99 1201643

RECORDED/FILED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA

1:01 PM JUN 30 1999

SPACE ABOVE THIS LINE RESERVED FOR RECORDER S USE

TITLE(S)

Deed.

FEE CODE	N/A	N/A	0	20	9_	19	04	19
REC. FEE	NO. PAGES	NO TITLES	PCOR	D.A. FEE	SURVEY MON.	NOTIF.	INVOL LIEN	NON CONF.
	21							

EXAMINER S INT.

Assessor s Identification Number (AIN)
To Be Completed By Examiner Or Title Company In Black Ink

7359-022-904

Number of Parcels Shown

001

Revision Number

C/R C 99-06

D99-01

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EXAMINER S INT.

Assessor s Identification Number (AIN)
To Be Completed By Examiner Or Title Company In Black Ink

1359-022-904

Number of Parcels Shown

001

Revision Number

C/R C 99-06

D99-01

Order No.
Escrow No.

99 1201643

2

WHEN RECORDED MAIL TO:

City of Palos Verdes Estates
340 Palos Verdes Drive West
Palos Verdes Estates, CA 90274
Attn: City Clerk

DOCUMENTARY TRANSFER TAX $ -0-
EXEMPT UNDER R&T §11922 AND R&T §11926
.....Computed on the consideration or value of property conveyed; OR
.....Computed on the consideration or value less liens or encumbrances remaining at time of sale.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

20

Exempt from Recording Fees under Government Code Section 6103

A.P.N. 7539-022-904

FREE 0 20

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

PALOS VERDES LIBRARY DISTRICT OF LOS ANGELES COUNTY,

a California special district, does hereby GRANT to

the CITY OF PALOS VERDES ESTATES,

the real property (the "Property") in the City of Palos Verdes Estates, County of Los Angeles, State of California, described as

Lot "S" of Tract 6885, as per Map recorded in Book 78, pages 49 to 52 inclusive of Maps, in the Office of the County Recorder of said County;

SUBJECT TO the easements, covenants, conditions and restrictions described in that Acquisition Agreement, dated April 29, 1999, by and between Grantor and Grantee, a copy of which Acquisition Agreement is attached hereto and incorporated herein by this reference;

ALSO SUBJECT TO conditions, covenants and restrictions of record; and to the express condition that the Property shall not be used for any other purpose than for the establishment and maintenance of parks, playgrounds and/or recreation areas, and shall not be sold or conveyed except subject to conditions, restrictions and reservation of record and except to a park commission or other body suitably constituted by law to take, hold, maintain and regulate public parks and/or playgrounds, as set forth in the deed of the Property to the District.

Dated: June 24, 1999

PALOS VERDES LIBRARY DISTRICT OF LOS ANGELES COUNTY, a California special district

John R. Dixon, President

Jane B. Jones, Secretary

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STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES }ss
}

99 1201643

On June 24, 1999 before me, Angela O. Jack, personally appeared John R. Dilan and Jane B. Jones, ~~personally known to me~~ (or 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.

WITNESS my hand and official seal.

Signature Angela O. Jack

ANGELA O. JACK
Commission # 1129946
Notary Public — California
Los Angeles County
My Comm. Expires Mar 17, 2001

(This area for official notarial seal)

MAIL TAX STATEMENTS TO:

City of Palos Verdes Estates, 340 Palos Verdes Drive West, Palos Verdes Estates, CA 90274

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ACQUISITION AGREEMENT

This ACQUISITION AGREEMENT is entered into by and between the PALOS VERDES LIBRARY DISTRICT, a political entity (the "District"), and the CITY OF PALOS VERDES ESTATES (the "City"), a general law city. The District and the City are hereafter collectively referred to as the "Parties."

Recitals

A. The District is the owner of Lot "S" of Tract 6885 in the City of Palos Verdes Estates, County of Los Angeles, State of California, as per Map recorded in Book 78, pages 49 *et seq.* of Maps, in the Office of the County Recorder of said County, commonly known as Farnham Martin Park (hereafter referred to as the "Property").

B. Although adjacent to the lot upon which the Malaga Cove Plaza Library (the "Library") is constructed and operated (Lot 23 of Block 1621 of Tract 6885 in the City of Palos Verdes Estates, County of Los Angeles, State of California, hereafter referred to as the "Library Lot"), the Property is a separate and distinct parcel of land, which was granted to the District subject to the express restriction that it not be used for any other purpose than for "the establishment and maintenance of parks, playgrounds and/or recreation areas."

C. Usage of the Property for such park purposes has generated costs for maintenance and repair of the Property which have not directly benefitted the library programs conducted by the District.

D. The City is a governmental entity established, among other purposes, to provide park and recreational services to its residents.

E. To effectuate the provision of better park services for the public, and to relieve the District of its repair and maintenance responsibilities for the Property, the District desires to convey the Property to the City, and the City desires to accept the Property, subject to the terms and conditions set forth herein.

