

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (“**Agreement**”), is entered into by and among John Harbison and Citizens for Enforcement of Parkland Covenants (collectively “**CEPC**”), Palos Verdes Homes Association (“**Homes Association**”), the City of Palos Verdes Estates (the “**City**”), Robert Lugliani and Dolores A. Lugliani, as co-trustees of The Lugliani Trust, Thomas J. Lieb, Trustee, The Via Panorama Trust (collectively, “**Lugliani**”), Residents for Open Board Elections (“**ROBE**”) and L. Ried Schott (“**Schott**”), all of which are collectively referred to as “**Parties**” or individually as “**Party**”, but for Schott (who is only referred to as Schott), with reference to the following facts:

A. 2012 Memorandum Of Understanding (“**2012 MOU**”). In 2012, the Homes Association, Lugliani, the Palos Verdes Peninsula Unified School District, and the City entered into the 2012 MOU, which among several other things, provided that the City return to the Homes Association 1.7 acres of land located at the end of Via Panorama, which property is referred to in the 2012 MOU as “Area A.” The 2012 MOU further provided that the Homes Association sell Area A to Lugliani (Area A is also known as “**Via Panorama Parkland**”).

B. The Via Panorama Parkland is located north and north-west of 900 Via Panorama, in Palos Verdes Estates. It currently contains some encroachments installed by the current and prior owner of 900 Via Panorama including a driveway, extensive landscaping, other structures and retaining walls installed by the current and prior owner of 900 Via Panorama for hillside stabilization. None of the encroachments were installed pursuant to a required permit.

C. Parkland Restrictions. On June 14, 1940, the Homes Association conveyed a number of parks to the City in multiple grant deeds, including the Via Panorama Parkland (“**1940s Deeds**”). The 1940 Deeds include the 1920s Protective Covenants (the 1940 Deeds and the 1920s Protective Covenants are collectively referred to as the “**Parkland Restrictions**”) and further provide in part as follows:

- That the transferred property “is to be used and administered forever for park and/or recreation purposes . . .”
- That “no buildings, structures or concessions shall be erected, maintained or permitted” on the parkland “except such as are properly incidental to the convenient and/or proper use of said realty for park and/ or recreation purposes.”
- That the transferred property “shall not be sold or conveyed, in whole or in part ...except to a body suitably constituted by law to take, hold, maintain and regulate public parks ...”
- That, with written permission, a property owner abutting the park may construct paths or landscaping on the conveyed property as a means of improving access to or views from such property. Such improvements must not impair or interfere with the use and maintenance of said realty for park and/or recreation purposes.

D. *Citizens For Enforcement Of Parkland Covenants et al. v. City of Palos Verdes Estates et al.*, Appellate Case No. B267816, Los Angeles Superior Court Case No. BS142768 (“*CEPC vs. Palos Verdes Homes Association et al. Litigation*”). This Agreement is a settlement of the *CEPC v. Palos Verdes Homes Association et al. Litigation* which includes the **2015 Superior Court Ruling** and the **2018 Appellate Court Decision**.

E. *L. Ried Schott, on behalf of the Palos Verdes Homes Association v. Palos Verdes Homes Association*, Los Angeles Superior Court Case No. BS169638 (“*ROBE Litigation*”). This Agreement is a settlement of the *ROBE Litigation*.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the Parties herein contained, the Parties agree as follows:

1. **City’s Obligations**. In exchange for the mutual releases, the City agrees to the following and specifically notes that it has no involvement in the terms the other Parties have agreed to herein in order to reach settlement of the disputes between them:

1.1. The City will accept donation of any amount of parkland located in the City that is free of encroachments and otherwise complies with the applicable deed restrictions.

1.2. The City owns several parcels which together consist of approximately four noncontiguous acres known as Bluff Cove, APN Nos. 1009 PVDW – 7541-001-902; 1015 PVDW – 7541-001-904; 1017 PVDW – 7541-001-908; 1101 PVDW – 7541-001-909; 1105 PVDW – 7541-001-906; 1117 PVDW – 7541-001-901; 1121 PVDW – 7541-001-907 (“Bluff Cove Property”). The City will cause deed restrictions commensurate with the Palos Verdes Estates 1940 Deed Restrictions to be imposed on the Bluff Cove Property so that it is subject to the same restrictions as other parkland held by the City, including, but not limited to, the following excerpts:

- That the property “is to be used and administered forever for park and/or recreation purposes . . .”
- That “no buildings, structures or concessions shall be erected, maintained or permitted” on the parkland “except such as are properly incidental to the convenient and/or proper use of said realty for park and/ or recreation purposes.”
- That the property “shall not be sold or conveyed, in whole or in part...except to a body suitably constituted by law to take, hold, maintain and regulate public parks ...”

