obligation secured by a deed of trust, mortgage, or pledge held as trust property, and purchase any property subject to a security instrument held as trust property at any sale under the instrument.

(l) The Trustee shall have the power to enter into oil, gas, and other mineral leases, on terms deemed advisable by the Trustee; enter into any pooling, unitization, repressurization, community, or other types of agreements relating to the exploration, development, operation, and conservation of mineral properties; drill, mine, and otherwise operate for the development of oil, gas, and other minerals; contract for the installation and operation of absorption and repressuring plants; and install and maintain pipelines. Any such leases or agreements may be for a term within or extending beyond the term of the trust.

(m) The Trustee shall have the power, in the Trustee's discretion, to abandon any unproductive or wasted trust asset or interest therein.

(n) Extend the time for payment of any note or other obligation held as an asset of, and owing to, the trust, including accrued or future interest, and extend the time for repayment beyond the term of the trust.

(o) Pay or contest any claim against the trust; release or prosecute any claim in favor of the trust; or, in lieu of payment, contest, release, or prosecution, adjust, compromise, or settle any such claim, in whole or in part, and with or without consideration.

(p) At trust expense, prosecute or defend actions, claims, or proceedings of whatever kind for the protection of the trust property and of the Trustee in the performance of the Trustee's duties, and employ and compensate attorneys, advisers, and other agents as the Trustee deems advisable.

5.9. Power to Lend Money to Estate or Trust. The Trustee shall have the power, in the Trustee's discretion, to lend money from the Trust Estate to the probate

estate of either of the Settlor, or to any trust created by either or both of the Settlor that is included in the taxable estate of a Settlor for federal estate tax purposes, irrespective of whether the Trustee and the executor may be the same person, provided that any such loan is adequately secured and bears a reasonable rate of interest.

5.10. Power to Purchase Property From Estate or Trust of a Settlor. The Trustee shall have the power, in the Trustee's discretion, to use funds or credit of the Trust Estate to purchase property from the probate estate of a Settlor, or from any trust created by either or both of the Settlor that is included in the taxable estate of a Settlor for federal estate tax purposes, at its fair market value as determined by the Trustee in the Trustee's discretion.

5.11. Power to Deal With Personal Representative. The Trustee shall have the power to engage in any transactions with the personal representative of the estate of either of the Settlor that are in the best interests of any trusts created in this instrument.

5.12. Power to Retain Trust Property. The Trustee shall have the power to retain property received into the trust at its inception or later added to the trust, as long as the Trustee considers that retention in the best interests of the trust or in furtherance of the goals of the Settlor in creating the trust, as determined from this trust instrument, but subject to the standards of the prudent investor rule as set forth in the California Uniform Prudent Investor Act, as amended from time to time.

5.13. Trustee's Power to Invest Property. Subject to the standards of the prudent investor rule as stated in the California Uniform Prudent Investor Act, as amended from time to time, the Trustee shall have the power to invest and manage the

trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust.

5.14. Power Over Unproductive Property. The Trustee shall have the power to retain or acquire unproductive or underproductive property.

5.15. Power to Combine Trust Assets. Each trust created under this instrument shall constitute a separate trust and be administered accordingly; however, the assets of all of the trusts may be combined for bookkeeping purposes and held for the trust beneficiaries without physical division into separate trusts until time of distribution.

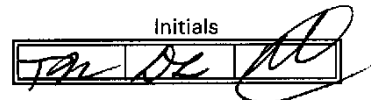
5.16. Early Termination of Trusts. The Trustee shall have the power, in the Trustee's discretion, to terminate any trust created under this trust instrument whenever the fair market value of the trust falls below fifty thousand dollars (\$50,000), or becomes so small in relation to the costs of administration as to make continuing administration uneconomical. Continuing administration shall be uneconomical if the Trustee determines that, with reference to the trust fee schedules then in effect for corporate fiduciaries in the area in which the trust is being administered, the trust would be subject to the minimum trust administration fees of those fiduciaries, regardless of the value of the trust. On termination, the Trustee shall distribute the principal and any accrued or undistributed net income to the income beneficiaries in proportion to their shares of the income. If no fixed amount of income is payable to specific beneficiaries, the Trustee shall distribute the principal and any accrued or undistributed net income in equal shares to those beneficiaries who would then be entitled to income payments from the trust.

5.17. Division or Distribution in Cash or Kind. In order to distribute or divide trust assets into shares or partial shares, the Trustee may distribute or divide those

assets in kind, or divide undivided interests in those assets, or sell all or any part of those assets and distribute or divide the property in cash, in kind, or partly in cash and partly in kind. This section shall apply only to the extent that it does not conflict with the provisions in this instrument specifying allocation of assets involving generation-skipping trusts.

5.18. Payments to Legally Incapacitated Persons. If at any time any trust Beneficiary is a minor, or it appears to the Trustee that any trust Beneficiary is incapacitated, incompetent, or for any other reason not able to receive payments or make intelligent or responsible use of the payments, then the Trustee, in lieu of making direct payments to the trust Beneficiary, may make payments to the Beneficiary's conservator or guardian; to the Beneficiary's custodian under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act of any state; to the Beneficiary's custodian under the California Uniform Transfers to Minors Act until the Beneficiary reaches the age of twenty-five (25); to one or more suitable persons as the Trustee deems proper, such as a relative of or a person residing with the Beneficiary, to be used for the Beneficiary's benefit; to any other person, firm, or agency for services rendered or to be rendered for the Beneficiary's assistance or benefit; or to accounts in the Beneficiary's name with financial institutions. If there is no custodian then-serving or nominated to serve by the Settlers for a Beneficiary, the personal representative or Trustee, as the case may be, shall designate the custodian. The receipt of payments by any of the foregoing shall constitute a sufficient acquittance of the Trustee for all purposes.

5.19. Grant of Specific Powers Not to Limit Exercise of General Powers. The enumeration of specific powers under this trust instrument shall not limit the Trustee from exercising any other power with respect to any trusts created by this trust

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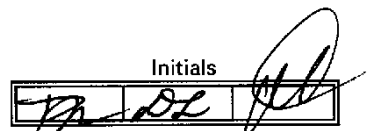
instrument that may be necessary or appropriate for the Trustee to have and exercise in order to carry out the purposes of the trusts or to permit the Trustee to fulfill the Trustee's responsibilities and duties with respect to the trust.

5.20. Trust Distributions Shall Not Discharge Obligations of Support.

Notwithstanding any other provision of this trust instrument, no income or principal of the trust shall be used to discharge, in whole or in part, the legal obligation of any person to support or educate any Beneficiary of this trust. In determining the legal obligation of any person to support and educate a Beneficiary of this trust, the existence of this trust and the funds made available under it shall not be taken into account.

5.21. Prohibited Powers. The Settlor have reserved the power to reacquire trust assets by substituting other property of equivalent value. The Trustee shall have the power to deliver trust assets which the Settlor have elected to reacquire, and to accept the assets tendered by the Settlor in exchange therefor. Other than that power, the Trustee is expressly prohibited from exercising any power vested in him primarily for the benefit of the Settlor rather than for the benefit of the beneficiaries. Except as provided above, the Settlor shall not have the power to:

- (a) Purchase, exchange, or otherwise deal with or dispose of the principal or the income of the Trust Estate for less than an adequate and full consideration in money or money's worth;
- (b) Borrow the principal or income of the Trust Estate, directly or indirectly, without adequate interest or without adequate security;
- (c) To vote any securities transferred by the Settlor to the trust that are securities of a controlled corporation as defined by Section 2036(b)(2) of the Internal Revenue Code or any successor statute;
- (d) The Trustee shall have no power or discretion with respect to any life insurance policy on the life of the Trustee that constitutes an incident of ownership (as that term is used in Internal Revenue Code Section 2042, as amended) in that policy;

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(e) The Trustee shall have no power or discretion with respect to the distribution of income or principal to or for the Trustee's benefit, or in satisfaction of the Trustee's legal obligations;

(f) If the Trustee would, but for this provision, have had any power or discretion described above, that power or discretion shall be exercised by a special Cotrustee, appointed by the Trustee, and other than any Trustee then serving. The responsibilities of the special Cotrustee shall be limited to the exercise of powers and discretions under this section.

(g) The Trustee is denied any other administrative power which, if exercised, would cause the Trust Estate to be included in the taxable estate of either or both of the Settlers.

5.22. Limitations on Trustee's Powers. Notwithstanding any other provision of this instrument, the powers of the Trustee shall be subject to the following limitations:

(a) The Trustee shall have no power or discretion with respect to any life insurance policy on the life of the Trustee that constitutes an incident of ownership (as that term is used in Internal Revenue Code Section 2042, as amended) in that policy;

(b) The Trustee shall have no power or discretion with respect to the distribution of income or principal to or for the Trustee's benefit, or in satisfaction of the Trustee's legal obligations;

(c) If the Trustee would, but for this provision, have had any power or discretion described in (a) or (b), above, that power or discretion shall be exercised by the Cotrustee, if any, and if there is no Cotrustee, by the next-named Successor Trustee acting as special Cotrustee. If the next-named Successor Trustee shall for any reason fail to qualify or cease to act as special Cotrustee, the next-named Successor Trustee shall act as Successor special Cotrustee. If all named Successor Trustees shall for any reason fail to qualify or cease to act as special Cotrustee, the Trustee shall appoint a Successor special Cotrustee, other than the Trustee so appointing. The responsibilities of the special Cotrustee shall be limited to the exercise of powers and discretions under this section.

5.23. Trustee's Liability. No Trustee shall be liable to any interested party for acts or omissions of that Trustee, except those resulting from that Trustee's willful misconduct or gross negligence. This standard shall also apply regarding a Trustee's liability for the acts or omissions of any Cotrustee, predecessor Trustee, or agent employed by the Trustee.

5.24 . Duty to Account. The Trustee shall render accounts at least annually, at the termination of a trust, and on a change of Trustees, to the persons and in the manner required by law.

5.25. Time Period For Objecting to Account. Upon receipt of an account by the Trustee, a Beneficiary has 180 days to make any objection to such account or to make any claim against the Trustee for matters adequately disclosed in such account; provided that notice of this time period for objecting to an account shall be stated in the following form:

NOTICE TO BENEFICIARIES

YOU HAVE ONE HUNDRED EIGHTY (180) DAYS FROM YOUR RECEIPT OF THIS ACCOUNT OR REPORT TO MAKE AN OBJECTION OR OBJECTIONS TO ANY ITEM SET FORTH IN THIS ACCOUNT OR REPORT. ANY OBJECTION YOU MAKE MUST BE IN WRITING; IT MUST BE DELIVERED TO THE TRUSTEE WITHIN THE PERIOD STATED ABOVE; AND IT MUST STATE YOUR OBJECTION. YOUR FAILURE TO DELIVER A WRITTEN OBJECTION TO THE TRUSTEE WITHIN THE TIME PERIOD STATED ABOVE WILL PERMANENTLY PREVENT YOU FROM LATER ASSERTING THIS OBJECTION AGAINST THE TRUSTEE. IF YOU DO MAKE AN OBJECTION TO THE TRUSTEE, THE THREE YEAR PERIOD PROVIDED IN PROBATE CODE SECTION 16460 FOR COMMENCEMENT OF LITIGATION WILL APPLY TO CLAIMS BASED ON YOUR OBJECTION.

5.26. Purchase at Trustee's Sale. The Trustee shall have the power to receive into the trust, as principal, by purchase at a Trustee's or pledgee's sale, judicial foreclosure sale or by deed in lieu of foreclosure or otherwise, real or personal property covered by any mortgage or deed of trust then in default, and said property may be accepted in full satisfaction of the encumbrances thereon.

5.27. Reserves. The Trustee shall have the power to set up and carry reserves for repairs, improvements, upkeep and obsolescence of any real and personal property of the Trust Estate which the Trustee shall deem necessary and proper.

5.28. Partnership. The Trustee shall have the power to enter into any general or limited partnership or partnerships, all in a manner conforming to the requirements of applicable law.

5.29. Distribution Upon Termination. Income accrued or held undistributed by the Trustee at the termination of any trust or any interest in a trust created under this instrument, other than any trust that may be a qualified terminable interest property trust, shall go to the next beneficiaries of that interest or trust in proportion to their interest in it. Income accrued or held in trust on the termination of a qualified terminable interest property trust shall go to the Beneficiary of that trust immediately before the termination or to his or her estate.

5.30. Administrative Costs. The Trustee shall have the power to pay out of income or principal, in Trustee's sole discretion, taxes, assessments, charges, attorneys' fees, the Trustee's compensation and other expenses incurred in the administration or protection of the Trust.

5.31. Loans. The Trustee shall have the power to lend to any Beneficiary any part of the trust principal at adequate rate of interest and upon adequate security.

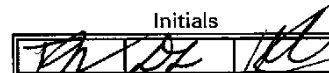
5.32. Determination of Principal and Income. Except as otherwise specifically provided in this Trust, the determination of all matters with respect to what is principal and income of the Trust Estate and the appointment and allocation of receipts and expenses between these accounts shall be governed by the provisions of the California Uniform Principal and Income Act from time to time existing. Any such matter not provided for either in this trust or in the California Uniform Principal and Income Act shall be determined by the Trustee in the Trustee's discretion.

Notwithstanding any other provision of this trust or of the California Uniform Principal and Income Act, the Trustee shall not be required to establish any reserve for

depreciation or to make any charge for depreciation against all or any portion of the income of the Trust Estate (including any income realized through use of any portion of the Trust Estate employed in the conduct of a business by the Trusts); but the Trustee shall have the power exercisable in the Trustee's discretion to determine whether to establish such a reserve and, if so, to fund the same by appropriate charges against income of the Trust Estate, such reserve and charges to be established on such assumptions and in such amounts as the Trustee, in the Trustee's discretion, shall determine. In exercising the discretion conferred on the Trustee, the Trustee is requested to take into account the fact that it is the Settlor's intent to benefit primarily income beneficiaries.

Income accrued or unpaid on trust property when received into the trust shall be treated as any other income.

5.33. Personal Property. The Trustee, in the Trustee's discretion, may at such times as may promote the welfare of any trust Beneficiary deliver to or make available for the use of any income Beneficiary any articles of personal, domestic, or household use which are part of the Trust Estate, such as furniture, furnishings, appliances, books, pictures, silver, china, clothing, jewelry, sporting goods and the like, as well as any boat, trailer, or automobile belonging to such Trust Estate. In such event the Trustee may thereafter carry such property as a trust asset at nominal value only, or may consider the same as having been expended for the health, support, maintenance, or education of the income Beneficiary and write off such personal property as an asset of the Trust, and upon taking such action the Trustee shall thereafter be fully discharged with respect to the values so reduced or written off. It is the Settlers' wish hereby to assure the greatest freedom of use of such personal

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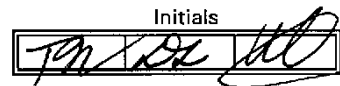
property for the beneficiaries' welfare (without requiring disposal thereof by sale) and to consider it as expendable for such purpose to the extent the Trustee deems advisable.

5.34. Exercise of Powers. Unless specifically limited, all discretion conferred upon the Trustee shall be absolute. The enumeration of certain powers of the Trustee shall not limit Trustee's general powers, the Trustee, subject always to the discharge of Trustee's fiduciary obligations, being vested with and having all of the rights, powers and privileges which an absolute owner of the same property would have.

The Trustee may disclaim, release, or restrict the scope of any administrative power held in connection with any trust created hereunder, whether such power is expressly granted in this instrument or implied by law, by a written instrument specifying the power to be disclaimed, released, or restricted and the nature of any such restriction. Any power disclaimed or released by the Trustee shall be extinguished except to the extent this instrument expressly provides that such power pass to another.

