

**SUMMONS
(CITACION JUDICIAL)**

NOTICE TO DEFENDANT:

(AVISO AL DEMANDADO): CITY OF PALOS VERDES ESTATES

See Attached

YOU ARE BEING SUED BY PLAINTIFF:

(LO ESTÁ DEMANDANDO EL DEMANDANTE):

**CITIZENS FOR ENFORCEMENT OF PARKLAND COVENANTS, an
unincorporated association**

**CONFIRMED COPY
OF ORIGINAL FILED**
Los Angeles Superior Court

MAY 13 2013

John A. Clarke, Executive Officer/Clerk

BY Victor Sino-Cruz, Deputy
Victor Sino-Cruz

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. NOTE: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.

(AVISO!) Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pide al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. AVISO: Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte puede desechar el caso.

The name and address of the court is:

(El nombre y dirección de la corte es): Stanley Mosk Courthouse

111 N. Hill Street, Los Angeles, CA 90012

CASE NUMBER:
(Número del Caso):

BS142768

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

BROEDLOW LEWIS LLP, 734 Silver Spur Rd., Suite 300, Rolling Hills Estates, CA 90274; (310) 935-4001

DATE:
(Fecha)

Clerk, by
(Secretario)

, Deputy
(Adjunto)

JOHN CLARKE

VICTOR SINO-CRUZ

(For proof of service of this summons, use Proof of Service of Summons (POS-010).)

(Para prueba de entrega de esta citación use el formulario de Prueba de Entrega de Citaciones, (POS-010)).

(SEAL)

MAY 13 2013

NOTICE TO THE PERSON SERVED: You are served

1. as an individual defendant.
2. as the person sued under the fictitious name of (specify):
3. on behalf of (specify):
under: CCP 416.10 (corporation) CCP 416.60 (minor)
 CCP 416.20 (defunct corporation) CCP 416.70 (conservatee)
 CCP 416.40 (association or partnership) CCP 416.90 (authorized person)
 other (specify):
4. by personal delivery on (date):

SHORT TITLE: CEPC v. City of Palos Verdes Estates, et al.	CASE NUMBER:
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INSTRUCTIONS FOR USE

- This form may be used as an attachment to any summons if space does not permit the listing of all parties on the summons.
- If this attachment is used, insert the following statement in the plaintiff or defendant box on the summons: "Additional Parties Attachment form is attached."

List additional parties (Check only one box. Use a separate page for each type of party.):

Plaintiff
 Defendant
 Cross-Complainant
 Cross-Defendant

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 Respondents

SHORT TITLE: CEPC v. City of Palos Verdes Estates, et al.	CASE NUMBER:
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INSTRUCTIONS FOR USE

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List additional parties (Check only one box. Use a separate page for each type of party.):

Plaintiff
 Defendant
 Cross-Complainant
 Cross-Defendant

**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.

1 Jeffrey Lewis (SBN 183934)
2 Kelly Broedlow Dunagan (SBN 210852)
3 BROEDLOW LEWIS LLP
4 734 Silver Spur Road, Suite 300
5 Rolling Hills Estates, CA 90274
6 Tel. (310) 935-4001
7 Fax. (310) 872-5389
8 E-Mail: Jeff@BroedlowLewis.com

9 Attorney for Plaintiff and Petitioner
10 CITIZENS FOR ENFORCEMENT OF
11 PARKLAND COVENANTS
12

13 SUPERIOR COURT OF THE STATE OF CALIFORNIA

14 COUNTY OF LOS ANGELES – CENTRAL DISTRICT

15 **BS142768**

16 CITIZENS FOR ENFORCEMENT OF
17 PARKLAND COVENANTS, an
18 unincorporated association,

19 Plaintiff and Petitioner,

20 vs.

21 CITY OF PALOS VERDES ESTATES, a
22 municipal corporation; PALOS VERDES
23 HOMES ASSOCIATION, a California
24 corporation; PALOS VERDES
25 PENINSULA UNIFIED SCHOOL
26 DISTRICT, a political subdivision of the
27 State of California,


28 Defendants and Respondents,

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.

CONFORMED COPY
OF ORIGINAL FILED
Los Angeles Superior Court

MAY 13 2013

John A. Clarke, Executive Officer/Clerk
BY  Deputy
Victor Sino-Cruz

D. 85

Case No.:

VERIFIED PETITION FOR WRIT OF
MANDATE AND COMPLAINT FOR
INJUNCTIVE RELIEF

FAX

BROEDLOW LEWIS LLP
www.BroedlowLewis.com

1 Plaintiff and Petitioner CITIZENS FOR ENFORCEMENT OF PARKLAND
2 COVENANTS (“CEPC”) hereby alleges as follows:

3
4 **INTRODUCTION**

5 1. This is an action to set aside a portion of a well-intentioned yet clearly illegal
6 settlement of land use disputes among the CITY OF PALOS VERDES ESTATES (the
7 “CITY”), the PALOS VERDES PENINSULA UNIFIED SCHOOL DISTRICT (the
8 “DISTRICT”), the PALOS VERDES HOMES ASSOCIATION (the “ASSOCIATION”)
9 and ROBERT AND DELORES LUGLIANI. As a result of the settlement, the CITY and
10 ASSOCIATION abandoned their historic and clearly defined duties to enforce protective
11 covenants to preserve the character of the CITY, to preserve the CITY’s open space and
12 prevent private parties from erecting improvements on public parkland. Although each of
13 the parties to the settlement obtained tangible benefits (money, land and settlement of
14 litigation), these benefits were obtained at the substantial expense of the residents of the
15 CITY and in breach of the below described covenants. By this action, CEPC seeks court
16 orders: voiding those portions of the settlement agreement and related real property
17 conveyances that violate the protective covenants and ordering the CITY and
18 ASSOCIATION to enforce those covenants.

19
20 **PARTIES, JURISDICITON AND VENUE**

21 2. CEPC is an unincorporated association of residents living in and around the
22 CITY. One of CEPC’s members is John Harbison. Mr. Harbison owns real property within
23 the CITY and paid taxes to the CITY during the 12 months preceding the filing of this
24 complaint.

25 3. CEPC is informed, believes and thereon alleges that the CITY is a general law
26 city, duly organized under the laws of the State of California and located within Los Angeles
27 County.

28 4. CEPC is informed, believes and thereon alleges that the ASSOCIATION is a

1 non-profit corporation, duly organized under the laws of the State of California. The
2 ASSOCIATION's principal place of business is located within Los Angeles County.

3 5. CEPC is informed, believes and thereon alleges that the DISTRICT is a
4 political subdivision of the State of California. The DISTRICT's principal place of business
5 in located within Los Angeles County.

6 6. The Real Parties in Interest and Defendants named herein as DOES 1 through
7 20, inclusive, are unknown to CEPC, who therefore sues such "DOE" parties by such
8 fictitious names pursuant to Section 474 of the Code of Civil Procedure. CEPC is informed,
9 believes and thereon alleges that DOES 1 through 20 have improperly attempted to utilize
10 various corporate and trust entity forms in an attempt to shield their personal or ultra vires
11 actions behind this veil of protection and avoid personal or other corporate liability. CEPC
12 will amend this pleading to assert the true names and capacities of the fictitiously designated
13 "DOE" parties when the same have been ascertained.

14 7. CEPC is informed, believes and thereon alleges that defendant and real party in
15 interest THOMAS J. LIEB, TRUSTEE, THE VIA PANORAMA TRUST U/DO MAY 2,
16 2012 together with DOES 1 through 10, are the current legal and beneficial owners of the
17 real property commonly known as Assessor's Parcel Number 7545-002-900 and legally
18 described as follows:

19 TRACT # 8652 LOT COM AT MOST E COR OF LOT A TH S 11 48'28.8"
20 W 237.36 FT TH N 40 41'40" W 146.21 FT TH W 130 FT TH S 59 W 50.5
21 FT TH S 2 01'45" W 153.12 FT TH W AND FOLLOWING BDRY LINE
22 LOT A

23 ("AREA A.") THOMAS J. LIEB and DOES 1 through 10 are referred to collectively, as the
24 "AREA A RECIPIENTS."

25 8. CEPC is informed, believes and thereon alleges that defendants and real parties
26 in interest ROBERT LUGLIANI and DELORES A. LUGLIANI, as co-trustees of THE
27 LUGLIANI TRUST together with DOES 11 through 20, are the current legal and beneficial
28 owners of the real property commonly known as 900 Via Panorama, Palos Verdes Estates,

1 California 90274 and legally described as follows:

2 TRACT # 8652 LOT 11 BLK 1733 AND LOT COM AT MOST W COR
3 OF LOT 11 SD BLK TH W ON N LINE OF VIA PANORAMA 21 FT TH
4 N 2 01'45" E 153.12 FT TH N 59 E 50.5 FT TH E 130 FT TH S 51 00' W
5 175 FT TH S LOT A

6 (the "PANAROMA PROPERTY.") ROBERT LUGLIANI, DELORES A. LUGLIANI
7 and DOES 11 through 20 are referred to collectively, as the "PANORAMA PROPERTY
8 OWNERS."

9 9. Admittedly, neither CEPC nor John Harbison were parties to the settlement
10 documents and related real property conveyances among the CITY, the DISTRICT, the
11 ASSOCIATION, the AREA A RECIPIENTS and the PANORAMA PROPERTY
12 OWNERS that are challenged in this proceeding. However, CEPC has standing to assert the
13 below pled claims for the following three reasons: First, by virtue of John Harbison's
14 payment of taxes within the past year, CEPC may assert on his behalf, a taxpayer's action
15 pursuant to Code of Civil Procedure section 526a. Second, under the "Citizen Suit" doctrine,
16 CEPC has standing to enforce a public duty (the property restrictions alleged below) and
17 raising questions of public rights (the rights of CITY residents to enforcement of protective
18 covenants, to preserve open space and to prevent unlawful conveyances of parklands to
19 private parties). Third, by virtue of Mr. Harbison's ownership of real property within the
20 CITY, he is a beneficiary of the restrictions and CEPC may assert those restrictions on Mr.
21 Harbison's behalf.

22
23 **GENERAL ALLEGATIONS**

24 **A. The History of the CITY, ASSOCIATION and the Land Use**
25 **Restrictions**

26 10. CEPC is informed, believes and thereon alleges the following based on the
27 contents of the CITY's website:

28 a) The CITY was incorporated on December 20, 1939. New York

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1 financier Frank A. Vanderlip, Sr. purchased the land from the Bixby family in 1913
2 with the idea of building a planned, residential community. The new community was
3 laid out and landscaped by the famous Olmsted Brothers, sons of Frederick Law
4 Olmsted, Sr., who designed Central Park in New York City. Gently winding roadways,
5 green hillsides, paths, stands of eucalyptus, pepper, and coral trees were established,
6 and a full 28% of the land area was dedicated to be permanent open space. This early
7 planning and dedication of parklands gives the City its unique rural character and has
8 resulted in its international reputation for scenic beauty.

9 b) Vanderlip's plans were slowed by World War I, but subdivision of the
10 land and construction of the first Spanish style homes in what is today Palos Verdes
11 Estates began in the early 1920's. Deed restrictions were imposed on the land in 1923,
12 when the Bank of America, as trustee for Vanderlip's Palos Verdes Project, drafted a
13 trust indenture and outlined provisions for development. The area was
14 unincorporated and governed by the ASSOCIATION, which was liable for taxes on
15 all parkland. After the economic crash in 1929, the ASSOCIATION owed taxes to
16 Los Angeles County and residents, concerned that the parklands might be sold for
17 payment, in 1939 voted for City incorporation. In 1940, the parklands were deeded by
18 the ASSOCIATION to the new CITY.

19 c) Over the years, the CITY's governance has been guided by the vision of
20 the original founders with an emphasis on preserving, protecting and enhancing the
21 quality of life and natural assets that make Palos Verdes Estates unique.

22 11. There are numerous instruments that evidence the land use restrictions on the
23 real property that is the subject of this lawsuit and demonstrate the illegal aspects of the
24 settlement. Those documents include:

25 a) **The 1923 Restrictions.** Declaration No. 1 – Declaration of
26 Establishment of Basic Protective Restrictions, Conditions, Covenants, Reservations,
27 Liens and Charges for Palos Verdes Estates, recorded July 5, 1923 in Book 2360, Page
28 231 of the Official Records of Los Angeles County (including all amendments thereto

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of record, "Declaration No. 1.")

b) **The 1924 Restrictions.** Declaration No. 21 – Declaration of Establishment of Local Protective Restrictions, Conditions, Covenants, Reservations, Liens and Charges for Tract 7331 – Lunada Bay – Palos Verdes Estates, recorded September 29, 1924 in Book 3434, Page 165 of the Official Records of Los Angeles County (including all amendments thereto of record, "Declaration No. 21.")

c) **The 1925 and 1938 Deeds.** In 1925, the original developers of the CITY conveyed by granted deed to the ASSOCIATION various lots subject to deed restrictions limiting the use of the properties to the public schools, parks, playgrounds or recreation areas. These 1925 deed restrictions are equitable servitudes enforceable by way of injunction by the residents of the CITY (as well as residents of the neighboring community of Miraleste). In 1938, the ASSOCIATION conveyed 13 of these properties to the DISTRICT subject to the same land use restrictions set forth in the 1925 Deed. The 1925 and 1938 Deeds are attached hereto as Exhibit "1." The 1938 Deeds also contained restrictions that the conveyed property only be used for public schools, parks, playgrounds and/or recreation areas. The 1938 deed restrictions are equitable servitudes enforceable by injunction by residents of the CITY (as well as residents of the neighboring community of Miraleste). The continued enforceability of these covenants was confirmed by way of judgment in the litigation between the DISTRICT and the ASSOCIATION as more specifically alleged below.

d) **The 1940 Deeds.** By way of quitclaim deed dated June 14, 1940, Bank of America conveyed all parkland properties within the CITY to the ASSOCIATION. By way of quitclaim deed dated June 14, 1940, the ASSOCIATION conveyed all parkland properties within the CITY to the CITY. By resolution dated June 12, 1940, the CITY formally accepted the grant deeds. A true and correct copy of the foregoing 1940 documents is attached hereto and incorporated herein as Exhibit "2." Page 12, paragraph 3 of the 1940 deeds states that, subject to conditions not met here, the

1 transferred property “is to be used and administered forever for park and/or
2 recreation purposes...for the benefit of the (1) residents and (2) non-resident property
3 owners within the boundaries of ... “Palos Verdes Estates.” Pages 15 and 16 of the
4 1940 Deeds states that any breach of the land use restrictions shall cause ownership of
5 the parklands to revert to the ASSOCIATION. AREA A is one of the parkland
6 properties that was conveyed in 1940 to the CITY.

7
8 **B. The Litigation Between the DISTRICT and the ASSOCIATION over**
9 **Lots C and D and the Land Use Restrictions**

10 12. The DISTRICT obtained two lots from the ASSOCIATION by way of a 1938
11 Grant Deed known as “Lots C & D” of Tract 7331. The 1938 Grant Deed include
12 restrictions that the subject real property, Lots C and D, are zoned for open space and
13 include a right of reversion in favor of the ASSOCIATION if the property is not used in
14 compliance with deed restrictions.

15 13. On February 1, 2010, the District filed a lawsuit against the CITY and
16 ASSOCIATION seeking, among other things, a declaration that the land use restrictions for
17 Lots C and D were no longer enforceable, *Palos Verdes Peninsula Unified School District v. Palos*
18 *Verdes Homes Association*, Los Angeles Superior Court Case No. BC431020 (the “District
19 Lawsuit.”)

20 14. On September 22, 2011, the Los Angeles Superior Court entered judgment in
21 favor of the ASSOCIATION and found that the land use restrictions contained in the 1925
22 Grant Deed remain enforceable. The Court specifically found that Declaration No. 1,
23 Declaration No. 21, the 1925 restrictions and the 1938 restrictions all remain enforceable. A
24 true and correct copy of the September 22, 2011 judgment entered in the District Lawsuit is
25 attached hereto and incorporated herein as Exhibit “3.”

26 15. After trial, the ASSOCIATION brought an unsuccessful motion for attorney’s
27 fees.

28 16. On November 21, 2011, the DISTRICT appealed the judgment. Thereafter,

1 the ASSOCIATION filed a cross-appeal concerning the denial of its attorney's fee motion.

2

3 **C. The Unlawful Encroachment on AREA A**

4 18. The PANORAMA PROPERTY is located at the end of a cull-du-sac and is
5 adjacent to AREA A. AREA A is located to the west of the PANORAMA PROPERTY.
6 THE PANORAMA PROPERTY OWNERS and/or the AREA A RECIPIENTS have
7 encroached on AREA A by erecting illegal improvements on parkland. These improvements
8 include landscaping, a baroque wrought-iron gate with stone pillars and lion statues, a
9 winding stone driveway, dozens of trees (some of which are as high as 50 feet), a gazebo, a
10 now-overgrown athletic field half the size of a football field, a 21-foot-high retaining wall and
11 other retaining walls. In addition to erecting improvements, the PANORAMA PROPERTY
12 OWNERS and/or the AREA A RECIPIENTS have also unlawfully encroached the CITY's
13 easement by erecting improvements too close to the street.

14 19. These improvements are in violation of the land use restrictions that AREA A
15 be used for public parks and not for the private, exclusive use of the PANORAMA
16 PROPERTY OWNERS and/or the AREA A RECIPIENTS.

17

18 **D. The Settlement**

19 20. By May 2012, the following disputes existed: a) The ASSOCIATION wanted
20 to appeal the denial of its motion for attorney's fees; b) the DISTRICT wanted to appeal the
21 judgment entered against it concerning the restricted use of Lots C and D; and c) the
22 PANORAMA PROPERTY OWNERS and/or the AREA A RECIPIENTS wanted to
23 obtain after the fact approval for its past unlawful improvements and approval for future
24 improvements.

25 21. To resolve these disputes, the parties entered into a Memorandum of
26 Understanding ("MOU") which accomplished the following:

- 27 a) Lots C and D reverted to the ASSOCIATION;
28 b) The ASSOCIATION swapped Lots C and D for AREA A with the CITY;

- 1 c) The ASSOCIATION conveyed AREA A to the AREA A RECIPIENTS for a
- 2 purchase price of \$500,000;
- 3 d) The ASSOCIATION paid the CITY \$100,000;
- 4 e) The DISTRICT and ASSOCIATION dismissed their appeals allowing the
- 5 judgment in the District Lawsuit to be final;
- 6 f) THE PANORAMA PROPERTY OWNERS donated \$1.5 million to the
- 7 DISTRICT; and
- 8 g) The CITY obtained the DISTRICT's agreement that the DISTRICT would
- 9 not attempt to sell or use for residential purposes other properties within the
- 10 CITY that are similarly restricted as Lots C and D.

11 22. A true and correct copy of the MOU is attached hereto and incorporated
12 herein as Exhibit "4."

13
14 **D. The Aftermath of the Settlement**

15 23. Following the execution of the MOU, the parties executed deeds to effectuate
16 the settlement. By quitclaim deed recorded September 5, 2012, Instrument Number
17 20121327414, AREA A was conveyed from the CITY to the ASSOCIATION. By grant
18 deed recorded September 5, 2012, Instrument Number 20121327415, the ASSOCIATION
19 conveyed AREA A to the AREA A RECIPIENTS. This grant deed states in paragraph 2
20 that although AREA A is to remain open space "it is the intent of the parties....that [AREA
21 A RECIPIENTS] may construct any of the following: a gazebo, sports court, retaining wall,
22 landscaping, barbeque, and/or any other uninhabitable 'accessory structure.' The grant deed
23 also acknowledged at paragraph 10 the existence of the protective covenants restricting the
24 land use for AREA A.

25 24. On February 19, 2013, the CITY's planning commission heard and denied the
26 PANORAMA PROPERTY OWNERS' application to re-zone and obtain after the fact
27 approval for the illegal improvements to AREA A. On March 12, 2013, the City Council
28 likewise heard the re-zoning and permit application. On March 12, 2013, the City Council

1 took no action but instead instructed staff to review the matter further. The CITY is
2 scheduled to re-visit the issue on May 21, 2013. CEPC is informed, believes, and thereon
3 alleges that the CITY is contemplating a spot-zoning solution (i.e. creating a so-called Private
4 Open Space land use designation) for AREA A.

5
6 **FIRST CAUSE OF ACTION**

7 **(For Declaratory Relief against all parties)**

8 25. CEPC re-alleges and incorporates by reference the preceding paragraphs as
9 though fully set forth.

10 26. CEPC contends as follows:

11 a) Portions of the MOU are illegal and unenforceable to the extent that
12 they purport to authorize the conveyance of AREA A to THE AREA A
13 RECIPIENTS in violation of the land use restrictions established in 1925 and
14 confirmed by subsequent deeds in 1938, 1940 and 2012 and by way of the judgment
15 entered in the District Lawsuit;

16 b) The quitclaim deed and grant deeds dated September 5, 2012, on their
17 face, contemplate a present and future use for AREA A in violation of the land use
18 restrictions. Specifically, they contemplate that AREA A would be used exclusively
19 for the benefit of THE PANORMA PROPERTY OWNERS and/or the AREA A
20 RECIPIENTS in violation of the requirement that the property "be used and
21 administered forever for park and/or recreation purposes...for the benefit" of CITY
22 residents.

23 c) The effect of the attempted conveyance on September 5, 2012 was to
24 trigger the reversion of title to AREA A back to the ASSOCIATION;

25 d) The ASSOCIATION has the right and affirmative duty to enforce its
26 reversion rights to AREA A;

27 e) The CITY and ASSOCIATION have the right and affirmative duty to
28 enforce the land use restrictions and use all legal means to compel the applicable

1 property owners to remove the illegal improvements from AREA A, require AREA A
2 to be restored to its prior state before improvements were made and prevent unlawful
3 encroachment into the CITY's easement; and

4 f) Those portions of the MOU that purport to authorize a conveyance of
5 Area A in violation of its land use restrictions are unenforceable;

6 27. CEPC is informed, believes and thereon alleges that the DISTRICT, the CITY,
7 the ASSOCIATION, the PANAROMA PROPERTY OWNERS; and the AREA A
8 RECIPIENTS all dispute the contentions set forth in the preceding paragraph.