1.3 The City will record a notice of vacation of duplicative open space easement imposed by Section 1 of Quitclaim Deed #20121327414 (City quitclaim to Homes Association), Section 5 (encroachments) of Quitclaim Deed #20121327414, Section 6 (the use restriction) of Quitclaim Deed #20121327414 and Section 7 (landscaping) of Quitclaim Deed #20121327414 within 15 days of the execution of this Agreement.

2. **Via Panorama Parkland** (Lugliani, CEPC & Homes Association obligations).

2.1. Of the 1.7-acre Via Panorama Parkland acquired by Lugliani in 2012, Lugliani shall retain approximately 1.4 acres (“**Lugliani Parcel**”) and shall convey to the City approximately 0.3 acres (“**City Parcel**”), subject to the transfer provision of Paragraph 2.2, below. The following terms and conditions apply:

2.1.1. **Lugliani Parcel.**

2.1.1.1. The specific 1.4 acre parcel must be mutually agreeable to Lugliani and CEPC. The new property lines drawn to include: 1) for the City Parcel, the entire portion of Area A along Via Panorama up to the original property line of 900 Via Panorama, and 2) for the Lugliani Parcel, the new property line set back from Via Panorama which begins at the corner of the sports field and then runs directly across towards the house.

2.1.1.2. A legal description complying with Paragraph 2.1.1.1 and in conformance with Area A survey (attached hereto as **Exhibit 1**) shall be prepared.

2.1.1.3. Lugliani has one year from the date of the transfer by the Homes Association of the Lugliani Parcel pursuant to Paragraph 2.2.3 to either obtain rezoning or permits to bring encroachments into compliance with deed restrictions and requirements of Palos Verdes Estates Municipal Code or remove them. The one-year period may be extended by a compliance plan agreed to by the City and Lugliani.

2.1.1.4. If Lugliani pursues rezoning of the Lugliani Parcel to residential (R-1 Residential), CEPC and the Homes Association will publicly support rezoning application.

2.1.2. **Deed Restrictions.** The Lugliani Parcel and the City Parcel shall be subject to the following Deed Restrictions:

2.1.2.1. A view easement shall be recorded, the terms of which shall be agreed to as between CEPC and Lugliani; such View Easement will cover all 1.7 acres of the Via Panorama Parkland.

2.1.2.2. A prohibition on the erection of habitable structures shall be imposed. This restriction supersedes Section 6 of the Quitclaim Deed #20121327414 (City quitclaim to Homes Association). Further, the 1.4 acres retained by Lugliani is not to be combined into a single lot for purposes of increasing the size of allowable house at 900 Via Panorama as per Section 8 of the Quitclaim Deed #20121327414 (City quitclaim to Homes Association).

2.1.2.3. Lugliani agrees to obtain property owner approval as per Declaration No.1 of the Palos Verdes Estates, Article VI, Section 3 for “other” modification of 1940s Deed Restrictions to exclude the Lugliani Parcel. Property owner approval is to take place before a rezoning application is filed pursuant to Paragraph 2.1.1.4. Homes Association agrees

to approve the modification following a public hearing as required by Declaration No. 1 of the Palos Verdes Estates, Article VI, Section 3.

2.1.2.3.1. Harbison is one of the property owners whose signature is required as per Paragraph 2.1.2.3, above. Harbison agrees to provide his approval signature for the modification of the 1940s Deed Restrictions to exclude the Lugliani Parcel on the required form, a draft of which is set forth in **Exhibit 2**.

2.1.3 City Parcel.

2.1.3.1 **Restoration of City Parcel.** Prior to the conveyance of the City Parcel to the City, Lugliani shall restore the City Parcel as follows:

2.1.3.1.1 Restoration includes the removal of the lions, road, pillars, gates, wrought-iron fence, BBQ foundation, trees and vegetation and the following:

2.1.3.1.1.1 A landscape plan will be presented to Parklands Committee for vegetation that blends with the existing parkland along Via Panorama so it appears as one integrated and larger parkland area with unobstructed views. The objective of initial landscaping is to prevent soil erosion until native vegetation takes hold. Any irrigation controls for the island located in the Right of Way (ROW) would be moved from Area A to the ROW in front of the Lugliani 900 Via Panorama property, unless otherwise permitted.