5.35. Cotrustees. In the event any of the Trustees are Cotrustees, then all actions taken by the Cotrustees must be unanimous. Any Cotrustee may, from time to time, delegate to the other Cotrustee(s) routine acts of trust administration and may establish bank or other accounts for the trust that will honor the signature of one or of any Cotrustee.

5.36. Cotrustee May Delegate Acts to Other Cotrustee. Any Cotrustee may, from time to time, delegate to the other Cotrustee routine acts of trust administration and may establish bank or other accounts for the trust that will honor the signature of one Trustee.

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5.37. Guarantees. The Trustee is authorized to guarantee loans or credit lines to the Settlor or third parties on such terms and conditions as may be required from time to time and to secure such guarantees with assets of the Trust.

5.38. Transfer of Assets to Qualify for Benefits. If major expenses relating to the Settlor's incapacity are foreseeable and may deplete the Trust Estate, the Trustee is authorized to take any reasonable or appropriate action to qualify the Settlor for benefits under Medicare, Medi-Cal or other governmental programs.

5.39. Power to Pour Over or Merge Multiple Trusts. The Trustee may, except as otherwise specifically provided in this trust instrument, or any other trust instrument which is the object of a pour over or merger, pour over or merge the assets of this trust with any other trust so long as it contains provisions regarding the Residence and the distribution of income and principal as provided in Article Four of this trust. The purpose of this power is to enable the Trustee to comply with the prohibition on the multiple trust rules contained within Section 667 of the Internal Revenue Code or any successor statute. In no event may the Trustee reduce the term of this trust or provide that the income shall revert to the benefit of the Settlor as a result of such merger or pour over.

5.40. Principal and Income or Tax Elections. No Trustee shall, in any event, make or participate in any decision that involves the exercise of discretion in determining what is principal or income of the Trust Estate or in apportioning or allocating receipts and expenses and other charges between these accounts, or in any discretionary tax election or other decision affecting tax liabilities, if such decision involves a Trust Estate in which such Trustee has any beneficial interest and such Trustee's interest therein would be affected by such decision, then all such decisions shall be made solely by the other serving Trustee or Trustees, if any.

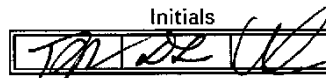
5.41. Fiduciary Powers. In addition to any rights of disclaimer conferred by law, the Trustee, or any other fiduciary serving under the provisions of this instrument, at any time within nine (9) months of the death of a Settlor, is authorized to disclaim, in whole or in part, any power granted to such fiduciary by this instrument. Any such disclaimer shall be in writing, executed by such fiduciary, delivered to the Settlor's Executor, and filed with the court having probate jurisdiction over the Settlor's estate if so required. In the event of any such disclaimer (including a disclaimer under State law), the disclaimed powers shall be deemed not to have been granted by this instrument.

5.42. Power of Attorney. Any Trustee shall have the power to grant a Power of Attorney to one or more agents, from time to time, to take such actions as may be required to carry out one or more specific commitments previously made to or by the Trustee on behalf of the trust as may be more fully described within the Power of Attorney. Each grant of a Power of Attorney shall be limited in its scope and duration so as to allow for the completion of the commitments to or by the trust and related requirements. The grant of authority may, but need not, be durable so as to continue in effect upon the incapacity of the Trustee. Each such grant shall be revocable in the sole discretion of the Trustee and any Successor Trustee.

ARTICLE SIX

APPOINTMENT OF SPECIAL TRUSTEES

6.1. Power to Appoint Special Trustee. The Trustees may appoint one or more individuals or corporate Trustees to serve as a Special Trustee. A Special Trustee shall have all the rights and powers granted to the Trustees under this Declaration of Trust solely and exclusively with reference to the subject matter and

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duties and responsibilities specified by the persons appointing the Special Trustee, such as making discretionary distributions to certain beneficiaries (including beneficiaries who are Trustees) or managing specific Trust property. If more than one Special Trustee is named, any Special Trustee shall have the power to act alone and the actions of an individual Special Trustee shall be binding upon the Trust.

6.2. Scope and Exclusivity of Special Trustee's Powers. While serving, a Special Trustee shall have all the rights and powers necessary to carry out the duties and responsibilities specified with respect to the matters under the Special Trustee's authority, including, limited by the scope of those duties and responsibilities, all rights and powers granted to the Trustees under this Declaration of Trust for the administration and management of the Trust Estate. A Special Trustee also shall have all special powers granted by the persons appointing the Special Trustee. The powers granted to the Special Trustee shall not limit or restrict the powers granted to the Trustees, except that while the Special Trustee is serving, no other Trustee may exercise the powers granted to the Special Trustee with respect to the subject matter reserved exclusively to the management and discretion of the Special Trustee.

6.3. Protection Provided Special Trustee. Except as otherwise expressly provided by the persons appointing the Special Trustee, a Special Trustee shall be entitled to all the protection provided the Trustees under this instrument. However, the Trustees shall determine the compensation to be paid to the Special Trustee and the trust assets from which the compensation will be paid.

6.4. Removal and Replacement of a Special Trustee. A Special Trustee shall serve until his or her death, incapacity, resignation or removal. A Special Trustee may be removed and replaced in the same manner as a Trustee.

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ARTICLE SEVEN

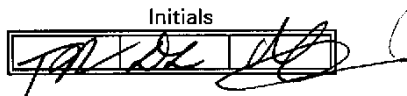
CONCLUDING PROVISIONS

7.1. Perpetuities Savings Clause. Notwithstanding any other provision of this instrument, every trust created by this instrument shall terminate no later than twenty-one (21) years after the death of the last survivor of those issue of any noncharitable beneficiaries named or identified in this instrument who are alive at the creation of the trust. For purposes of this perpetuities savings clause, a trust shall be deemed to have been created on the date the trust becomes irrevocable. If a trust is terminated under this section, the Trustee shall distribute all of the principal and undistributed income of the trust to the income beneficiaries of the trust in the proportion in which they are entitled (or eligible, in the case of discretionary payments) to receive income immediately before the termination. If that proportion is not fixed by the terms of the trust, the Trustee shall distribute all of the trust property to the persons then entitled or eligible to receive income from the trust outright in a manner that, in the Trustee's opinion, will give effect to the intent of the Settlor in creating the trust. The Trustee's decision is to be final and incontestable by anyone.

7.2. Definitions of Death Taxes, Debts, and Expenses. As used in this instrument, the following definitions apply:

(a) The term "death taxes" shall mean all inheritance, estate, succession, and other similar taxes that are payable by any person on account of that person's interest in the estate of a Settlor or by reason of a Settlor's death, including penalties and interest, but excluding the following: (i) any additional tax that may be assessed under Internal Revenue Code Section 2032A; and (ii) any federal or state tax imposed on any generation-skipping transfer, as that term is defined in the federal tax laws, unless that generation-skipping transfer tax is payable directly out of the assets of a trust created by this instrument.

(b) The term "debts and expenses" shall include the following: (i) all costs, expenses of litigation, counsel fees, or other charges that the Trustee incurs in connection with the determination of the amount of the

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death taxes, interest, or penalties referred to in subsection (a) of this section; and (ii) legally enforceable debts, funeral expenses, expenses of last illness, and administration and property expenses.

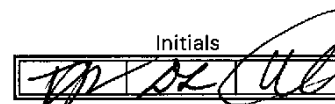
7.3. Definition of Education. As used in this instrument, the term "education" refers to the following:

- (a) Education at public or private elementary, junior high, middle, or high schools, including boarding schools;
- (b) Undergraduate, graduate, and postgraduate study in any field, whether or not of a professional character, in colleges, universities, or other institutions of higher learning;
- (c) Specialized formal or informal training in music, the stage, the handicrafts, or the arts, whether by private instruction or otherwise;
- (d) Formal or informal vocational or technical training, whether through programs or institutions devoted solely to vocational or technical training, or otherwise;
- (e) The reasonable cost of travel to and from, and room and board incurred while in attendance at any institution referred to herein; and
- (f) All other studies, colleges, schools for the handicapped and other institutions and costs reasonably related to the education of a Beneficiary approved by the Trustee.

7.4. Captions. The captions appearing in this instrument are for convenience of reference only, and shall be disregarded in determining the meaning and effect of the provisions of this instrument.

7.5. Severability Clause. If any provision of this instrument is invalid, that provision shall be disregarded, and the remainder of this instrument shall be construed as if the invalid provision had not been included.

7.6. California Law to Apply. All questions concerning the validity, interpretation, and administration of this instrument, including any trusts created under this instrument, shall be governed by the laws of the State of California, regardless of the domicile of any Trustee or Beneficiary.

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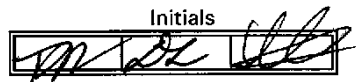
7.7. Distribution to Issue. If a division of property is to be made under this instrument among the issue of an individual, who is referred to in this section as the Designated Ancestor, that division shall be made in the manner set forth in California Probate Code Section 246. Accordingly, that division shall be made at the generation of the Designated Ancestor's children, regardless of whether any of those children survive the Designated Ancestor. The property shall be divided into as many equal shares as there are children of the Designated Ancestor who survive the Designated Ancestor (if any) plus deceased children of the Designated Ancestor who leave issue who survive the Designated Ancestor. Each child of the Designated Ancestor who survives the Designated Ancestor shall receive one such equal share. The equal share of each deceased child of the Designated Ancestor who leaves issue who survive the Designated Ancestor shall in turn be divided among that deceased child's issue who survive the Designated Ancestor in the manner described in this section as if the deceased child were the Designated Ancestor as to that share.

7.8. Gifts to Heirs. For any gift to "heirs" of a Settlor that is made in this instrument, those heirs shall be determined as if the Settlor had died intestate at the time for distribution prescribed in this instrument, and the identity and shares of those heirs shall be determined according to the California laws of succession that concern separate property not acquired from a previously deceased spouse and that are in effect at the time a Settlor is deemed to have died.

ARTICLE EIGHT

SIGNATURE AND EXECUTION

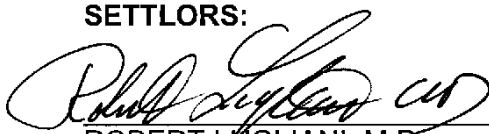
8.1. Execution. We certify that we have read the foregoing trust agreement and that it correctly states the terms and conditions under which the Trust Estate is

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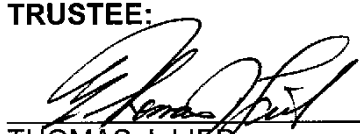
to be held, administered, and distributed. The Settlers approve this trust agreement in all particulars. The Trustee approves and accepts the trusts provided for in this trust agreement.

Executed on May 2, 2012, at Torrance, California.

SETTLORS:


ROBERT LUGLIANI, M.D.

TRUSTEE:


THOMAS J. LIEB


DOLORES ANN LUGLIANI

ACKNOWLEDGMENT

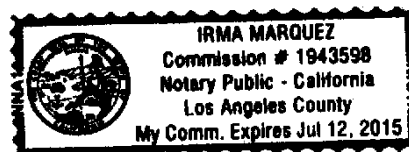
STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELS)

On May 2, 2012, before me, IRMA MARQUEZ, a Notary Public, personally appeared ROBERT LUGLIANI who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

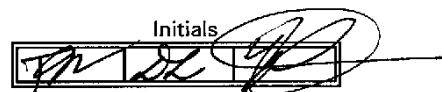
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Notary Public



(Seal)

Initials 

ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

ss.

On May 2, 2012, before me, IRMA MARQUEZ, a Notary Public, personally appeared DOLORES ANN LUGLIANI who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Irma Marquez
Notary Public



(Seal)

ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

ss.

On May 2, 2012, before me, IRMA MARQUEZ, a Notary Public, personally appeared THOMAS J. LIEB, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Irma Marquez
Notary Public



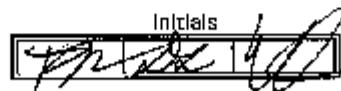

(Seal)

Initials

TMJ ALD

SCHEDULE A
TRUST ASSETS

1. Cash in the sum of \$ 500,000.00

Initials
 



MEMORANDUM

Agenda Item #: 1
Meeting Date: 2/19/13

TO: PLANNING COMMISSION

FROM: ROBERT M. SMITH, ASSISTANT CITY ATTORNEY

SUBJECT: ZC-2/M-902-13; ZONE CHANGE AND MISCELLANEOUS APPLICATIONS FOR THE PROPERTY LOCATED AT 900 VIA PANORAMA. PORTION OF LOT A, TRACT 7540.

APPLICANT: BOLTON ENGINEERING
25834 NARBONNE AVENUE, #210
LOMITA, CA 90717

OWNER: LUGLIANI TRUST
900 VIA PANORAMA
PALOS VERDES ESTATES, CA 90274

DATE: FEBRUARY 19, 2013

Overview

This application arises from an unusual context. The application before the Planning Commission tonight affects minor accessory uses on a small portion of an otherwise deed-restricted open space lot adjacent to a residential lot. The application, however, is a small part of a much larger multi-agency initiative to remove legal doubt over the enforceability of PVHA's deed restrictions on property owned by the School District citywide, to preserve from development open space parcels known as Lots C and D and to discourage the School District from ever installing lights on the field at PV High. This cooperative venture among the City, the PVHA, the District and the Applicant was designed to promote and protect the City's primary interest in preserving neighborhood character, through open space and dark skies.

Type of Application

The project involves a Zone Change application for existing Open Space on a portion of the property adjacent to 900 Via Panorama, and a Miscellaneous Application to allow an after-the-fact approval for existing retaining walls over 6.5 feet in height. The area proposed to be rezoned to Single Family Residential (R-1) is designated as "Parcel A" on the submitted plans. The retaining walls in question are located in "Area 3" on the submitted plans and vary in height from 7 ft. to 21 ft.

The approval of the application would permit the construction of certain accessory structures in the area designated as "Area 3" on submitted plans; the MOU included the recordation of deed restrictions on the remainder of Parcel A which would prohibit further development of the area and preserve the remaining area as open space. As further described below, regardless of whether Parcel A is zoned R-1 or Open Space, no additional structures will be permitted on the majority of Parcel A.

The Planning Commission may take action on the Miscellaneous Application to permit the after-the-fact approval of existing retaining walls without City Council approval. Pursuant to the Municipal Code, the Zone Change requires City Council approval. Upon receipt of the Planning Commission's recommendation, the Zone Change application will be set for a public hearing with the City Council. The Planning Commission must also make a recommendation on the negative declaration analyzing the project's environmental impacts.

Applicable Restrictions and Regulations

The OS zoned is defined in the Zoning Ordinance as follows: "The open space zone land consists of all publicly owned land including all city-owned land, including parklands and street rights-of-way, except any land within the coastal zone as defined by the California Coastal Commission, all school sites utilized or owned by the Palos Verdes Peninsula Unified School District, all sites utilized or owned by the Palos Verdes Peninsula Library District, and all land owned or which could be owned by the Palos Verdes Homes Association as a result of the exercise of any reversionary rights." PVEMC §18.16.010 (emphasis added).

The R-1 zone generally permits single-family dwellings and accessory buildings and uses, limited to private recreational facilities; private bath house, greenhouse, or gardens; and/or private shed or workshop. PVEMC § 18.04.010.

The project site was conveyed from the PVHA to the current property owners subject to several deed restrictions. The deed provides that:

"Unless expressly provided for herein, [the property owner] shall not construct any structure on the Property and the Property shall be restricted to open space. It is the intent of the parties, subject to compliance with the requirements for such development of accessory structures of the City and [PVHA], that [the property owner] may construct any of the following: a gazebo, sports court, retaining wall, landscaping, barbeque, and/or any other uninhabitable 'accessory structure,' as defined by . . . PVEMC Section 18.32.010.D within the area . . . shown as Area 3 . . . [the property owner] shall apply for approval of any such permitted structures by [PVHA] and the City in accordance with the standard procedure and in conformance with applicable covenants, ordinances, and codes. Any such structure shall comply with any and all requirements of City, [PVHA], and the Art Jury including but not limited to height, size, orientation, design, and setback."