9 28. Pursuant to Code of Civil Procedure section 1060, an actual controversy exists
10 among the parties herein as to the enforceability of the MOU, the right of reversion of
11 AREA A to the ASSOCIATION and the right and duty of the CITY and ASSOCIATION
12 to enforce the land use restrictions for the improvements on AREA A.

13 29. CEPC seeks a judicial declaration that:

14 a) Those portions of the MOU that purport to authorize a conveyance of
15 AREA A are illegal and unenforceable because they purport to authorize the
16 conveyance of AREA A to THE AREA A RECIPIENTS in violation of the land use
17 restrictions established in 1925 and confirmed by subsequent deeds in 1938, 1940 and
18 2012 and by way of the judgment in the District Lawsuit;

19 b) The quitclaim deed and grant deeds dated September 5, 2012, on their
20 face, contemplated a use for AREA A in violation of the land use restrictions.
21 Specifically, they contemplated that AREA A would be used exclusively for the
22 benefit of THE PANORMA PROPERTY OWNERS and/or the AREA A
23 RECIPIENTS in violation of the requirement that the property "be used and
24 administered forever for park and/or recreation purposes...for the benefit" of CITY
25 residents.

26 c) The effect of the attempted conveyance on September 5, 2012 was to
27 trigger the reversion of title to AREA A back to the ASSOCIATION;

28 d) The CITY and ASSOCIATION have the right and affirmative duty to

1 enforce the land use restrictions and use all legal means to compel the applicable
2 property owners to remove the illegal improvements from AREA A, require AREA A
3 to be restored to its prior state before improvements were made and prevent unlawful
4 encroachment into the CITY's easement;

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

7 f) Those portions of the MOU that purport to authorize a conveyance of
8 AREA A in violation of the applicable land use restrictions are unenforceable.

9

10 **SECOND CAUSE OF ACTION**

11 **(for Waste of Public Funds/Ultra Vires Actions against the CITY)**

12 30. CEPC re-alleges and incorporates by reference the preceding paragraphs as
13 though fully set forth.

14 31. Code of Civil Procedure section 526a authorizes an action for injunctive and
15 declaratory relief to restrain and prevent ultra vires acts of government and waste of public
16 funds.

17 32. The CITY's participation in the MOU and the September 2, 2012 deeds was an
18 ultra vires act because they violate the land use restrictions described in paragraph 11 above.
19 Moreover, the contemplated threatened spot zoning or other legislative solution to achieve
20 after the fact permission for the existing and proposed additional AREA A improvements are
21 also ultra vires.

22 33. CEPC is informed, believes thereon alleges that substantial attorney and staff
23 time has been devoted in the past and will continue to be devoted in the future to craft a
24 solution to enable the AREA A RECIPIENTS to erect and maintain illegal improvements on
25 AREA A. Public funds have been used and will continue to be used to fund these illegal
26 efforts.

27 ///

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THIRD CAUSE OF ACTION

(for Peremptory Writ of Mandate against the CITY and ASSOCIATION)

34. CEPC re-alleges and incorporates by reference the preceding paragraphs as though fully set forth.

35. Code of Civil Procedure section 1085, subdivision (a) provides:

A writ of mandate may be issued by any court to any inferior tribunal, corporation, board, or person, to compel the performance of an act which the law specially enjoins, as a duty resulting from an office, trust, or station, or to compel the admission of a party to the use and enjoyment of a right or office to which the party is entitled, and from which the party is unlawfully precluded by that inferior tribunal, corporation, board, or person.

36. The CITY and ASSOCIATION are each inferior bodies within the meaning of Section 1085.

37. The ASSOCIATION has the clear, present and ministerial right and affirmative duty to enforce its reversionary rights to AREA A.

38. The CITY and ASSOCIATION have the clear, present and ministerial right and affirmative duty to enforce the land use restrictions and use all legal means to remove the illegal improvements from AREA A and to restore AREA A to the state it was in prior to the unlawful use by the AREA A RECIPIENTS and the PANOROMA PROPERTY OWNERS.

39. Although the CITY and ASSOCIATION have the discretion to elect the means to discharge their respective duties, they do not have the discretion to disclaim responsibility in its entirety.

40. CEPC has a beneficial interest in the issuance of a peremptory writ of mandate so that its members and other similarly situated taxpayers are not deprived of their right to see the law obeyed, the land use restrictions enforced and the right of reversion enforced. CEPC and its members have no plain, speedy, or adequate remedy in the ordinary course of law to ensure that the law is obeyed, the land use restrictions enforced and the right of reversion for AREA A is enforced.

BROEDLOW LEWIS LLP
www.BroedlowLewis.com

1 **PRAYER FOR RELIEF**

2 WHEREFORE, CEPC prays for judgment as follows:

3 1. For a judicial declaration that:

4 (a) Those portions of the MOU that authorize a conveyance of AREA A
5 to the AREA A RECIPIENTS and a use of AREA A in violation of applicable land use
6 restrictions are illegal, void and of no legal effect;

7 (b) The purported conveyances of AREA A from the CITY to the
8 ASSOCIATION and the ASSOCIATION to the AREA A RECIPIENTS via Instrument
9 Numbers 20121327414 and 20121327415 recorded September 5, 2012 are illegal, void and of
10 no legal effect and/or triggered the reversion of title to AREA A back to the
11 ASSOCIATION;

12 (c) The CITY and ASSOCIATION have the right and affirmative duty to
13 enforce the land use restrictions and must use all legal means to remove the illegal
14 improvements from AREA A; and

15 (d) This litigation vindicated an important public right;

16 2. For an order enjoining all defendants and real parties hereto from executing
17 further documents purporting to convey AREA A to the AREA A RECEIPIENTS and/or
18 the PANORAMA PROPERTY OWNERS;

19 3. For an order enjoining all defendants and real parties hereto from enacting
20 ordinances authorizing the erection and maintenance of improvements on AREA A;

21 4. For an order enjoining the CITY from spending public funds on efforts to
22 allow for after the fact approval of the improvements on AREA A;

23 5. For a peremptory writ of mandate directing the ASSOCIATION to enforce its
24 reversionary rights to AREA A;

25 6. For a peremptory writ of mandate directing the CITY and ASSOCIATION to
26 enforce the land use restrictions and use all legal means to remove the illegal improvements
27 from AREA A, including restoration of AREA A to its prior state and precluding
28 encroachment into CITY easements;

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- 7. For an award of costs and attorney's fees as allowed by law; and
- 8. For such other and further relief as the Court may deem just and proper.

DATED: May 9, 2013

BROEDLOW LEWIS LLP

By: 
Jeffrey Lewis

Attorneys for Plaintiff and Petitioner
CITIZENS FOR ENFORCEMENT OF
PARKLAND COVENANTS

BROEDLOW LEWIS LLP
www.BroedlowLewis.com

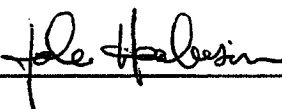
VERIFICATION

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I, John Harbison, am a member of CITIZENS FOR ENFORCEMENT OF PARKLAND COVENANTS and am authorized to execute this verification on its behalf. I have read the foregoing petition and 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 May 9, 2013 at Palos Verdes Estates, California.



John Harbison

BROEDLOW LEWIS LLP
www.BroedlowLewis.com

EXHIBIT 1

Tract 6888 and Tract 7331
LUNADA BAY

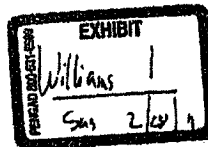
PROTECTIVE RESTRICTIONS PALOS VERDES ESTATES

LOS ANGELES
CALIFORNIA



BANK OF AMERICA, Trustee

HENRY CLARKE, Director of Sales
501 LANE MORTGAGE BUILDING
LOS ANGELES, CALIF.



PVHA001

Tract 6888 and Tract 7331
LUNADA BAY

PROTECTIVE
RESTRICTIONS
PALOS VERDES
ESTATES

LOS ANGELES
CALIFORNIA



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

OLMSTED BROTHERS, *Directors of Design*
CHAS. H. CHENEY, *Consultant in City Planning*

PVHA002

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.

PVHA003

The experience of many of the finest residential tracts in other large American metropolitan areas has clearly demonstrated the advantage of the adoption of such protective restrictions as will promote and safeguard the attractiveness and desirability of residential neighborhoods.

In preparing the restrictions for Palos Verdes Estates, the project has been guided by the experience of many years in these other parts of the country; by the counsel and advice of Olmsted Brothers of Brookline, Massachusetts, the foremost landscape architects in this country; by Charles H. Cheney, nationally known Consultant in city planning; and by the experience of an able staff of architects, landscape architects, engineers and city planners.

In thus taking advantage of the best experience of the country and adapting it to the special conditions of site, climate and residential ideals of Palos Verdes Estates it is believed that the protective restrictions here worked out are the best that have been yet devised for any American community, and will result in making Palos Verdes not only the most beautiful and attractive residential city in California, but one of the finest and most notable in any part of this country or abroad.

On account of the large extent of Palos Verdes Estates, the varying character of the property, the great number and wide range in location, size, slope and outlook of the lots, the declarations of restrictions taken as a whole may seem to be somewhat complex. The fact is, however, that the restrictions and conditions relating to any one lot are quite simple, and may be easily summarized.

Briefly, their main features are as follows:

Marking a greater step forward in the time that the protections will last than any other residential development in Southern California, is the provision of the Palos Verdes restrictions extending their life over a period of 37 years, or until 1960, with automatic extension for successive 20-year periods thereafter unless then changed by two-thirds of the property owners. Although the protection of such long time restrictions is most desirable the conditions surrounding property are subject to somewhat rapid change in a section so fast growing as Southern California, and hence a term as long as the above would be unsafe except for the provision

which has been included providing a means by which the zoning and local restrictions as to any lot may be modified with the approval of the owners of two-thirds of the property within 300 feet of the proposed change, and of Palos Verdes Homes Association and the Art Jury.

One important feature of the restrictions is that which requires an open or free space on each side of every dwelling, the extent of which varies with the location and the width of the lot. This assures the maintenance of a bright, open, sunshiny neighborhood for each dwelling, with a maximum of light and air, and avoids that unpleasant jamming of one house against another, which has spoiled so many residential developments.

The building set-back requirements from the street have been carefully worked out with the idea of maintaining views and increasing the architectural perspective. The average set-back is 20 to 30 feet, varying in different tracts according to the kind and type of house best suited to that location. For fire protection a set-back from rear lot lines is also required. All set-backs have been much modified where the lots are shallow or on hillsides where it is difficult to get into the buildings unless they are near to the street.

Not more than one house may be built on any building site which is zoned for single-family dwellings, nor may any building site be re-subdivided. In some cases, however, large lots have been designated as including more than one building site.

Palos Verdes is, of course, primarily a high class residential city in which over 90 per cent of all lots are restricted to one-family houses. No flats, apartments, duplexes, house-courts or stores are permitted in the single-family neighborhoods, but only at very limited convenient centers where they have been designed to be as much out of the way of the strictly home neighborhoods as possible. The four principal communities of Malaga Cove, Lunada Bay, Valmonte and Miraleste have as a matter of convenience reasonably small business centers, about two miles apart, where a few blocks of necessary stores, garages and service stations may be located. Adjoining them are some blocks open to apartment houses, hotels and house-courts. But the number and kind of these buildings have been

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strictly limited, and the project will control their architectural design in such a way as to make them distinctive, attractive and convenient without in any way detracting from, but rather supplementing, the fine and extensive residential neighborhood surrounding them.

There are also established as a matter of convenience additional small business building groups at local centers about a mile apart, as at Monte Malaga, Zurita, Margate, etc., to serve areas that would otherwise be inconveniently far from a neighborhood store and market.

Industries, asylums, or nuisance businesses are prohibited in all parts of the Estates.

No billboards, advertising signs or "For Sale" signs can be erected in Palos Verdes, and the few store and business signs necessary must meet with the approval of the Art Jury.

The character of the property is such as to preclude the keeping of live stock, which includes rabbits, pigeons, chickens and other poultry, except where there is no residence within a considerable distance when they may be allowed in special cases, for private use only, by a special permit from the Palos Verdes Homes Association. Likewise, on the larger lots, a special permit may also be given for the keeping of horses and cows.

No outhouses, private garages or tents may be erected prior to the erection of the dwelling house or principal building on the lot.

The minimum cost of houses that may be erected ranges from a fairly low amount in areas where there are cheaper lots to considerably higher restrictions along the ocean bluffs and at special points, the amount being determined by the size, value and neighborhood of the lot.

But more important than any specific requirement as to the minimum cost of houses is the provision in the restrictions for the approval by Palos Verdes Homes Association and the Art Jury of the plans and specifications of all buildings prior to the beginning of construction, and of inspection during construction. This will be done from

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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 Department 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 and 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.

The Association is governed by a Board of five directors elected by the members. Each purchaser on receiving his deed or contract of sale automatically becomes a member of this Association and entitled to vote.

One of the greatest difficulties in starting new communities outside of an incorporated city is to bridge the gap of time from the beginning of the project until there are enough people under state law to organize the ordinary forms of government, and to employ the necessary help to keep up streets, parks and playgrounds, and to look after other community interests such as fire protection, secure the necessary watchmen and police, collect garbage, and the like. In smaller projects the selling company often provides a temporary paternalistic interest, which unfortunately, however, often later requires concessions for the sake of making sales that are not always to the greatest common good. To avoid all such difficulties Palos Verdes Homes Association and the Art Jury have been legally constituted under the restrictions, as perpetual bodies to carry out and look after, from the beginning, the best interests and highest ideals of the purchasers.

They will take care of the common and private parks, parking strips on the streets, sidewalk planting, etc.; see that vacant lots are kept free from weeds and rubbish; supervise the ornamental lighting features; care for and maintain club houses, tennis courts, golf courses or any other recreation features that the members may desire; arrange with county authorities for the upkeep of streets, fire and police protection; and otherwise co-operate with all authorities to assure the greatest common welfare to all residents and owners in Palos Verdes.

In order to defray the expenses necessary to properly maintain and fulfill the purposes of the Association, an annual tax or assessment will be levied by the officers on all lots which have been subdivided and legally filed of record in Palos Verdes, including those owned by the Project. This tax or assessment is limited so as never to exceed the rate of the old City of Los Angeles, and is established on the assessed valuations of the County Assessor.

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PVHA008

While this maintenance charge will naturally be only made large enough to produce as much as is required for the proper upkeep of the property, and may in some years be considerably less than Los Angeles City taxes, the maximum has been established sufficiently large that the Association may have means for making an equitable assessment should residents and property owners desire further playground equipment, community meeting houses or other common improvements.

The Art Jury and the Palos Verdes Homes Association exist solely for the common benefit of all property owners in the Estates and should be made use of by them to bring about the most attractive, convenient and satisfactory development possible.

Owners expecting to build should instruct their architects to secure copies of the printed building code and other regulations from the Secretary of the Palos Verdes Homes Association, 504 Lane Mortgage Building, Los Angeles, or at Hotel Redondo, Redondo Beach, and to submit preliminary sketches to the Art Jury for approval in advance of starting working drawings. A building permit, such as is usually required in every incorporated city, is necessary before any construction can be commenced, signed by the Building Commissioner of Palos Verdes Homes Association and the Secretary of the Art Jury.

A complete printed copy of the restrictions of record for each tract will be furnished when contracts of sale or deeds are signed, or can be had upon application to Henry Clarke, Director of Sales, 501 Lane Mortgage Building, Los Angeles.

DECLARATION NO. 8* OF ESTABLISHMENT

OF

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

TRACT 6888--LUNADA BAY--PALOS VERDES ESTATES

WHICH IS SITUATED IN THE COUNTY OF LOS ANGELES

IN THE STATE OF CALIFORNIA

DATED, AUGUST 15, 1924

FILED OF RECORD, SEPTEMBER 6, 1924, IN UCOR 3443, PAGE 209 ET SEQ., OF OFFICIAL RECORDS
OF LOS ANGELES COUNTY

DECLARATION, made this 15th day of August, 1924, 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 No. 6888 of said County, as per Map recorded July 16, 1924, in Book 100, pages 67 to 72 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 6888 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 6888, 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 tracts 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 here 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:

* Here-Declaration No. 8 and Declaration No. 1 (which is quoted following it) are supplementary, both applying to property in Tract 6888.

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PVHAD10

USES OF PROPERTY 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:

CLASS A DISTRICTS All of the unnumbered lots and blocks of said Tract 6558 not otherwise established or classified in this section.

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

In Block 2211, Lots 11 to 16 inclusive;
In Block 2212, Lots 10 to 14, inclusive.

CLASS C-1 DISTRICTS (c) 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:

In Block 2210, Lot 1;
In Block 2205, Lots 2 and 3;
In Block 2216, Lots 1 to 5 inclusive, and Lots 7 to 12 inclusive;
In Block 2217, Lots 1 to 5 inclusive;
In Block 2221, Lots 1 to 4 inclusive;
In Block 2225, Lots 1 to 6 inclusive;
In Block 2226, Lots 15 to 19 inclusive;
In Block 2218, Lot 6, and Lots 10 to 12 inclusive.

CLASS C-2 DISTRICTS (d) The following lots and portions of said tract are hereby established as Residence Districts of Class C-2, as defined and limited in said Declaration No. 1:

In Block 2205, Lots 6 to 9 inclusive;
In Block 2210, Lots 10 to 14 inclusive;
In Block 2211, Lots 29 to 35 inclusive;
In Block 2213, Lots 8 to 9 inclusive;
In Block 2214, Lots 2 to 4 inclusive, and Lots 10 to 13 inclusive;
In Block 2216, Lots 6 to 8 inclusive;
In Block 2217, Lots 6 to 14 inclusive;
In Block 2218, Lots 1 to 6 inclusive;
In Block 2221, Lots 5 to 7 inclusive;
In Block 2222, Lots 1 to 5 inclusive, and Lot 8;
In Block 2223, Lots 5 and 6, and Lots 15 to 17 inclusive;
In Block 2225, Lot 12;
In Block 2226, Lots 9 to 14 inclusive.

CLASS C-3 DISTRICTS (e) The following lots and portions of said tract are hereby established as Residence Districts of Class C-3, as defined and limited in said Declaration No. 1:

In Block 2213, Lots 1 and 2;
In Block 2214, Lots 6 to 9 inclusive, and Lots 14 to 17 inclusive;
In Block 2221, Lots 8 to 10 inclusive;
In Block 2225, Lots 7 to 10 inclusive;
In Block 2226, Lots 1 to 3 inclusive;
In Block 2217, Lots 1 to 10 inclusive;
In Block 2218, Lots 1 to 3 inclusive, and Lots 8 to 9 inclusive.

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

In Block 2203, Lots 1 and 4 and 5;
In Block 2214, Lot 1;
In Block 2217, Lots 15 and 16;
In Block 2218, Lot 7, and Lots 13 to 17 inclusive;
In Block 2219, Lots 3 to 5 inclusive, and Lots 11 and 12;
In Block 2222, Lots 9 to 11 inclusive;
In Block 2223, Lots 1 to 4 inclusive;
In Block 2224, Lots 5 to 7 inclusive, and Lots 10 to 13 inclusive.

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

In Block 2223, Lots 7 to 12 inclusive;
In Block 2224, Lots 1 and 2.

(h) 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, D, E, F, G and H;
Block 2227, Lot 1.

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

In Block 2218, Lots 8 to 13 inclusive;
In Block 2219, Lots 1 and 2, and Lots 6 to 10 inclusive, and Lots 13 to 16 inclusive;
In Block 2222, Lots 4 to 7 inclusive;
In Block 2223, Lots 13 and 14;
In Block 2224, Lots 3, 4, 9 and 9.

Section 2. (a) All of said lots in Residence Districts of Classes A or B are hereby established in a 2 1/4-Story Height District, as defined and limited in said Declaration No. 1.

(b) All lots in said tract established in Residence Districts of Classes C-1, C-2 and C-3 and Business and Public Use Districts of Classes D, E, F and H are hereby established as 3-Story Height Districts, provided that structures on lots in Class F devoted to park or other public purposes may be built to such greater height as may be approved by the Park Department of Palos Verdes Homes Association and the Art Jury, subject to provisions of Section 22, Article IV, of said Declaration No. 1; and provided further that a structure for hotel purposes on Lot 1 in Block 2210 may be erected, constructed, altered or maintained in such parts only of said structure as may be approved in writing by the Art Jury, with an additional story in height, making four (4) stories in all, above the basement,

CLASS E DISTRICTS

CLASS F DISTRICTS

CLASS H DISTRICTS

BUILDING HEIGHT LIMITS 2 1/4-STORY HEIGHT LIMITS

3-STORY HEIGHT LIMITS

provided said basement is not occupied for habitation purposes

TYPE I ARCHITECTURE DISTRICTS Section 3. (a) The following lots of said tract are hereby established as Type I Architecture Districts, as defined and limited in said Declaration No. 1; provided that the main roof of all structures erected, constructed, altered or maintained in Type I Architecture Districts in said tract shall be of limited clay tile or slate approved by the Art Jury:

In Block 2210, Lot 1;
In Block 2211, Lots 1 to 6 inclusive, and Lots 9 and 10;
In Block 2205, Lots 10 to 15 inclusive;
In Block 2210, Lots 1 to 4 inclusive, and Lots 13 to 18 inclusive;
In Block 2211, Lots 11 to 16 inclusive;
In Block 2212, Lots 1 to 5 inclusive, and Lots 10 to 14 inclusive;
In Block 2216, Lots 1 to 5 inclusive, and Lots 11 and 12;
In Block 2217, Lots 1 to 5 inclusive;
In Block 2225, Lots 2 to 6 inclusive;
In Block 2226, Lots 15 to 19 inclusive;
In Block 2218 Lot 4, and Lots 10 to 12 inclusive.