NOW, THEREFORE, the Parties hereby agree as follows:

Section 1. Conveyance of Property. The District agrees to convey the Property to the City in consideration of the City's agreements set forth herein. The form of conveyance shall be a grant deed substantially in the form set forth in Exhibit A, attached hereto and incorporated herein by this reference.

Section 2. Acceptance of Property Subject to Limitations on Use. The City agrees to accept the conveyance of the Property subject to:

(a) "conditions, covenants and restrictions of record; and to the express condition that said realty shall not be used for any other purpose than for the establishment and maintenance of parks, playgrounds and/or recreation areas, and shall not be sold or conveyed except subject to conditions, restrictions and reservation of record and except to a park commission or other body suitably constituted by law to take, hold, maintain and regulate public parks and/or playgrounds," as set forth in the deed of the Property to the District (hereafter referred to as the "Deed Restrictions"); and

(b) the following additional matters which affect the use of the Property:

(1) The Property is listed on the National Register of Historic Places. The City agrees to comply with and fulfill any and all requirements which follow as a matter of law from such listing in order to maintain this listing in perpetuity.

(2) The District has in the past utilized the Property in connection with its library programs. The City agrees that the District may continue to use the Property for such purposes, without payment of any application, permit, use or other fees, and if the City at any time implements a procedure to schedule use of the Property by members of the public, it shall include in such procedure the obligation that prior to scheduling any such use, it shall contact the District to assure that the District shall have priority of use for its library functions.

(3) The City agrees that it shall enact controls, to the extent permitted by law, over the usage of the Property by organized groups of more than ten (10) people during all hours that the Library is open to help minimize disruption to or interference with the use of the Library by Library patrons.

(4) The District currently maintains a sign designating the Library which is located on the Property adjacent to Via Campesina. The District shall have an easement in perpetuity to maintain such a sign in such location. All maintenance of such a sign and all costs to repair and/or replace that sign shall be the sole obligation of the District. The City agrees that the District shall have a license to enter upon the Property to the extent necessary to carry out its responsibilities as to such sign.

Section 3. Access Rights.

(a) The Parties acknowledge and agree that there are currently constructed upon the Library Lot and the Property paved pathways which provide pedestrian access between the two parcels, as shown on Exhibit B, attached hereto and incorporated herein by this reference. Concurrently with recordation of the grant deed

transferring the Property to the City, the District grants to the City a license for the use of such pathways on the Library Lot to access the Property, and the City grants to the District a license for the use of such pathways on the Property to access the Library Lot. Each Party agrees that at such time, if any, it determines to revise or renovate the pathways on its parcel, it shall do so in a manner which maintains the historical access to the other Party's parcel to the greatest extent feasible. The City further agrees that access along the pathway on the Property which leads to the historic front entrance of the Library will have priority over any other use of that portion of the Property.

(b) The District currently owns Lot 12 of Block 1621 of Tract 6885 in the City of Palos Verdes Estates, County of Los Angeles, State of California, and utilizes said lot for parking for the Library (the "Parking Lot"). The City acknowledges that the City may not utilize the Parking Lot for parking for persons using the Property. The District shall post such signs as it deems necessary to advise the public of the restrictions on parking in the Parking Lot.

Section 4. Repair and Maintenance.

(a) The Parties acknowledge that certain repairs to the improvements on the Property are currently needed. Except as explicitly warranted by the District in Sections 11 and 12 of this Agreement, the City accepts the Property in "as is" condition, and upon recordation of the grant deed from the District to the City, the City shall be solely responsible for all maintenance and repair of the Property, including, without limitation, any repairs which are currently needed.

(b) The parties acknowledge and agree that the portion of the Library Lot described on Exhibit C, attached hereto and incorporated herein by this reference, is subject to a right-of-way easement owned by the City (the "Maintenance Area"). The City agrees that it shall be responsible for all maintenance and repair within the Maintenance Area. The District agrees that the City shall have a license to enter upon the Library Lot to the extent necessary to carry out its responsibilities in the Maintenance Area, as established by this Subsection (b).

(c) Notwithstanding the foregoing, the Parties acknowledge that because of the nature of the existing landscaping and improvements located on the Property and the Library Lot, it may be more efficient and economic for one Party to undertake maintenance and/or repair work on the other Party's property in connection with its own responsibilities. The Parties therefore agree on an on-going basis to coordinate their maintenance and repair responsibilities. As an initial understanding of the Parties under this coordination obligation, the Parties agree that as of the date of recordation of the grant deed, the City shall maintain those portions of the Library Lot shown on Exhibit C, attached hereto and incorporated herein by this reference, along with such maintenance as it performs on the

Property, and the District agrees that the City shall have a license to enter upon the Library Lot to the extent necessary to carry out that maintenance. This obligation to coordinate maintenance and repair shall survive delivery of the deed.

(d) The District shall remain solely responsible for all maintenance and repair of the Library Lot except as established by subsection (b) of this Section or by agreement of the Parties pursuant to subsection (c) of this Section.