2.1.3.1.1.2 Stone curb and all structures (including the stone bench) around the existing storm drain along Via Panorama to be replaced by a standard curb and standard storm drain that fully complies with Palos Verdes Municipal Code. This curb would run from the corner of the Lugliani 900 Via Panorama property along the entire Parkland frontage on Panorama up to the driveway of 915 Via Panorama. This must be surveyed and marked so as to place the curb in the appropriate location between the street and right-of-way/parkland, thereby creating a unified look for the entire parkland (including the City Parcel) from the street. The curb is not part of the City Parcel, but rather in the right-of-way and therefore the pouring of the curb is not part of the restoration work that needs to occur prior to the transfer of the City Parcel to the City.

2.1.3.1.2 Lugliani to select the contractor(s) and pay for this restoration work directly. Homes Association to provide needed approvals for such restoration work upon appropriate and necessary applications.

2.1.3.1.3 Should Lugliani fail to perform the restoration within 60 days of the execution of this Agreement, the Parties agree to follow the procedures in the 1920s "Protective Covenants" and the City's Municipal code for enforcing the removal of encroachments and encumbering the property with a lien or exercise their rights to specific performance under this Agreement.

2.1.3.1.4 Homes Association agrees to reimburse Lugliani for restoration work in the amount of \$225,000, to be paid to Lugliani within 10 days of the execution of this Agreement.

2.1.3.2 All Parties expressly acknowledge and agree that the City Parcel shall be parkland forever, as was explicitly written in the 1940s Deed Restrictions, Section 3 as set forth in Paragraph 1.2 above.

2.2 Transfers of Via Panorama Parkland.

2.2.1 Lugliani shall transfer, via appropriate deed, all of Via Panorama Parkland it acquired in 2012 to the Homes Association (Grant Deed No. 20121327415).

2.2.1.1 This transfer has the force and effect of voiding the Homes Association's 2012 sale of Via Panorama Parkland to Lugliani as set forth in the 2012 MOU.

2.2.2 Homes Association shall transfer, via appropriate deed, the City Parcel to the City (with encroachments removed and encumbered by the View Easement as per Paragraphs 2.1.3.1 and 2.1.2.1, above).

2.2.3 Homes Association shall transfer, via grant deed, the Lugliani Parcel to Lugliani, subject to the conditions set forth in Paragraph 1.1.2, above. Lugliani may arrange, at its expense, for this transfer to be handled through a title insurance company.

3. Timing and Sequencing of Transfers. The Parties acknowledge that the various transfers and actions to be taken associated with the Lugliani Parcel and the City Parcel contemplate specific timing and sequencing. **Exhibit 3** sets forth the agreed upon timing and sequencing and the Parties commit to using their best efforts to achieve the timing and sequencings set forth thereunder. The Parties reserve the right to modify the timing of the transfers and actions to be taken associated with the Lugliani Parcel and City Parcel, but not the sequencing.

4. Reaffirmation of Deed Restrictions. All Parties reaffirm the continuing legal validity of 1940s Deed Restrictions, including as set forth in Recital C, that property subject to these Deed Restrictions "is to be used and administered forever for park and/or recreation purposes . . ." and "shall not be sold or conveyed, in whole or in part ...except to a body suitably constituted by law to take, hold, maintain and regulate public parks ...".

5. 2012 MOU. All provisions of the 2012 MOU remain valid and enforceable except those in direct conflict with this Agreement.

6. PVHA Board Appointment. By no later than January 31, 2019, Homes Association to appoint two new board members to fill the two vacancies from among recent ROBE candidates (over the last three elections) that are willing to serve on the Board. CEPC to supply the list of eligible ROBE candidates to the Board. The Board shall interview the eligible ROBE candidates

and in their sole discretion make the appointment. The Homes Association represents that this can be implemented without violating PVHA By-Laws.

7. **Attorneys' Fees.** The Homes Association shall pay CEPC its legal fees and costs totaling \$396,000.00. The Parties, Schott, and their attorneys, waive any further claim to fees or costs in connection with *CEPC v. Palos Verdes Homes Association et al. Litigation*, the *ROBE Litigation* or this Agreement. No party shall seek recovery of any fees or costs from any other Party except as provided in this paragraph. Payment of fees shall be made in accordance with the dates and amounts in the letter agreement between Jeffrey Lewis and the PVHA dated December 21, 2018.