Further, in Palos Verdes Estates, all property is subject to certain conditions, restrictions and reservations in favor of the Homes Association as stated in the *Palos Verdes Homes Association's Protective Restrictions of Palos Verdes Estates*. As part thereof, all property is

subject to a reversionary right in favor of the Homes Association that is triggered in the event of a breach of the protective restrictions. This means that if a property is in violation of the Homes Association restrictions, ownership of the property may revert to the Homes Association as a remedy for the breach.

The property located at 900 Via Panorama is subject to the Local Protective Restrictions, Conditions, Covenants, Reservations, Liens, and Charges Affecting Real Property Known as Tract No. 8652 (Montemalaga) and the Homes Association right of reversion set forth at Article VI, section 6 of the *Palos Verdes Estates Protective Restrictions*. The deed conveying ownership of the parcel from the Homes Association to the property owners provides that the property remains subject to all of the Homes Association conditions, restrictions and reservations, thus preserving the right of reversion as set forth in the *Palos Verdes Homes Association's Protective Restrictions of Palos Verdes Estates* as the Homes Association's remedy in the event of a breach. Should the property owner install structures on Parcel A other than those permitted in the Grant Deed, PVHA could require their immediate removal and/or seek reversion of the property.

Background

This application arises out of a complex settlement of various issues involving the City, the Palos Verdes Peninsula Unified School District ("PVPUSD"), the Palos Verdes Homes Association, and the property owners of 900 Via Panorama. In May 2012, the City Council adopted Resolution No. R12-11, approving the MOU among the four parties. Generally, the MOU reaffirmed the enforceability of the deed restrictions on property owned by PVPUSD in the City; resolved the dispute regarding certain existing encroachments adjacent to 900 Via Panorama; provided for the preservation of certain open space properties subject to litigation between PVPUSD and the Homes Association (Lots C and D); and prohibited the installation of nighttime lighting at Palos Verdes High School. The Staff Report for the public hearing on the matter, which includes a detailed history and explanation of the reasons for the MOU, is attached hereto as Exhibit A.

900 Via Panorama

900 Via Panorama is located at the end of a cul-du-sac and is adjacent to City-owned parkland on three sides. The parkland adjacent to 900 Via Panorama is relatively inaccessible and steep, but for a small section located to the west of the 900 Via Panorama property, which was previously graded and stabilized with retaining walls without a City permit. The graded area is shown as Area 3 on the submitted plans. Given the steep grade of the slopes, the primary benefit of the parkland is to preserve views and to contribute to the open feel of the neighborhood.

On the graded pad, the previous property owners landscaped and improved a section of the parkland and installed retaining walls. The current property owners later installed a gazebo and other accessory, non-habitable structures. At the City's direction, the current property owners removed the structures encroaching on the City's parkland and applied for an after-the-fact permit for the retaining walls.

As part of the MOU, the City agreed to convey Parcel A to the Homes Association and receive Lots C and D (which under the MOU reverted back to the Homes Association ownership). The Homes Association agreed to sell Parcel A (subject to the deed restrictions identified below) to the owners of 900 Via Panorama. This transfer of ownership relieved the City of any liability or responsibilities relating to the retaining walls or the hillside, while retaining the open space benefits on undisturbed portions of Parcel A and reserving several utility-related easements on Parcel A in favor of the City.

Current Application

The application seeks a zone change for Parcel A from Open Space to R-1 and after-the-fact approval of the retaining walls in Area 3. No additional development is proposed on the 900 Via Panorama parcel. In general, lots zoned as R-1 can have a variety of uses including, but not limited to, single-family residences and accessory structures; however, the MOU imposed a number of deed restrictions on Parcel A that significantly limits future development on the site and preserves the majority of the site as open space. The entirety of Parcel A is deed-restricted to provide for an open space easement in favor of the City. The only exceptions to the open space restriction are that the owners may apply for (1) an after-the-fact permit to retain the existing retaining walls and (2) approval of construction of specified non-habitable accessory structures in Area 3. The accessory structures would be subject to Art Jury review.

The City generally has a general policy to prohibit structures in City-owned parkland. While this policy disfavors granting permits for after-the-fact structures in open space or rezoning open space areas to R-1 areas, there have been limited unique circumstances in the past where the City has granted an exception to this policy based on the specific circumstances of the application. For example, a stairway permitting fire access on a steep slope was permitted to be retained in City open space pursuant to an after-the-fact permit.

The present application appears to be similarly unique. First, Parcel A is very steep and, other than the previously graded portion identified as Area 3, is generally unusable for traditional open space uses, such as recreational uses, parks, or playgrounds. Its primary use is to preserve the views in the surrounding neighborhood and open character of the community. The accessory structures would be built on Area 3 and, given the significant height of the existing upper retaining wall, would not be able to be seen by most viewpoints from the street above. Therefore, it is unlikely to change the character of the open space from most (if not all) viewpoints. The deed restrictions recorded as part of the MOU would prohibit any other additional development on the parcel.

This application is contemplated as part of a larger MOU, which allowed the City to resolve litigation which challenged the Homes Association deed restrictions to PVPUSD property within the City and permitted the retention of Lots C and D by the Homes Association in their current undeveloped state. The result of this settlement allowed the retention of other key open space lots within the City. The existing retaining walls, which will be maintained by the current owner, stabilize a steep hillside that may otherwise be subject to geologic instability or erosion. In the event that the property owner installs structures not permitted pursuant to the Grant Deed, the PVHA could seek removal of the structures or reversion of Parcel A to PVHA.

Potential Issues

- The retaining walls exist at the site and removal could be detrimental to the surrounding slope.

Correspondence Received

Any items of correspondence received regarding the current plans have been attached to the staff report.

Environmental Considerations

Pursuant to the California Environmental Quality Act (CEQA), staff prepared an Initial Study. The Initial Study confirmed that the project does not have the potential to result in significant impacts on the environment. Consequently, a negative declaration was prepared.

Findings Required to Approve

The Municipal Code does not contain specific findings regarding approval of a Zone Change. In order to recommend approval of the requested zone change, the Planning Commission must adopt the negative declaration and find that the proposed zone change is consistent with the general plan and any applicable specific plan.

The project is consistent with the General Plan. The application is part of a larger multi-party agreement which results in the preservation of vital open space on Lots C and D in the City. Further, while the project would result in the construction of small accessory structures on a portion of the property, the structures would be installed on property previously disturbed by prior development, and the majority of the property would be restricted to remain open space in perpetuity. The minimal development contemplated as part of the MOU reflects the City Council's legislative choice to allow a minor deviation from the City's open space restrictions in return for certainty that other PVPUSD parcels would remain subject to PVHA deed restrictions, in addition to other public benefits obtained for City residents pursuant to the MOU. There are no applicable specific plans.

Permit Streamlining Act

Application was accepted as complete on January 28, 2013. Because this is a legislative action, the Permit Streamlining Act does not apply. However, Government Code section 65852.9 expresses the Legislature's intent that the statute "expedite the process of zoning the property to avoid unnecessary costs and delays to the school district." The City must avoid unnecessary delays in processing the application.

ROCKEY & WAHL LLP
A LIMITED LIABILITY PARTNERSHIP

LAWYERS FOR BUSINESS
AND REAL ESTATE

5743 CORSA AVENUE, SUITE 116
WESTLAKE VILLAGE, CALIFORNIA
91362
TELEPHONE 818 865-2200
FACSIMILE 818 879-9400

WRITER'S E-MAIL ADDRESS
Jay@RockeyWahl.com

March 7, 2013

Mayor George F. Bird, Jr. and the
Palos Verdes Estates City Council
340 Palos Verdes Drive West
Palos Verdes Estates, CA 90274

**Re: Rezoning of Area "A"/ 900 Via Panorama Drive
PVE City Council Hearing: March 12, 2013 7:30 PM.**

Dear Mayor Bird and Council Members:

We represent the Via Panorama Trust, the owner of Area A, which is located near 900 Via Panorama. We request that your Council approve our application for a Rezoning of Area A which will allow the permitting of certain improvements, which pre-date my client's ownership.

Area A was recently deeded to my client pursuant to the terms of a Memorandum of Understanding (MOU) which settled a number of critical issues and costly litigation between the PVP School District, the Homes Association and the City of Palos Verdes Estates. The MOU conferred unprecedented benefits on this community by preserving open space on Lots C and D, removing doubt about the enforceability of the Homes Association deed restrictions and to discouraging the PVP School District from installing lights on its athletic fields. The MOU contemplated my client seeking permits from the City to allow the existing improvements to remain on Area A. However, the permits could not be issued as Area A is presently zoned Open Space which zoning does not allow some improvements which presently exist on the property. The parties to the MOU including the City and my client subsequently determined that the proper way to obtain those permits was to modify the zoning on the parcel to an R-1 zone which would allow such permits to issue, subject to other normal conditions.

This matter was brought before your City Planning Commission on February 19 along with a permit request to keep an existing retaining wall. The Planning Commission approved the

ROCKEY & WAHL LLP

WESTLAKE VILLAGE

March 7, 2013

Page 2

permit for the wall subject to approval of the zone change. The Planning Commission then recommended denial of the rezoning based solely on the Commissioners having little or no information on the intent of your Council in approving the MOU and contemplating the use of a zone change as the process to appropriately obtain the permits. If the Commissioners had information on your Council's intent about the correct process to follow, presumably they would have recommended approval of the application.

The evidence of your Council's intent to allow rezoning does exist. However, it was not readily apparent or brought to the attention of the Planning Commission at that hearing. The parties to the MOU wanted to provide a path for my client to pursue permits for the improvements. Hence, the MOU specifically requires that my client "shall apply for planning approvals and city permits to allow them to maintain" the improvements. (See, MOU, Art. V, subsection A). Retaining walls were not permitted in Open Space zone, so something else had to change for my client to be able to pursue the permits and that "something else" became the rezoning of Area A to an R-1 zone which would allow the proposed uses. While the discussion about the alternative processes for permitting the requested uses continued during and after the MOU was executed, rezoning remained an alternative for the City and the property owners. Furthermore, the deeds that transferred the property from the City specifically referenced the need for my client to "seek a zone change to permit the accessory uses." (See, Deed from the City dated August 8, 2012, section 5). The deed from the Homes Association also specifically references that "Grantee shall apply for approval of any such permitted structures by Grantor and the City in accordance with standard procedure and in conformance with applicable covenants, ordinances and codes." (See Deed from the Homes Association, Section 2, dated August 14, 2012.) The parties to the MOU, including the City and my client, envisioned allowing my client to seek permits for the improvements and that rezoning was likely to occur in that process.

Following the Planning Commission hearing, we have considered the numerous public statements offered at the hearing, in the press and elsewhere regarding this matter. We found that there was some amount of confusion and a lack of understanding on the part of some opponents to our application. In that regard, we have prepared the following points of information to set the record straight:

1. THE REZONING OF THE LAND IS FULLY JUSTIFIED. The rezoning is justified, as it will allow limited uses on private land consistent with private ownership and good stewardship of the land. The existing Open Space zone is inconsistent with private ownership, as only public parcels are zoned open space. The MOU provided for the applicant to retain certain existing improvements and make limited new improvements, which are minor in impact on the property. The most logical way for such improvements to remain is for a change in the zoning to a new designation that allows such limited improvements. The City agreed to allow such limited improvements and that consequently calls for a rezone. The deeds from the grantors specifically refer to a rezoning of the property as the appropriate method to follow.

2. ZONE CHANGE TO R-1 WOULD NOT ALLOW ANOTHER HOUSE TO BE BUILT ON AREA "A". The deed restrictions affecting the property transferred ("Area A")

March 7, 2013

Page 3

specifically limit the types of improvements which are allowed and do not allow a residential structure. The deed restrictions also expressly prohibit any merger with adjoining lands. This rezoning will not equate with a merger of the parcels. The owners have no intention of building any habitable structure on this newly acquired property. The property is subject to an open space easement in favor of the City, which would prevent a house or other structures inconsistent with that easement.

3. THE ZONE CHANGE IS ENTIRELY CONSISTENT WITH THE INTENDED USE OF OPEN SPACE. This private property is not consistent with the City's General Plan for Open Space zones. The Municipal Code provides that Open Space zones are for public lands, not private lands. Section 18.16.010 of the PVE Municipal Code provides: **"The purpose of the open space (OS) zone is to preserve, promote and enhance valuable natural and open space resources in the city. The open space zone land consists of all publicly owned land including all city-owned land . . ."** The Open Space zone is a burden that should only be borne by the community at large. As this land is private, it is inconsistent to have these owners carry that burden. Nonetheless, the uses on the property are restricted by deed restrictions and a restrictive open space easement such that, except for the minor improvements allowed under the deed restrictions, it would be the functional equivalent of Open Space zoning and the Owner agrees with those deed limitations.

4. THIS ZONE CHANGE WILL NOT CAUSE A NET LOSS OF OPEN SPACE. The MOU resulted in more land protected as Open Space than was the case prior to the sale of Area A. Not only were Lots C and D preserved as Open Space and Area A made subject to an Open Space easement, but the school district affirmed that all of its properties were subject to the protective covenants enforced by the Homes Association, which will limit further development in the City, and accepted restrictions on lights at the high school athletic field, which will enhance dark skies in the community. Additionally, the transaction also provided the City with a fire road / emergency access easement encircling the entire Area A to better access the other City property in the immediate area in the event of a fire / emergency.

5. THE REZONING WILL PROHIBIT PUBLIC ACCESS TO THE LAND. There was never any express authorization by the City allowing public access to Parcel A when it was owned by the City. An Open Space zoning designation does not necessarily mean such land is open for public access. The parties to the MOU specifically agreed that there would be no public access to Area A and that resulted in a corresponding deed provision to make that clear.

6. THE SALE WAS NOT A "SWEETHEART" DEAL. The Owner paid \$500,000 for Area A. The appraisal for Area A was equivalent in value to the appraisal for Parcels C and D. A well-known, local certified appraiser appraised the land based on all of the factors affecting the property, including the restrictive open space easement. The purchase price exceeded the appraised value. As a part of the transaction, the Owner must also rebuild the City storm drain and has granted the city an easement relating to the storm drain all to the benefit of the City. Predecessors of the Owner constructed most of the improvements on Area A.

March 7, 2013

Page 4

7. **THIS WAS NOT A "BACK-ROOM" DEAL.** The PVE City Council approved the MOU in a noticed public meeting on May 8, 2012. In that meeting the Council approved the MOU, which detailed the entire transaction. The City Council meeting and the decision to approve the MOU was the subject of a Daily Breeze article, which included graphics detailing the results of the agreement. The School District and the Homes Association in noticed meetings of those bodies also unanimously approved the agreement. The City further approved a resolution dated July 24 to which was attached a form of deed with reference to the zone change. The City, HOA and the School District each have the legal authority to enter into such agreements. The immediate neighbors of 900 Via Panorama fail to understand the larger, positive impact that this agreement provided for the City, the PVP School District and the Homes Association.

8. **FIRE DEPARTMENT APPROVAL / FIRE ACCESS.** The fire department has reviewed the proposal and signed off, approving the transaction. This transaction creates a new fire / emergency access easement described above which provides a considerable and direct benefit to all neighbors on Via Panorama as well as the community at large.

9. **THE SALE OF OPEN SPACE LAND IS NOT UNPRECEDENTED.** There are other instances of PVE city land zoned Open Space, which have been transferred to private parties. We have identified at least four parcels of Open Space city land that were transferred to private owners.