Section 5. Utilities; Sprinkler System.

(a) Water for the Property is provided through a separate water meter, and all costs thereof shall become the sole and exclusive obligation of the City upon recordation of the grant deed.

(b) Electricity for the Property is currently provided through the same meter as electricity for the Library Lot. The City agrees to bear the expense for the installation of a separate electric meter for the Property prior to recordation of the deed. The District shall allow the meter to be placed on the Library Lot.

(c) The sprinkler control system on the Property is currently integrated with the sprinkler system on the Library Lot. Unless and until the City installs separate controls for the sprinkler system on the Property, the District grants to the City a license to maintain the controls required for the sprinkler system on the Property in their current location in the Library. The District shall provide the City with the name of a person who can provide the City with access to the sprinkler system controls during all times when the Library is otherwise closed.

Section 6. Scheduled Transfer Date. The Parties hereto agree to do all acts necessary to convey the Property on or before _____, 1999, unless such date is extended by mutual consent or agreement of the City and the District. The term "transfer date," if and where written in this Agreement, shall mean the date necessary instruments of conveyance are recorded in the office of the County Recorder.

Section 7. Deed. Prior to the scheduled transfer date, the District shall execute and hand a grant deed substantially in the form attached hereto as Exhibit "A" to the City. The City shall attach a Certificate of Acceptance and shall deliver the deed for recordation when the conditions of this Agreement have been fulfilled by the City and the District. The City's obligation to accept conveyance of the Property pursuant to this Agreement is subject to the satisfaction of the following conditions, which are solely for the City's benefit unless otherwise indicated:

(a) The conveyance to the City of good and marketable title to the Property, subject only to those exceptions deemed approved by the City pursuant to this Agreement or otherwise approved in writing by the City.

(b) The delivery of possession of the Property to the City immediately on the scheduled transfer date free and clear of all uses and occupancies inconsistent with public park use.

Section 8. Encumbrances on Title.

(a) Within thirty (30) days following execution of this Agreement, the District shall furnish the City with a preliminary California Land Title Association report of the title to the Property and each document shown as an exception or encumbrance in the report.

(b) Within thirty (30) days after the delivery of the report and related documents to the City, the City shall notify the District in writing of any objection to any exception therein, except those set forth in paragraph (d) of this Section, which are deemed approved by the City. The City's failure to object in this manner to any other exception shall be an approval by the City of that exception. If the City makes a timely objection to an exception, the District shall have the right to eliminate such exception, or to provide notice to the City that it will not eliminate such exception. The District shall provide notice to the City not less than fifteen (15) days prior to the date scheduled for the transfer of the Property of its determination. If the District elects to eliminate an exception, the District shall bear all costs and expenses of eliminating of that exception; elimination of the exception shall be completed not later than the transfer date; and the District shall provide the City with proof reasonably satisfactory to the City that such exception has been eliminated.

(c) If the District elects not to eliminate an exception, or an exception to which the City has timely objected is not eliminated within the time established in paragraph (b) of this Section, the City may, at its sole discretion, either (i) terminate this Agreement without any liability on the part of either Party, or (ii) accept the Property subject to the exception.

(d) By this Agreement, the City waives objection to any of the Deed Restrictions.

Section 9. Taxes. The Parties understand that the Property has been exempt from ad valorem taxes. Should title information pursuant to Section 8 disclose any unpaid taxes or assessments, however, the District shall pay any such unpaid taxes or assessment, and any penalties and interest thereon, prior to the scheduled transfer date. Any taxes or assessments which have been paid by the District prior to the date of this Agreement shall not be pro-rated between the City and the District, but the District shall have the sole right, after transfer of the Property, to apply to the County Tax Collector for refund of such amounts which may be due the District for the period after the City's acquisition pursuant to Revenue and Taxation Code Section 5096.7.

Section 10. Right to Investigate. The District grants to the City, or the City's agents, the right, at any time and from time to time after the date of this Agreement, to enter onto the Property to conduct tests or investigations, provided that:

(a) The acts shall be conducted at the sole cost and expense of the City;

(b) The acts do not unreasonably interfere with the District's possession;

(c) The City shall defend, indemnify and hold the District harmless from any costs or liability resulting from the acts;

(d) The City shall give the District written notice of the intention to enter not less than three business (3) days prior to the date of the planned entry;

(e) The District shall have the right to have its representative present at any testing or investigation; and

(f) Any physical testing shall be conducted by licensed professionals in the field of testing being conducted.

Should the City's testing reveal that there has been a spill or discharge of hazardous substances or wastes at the Property or the operations thereon, then the City shall have the right to void this Agreement on notice to the District, subject to the District's right to cure under Section 12.