TYPE III ARCHITECTURE DISTRICTS (b) The following lots of said tract are hereby established as Type III Architecture Districts, as defined and limited in said Declaration No. 1:
In Block 2211, Lots 7 and 8;
In Block 2210, Lot 19;
In Block 2211, Lots 17 to 23 inclusive.

TYPE IV ARCHITECTURE DISTRICTS (c) All of said tract, except as otherwise provided in this section, is hereby established as a Type IV Architecture District, as defined and limited in said Declaration No. 1.

MINIMUM COST OF BUILDINGS 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 2110, Lot 1, \$250,000.
In Block 2113, Lots 1 to 6 inclusive, \$20,000.
Lot 7 and 8, \$10,000.
Lots 9 and 10, \$20,000.
Lots 11 to 17 inclusive, \$10,000.
In Block 2205, Lot 1, \$15,000.
Lots 2 to 8 inclusive, \$17,000.
Lot 9, \$15,000.
Lots 10 to 15 inclusive, \$5,000.
In Block 2210, Lots 1 to 4 inclusive, \$4,000.
Lots 5 to 9 inclusive, \$10,000.
Lot 10, \$15,000.
Lots 11 to 13 inclusive, \$12,000.
Lot 14, \$15,000.

Lots 16 to 18 inclusive, \$8,000.
Lot 19, \$10,000.
In Block 2211, Lots 1 to 10 inclusive, \$10,000.
Lots 11 to 16 inclusive, \$15,000.
Lot 17, \$10,000.
Lots 18 to 20 inclusive, \$8,000.
Lots 21 to 28 inclusive, \$10,000.
Lot 29, \$12,000.
Lot 30, \$15,000.
Lots 31 to 34 inclusive, \$13,000.
Lot 35, \$15,000.
In Block 2212, Lots 1 to 5 inclusive, \$20,000.
Lots 6 to 9 inclusive, \$10,000.
Lots 10 to 15, inclusive, \$15,000.
In Block 2213, Lot 1, \$12,000.
Lot 2, \$10,000.
Lot 3, \$15,000.
Lot 4, \$12,000.
Lots 5 and 6, \$12,000.
Lots 7 to 9 inclusive, \$12,000.
In Block 2214, Lots 1 and 2, \$15,000.
Lot 3, \$12,000.
Lots 4 to 9 inclusive, \$15,000.
Lots 10 to 12 inclusive, \$13,000.
Lot 13, \$18,000.
Lots 14 to 17 inclusive, \$10,000.
In Block 2216, Lots 1 to 6 inclusive, \$15,000.
Lots 7 and 8, \$12,000.
Lot 9, \$15,000.
Lots 10 to 12 inclusive, \$20,000.
In Block 2217, Lots 1 to 6 inclusive, \$12,000.
Lot 7, \$14,000.
Lot 8, \$12,000.
Lot 9, \$15,000.
Lots 10 to 14 inclusive, \$12,000.
Lot 15, \$15,000.
Lot 16, \$15,000.
In Block 2218, Lot 1, \$15,000.
Lots 2 to 6 inclusive, \$13,000.
Lot 7, \$15,000.
Lot 8, \$12,000.
Lots 9 to 14 inclusive, \$10,000.
Lot 15, \$20,000.
Lots 16 and 17, \$12,000.
In Block 2219, Lots 1 and 2, \$10,000.
Lot 3, \$20,000.
Lot 4, \$15,000.
Lot 5, \$25,000.
Lots 6 to 10 inclusive, \$15,000.
Lots 11 and 12, \$20,000.
Lots 13 to 16 inclusive, \$18,000.
In Block 2221, Lot 1, \$15,000.
Lots 2 to 4 inclusive, \$10,000.
Lots 5 and 6, \$12,000.
Lot 7, \$15,000.
Lots 8 and 9, \$10,000.
Lot 10, \$15,000.
In Block 2222, Lots 1 and 2, \$12,000.
Lot 3, \$15,000.
Lot 4, \$10,000.
Lot 5, \$15,000.
Lots 6 and 7, \$10,000.
Lot 8, \$20,000.
Lot 9, \$15,000.
Lot 10, \$12,000.
Lot 11, \$15,000.
In Block 2223, Lot 1, \$12,000.
Lot 2, \$15,000.
Lots 3 to 6 inclusive, \$10,000.
Lot 7, \$20,000.
Lots 8 to 10 inclusive, \$15,000.
Lots 11 and 12 together, \$25,000.
Lot 13, \$10,000.

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- Lot 14, \$15,000.
- Lots 15 and 16, \$10,000.
- Lot 17, \$20,000.
- In Block 2224, Lots 1 to 3 inclusive, \$10,000.
- Lots 4 to 10 inclusive, \$15,000.
- Lots 11 and 12, \$25,000.
- Lot 13, \$50,000.
- In Block 2225, Lots 1 to 3 inclusive, \$50,000.
- Lots 4 to 7 inclusive, \$15,000.
- Lot 8, \$12,000.
- Lots 9 and 10, \$10,000.
- Lot 11, \$50,000.
- In Block 2236, Lot 1, \$15,000.
- Lots 2 to 8 inclusive, \$10,000.
- Lots 9 to 19 inclusive, \$15,000.
- In Block 2317, Lot 1, \$15,000.
- Lots 2 to 8 inclusive, \$10,000.
- Lot 9, \$12,000.
- Lots 10 to 12 inclusive, \$15,000.
- In Block 2318, Lot 1, \$12,000.
- Lots 2 and 3, \$10,000.
- Lot 4, \$20,000.
- Lots 5 to 12 inclusive, \$15,000.

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 2110** Lot 1 not less than one hundred (100) feet from any boundary line of said lot and not more than seven hundred (700) feet from Paseo del Mar.
- IN BLOCK 2111** Lot 1 not less than thirty-five (35) feet from Paseo del Mar.
- Lots 2 to 5 inclusive, not less than fifty (50) feet from Paseo del Mar.
- Lot 6 not less than sixty-five (65) feet from Paseo del Mar and not less than twenty (20) feet from Oakley Road.
- Lot 7 not less than thirty (30) feet from Yarmouth Road and not less than fifteen (15) feet from Chelsea Road, and not less than thirty (30) feet from the cut-off corner of their intersection.
- Lot 8 not less than thirty (30) feet from Yarmouth Road.
- Lot 9 not less than thirty (30) feet from Yarmouth Road and from Paseo del Mar.
- Lot 10 not less than thirty (30) feet from Yarmouth Road and not less than thirty-five (35) feet from Paseo del Mar.
- Lots 11 to 14 inclusive, not less than twenty-five (25) feet from Chelsea Road.
- Lot 15 not less than twenty-five (25) feet from Chelsea Road and not less than ten (10) feet from the south line of said lot.
- Lot 16 not less than forty (40) feet from Oakley Square.
- Lot 17 not less than forty (40) feet from Oakley Square and not less than ten (10) feet from Oakley Road.
- IN BLOCK 2205** Lots 2 and 3 not less than ten (10) feet from Yarmouth Road.
- Lots 4 to 6 inclusive, not less than five (5) feet from Via Anacapa.
- Lot 7 not less than five (5) feet from Via Anacapa and Via Pacheco.
- Lots 10 to 12 inclusive, not less than twenty (20) feet from Yarmouth Road.

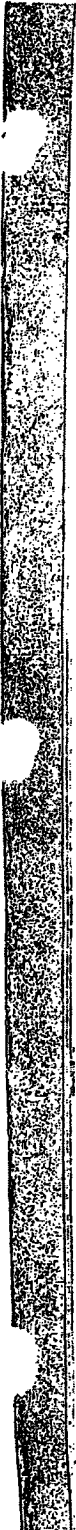
- Lot 13 not less than twenty (20) feet from Yarmouth Road and not less than ten (10) feet from Via Pacheco, and not less than twenty (20) feet from the cut-off corner of their intersection.
- Lots 14 and 15 not less than twenty (20) feet from Via Pacheco.
- Lots 1 to 4 inclusive, not less than twenty (20) feet from Via Pacheco.
- Lots 5 to 8 inclusive, not less than twenty-five (25) feet from Thorley Place.
- Lot 9 not less than fifteen (15) feet from Thorley Place.
- Lot 10 not less than five (5) feet from Via Pacheco and Via Anacapa.
- Lots 11 to 13 inclusive, not less than five (5) feet from Via Anacapa.
- Lot 14 not less than five (5) feet from Via Anacapa and Thorley Place and from the cut-off corner of their intersection.
- Lot 15 not less than ten (10) feet from Via Pacheco and not less than thirty (30) feet from Yarmouth Road.
- Lots 16 to 18 inclusive, not less than thirty (30) feet from Yarmouth Road.
- Lot 19 not less than thirty (30) feet from Yarmouth Road and from the cut-off corner of its intersection with Thorley Place, and not less than fifteen (15) feet from Thorley Place.

IN BLOCK 2210

- Lots 1 and 2 not less than twenty-five (25) feet from Chelsea Road.
- Lot 3 not less than twenty-five (25) feet from Chelsea Road and not less than ten (10) feet from the north line of said lot.
- Lots 4 to 8 inclusive, not less than forty (40) feet from Oakley Square.
- Lot 9 not less than twenty (20) feet from Chelsea Road and not less than ten (10) feet from the north line of said lot.
- Lots 10 to 15 inclusive, not less than twenty (20) feet from Chelsea Road.
- Lot 16 not less than twenty (20) feet from Chelsea Road and not less than ten (10) feet from Via Baudini.
- Lot 17 not less than fifteen (15) feet from Thorley Place and not less than thirty (30) feet from Yarmouth Road and from the cut-off corner of their intersection.
- Lots 18 to 20 inclusive, not less than thirty (30) feet from Yarmouth Road.
- Lot 21 not less than thirty (30) feet from Yarmouth Road and from the cut-off corner of its intersection with Chelsea Road, and not less than fifteen (15) feet from Chelsea Road.
- Lot 22 not less than fifteen (15) feet from Thorley Place.
- Lots 23 to 27 inclusive, not less than twenty-five (25) feet from Thorley Place.
- Lot 28 not less than fifteen (15) feet from Thorley Place.
- Lot 29 not less than ten (10) feet from Thorley Place.
- Lot 30 not less than ten (10) feet from Thorley Place and Via Anacapa.
- Lots 31 to 34 inclusive, not less than five (5) feet from Via Anacapa.
- Lot 35 not less than five (5) feet from Via Anacapa and Via Baudini.

IN BLOCK 2211

IN BLOCK 22



IN BLOCK 2213

Lot 6 not less than ten (10) feet from Oakley Road and not less than forty (40) feet from Oakley Square;
Lot 7 not less than forty (40) feet from Oakley Square;
Lot 8 not less than twenty (20) feet from Chelsea Road and not less than ten (10) feet from the north line of said lot;
Lots 9 to 13 inclusive, not less than twenty (20) feet from Chelsea Road;
Lot 14 not less than twenty (20) feet from Chelsea Road and not less than ten (10) feet from Via Bandini.

IN BLOCK 2214

Lot 1 not less than five (5) feet from Via Bandini and Via Anacapa;
Lot 2 not less than five (5) feet from Via Bandini;
Lots 3 and 4 not less than five (5) feet from Via Anacapa;
Lot 5 not less than five (5) feet from Via Bandini and Via Anacapa;
Lot 6 not less than five (5) feet from Via Bandini and Via Anacapa;
Lots 7 to 9 inclusive, not less than five (5) feet from Via Anacapa.

IN BLOCK 2216

Lot 2 not less than five (5) feet from Granvia La Costa;
Lot 3 not less than five (5) feet from Via Anacapa;
Lots 4 to 8 inclusive, not less than five (5) feet from Granvia La Costa;
Lot 9 not less than five (5) feet from Granvia La Costa and Via Bandini;
Lots 10 to 12 inclusive, not less than five (5) feet from Via Anacapa;
Lot 13 not less than five (5) feet from Via Anacapa and Via Pacheco;
Lots 14 and 15 not less than five (5) feet from Via Bandini;
Lot 16 not less than five (5) feet from Via Pacheco and Via Bandini;
Lot 17 not less than five (5) feet from Via Pacheco.

IN BLOCK 2217

Lot 1 not less than five (5) feet from Via Bandini and not less than ten (10) feet from Chelsea Road;
Lots 2 to 4 inclusive, not less than fifteen (15) feet from Chelsea Road;
Lot 5 not less than ten (10) feet from Chelsea Road;
Lot 6 not less than five (5) feet from Chelsea Road and Avenida Mirala;
Lots 7 and 8 not less than five (5) feet from Avenida Mirala;
Lot 9 not less than ten (10) feet from Avenida Mirala;
Lot 10 not less than ten (10) feet from Avenida Mirala and Paseo del Mar and not less than fifteen (15) feet from the cut-off corner of their intersection;
Lot 11 not less than ten (10) feet from Paseo del Mar;
Lot 12 not less than ten (10) feet from Paseo del Mar and from the cut-off corner of its intersection with Via Bandini, and not less than five (5) feet from Via Bandini.

Lot 1 not less than five (5) feet from Via Bandini and not less than ten (10) feet from Chelsea Road;
Lots 2 to 4 inclusive, not less than fifteen (15) feet from Chelsea Road;
Lot 5 not less than ten (10) feet from Chelsea Road;
Lot 6 not less than five (5) feet from Chelsea Road and Avenida Mirala;

Lots 7 and 8 not less than five (5) feet from Avenida Mirala;
Lot 9 not less than five (5) feet from Via Bandini and Via Anacapa;
Lots 10 to 14 inclusive, not less than five (5) feet from Via Anacapa.

IN BLOCK 2218

Lot 1 not less than five (5) feet from Via Bandini and Via Anacapa;
Lots 2 to 4 inclusive, not less than five (5) feet from Via Anacapa.

IN BLOCK 2221

Lot 1 not less than ten (10) feet from Avenida Mirala;
Lot 2 not less than ten (10) feet from Avenida Mirala and Paseo del Mar and not less than fifteen (15) feet from Mirala Plaza;
Lot 3 not less than ten (10) feet from Paseo del Mar;
Lot 4 not less than ten (10) feet from Paseo del Mar and not less than five (5) feet from Via Pasa, and not less than ten (10) feet from the cut-off corner of their intersection;
Lots 5 and 6 not less than five (5) feet from Avenida Mirala;
Lot 7 not less than five (5) feet from Avenida Mirala and Chelsea Road;
Lots 8 and 9 not less than five (5) feet from Chelsea Road;
Lot 10 not less than five (5) feet from Chelsea Road and Via Pasa.

IN BLOCK 2222

Lots 1 and 2 not less than five (5) feet from Avenida Mirala;
Lot 3 not less than five (5) feet from Avenida Mirala and Chelsea Road;
Lot 4 not less than five (5) feet from Avenida Mirala, Via Anacapa, and Chelsea Road.

IN BLOCK 2223

Lots 5 and 6 not less than five (5) feet from Via Anacapa;
Lots 1E and 1G not less than five (5) feet from Via Estrada;
Lot 17 not less than five (5) feet from Via Anacapa, Anacapa Plaza and Via Estrada.

IN BLOCK 2225

Lot 1 not less than five (5) feet from Via Pasa and Paseo Lunado;
Lots 2 to 5 inclusive, not less than five (5) feet from Paseo Lunado;
Lot 6 not less than five (5) feet from Paseo Lunado and Anacapa Plaza;
Lot 7 not less than five (5) feet from Via Pasa and Chelsea Road;
Lot 8 not less than five (5) feet from Via Pasa;
Lots 9 and 10 not less than five (5) feet from Chelsea Road;
Lot 11 not less than five (5) feet from Chelsea Road, Anacapa Plaza and Anacapa Plaza.

IN BLOCK 2226

Lot 1 not less than five (5) feet from Via Estrada and Via Pacheco;
Lots 2 to 8 inclusive, not less than five (5) feet from Via Pacheco;
Lot 9 not less than five (5) feet from Via Estrada and Via Anacapa;
Lots 1A to 4 inclusive, not less than five (5) feet from Via Anacapa;
Lot 15 not less than five (5) feet from Via Anacapa and Paseo Lunado;
Lots 16 to 18 inclusive, not less than five (5) feet from Paseo Lunado;
Lot 19 not less than five (5) feet from Paseo Lunado and Via Pacheco.

IN BLOCK 2227

Lot 1 not less than thirty (30) feet from Anacapa Plaza and not less than twenty (20) feet from Via Anacapa, Paseo Lunado and Anacapa Plaza.

IN BLOCK 2317

Lot 1 not less than five (5) feet from Via Es-
trada and Via Pacheco;
Lot 2 to 5 inclusive not less than five (5) feet
from Via Pacheco;
Lot 6 not less than five (5) feet from Via Pa-
checo and Via Zamora;
Lot 7 not less than five (5) feet from Via Es-
trada and Granvia La Costa;
Lot 8 and 9 not less than five (5) feet from
Granvia La Costa;
Lot 10 not less than five (5) feet from Granvia
La Costa and Via Zamora.

IN BLOCK 2318

Lot 1 not less than five (5) feet from Via Za-
mora and Via Pacheco;
Lot 2 and 3 not less than five (5) feet from
Via Pacheco;
Lot 4 not less than five (5) feet from Via Pa-
checo and Paseo Luanda;
Lot 5 not less than five (5) feet from Via Za-
mora and Granvia La Costa;
Lots 6 to 11 inclusive, not less than five (5) feet
from Granvia La Costa;
Lot 12 not less than five (5) feet from Granvia
La Costa and Paseo Luanda;

provided that from and after January 1st,
1930, for all of said lots then existing in
Districts of Class C-2 and Class C-3, as de-
fined and limited in said Declaration No.
1, all the above established building set-
back lines shall, without further notice,
action or agreement, cease to be in force
or effect.

SET BACKS
FROM SIDE
LOT LINES

(b) On every lot in a residence district
of Class A there shall be left a free space
adjoining each of the side lot lines thereof,
extending the full depth of the lot; and no
building or part thereof, including porches,
except a private garage as provided in said
Declaration No. 1, and steps, balconies or
other architectural features approved by the
Art Jury, shall be erected, permitted or
maintained on or upon said free spaces of
any numbered lot in said tract. The width
of each of said free spaces, measured at any
point in the depth of the lot, shall be not
less than seven and one half (7½) feet plus
one-tenth (1/10) foot for each foot by
which the width of the lot at that point
exceeds fifty (50) feet up to a maximum
required width of free space of twenty (20)
feet; provided, however, that the width of
free space on one side of a lot may be re-
duced by not more than one-third (1/3) of
the width above required if the width of
the free space on the opposite side of the
lot is at all points greater than the width
above required by a proportionate amount.
Provided that the provisions of this section
shall not apply to the common lot line be-
tween lots used jointly as one building site
or as to which an approved party-wall agree-
ment exists as provided in paragraph (c)
of Section 27 of Article IV of said Declara-
tion No. 1.

If the width, or set-back lines of any lot
be difficult of determination by reason of its
irregular shape or otherwise, or, if the ex-
tent or location of the free spaces required
herein be uncertain, the Building Com-
missioner of Palos Verdes Homes Associa-
tion shall in all cases determine what are
to be deemed the width and set-back lines
of such lot and the extent and location of
such free spaces, and such determination in
respect thereto shall be final.

(c) Anything to the contrary herein
notwithstanding, the right and power is
expressly reserved to Bank of America and
its successors in interest, on account of the
irregular topography in said tract, the diffi-
culty of making garages accessible to the
street, and other unforeseen conditions
which may work undue hardship in certain
cases, to make by written agreement with
the owner or owners of any lot in said tract
reasonable variations in the set-back lines
herein established, provided said variations
are not, in the opinion of the Art Jury,
injurious or undesirable to the neighbor-
hood in which they occur, and the approval
of the Art Jury be given thereto in writing.

VARIATIONS IN
SET-BACK LINES

Section 6. (a) Easements and Rights of
Way are hereby specifically reserved to
Bank of America, its successors and assigns,
for the erection, construction, operation and
maintenance of:

EASEMENTS AND
RIGHTS OF WAY

(1) Poles, wires and conduits for the
transmission of electricity for lighting,
heating, power, telephone and other pur-
poses and for the necessary attachments
in connection therewith; and,

(2) Public and private sewers, storm
water drains, land drains and pipes, water
systems, water, heating and gas mains or
pipes; and,

(3) Any other method of conducting
and performing any public or quasi-pub-
lic utility service or function beneath the
surface of the ground.

(b) Such Easements and Rights of Way
are hereby specifically reserved on:

- (1) The rear five (5) feet of the fol-
lowing lots:
In Block 2111, Lots 7, 8, 9 and 10;
In Block 2205, Lots 2, 3, 12, 13, 14 and 15;
In Block 2210, Lots 1 to 9 inclusive, and Lots
15 to 19 inclusive;
In Block 2211, Lots 1 to 10 inclusive, and Lots
17 to 22 inclusive;
In Block 2214, Lots 2 and 3;
In Block 2216, Lots 6, 7 and 8;
In Block 2217, Lots 6, 7 and 8;

In Block 2218, Lots 15 and 17;
 In Block 2219, Lots 4, 14 and 15;
 In Block 2221, Lots 9 and 6;
 In Block 2222, Lots 1, 2 and 10;
 In Block 2225, Lots 1 and 12;
 In Block 2225, Lot 8.

(2) The five (5) foot strip adjoining the following lot lines in said tract:

In Block 2211, on each side of the line dividing Lot 11 from Lots 7 and 8;
 In Block 2215, on each side of the line dividing Lot 11 from Lots 14 and 13;
 In Block 2211, on each side of the line dividing Lot 10 from Lot 11;
 In Block 2212, on each side of the line dividing Lot 9 from Lot 10;
 In Block 2213, on each side of the line dividing Lot 9 from Lot 4;
 In Block 2214, on each side of the line dividing Lot 4 from Lot 3;
 In Block 2216, on each side of the line dividing Lot 5 from Lots 6, 7 and 8;
 In Block 2217, on each side of the line dividing Lot 5 from Lots 6, 7 and 8.