10. **THE CITY HAS NOT SOLD A PUBLIC PARK TO A PRIVATE PARTY.** Area A was never a public park. Area A was never open for public access. Area A was public land, but not designated or improved for the public to access it. Simply because a parcel is owned by the City does not allow random public access to that parcel. There are no trails which evidence that the public ever used the steep parcel and certainly not on a regular basis. The MOU and the deed restrictions recites that Area A is not readily accessible to the public. The deed provides that, "This Open Space Easement does not include a right of public access."

11. **THIS TRANSACTION WOULD NOT SET A PRECEDENT FOR FUTURE SALES OF OPEN SPACE.** This transaction was a complex and unique transaction that required the delicate balancing of many public interests within a framework of litigation between numerous public agencies. The transaction also included the generous actions of a local family willing to bring peace between the public agencies and resolve a very problematic situation for which no other solution existed. The likelihood that those elements could come together again is doubtful, at best. This is not a precedent that will occur again in our lifetimes and it is certainly not a precedent for any cash-strapped city to simply sell a parcel of OS zoned land to raise cash.

ROCKEY & WAHL LLP

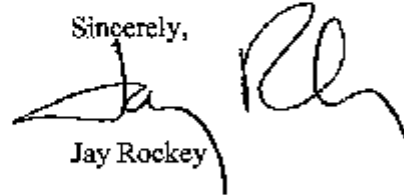
WESTLAKE VILLAGE

March 7, 2013

Page 5

Again we request that you approve the application to change the zoning on Area A from Open Space to R-1. Thank you for your consideration of this matter. We stand ready to provide you with any further information that you may require.

Sincerely,

A handwritten signature in black ink, appearing to be "Jay Rockey", written over a horizontal line.

Jay Rockey

CC: Via Panorama Trust

Jeffrey Lewis (SBN 183934)
Kelly Broedlow Dunagan (SBN 210852)
BROEDLOW LEWIS LLP
734 Silver Spur Road, Suite 300
Rolling Hills Estates, CA 90274
Tel. (310) 935-4001
Fax. (310) 872-5389
E-Mail: Jeff@BroedlowLewis.com

Attorneys for Plaintiff Citizens for
Enforcement of Parkland Covenants

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – CENTRAL DISTRICT

CITIZENS FOR ENFORCEMENT OF
PARKLAND COVENANTS,

Plaintiff,

vs.

CITY OF PALOS VERDES ESTATES,
etc. et al.

Defendants.

Case No.: BS142768

(Assigned for all purposes to the Hon. James
C. Chalfant, Dept. 85)

**PLAINTIFF'S SPECIAL
INTERROGATORIES, SET ONE TO
DEFENDANT CITY OF PALOS
VERDES ESTATES**

Action Filed: May 13, 2013
Trial Date: None Set

Propounding Party: Citizens for Enforcement of Parkland Covenants

Responding Party: City of Palos Verdes Estates

Set Number: One

1 **SPECIAL INTERROGATORY No. 1.:**

2 Please describe with specificity (by recordation date if possible) the set(s) of
3 covenants, conditions and restrictions that YOU contend currently limit the use for the
4 PROPERTY (for purposes of these interrogatories, the terms "YOU" or "YOUR" when set
5 forth in all capital letters shall mean and refer to defendant City of Palos Verdes Estates; the
6 term "PROPERTY" when set forth in all capital letters shall mean and refer to the real
7 property adjacent to 900 Via Panorama conveyed in September 2012 by the Palos Verdes
8 Homes Association to Thomas J. Lieb and that is the subject of this litigation).
9

10 **SPECIAL INTERROGATORY No. 2.:**

11 Please describe with specificity (by recordation date if possible) the deeds containing
12 land use restrictions that YOU contend currently limit the use for the PROPERTY.
13

14 **SPECIAL INTERROGATORY No. 3.:**

15 Please describe with specificity all efforts taken by YOU to notify members of the
16 public concerning YOUR May 8, 2012 city council meeting about the MOU (for purposes of
17 these interrogatories, the term "MOU" when set forth in all capital letters shall mean and
18 refer to the Memorandum of Understanding among the City of Palos Verdes Estates, Palos
19 Verdes Homes Association, Palos Verdes Peninsula Unified School District and Thomas J.
20 Lieb that is the subject of this litigation).
21

22 **SPECIAL INTERROGATORY No. 4.:**

23 Did YOU post a sign at the PROPERTY to notify the public of the May 8, 2012 city
24 council meeting concerning the MOU?
25

26 **SPECIAL INTERROGATORY No. 5.:**

27 Did YOU publish a notice in any newspapers to notify the public of the May 8, 2012
28 city council meeting concerning the MOU?

SPECIAL INTERROGATORY No. 6.:

Did YOU mail any notices to neighbors surrounding the PROPERTY to notify the public of May 8, 2012 city council meeting concerning the MOU?

SPECIAL INTERROGATORY No. 7.:

Please identify with specificity all title insurance companies who declined to issue a title insurance policy covering the September 2012 conveyances of the PROPERTY.

DATED: April 28, 2014

BROEDLOW LEWIS LLP

By: _____


Jeffrey Lewis

Attorneys for Plaintiff
Citizens for Enforcement of Parkland
Covenants

PROOF OF SERVICE

Citizens for Enforcement of Parkland Covenants v. City of Palos Verdes Estates, et al.
Los Angeles Superior Court Case No. BS142768

I, Jason R. Ebbens, declare that I am over the age of 18 years, employed in the County of Los Angeles, and not a party to the within action; my business address is 734 Silver Spur Road, Suite 300, Rolling Hills Estates, CA 90274.

On April 28, 2014, I served the foregoing: **PLAINTIFF'S SPECIAL INTERROGATORIES, SET ONE TO DEFENDANT CITY OF PALOS VERDES ESTATES** on the interested parties in this action by placing ☐ the original ☒ a true copy thereof, enclosed in a sealed envelope with postage pre-paid, addressed as follows:


** See Attached Service List **

☒ BY MAIL. I am readily familiar with this law firm's practice for collection and processing of correspondence for mailing with the U. S. Postal Service. The within correspondence will be deposited with the U. S. Postal Service on the same day shown on this affidavit, in the ordinary course of business. I am the person who sealed and placed for collection and mailing the within correspondence on this date at Palos Verdes, California, following ordinary business practices.

☐ BY OVERNITE EXPRESS/FEDERAL EXPRESS. The within correspondence will be deposited with Overnight Express on the same day shown on this affidavit, in the ordinary course of business. I am the person who sealed and placed for collection and mailing the within correspondence on this date at Palos Verdes, California, following ordinary business practices.

☒ (STATE) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on April 28, 2014, in Los Angeles County, California.



Jason R. Ebbens

PROOF OF SERVICE

SERVICE LIST

(Page 1 of 1)

Citizens for Enforcement of Parkland Covenants v. City of Palos Verdes Estates, et al.
Los Angeles Superior Court Case No. BS142768

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PROOF OF SERVICE

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*Exempt from fees pursuant to
Government Code § 6103*

5 Attorneys for Defendant/Respondent,
6 City of Palos Verdes Estates

7
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF LOS ANGELES**
10

11 CITIZENS FOR ENFORCEMENT OF
12 PARKLAND COVENANTS, an
13 unincorporated association,

14 Plaintiff and Petitioner,

15 v.

16 CITY OF PALOS VERDES ESTATES, a
municipal corporation; PALOS VERDES
17 HOMES ASSOCIATION, a California
corporation; PALOS VERDES PENINSULA
18 UNIFIED SCHOOL DISTRICT, a political
subdivision of the State of California,

19 Defendants and Respondents,
20

21 ROBERT LUGLIANI and DOLORES A.
LUGLIANI, as co-trustees of THE
22 LUGLIANI TRUST; THOMAS J. LIEB,
TRUSTEE, THE VIA PANORAMA TRUST
23 U/DO MAY 2, 2012 and DOES 1 through
20,

24 Defendants and Real Parties in
Interest.
25
26
27
28

CASE NO. BS142768

**CITY'S RESPONSES TO
PLAINTIFF/PETITIONER'S FIRST SET
OF SPECIAL INTERROGATORIES**

Hon. Joanne O'Donnell

Dept. 86

Petition and Complaint Filed: May 13, 2013

1 PROPOUNDING PARTY: Plaintiff/Petitioner CITIZENS FOR ENFORCEMENT OF
2 RESPONDING PARTY: Defendant/Respondent CITY OF PALOS VERDES
3 ESTATES
4 SET NO.: ONE

5 Defendant/Respondent CITY OF PALOS VERDES ESTATES, hereby responds to
6 the Special Interrogatories Set I served by Plaintiff/Petitioner CITIZENS FOR
7 ENFORCEMENT OF PARKLAND COVENANTS ("Plaintiff") on or about April 28, 2014,
8 as follows:

9 **PRELIMINARY STATEMENT**

10 These responses are based on the information currently known to
11 Defendant/Respondent CITY OF PALOS VERDES ESTATES (hereinafter "City"). The
12 City has just begun to take discovery in this case in preparation for trial. While the City has
13 attempted to investigate diligently and respond as best as it can to these Responses to Special
14 Interrogatories, it may need to modify, supplement, or amend these Responses as more
15 information becomes available. The City expressly reserves the right to modify, supplement,
16 or amend any or all of these Responses, as well as the right to use in discovery and at trial
17 any information omitted from these Responses as a result of mistake, inadvertence, or
18 oversight.

19 **RESERVATION OF RIGHTS AND GENERAL OBJECTIONS**

20 1. The City objects to Plaintiff's Special Interrogatories to the extent that they
21 may be construed as calling for information subject to any claim of privilege, including
22 without limitation, the attorney-client privilege, the settlement privilege, the work-product
23 doctrine, the deliberative process privilege, and or any other applicable privileges including
24 any statutory or regulatory proscription against disclosure. Moreover, the inadvertent
25 disclosure of information protected by such privilege(s) shall not constitute a waiver of the
26 applicable privilege(s) either as to that information inadvertently disclosed or as to any other
27 information.

28 2. The City objects to Plaintiff's Special Interrogatories to the extent they may be

1 construed as calling for the disclosure of facts not known or readily obtainable by the City.

2 3. The City objects to Plaintiff's Special Interrogatories as overbroad, harassing,
3 and burdensome to the extent they may be construed as calling for disclosure of information
4 contained in documents which are equally available to Plaintiff.

5 4. The City objects to the Special Interrogatories to the extent that it seeks to
6 discover information which is neither relevant to the subject of this action nor reasonably
7 calculated to lead to the discovery of admissible evidence.

8 5. The City objects to the term "You" or "Your" as overly broad and unduly
9 burdensome in that it includes persons other than the City (i.e., "anybody acting at the behest
10 of" City).

11 6. The City reserves the right to amend or modify its responses in the event of
12 error, inadvertent mistake or omission.

13 7. Limitation on the Use of these Responses.

14 City responds to the Special Interrogatories solely for the purposes of this action. No
15 one may use these Responses for any other purpose or in any other action or proceeding.
16 City specifically reserves any and all rights that he may have to object or initiate action to
17 prevent anyone from using any material that City produces or reveals in these Responses for
18 any other purposes. In responding to the Special Interrogatories, City does not concede to,
19 accept or agree to any assumptions of fact or legal premises that are implied by or underlie
20 the Special Interrogatories.

21 8. Right to Object to the Use of these Responses.

22 By responding to the Special Interrogatories, City does not concede that any of the
23 information that he produces or reveals in the Responses is admissible evidence in this action
24 or any other action. City specifically reserves any and all rights that he may have to object at
25 any hearing or the trial in this action, or of the causes of action alleged in this action in any
26 other forum, to the introduction of any information that City provides or reveals in the
27 Responses.

28 9. Right to Withdraw and Amend these Responses.

1 City responds to the Special Interrogatories based upon its present knowledge of the
2 information requested in the Special Interrogatories. City has made a diligent search and a
3 reasonable inquiry in its efforts to respond to the Special Interrogatories on the basis of
4 information currently available to it. Discovery by City however, is ongoing and City
5 reserves its right under CCP Section 2033.300 to seek leave of Court to withdraw any or all
6 of these Responses in any way prior to any hearing or the trial in this action, or of the causes
7 of action alleged in this action in any other forum, as additional facts underlying this action
8 become known to him during his investigation of the facts and completion of discovery,
9 which City has not yet completed.

10 **RESPONSES TO SPECIAL INTERROGATORIES**

11 **RESPONSE TO SPECIAL INTERROGATORY NO. 1:**

12 OBJECTION. In addition to the general objections set forth above, each of which is
13 incorporated into this Response, the City specifically and further objects to this Interrogatory
14 on the grounds that the terms “describe with specificity” and “currently limit the use for the
15 PROPERTY” are vague, ambiguous and unintelligible. The City also objects to the extent
16 this Interrogatory calls for information subject to the attorney-client privilege and/or attorney
17 work product doctrine, deliberative process privilege, the joint-defense privilege and/or the
18 common-interest doctrine. The City also objects to the extent this response calls for a legal
19 conclusion and/or expert opinion. The City also objects that this information is equally
20 available to Plaintiff by performing a title search.

21 Subject to and without waiving these specific objections, and the general objections
22 set forth above, City responds as follows: All CC&Rs that have been recorded against the
23 PROPERTY including those recorded on July 15, 1923, and the CC&Rs related to the City’s
24 conveyance of the PROPERTY with easements on September 5, 2012, potentially limit its
25 use.

26 **RESPONSE TO SPECIAL INTERROGATORY NO. 2:**

27 OBJECTION. In addition to the general objections set forth above, each of which is
28 incorporated into this Response, the City specifically and further objects to this Interrogatory

1 on the grounds that the terms “describe with specificity,” “land use restrictions” and
2 “currently limit the use for the PROPERTY” are vague, ambiguous and unintelligible. The
3 City also objects to the extent this Interrogatory calls for information subject to the attorney-
4 client privilege and/or attorney work product doctrine, deliberative process privilege, the
5 joint-defense privilege and/or the common-interest doctrine. The City also objects that this
6 information is equally available to Plaintiff by performing a title search.

7 Subject to and without waiving these specific objections, and the general objections
8 set forth above, City responds as follows: All deeds that have been recorded for the
9 PROPERTY potentially limit its use, including: (1) the deed recorded on June 14, 1940 from
10 the Palos Verdes Homes Association (“PVHA”) to the City, (2) the September 5, 2012, deed
11 conveying the PROPERTY from the City to the PVHA, and (3) the September 5, 2012, deed
12 conveying the PROPERTY from the PVHA to the Luglianis.

13 **RESPONSE TO SPECIAL INTERROGATORY NO. 3:**

14 OBJECTION. In addition to the general objections set forth above, each of which is
15 incorporated into this Response, the City specifically and further objects to this Interrogatory
16 on the grounds that the term “describe with specificity” is vague, ambiguous and
17 unintelligible.

18 Subject to and without waiving these specific objections, and the general objections
19 set forth above, City responds as follows: The City posted notice of, and an agenda for, the
20 May 8, 2012, City Council meeting online at the City’s website as well as at City Hall,
21 Malaga Cove Library and the PV Golf Club, as it does for all City Council meetings. The
22 City also made the PVHA and Palos Verdes School District aware of the meeting. The City
23 also informed everyone who has signed up through its website subscription service for
24 notification of meetings.

25 **RESPONSE TO SPECIAL INTERROGATORY NO. 4:**

26 Subject to and without waiving the general objections set forth above, City responds
27 as follows: No.

28 **RESPONSE TO SPECIAL INTERROGATORY NO. 5:**

1 Subject to and without waiving the general objections set forth above, City responds
2 as follows: No.

3 **RESPONSE TO SPECIAL INTERROGATORY NO. 6:**

4 OBJECTION. In addition to the general objections set forth above, each of which is
5 incorporated into this Response, the City specifically and further objects to this Interrogatory
6 on the grounds that the term "neighbors" is vague, ambiguous and unintelligible and includes
7 no limitation in terms of distance from the PROPERTY.