Section 11. Termination of Agreement. If any of the conditions set forth in this Agreement fails to occur, or if the City notifies the District in writing prior to the scheduled transfer date of the District's breach of any of the District's warranties set forth in this Agreement, then the City may terminate this Agreement without any liability on the part of either Party. The City shall exercise this power to terminate by complying with any applicable notice requirements specified in the relevant condition and, in all other cases, by providing written notice to the District at any time prior to the scheduled transfer date. Such termination shall be the sole remedy for any failure of any condition prior to the transfer of the Property or of any failure to cure an unfulfilled condition which the District has elected to remedy prior to the transfer of the Property.

Section 12. Remedy of Defects. Prior to the scheduled transfer date, the District shall have the right to remedy any failure of any condition or any breach of any representation or warranty of this Agreement which would otherwise permit the City to terminate this Agreement (hereafter referred to as "defects"). This right to remedy shall be subject to the following requirements and restrictions:

(a) The City shall immediately notify the District in writing of the City's discovery of a defect. If the City has knowledge of a defect prior to the scheduled transfer date and fails to give notice, the City shall waive the defect and the defect shall not be a violation of this Agreement.

(b) If the City gives notice, the District shall notify the City of its election to remedy or not to remedy the defect by giving the City, within thirty (30) days of receipt of the City's notice, written notice of its intent. If the District elects to remedy the defect but anticipates that the defect cannot be remedied prior to the scheduled transfer date, its notice of election to remedy may include a request for postponement of the transfer of the Property and a specification of the number of days (if any) for such postponement so that the District may remedy the defect. The City, at its sole discretion, may give its written approval of such postponement. Approval of any such postponement shall be subject to the condition that the District promptly begin to remedy the defect and proceed diligently to complete the necessary remedy. If the City fails to respond to such request within three (3) days of such request, then the City shall be deemed to have rejected the request for postponement. If the District fails to provide a timely notice of election, provides the City with notice of its intent not to remedy the defect, or fails to remedy the defect prior to the scheduled transfer date (including any extension thereof pursuant to this Section), then the City, at the City's election, may do any of the following:

(1) Terminate the Agreement without any liability on the part of either Party; or

(2) Accept transfer of the Property subject to the defect.

The failure by the City to make such an election shall be deemed an election of option (1).

Notwithstanding the foregoing, the date for transfer of the Property shall not under any circumstances extend past _____, which date shall not be subject to extension pursuant to this Section, nor shall any date for completion of any condition precedent to the transfer of the Property be extended past _____ by virtue of this Section.

Section 13. District Representations and Warranties. The District represents and warrants as to the Property that:

(a) The District owns the Property free and clear of all liens, licenses, claims, encumbrances, easements, encroachments on the Property from adjacent properties, encroachments by improvements on the Property onto adjacent properties, and rights of way of any nature, not disclosed by the public record.

(b) There is no pending litigation involving the Property.

(c) There is no violation of, or notice concerning defects or noncompliance with, any applicable building code or other code, statute, regulation, ordinance, judicial order, or judicial holding pertaining to the Property, provided, however, that any

defects or noncompliance with environmental or hazardous waste issues are governed by Section 14 hereof.

(d) The District is not in default under any contract, note, or encumbrance relating to the Property.

(e) Until the transfer of the Property, the District will maintain the Property in the same, or better, condition than it was in when this Agreement was executed, reasonable wear and tear excepted.

(f) The District has the full right, authority and power to enter into this Agreement, to consummate the transactions contemplated herein, and to perform its obligations hereunder and under those documents and instruments to be executed by it at the closing, and this Agreement constitutes a valid and legally binding obligation of the District enforceable against the District in accordance with its terms.

(g) The District's execution and delivery of this Agreement and the consummation of the transactions contemplated and the performance of the District's obligations hereunder do not violate any agreement, instrument, mortgage, loan agreement, statute, ordinance or regulation to which the District is a party or by which the District is bound.

(h) The individuals executing this Agreement and the instruments referenced herein on behalf of the District have the legal power, right and actual authority to bind the District to the terms and conditions hereof.

All representations, warranties, covenants, and other obligations described in this Section shall survive delivery of the deed.

Section 14. Representations Regarding Hazardous Waste. As an inducement to the City to enter into this Agreement, the District represents and warrants to the best of its knowledge that:

(a) Throughout the period of ownership of the Property by the District, there has been no notice, directive, violation, report or action by any local, state or federal department or agency concerning environmental laws or regulations, and the Property is in compliance with all California and federal environmental laws;

(b) There are no soil or geological conditions which might impair or adversely affect the current use or future plans for use of the Property.

(c) None of the Property is located in an area identified by an agency or department of federal, state or local governments, or identified by the District, as having special flood or mudslide hazards or wetlands;

(d) Any business and operations of the District on the Property have at all times been conducted in compliance in all material respects with all applicable federal, state, local or foreign laws, ordinances, regulations, orders and other requirements of governmental authorities with respect to matters relating to the environment;

(e) There has been no spill, discharge, release, cleanup or contamination of or by any hazardous or toxic waste or substance used, generated, treated, stored, disposed of or handled by the District at the Property;

(f) There are not now, nor have there ever been any underground storage tanks located at, on or under the Property;

(g) No hazardous or toxic substances or wastes are located at, or have been removed from the Property, and the Property is in compliance with all California and federal environmental laws.