(3) A three (3) foot strip adjoining each and every lot line in a Residence District of Class A and of Class B in said tract, provided that this subsection shall not apply to a lot line adjoining a street, walk or alley; and except as otherwise provided in this section.

(4) In and over all streets, walks and alleys in said tract.

(5) An easement for a pedestrian passageway sixteen (16) feet wide on the ground floor only and not less than twelve (12) feet in height along the southerly line of Lot 10 in Block 2223 extending from the arcade easement to a point sixteen (16) feet west of the westerly line of Lot 12, to provide a public passageway from the "turn" court south of Lot 10 to Lunada Plaza.

(c) No building or structure shall be erected, constructed, altered or maintained upon locations affected by said easements or rights of way provided that Palos Verdes Homes Association may give temporary permits, revocable at any time, for structures covering such portions of any easement or right of way as in its opinion may not be necessary for other use during the time of said permits.

(d) Said easements shall at all times be open to Bank of America, its successors and assigns and to Palos Verdes Homes Association, who shall have the right of ingress and egress thereto and therefrom, and the right, privilege and easement of doing whatever may be necessary in, under and upon said locations for the carrying out of any of the purposes for which said easements and rights of way are reserved and

shall not thereby in any manner be deemed guilty of trespass; and Bank of America shall have the right at any time to convey or, with the written approval of Palos Verdes Homes Association, to extinguish such easements and rights of way as to any or all of said property.

(e) The right is expressly reserved to Bank of America, its successors and assigns, to suspend, use, maintain and replace over any portion of any lot in said tract within five and one-half (5½) feet from any lot line or of the line of any easement herein reserved to said Bank of America, wires, cross-arms, and appurtenances for conveying electric energy to be used for light, heat, power or other purposes, and use the same for such purposes, together with the right to alter the same in such manner as the requirements of Bank of America, its successors and assigns, may from time to time demand. No poles are to be placed within the space where such right to overhang is reserved. Bank of America, its successors and assigns, and its and their agents and employees, shall at all times have free access to said wires, cross-arms and appurtenances for the purpose of repairing, removing, maintaining and operating the same.

Section 7: No title to land in any street, walk or alley is intended to be conveyed to purchasers of any property except where expressly so stated in deeds.

TITLE TO
STREETS
RESERVED

Section 8: All of the restrictions, conditions, covenants, reservations, 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 Section 9 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 the said conditions, restrictions, covenants,

DURATION OF
RESTRICTIONS

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reservations, 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, reservations, 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.

MODIFICATION OF
RESTRICTIONS

Section 9. Any of the conditions, restrictions, covenants, reservations, liens and charges set forth herein 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 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 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-compliance 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.

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**ANNEXATION
OF ADDITIONAL
PROPERTY**

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 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.

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 by 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.

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

**VIOLATION OF
CONDITIONS**

**VIOLATION
CONSTITUTES
NUISANCE**

**CONSTRUCTION
AND VALIDITY
OF RESTRICTION**

[15a]

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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.

ASSIGNMENT
OF POWERS

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.

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 pro-

visions 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 issue to the benefit of and be enforceable by Bank of America, 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 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.

EXCEPTIONS

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 or all of the provisions herein except the provisions of Sections 8 to 19 inclusive hereof.

IN WITNESS WHEREOF, said BANK OF AMERICA has this 15th day of August, 1924, hereunto caused its corporate name and seal to be affixed by its Vice-President and Secretary, thereunto duly authorized.

BANK OF AMERICA,

By JAY E. RANDALL,
Vice-President

By V. P. SHOWERS,
Secretary.

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

On this 15th day of August, in the year one thousand nine hundred and twenty-four, before me, May Grant, a Notary Public in and for said County, personally appeared Jay E. Randall, known to me to be the Vice-President, and V. P. Showers, known to me to be the 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.

[SEAL]

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

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PVHA019

DECLARATION NO. 21* OF ESTABLISHMENT

OF

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

TRACT 7331—LUNADA BAY—PALOS VERDES ESTATES

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

FILED OF RECORD SEPTEMBER 29, 1924, IN BOOK 388, PAGE 102 BY SEQ. OF OFFICIAL
RECORDS OF LOS ANGELES COUNTY
DATED SEPTEMBER 18, 1924

DECLARATION, made this 18th day of September, 1924, 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 7331 of said County, as per map recorded August 13, 1924, in Book 302, Pages 46 to 50, 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 the real property now included in said Tract 7331; 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 7331, 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:

* First Declaration No. 1 and Declaration No. 1 (which is printed following it) are supplementary, both applying to property in Tract 7331.

[15c]

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USES OF PROPERTY DISTRICTS **CLASS A DISTRICTS** **CLASS C-1 DISTRICTS** **CLASS F DISTRICTS** **CLASS G DISTRICTS** **BUILDING HEIGHT LIMITS** **TYPE OF ARCHITECTURE DISTRICTS** **TYPE I ARCHITECTURE DISTRICTS** **TYPE III ARCHITECTURE DISTRICTS** **TYPE IV ARCHITECTURE DISTRICTS** **MINIMUM COST OF BUILDINGS**

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 unnumbered 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:
In Block 2202, Lots 23 and 24.

(c) 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, D and E.

(d) The following lots and portions of said tract are hereby established as Business and Public Use Districts of Class G, as defined and limited in said Declaration No. 1:
In Block 2202, Lot 8.

Section 2. All of said tract is hereby established as a Two and One-half (2½) Story Height District, as defined and limited in said Declaration No. 1.

Section 3. (a) All of said tract, except as otherwise provided in this section, 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.

(b) The following lots of said tract are hereby established as Type III Architecture Districts, as defined and limited in said Declaration No. 1:
In Block 2100, Lots 7 to 11 inclusive;
In Block 2101, Lots 5 and 6 and Lots 9 to 13 inclusive;
In Block 2102, Lots 1 to 11 inclusive;
In Block 2200, Lots 3 to 6 inclusive, and Lots 10 to 13 inclusive;
In Block 2201, Lots 7 to 10 inclusive, and Lots 14 and 15.

(c) The following lot of said tract is hereby established as Type IV Architecture District, as defined and limited in said Declaration No. 1:
In Block 2202, Lot 8.

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 1171, Lots 1 to 6 inclusive, \$20,000.
In Block 1190, Lots 1 to 10 inclusive, \$10,000.
Lot 19, \$15,000.
Lots 20 to 21 inclusive, \$20,000.
Lot 22, \$20,000.

In Block 1290, Lots 1 to 9 inclusive, \$5,000.
Lot 10, \$10,000.
Lot 11, \$5,000.
Lots 12 to 15 inclusive, \$5,000.
Lots 16 to 22 inclusive, \$5,000.
Lot 23, \$10,000.

In Block 2100, Lot 1, \$30,000.
Lots 2 to 5 inclusive, \$20,000.
Lot 6, \$15,000.
Lots 7 to 11 inclusive, \$10,000.

In Block 2101, Lots 1 to 4 inclusive, \$20,000.
Lots 5 and 6, \$10,000.
Lots 7 and 8, \$20,000.
Lots 9 to 13 inclusive, \$10,000.

In Block 2102, Lots 1 to 4 inclusive, \$10,000.
Lots 5 to 7 inclusive, \$2,000.
Lot 8, \$10,000.
Lots 9 and 10, \$5,000.
Lot 11, \$10,000.

In Block 2200, Lot 1, \$15,000.
Lots 2 to 6 inclusive, \$10,000.
Lots 7 to 13 inclusive, \$5,000.

In Block 2201, Lots 1 to 14 inclusive, \$20,000.
Lot 15, \$10,000.
Lots 16 to 18 inclusive, \$5,000.

In Block 2202, Lot 1, \$10,000.
Lots 2 to 7 inclusive, \$5,000.
Lot 8, \$40,000.
Lots 9 to 14 inclusive, \$5,000.
Lot 15, \$10,000.
Lot 16, \$5,000.
Lot 17, \$5,000.
Lots 17 to 22 inclusive, \$10,000.
Lots 23 and 24, \$15,000.

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:

Lot 1 not less than fifty (50) feet east from the westerly line of said Lot 1, or from Paseo del Mar, and not less than eighty (80) feet south from the westerly line of said Lot 1;
Lots 2 to 6 inclusive, not less than sixty (60) feet from Lot 8 and not less than fifty (50) feet from Paseo del Mar.

Lot 1 not less than twenty (20) feet from Chapala Road and not less than thirty (30) feet from Chelsea Road;
Lots 2 to 10 inclusive, not less than thirty (30) feet from Chelsea Road;
Lots 11 and 12, not less than thirty (30) feet from Chelsea Road and not less than ten (10) feet from the walk lying between them;

Lot 15 to 17 inclusive, not less than thirty (30) feet from Chelsea Road;
 Lot 18 not less than twenty (20) feet from Chelsea Road;
 Lot 19 not less than ten (10) feet from Chelsea Road and Epping Road and not less than twenty (20) feet from Epping Circle;
 Lot 20 not less than twenty (20) feet from Epping Road and not less than fifty (50) feet from the east corner of the intersection of Chelsea Road and Paseo del Mar;
 Lots 21 to 23 inclusive, not less than fifty (50) feet from Paseo del Mar;
 Lots 24 and 27 not less than fifty (50) feet from Paseo del Mar and not less than ten (10) feet from the walk lying between them;
 Lots 28 to 31 inclusive, not less than fifty (50) feet from Paseo del Mar;
 Lot 32 not less than fifty (50) feet from Paseo del Mar and not less than twenty (20) feet from Epping Road.

IN BLOCK 1290

Lot 1 not less than ten (10) feet from Dalton Road and not less than thirty-five (35) feet from Granite La Costa;
 Lots 2 to 9 inclusive, not less than thirty-five (35) feet from Granite La Costa;
 Lot 10 not less than fifty (50) feet from Granite La Costa and not less than ten (10) feet from Lot 9;
 Lot 11 not less than twenty (20) feet from Dalton Road and Via Pacheco;
 Lots 12 to 13 inclusive, not less than twenty (20) feet from Dalton Road;
 Lot 14 not less than twenty (20) feet from Via Pacheco;
 Lots 17 to 22 inclusive, not less than thirty (30) feet from Via Pacheco;
 Lot 24 not less than fifty (50) feet from Via Pacheco and not less than ten (10) feet from Lot C.

IN BLOCK 2100

Lot 1 not less than twenty (20) feet from Epping Road and not less than sixty (60) feet from Paseo del Mar;
 Lots 2 to 4 inclusive, not less than fifty (50) feet from Paseo del Mar;
 Lot 5 not less than fifty (50) feet from Paseo del Mar and not less than ten (10) feet from the walk lying between Block 2100 and Block 2101;
 Lot 6 not less than ten (10) feet from Epping Road and Chelsea Road and not less than twenty (20) feet from Epping Circle;
 Lots 7 and 8 not less than ten (10) feet from Chelsea Road;
 Lots 9 and 10 not less than forty (40) feet from Chelsea Road;
 Lot 11 not less than forty (40) feet from Chelsea Road and not less than ten (10) feet from the walk lying between Block 2100 and Block 2101.

IN BLOCK 2101

Lot 1 not less than fifty (50) feet from Paseo del Mar and not less than ten (10) feet from the walk lying between Block 2100 and Block 2101;
 Lots 2 and 3 not less than fifty (50) feet from Paseo del Mar;
 Lot 4 not less than forty (40) feet from Paseo del Mar;
 Lot 5 not less than fifteen (15) feet from Chelsea Road and not less than thirty (30) feet from Vermont Road and the east corner of its intersection with Chelsea Road;
 Lot 6 not less than thirty (30) feet from Vermont Road;

Lot 7 not less than thirty (30) feet from Vermont Road and Paseo del Mar;
 Lot 8 not less than forty (40) feet from Paseo del Mar;
 Lot 9 not less than forty (40) feet from Chelsea Road and not less than ten (10) feet from the walk lying between Block 2100 and Block 2101;
 Lots 10 and 11 not less than forty (40) feet from Chelsea Road;
 Lots 12 and 13 not less than fifteen (15) feet from Chelsea Road.

IN BLOCK 2102

Lot 1 not less than forty (40) feet from Chelsea Road and not less than ten (10) feet from the walk lying between Block 2100 and Block 2102;
 Lots 2 and 3 not less than forty (40) feet from Chelsea Road;
 Lot 4 not less than fifteen (15) feet from Chelsea Road;
 Lot 5 not less than ten (10) feet from the walk lying between Block 2100 and Block 2102 and not less than forty (40) feet from Thorsley Road;
 Lot 6 not less than forty (40) feet from Thorsley Road;
 Lot 7 not less than twenty (20) feet from Thorsley Road;
 Lot 8 not less than twenty (20) feet from Thorsley Road and not less than thirty (30) feet from Yarmouth Road and not less than thirty-five (35) feet from the east corner of their intersection;
 Lots 9 and 10 not less than thirty (30) feet from Yarmouth Road;
 Lot 11 not less than thirty (30) feet from Yarmouth Road and the east corner of its intersection with Chelsea Road, and not less than fifteen (15) feet from Chelsea Road.

IN BLOCK 2200

Lot 1 not less than ten (10) feet from Epping Road and Chelsea Road and not less than twenty (20) feet from Epping Circle;
 Lots 2 and 3 not less than ten (10) feet from Chelsea Road;
 Lots 4 and 5 not less than forty (40) feet from Chelsea Road;
 Lot 6 not less than forty (40) feet from Chelsea Road and not less than ten (10) feet from the walk lying between Block 2200 and Block 2102;
 Lots 7 and 8 not less than twenty-five (25) feet from Epping Road;
 Lot 9 not less than twenty-five (25) feet from Epping Road and not less than fifteen (15) feet from Thorsley Road;
 Lots 10 and 11 not less than twenty (20) feet from Thorsley Road;
 Lot 12 not less than forty (40) feet from Thorsley Road;
 Lot 13 not less than forty (40) feet from Thorsley Road and not less than ten (10) feet from the walk lying between Block 2200 and Block 2102.

IN BLOCK 2201

Lot 1 not less than twenty-five (25) feet from Epping Road and not less than fifteen (15) feet from Thorsley Road;
 Lots 2 to 5 inclusive, not less than twenty-five (25) feet from Epping Road;
 Lot 6 not less than twenty-five (25) feet from Epping Road and not less than fifteen (15) feet from Via Pacheco, and not less than forty (40) feet from the east corner of their intersection;

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IN BLOCK 2202

- Lot 7 not less than twenty (20) feet from Thorley Road.
- Lots 8 to 10 inclusive, not less than forty (40) feet from Thorley Road;
- Lot 11 not less than twenty-five (25) feet from Via Pacheco and not less than thirty (30) feet from Yarmouth Road;
- Lots 12 to 14 inclusive, not less than thirty (30) feet from Yarmouth Road.
- Lot 15 not less than thirty (30) feet from Yarmouth Road and not less than twenty (20) feet from Thorley Road and not less than thirty-five (35) feet from the cut-off corner of their intersection;
- Lots 16 to 18 inclusive, not less than twenty-five (25) feet from Via Pacheco
- Lot 1 not less than fifty (50) feet from Via Pacheco and not less than ten (10) feet from Lot G;
- Lots 2 to 5 inclusive, not less than thirty (30) feet from Via Pacheco;
- Lots 6 and 7 not less than fifty (50) feet from Via Pacheco;
- Lot 8 not less than twenty (20) feet from Via Pacheco;
- Lots 9 and 10 not less than fifty (50) feet from Via Pacheco;
- Lot 11 not less than twenty (20) feet from Via Pacheco;
- Lot 12 not less than twenty (20) feet from Via Pacheco and Yarmouth Road, and not less than forty (40) feet from the cut-off corner of their intersection;
- Lots 13 and 14 not less than twenty (20) feet from Yarmouth Road;
- Lot 15 not less than fifty (50) feet from Granvia La Costa and not less than ten (10) feet from Lot D;
- Lots 16 to 21 inclusive, not less than thirty-five (35) feet from Granvia La Costa;
- Lot 22 not less than twenty (20) feet from Granvia La Costa;
- Lot 23 not less than ten (10) feet from Yarmouth Road;
- Lot 24 not less than ten (10) feet from Yarmouth Road and Granvia La Costa.
- Lot A of said tract not less than thirty (30) feet from Chelsea Road or Via Pacheco, and not less than twenty (20) feet from Clayton Road or Oulton Road.
- Lot B of said tract not less than twenty (20) feet from Epping Circle and not less than ten (10) feet from that portion of Epping Road opposite Lot F of Block 2200, and from that portion of Chelsea Road opposite Lot 19 of Block 1190, and not less than thirty (30) feet from the balance of Chelsea Road along said lot, and not less than twenty-five (25) feet from the balance of Epping Road along said lot, and not less than thirty (30) feet from Via Pacheco.

SET-BACKS FROM SIDE LINES

(b) On every lot in a residence district of Class A there shall be left a free space adjoining each of the side lot lines thereof, extending the full depth of the lot; and no building or part thereof, including porches, except a private garage, as provided in said Declaration No. 1, and steps, balconies or other architectural features approved by the Art Jury, shall be erected, permitted or maintained on or upon said free spaces of any numbered lot in said tract. The width

of each of said free spaces, measured at any point in the depth of the lot, shall be not less than seven and one-half (7½) feet plus one-tenth (1/10) foot for each foot by which the width of the lot at that point exceeds fifty (50) feet up to a maximum required width of free space of twenty (20) feet; provided, however, that the width of free space on one side of a lot may be reduced by not more than one-third (1/3) of the width above required if the width of the free space on the opposite side of the lot is at all points greater than the width above required by a proportionate amount. PROVIDED, that the provisions of this section shall not apply to the common lot line between lots used jointly as one building site or as to which an approved party-wall agreement exists as provided in paragraph (c) of Section 27 of Article IV of said Declaration No. 1.

If the width, or set-back lines of any lot be difficult of determination by reason of its irregular shape or otherwise, or, if the extent or location of the free spaces required herein be uncertain, the Building Commissioner of Palos Verdes Homes Association, shall in all cases determine what are to be deemed the width and set-back lines of such lot and the extent and location of such free spaces, and such determination in respect thereto shall be final.

(c) Anything to the contrary herein notwithstanding, the right and power is expressly reserved to Bank of America and its successors in interest, on account of the irregular topography in said tracts, the difficulty of making garages accessible to the street, and other unforeseen conditions which may work under hardship in certain cases, to make by written agreement with the owner or owners of any lot in said tract reasonable variations in the set-back lines herein established, provided said variations are not, in the opinion of the Art Jury, injurious or undesirable to the neighborhood in which they occur and the approval of the Art Jury be given thereto in writing.

VARIATIONS IN SET-BACK LINES

Section 6. (s) Easements and Rights of Way are hereby specifically reserved to Bank of America, its successors and assigns, for the erection, construction, operation and maintenance of:

EASEMENTS AND RIGHTS OF WAY

(1) Poles, wires and conduits for the transmission of electricity for lighting, heating, power, telephone and other purposes and for the necessary attachments in connection therewith; and,

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(2) Public and private sewers, storm water drains, land drains and pipes, water systems, water heating and gas mains or pipes; and,

(3) Any other method of conducting and performing any public or quasi-public utility service or function beneath the surface of the ground.

(b) Such Easements and Rights of Way are hereby specifically reserved on:

(1) The rear five (5) feet of each and every numbered lot in said tract except as follows:

- All of Block 1171;
- All of Block 1190;
- All of Block 2100;
- All of Block 2101;
- In Block 1290, Lots 1 to 10 inclusive, and Lots 19 to 22 inclusive;
- In Block 2202, Lots 1 to 8 inclusive, and Lots 13 to 22 inclusive.

(2) The five (5) foot strip adjoining the following lot lines in said tract:

- In Block 1171, on each side of the line dividing Lot 4 from Lot 5;
- In Block 1290, on each side of the line dividing Lot 11 from Lot 12;
- In Block 2101, on each side of the line dividing Lots 8 and 6 from Lot 13 and Lot 7 from Lot 4;

In Block 2102, on each side of the line dividing Lots 4 and 7 from Lots 8 to 11 inclusive;

In Block 2200, on each side of the line dividing Lot 12 from Lots 7, 8 and 9;

In Block 2201, on each side of the line dividing Lots 7 and 16 from Lots 1 to 6 inclusive, and Lots 10 and 18 from Lots 11 to 15 inclusive;

In Block 2202, on each side of the line dividing Lot 8 from Lots 9 and 14, Lot 14 from Lots 9 and 10, Lot 13 from Lots 10 and 11.

(3) The thirty (30) foot strip on each side of the lot line dividing Lots 2 and 3 and Lots 20 and 21 in Block 1190; provided that this easement shall be for park, recreation and bridle path or walk purposes.

(4) A three (3) foot strip adjoining each and every lot line in a Residence District of Class A in said tract; provided that this subsection shall not apply to a lot line adjoining a street, walk or alley and except adjoining the following lot lines:

- All of Block 1171;
- In Block 1190, the lot line between Lots 2 and 3 and Lots 20 and 21;
- In Block 2201, the lot line between Lots 1 and 2;
- In Blocks 1290 and 2202, the lot lines adjoining Lots C and D.

(5) In and over all streets, walks and alleys and Lots C and D.

Sections 6 (c) to 19 inclusive, of this Declaration No. 21 are the same as the sections of the same numbers in Declaration No. 8, printed on pages 14 to 15b inclusive, of this booklet.

IN WITNESS WHEREOF, said BANK OF AMERICA has this 18th day of September, 1924, hereunto caused its corporate name and seal to be affixed by its Vice-President and Secretary, thereunto duly authorized.