7.1 The Homes Association shall provide payment to be provided to Jeff Lewis within five (5) days following confirmation of dismissal with prejudice of the *CEPC v. Palos Verdes Homes Association et al. Litigation* as per Paragraph 11, below.

7.2 The Homes Association, the City and Lugliani agree to pay their own legal costs incurred. Except as provided in Paragraph 7, CEPC shall pay its own costs and fees.

7.3 The Homes Association waives any right or claim to recover any portion of the attorneys' fees provided for in Paragraph 7 from Lugliani or the City.

8. **No Admissions.** Nothing contained herein shall be construed as an admission by any party hereto or Schott of any liability of any kind to any other Party or Schott. Each of the Parties and Schott denies any liability in connection with the matters set forth herein and intends merely to resolve any outstanding disagreements or disputes.

9. **Release of Claims.** All Parties to release all claims against any other Party in this matter including Lugliani, the Homes Association, the City and CEPC as set forth below.

9.1 **Mutual Release of Claims.** In consideration of the promises and covenants contained in this Agreement and after consultation with counsel and without in any way affecting the executory obligations required under this Agreement, the Parties irrevocably and unconditionally release and forever discharge each other, as well as their respective past and present related or affiliated entities and past and present officers, employees, attorneys, partners, members, investors, trustees, insurers, joint venturers, and agents and each of them, from any and all causes of action, claims, actions, rights, judgments, obligations, damages, demands, accountings, or liabilities of whatever kind or character, known or unknown, which the Parties have or may have against the other related to the Via Panorama Parkland and the *CEPC v. City of Palos Verdes Estates et al. Litigation*. Nothing contained herein shall release, waive, or in any way compromise a Party's right to enforce this Agreement. The Parties hereby expressly waive and relinquish all rights and benefits afforded by California Civil Code Section 1542 and do so understanding and acknowledging the significance and consequences of such waiver. The Parties acknowledge and understand that they are being represented in this matter by counsel, and acknowledge that they are familiar with the provisions of California Civil Code Section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

10. Notice. Any notices, demands or other communications given hereunder shall be in writing and shall be deemed delivered or received upon personal delivery or one (1) business day after deposit with overnight courier, or after they are mailed with postage prepaid with a copy by email to the party receiving such notice as follows, unless a Party notifies the other Parties of a different address:

If to Harbison & CEPC	John Harbison 916 Via Panorama Palos Verdes Estates, CA 90274
With a copy to:	Jeffrey Lewis, Esq. Jeff Lewis Law 609 Deep Valley Drive Rolling Hills Estates, CA 90274
If to Schott & ROBE:	Ried Schott C/O Jeffrey Lewis, Esq. Jeff Lewis Law 609 Deep Valley Drive Rolling Hills Estates, CA 90274
With a copy to:	Jeffrey Lewis, Esq. Jeff Lewis Law 609 Deep Valley Drive Rolling Hills Estates, CA 90274
If to the Homes Association:	Palos Verdes Homes Association 320 Palos Verdes Drive West Palos Verdes Estates, CA 90274
With a copy to:	Sidney F. Croft 314 Tejon Place Palos Verdes Estates, CA 90274
With a copy to:	Brant Dveirin, Esq. Lewis Brisbois Bisgaard & Smith LLP 633 West 5 th Street, Suite 4000 Los Angeles, CA 90071

If to Lugliani:	Michael C. Cody, CPA, MBT Lieb, Cody and Co., CPA's, Inc. 25550 Hawthorne Blvd., Suite 100 Torrance, CA 90505
With a copy to:	Damon Mamalakis, Esq. Armbruster Goldsmith & Delvac LLP 12100 Wilshire Blvd, Suite 1600 Los Angeles, CA 90025
If to the City:	City Manager City of Palos Verdes Estates 340 Palos Verdes Drive West Palos Verdes Estates, CA 90274
With a copy to:	Christi Hogin, Esq. Best, Best & Krieger, LLP 1230 Rosecrans Avenue, Suite 110 Manhattan Beach, CA 90266

11. Dismissal of the CEPC v. Palos Verdes Homes Association et al. Litigation.

11.1 CEPC shall file a dismissal with prejudice of the *CEPC v. Palos Verdes Homes Association et al. Litigation* within five (5) days of the execution of this Agreement.