All representations, warranties, covenants, and other obligations described in this Section shall survive delivery of the deed.

Section 15. City Representations and Warranties. The City represents and warrants that:

(a) The City has the full right, authority and power to enter into this Agreement, to consummate the transactions contemplated herein and to perform its obligations hereunder and under those documents and instruments to be executed by it at the closing, and this Agreement constitutes a valid and legally binding obligation of the City enforceable against the City in accordance with its terms.

(b) The City's execution and delivery of this Agreement and the consummation of the transactions contemplated and the performance of the City's obligations hereunder do not violate any agreement, instrument, mortgage, loan agreement, statute, ordinance or regulation to which the City is a party or by which the City is bound.

(c) The individuals executing this Agreement and the instruments referenced herein on behalf of the City have the legal power, right and actual authority to bind the City to the terms and conditions hereof.

All representations, warranties, covenants, and other obligations described in this Section shall survive delivery of the deed.

Section 16. Risk of Loss. The Parties agree that the following provisions shall govern the risk of loss:

(a) If, before the District transfers legal title and possession of the Property to the City, all or any part of the Property is destroyed without fault of the City or is

taken by eminent domain by any governmental entity prior to the transfer of the Property, the City shall be entitled to cancel this Agreement at its sole discretion.

(b) If after the District transfers legal title and possession of the Property to the City, all or any part of the Property is destroyed without fault of the District or is taken by eminent domain by any governmental entity, the City is not relieved from the City's obligations under this Agreement.

Section 17. Payment of Fees. The District shall pay any reconveyance fees charged for the reconveyance of any deed of trust shown on the preliminary title report required by this Agreement, and any recording fees for the reconveyance of any such deed of trust.

Section 18. Assignment.

(a) The City may not assign this Agreement without the District's prior written consent. A valid assignment of this Agreement shall relieve the City of any liability under this Agreement.

(b) Prior to the transfer of the Property, the District shall not transfer, assign, sell, lease, or otherwise convey the Property, or any portion thereof or interest therein, without the prior written approval of the City, which approval the City shall not unreasonably withhold or delay. For purposes of this Agreement, any such transfer, assignment, sale, or conveyance shall be referred to as a "Transfer." The City shall approve or disapprove a proposed Transfer within thirty (30) days after receipt of notice from the District and such reasonable information concerning the proposed transferee and the proposed terms of the Transfer to permit the City to make a reasonable determination. The City shall have the right to disapprove a proposed Transfer in the event the City reasonably determines that the proposed transferee is not capable, willing and able to fulfill the terms and conditions of this Agreement, including, without limitation, releasing any interest in the Property.

Section 19. Notices. Any notice, tender, delivery, or other communication pursuant to this Agreement shall be in writing and shall be deemed to be properly given if delivered, dispatched by registered or certified mail, postage prepaid, return receipt requested, or sent by facsimile transmission or other wire communication in the manner provided in this Section, to the following persons:

(a) If to the City:

City of Palos Verdes Estates
340 Palos Verdes Drive West
Palos Verdes Estates, CA 90274-0283
Attn: James B. Hendrickson, City Manager
Facsimile No. (310) 378-7820

(b) If to the District:

Palos Verdes Library District
701 Silver Spur Road
Rolling Hills Estates; California 90274
Attention: Library Director
Facsimile No. (310) 541-6807

Either the District or the City may change that Party's address for these purposes by giving written notice of the change to the other Party in the manner provided in this section. If sent by mail, any notice, delivery, or other communication shall be effective or deemed to have been given forty-eight (48) hours after it has been deposited in the United States mail, duly registered or certified, with postage prepaid, and addressed as set forth above. If sent by facsimile transmission, wire or other form of electronic communication, any notice, delivery, or other communication shall be effective or deemed to have been given on the date sent or transmitted and received by the recipient's receiving apparatus. If delivered, it shall be deemed given on the date delivered.

Section 20. Entire Agreement. This Agreement and the attached Exhibits constitute the entire agreement between the Parties relating to the conveyance of the Property. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. Any amendment to this Agreement shall be of no force and effect unless it is in writing and signed by all the Parties. Notwithstanding the foregoing, should any provision of this Agreement prove to be invalid, void, or illegal, such determination shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

Section 21. Subordination. Upon twenty (20) days prior written request by the District, the City agrees to execute and deliver to any construction, permanent, or refinancing lender an agreement subordinating the City's interest in the Property to such lender's interest, subject to the lender agreeing to release the Property from any such interest prior to the transfer of the Property.

Section 22. Attorneys' Fees. If any action, proceeding, or arbitration arising out of or relating to this Agreement is commenced by either Party to this Agreement, then the prevailing Party shall be entitled to receive from the other Party, in addition to any other relief that may be granted, the reasonable attorneys' fees, costs, and expenses incurred in the action, proceeding, or arbitration by the prevailing Party.