BANK OF AMERICA,
By JAY E. RANDALL,
Vice-President,
By V. P. SHOWERS,
Secretary.

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

On this 24th day of September, in the year one thousand nine hundred and twenty-four, before me, Fred Henderson, a Notary Public in and for said County, personally appeared Jay E. Randall, known to me to be the Vice-President, and V. P. Showers, known to me to be the 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.

FRED HENDERSON,
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. 25, 1923, recorded Dec. 5, 1923, in Book 2540, Page 27, Official
Records of Los Angeles County; and as amended by Amendment No. 2 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:

These portions of Lot "H," as shown on map of
Sancho Las Palos Verdes, in the County of Los An-
geles, State of California, as partitioned in case No.
2373, in the District Court of the 17th Judicial Dis-
trict, 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 20 1/4°, East One Hundred Thirty-nine and Nine-
teen Hundredths (140.19) 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 Hun-
dredths (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 Sec-
onds (3.7"), West Fourteen Hundred Sixteen and
Five Hundredths (1416.05) feet.

Thence North Twenty-eight Hundred Sixty (2820)
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 an Degree (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," above on said partition map.

Thence along the West line of said Lot "H,"
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-six Degrees (86°), 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 Sec-
onds (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 East-
erly direction to the place of beginning;

Saving and excepting therefrom that portion there-
of described as follows:

Beginning at a point in the North Easterly bound-
ary line of Lot "H," which is South 44 Degrees,
41 Minutes, 12.2 Seconds East, and 2823.42 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 770.94 feet to a
point in the South line of parcel "D"; thence East-
erly on the Southerly line of parcel "B," a distance
of 1890.62 feet to a point in the North Easterly line
of Lot "H," said point being the South Easterly cor-
ner of parcel "B"; thence on a course bearing North
64 Degrees, 41 Minutes, 12.2 Seconds West, a dis-
tance of 763.67 feet to the point of beginning, the
whole including 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;

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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, canemery, columbarium, crematory; any establishment for the care or cure of persons afflicted with tuberculosis, or for the care, cure or restraint of the mentally imbalanced 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.

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.

DERRICK 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:

(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

MAINTENANCE AND IMPROVEMENT CHARGES

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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 (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 bonds 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 conditions 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

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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

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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 thereof 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 Palms Verde 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
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said owners may elect by majority vote a Board of three trustees, and provide for appointment of successors in the event of a vacancy arising for any cause, which board shall thereupon and thereafter serve and act in lieu and instead of, and with all the rights, powers and duties provided in this Declaration for the Homes Association. In the event said board is so elected, then whenever in this Declaration the Homes Association is referred to, said board of three trustees shall be substituted therefor, with the same force and effect as if named herein, whether or not specifically named in each case.

ARTICLE III

ART JURY

APPROVAL OF
STREETS
SUBDIVISIONS
AND GENERAL
PLANTING

Section 1. No part of the said property and/or of any property at any time within the jurisdiction of the Art Jury or of Palos Verdes Homes Association shall be subdivided, laid out or improved by street work, buildings, structures, landscaping or planting, or its physical contours cut into, altered or changed, or any premises maintained except with the approval of the Art Jury as to a uniform and reasonably high standard of artistic result and attractiveness, in exterior and physical appearance of said property and improvements; provided, that this shall not be deemed to apply to any original layout, subdivision and landscaping of the said property for Commonwealth Trust Company by Olmsted Brothers, Landscape Architects, of Brookline, Massachusetts, the Art Jury shall not have any jurisdiction or power of approval other than to make suggestions unless specifically requested to do so by Commonwealth Trust Company; and provided also that at the end of ninety days after submission by Commonwealth Trust Company to the Art Jury of a subdivision map of or any proposed declaration of additional restrictions covering any portion of the said property, legal title to which is held by Commonwealth Trust Company, the said map or declaration shall be deemed to have been given full and final approval by the Art Jury, regardless of any action by it in the interim.

APPROVAL OF
PLANS AND
IMPROVEMENTS

Section 2. No building, fence, wall, sidewalk, steps, awning, tent, pole or other structure, improvement, utility, parking, sculpture, or planting shall be erected, constructed, altered or maintained upon, under

or above any portion of said property or of any property at any time within the jurisdiction of the Art Jury or of Palos Verdes Homes Association (except as provided in Section 1 hereof) unless plans and specifications therefor, including the exterior color scheme, together with a block plan indicating location, shall have been submitted to, approved in writing by the Art Jury and a copy of such plans, specifications and block plans as finally approved deposited for permanent record with the Art Jury. No alteration shall be made in the exterior color or design of any structure unless written approval of such alteration shall have been obtained from the Art Jury. No sign of any kind or for any use shall be created, posted, pasted, painted or displayed upon or about any property under the jurisdiction of the Art Jury without the written approval of the Art Jury.

APPROVAL OF
WORKS OF ART

Section 3. No work of art located or to be located upon said property or any part thereof shall become the property of Commonwealth Trust Company, Palos Verdes Homes Association, or of any corporation, organization or public or semi-public board which may succeed or be substituted for any of them, whether acquired by purchase, gift, or otherwise, unless such work of art or a design of the same, together with a statement showing the proposed location of such work of art, shall first have been submitted to and approved in writing by the Art Jury; nor shall any work of art until so approved be contracted for, erected, placed in or upon, or allowed to extend over or under any street, avenue, square, park, recreation ground, school, public buildings, or other public or semi-public property over which the Art Jury has jurisdiction. The Art Jury may, when it deems proper, also require a model of any proposed work of art, or a map, drawing or profile of any proposed site therefor. The term "Work of Art," as used in this section, shall apply to and include all paintings, mural decorations, stained glass, statues, bas-reliefs, tablets, sculptures, monuments, fountains, arches, entrance gateways, or other structures of a permanent character intended for ornament or commemoration. No work of art over which the Art Jury has jurisdiction shall be removed, relocated or in any way altered without the approval in writing of the Art Jury.

CUSTODIAN OF ART WORKS Section 4. The Art Jury shall be custodian of such works of art as it may accept charge of.

MEMBERSHIP Section 5. (1) The Art Jury shall be composed of one member ex-officio, named by Commonwealth Trust Company, and of six other members appointed by Commonwealth Trust Company, of whom three shall be persons engaged in the practice of the fine arts, in the instance of the first appointment selected from the membership of the Southern California Chapter of the American Institute of Architects, and in case a vacancy among these three members occurs, Commonwealth Trust Company shall appoint his successor from a list of three persons engaged in the practice of the fine arts, nominated by the Board of Directors of the Southern California Chapter of the American Institute of Architects. One member shall be a City Planner named by Commonwealth Trust Company and if a vacancy occurs as to this member, Commonwealth Trust Company shall name his successor from a list of three city planners nominated by the Board of Governors of the American City Planning Institute. One member shall be appointed by Commonwealth Trust Company from a list of three persons nominated by the Governing Board of the University of California, Southern Branch. And one member shall be appointed by Commonwealth Trust Company from a list of three persons nominated by the Board of Directors of the Homes Association.

(2) The six members of the Art Jury appointed by Commonwealth Trust Company shall in the first instance serve for two years and thereafter shall choose by lot terms of office as follows: two for one year, two for two years, and two for three years, and their successors shall be appointed by Commonwealth Trust Company for terms of three years each, except on appointment to fill a vacancy, which shall be for the unexpired portion of the term. In case any of the organizations entitled to make nominations, as hereinbefore provided, shall fail to make such nominations within sixty days after written notification by Commonwealth Trust Company of the expiration of a term or the occurrence of a vacancy, Commonwealth Trust Company shall appoint a member to fill the vacancy upon its own nomination. In the event that such appointees or any of them shall fail to ac-

cept said appointment, Commonwealth Trust Company shall have the right to revoke such appointment, and to appoint any other person or persons in its judgment qualified to act as members of said Art Jury. If the Art Jury for any reason shall fail to meet and perform its duties for a period of thirty consecutive days, Commonwealth Trust Company may remove one or all of the members and appoint any person or persons in its judgment qualified to act as members of said Art Jury in the place of the member or members so removed; provided appointees shall in all cases in number and qualifications fulfill as nearly as possible the provisions of paragraph (1) of this section as to membership.

(3) Any member of the Art Jury who shall be employed to execute a work of art or structure of any kind requiring the approval of the Art Jury, or who shall take part in competition for such work of art or structure, shall be disqualified from voting thereon; and, in such instance the Art Jury may, in its discretion, invite an expert advisor to give his opinion as to such work of art or structure.

(4) On July 1, 1932, or at any time prior thereto, Commonwealth Trust Company may terminate the term of office and its own power of appointment of the ex-officio member of the Art Jury, by written notification to the President of the Homes Association. On July 1, 1932, the right of Commonwealth Trust Company to appoint members of the Art Jury as provided in paragraph (1) of this section shall cease; or Commonwealth Trust Company prior to said date may resign and transfer said power of appointment to the President of the Homes Association, by notice thereof to him in writing. From an after said date or upon receipt of such notification or either of them, the President of the Homes Association shall, as the case may be, become a member ex-officio of the Art Jury, as successor to the ex-officio member named by Commonwealth Trust Company and/or shall have power, as successor to Commonwealth Trust Company to appoint members thereof, as provided in paragraph (1) of this section, except as provided herein.

(5) The members of the Art Jury shall elect from their own number a President and Vice-President and shall adopt rules of procedure and prescribe regulations for

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submission of all matters within their jurisdiction. Four members shall constitute a quorum and shall have full power to act as the Art Jury during the period of any vacancy or vacancies in the membership thereof. The Art Jury shall designate and appoint a trust company to act as its Treasurer and to act as Trustee of all property of the Art Jury. The name of such Treasurer and of the Secretary shall be certified to the Homes Association.

(6) If for any reason Commonwealth Trust Company, or the President of the Homes Association after the right of appointment shall have been transferred to him, shall fail, for ninety (90) days after the occurrence of a vacancy on the Art Jury, to appoint a member as provided herein, the then President of the Art Jury shall then and thereafter have sole power to appoint the member to fill the said vacancy, provided such appointments shall, in all cases, fulfill in number and qualifications as nearly as possible the provisions of paragraph (1) of this section as to membership.

**ART JURY
PURPOSES
AND FUNDS**

Section 6. Any funds available therefor may be used by the Art Jury to pay its members for time in attendance at meetings, and other expenses which in its judgment are incidental to carrying out the purposes for which it is established, to enforce its decisions and rulings and/or to promote art education and community embellishment. The Art Jury may accept bequests and donations of, and through its trustee take and hold, title to real and/or personal property and shall have power to administer, 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.

**RECORDS AND
REPORTS**

Section 7. (1) The Secretary of the Art Jury shall keep minutes of each approval, recommendation or other official act of the Art Jury and furnish certified copies thereof or certificate of the result thereof, on request to any person, and the Art Jury may make a reasonable charge therefor. Said records shall be open to the public.

(2) The Art Jury may authorize the Secretary thereof to issue a certificate of completion and compliance as to any property so inspected and to make and collect a reasonable charge therefor.

ARTICLE IV

ZONING

Section 1. The protective restrictions in this article shall be known as "Building Zone Restrictions"; and for the purposes hereof the following explanations and definitions of words, terms, and phrases shall govern unless the context thereof clearly indicates a different meaning:

DEFINITIONS

(a) Words used in the present tense include the future; the singular includes the plural, and the plural includes the singular; the word "lot" includes the word "plot" and the word "building" includes the word "structure."

(b) An "Apartment House" is a building containing three or more separate single family dwellings using a common passage or airway and a common entrance on the ground floor.

(c) An "Attic" is a story under a sloping roof at the top of a building, of which the top of the plate or wall carrying the main roof rafters is not more than two feet above the floor of such attic.

(d) The term "Back to back" applies to lots or portions of lots when the same are on opposite sides of the same part of a rear line common to both and the opposite street lines on which the lots front are parallel to each other or make an angle with each other of not over forty-five degrees.

(e) 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 of said land subject to the jurisdiction of the Homes Association.

(b) Of any re-subdivision of any plots or parcels of said land which re-subdivision is approved by the Homes Association 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 the Homes Association by virtue of restrictions, conditions, covenants, and/or con-

tracts relating thereto, and by acceptance of jurisdiction by the Board of Directors of said corporation.

(f) A "Court" is an open unoccupied space, other than a rear yard, on the same lot with a building. A court, one entire side or end of which is bounded by a front yard, a rear or side yard, or by the front of the lot, or by a street or a public alley, is an "outer court." Every court which is not an "outer court" is an "inner court." Every court shall be open and unobstructed to the sky, from a point not more than two feet above the floor line of the lowest story in the building in which there are windows in rooms or apartments abutting on such court, except that a cornice on the building may extend into an "outer court" two inches for each one foot in width of such court, and a cornice may extend into an "inner court" one inch for each one foot in width of such court.

(g) The "curb level" for the purpose of measuring the height of any portion of a building is the mean level of the curb in front of such portion of the building. But where a building is on a corner lot, the curb level is the mean level of the curb on the street of greatest width. If such greatest width occurs on more than one street, the curb level is the mean level of the curb on the street of greatest width which has the highest curb elevation. The curb level for the purpose of regulating and determining the area of yards, courts, and open spaces is the mean level of the curb on the front of the building where there is the highest curb elevation. Where no curb elevation has been established or the building does not adjoin the street, the average ground level of the lot shall be considered the curb level.

(h) The "depth of a rear yard" shall be measured at right angles from the rear lot line to the extreme rear part of the building.

(i) A "detached building" is one that is not less than five feet distant, measured horizontally, from any portion of any other building.

(j) A "flat" is a building having two or more separate single family habitations therein whether one above another or on the same floor and having a separate outside entrance on the ground floor for each such habitation.

(k) The "height" of a building is the vertical distance measured from the curb level to the top of the roof of the highest part of the building (excepting towers or spires).

(l) The "height of a yard or a court" at any given level shall be measured from the lowest level of such yard or court as actually constructed.

(m) A "House Court" is a group of two or more single family dwellings on the same lot, whether detached or in solid rows, having a separate outside entrance on the ground floor level for each single family dwelling.

(n) The "Least dimensions" of a yard or court at any level is the least of the horizontal dimensions of such yard or court at such level. If two opposite sides of a yard or court are not parallel, the horizontal dimension between them shall be deemed to be the mean distance between them.

(o) The "Length of an outer court" at any given point shall be the measured distance in the general direction of the side lines of such court from the end opposite the end opening on a street or a rear yard, to such point.

(p) A "lot" is any piece of land fronting on a street as provided herein, the description of which is filed with the Building Commissioner, regardless of plats recorded in the office of the County Recorder. The "depth of a lot" is the mean distance from the street line of the lot to its rear line, measured between the centers of the end lines of the lot. A "corner lot" is a lot bounded on two sides by public streets provided that, for this purpose, no street, alley, court or open space less than thirty feet in width shall be deemed a public street. The "front line" or "front" of a lot is the boundary line of the lot bordering on the street upon which it abuts. In case of a corner lot, either frontage may be the front provided that the front line shall be taken to include any cut off corners. If a lot runs through from street to street, either street line may be taken as the front lot line. The "rear line" of a lot is the boundary line of said lot opposite the front line. All other boundary lines of a lot are "side lines." (As amended by Amendment No. 3.)

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(q) A "multiple dwelling" is a building designed or used for flats, apartments, tenements, hotel, dormitory or any dwelling other than a single family dwelling.

(r) A "rear yard" is an open, unoccupied space on the same lot with and immediately behind a building; and wherever required shall extend the full width of the lot.

(s) A "single family dwelling" is a dwelling for one family alone, having but one kitchen and within which not more than five (5) persons may be lodged for hire at one time, provided that reasonable quarters may be built and maintained in connection therewith for the use and occupancy of servants or guests of said family, and that such quarters may be built and maintained as a part of the main building or with the written approval of Palos Verdes Homes Association and the Art Jury in a separate detached necessary building or buildings on the same lot, provided said necessary buildings be not at any time rented or let to persons outside the said family and that they be occupied and used only by persons who are employed by or are the guests of said family. (As amended by Amendment No. 3.)

(t) A "story" is that portion of a building included between the surface of any floor and the finished ceiling above it.

(u) A "street wall" of a building at any level is the wall of that part of the building nearest to the street line.

(v) The "width of the street" is the mean distance between the sides from property line to property line thereof within a block. Where a street borders a public place, or public park, the width of the street is the mean width of such street plus the width measured at right angles to the street line of such public place or public park.

(w) The word "use" means the purpose for which the building is designed, arranged or maintained or for which it is or may be occupied or maintained.

**CLASSES OF
USE DISTRICTS**

Section 2. The following general plan of zoning or districting is hereby adopted for said property and there are hereby established and defined for said property certain classes of use districts which shall be known as:

Residence Districts of:

Class A—Single Family Dwellings.

Class B—House Courts, Flats and Dwellings.

Class C-1—Apartments and other kinds of dwellings.

Class C-2—Same as Class C-1 until 1930, afterward Class D.

Class C-3—Same as Class C-1 until 1930, afterward Class H.

Business and Public Use Districts of:

Class D—Retail business, offices and dwellings.

Class E—Business, theatres and dwellings.

Class F—Public and semi-public uses.

Class G—Religious edifices.

Class H—General business, garages and dwellings.

Class J—Wholesale and material business.

Class K—Hospitals and Institutions.

The districts of said classes and of each thereof are hereby established for said property with location, extent and boundaries thereof as may be defined and established in supplemental and additional restrictions hereafter filed of record by Commonwealth Trust Company with said County Recorder, provided that further and/or different classes of use districts may be established and defined by Commonwealth Trust Company in said supplemental and additional restrictions. Any reference to said property or any part thereof in any declaration of restrictions or in deeds, contracts of sale or leases which shall classify any portion of said property as being within any district or any class of use district of said property, unless referring specifically to some other declaration, shall be construed as referring to the district of this class defined in this declaration or amendment thereof.

No building or premises or any portion of said property shall be used or structure erected to be used for any purpose other than a use permitted in the use district of the class in which such building or premises or property is located.

Section 3 In Residence Districts of Class A no building, structure, or premises shall be erected, constructed, altered or maintained which shall be used or designed or intended to be used for any purpose other than that of one detached single family dwelling on any building site.

RESIDENCE
DISTRICTS
OF CLASS A
SINGLE FAMILY
DWELLINGS

RESIDENCE DISTRICTS OF CLASS B—
HOUSE COURTS, FLATS AND DWELLINGS

Section 4. In Residence Districts of Class B no building, structure or premises shall be erected, constructed, altered or maintained which shall be used or designed or intended to be used for any purpose other than that of a house court, two family dwelling, flat, boarding house, fraternity house and/or a single family dwelling.

RESIDENCE DISTRICTS OF CLASS C-1—
APARTMENTS AND OTHER KINDS OF DWELLINGS

Section 5. In Residence Districts of Class C-1 no building, structure or premises shall be erected, constructed, altered or maintained which shall be used or designed or intended to be used for any purpose other than an apartment house, hotel (not containing a store or stores), private school, fraternity dwelling, club, dormitory, boarding house or lodging house, flat, multiple dwelling, two family dwelling and/or single family dwelling.

RESIDENCE DISTRICTS OF CLASS C-2—
SAME AS C-1 UNTIL 1930; AFTERWARD CLASS D

Section 6. In Residence Districts of Class C-2 no building, structure or premises shall be erected, constructed, altered or maintained which shall be used or designed or intended to be used for any purpose other than those specified for Residence Districts of Class C-1; provided that from and after January 1, 1930, all then existing Districts of Class C-2 shall, without further notice, action or agreement, become Business and Public Use Districts of Class D, as defined and established in Section 8 hereof.

RESIDENCE DISTRICTS OF CLASS C-3—
SAME AS CLASS C-1 UNTIL 1930; AFTERWARD CLASS H

Section 7. In Residence Districts of Class C-3 no building, structure or premises shall be erected, constructed, altered or maintained which shall be used or designed or intended to be used for any purpose other than those specified for Residence Districts of Class C-1; provided that from and after January 1, 1930, all then existing Districts of Class C-3 shall, without further notice, action or agreement, become Business and Public Use Districts of Class H, as defined and established in Section 12 hereof.

BUSINESS AND PUBLIC USE DISTRICTS OF CLASS D—
RETAIL BUSINESS, OFFICES AND DWELLINGS

Section 8. (a) In Business and Public Use Districts of Class D no building, structure or premises shall be erected, constructed, altered or maintained which shall be used or designed or intended to be used for any purpose other than those specified for Residence Districts of Classes A, B and C-1 hereof, or a retail business office, professional office, retail trade, telephone exchange, fraternal society, printing office

or store, with the exception of those uses of property specifically prohibited by paragraphs (b) and (c) of this section.

(b) In any Business and Public Use District of Classes D, E, F, G, H or J, no building or premises shall be used or be erected to be used or maintained for any trade, industry, or use that is obnoxious or offensive by reason of the emission of odor, smoke, gas, dust or noise.