12. **Enforcement and Remedies.** The Parties shall have the right, in addition to all other remedies available to each Party at law or in equity, to enforce their respective rights under this Agreement by filing an action in Los Angeles Superior Court for declaratory relief, specific performance, or injunctive relief. The Parties acknowledge and agree that monetary damages would not be an adequate remedy in the event of a breach of this Agreement and that, therefore, the equitable remedies of specific performance and/or injunctive relief are appropriate under this Agreement. In any action to enforce this Agreement, the prevailing Party is entitled to reasonable attorneys' fees and costs.

13. **ROBE Litigation.** The Homes Association and Schott hereby agree to settle the *ROBE Litigation* as part of this Agreement subject to the following terms.

13.1 The Homes Association shall seek an order from the Court for only the 2020 Directors election a temporary quorum change to 35 percent, telling the Court that this is the position of the current Board.

13.2 The Homes Association shall implement for all future Directors elections a requirement that all candidates – incumbents and challengers – obtain 100 certified signatures to be qualified for the ballot. Notwithstanding the foregoing, should there be no challengers to a Directors election, incumbents need not obtain the 100 signatures. Any future requirements set

by the Board in future years for challengers to appear on the ballot shall always apply with equal force to incumbents.

13.3 The Homes Association shall cause to be placed on the 2020 Directors election ballot a ballot measure to lower the quorum permanently to 35 percent. If two-thirds of the members approve of such a measure, then as per the By-Laws, the quorum change to 35 percent automatically goes into effect. If a simple majority is reached (51 percent or greater of those members who vote), the Homes Association shall petition the Court to judicially impose a quorum change to 35 percent in future elections beyond 2020. For purposes of the 2020 ballot measure, the votes shall be opened, counted and announced at the January 2020 annual meeting and this section 13.3 shall be given effect even if the total number of votes is less than 35 percent for that year.

13.3.1 The Board shall publicly advocate for the 35 percent quorum change ballot measure and also approve this motion to the Court to advocate the lower quorum.

13.3.2 The Homes Association shall continue its recent practice of locating a lockbox at City Hall to collect votes from the time the first ballot is sent to the deadline of the Wednesday before the annual election and has obtained the agreement of the City to this arrangement.

13.3.3 As was done in the Winter of 2018 for the January 2019 Board election, the Homes Association shall continue to use at least three mailings of full ballots and return envelopes to Homes Association members until such time as a ballot is received from any member.

13.3.4 If any Homes Association members appears at the annual meeting to personally present a ballot, the Homes Association shall accept that ballot (assuming the ballot is otherwise valid). However, no member will be allowed to appear at the annual meeting to change a previously cast ballot. If more than one ballot is received from any member, the first one will be counted.

13.4 Homes Association and Schott agree to bear their own attorney's fees and costs as a result of the *ROBE Litigation*.

13.5 **Mutual Release of Claims.** In consideration of the promises and covenants contained in this Agreement and after consultation with counsel and without in any way affecting the executory obligations required under this Agreement, the Homes Association and Schott Parties irrevocably and unconditionally release and forever discharge each other, as well as their respective past and present related or affiliated entities and past and present officers, employees, attorneys, partners, members, investors, trustees, insurers, joint venturers, and agents and each of them, from any and all causes of action, claims, actions, rights, judgments, obligations, damages, demands, accountings, or liabilities of whatever kind or character, known or unknown, which the Parties have or may have against the other related to *ROBE Litigation*. Nothing contained herein shall release, waive, or in any way compromise a Party's right to enforce this Agreement. Homes Association and Schott hereby expressly waive and relinquish all rights and benefits afforded by

California Civil Code Section 1542 and do so understanding and acknowledging the significance and consequences of such waiver. Homes Association and Schott acknowledge and understand that they are being represented in this matter by counsel, and acknowledge that they are familiar with the provisions of California Civil Code Section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

13.6 Each of the provisions of Paragraph 15, below, apply to the resolution of the *ROBE Litigation*.

13.7 Schott shall file a dismissal with prejudice of the *ROBE Litigation* within five (5) days of the execution of this Agreement with an express provision that the Court retain jurisdiction to carry out the terms of this Agreement pursuant to Code of Civil Procedure Section 664.6.