Section 23. Binding Effect. This Agreement shall be binding on and inure to the benefit of the Parties to this Agreement and their heirs, personal representatives, successors, and assigns, except as otherwise provided in this Agreement.

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Section 24. Governing Law. This Agreement and the legal relations between the Parties shall be governed by and construed in accordance with the laws of the State of California.

Section 25. Waiver. The waiver by any Party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Agreement.

Section 26. Tax Reporting and Withholding - Non-Foreign Status. The Foreign Investment in Real Property Tax Act of 1980, as amended by the Tax Reform Act of 1986, places special requirements for tax reporting and withholding on the parties to a real estate transaction where the transferor (the District) is a non-resident alien or non-domestic corporation or partnership, or is a domestic corporation or partnership controlled by a non-resident or non-resident corporation or partnership. The District advises the City that the District is not a "foreign person" for the purposes of Section 1445 (as may be amended) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder, and that, in accordance with the provisions of Section 1445, the District shall execute affidavits under penalty of perjury setting forth the District's name, address, federal tax identification number, and certifying that the District is not a "foreign person" in accordance with the provisions of the Internal Revenue Code. It is specifically understood and agreed by the District that the transfer of the Property is subject to and contingent upon, receipt of said Affidavit by the City.

Section 27. No Joint Venture. Nothing contained in this Agreement shall be deemed or construed as creating a partnership, joint venture, or any other relationship between the District and the City other than as specifically set forth according to the provisions contained herein, or cause the City to be responsible in any way for the debts or obligations of the District, or any other party.

Section 28. Interpretation.

(a) The language in all parts of this Agreement shall in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any Party. The Parties hereto acknowledge and agree that this Agreement has been prepared jointly by the Parties and has been the subject of arm's length and careful negotiation over a considerable period of time, that each Party has been given the opportunity to independently review this Agreement with legal counsel, and that each Party has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement shall not be interpreted or construed against the Party preparing it, and instead other rules of interpretation and construction shall be utilized.

(b) When the context so requires when used in this Agreement, the masculine gender shall be deemed to include the feminine and neuter gender and the neuter gender shall be deemed

to include the masculine and feminine gender. When the context so requires when used in this Agreement, the singular shall be deemed to include the plural.

(c) The paragraph and section headings have been used for convenience only, and shall not be used in the interpretation hereof.

Section 29. Conflict of Interest. No member, official or employee of the City or of the District shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to this Agreement which is prohibited by law.

Section 30. No Third Party Obligation. This Agreement shall not be deemed to confer any rights upon, nor obligate either of the Parties to this Agreement to, any person or entity not a party to this Agreement.

Section 31. Indemnification.

(a) The District shall indemnify, defend and hold harmless the City, its officers, agents, employees, representatives and attorneys, and their respective heirs, estates, representatives, agents and employees, from and against any and all claims, liabilities, damages, losses, causes of action, and/or obligation or expenses, including reasonable attorneys fees, incurred as a result of, or arising in connection with the breach of any warranty, representation or obligation of the District under this Agreement, including, but not limited to, any of the following:

(1) Any generation, processing, handling, transportation, storage, treatment or disposal of solid wastes or hazardous wastes by the District occurring on the Property;

(2) Any releases by the District (including, but not limited to, any releases as defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980) to the extent occurring or existing on the Property prior to the transfer of the Property, including, but not limited to such releases to land, ground water, surface water or into the air.

(b) The City shall indemnify, defend and hold harmless the District, its officers, agents, employees, representatives and attorneys, and their respective heirs, estates, representatives, agents and employees, from and against any and all claims, liabilities, damages, losses, causes of action, and/or obligation or expenses, including reasonable attorneys fees, incurred as a result of, or arising in connection with the breach of any warranty, representation or obligation of the City under this Agreement.

Section 32. Statement of Compliance. Within fifteen (15) days following receipt of any written request which either the District or the City may make of the other Party from time to time, the other Party shall execute and deliver to the requesting Party a statement certifying that:

(a) this Agreement is unmodified and in full force and effect, if such be the case, or, if there has been modification thereto, that this Agreement is in full force and effect as modified, and stating the date and nature of such modification;

(b) there are no current breaches under this Agreement, or specify the dates and nature of any such breaches; and

(c) any other reasonable information requested.

Section 33. Force Majeure. Except as specifically set forth in this Agreement, in the event that either of the Parties to this Agreement are prevented from proceeding with any of its obligations under this Agreement by reason of events that are beyond that Party's control, such as strikes, lockouts, earthquake, war, insurrection, riots, floods, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, or inclement weather, then that Party shall be entitled to an additional grace period or extension of time in which to perform the obligation whose performance is precluded by such event, equal to the period of delay caused by such event beyond that Party's control, provided the Party seeking such extension shall have provided notice of the event to the other Party within ten (10) days of the event's occurrence. Notwithstanding the foregoing, the date for transfer of the Property shall not under any circumstances extend past _____which date shall not be subject to extension pursuant to this Section, nor shall any date for completion of any condition precedent to the transfer of the Property be extended past _____ by virtue of this Section.