8 Subject to and without waiving these specific objections, and the general objections
9 set forth above, City responds as follows: No.

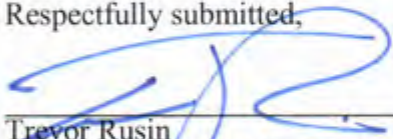
10 **RESPONSE TO SPECIAL INTERROGATORY NO. 7:**

11 OBJECTION. In addition to the general objections set forth above, each of which is
12 incorporated into this Response, the City specifically and further objects to this Interrogatory
13 on the grounds that the terms "describe with specificity," "declined to issue," and
14 "September 2012 conveyances" are vague, ambiguous and unintelligible.

15 Subject to and without waiving these specific objections, and the general objections
16 set forth above, City responds as follows: The City did not seek title insurance for the
17 conveyance of Parcel A to the PVHA because it was subject to the PVHA's right of
18 reversion and no title insurance was sought for the quit claim from the PVHA to the City for
19 Parcels C and D. These were the only transactions to which the City was a party.

20
21 DATED: June 2, 2014

Respectfully submitted,

22
23 
24 Trevor Rusin
25 **JENKINS & HOGIN, LLP**
26 Attorneys for Defendant/Respondent
27 CITY OF PALOS VERDES ESTATES
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CITY'S RESPONSES TO PLAINTIFF'S FIRST SET OF SPECIAL INTERROGATORIES

The matters stated in the foregoing document are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Vickie Kroneberger
Vickie Kroneberger
City Clerk
CITY OF PALOS VERDES ESTATES

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 1230 Rosecrans Avenue, Suite 110, Manhattan Beach, CA 90266.

On June 2, 2014, I served the foregoing documents described as:

CITY'S RESPONSES TO PLAINTIFF/PETITIONER'S FIRST SET OF SPECIAL INTERROGATORIES;

on the interested party or parties in this action by placing the original thereof enclosed in sealed envelopes with fully prepaid postage thereon and addressed as follows:

PLEASE SEE SERVICE LIST ATTACHED

- ☒ **VIA EMAIL.** I caused such document as described above, to be transmitted via E-Mail to the offices of the addressee(s).
- ☐ **VIA FACSIMILE.** I caused such document to be transmitted via facsimile to the offices of the addressee(s).
- ☐ **VIA OVERNIGHT DELIVERY.** I enclosed the documents in an envelope or package provided by an overnight delivery carrier and addressed to the person(s) at the address(es) stated above. I placed the envelope or package for collection and overnight delivery at a regularly utilized drop box of the overnight delivery carrier.
- ☒ **VIA U.S.MAIL.** I enclosed the above described documents in a sealed envelope or package addressed to the person(s) listed above or on the attached; caused such envelope with postage thereon fully prepared to be placed in the United States mail at Los Angeles, California.

I am readily familiar with the Jenkins & Hugin, LLP's practice of collection and processing correspondence for outgoing mailing. Under that practice it would be deposited with U.S. Postal Service on that same day with postage thereon prepaid at Manhattan Beach, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

- ☒ **STATE.** I declare under penalty of perjury under the laws of the State of California that the above is true and correct.
- ☐ **FEDERAL.** I declare that I am employed in the office of a member of the Bar of this Court at whose direction the service is made.

Executed this 2nd day of June, 2014, at Manhattan Beach, California.


WENDY HOFFMAN

SERVICE LIST

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Attorneys for Real Parties in Interest
Robert Lugliani and Dolores E. Lugliani, as
co-trustees of THE LUGLIANI TRUST;
THOMAS J. LIEB, TRUSTEE, THE VIA
PANORAMA TRUST

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

DATE: 04/11/14

DEPT. 12

HONORABLE BARBARA A. MEIERS

JUDGE

B. BAKER

DEPUTY CLERK

HONORABLE

JUDGE PRO TEM

ELECTRONIC RECORDING MONITOR

NONE

Deputy Sheriff

NONE

Reporter

BS142768

Plaintiff

Counsel

CITIZENS FOR ENFORCEMENT OF

NO APPEARANCE

VS

Defendant

Counsel

VS

CITY OF PALOS VERDES ESTATES ET

170.6 JUDGE RUTH KWAN (PLAINTI

NATURE OF PROCEEDINGS:

TENTATIVE RULING ON DEMURRERS AND MOTION TO STRIKE

The Demurrer of the defendants are tentatively granted in part and denied in part and the defense Motion to Strike is denied per the written "(Tentative) Ruling, etc." issued this date.

Plaintiffs have 25 days from the mailing of this Tentative Ruling to file a Second Amended Complaint.

Clerk to give notice.

CLERK'S CERTIFICATE OF MAILING

I, the below-named Executive Officer/Clerk of the above-entitled court, do hereby certify that I am not a party to the cause herein, and that on this date I served the NOTICE OF TENTATIVE RULING upon each party or counsel named below by placing the document for collection and mailing so as to cause it to be deposited in the United States mail at the courthouse in LOS ANGELES, California, one copy of the original filed/entered herein in a separate sealed envelope to each address as shown below with the postage thereon fully prepaid, in accordance with standard court practices.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

DATE: 04/11/14

DEPT. 12

HONORABLE BARBARA A. MEIERS

JUDGE

B. BAKER

DEPUTY CLERK

HONORABLE

JUDGE PRO TEM

ELECTRONIC RECORDING MONITOR

NONE

Deputy Sheriff

NONE

Reporter

BS142768

Plaintiff

Counsel

CITIZENS FOR ENFORCEMENT OF

NO APPEARANCE

VS

Defendant

Counsel

VS

CITY OF PALOS VERDES ESTATES ET

170.6 JUDGE RUTH KWAN (PLAINTI

NATURE OF PROCEEDINGS:

TENTATIVE RULING ON DEMURRERS AND MOTION TO STRIKE

The Demurrer of the defendants are tentatively granted in part and denied in part and the defense Motion to Strike is denied per the written "(Tentative) Ruling, etc." issued this date.

Plaintiffs have 25 days from the mailing of this Tentative Ruling to file a Second Amended Complaint.

Clerk to give notice.

CLERK'S CERTIFICATE OF MAILING

I, the below named Executive Officer/Clerk of the above-entitled court, do hereby certify that I am not a party to the cause herein, and that on this date I served the NOTICE OF TENTATIVE RULING upon each party or counsel named below by placing the document for collection and mailing so as to cause it to be deposited in the United States mail at the courthouse in LOS ANGELES, California, one copy of the original filed/entered herein in a separate sealed envelope to each address as shown below with the postage thereon fully prepaid, in accordance with standard court practices.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

DATE: 04/11/14

DEPT. 12

HONORABLE BARBARA A. MEIERS

JUDGE B. BAKER

DEPUTY CLERK

HONORABLE

JUDGE PRO TEM

ELECTRONIC RECORDING MONITOR

NONE

Deputy Sheriff

NONE

Reporter

BS142768

Plaintiff

Counsel

CITIZENS FOR ENFORCEMENT OF

NO APPEARANCE

VS

Defendant

Counsel

VS

CITY OF PALOS VERDES ESTATES ET

170.6 JUDGE RUTH KWAN (PLAINTI

NATURE OF PROCEEDINGS:

Dated: 4/11/14

Sherri R. Carter, Executive Officer/Clerk

By:

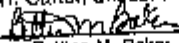
BETTINA M BAKER

*****SEE CERTIFICATE OF MAILING*****

1 Los Angeles Superior Court, Dept. 12
111 North Hill Street
2 Los Angeles, Ca. 90012
(213) 974-6228

FILED
Superior Court of California
County of Los Angeles

APR 11 2014

Sherri R. Carter, Executive Officer/Clerk
By:  Deputy
Bettina M. Baker

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF LOS ANGELES

10 CITIZENS FOR ENFORCEMENT, et. al.)
11)
12 Plaintiffs,)
13 vs.)
14 CITY OF PALOS VERDES ESTATES, et. al.)
15)
16 Defendants)

CASE NO. BS 142768

(Tentative) RULING ON DEMURRERS
AND MOTION TO STRIKE

17
18 The court having taken the demurrers of the PVHA, the Luglianis and Thomas Lieb, trustee
19 to the First Amended Petition for Writ of Mandate and Complaint for Injunctive Relief under
20 submission as well as the defendants' joined- in Motion to Strike, and having advised counsel that
21 a tentative ruling would issue subject to further oral argument being offered and heard on a later date,
22 the court now issues that "tentative" per the attached and sets May 21, 2014 at 9:30 a.m. Department
23 12 for a further hearing unless by stipulation the further hearing is waived and an Amended
24 Petition/Complaint is filed and served within 25 days of mailing of this ruling. If no one appears on
25 May 21, 2014, it will be assumed that the court's tentative has been accepted as the court's ruling
26 by the parties, and it will automatically become the ruling.

27 April 11, 2014
28

Hon. 

Judge of the Superior Court

1 **TENTATIVE RULING**

2 **Preface and Motion to Strike:**

3 The court's intended ruling is to sustain the demurrers in part and to deny them in part.
4 Defendants have objected to the addition of the plaintiff Harbison and filed a motion to strike with
5 regard thereto. That motion is denied. Moreover, due to the issues of standing which have been
6 raised, it appears that further corrections or additions to who the plaintiffs are or will be and/or
7 further facts supporting their ability to bring suit are needed. This is in part because once the
8 mandate petition was denied, the nature of the case changed. The denial of an administrative
9 mandate petition is an appealable judgment. It has become common practice for parties to add into
10 a Petition for a Writ of Mandate a whole series of civil claims, but this court has found no authority
11 in applicable Codes for doing so. Here, the denial of the action for mandamus relief has been upheld
12 on appeal, and the court has determined to treat the remainder of the case in keeping with its
13 present "civil" nature. To do so, the court has determined to order the case severed, with all of the
14 mandate claims and issues bifurcated in keeping with the final judgment rendered on those matters,
15 and orders that the case is now converted to a simple civil action (just as an unlawful detainer
16 action is dealt with as a civil action once possession is surrendered albeit that is done per Code),
17 and the amended document now to be filed is to be designated a Second Amended Complaint.

18 Were the court to strike plaintiff's addition of the Harbison plaintiff at this juncture, all that
19 would happen is that plaintiff would file a motion for leave to amend with that Mr. Harbison
20 ultimately ending up being added in all events (since defendants have articulated no reason that the
21 court deems meritorious for his being an improper plaintiff) but at greater expense and duplication
22 of effort for all, particularly in light of this court's view that some standing pleading issues still
23 remain to be addressed, even perhaps as to Mr. Harbison (see discussion infra). If these issues call
24 for the addition of more or different plaintiffs, again, rather than see another suit filed for that
25 purpose, this court grants advance consent to such amendments to be accomplished in the Second
26 Amended Complaint since an Amended Complaint is going to be necessary in all events and the
27 court would like to see that pleading be the final pleading needed in the case.

28 It is interesting to note that in the case of Save the Welwood Murray Memorial Library Com.

1 Case, *infra* at 1017--1018, the court obliquely addresses the problem of the filing of "hybrid
2 actions," where a mandamus action, which is supposed to utilize a "Petition," is mixed in with
3 requests for relief which are not in the nature of mandamus and which generally call for the filing
4 of a "Complaint," and concludes that such an action may proceed, but recognizes that these pleadings
5 are not necessarily properly coupled. In this court's view, it would be better if the two matters were
6 and had been separately filed but as "related cases."

7 Be that as it may, the mandamus aspect of the original Petition is at an end, plaintiff's appeal
8 of the trial court ruling denying mandamus having been unsuccessful. However, because the matters
9 were mixed, in this case, the Petition/Complaint has ended up with what are now many pages of
10 surplusage, including but not limited to pages relating the history of the deed restrictions and pages
11 of facts relating to "estoppel"¹ and lengthy explanations as to why an act is ministerial or not,
12 discussions of the settlement agreement which led to the City acquisition of the property, etc. which
13 serve no purpose at this point other than to confuse and overburden the pleading.

14 If the court understands the plaintiffs' contentions, they are in a nutshell that the City
15 received a deed to real property, Area A, which was subject to various restrictions such as a
16 restriction on use to parkland, restrictions on the ability to convey other than to a governmental entity
17 and a couple of other pertinent restrictions; that despite these restrictions, by means of an allegedly
18 *ultra vires* act, the City purported to convey the property, Area A, to a private party, the PVHA,
19 which conveyance the plaintiffs now seek to have declared invalid *ab initio*; that the PVHA in turn
20 (also arguably acting *ultra vires*, but perhaps not essential to plaintiffs' case), similarly ignored the
21 express deed restrictions by again "impermissibly" conveying to private parties, defendant "Area
22 A Recipients," and by purporting to make the conveyance with an elimination of the parkland use
23 restriction--another action which the court is asked to find to be void *ab initio*. At the same time,
24 plaintiff appears to be suing the ^{Area A and/or} Panorama Property Owners for placing impermissible structures on
25

26 ¹The court is aware of no civil cause of action for "estoppel." The facts relating to this
27 and to the history of the deed restrictions, etc. are matters of evidence which are admissible in
28 trial, but need not, and should not, be included in a Complaint where it is unnecessary and even
improper to allege all of the plaintiffs' proposed evidentiary facts. Plaintiffs need not prove their
case in the pleading.

1 Area A and/or to declare that these structures are impermissible. Authority for plaintiffs' *ultra vires*
2 theories and citations to the concomitant "public trust" doctrine is to be found in plaintiffs'
3 Opposition cases including but not limited to the Hermosa Beach, Welwood Library, County of
4 Solano and Big Sur cases

5 Plaintiffs' prayer for relief has presumably changed now that the mandamus action has
6 concluded. For example, the FAPC seeks to have the court void the settlement agreement whereby
7 the City obtained its deed to area A, but it may be that this will not necessarily continue to be an
8 issue. The efforts of plaintiffs to compel the City to unwind this agreement by mandamus were
9 unsuccessful. Possibly, the plaintiffs could seek to have the Association's agreement voided as a
10 part of a "minority shareholder" type action, but the court is not sure what the plaintiffs intend or
11 *if they* need this to accomplish what they seek now, post-mandamus. The City obtained the deed, the
12 means may now be irrelevant, especially if the core issue now being raised as to the City (aside from
13 the issue of enjoining future acts to interfere with the public trust) is whether or not it could convey
14 Area A to a private party. If plaintiff is correct and the City could not do so, then possibly the
15 parties to the settlement agreement will subsequently have to deal among themselves with "their
16 problem" and the fallout from their actions and the assumptions they made in entering into an
17 agreement which was potentially unenforceable or improper, but arguably, that would have nothing
18 to do with regard to the restrictions now before the court, the enforcement thereof and the ownership
19 of Area A. Plaintiffs need to clarify their pleading in this regard if, in fact, any relief is still being
20 sought post-mandamus to try and set aside the MOU or take some other action with regard to it.

21 Another issue raised in the FAC is whether or not if the deed returns to the City or defaults
22 to the PVHA, whether the City can be enjoined from continuing to allow the alleged encroachments
23 on area A, and/or whether the court can and should order that the encroachments be immediately
24 removed by whoever may be the ultimate owner of Area A. What plaintiffs are seeking in this
25 regard also needs to be clarified. At one time in their third cause of action, plaintiff or plaintiffs were
26 seeking to enjoin the defendant City from passing zoning changes or taking other acts which would
27 affect the restrictions on use and transfer, etc. involved in this case. They still can do so as part of
28 a claim for injunctive and/or other relief under the authority of the case of Save the Welwood Murray

1 Memorial Library Com., *infra*, pp.1017–1018 in which the court held that although a court cannot
2 generally enjoin a municipality from issuing a legislative act, when it violates its duties as trustee
3 of a public trust (to wit, the trust imposed by accepting land for public use which is restricted in that
4 manner) by not enforcing the restrictions of the deeds or taking steps which would enable or cause
5 there to be violations of restrictions on such donated property, its acts are *ultra vires*, cannot be
6 deemed legislative in nature, and, accordingly, can be enjoined.

