

# EXHIBIT 1

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SUPERIOR COURT OF CALIFORNIA  
COUNTY OF LOS ANGELES

SEP 22 2011 1

John J. Gage, Executive Clerk  
BY Linda Klein, Deputy  
Linda Klein

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~~ <sup>September 22,</sup> 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

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