14. Joint Statement. The Parties to agree to release a joint statement in the form attached hereto as **Exhibit 4**.

15. General Provisions.

15.1 The Parties shall execute all such further and additional documents as shall be reasonable, convenient, necessary or desirable to carry out the provisions of this Agreement. The Parties shall cooperate fully with one another to attain the purposes of this Agreement.

15.2 Each individual signing this Agreement represents that he or she has the authority to bind the Party on whose behalf he or she is signing. Each party is independent and none is an agent of another. Each Party shall be solely responsible and liable in connection with its actions associated with its responsibilities under this Agreement. Nothing in this Agreement shall be construed to require or authorize action without a required permit or public hearing or to constrain the exercise of discretion except as expressly provided herein.

15.3 The Parties represent that they have been represented by, or had the opportunity of consult with, independent counsel of their own choosing in connection with the execution of this Agreement.

15.4 This Agreement contains the entire agreement and understanding between the Parties, and supersedes all prior and contemporaneous agreements, concerning the subject matter except as specifically noted herein.

15.5 This Agreement shall be binding on the parties and their respective successors and assigns.

15.6 This Agreement may be amended only in a writing signed by the Parties.

15.7 This Agreement shall be governed by California law.

15.8 Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement.

15.9 Nothing in this Agreement is intended to create duties or obligations to or rights in third parties to this Agreement.

15.10 In the event that any Party believes that another Party materially breached any obligations under this Agreement, such Party shall notify the breaching Party in writing. The breaching Party shall have thirty (30) 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.

15.11 If any term of this Agreement is to any extent illegal, otherwise invalid, or incapable of being enforced, such term shall be excluded to the extent of such invalidity or unenforceability; all other terms hereof shall remain in full force and effect; and, to the extent permitted and possible, the invalid or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid or unenforceable term.

15.12 This Agreement may be executed in multiple counterparts and by facsimile or email.

The Parties to this Agreement have caused this Agreement to be executed on their behalf as of the date specified below, respectively, as follows:


JOHN HARBISON, Individually and on behalf of CEPC

By: 

Name: JOHN HARBISON

Date: JANUARY 10, 2019 Title: CEPC

PALOS VERDES HOMES ASSOCIATION

By: 

Name: ED FOUNTAIN

Date: JANUARY 10, 2019 Title: VICE PRESIDENT

ROBERT LUGLIANI, Individually and on behalf of
ROBERT and DOLORES LUGLIANI, Co-trustees of the
LUGLIANI TRUST

By: Robert Lugliani, Trustee

Name: Robert Lugliani

Date: 1-10-19

Title: TRUSTEE

THOMAS J. LIEB, Trustee, THE VIA PANORAMA
TRUST U/DO May 2, 2012

By: _____

Name: _____

Date: _____

Title: _____

L. RIED SCHOTT, Individually and on behalf of ROBE

By: _____

Name: _____

Date: _____

Title: _____

THE CITY OF PALOS VERDES ESTATES

By: _____

Name: _____

Date: _____

Title: _____

ROBERT LUGLIANI, Individually and on behalf of
ROBERT and DOLORES LUGLIANI, Co-trustees of the
LUGLIANI TRUST

By: _____

Name: _____

Date: _____

Title: _____

THOMAS J. LIEB, Trustee, THE VIA PANORAMA
TRUST U/DO May 2, 2012

By:  _____

Name: Thomas J. Lieb

Date: 1-10-19

Title: TRUSTEE

L. RIED SCHOTT, Individually and on behalf of ROBE

By: _____

Name: _____

Date: _____

Title: _____

THE CITY OF PALOS VERDES ESTATES

By: _____

Name: _____

Date: _____

Title: _____

ROBERT LUGLIANI, Individually and on behalf of
ROBERT and DOLORES LUGLIANI, Co-trustees of the
LUGLIANI TRUST