7 Presumably plaintiffs are or now will be also seeking to have title to the property quieted
8 in the City and/or declared to be in the City (or if the reversionary provision sending it back to the
9 PVHA upon violation of the restrictions comes into play, then in the PVHA) with all of the deed
10 restrictions reaffirmed and intact.

11 Whatever the plaintiffs are now seeking by way of relief and whatever they may now be
12 contending, they are asked in the Second Amended Complaint which the court is now permitting,
13 to streamline the Second Amended Complaint on these bifurcated civil matters. If the court could
14 sum up the claims in a long paragraph, plaintiffs should not need 27 pages or more.

15 I. Standing

16 Issues of standing have been raised, and as to that matter, the court finds that the FAPC needs
17 to be further amended to clearly reflect the bases of plaintiffs' claims of standing. In terms of being
18 able to attack actions by the Palos Verdes Homes Association (PVHA), one possibility is that it is
19 necessary to allege that plaintiffs are "members" of that association because the action they are
20 bringing to set aside what are allegedly *ultra vires* actions of the PVHA is either akin to or in
21 actuality a minority shareholder action. According to the "Protective Restrictions ...Articles of
22 Incorporation and By-Laws of Palos Verdes Homes Association" of which the court takes judicial
23 notice, the restrictions were created so "[t]hat every purchaser in Palos Verdes may be sure when
24 building his home that ...," expressing an intent to benefit every home owner at page 2. At page 5,
25 the document provides that:

26 "To carry on the common interest and look after the
27 maintenance of all lots and the welfare of all lot owners
28 right from the beginning, a community association, with
the name of Palos Verdes Homes Association, has been
incorporated as a non-stock, non-profit body under the
laws of California, in which every building site has one vote.

1 It will be the duty of this body to maintain the parks, street
2 planting and other community affairs, and to perpetuate the
restrictions."

3 According to this document, every lot owner, whether the lot is improved by a building or
4 not, is a voting member of the Association, and, as such, in this court's view would have standing
5 to pursue an action such as this against the Association.

6 However, there is no allegation at the present time of any such standing on behalf of any
7 of the plaintiffs, including the newly added plaintiff Harbison. The FAC/Petition alleges as to him
8 that he is an owner of real property "within the City" and a taxpayer of the City, but it does not allege
9 that he is an owner of a building site covered by the Association Articles, etc. It may be that every
10 property within the City is within the Association coverage, but the court does not know that.

11 Additionally, as was discussed at the first hearing date on this matter, the identity of the real
12 property in issue that was passed from party to party might be made clearer, perhaps by a diagram
13 coupled with an allegation that it is subject to the deed restrictions in issue with the language of the
14 restrictions relied upon spelled out. But the entire history of Palos Verdes is not necessary.

15 On the other hand, as to standing, under the public trust doctrine which is usually applied
16 to municipal holdings of restricted properties, if the doctrine can be applied by analogy to the
17 PVHA situation, it may be the case that it is enough to simply allege that one is a member of the
18 public (a PV resident, landowner or not?) who stands to benefit from the enforcement of the
19 restrictions, i.e., the keeping of parkland that the general public may enjoy, in order to establish
20 standing to act. In this case, the area in question, Area A, along with parcels of real property, were
21 initially granted to the PVHA (which in turn conveyed the properties in its care to governmental
22 entities) for the purpose of holding and protecting the land for the public's benefit (with standing as
23 third party beneficiaries to enforce the grant?). Accordingly, just alleging that one is a member of
24 the public which would benefit from the terms of the grant might be enough for standing to attack
25 what the PVHA has done and/or to require it to act otherwise than it has-- possibly without even
26 being an owner of property of Palos Verdes since the parkland is apparently not restricted to the use
27 of such owners or residents. See, County of Solano v. Hanlery (2007) 155 Cal. App. 4th 566, 576,
28 fn.5:

1 "[T]he municipality owes the public a duty to employ the
2 property in a certain way and...members of the public can
3 proceed in equity to compel the municipality to live up to
4 this part of its governmental obligation."²

5 As to standing to challenge City actions, there is the "taxpayer" basis to sue for violation of
6 park use deed restrictions relied upon as a ground for "standing" in City of Hermosa Beach v.
7 Superior Court (1964) 231 Cal. App.2d 295, 300. In another case, a general association to preserve
8 a library was the plaintiff but there was no discussion as to why this association was deemed to be
9 a proper plaintiff. See, Saye the Wellwood Murray Memorial Library Com. V. City Council (1989)
10 215 Cal. App.3d 1003. In the present case, the plaintiff, Citizens for Enforcement of Parkland
11 Covenants (hereinafter "Citizens") allegedly consists of those who may be residents if not taxpayers
12 and those who apparently may not be, as well as those who may or may not be owners of real
13 property within the Association's purview and who may or may not be "members" of the PVHA.
14 It is not alleged that any of the "Citizens" are taxpayers or property owners, etc. However, if it is
15 enough just to be a member of the public who has an interest as such in the upholding of the deed
16 restrictions in issue, an allegation to this effect made as to the plaintiffs might be enough to plead
17 a proper claim at least with regard to the "standing" question. The court says "might" and "maybe"
18 as to all of the above, because the parties have not completely examined or briefed this issue, and
19 the court is inclined to let the plaintiff do such research and to make such allegations as they may
20 deem to be needed to fill whatever gaps may exist in the allegations necessary to meet "standing"
21 requirements both as to the City and the PVHA and all other defendants in a Second Amended
22 Complaint.

23 Leave is granted to the plaintiff to amend the Complaint to allege whatever additional facts
24 may be needed to claim a proper standing to bring the action against all defendants and to supply
25 whatever else is needed in this regard per the above.

26 **II. Other Issues Raised by the Association Demurrer**

27 Because of the "hybrid" nature of the FAPC, much of what has been raised by demurrer is
28 addressed to matters germane only to the mandamus petition. Accordingly, the court will not address

²Also see, CCP 526.

1 those matters here, but the Association has here attempted to have the court try the issue as to what
2 the scope of the Association's discretion, if any, may be by looking to page 30 of Exhibit 1 to the
3 FAC which lists powers of the Association, and to do so in a vacuum. Again, plaintiffs need not set
4 forth their entire case in their Complaint. Having a power does not necessarily entail a right to use
5 that power in a particular way in a given situation. Here, the allegation is that the power was abused
6 and/or that the Association acted outside its powers altogether, and plaintiffs have put before the
7 court in that regard, as noted above, the Articles of the Association which, *inter alia*, recite the duties
8 of the Association to "perpetuate the restrictions." The court does not agree that the attachments to
9 the FAPC are necessarily inconsistent with or contradict the allegations of the body of the FAPC.
10 The court overrules the demurrer, leaving the issue for later determination in trial or by an alternative
11 form of adjudication.

12 The Association also argues that Area A is not within a parcel that requires a vote of
13 surrounding property owners before a change can be made in restrictions, again resorting to
14 contentions such as, "[i]t is undisputed in this case that the property that is subject of the Amended
15 Petition is not part of Tract 6888." Again, this court will not entertain such an argument on demurrer
16 that reaches outside the record and rests on what the parties may or may not dispute, especially with
17 a Complaint that is so in need of redoing. Plaintiff absent a mandamus claim just needs to plead
18 the ultimate facts necessary with regard to the restrictions, that they were allegedly violated and
19 how, etc. and the court declines at this point in time to attempt to resolve evidentiary issues

20 The Association also seeks to have the third cause of action for injunctive relief deleted but
21 this is denied. Once the Complaint is properly put together, it well may be that injunctive and/or
22 specific performance relief will or would be justified by the allegations if not required in order to
23 provide full relief on what is alleged.

24 **III. The Various Property Owners' Joint Demurrer**

25 These parties first argue that all matters in the plaintiffs' pleading could and should be
26 covered by the mandate action. This court disagrees. They also argue that this is all about the
27 settlement agreement as if the City adopting the MOU was dispositive. This court again does not
28 agree. The parties to the MOU made a deal and took the risk that what they were doing would not

1 be challenged or, if challenged, the challenge would not be successful. That challenge is what they
2 are now facing, but the MOU, in this court's view, does not need to be vacated or set aside for the
3 restrictions allegedly tied to Area A to be enforced if they have been or are being violated. The
4 private agreement of parties to the MOU does not bind others with an interest or preclude a court
5 from acting.

6 As to nuisance, there is no need for a government entity to declare something to be a nuisance
7 for the tort to be committed as defendants contend. The defendants must look to California law, not
8 the Municipal Code to see what nuisance embraces. This objection is overruled.

9 Defendants further contend that there is no controversy between the parties properly before
10 the court sufficient to form the basis of an action for declaratory relief. The court's view is that if
11 this case does not present such a case, no case ever will. Moreover, when real property is involved,
12 it is essential that a court step in with declaratory and even ancillary quiet title relief to insure that
13 restrictions on and ownership of land issues are promptly resolved. The matters now before this
14 court do not depend, in this court's view, on the MOU and who were or were not parties to it. The
15 court does concur, however, that when amending, the plaintiffs should be clear as to what sort of
16 relief they are seeking as to each defendant now that the mandamus issue is out of the picture.

17 The standing issues raised by these defendants have been discussed above, but to clarify, as
18 to the Luglianis, the plaintiffs are *inter alia* seeking to have the deed to these defendants found to
19 be void and the transfer of area A to them vacated and are additionally seeking to have the court
20 require that the City or the Association, if either of them end up with the deed, or whoever holds it
21 in the end, remove whatever has been erected on area A and/or the Panorama property. The rights
22 of these defendants are going to be affected by any such rulings which makes them indispensable (or
23 at the least necessary) parties and they are properly joined.

C E R T I F I C A T E O F M A I L I N G

L.A. Superior Court Central

Civil Division

CITIZENS FOR ENFORCEMENT OF PARKLAND COVENANTS

VS.

CITY OF PA

BS142768

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES - CENTRAL DISTRICT

CITIZENS FOR ENFORCEMENT OF)
PARKLAND COVENANTS, AN)
UNINCORPORATED ASSOCIATION)
AND JOHN HARBISON,)

PLAINTIFFS AND)
PETITIONERS,)

VS.)

CASE NO. BS142768

CITY OF PALOS VERDES)
ESTATES, A MUNICIPAL)
CORPORATION; PALOS VERDES)
HOMES ASSOCIATION, A)
CALIFORNIA CORPORATION;)
PALOS VERDES PENINSULA)
UNIFIED SCHOOL DISTRICT, A)
POLITICAL SUBDIVISION OF)
THE STATE OF CALIFORNIA,)

DEFENDANTS AND REAL)
PARTIES IN INTEREST.)

ROBERT LUGLIANI AND DELORES)
A. LUGLIANI, AS CO-TRUSTEES)
OF THE LUGLIANI TRUST;)
THOMAS J. LIEB, TRUSTEE,)
THE VIA PANORAMA TRUST U/DO)
MAY 2, 2012, AND DOES 1)
THROUGH 20,)

DEFENDANTS AND REAL)
PARTIES IN INTEREST.)

H E A R I N G

REPORTER'S TRANSCRIPT OF PROCEEDINGS

MAY 21, 2014

11:14 A.M.



H E A R I N G

REPORTER'S TRANSCRIPT OF PROCEEDINGS

MAY 21, 2014

11:14 A.M.

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LOS ANGELES, CALIFORNIA

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LOS ANGELES, CALIFORNIA, WEDNESDAY

MAY 21, 2014

11:14 A.M.

MR. LEWIS: GOOD MORNING, YOUR HONOR.
JEFFREY LEWIS FOR PLAINTIFF.

MR. COMER: GOOD MORNING, YOUR HONOR.
R.J. COMER, C-O-M-E-R, ON BEHALF OF THE REAL PARTIES
OF INTEREST, LUGLIANI AND LIEB.

MS. HOGIN: GOOD MORNING, YOUR HONOR.
CHRISTI HOGIN FOR THE CITY OF PALOS VERDES ESTATES.

MR. DVEIRIN: GOOD MORNING, YOUR HONOR.
LEWIS BRISBOIS BISGAARD & SMITH, BRANT DVEIRIN, ON
BEHALF OF THE DEFENDANT/RESPONDENT, PALOS VERDES
HOMES ASSOCIATION.

THE COURT: ALL RIGHT. YOU'RE GOING
TO BE VERY UNHAPPY TO HEAR THIS, BUT FOR SOME REASON
I DID NOT RECEIVE THIS UNTIL JUST NOW.

SO I HAVE A VERY SHORT SUPPLEMENTAL
BRIEF IN SUPPORT OF THE CITY'S DEMURRER, BUT I ASSUME
THERE IS AN ACTUAL DEMURRER SOMEWHERE --

MR. LEWIS: YES, YOUR HONOR. IF I COULD
BE HEARD BRIEFLY --

THE COURT: -- AND THEN I HAVE A
PLAINTIFF'S SUPPLEMENTAL POINTS AND AUTHORITIES IN
OPPOSITION.

AND IS THIS ADDRESSED TO THE TENTATIVE
THAT I HAVE PREVIOUSLY ACHIEVED?



11:15:49 1 MR. LEWIS: YES, YOUR HONOR. MIGHT I
11:15:51 2 REFRESH THE COURT'S RECOLLECTION?
11:15:53 3 THE COURT: OH, NO. LET ME GO AND
11:15:55 4 READ THE TENTATIVE AND THEN LOOK AT THESE. THIS MUST
11:15:57 5 BE SOMETHING I HAVE REQUESTED OF YOU.
11:16:00 6 MR. LEWIS: AT AN EX PARTE ABOUT A WEEK
11:16:02 7 AGO.
11:16:02 8 THE COURT: ON SOME OUTSTANDING ISSUES
11:16:04 9 OR THINGS WHERE I FELT I COULD USE SOME HELP. LET'S
11:16:07 10 SEE. LET'S SEE WHAT I EXACTLY ASKED YOU FOR.
11:16:25 11 MS. HOGIN: IT WON'T BE IN THE
11:16:28 12 TENTATIVE, YOUR HONOR.
11:16:30 13 MR. LEWIS: IT IS IN THE EX PARTE ORDER.
11:16:33 14 THE COURT: WHAT DID I ASK YOU FOR?
11:16:35 15 MR. LEWIS: THE TENTATIVE RULING THAT
11:16:36 16 THE COURT ISSUED ON THE DEMURRERS SUGGESTED THE COURT
11:16:39 17 WAS INTENDING TO SEVER A WRITTEN MANDATE CLAIM THAT
11:16:39 18 HAD BEEN DENIED BY JUDGE O'BRIEN.
11:16:44 19 AND YOU ASKED FOR A BRIEFING ON
11:16:45 20 APPELLATE JURISDICTION, WHETHER OR NOT THERE IS A
11:16:49 21 FINAL JUDGMENT.
11:16:49 22 ALL THE PARTIES AGREE THAT IT SHOULDN'T
11:16:51 23 BE SEVERED, AND WE SUBMITTED -- AT LEAST THE CITY DID
11:16:54 24 AND I DID -- BRIEFS ON THAT LEGAL ISSUE. THE CITY
11:16:57 25 ALSO BRIEFED A SECONDARY ISSUE.
11:17:00 26 MS. HOGIN: YOUR HONOR INVITED
11:17:02 27 SUPPLEMENTAL BRIEFS ON THE TENTATIVE ISSUE.
11:17:04 28 THE COURT: BECAUSE I WAS SO DISTURBED



11:17:06 1 AT THIS MISHMASH PLEADING THAT WE HAD.