(c) *Businesses prohibited in Class D Districts:* In a Business and Public Use District of Class D, no building or premises shall be used, or be erected to be used, for any of the following specified trades, industries or uses, viz: acid works; ammonia manufacture; commercial recreation park; asphalt manufacture or refining; assaying by the furnace method with more than one furnace of a capacity of two (2) cubic feet; blacksmithing or horseshoeing; bleaching powder manufacture; boilermaking or repairing; bottle or glass factory; brick, tile or terra cotta manufacture or storage; building for treatment of insane or feeble minded; candle or chemical factory; carpet cleaning or carpet beating; celluloid manufacture; car barn; chlorine manufacture; coal yard; construction material yard; creameries employing over five persons; crematory; dog pound; distillation of coal, wood or bones; dyeing or dry cleaning; electric central station power plant; fat rendering; feed yard; fertilizer manufacture; fish cannery; foundry; garage for more than six motor vehicles, other than a salesroom where motor vehicles are kept for sale or for demonstration purposes only; gas (illuminating or heating) manufacture or storage plants or tanks with a capacity of over five hundred cubic feet of gas; glue, size or gelatine manufacture; gun powder, fire works or explosives manufacture or storage; hay or grain barn or warehouse; hides or skins (uncured); hospital or sanitarium; incineration or reduction of garbage, offal, dead animals or refuse; iron, steel, brass or copper works; junk, scrap paper or rag storage or baling shop or yard; lump black manufacture; livery stable; cement or plaster of paris manufacture; laundry or washhouse; lumber yard; machine shop; mattress or bed spring factory; milk bottling station; moving picture theatre; nursery or greenhouse; oil cloth or linoleum manufacture; oil or gasoline supply station; packing house or plant; paint, oil, varnish or turpentine

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manufacture or storage; petroleum refining or storage; planing mill, or sash and door factory; pickle, sauerkraut, sausage or vinegar manufacture; powder factory; printing ink manufacture; railroad freight yard, team track, freight depot or shed, shops or roundhouse; rawhide or skin storage, curing or tanning; repair shop for motor vehicles; riding academy; rolling mill; scrap iron works or storage; roller or ice skating rink; rubber manufacture from crude material; rock, sand or gravel loading, distributing or receiving station; saw mill; public school; fire house; sheet metal works; silk or cotton mill; shoddy manufacture or wool scouring; slaughtering of animals or fowls; smelting; soap manufacture; stable for more than one animal; starch, glucose or dextrine manufacture; stone or monument works, stone crusher or quarry; crushed stone yard or bunker; stoneware or earthenware factory; saddle factory; stock yard; storage warehouse; warehouse for storage of household goods; sugar refining; sulphurous, sulphuric, nitric or hydrochloric acid manufacture; tallow, grease or lard manufacturing or refining; tannery; tar distillation or manufacture; tar roofing or tar waterproofing manufacture; theatre; undertaking parlor; veterinary hospital; wholesale business; wool pullery; wood yard; or any plant, works or factory where power is used to operate any such plant, works or factory, except that this shall not prohibit any machine operated by two horsepower or less, and except as provided in paragraph (d) of this section.

(d) In any Business or Public Use District of Class D, no building or premises shall be used or be erected to be used for any kind of manufacturing except that any kind of manufacturing of garments or food products, not included within the prohibition of paragraph (b) of this section, may be carried on; provided not more than twenty five per cent of any one store or of the ground floor space or of the total floor space of the building is so used. The printing of a newspaper or a printing shop shall not be deemed manufacturing.

BUSINESS AND PUBLIC USE DISTRICTS OF CLASS E-- BUSINESS, THEATRES AND DWELLINGS

Section 9. In Business and Public Use Districts of Class E no building, structure or premises shall be erected, constructed or maintained, which shall be used or designed or intended to be used for any purpose other than those specified for

Business or Public Use Districts of Class D, or a theatre, moving picture theatre or dance hall.

Section 10. In Business and Public Use Districts of Class F, no building, structure or premises shall be erected, constructed, altered or maintained which shall be used or designed or intended to be used for any purpose other than that of a public or private school, playground, park, aeroplane or dirigible landing field or accessory aerodrome or repair shop, public art gallery, museum, library, firehouse, nursery, or greenhouse or other public or semi-public building, or a single family dwelling.

Section 11. In Business and Public Use Districts of Class G, no building, structure or premises shall be erected, constructed, altered, or maintained which shall be used or designed or intended to be used for any purpose other than that of a church, religious edifice, parish house, or a single family dwelling.

Section 12. In Business and Public Use Districts of Class H, no building, structure or premises shall be erected, constructed, altered, or maintained which shall be used or designed or intended to be used for any purpose other than that permitted in Residence Districts of Classes A, B, or C-1, or in Business and Public Use Districts of Classes D, E, F and G hereof, and that of an undertaking parlor, garage for more than six motor vehicles, automobile repair shop, gasoline or oil supply station, dyeing or dry cleaning establishment or plumbing shop.

Section 13. In Business and Public Use Districts of Class J no building, structure or premises shall be erected, constructed, altered or maintained which shall be used or designed or intended to be used for any purpose other than that of business permitted in Business and Public Use Districts of Class H hereof and that of a blacksmith shop; building material yard; carbarn; coal yard; creamery; feed or fuel business; household furniture warehouse; lumber yard; milk bottling or distributing station; railroad freight depot, yard, team track or freight shed; riding academy; roller or ice skating rink; stable for more than one horse; warehouse for any business permitted in Class J Districts; wholesale business or wood yard; provided that the approval of the Homes Association thereto and the issuance by it of a temper-

BUSINESS AND PUBLIC USE DISTRICTS OF CLASS F-- PUBLIC AND SEMI-PUBLIC USES

BUSINESS AND PUBLIC USE DISTRICTS OF CLASS G-- RELIGIOUS EDIFICES

BUSINESS AND PUBLIC USE DISTRICTS OF CLASS H-- GENERAL BUSINESS, GARAGES AND DWELLINGS

BUSINESS AND PUBLIC USE DISTRICTS OF CLASS J-- WHOLESALE AND MATERIAL BUSINESS

ary, revocable permit therefor, may permit temporary planing mills; and provided further that in Business and Public Use Districts of Class J no building or structure or any part thereof shall be designed, erected, altered or maintained for any single or multiple dwelling, sleeping or human habitation purposes, except that in connection with any warehouse or business building one single family dwelling quarters for one watchman employed on said building may be used by him and his family only.

BUSINESS AND PUBLIC USE DISTRICTS OF CLASS K— HOSPITALS AND INSTITUTIONS

Section 14. In Business and Public Use Districts of Class K, no building, structure or premises shall be erected, constructed, altered, or maintained which shall be used or designed or intended to be used for any purpose other than that of a public or private hospital, sanitarium (except an 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, which are prohibited by Article I hereof), clinic, day nursery, or charitable institution or a use permitted in a Residence District of Classes A, B, or C-1.

ACCESSORY BUILDINGS, DOCTORS' OFFICES IN DWELLINGS, ETC.

Section 15. Nothing contained herein shall prevent the usual accessories to uses which are permitted by the provisions hereof, such as the use by a physician, surgeon, dentist, or other person practicing the art of healing, artist or musician of his or her residence as an office or studio. Customary outbuildings or bridges may be located or maintained as accessory to any building lawfully within the boundaries of any district herein specified. The term accessory shall not include a business nor shall it include any building or use not on the same lot with the building or use to which it is accessory. A private garage for more than six motor vehicles shall not be deemed accessory in a Use District of Classes A, B, C-1, C-2, C-3, F, G, or K, except with the approval of the Homes Association.

LOCATION OF ACCESSORY BUILDINGS

Section 16. (a) Accessory buildings shall include and permit the building of a private garage for each existing single family dwelling, and for each apartment of any multiple dwelling on the same lot for the sole use of the occupants thereof, provided that the area, yard and court requirements thereof be not thereby diminished. (As amended by Amendment No. 3.)

(b) Except as otherwise provided in further restrictions applicable thereto filed

of record with said County Recorder by Commonwealth Trust Company, accessory buildings in Residence Districts of Classes A, B, C-1, C-2, C-3, F, G and K shall conform to the following regulations as to their location upon the lot, provided, however, that where the slope of the lot is greater than one foot rise in six feet of run, a private garage may, with the approval of the Homes Association, be built nearer to the street.

1. In the case of an interior lot fronting upon only one street, no accessory building shall be erected or altered so as to encroach upon that half of the lot depth nearest the street.

2. In the case of an interior lot fronting upon two or more streets, no accessory building shall be erected or altered so as to encroach upon either fourth of the lot depth nearest such streets.

3. In the case of a corner lot fronting upon two streets, no accessory building shall be erected or altered so as to encroach upon the area between such respective streets and lines drawn parallel to such streets respectively in a manner to divide the lot into two equal areas.

4. In the case of a corner lot fronting upon three or more streets, no accessory building shall be erected or altered so as to encroach upon any fourth of the lot depth nearest such streets.

5. No accessory building shall be located within ten feet of its rear or side lot line when such line forms part of the front half of the side line of an adjacent interior lot, or the front quarter of an adjacent lot whether the latter be an interior or corner lot.

6. Notwithstanding any requirement in this section, the foregoing rules shall not prohibit an accessory building where permitted by this declaration seventy-five (75) feet or more from the street bounding the block.

7. The limitations imposed by this section upon the location of an accessory building shall be waived when the accessory building is incorporated as an integral part of, and enclosed by the same enclosing walls as the building to which it is accessory.

(c) No garage for more than six motor vehicles or theatre or dance hall shall be established in any Use District so as to have a street entrance or exit for use by automobiles upon any street within 200

RESTRICTIONS AS TO PUBLIC GARAGES AND THEATRES OR SCHOOLS, HOSPITALS, E

feet of the entrance to or exit from a public or private school, or playground, church, hospital, or children's home for children under 16 years of age, except where said school, playground, church, hospital, or children's home is in a Business and Public Use District of Class H. This restriction, however, shall not apply to places which are attended by not more than twelve (12) children per day.

CLASSES OF HEIGHT DISTRICTS
Section 17. For the purpose of regulating and limiting the height and bulk of buildings erected, there are hereby established and defined for the said property certain classes of Height Districts as follows:

- 1 Story Height Districts
- 2 Story Height Districts
- 2½ Story Height Districts
- 3 Story Height Districts

as herein further defined and limited, with location, extent and boundaries thereof as may be defined and established in supplemental and additional restrictions hereafter filed of record with said County Recorder, provided that further and/or different classes of height districts may be established and defined in said restrictions. No building or premises or any part thereof shall be erected, constructed, altered or maintained except in conformity with the regulations herein provided for the Height District in which said premises, building or part thereof is located. Any further restrictions hereafter established and placed of record with said County Recorder which shall classify any of said property as being within any district or any class of height district unless referring specifically to some other recorded restrictions, shall be construed as referring to the district of the class defined in this declaration, or amendment thereof.

1 STORY HEIGHT DISTRICTS
Section 18. In a 1 Story Height District no building or structure shall be erected, constructed, altered or maintained with a height in excess of one story and basement, nor more than twenty-five (25) feet, except as provided in Section 22 hereof.

2 STORY HEIGHT DISTRICTS
Section 19. In a 2 Story Height District no building or structure shall be erected, constructed, altered or maintained with a height in excess of two stories, nor more than thirty-five (35) feet, except as provided in Section 22 hereof.

2½ STORY HEIGHT DISTRICTS
Section 20. In a 2½ Story Height District no building or structure shall be

erected, constructed, altered or maintained with a height in excess of two stories and a finished attic, nor more than forty (40) feet, except as provided in Section 22 hereof.

Section 21. In a 3 Story Height District no building or structure shall be erected, constructed, altered or maintained with a height in excess of three stories, nor more than forty-five (45) feet, except as provided in Section 22 hereof.

Section 22. (a) The height limitations hereof shall not apply to gables, spires, flag-poles, chimneys and wireless aeriels and supports, provided same are approved by the Homes Association and the Art Jury, and provided further that where the slope of the lot is greater than one foot rise in six (6) feet of run an additional story may be permitted by the Homes Association on the downhill side of the building in any Height District.

(b) Except in Residence Use Districts of Classes A and B, towers, pent-houses or water tanks closed in with walls down to the ground or to main part of the building, may with the approval of Palos Verdes Homes Association and the Art Jury be built and used to a greater height than permitted in the height District in which the structure is located; provided that no tower of any apartment house shall be erected, constructed, altered or maintained with rooms used or designed or intended to be used for sleeping rooms on more than three stories of said apartment house; and provided that no tower of any hotel or lodging house shall be erected, constructed, altered or maintained with rooms used or designed or intended to be used for sleeping purposes on more than five floors of said hotel or lodging house; and provided that no such tower, pent-house, or water tank shall cover at any level more than fifteen (15) percent in area of the lot, nor have a base area greater than sixteen hundred (1600) square feet; and provided further that no part of any building or structure on any part of said property shall ever exceed a maximum height of one hundred and fifty (150) feet. (As amended by Amendment No. 1.)

Section 23. (n) For the purpose of regulating and determining the area of yards, courts and other open spaces for buildings erected on said property the fol-

3 STORY HEIGHT DISTRICTS

SPECIAL HEIGHT DISTRICT PROVISIONS

TOWERS, TANKS AND PENT-HOUSES ABOVE HEIGHT LIMIT

GENERAL AREA REQUIREMENTS

IS
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EAR
Etc.

lowing area requirements are hereby established:

No building or part of a building shall be erected except in conformity with the area regulations herein prescribed for the Use District in which said building is located. Unless otherwise expressly provided the terms "rear yard," "side yard," "outer court" or "inner court" when used herein shall be deemed to refer only to a rear yard, side yard, outer court or inner court required herein.

(1) If a lot extends through from one street to another street, public alley, walk, court or public park one-half of the narrowest street, alley, walk, court or public park on which such lot abuts may be considered as a part of the lot in computing the size of the rear yard required except that if such one-half of the narrowest street, walk, court, alley or park is greater than the rear yard required, then only as much of said street or is required for the rear yard shall be considered as a part of said yard and provided that in no event shall the open and unoccupied space on the rear of the lot be less than five feet in depth.

PERCENTAGE OF LOT OCCUPIED
Section 24. No building or structure shall be erected, constructed, altered or maintained which shall occupy either alone or with other buildings, a greater percentage of the area of the lot than as follows:

(a) In Residence Districts of Class A not more than thirty (30) per centum.

(b) In Residence Districts of Classes B, C-1, C-2, C-3, and in Business and Public Use Districts of Classes F, G and K, and for multiple dwellings in any use district, in the case of corner lots not more than seventy (70) per centum and in the case of interior lots not more than sixty (60) per centum.

The measurements shall be taken at the ground level; except that in the case of hotels the measurement may be taken at the floor level of the lowest bedroom story and in the case of other multiple dwellings where there are stores or shops on the entrance story, the measurements may be taken at the story above the top of such entrance story. No measurements of lot area shall include any portion of any street or alley. Any portion of a corner lot distant more than sixty (60) feet, from the corner line measured along the front line of the lot, shall be treated as an interior lot.

REAR YARDS
Section 25. (a) Immediately behind every dwelling erected in any Use District there shall be a rear yard extending across the entire width of the lot. Such yard shall be at every point open and unobstructed from the ground to the sky and shall be of the depth described in Section 27 hereof. Every part of such yard shall be directly accessible from every other part thereof. The depth of said yard shall be measured at right angles from the extreme rear part of the dwelling:

(1) To the middle line of the alley where an alley immediately abuts a lot and extends across its entire width;

(2) To the rear lot line, where there is no such alley;

(3) To the nearest wall of the building, where there is another building at the rear as permitted herein.

The provisions of this Section shall not apply to hotels nor to Business and Public Use Districts of Class J.

(b) In Business and Public Use Districts of Classes D, E and H the lowest level of the rear yard shall not be above the sill level of the second story windows nor in any case more than 18 feet above the curb level.

In Residence Districts of Classes A, B, C-1, C-2, C-3, and in Business and Public Use Districts of Classes F, G and K the lowest level of a rear yard shall not be above the curb level, except that a private garage or other out-building not more than one story in height may be built in the open space required for the rear yard if the required rear yard area be not thereby diminished, and egress from said rear yard to rear lot line be provided and maintained open and unobstructed to the sky of a width equal to the minimum width of required rear yard, and provided further that not more than one private garage may be built on any one lot in a Residence District of Class A.

COURTS
Section 26. If a room in which persons live, sleep, work or congregate receives its light and air in whole or in part directly from an open space on the same lot with the building, there shall be at least one inner court, outer court, side yard or rear yard upon which a window or ventilating skylight opens from such room. Such inner court, outer court or side yard shall be at least of the area and dimensions herein prescribed for an inner court in the

Use District in which it is located. In Business and Public Use Districts of Class J such inner court, side yard or rear yard shall be at least of the area and dimension herein prescribed for a court in such district. The unoccupied space within the lot in front of every part of such window shall be not less than five (5) feet measured at right angles thereto and not less than thirty-five (35) square feet in area. Courts, yards, and other open spaces if provided in addition to those required need not be of the area and dimensions herein prescribed.

AREA REQUIREMENTS IN BUSINESS AND PUBLIC USE DISTRICTS OF CLASSES D, E, H, AND J

Section 27. (a) In Business and Public Use Districts of Classes D, E, H, and J yards and courts shall not be required except where windows are required, in which case the provisions of Sections 24 and 25 hereof shall apply and the dimensions of said yards and courts shall be the same as required in a Class C-1 District by paragraph (b) hereof, provided that said provisions shall not apply to windows opening on an open porch or arcade.

AREA REQUIREMENTS IN CLASS A, B, C-1, C-2, C-3, F, G, AND K USE DISTRICTS

(b) In Residence Districts of Classes A, B, C-1, C-2, C-3, and in all Business and Public Use Districts of Classes F, G and K, and for each multiple or single dwelling erected in any Use District, the minimum width of outer courts, inner courts and rear yards shall be as follows: (Height of building based on full number of stories in the building measured upward from and including the lowest story in which there is an apartment or bedroom.) (As amended by Amendment No. 1.)

Stories	Height of Building (ft.)	Outer Court and Side Court Inside Court		Rear Yard or Inside Lot	
		Minimum Width (ft.)	Minimum Area (sq. ft.)	Minimum Width (ft.)	Minimum Depth (ft.)
1	25	5	80	7	12
2	35	7	100	8	15
2½	40	8	120	10	16
3	45	10	160	12	20

Rear Yard or Corner Lot
The minimum depth of a rear yard on a corner lot shall be as follows:
Depth of Corner Lot: Not exceeding 100 feet. Depth of Rear Yard: Not less than 10% of the depth of the lot nor less than five feet, nor less than the minimum width required for an outer court, based on the number of stories in such building.
Exceeding 100 feet. Not less than twelve (12) feet.

SIDE YARDS

(c) In Residence Districts of Classes A, B, F, G and K, along each side lot line there shall be a side yard of a minimum

width of five (5) feet; provided, however, that upon the presentation of a duly executed party wall agreement between owners of two adjoining lots and with the written approval of the Ast Jury, this requirement shall not apply as to said lot line. In Residence Districts of Classes C-1, C-2 and C-3, and in Business and Public Use Districts of Classes D, E and H, side yards shall not be required except where windows are required, in which case said side yards shall be of the width required for outer courts or side yards in paragraph (b) above. (As amended by Amendment No. 3.)

Section 28. No building for Residence use shall be built nearer in any part than ten (10) feet from any other building for single or multiple residence use on the same lot. If a building is erected on the same lot with another building, the several buildings shall for the purpose of this declaration be considered as a single building. Any structure, whether independent of or attached to a building, shall for the purposes hereof be deemed a building or a part of a building.

No building or structure of any kind shall be placed upon the same lot with an existing building or structure so as to decrease the minimum size of courts or yards as herein prescribed, excepting a one-story accessory private garage or out-building, as provided in Section 25 hereof.

Section 29. (a) The area required in a court or yard at any given level shall be open from such level to the sky unobstructed, except for the ordinary projections of sky-lights and parapets above the bottom of such court or yard, and except for the ordinary projections of window sills, belt courses, cornices, and other ornamental features to the extent of not more than four inches. However, where a side yard or an outer court opens on a street, a cornice may project not over five feet into such side yard or outer court within five feet of the street wall of the building. And provided also that in a Residence District of Class A a single family dwelling having a side yard of a clear and unobstructed width of not less than five feet may have a cornice or eave projecting not more than two feet into the side yard on the opposite side.

(b) An open or latticed enclosed iron fire escape or stairway may project not more than four feet into a rear yard or an inner court.

ADDITIONAL BUILDINGS ON THE SAME LOT

AREA REQUIREMENT EXCEPTIONS

(c) A corner of a court or yard may be cut off between walls of the same building provided that the length of the wall of such cut-off does not exceed four feet.

(d) An offset to a court or yard may be considered as a part of such court or yard provided that it is no deeper in any part than it is wide on the open side and that such open side be in no case less than six feet wide.

INTERPRETATION

Section 30. In interpreting and applying the provisions of this declaration they shall be held to be the minimum requirements adopted for the promotion of the health, safety, comfort, convenience and general welfare of the owners and occupants of said property. It is not intended by this declaration to interfere with any provisions of law or ordinances or any rules, regulations, or permits previously adopted or issued or which may be adopted or issued pursuant to law relating to the use of buildings or premises; nor is it intended by this declaration to interfere with or abrogate or annul easements, covenants or other agreements between parties; provided, however, that where this declaration imposes a greater restriction upon the use of buildings or premises or upon the height of buildings or requires larger yards, courts or other open spaces than are imposed or required by such provisions of law or ordinances or by such rules, regulations or permits, or by such easements, covenants or agreements, then and in that case the provisions of this declaration shall control.

ALTERATIONS AND CHANGE IN OCCUPANCY

Section 31. No building or structure erected, constructed, or premises used on any part of said property shall at any time be altered so as to be in violation of this declaration.

BUILDING PERMITS

Section 32. No building permit shall be issued by the Building Commissioner of the Homes Association for the erection or alteration of any building or structure contrary to the provisions of this declaration.

NO USE PRIOR TO ISSUANCE OF CERTIFICATE OF COMPLETION AND COMPLIANCE

Section 33. No owner or lessor of any portion of said property shall use or permit the use of any building or premises or part thereof created, erected, changed, or converted wholly or partly in its use or structure until a certificate of completion and compliance, to the effect that the building or premises or the part thereof so created, erected, changed or converted and the proposed use thereof conform to the provisions of this declaration, shall have been issued by the Homes Association.