Section 34. Time Periods. In the event the time for performance of any obligation hereunder expires on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

Section 35. Further Instruments. Each Party, promptly upon the request of the other, shall execute and have acknowledged and deliver to the other any and all further instruments reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement and which are consistent with the provisions hereof.

Section 36. Counterparts. This Agreement may be executed simultaneously or in counterpart, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

Section 37. Brokers. Each Party hereto represents and warrants that each has dealt with no brokers, leasing agents, or finders in connection with this Agreement, and covenants and agrees to indemnify, defend and hold harmless the other Party from and against claims by third parties for real estate or brokerage commissions, or finder's fees in connection with this transaction, and all costs and expenses incurred by the indemnified Party in connection therewith, including, but not limited to, reasonable attorneys' fees.

Dated this 29 day of April, 1999.

DISTRICT
Palos Verdes Library District

By: _____
John R. Dixon, Board President

CITY
City of Palos Verdes Estates

By: _____
Edmond Thompson, Mayor

ATTEST:

_____
Judy Smith, City Clerk

APPROVED AS TO FORM:

_____
Stephanie R. Scher, City Attorney

City's alternative (4/15/99)

99 1201643

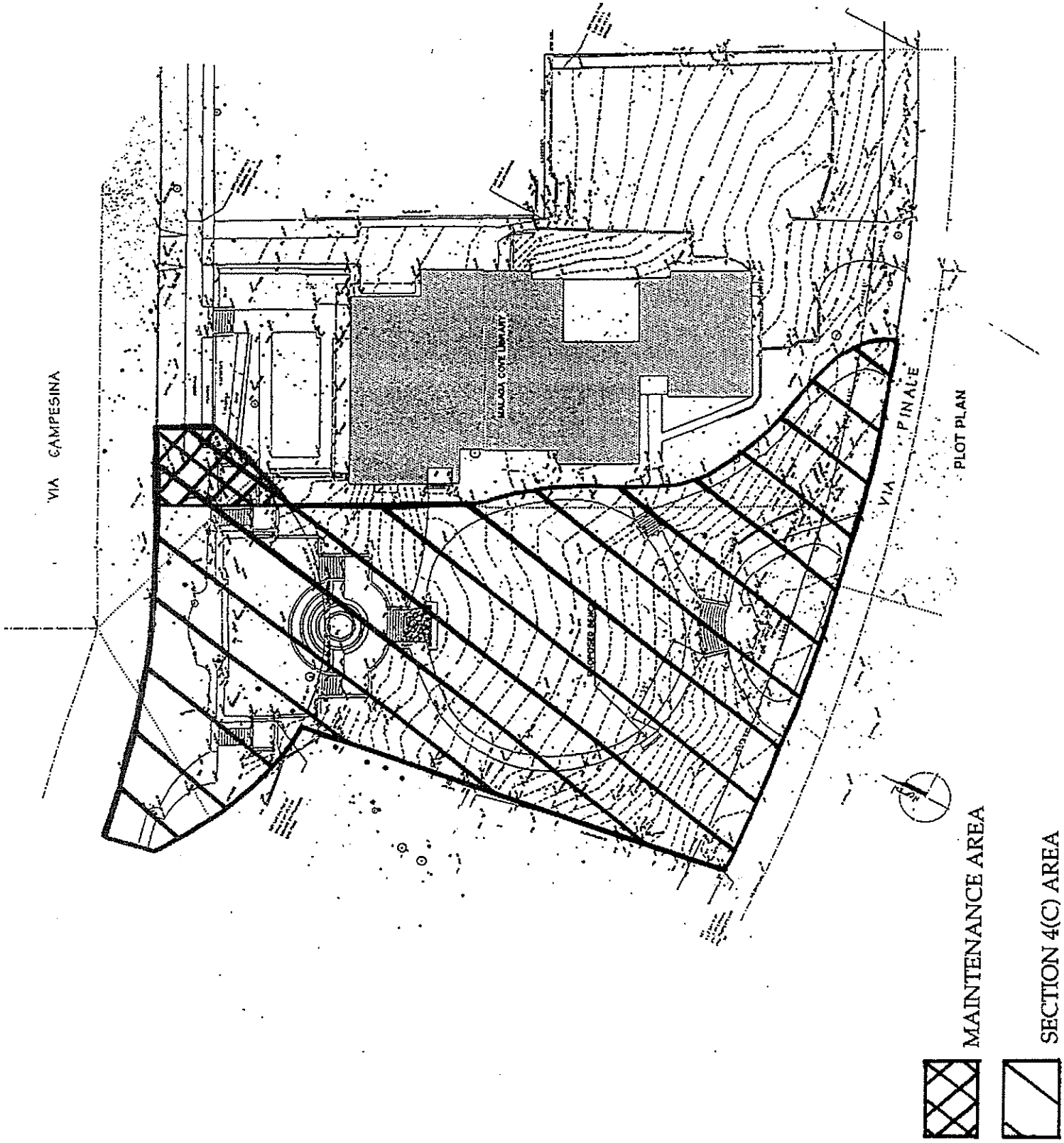

Exhibit C

99 1201643

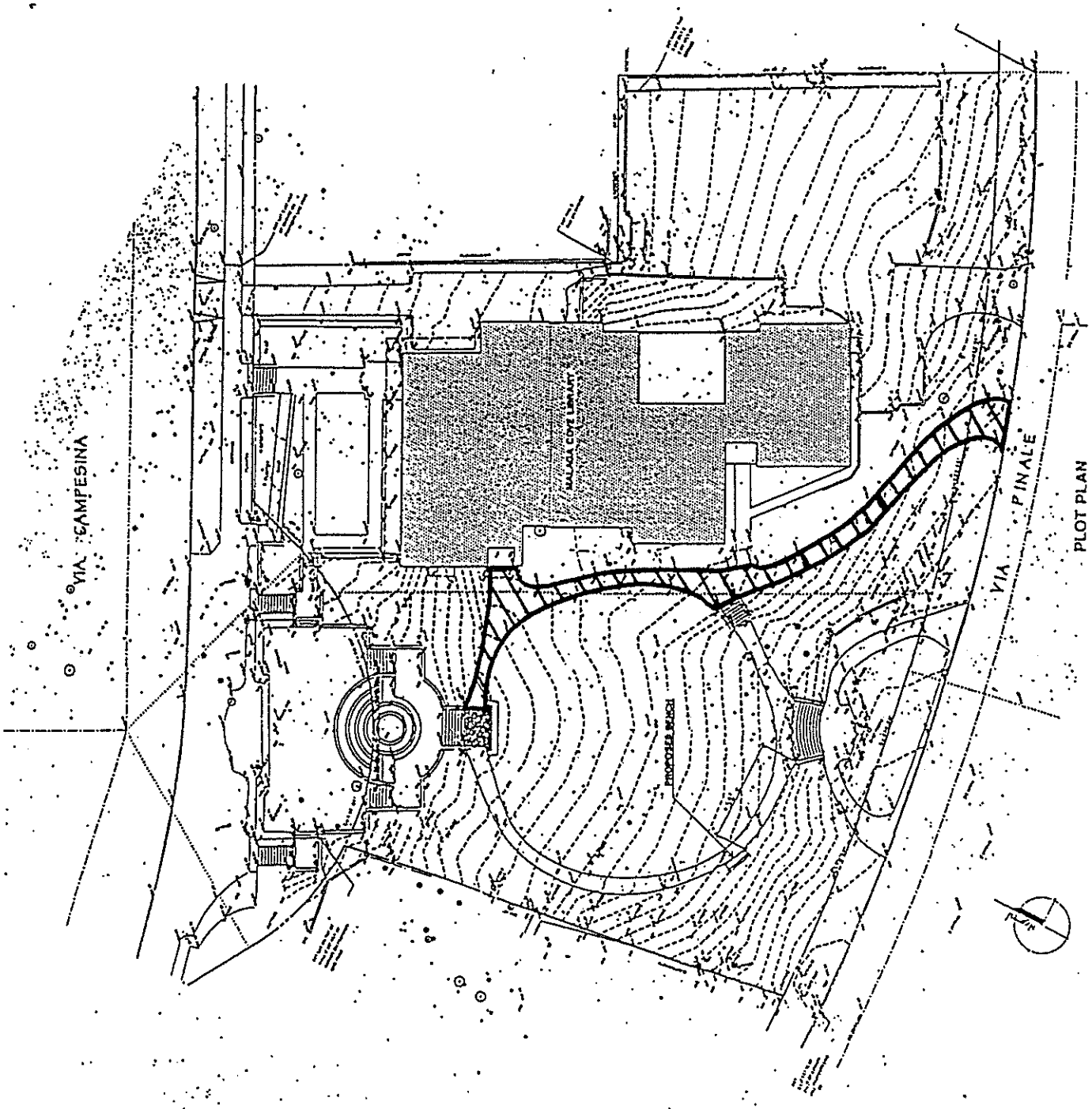

Exhibit B

21

CITY OF

Palos Verdes Estates

CITY OF PALOS VERDES ESTATES
INCORPORATED 1939
CALIFORNIA

99 1201643

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant Deed from the Palos Verdes Library District of Los Angeles County, a California Special District, to the City of Palos Verdes Estates "Grantee", a public body corporate and politic, is hereby accepted pursuant to the City Council of the City of Palos Verdes Estates' adoption of the Acquisition Agreement approved on May 11, 1999, and the Grantee consents to the recordation thereof by is duly authorized officer.

Dated: June 29, 1999.

CITY OF PALOS VERDES ESTATES

Robin M. Ford

Robin M. Ford, Deputy City Clerk