11:17:10 2 SO I'M GOING TO READ WHAT YOU'VE GIVEN
11:17:12 3 ME. IF I CONCUR, THEN WHAT I WOULD ASK YOU TO DO,
11:17:17 4 EVEN THOUGH IT'S MORE DIFFICULT OR ONEROUS FOR THE
11:17:20 5 PLAINTIFF, IS JUST TAKE ANYTHING AND EVERYTHING THAT
11:17:22 6 RELATES TO MANDATE AND STICK IT IN ONE LITTLE CORNER
11:17:25 7 OF YOUR COMPLAINT SO THAT WE CAN DEAL WITH THE REST
11:17:28 8 OF IT WITHOUT HAVING THOSE FLOATING ALLEGATIONS THAT
11:17:31 9 ARE NOT GOING TO BE, I THINK, HELPFUL TO US AT THIS
11:17:34 10 POINT IN THE CASE.

11:17:36 11 BUT GIVE ME A MINUTE. I'VE BEEN ON THE
11:17:39 12 BENCH NONSTOP. LET ME GO IN AND LOOK AT THESE
11:17:42 13 PAPERS, AND I'LL COME RIGHT BACK OUT.

11:17:42 14
11:17:42 15 (WHEREUPON, A RECESS WAS HELD
11:17:42 16 FROM 11:17 A.M. TO 11:25 A.M.)

11:25:49 17
11:25:49 18 THE COURT: OKAY. THANK YOU FOR YOUR
11:25:52 19 PATIENCE.

11:25:53 20 I'VE GONE THROUGH IT. WE'RE BACK ON THE
11:25:55 21 RECORD FOR "CITIZENS FOR ENFORCEMENT VERSUS CITY OF
11:26:00 22 PALOS VERDES."

11:26:01 23 THANK YOU FOR DOING THE EXTRA WORK
11:26:09 24 INDICATING TO ME WHERE THESE PETITIONS NOW FIT IN
11:26:12 25 THEIR JOINDER WITH OTHER MATTERS.

11:26:14 26 IN ORDINARY LAW AND MOTION PRACTICE
11:26:30 27 WHERE YOU HAVE A COMPLAINT AS OPPOSED TO A PETITION,
11:26:34 28 IF A DEMURRER IS SUSTAINED WITHOUT LEAVE TO AMEND TO



11:26:38 1 A PARTICULAR CAUSE OF ACTION, WHAT DO YOU SEE IN THE
 11:26:43 2 AMENDED COMPLAINT?

11:26:44 3 MR. LEWIS: YOU WOULD SEE ALL THE -- ALL
 11:26:47 4 THE ALLEGATIONS RELATING TO THE DEMURRER WOULD NOT
 11:26:51 5 APPEAR AGAIN UNLESS THEY RELATE.

11:26:52 6 THE COURT: SO THAT'S WHAT I WANT TO
 11:26:54 7 SEE HERE. THEY SHOULD BE OUT.

11:26:56 8 AND THEN WHETHER YOU WANT TO CONTINUE TO
 11:26:58 9 CALL IT A PETITION FOR WRIT OF MANDATE OR WHETHER YOU
 11:27:02 10 WANT TO DO WHAT I SUGGESTED AND NOW CALL IT A
 11:27:06 11 COMPLAINT.

11:27:08 12 MR. LEWIS: YOUR HONOR, IT'S MY
 11:27:09 13 INTENSION TO FOLLOW THE DICTATES OF THE TENTATIVE
 11:27:11 14 RULING, TO CLARIFY THE STANDING ALLEGATION, TO DELETE
 11:27:15 15 ALL THE ALLEGATIONS THAT DEAL WITH ADMINISTERIAL ACTS
 11:27:19 16 IN THE WRIT OF MANDATE CLAIM AND TO TAKE THE WORDS OF
 11:27:25 17 THE COURT AT HEART IN TERMS OF BOILING THE CASE DOWN
 11:27:26 18 TO A NUTSHELL.

11:27:27 19 THE COURT: GOOD. THEN WE DON'T NEED
 11:27:28 20 TO HAVE SOME SEGREGATED PORTION STILL RETAINING IN
 11:27:31 21 THE PETITION ALLEGATION. BECAUSE THE RECORD IS STILL
 11:27:35 22 CLEAR.

11:27:38 23 MR. DVEIRIN: I THINK WE ALL AGREE ON
 11:27:39 24 THAT.

11:27:41 25 THE COURT: THAT'S HOW WE'LL PROCEED.

11:27:42 26 NOW, THE CITY, THOUGH, ADDRESSED A
 11:27:44 27 NUMBER OF OTHER ISSUES THAT I HAVE PUT FORTH IN THE
 11:27:46 28 TENTATIVE. AND, I'M SORRY, BUT NOT HAVING RECEIVED



11:27:50 1 THIS BEFORE TODAY, I CAN'T REALLY READ ALL OF THESE
11:27:55 2 MATERIALS THAT YOU WANT ME TO READ. I DON'T SEE ANY
11:28:00 3 PARTICULAR OPPOSITION.

11:28:02 4 DID YOU EVER FILE ONE?

11:28:03 5 MR. LEWIS: YOUR HONOR, YOU DIRECTED US
11:28:05 6 NOT TO RESPOND BUT TO FILE ONE AT LEAST FIVE DAYS
11:28:10 7 BEFORE THE HEARING.

11:28:10 8 THE COURT: YES. BUT YOU DON'T TALK
11:28:12 9 ABOUT THESE THINGS THAT THEY ARE TALKING ABOUT. I
11:28:14 10 TAKE IT THAT DOESN'T MEAN THAT YOU CONCUR.

11:28:16 11 MR. LEWIS: I DO NOT CONCUR WITH THOSE
11:28:18 12 POINTS THAT WERE RAISED IN THAT BRIEF.

11:28:20 13 MS. HOGIN: YOUR HONOR, I HAVE A
11:28:21 14 SUGGESTION, IF IT WOULD BE HELPFUL.

11:28:23 15 THE COURT: I'LL TAKE IT UNDER
11:28:25 16 SUBMISSION BECAUSE I THINK YOU PROBABLY SAID, MOST OR
11:28:28 17 ALL OF WHAT YOU INTENDED TO SAY ON THESE ISSUES IS IN
11:28:31 18 THE BRIEF THAT YOU HAVE GIVEN ME.

11:28:35 19 MS. HOGIN: INDEED.

11:28:37 20 THE COURT: I WON'T IGNORE IT, AND
11:28:39 21 READ THESE CASES SUBSEQUENTLY.

11:28:40 22 AT FIRST BLUSH, I DON'T KIND OF AGREE
11:28:43 23 WITH YOU. BUT, YOU KNOW, WE DON'T GO BY GUT
11:28:47 24 INSTINCTS. WE GO BY WHAT THE LAW SAYS. SO I WOULD
11:28:51 25 HAVE TO READ YOUR CASES.

11:28:53 26 MS. HOGIN: I APPRECIATE THAT. I HAVE A
11:28:54 27 PROCEDURAL SUGGESTION THAT MAY HELP THE COURT.

11:28:57 28 SINCE THE PLAINTIFF IS GOING TO LEAVE TO



11:29:00 1 AMEND AND BRING A MORE ORDERLY PLEADING IN ANY EVENT,
11:29:08 2 WE'VE AGREED TO AMEND BOTH THE FIRST AND SECOND.

11:29:12 3 AND WE AGREE TO ADD THE HARBISONS IN THE
11:29:15 4 FOURTH CAUSE OF ACTION, IF THAT'S THE COURT'S INTENT.
11:29:19 5 WITHOUT ADOPTING THE TENTATIVE RULING, THE VERBIAGE
11:29:21 6 IN THE TENTATIVE RULING AS THE RULING OF THE COURT
11:29:22 7 JUST GRANTS THE LEAVE TO AMEND, SUSTAIN THE DEMURRER,
11:29:27 8 TO THOSE CAUSES OF ACTION, WE CAN SAVE ALL THIS FOR
11:29:30 9 ANOTHER DAY, IF THAT'S NECESSARY.

11:29:31 10 THE COURT: I'M NOT SURE WHAT YOU
11:29:32 11 MEAN. I WOULD BE INCLINED TO SAY THAT THE COURT IS
11:29:35 12 GOING TO SUSTAIN THE DEMURRER IN PART, DENY IN PART,
11:29:39 13 PER THE TENTATIVE RULING, WHICH IS NOW BECOMING THE
11:29:42 14 FINAL RULING.

11:29:42 15 MR. LEWIS: YOUR HONOR --

11:29:43 16 THE COURT: AND JUST LET HIM DO WHAT
11:29:45 17 HE DOES.

11:29:46 18 MR. LEWIS: THE TENTATIVE RULING IS PART
11:29:49 19 OF THE COURT'S FILES.

11:29:50 20 THE COURT: IT'S NOT GOING TO
11:29:52 21 DISAPPEAR. I'M SAYING IT WOULD BE PART OF THE COURT
11:29:54 22 FILE, AND IT WOULD SAY THAT I'M GOING TO DO WHAT I
11:29:56 23 INTENDED TO DO. BUT I'M ASKING YOU: ARE YOU ASKING
11:29:59 24 ME TO DO SOMETHING DIFFERENT?

11:30:01 25 MS. HOGIN: THE RESULT IS FINE. IT'S
11:30:03 26 ADOPTING THE RULING, WHICH IS SEVERAL PAGES. AND
11:30:09 27 THIS IS WHERE THE ISSUES WERE RAISED ABOUT THE WRIT
11:30:13 28 OF MANDATE THAT WAS TAKEN IN THE LOCKATARY



11:30:17 1 (PHONETICALLY) APPEAL AND ISSUES HAVING TO DO WITH
 11:30:19 2 THE MOTION TO STRIKE WHICH WAS ACTUALLY BEFORE
 11:30:21 3 DEPARTMENT 85.

11:30:22 4 AND THERE WAS JUST SOME CONFUSION THAT
 11:30:24 5 WE HAD ATTEMPTED TO SORT OUT AND TO AVOID HAVING TO
 11:30:28 6 DEAL WITH ALL THOSE ISSUES, WHICH REALLY ARE
 11:30:33 7 SUPERFLUOUS TO THE RESULT.

11:30:35 8 THE COURT: YEAH. BUT I DON'T KNOW
 11:30:37 9 THAT. I DON'T KNOW WHAT YOU'RE ARGUING.

11:30:38 10 AT ONE POINT YOU'RE ARGUING AGAINST THIS
 11:30:41 11 PUBLIC STANDING POLICY AND SAY IT DOESN'T APPLY TO A
 11:30:50 12 MUNICIPALITY. I HAD LEFT THAT UP TO PLAINTIFF TO DO
 11:30:54 13 WHATEVER HE WANTED TO DO IN THAT REGARD.

11:30:56 14 BUT IT'S INTERESTING THAT YOU SAY HERE
 11:30:58 15 THE PARK IS ONLY FOR PALOS VERDES RESIDENTS.

11:31:01 16 DO THEY HAVE BIG SIGNS ON THEM SAYING
 11:31:04 17 "STAY OFF THE GRASS IF YOU DON'T LIVE IN PALOS
 11:31:07 18 VERDES"?

11:31:07 19 MS. HOGIN: IT'S THE DEED RESTRICTION,
 11:31:09 20 NOT THE PARK. THESE PARKS ARE INACCESSIBLE. THIS IS
 11:31:13 21 HILLSIDE. THIS IS OPEN SPACE.

11:31:15 22 THE COURT: I SEE. SO NONE OF THESE
 11:31:16 23 LANDS IN PALOS VERDES THAT HAVE THESE LIMITATIONS ON
 11:31:20 24 THEIR DEEDS, NONE OF THEM ARE PUBLIC PARKLAND?

11:31:23 25 MS. HOGIN: SOME OF THEM ARE HELD FOR
 11:31:26 26 PUBLIC PARK AND HAVE TRAILS THROUGH THEM, BUT NOT
 11:31:29 27 COMPELLED BY THE DEED RESTRICTION.

11:31:32 28 THE COURT: WHY NOT BE COMPELLED BY



11:31:34 1 THE DEED RESTRICTIONS; THEY CAN'T BE USED FOR
11:31:37 2 ANYTHING ELSE. IT'S THE SAME LANGUAGE THAT APPLIES
11:31:39 3 TO THIS.

11:31:39 4 SO I'M TRYING TO SAY HOW CAN YOU SAY
11:31:41 5 THAT THAT LANGUAGE DOES NOT PRESCRIBE OR NOT APPLY TO
11:31:47 6 THE PUBLIC IN GENERAL UNLESS THERE IS SOME SIGN THAT
11:31:51 7 SAYS YOU CAN'T USE THESE PARKS? IT WOULD APPLY TO
11:31:55 8 ANYBODY ANYWHERE WHO CAN COME IN AND USE THEM.

11:31:58 9 MS. HOGIN: THIS CASE ISN'T ABOUT THE
11:32:00 10 USE OF THE LAND. THE CITY ISN'T USING ANY OF THIS
11:32:03 11 LAND.

11:32:04 12 THE COURT: I'M MENTIONING THIS ON THE
11:32:06 13 STANDING ISSUE.

11:32:07 14 MS. HOGIN: RIGHT. THE QUESTION BECOMES
11:32:09 15 WHETHER OR NOT A PUBLIC TRUST HAD BEEN CREATED.

11:32:11 16 AND TO CREATE A PUBLIC TRUST, THE CITY
11:32:13 17 HAS TO HAVE RECEIVED PROPERTY WITHOUT ANY RIGHT OF
11:32:17 18 REVERSION RETAINED IN THE GRANTOR; THAT WHEN THE
11:32:21 19 GRANTOR RETAINS THE RIGHT OF REVERSION, THAT RIGHT
11:32:26 20 ALONE MEANS THAT NO PUBLIC TRUST HAS BEEN CREATED.

11:32:31 21 THE COURT: I SAW THAT ARGUMENT IN
11:32:33 22 YOUR PAPERS. BUT DO I NEED TO ADDRESS ANY OF THIS?
11:32:36 23 I THINK I CAN JUST TURN YOU LOOSE AND SAY EVERYTHING
11:32:38 24 IS DONE PER THE TENTATIVE. PLAINTIFF, DO YOUR WORST
11:32:42 25 OR YOUR BEST.

11:32:43 26 MR. LEWIS: I WILL DO MY BEST, YOUR
11:32:44 27 HONOR. AND I WOULD URGE THE COURT TO ADOPT THE
11:32:47 28 TENTATIVE WITH THE EXCEPTION OF THE ISSUES REGARDING



11:32:50 1 THE SEVERANCE.

11:32:51 2 AND IN MY SUPPLEMENTAL BRIEF, I

11:32:53 3 SUGGESTED SPECIFIC LINES THAT THE COURT MIGHT WISH TO

11:32:56 4 DELETE FROM THE TENTATIVE IF IT ADOPTS THAT AS THE

11:32:59 5 FINAL AND DEAL WITH THAT SEVERANCE ISSUE.

11:33:04 6 THE COURT: THE COURT HEREBY ADOPTS

11:33:06 7 ITS TENTATIVE --

11:33:07 8 MR. COMER: YOUR HONOR, BEFORE YOU

11:33:09 9 STARTED THAT, I'D LIKE TO BE HEARD.

11:33:11 10 THE COURT: SORRY.

11:33:12 11 MR. COMER: THANK YOU.

11:33:12 12 THERE IS ONE LINE IN THE TENTATIVE

11:33:12 13 RULING I WOULD LIKE TO DRAW THE COURT'S ATTENTION TO

11:33:14 14 THAT SHOULD NOT BE ADOPTED. THAT LINE IS ON PAGE 2,

11:33:18 15 LINE 4. AND IT READS IN THE TENTATIVE RULING:

11:33:20 16 "DEFENDANTS HAVE OBJECTED

11:33:21 17 TO THE ADDITION OF PLAINTIFF HARBISON

11:33:23 18 AND FILED A MOTION TO STRIKE WITH

11:33:25 19 REGARD THERETO. THAT MOTION IS DENIED."