Section 34. (s) To preserve the attractiveness of the said property and to prevent the erection, alteration or maintenance of buildings of undesirable and inharmonious design that would depreciate their neighbors, there are hereby established and defined for said property certain districts combining the usual architectural forms as follows:

GENERAL REQUIREMENTS AS TO ARCHITECTURE

Type I Architecture District, Type II Architecture District and Type III Architecture District, as herein further defined and limited, with location, extent and boundaries thereof as may be defined and established in supplemental declarations of restrictions hereafter filed by Commonwealth Trust Company of record with said County Recorder, provided that further classes of architecture districts may be established and defined in such declarations. No building or structure shall be erected, constructed, altered or maintained on said property or any part thereof, except in conformity with the regulations herein provided for the Type of Architecture District in which said building or structure is located, and except as provided in Article III of this declaration.

(b) A design must be reasonably good of its kind in order to be approved by the Art Jury. A poorly designed example of any sort of architecture, regardless of its nominal "style," or of its cost, shall be disapproved.

(c) Materials, color and forms must be used honestly, actually expressing what they are, and not imitating other materials (such as tin, tile, wood and sheet metal, shaming stone, etc.), as for instance, wood being treated frankly as wood and not in imitation of stone, wherever it is used. In this hilly country, roofs will be much seen from above, and their form and color are important to the success and attractiveness of the property. The design of the building must be of such a kind or type as will, in the opinion of the Art Jury, be reasonably appropriate to its site and harmonize with its surroundings, including the architectural character of neighboring improvements for which designs have previously been approved. The word "type" is used rather than "style" because attempts to reproduce "archaeological" or "period" styles shall be discouraged.

Section 35. In Type I Architecture Districts buildings or structures shall conform to the following general requirements and

TYPE I ARCHITECTURE DISTRICTS

definitions, subject to the discretion of the Art Jury:

Type I shall be that distinctive type of architecture which for two decades or more has been successfully developing in California, deriving its chief inspiration directly or indirectly from Latin types, which developed under similar climatic conditions along the Mediterranean.

COLOR: Generally light in tone (of shades to be approved for each individual case).

MATERIALS: Plaster or stucco exterior wall surfaces of a durable construction, or where they can be afforded, concrete stone or an approved artificial stone, are to be preferred. In rare cases an exterior finish of wood or clay products may be approved in Type I districts, but only when treated in harmony with the dominant note of neighboring building.

ROOFS: Low roofs are desired in Type I districts, preferably not steeper than thirty (30) degrees and never to exceed thirty-five (35) degrees maximum. They should be of tile of an approved color, or if of shingles the natural weather tone shall be preferred. Roof if flat, enclosed by parapet walls. Paper or other approved prepared roofings of these flat roofs to be sprinkled with gravel or other natural material, generally light in tone.

TYPE II
ARCHITECTURE
DISTRICTS

Section 36. In Type II Architecture Districts buildings and structures shall conform to the following general requirements and definitions, subject to the discretion of the Art Jury:

Type II varies from Type I in greater latitude of architectural character. Type I designs may be approved in Type II districts. However, where some special local start of a variant type is made, with the approval of the Art Jury, other nearby buildings may be required to harmonize.

COLOR, MATERIALS and ROOFS: Requirements the same in general as for Type I, with local variations subject to the approval of the Art Jury. A greater use of wood exterior finish may be approved than in Type I districts, with an accompanying latitude in steepness of roof pitch. The maximum allowable pitch for story and a half houses in Type II districts shall be forty (40) degrees, and for two-story houses forty-five (45) degrees maximum, preferably less.

Section 37. In Type III Architecture Districts buildings and structures shall conform to the following general requirements and definitions, subject to the discretion of the Art Jury:

TYPE III
ARCHITECTURE
DISTRICTS

Type III varies from Type II as follows and Type II buildings will not be discouraged in Type III districts where they are made to harmonize with the adjacent improvements, but Type I buildings may not be approved:

COLOR AND MATERIALS: To be varied as occasion warrants with the approval of the Art Jury. Greater use of clay products exterior finish may be approved in Type III districts.

ROOFS: A slope or pitch of as much as sixty (60) degrees may be allowed in some cases, when not considered inharmonious with the neighboring buildings or contour of the surrounding ground.

Section 38. In Type IV Architecture Districts all buildings or structures shall conform to the requirements of Type II Architecture Districts as defined and limited in said Declaration No. 1, provided that the Bank of America reserves to itself, its successors and assigns the sole right to establish a general group design and color scheme, with the approval of the Art Jury, for any and all buildings and structures to be erected in said Type IV Districts, which said design shall indicate the general spacing of bays or openings, exterior facades, roof lines, gables and towers. No building or structure shall be created, constructed, altered or maintained on any lots in said District except in conformity with said design and color scheme, as interpreted by the Art Jury; provided that if within ninety (90) days after the receipt in writing by Bank of America, its successors or assigns, of a request for the completion of said design for any lot in said Type IV Architecture District from the owner thereof, reasonably adapted to the uses and purposes of said lot and permitted and authorized by the restrictions applicable thereto under the terms of the deed or contract of sale of said lot, said Bank of America, its successors or assigns, shall fail to complete said design and color scheme as in said lot to the satisfaction of the Art Jury, the Art Jury shall without further notice be empowered to establish a design and color scheme as to said property and no building or structure shall thereafter be erected,

TYPE IV
ARCHITECTURE
DISTRICTS

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 in 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 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.

STREET GRADES, CUTS AND FILLS 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.)

OWNER LIABLE FOR DAMAGE TO STREETS CAUSED BY NEGLIGENCE 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.

TRIMMING AND REMOVAL OF TREES AND SHRUBS 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

DES,
ILLS

RIGHT TO PLANT
AND MAINTAIN
VACANT AND
UNIMPROVED
LOTS

of the Homes Association is warranted to maintain the view and protect adjoining property. The Homes Association shall have sole authority and right to trim, remove, replace, plant or re-plant or otherwise care for the trees, shrubs and plantings in the sidewalk or other spaces in front of lots or adjoining them, subject to any county or other officials having superior jurisdiction.

Section 8. The Homes Association shall have the right at all times to enter on or upon any lot or parcel of said property that is vacant or unimproved by the owner thereof, and to plant or re-plant, trim, cut back, remove, replace and/or maintain hedges, trees, shrubs or flowers on the front half and/or on the area within fifteen (15) feet of any rear or within ten (10) feet of any side line and/or keep cultivated and/or grow, reap and remove crops on the whole area of any parcel, lot or building site of said property, and the said Homes Association or any officer or agent thereof, shall not thereby be deemed guilty of any manner of trespass. When the owner of a parcel or lot so planted or maintained by the Homes Association shall give bona fide evidence and written notice to said corporation of his intention to improve the same within thirty days, the Homes Association may within said thirty days and until work on said improvements is commenced, transplant, remove or dispose of any or all of the plantings which may have been made by it.

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PRIVIES AND
CESSPOOLS

Section 9. No privy shall be erected, maintained or used upon any part of said real property, but a temporary privy may with the approval of Palos Verdes Homes Association be permitted during the course of construction of a building. Any lavatory, toilet or water-closet that shall be erected, maintained or used thereon shall be enclosed and located within a building herein permitted to be erected on said premises; and, until an adequate public sewerage system shall be provided therefor, the same shall be properly connected with an underground cesspool, so constructed, covered and operated that no offensive odors shall arise or otherwise escape therefrom; and provided further, that no such cesspool shall be constructed, altered or maintained unless a proper building and plumbing permit therefor

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shall first have been obtained from Palos Verdes Homes Association, and that before any use thereof a Certificate of Completion and Compliance shall also have been issued therefor by said Association. (Added by Amendment No. 1.)

Section 10. To maintain the health, safety and general welfare of people residing on said property, and to prevent danger from fires, street traffic or other hazards to life and limb or property, Palos Verdes Homes Association shall adopt such rules and regulations as it may from time to time deem advisable and necessary and all parts of said property shall at all times be maintained subject to said rules and regulations; provided, however, that all such rules and regulations shall be in addition to and not interfere with any regulations of County, State or other duly constituted public authority. No fires shall be built or maintained except in chimneys, fireplaces or other fire arrangements for which a written permit has been issued by said Association. (Added by Amendment No. 1.)

MAINTENANCE
OF HEALTH,
SAFETY
AND WELFARE

Section 11. No obstruction, diversion, bridging or confining of the existing channels, through which surface water in time of storms naturally flows upon and across any lot, shall be made by any lot owner in such a manner as to cause damage to other properties or, except with the approval of Palos Verdes Homes Association as to the adequacy of such constructed, diverted, bridged or confined channel in such a manner as to carry the amount of storm water liable to flow into it, and the right is expressly reserved to Bank of America, its successors and assigns, as an incident of the development of the entire properties including the construction of streets, gutters, ditches and otherwise, to cause reasonable increases or decreases in the amount of water which would in a state of nature flow into and through any such natural storm water channels. (Added by Amendment No. 1.)

MAINTAINING
NATURAL
DRAINAGE

Section 12. No plants or seeds infected with noxious insects or plant diseases shall be brought upon, grown or maintained upon any part of said property and no plants or seeds shall be brought upon any part of said property except in accordance with regulations established by and subject to inspection by the Park Department of Palos Verdes Homes Association.

INSECT PESTS
AND
PLANT DISEASES

ciation 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 insectious 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

DURATION OF RESTRICTIONS

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.

MODIFICATION
OF BASIC
RESTRICTIONS

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 OTHER
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 Palms 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, where by 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.

**CONSTRUCTION
AND VALIDITY
OF RESTRICTIONS**

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 as 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.

**ASSIGNMENT
OF POWERS**

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.

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

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 lot 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

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

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

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,

EXCEPTIONS
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.

NS

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, therunto duly authorized.

COMMONWEALTH TRUST COMPANY,

By JONATHAN S. DODGE, *President.*

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

(Seal)

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

On this 26th day of June, in the year one thousand nine hundred and twenty-three, before me, Cass 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.

CASS A. WAGNER,

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

N

S

(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-

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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 ux,

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. Law	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 Palms Verdes Home 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.

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

JAMES P. 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 P. 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)

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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. CONY, 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 Nov. 14, 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

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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 Palms Verde 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.

FEES AND OF MEMBERS

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.

**ANNEXATI
ADDITION.
PROPERTY**

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

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

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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 each 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 eyes and noses 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

or other description sufficient to identify the place. Such signatures need not all be on one paper, but the circulator of every such paper shall make an affidavit that each signature appended to the paper is the genuine signature of the person whose name it purports to be. All such papers shall be filed as one instrument, with the endorsements thereon of the names and addresses of three persons designated as filing the same.

EXAMINATION AND AMENDMENT OF RECALL PETITIONS Section 2. Within ten days after the filing of the petition the secretary shall ascertain whether or not the petition is signed by the requisite number of members and shall attach thereto his certificate showing the result of such examination. If his certificate shows the petition to be insufficient, he shall forthwith so notify in writing one or more of the persons designated on the petition as filing the same, and the petition may be amended at any time within ten days after the giving of said notice, by the filing of a supplementary petition upon additional petition papers, issued, signed and filed as provided herein for the original petition. The secretary shall, within ten days after such amendment, make like examination of the amended petition, and attach thereto his certificate of the result. If then found to be insufficient, or if no amendment was made he shall file the petition in his office and shall notify each of the persons designated thereon as filing it of that fact. The final finding of the insufficiency of a petition shall not prejudice the filing of a new petition for the same purpose.

CALLING OF RECALL ELECTION Section 3. If the petition or amended petition shall be certified by the secretary to be sufficient he shall submit the same with his certificate to the Board of Directors at its next meeting and shall notify the director or directors whose removal is sought of such action. The Board of Directors shall thereupon, within ten days of the receipt of the secretary's certificate, call a special members' meeting for the purpose of a recall election to be held not less than thirty nor more than forty-five days thereafter. Provided, that if an annual members' meeting is to occur within sixty days after the receipt of said certificate, the Board of Directors may in its discretion provide for the holding of the recall election on the date of such annual meeting.

FORM OF BALLOT TO RECALL DIRECTOR Section 4. Unless the director or directors whose removal is sought shall have resigned within ten days after the receipt by the Board of Directors of the secretary's certificate the form of ballot at such election shall be as nearly as may be: "Shall A be recalled? Shall B be recalled?" etc., the name of the director or directors whose recall is sought being inserted in place of A, B, etc., and the ballot shall also contain the names of the candidates to be elected in place of the men recalled, as follows: "Candidate for the place of A, if recalled; candidate for the place of B, if recalled," etc., but the director or directors whose recall is sought shall not themselves be candidates upon such ballot.

In case of those voting for or against the recall of any director the members who are holders of record title of two-thirds (2/3) of all said building sites owned by members, shall vote in favor of recalling such director he shall be thereby removed, and in that event the candidate who receives the highest number of votes for his place shall be elected thereto for the balance of the unexpired term.

If the director or directors sought to be removed shall have resigned within ten days after the receipt by the Board of Directors of the secretary's certificate referred to in this section above hereof, the form of ballot at the election shall be the same, as nearly as may be, as the form in use at an annual members' meeting.

ARTICLE VIII OFFICERS

The officers shall be a President, Vice-President, Secretary, Building Commissioner and Manager, which officers shall be elected by and hold office at the pleasure of the Board of Directors, except as provided herein; and a Park and Recreation Board, Planning Board, Health Board, and Art Jury as provided in these By-laws.

ARTICLE IX PRESIDENT AND VICE-PRESIDENT

The Board of Directors shall, at their first regular meeting, elect one of their number to act as President and another to act as Vice-President, to serve for one year and until their successors are elected; and, if at any time the President shall be unable to act, the Vice-President, shall take his place and perform his duties; and, if

the Vice-President, from any cause, shall be unable to act, they shall appoint some other member of the Board to act, in whom shall be vested for the time being all the duties and functions of the office of President, or in his absence, or inability to act, the Vice-President, or, in the absence or inability to act of both the President and the Vice-President, the Director appointed as above provided, who:

1st. Shall preside over all meetings of the members and Directors and shall have the casting vote.

2nd. Shall sign as President all certificates of membership and all instruments of writing which have been first approved by the Board of Directors.

3rd. Shall have such other powers consistent with the office as may be conferred upon him by the Board of Directors.

4th. Shall be recognized as the official head of Pelos Verdes Homes Association for all ceremonial purposes and by the courts for serving civil processes.

ARTICLE X

SECRETARY

The Board of Directors shall elect a Secretary to serve at the pleasure of the Board, with the following duties:

1. To keep a record of all the proceedings of the Board of Directors and of the members.

2. To keep the corporate seal of the corporation and the book of black certificates of membership; to fill up and countersign all certificates issued, and make the corresponding entries in the margin of such book of issuance; and he shall affix said corporate seal to all papers requiring a seal.

3. To serve all notices required either by law or the By-laws of the corporation, and in case of his absence, inability, refusal or neglect so to do, then such notices may be served by any person thereunto directed by the President or Vice-President of the corporation.

4. To keep proper books showing the date of issuance of each certificate of membership and the name of the person to whom issued, and showing the date of and parties to each transfer of membership.

ARTICLE XI

THE BUILDING COMMISSIONER

Section 1. The Department of Buildings shall be in charge of a Building Commissioner named by the Board of Directors to serve at their pleasure, who shall have full, sole and final authority to approve or disapprove in the name of said corporation and to issue Building Permits and Certificates of Completion and Compliance for any and all plans, specifications or construction work of any kind within the jurisdiction of said corporation, and shall inspect and superintend 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 contract agreements which may at any time be placed upon or exist in connection with any of said property or any property over which this corporation shall have or accept jurisdiction.

Section 2. The Board of Directors shall provide for the safety of building construction by establishing and enforcing regulations for the granting of said Building Permits and Certificates of Completion and Compliance by the Building Commissioner 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, sanitation, plumbing, electric wiring and other codes or zoning regulations.

Section 3. The Building Commissioner shall keep records of all building permits and/or other approvals or disapprovals made or issued by and in the name of this corporation and 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.

Section 4. The Homes Association shall perform any act or erecting, constructing, altering or maintaining any building.

structure, improvement, work of art, etc., shall secure a Building Permit and a Certificate of Completion and compliance and approval of the Building Commissioner and/or the Art Jury, in the same manner as required of any private owner subject to the jurisdiction of the Home Association and the Art Jury.

Section 5. No building permit shall be issued by the Building Commissioner for any building or structure or any part thereof unless and until it conforms to all the other requirements of ordinances of the County of Los Angeles, California, applicable thereto, and to the California State Housing Act, State Tenement House Act, State Hotel and Lodging House Act, State Dwelling House Act, and all other State Acts and requirements as to housing and sanitation applicable to incorporated cities, and said laws and amendments thereto shall have the same force and effect as if property were all within an incorporated city of the State of California, except such modifications and variations thereto as may be adopted by regulation by the Board of Directors. (As amended Nov. 14, 1923.)

ARTICLE XII

THE MANAGER

Section 1. The Manager shall be the chief executive officer of the corporation. He shall be chosen by the Board of Directors solely on the basis of his executive and administrative qualifications. The choice shall not be limited to inhabitants of the said property. The Manager shall be appointed for an indefinite period. He shall be removable by the Board of Directors. If removed at any time after six months he may demand written charges and a public hearing on the same before the Board of Directors prior to the date on which his final removal shall take effect, but during such hearing the Board of Directors may suspend him from office. During the absence or disability of the Manager the Board of Directors shall designate some properly qualified person to perform the duties of the office.

POWERS AND DUTIES OF THE MANAGER

Section 2. The Manager shall be responsible to the Board of Directors for the proper administration of all affairs of the corporation, and to that end shall make all appointments, except as otherwise provided in these By-laws. Except when the Board

of Directors is considering his removal, he shall be entitled to be present at all meetings of the Board of Directors and of its committees and to take part in their discussions.

Section 3. The Manager shall prepare and submit to the Board of Directors the annual budget after receiving estimates made by the heads of the departments.

ARTICLE XIII

ADMINISTRATIVE DEPARTMENTS

Section 1. There shall be administrative departments as follows:

Law, works and utilities, safety and welfare, library, and finance, and a Park and Recreation Board, Planning Board, Health Board, and Art Jury, the functions of which shall be prescribed by the Board of Directors except as otherwise provided herein. The Board of Directors shall fix all salaries, which in the classified service shall be uniform for each grade, as established by the Service Commission, and the Board of Directors may, by a four-fifths vote, create new departments, combine or abolish existing departments or establish temporary departments for special work, except the Art Jury and the Park and Recreation Board and except as otherwise provided herein.

ADMINISTRATIVE DEPARTMENTS CREATED

Section 2. At the head of the departments of law, works and utilities, safety and welfare, library, and finance, there shall be a director. Each director shall be chosen on the basis of his general executive and administrative experience and ability and of his education, training and experience in the class of work which he is to administer. The director of the department of law shall be a lawyer; of the library, a trained librarian; of works and utilities, an experienced and qualified engineer; of safety and welfare, a man who has had administrative experience; of finance, a man who has had experience in banking, or other financial matters; or in each case the person must have rendered active service in the same department in this or some other community. The manager may appoint an advisory Library Board, to serve at his pleasure and to advise and aid him and the librarian in library matters, and for other advisory boards.

DUTIES OF DIRECTORS OF DEPARTMENTS

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 officers 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.

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.

SECRETARY

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.

OTHER OFFICERS AND EMPLOYEES

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

POWERS AND DUTIES OF THE PARK AND RECREATION BOARD

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.

(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

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, alter, 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

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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.

(d) The Planning Board shall submit ANNUAL REPORT 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.

who shall act as Chief Executive Officer under the Board, 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. The Health Board shall have charge and control of the administration of all health and sanitation measures within the jurisdiction of said corporation.

ARTICLE XVII
THE ART JURY

Section 1. The Palos Verdes Art Jury appointed by Commonwealth Trust Company of Los Angeles, April 12, 1923, is hereby adopted, confirmed and established as the Art Jury of this corporation. The Art Jury shall have full jurisdiction over all lands and property over which Palos Verdes Homes Association has jurisdiction.

APPROVAL OF
STREETS,
SUBDIVISIONS
AND GENERAL
PLANTING

Section 2. No part of the said property and/or of any property at any time within the jurisdiction of the Art Jury or of Palos Verdes Homes Association shall be subdivided, laid out or improved by street work, buildings, structures, landscaping or planting, or its physical contours cut into, altered or changed, or any premises maintained except with the approval of the Art Jury as to a uniform and reasonably high standard of artistic result and attractiveness, in exterior and physical appearance of said property and improvements; provided, that as to any original layout, subdivision and landscaping of the said property for Commonwealth Trust Company by Olmsted Brothers, Landscape Architects of Brookline, Massachusetts, the Art Jury shall not have any jurisdiction or power of approval other than to make suggestions unless specifically requested to do so by Commonwealth Trust Company; and provided also that at the end of ninety days after submission by Commonwealth Trust Company to the Art Jury of a subdivision map or of any proposed declaration of additional restrictions covering any portion of the said property, legal title to which is held by Commonwealth Trust Company, the said map or declaration shall be deemed to have been given full and final approval by the Art Jury, regardless of any action by it in the interim.

Section 3. No building, fence, wall, sidewalk, steps, awning, tent, pole, or other structure, improvement, utility, parking or planting shall be erected, constructed, altered or maintained upon, under or above any portion of said property or of any property at any time within the jurisdiction of the Art Jury or of Palos Verdes Homes Association (except as provided in Section 2 hereof) unless plans and specifications therefor, including the exterior color schemes together with a block plan indicating location, shall have been submitted to, approved in writing by the Art Jury and a copy of such plans, specifications and block plans as finally approved deposited for permanent record with the Art Jury. No alteration shall be made in the exterior color or design of any structure unless written approval of such alteration shall have first been obtained from the Art Jury. No sign of any kind or for any use shall be erected, posted or displayed upon or about any property under the jurisdiction of the Art Jury without the written approval of the Art Jury.

APPROVAL
OF PLANS

Section 4. No work of art shall become the property of Palos Verdes Homes Association, or of any corporation, organization or public or semi-public body which may succeed or be substituted for any of them, whether acquired by purchase, gift or otherwise, unless such work of art or a design of the same, together with a statement showing the proposed location of such work of art, shall first have been submitted to and approved in writing by the Art Jury; nor shall any work of art until so approved be contracted for, erected, placed in or upon, or allowed to extend over or under any street, avenue, square, park, recreation grounds, school or public buildings, or other public or semi-public property over which the Art Jury has jurisdiction. The Art Jury may, when it deems proper, also require a model of the proposed work of art, or a map, drawing or profile of any proposed site therefor. The term "Work of art" as used in this section shall apply to and include all paintings, mural decorations stained glass, statua, bas-reliefs, tablets, sculptures, monuments, fountains, arches, entrance gateways, or other structures of a permanent character intended for ornament or commemoration. No work of art over which the Art Jury has jurisdiction shall be removed, relocated or in any way altered

APPROVAL OF
WORKS OF ART

without the approval in writing of the Art Jury

CUSTODIAN OF ART WORKS

Section 5. The Art Jury shall be custodian of all works of art owned or accepted by Palos Verdes Homes Association; and shall have sole charge of the care and preservation thereof, and of such other works of art as it may accept charge of.

MEMBERSHIP

Section 6. (1) The Art Jury shall be composed of one member ex-officio named by Commonwealth Trust Company and of six other members appointed by Commonwealth Trust Company, of whom three shall be persons engaged in the practice of the fine arts in the instance of the first appointment selected from the membership of the Southern California Chapter of the American Institute of Architects and in case a vacancy among these three members occurs, Commonwealth Trust Company shall appoint his successor from a list of three persons engaged in the practice of the fine arts nominated by the Board of Directors of the Southern California Chapter of the American Institute of Architects. One member shall be a City Planner named by Commonwealth Trust Company and if a vacancy occurs as to this member Commonwealth Trust Company shall name his successor from a list of three City Planners, nominated by the Board of Directors of the American City Planning Institute. One member shall be appointed by Commonwealth Trust Company from a list of three persons nominated by the governing board of the University of California, Southern Branch, and one member shall be appointed by Commonwealth Trust Company from a list of three persons nominated by the Board of Directors of Palos Verdes Homes Association.

(2) The six members of the Art Jury appointed by Commonwealth Trust Company shall in the first instance serve for two years and thereafter shall choose by lot terms of office as follows: Two for one year, two for two years, and two for three years, and their successors shall be appointed by Commonwealth Trust Company for terms of three years each, except on appointment to fill a vacancy, which shall be for the unexpired portion of the term. In case any of the organizations entitled to make nominations, as hereinbefore provided, shall fail to make

such nominations within sixty days after written notification by Commonwealth Trust Company of the expiration of a term or the occurrence of a vacancy, Commonwealth Trust Company shall appoint a member to fill the vacancy upon its own nomination. Said appointees shall meet, organize and notify Commonwealth Trust Company and the Board of Directors of this corporation that the organization of the Art Jury has been effected and the duties thereof assumed, and furnish Commonwealth Trust Company and the Board of Directors with a certified copy of its rules of procedure. In the event that such appointees or any of them shall fail to accept said appointment Commonwealth Trust Company shall have the right to revoke such appointment, and to appoint any other person or persons in its judgment qualified to act as members of said Art Jury. If the Art Jury for any reason shall fail to meet and perform its duties for a period of thirty consecutive days, Commonwealth Trust Company may during the thirty days next thereafter remove one or all of the members and appoint any person or persons in its judgment qualified to act as members of said Art Jury in the place of the member or members so removed; provided appointees shall in all cases in number and qualifications fulfill as nearly as possible the provisions of paragraph (1) of this section as to membership.

(3) Any member of the Art Jury who shall be employed to execute a work of art or structure of any kind requiring the approval of the Art Jury, or who shall take part in competition for such work of art or structure, shall be disqualified from voting thereon; and, in such instance the Art Jury may, in its discretion, invite an expert advisor to give his opinion as to such work of art or structure.

(4) On July 1, 1932, or at any time prior thereto, Commonwealth Trust Company may terminate the term of office and its own power of appointment of the ex-officio member of the Art Jury, by written notification to the President of Palos Verdes Homes Association. On July 1, 1932, the right of Commonwealth Trust Company to appoint members of the Art Jury as provided in paragraph (1) of this section shall cease; or Commonwealth Trust Company prior to said date may resign and transfer said power of appointment to the President

of Palos Verdes Homes Association, by notice thereof to him in writing. From and after said date or upon receipt of such notification or either of them, the President of Palos Verdes Homes Association shall, as the case may be, become a member ex-officio of the Art Jury, as successor to the ex-officio member named by Commonwealth Trust Company and/or shall have power, as successor to Commonwealth Trust Company to appoint members thereof, as provided in paragraph (1) of this section, except as provided herein.

(5) The members of the Art Jury shall elect from their own number a President and Vice-President and shall adopt rules of procedure and prescribe regulations for submission of all matters within their jurisdiction. Four members shall constitute a quorum and shall have full power to act as the Art Jury during the period of any vacancy or vacancies in the membership thereof. The Art Jury shall designate and appoint a trust company to act as its Treasurer and to act as Trustee of all property of the Art Jury. The name of such Treasurer and of the Secretary shall be certified to Commonwealth Trust Company and to Palos Verdes Homes Association.

**ART JURY
PURPOSES
AND FUNDS**

Section 7. Any funds available therefor may be used by the Art Jury to pay its members for time in attendance at meetings, and for other expenses which in its judgment are incidental to carrying out the purpose for which it is established, to enforce its decisions and rulings and/or to promote art education and community embellishment. The Art Jury may accept bequests and donations of, and through its Trustees take and hold, title to real and/or personal property and shall have power to administer, 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. The Art Jury may file estimates of its annual budget needs with the manager and the Board of Directors and the Board of Directors shall carefully consider the same and may appropriate such sums for the Art Jury as to them may seem advisable.

**RECORDS AND
REPORTS**

Section 8. The Art Jury shall, on or before the first of May of each year, make a written report to Commonwealth Trust Company and to Palos Verdes Homes Association of its general proceedings, receipts and disbursements, during the preceding

calendar year and shall also furnish on written request by Commonwealth Trust Company or the Board of Directors a similar report covering any designated period.

(2) The Secretary of the Art Jury shall keep minutes of each approval, recommendations or other official act of the Art Jury and furnish certified copies of the result thereof, on request to any person, and the Art Jury may make a reasonable charge therefor. Said records shall be open to the public. The Secretary of the Art Jury or his duly authorized agent or deputy may at any time enter, inspect, and report upon any portion of said property as to its compliance with the provisions hereof, or as to the decisions of the Art Jury, or any officer or agent thereof shall not thereby be deemed guilty of any manner of trespass for such entry, and the Art Jury may authorize the Secretary thereof to issue a certificate of completion and compliance as to any property so inspected and to make and collect a reasonable charge therefor. In the absence of such certificate and after the expiration of one year from the date of approval by the Art Jury of plans of any structure or alteration, or of any matter requiring approval, the said structure or alteration or matter requiring approval 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 or matter approved, be deemed to be in compliance with all the provisions hereof, unless notice to the contrary shall appear of record in the office of the County Recorder of Los Angeles County.

ARTICLE XVIII

FINANCIAL PROVISIONS

Section 1. The Director of Finance shall have direct supervision over the Department of Finance and the administration of the financial affairs of the corporation, including the keeping of accounts and financial records; the levy, assessment and collection of charges or assessments, and other fees and revenues (except as otherwise provided herein); the custody and disbursement of corporation funds and moneys and the deposit of the same in such bank or banks as the Board of Directors shall designate; the control over expenditures; and such other duties as the Board of Directors may, by regulation, provide.

**THE DIRECTOR
OF FINANCE**

ACCOUNTS AND RECORDS

Section 2. Accounts shall be kept by the Department of Finance showing the financial transaction for all departments of the corporation. Forms for all such accounts shall be prescribed by the Director of Finance with the approval of the manager; and shall be adequate to record all cash receipts and disbursements, all revenues accrued and liabilities incurred, and all transactions affecting the acquisition, custody, and disposition of values, and to make such reports of the financial transactions and conditions of the city as may be required by law or regulations of the Board of Directors. Financial reports shall be prepared for each quarter and each fiscal year, and for such other periods as may be required by the manager, or the Board of Directors.

ANNUAL BUDGET

Section 3. Not later than one month before the end of each fiscal year the manager shall prepare and submit to the Board of Directors an annual budget for the ensuing year, based upon detailed estimates furnished by the several departments and other divisions of the corporation, according to a classification as nearly uniform as possible. The budget shall present the following information:

(a) An itemized statement of the appropriation recommended by the manager for current expenses and for permanent improvements for each department and board and each division thereof for the ensuing fiscal year, with comparative statements in parallel columns of the appropriations and expenditures for the current and next preceding fiscal year, and the increases or decreases in the appropriations recommended;

(b) An itemized statement of the charges or assessments required and of the estimated revenues of the corporation from all other sources for the ensuing fiscal year, with comparative statements in parallel columns of the revenues for the current and next preceding fiscal year, and of the increases or decreases estimated or proposed;

(c) A statement of the financial condition of the corporation and

(d) Such other information as may be required by the Board of Directors. Copies of the budget shall be available for distribution not later than two weeks after its submission to the Board of Directors; and a public hearing shall be given thereon by

the Board of Directors or a committee thereof before action by the Board of Directors.

Section 4. Not later than one week after the beginning of the fiscal year the Board of Directors shall pass an annual appropriation regulation, which shall be based on the budget submitted by the manager, except as provided in Article III hereof. The total amount of appropriations shall not exceed the estimated revenues of the corporation. Before the annual appropriation regulation has been passed, the Board of Directors, with the approval in writing of the manager, may make such appropriations for current department expenses, chargeable to the appropriations of the year when passed, to an amount sufficient to cover the necessary expenses of the various departments until the annual appropriation is in force. No other liabilities shall be incurred by any officer or employee of the corporation, except in accordance with the provisions of the annual appropriation regulation or under continuing contracts and loans authorized under the provisions hereof or as otherwise provided herein. At any meeting after the passage of the appropriation regulation and after at least one week's public notice, the Board of Directors, by affirmative vote of four members thereof, may amend such regulation, so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenues not included in the annual budget.

APPROPRIATION REGULATIONS; TEMPORARY APPROPRIATIONS; TRANSFERS

Section 5. On or before the 15th day of October, in each year the Board of Directors shall, by regulation, fix and establish the amount of the annual maintenance charge or assessment mentioned in Article I hereof, necessary to meet the appropriations made (less the estimated amount of revenue from other sources).

FIXING THE ANNUAL MAINTENANCE CHARGES

Section 6. Money may be borrowed, in anticipation of the receipts from maintenance charges or assessments during any fiscal year, by the issue of notes or certificates of indebtedness; but the aggregate amount of such loans at any time outstanding shall not exceed twenty (20%) per cent of the receipts from maintenance charges or assessments during the preceding fiscal year.

TEMPORARY LOANS

COLLECTION AND CUSTODY OF MONEYS

Section 7. All charges and assessments, and fees accruing to the corporation shall be collected by officers of the department of finance. All moneys received by any officer or employee of the corporation for or in connection with the business of the corporation shall be paid promptly into the corporation treasury, and shall be deposited with such responsible banking institutions as furnish such security as the Board of Directors may determine and shall agree to pay the highest rate of interest; and all such interest shall accrue to the benefit of the corporation. The Board of Directors shall provide by regulation for the prompt and regular payment and deposit of all moneys as required by this section; provided, however, that all funds received on account of the Art Jury or Park and Recreation Board shall be kept in separate accounts subject to the respective order of said boards.

CONTRACTS AND PURCHASES

Section 8. No continuing contract (which involves the payment of money out of the appropriations of more than two years) except public utility franchisees shall be made for a period of more than ten years; and no such contract shall be valid without public hearing thereon.

Any work or improvement costing more than one thousand (\$1000.00) dollars shall be executed by contract, except where a specific work or improvement is authorized by the Board of Directors based on detailed estimates submitted by the department authorized to execute such work or improvement. All contracts for more than one thousand dollars shall be awarded to the lowest responsible bidder, after public advertisement and competition as may be prescribed by regulation. But the manager shall have the power to reject all the bids and to advertise again; and all advertisement shall contain a reservation of this right.

PAYMENT OF CLAIMS

Section 9. Payments by the corporation shall be made only upon vouchers certified by the head of the appropriate department or other division of the corporation, and by means of warrants on the corporation treasury issued by the Director of Finance and countersigned by the manager. The Director of Finance shall examine all payrolls, bills and other claims and demands against the corporation and shall issue no warrants for payment unless he finds that the claim is in proper form, correctly com-

puted, and duly certified; that it is justly and legally due and payable; that an appropriation has been made therefor which has not been exhausted or that the payment has been otherwise legally authorized; and that there is money in the corporation treasury to make payment. He may require any claimant to make oath as to the validity of a claim. He may investigate any claim, and for such purpose may examine witnesses under oath; and if he finds it is fraudulent, erroneous, or otherwise invalid, shall not issue a warrant therefor.

Section 10. Upon the death, resignation, removal or expiration of the term of any officer of the corporation, other than the Director of Finance, the Director of Finance shall make an audit and investigation of the accounts of such officer, and shall report to the manager and Board of Directors.

AUDIT OF ACCOUNTS

As soon as practicable after the close of each fiscal year an annual audit shall be made of all the accounts of all the corporation's officers; and upon the death, resignation, removal or expiration of the term of the Director of Finance, an audit shall be made of his accounts. Such audit shall be made under the provisions of any law for the inspection and audit of corporation accounts; and by qualified public accountants, selected by the Board of Directors, who have no personal interest, direct or indirect, in the financial affairs of the corporation or of any of its officers or employees. The Board of Directors may at any time provide for an examination or audit of the accounts of any officer or department of the corporation.

Section 11. All accounts and the records of every office and department of the corporation shall be open to the members at all reasonable times under reasonable regulations, except records and documents from which might be secured information which might defeat the lawful purpose of the officer or department withholding them from access to the members.

PUBLICITY OF ACCOUNTS

Section 12. No member of the Board of Directors nor any officer or employee of the corporation shall have a financial interest, direct or indirect, in any contract with the corporation, or be financially interested, directly or indirectly, in the sale to the corporation of any land, materials,

NO PERSON INTEREST

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.

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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.

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BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America, hereinafter for brevity called "bank", in consideration of the sum of \$10.00 to it in hand paid, receipt of which is hereby acknowledged, does hereby quit claim without warranty to PALOS VERDES HOMES ASSOCIATION, A California corporation, hereinafter for brevity called "grantee", all of its right, title and interest, including easements, rights of way, reversionary interests and interests of every nature in and to all that certain real property in the County of Los Angeles, State of California, described as follows:

Item 1. 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:

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 Northwesterly 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 1774.50 feet; thence along said curve 235.30 feet to the beginning of a curve concave to the South and having a radius of 4942.5 feet; thence along said curve 31.56 feet to the end thereof; thence due South 32.28 feet thence South 38° 18' 32" East 64.55 feet to an angle point in the Westerly boundary of Tract 6883, as per map recorded in Book 77, Pages 10 and 14, of Maps, records of said Los Angeles County; thence along the Westerly boundary of said Tract 6883, 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 222.46 feet and South 13° 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 Southwesterly and Westerly line of Lot B of said Tract 10320 to the most Southwesterly corner thereof, which is a point on the Southerly boundary of said Lot B of Tract 4400; thence in a generally westerly and northwesterly direction, along the said southerly boundary of Lot B of Tract 4400, the Northwesterly 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.

Item 2. 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 the triangular portion of Lot 1 in Block 1712, of said tract, 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.

Item 4. 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 85.04 feet; thence North 78° 08' 54" West 248.44 feet; thence South 87° 10' 02" 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.

It being the intent of bank to quitclaim all interests of every nature whatsoever to grantee in the above described property including any interest reserved to bank by reason of that certain trust indenture recorded July 3, 1923 in Book 2556, Page 61 of Official Records, in the office of the County Recorder of the County of Los Angeles, and any and all amendments thereto.

It is expressly understood and agreed that this quitclaim is made and executed by bank herein solely as trustee under that certain trust indenture hereinbefore referred to and that bank herein shall not in any manner nor to any extent whatsoever become personally responsible or liable for any damages, losses or expenses arising or sustained in connection with this quitclaim and further this transfer and quitclaim is made and accepted subject to all state and county taxes now a lien and now due and/or delinquent and without warranty on the part of bank herein of any kind or character, either express or implied.

In Witness Whereof, BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, has this 14th day of June, 1940, caused this instrument to be executed and its name and seal to be hereunto affixed by its Trust Officer and Assistant Trust Officer thereunto duly authorized.

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION

By R. A. Wright, Trust Officer
By Grant J. Hoga, Assistant Trust Officer.

Consent to the execution of the foregoing deed is hereby given.
Dated June 14, 1940.

Oscar L. Willatt, Trustee, Palms Verde Project.

State of California, County of Los Angeles)ss.

On this 14th day of June, 1940, before me, H. Cupp, a Notary Public in and for said County and State, personally appeared R. A. Wright known to me to be the Trust Officer, and Grant J. Hoga, known to me to be the Assistant Trust Officer, of Bank of America National Trust and Savings Association, the association that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the association therein named, and acknowledged to me that such association executed the same.

Witness my hand and official seal.

(SEAL)

M. Cupp, Notary Public

in and for said County and State.

#1545, Copy of original recorded at request of Grantee, Jun 21, 1940, 3:23 P.M.

Copyist #14. Compared. Name B. Beatty, County Recorder, by (signature)

T. N. Miller (153) Deputy.
\$2.10-16-P.

RESOLUTION #12

*Bk 17615
- 163
6-14-40*

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 DEBTS.

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. S. Roussier
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) as

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 Reader, Smith, Sadler and Mayor Roessler. Nays: 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 Northeastly 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 $89^{\circ} 43' 20''$ 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 1774.50 feet; thence along said curve 235.30 feet to the beginning of a curve concave to the South and having a radius of 4942.5 feet; thence along said curve 31.56 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 6883, 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 6883 and of Tract 10320, as per map recorded in Book 131, pages 48 to 50 inclusive, of Maps, records of said Los Angeles County, due South 222.48 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 Southwesterly and Westerly line of Lot B of said Tract 10320 to the most Southwesterly corner thereof, which is a point on the Southerly boundary of said Lot B of Tract 4400; thence in a generally Westerly and Northwesterly direction, along the said Southerly boundary of Lot B of Tract 4400, the Northeastly and Northerly boundary of Tract 7540, as per map recorded in Book 104, pages 36 to 39 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 Southwesterly 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 Southeasterly 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 215.34 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 658.86 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°51'57" East; thence Westerly along said last-mentioned curve 1131.25 feet; thence South 83°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°07'38" West 210.28 feet to a line that is parallel with and 10 feet Southeasterly, measured at right angles, from the line bearing South 62°55'30" West in the Northwesterly boundary of said Lot J of Tract 6885, as shown on said map of said tract; thence South 62° 55' 30" West along said parallel line, 221.39 feet to the Southwesterly line of said Lot J; thence Northwesterly, Northwesterly 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° 39' 25" East 31.21 feet; thence North 63° 39' 10" East 16 feet; thence South 26° 20' 50" East 56.60 feet; thence South 63° 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 63° 39' 10" East 65 feet; thence South 26° 20' 50" East 30 feet; thence South 72° 23' 36" West 63.76 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 thereto to a point on the Easterly line thereof one hundred (100) feet Southerly of the Northwesterly 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 1360, page 131 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 is 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; 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 6885 and along the Northerly line of said Lot 1 in Block 1712 of said tract, as per deeds dated January 28, 1925 and February 5, 1925 from Grantor herein to said Edison Co.; and also in the neighborhood of the Northeasterly 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 Vis Tajon, as shown on said map of Tract 6885, which point is the intersection of said Northerly line with a line bearing North $14^{\circ} 44' 25''$ West from the Northeasterly corner of Lot 1 in Block 1710 of said tract; thence along said line bearing North $14^{\circ} 44' 25''$ West, across Lots V, Y and J of said tract to a point in the Southeasterly line of Palos Verdes Drive, said Southeasterly line being that course bearing South $71^{\circ} 07' 38''$ 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.

(e) That the buildings and appurtenances of the Palos Verdes Country Club located on said realty, with or without the golf course appurtenant thereto, 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 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

heroin, 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.
Harmond 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 ~~Wirtz-Brey~~ Val E. Miltenberger, known to me to be the Vice president,
and Everett H. 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 December 1, 1940.

EXHIBIT 3

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CONFORMED COPY
ORIGINAL FILED IN
SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES

SEP 22 2011 1

John H. [Signature], Executive Clerk
BY [Signature] Deputy

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~~ ^{September 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 \$ _____ 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
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25

26 By: *Andrew J. Haley*
27 ANDREW J. HALEY
Attorneys for Defendant
28 PALOS VERDES HOMES ASSOCIATION

EXHIBIT 4

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
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and

Andrew S. Pauly, Esq.
Andrew J. Haley, Esq.
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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

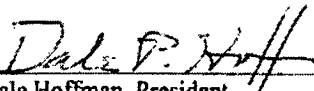

Walker Williams, Superintendent

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 Hoffinan, 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:



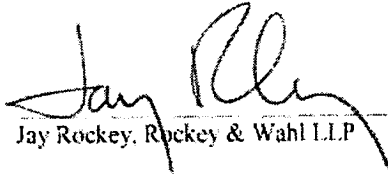
Christi Hogan, City Attorney

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.

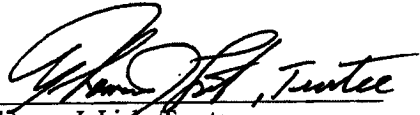
Signature *Matthew T. Bohner*

(Seal)



FOR THE PROPERTY OWNERS:

Dated: _____, 2012


Thomas J. Lieb, 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)