11:33:27 20 I'M DRAWING THE COURT'S ATTENTION THAT

11:33:29 21 THAT MOTION WAS NOT BEFORE THIS COURT.

11:33:32 22 READING FROM THE JANUARY 3RD TRANSCRIPT

11:33:34 23 BEFORE DEPARTMENT 86:

11:33:35 24 "THE COURT: NOW, ON HARBISON,

11:33:38 25 IT'S MY INTENT TO GRANT THE MOTION TO

11:33:40 26 STRIKE WITHOUT PREJUDICE."

11:33:42 27 IT GOES ON TO SAY:

11:33:45 28 "THAT WOULD ALSO LEAD TO



11:33:45 1 STRIKING THE FOURTH CAUSE OF ACTION."

11:33:46 2 READING NOW FROM THE NOTICE OF --

11:33:50 3 THE COURT: DID SHE EVER DO IT?

11:33:51 4 MR. COMER: YES, THE COURT DID.

11:33:53 5 AND THE NOTICE OF RULING, JANUARY 9,

11:33:57 6 READS, ON PAGE 1, LINE 7:

11:33:57 7 "THE COURT GRANTED THE MOTION

11:33:58 8 TO STRIKE JOHN HARBISON FROM THE

11:34:00 9 FIRST AMENDED PETITION AND COMPLAINT

11:34:02 10 WITHOUT PREJUDICE TO FILE A MOTION

11:34:04 11 SEEKING LEAVE OF COURT TO ADD ON

11:34:04 12 HARBISON."

11:34:07 13 WE UNDERSTAND THAT THIS COURT WOULD

11:34:10 14 LIKELY GRANT THAT MOTION TO ADD HARBISON.

11:34:10 15 THE COURT: THE COURT HEREBY ADOPTS

11:34:12 16 ITS TENTATIVE RULING AS ITS FINAL RULING ON THE

11:34:16 17 DEMURRER BEFORE IT; NOT AS TO ANY OTHER ASPECT OF THE

11:34:31 18 TENTATIVE.

11:34:33 19 MR. COMER: THANK YOU, YOUR HONOR.

11:34:34 20 THE COURT: DOES THAT TAKE CARE OF

11:34:35 21 EVERYTHING FOR EVERYBODY?

11:34:36 22 MR. LEWIS: ONE ADDITIONAL ISSUE THAT

11:34:38 23 WAS --

11:34:38 24 THE COURT: PLAINTIFF IS TO FILE AN

11:34:41 25 AMENDED COMPLAINT, AND I'LL CALL IT PETITION SLASH

11:34:50 26 COMPLAINT. AND IN PARENTHESES, WHATEVER PLAINTIFF

11:34:57 27 WANTS TO CALL IT BY.

11:35:04 28 AND THEN JUNE 17TH, IS THAT ENOUGH TIME?



11:35:11 1 MR. LEWIS: WITH ONE CLARIFICATION: DO
11:35:13 2 I NEED TO BRING A MOTION FOR LEAVE TO ADD
11:35:16 3 MR. HARBISON AND THAT ADDITIONAL CLAIM FOR NUISANCE?
11:35:20 4 THE TENTATIVE INDICATED SUCH MOTION IS NOT NECESSARY.
11:35:23 5 THE COURT: IF THEY WON'T STIPULATE TO
11:35:25 6 IT, THEN YOU WILL HAVE TO MAKE THE MOTION.
11:35:28 7 MR. LEWIS: THEN RESPECTFULLY, THE JUNE
11:35:30 8 17 SHOULD BE MY DEADLINE TO FILE A MOTION.
11:35:33 9 THE COURT: WILL THEY AGREE TO DO IT
11:35:35 10 ON AN EX PARTE BASIS?
11:35:37 11 MR. COMER: YES, YOUR HONOR.
11:35:38 12 MS. HOGIN: YES, YOUR HONOR.
11:35:40 13 MR. DVEIRIN: FINE. YES, FINE.
11:35:42 14 THE COURT: SIR, CAN THEY MAKE THAT
11:35:43 15 MOTION ON AN EX PARTE MOTION?
11:35:46 16 MR. DVEIRIN: YES.
11:35:46 17 THE COURT: THIS IS SO IF I RULE IN
11:35:47 18 THEIR FAVOR THEY CAN GET THEIR AMENDED COMPLAINT
11:35:50 19 EITHER WAY, OR AGAINST THEM, THEY COULD GET THIS DONE
11:35:53 20 BY 6-17.
11:35:54 21 MR. LEWIS: AND JUNE 17TH IS ACCEPTABLE,
11:35:57 22 YOUR HONOR. THANK YOU VERY MUCH.
11:35:58 23 THE COURT: ALL RIGHT. HARBISON AND
11:36:04 24 RELATED MATTERS ALL AGREE MAY BE SUBMITTED EX PARTE
11:36:27 25 BUT ON 36 HOURS NOTICE.
11:36:36 26 IS THAT ALL RIGHT? IT GIVES YOU A
11:36:38 27 LITTLE MORE TIME TO RESPOND TO THESE THINGS.
11:36:40 28 MR. COMER: YES, YOUR HONOR.



11:36:41 1 THE COURT: IS THAT OKAY FOR YOU?
11:36:43 2 MR. LEWIS: THANK YOU, YOUR HONOR.
11:36:45 3 THE COURT: AND PERSONAL E-MAIL OR FAX
11:36:49 4 SERVED.
11:36:50 5 MR. LEWIS: THANK YOU, YOUR HONOR.
11:36:52 6 THE COURT: WE'RE GOOD. NOTICE
11:36:53 7 WAIVED?
11:36:54 8 MR. LEWIS: NOTICE WAIVED.
11:36:55 9 MR. DVEIRIN: YES.
11:36:56 10 MS. HOGIN: WAIVED.
11:36:56 11 MR. COMER: THANK YOU, YOUR HONOR.
11:36:57 12

13 (WHEREUPON, AT THE HOUR OF
14 11:36 P.M., THE PROCEEDINGS
15 WERE CONCLUDED.)

16 -000-
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1 STATE OF CALIFORNIA)
) SS
2 COUNTY OF LOS ANGELES)
3

4 I, SAMANTHA AVENAIM, CERTIFIED SHORTHAND
5 REPORTER, CERTIFICATE NUMBER 10627, FOR THE STATE OF
6 CALIFORNIA, HEREBY CERTIFY:

7 THE FOREGOING PROCEEDINGS WERE TAKEN BEFORE
8 ME AT THE TIME AND PLACE THEREIN SET FORTH;

9 THE PROCEEDINGS WERE RECORDED
10 STENOGRAPHICALLY BY ME AND WERE THEREAFTER
11 TRANSCRIBED;

12 THE FOREGOING TRANSCRIPT IS A TRUE AND
13 CORRECT TRANSCRIPT OF MY SHORTHAND NOTES SO TAKEN;

14 I FURTHER CERTIFY THAT I AM NEITHER COUNSEL
15 FOR NOR RELATED TO ANY PARTY TO SAID ACTION, NOR IN
16 ANY WAY INTERESTED IN THE OUTCOME THEREOF.

17 IN WITNESS WHEREOF, I HAVE HEREUNTO
18 SUBSCRIBED MY NAME THIS 30TH DAY OF MAY, 2014.
19
20
21

22 _____
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1 TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD, YOU ARE
2 HEREBY NOTIFIED THAT on May 5th, 2014 the Court entered the Request for Dismissal
3 as to Palos Verdes Peninsula Unified School District only. A true and correct copy of the
4 Request for Dismissal is attached hereto as Exhibit "1".
5

6 DATED: May 7, 2014

BROEDLOW LEWIS LLP

7
8 By: 
9 Jeffrey Lewis

10 Attorneys for Plaintiffs and Petitioners
11 CITIZENS FOR ENFORCEMENT OF
12 PARKLAND COVENANTS
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BROEDLOW LEWIS LLP
www.BroedlowLewis.com

EXHIBIT 1

ATTORNEY OR PARTY WITHOUT ATTORNEY (Please, Print Name, Address, and Attorney): BROEDLOW LEWIS LLP Jeffrey Lewis (SEN 183934); Kelly Broedlow Dunagan (SRN 210852) 734 Silver Spur Road, Suite 300, Rolling Hills Estates, CA 90274 TELEPHONE NO. (310) 935-4001 FAX NO. (310) 872-5389 E-MAIL ADDRESS (optional): Jeff@BroedlowLewis.com ATTORNEY FOR (Please Print): Citizens for Enforcement of Parkland Covenants		FOR COURT USE ONLY CONFIRMED COPY ORIGINAL FILED Superior Court of California County of Los Angeles MAY 05 2014 Donald H. Carter, Executive Officer/Clerk By: Annetta Fajardo, Deputy	
SUPERIOR COURT OF CALIFORNIA, COUNTY OF Los Angeles 111 North Hill Street STREET ADDRESS: Dept. 12 MAILING ADDRESS: Los Angeles 90012 CITY AND ZIP CODE: Stanley Mosk Courthouse ISSUING NAME:			
PLAINTIFF/PETITIONER Citizens for Enforcement of Parkland Covenants DEFENDANT/RESPONDENT City of Palos Verdes Estates, et al.			
REQUEST FOR DISMISSAL			
CASE NUMBER BS142768		D-86	
A conformed copy will not be returned by the clerk unless a method of return is provided with the document.			
This form may not be used for dismissal of a derivative action or a class action or of any party or cause of action in a class action. (Cal. Rules of Court, rules 3.760 and 3.770.)			

1. TO THE CLERK: Please dismiss this action as follows:

- a. (1) ☐ With prejudice (2) ☒ Without prejudice
- b. (1) ☒ Complaint (2) ☐ Petition
- (3) ☐ Cross-complaint filed by (name): _____ on (date): _____
- (4) ☐ Cross-complaint filed by (name): _____ on (date): _____
- (5) ☐ Entire action of all parties and all causes of action
- (6) ☒ Other (specify): * All cause of action against the Palos Verdes Peninsula Unified School District

2. (Complete in all cases except family law cases.)

The court ☐ did ☒ did not waive court fees and costs for a party in this case. (This information may be obtained from the clerk. If court fees and costs were waived, the declaration on the back of this form must be completed).

Date: May 1, 2014

Jeffrey Lewis

(TYPE OR PRINT NAME OF ☒ ATTORNEY ☐ PARTY WITHOUT ATTORNEY)

** If dismissal requested is of specified parties only, or of specified causes of action only, or of specified cross-complaints only, so state and identify the parties, causes of action, or cross-complaints to be dismissed.

Attorney or party without attorney for:

- ☒ Plaintiff/Petitioner ☐ Defendant/Respondent
- ☐ Cross-Complainant

3. TO THE CLERK: Consent to the above dismissal is hereby given.**

Date:

(TYPE OR PRINT NAME OF ☐ ATTORNEY ☐ PARTY WITHOUT ATTORNEY)

** If a cross-complaint or Response (Family Law) seeking affirmative relief is on file, the attorney for cross-complaint (respondent) must sign this consent if required by Code of Civil Procedure section 587 (b) and (c).

Attorney or party without attorney for:

- ☐ Plaintiff/Petitioner ☐ Defendant/Respondent
- ☐ Cross-Complainant

(To be completed by clerk)

4. ☒ Dismissal entered as requested on (date): **5.5.14**5. ☐ Dismissal entered on (date): _____ as to only (name): _____6. ☐ Dismissal not entered as requested for the following reasons (specify): _____7 a. ☐ Attorney or party without attorney notified on (date): _____

b. ☐ Attorney or party without attorney not notified. Filing party failed to provide
☐ a copy to be conformed ☐ means to return conformed copy

Date: **5.5.14**Clerk, by **A. Fajardo**, Deputy

PROOF OF SERVICE

Citizens for Enforcement of Parkland Covenants v. City of Palos Verdes Estates, et al.
Los Angeles Superior Court Case No. BS142768

I, Jason R. Ebbens, declare that I am over the age of 18 years, employed in the County of Los Angeles, and not a party to the within action; my business address is 734 Silver Spur Road, Suite 300, Rolling Hills Estates, CA 90274.

On May 7, 2014, I served the foregoing: **SUPPLEMENTAL REQUEST FOR JUDICIAL NOTICE IN OPPOSITION TO DEMURRER BY PALOS VERDES HOMEOWNERS ASSOCIATION** on the interested parties in this action by placing ☐ the original ☒ a true copy thereof, enclosed in a sealed envelope with postage pre-paid, addressed as follows:


** See Attached Service List **

☒ BY MAIL. I am readily familiar with this law firm's practice for collection and processing of correspondence for mailing with the U. S. Postal Service. The within correspondence will be deposited with the U. S. Postal Service on the same day shown on this affidavit, in the ordinary course of business. I am the person who sealed and placed for collection and mailing the within correspondence on this date at Palos Verdes, California, following ordinary business practices.

☐ BY OVERNITE EXPRESS/FEDERAL EXPRESS. The within correspondence will be deposited with Overnight Express on the same day shown on this affidavit, in the ordinary course of business. I am the person who sealed and placed for collection and mailing the within correspondence on this date at Palos Verdes, California, following ordinary business practices.

☒ (STATE) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on May 7, 2014, in Los Angeles County, California.


Jason R. Ebbens

NOTICE OF ENTRY OF DISMISSAL

SERVICE LIST

(Page 1 of 2)

Citizens for Enforcement of Parkland Covenants v. City of Palos Verdes Estates, et al.
Los Angeles Superior Court Case No. BS142768

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SERVICE LIST

(Page 2 of 2)

Citizens for Enforcement of Parkland Covenants v. City of Palos Verdes Estates, et al.
Los Angeles Superior Court Case No. BS142768

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Attorneys for Defendant and Respondent:

Palos Verdes Homes Association



business law • litigation & appellate practitioners

October 31, 2014

VIA E-MAIL (Brant.Dveirin@LewisBrisbois.com) AND CONFIRMED VIA U.S. MAIL

Brant Dveirin, Esq.
LEWIS BRISBOIS BISGAARD & SMITH LLP
221 North Figueroa Street, Suite 1200
Los Angeles, CA 90012

RE: *Citizens for Enforcement of Parkland Covenants v. City of Palos Verdes Estates*
Los Angeles County Superior Court Case No. BS142768

Dear Brant:

At the last hearing on your client's motion to strike, you mentioned in open court that the Palos Verdes Peninsula Unified School District ("District") is a necessary party to this proceeding. Your client also asserted in its Seventh Affirmative Defense in its Answer that there was a non-dispensable party. As you know, during the last round of pleading challenges, the Court suggested that the plaintiff need not challenge the MOU in order to challenge the legality of the September 2012 deeds. (April 11, 2014 Order, p. 8, li. 25- p. 9, li. 16). For this reason, we dropped our theories challenging the legality of the MOU and we dismissed the District as a party. If you believe that the District remains a necessary party, by this letter, on behalf of my client, I stipulate that your client may file a belated cross-complaint to bring the District back into the case as a party. For my part, I see no reason to do so based on the Court's April 11, 2014 order. This letter and your response shall be used to oppose any effort by your office at a later date to seek a "gotcha" dismissal of this case based on non-joinder of the District.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jeffrey Lewis', with a stylized flourish at the end.

Jeffrey Lewis



cc: *VIA EMAIL ONLY*

Christi Hogin, Esq. (CHogin@LocalGovLaw.com)

R.J. Comer, Esq. (RJ@AGD-LandUse.com)

Sidney F. Croft, Esq. (SFCroftLaw@AOL.com)

Terry T. Tao, Esq. (TTao@AALRR.com)