By: _____

Name: _____

Date: _____

Title: _____

THOMAS J. LIEB, Trustee, THE VIA PANORAMA
TRUST U/DO May 2, 2012

By: _____

Name: _____

Date: _____

Title: _____

L. RIED SCHOTT, Individually and on behalf of ROBE

By: L. Ried Schott

Name: L. Ried Schott

Date: 1-10-19

Title: PETITIONER

THE CITY OF PALOS VERDES ESTATES

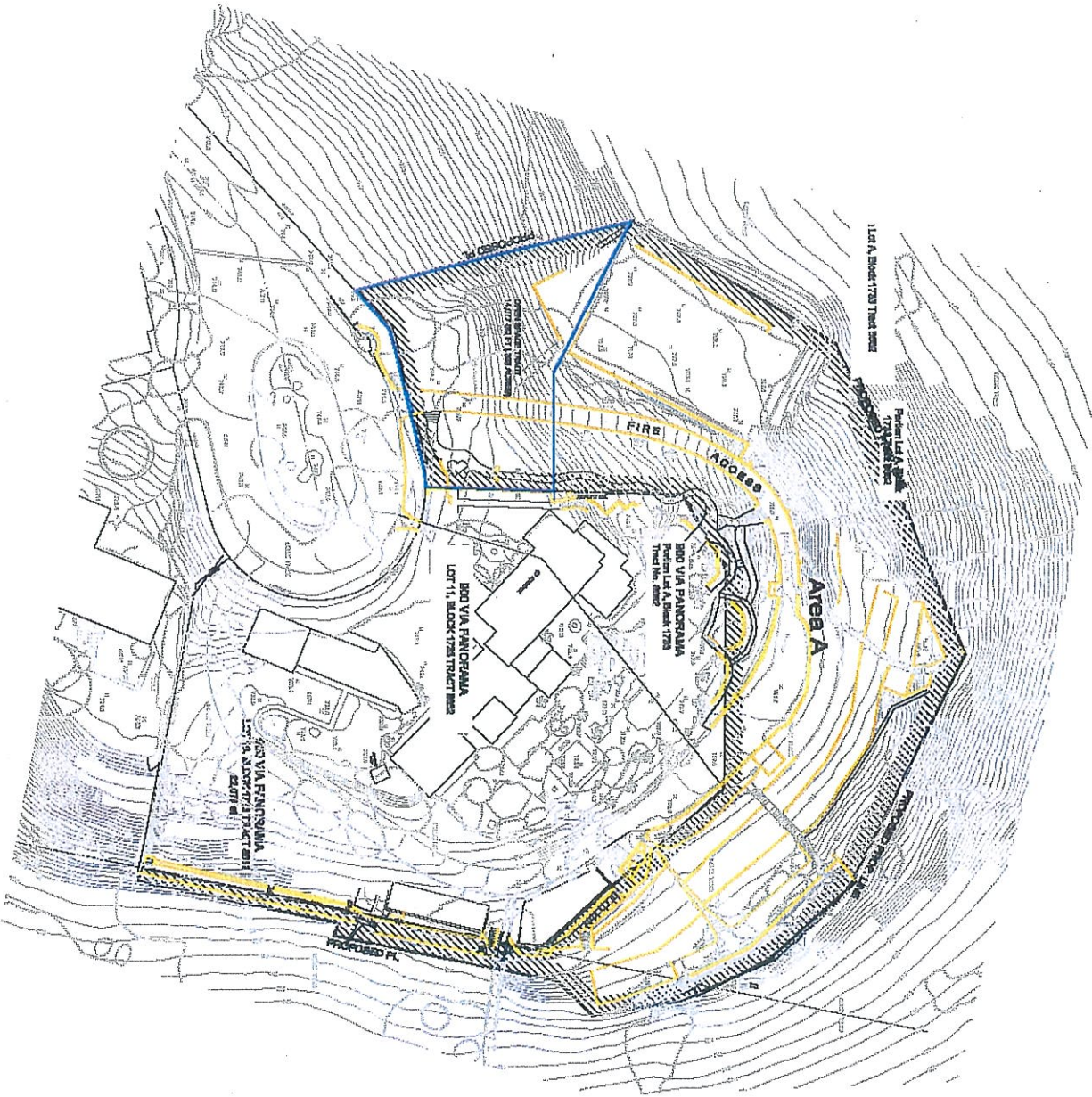
By: Betty Lin Peterson

Name: Betty Lin Peterson

Date: 1-11-2019

Title: Mayor

EXHIBIT 1



DATE	2011 OCT 26 2011
SCALE	1" = 20'
PROJECT	SEE
OWNER	SEE
DESIGNED BY	SEE
CHECKED BY	SEE
DATE	2011 OCT 26 2011

Overall
OVERALL PLAN
 Lot 10, 11, and Por. A, Tract 8652

client:
DAVID LUGLIANI
 900 Via Panorama
 Palos Verdes Estates, CA 90274

ETC **Environ Engineering Corp.**
 2001 Engineering & Surveying
 20044 Hawthorne Avenue Ste. 310
 Lawndale, CA 90249
 Phone: (310) 208-2000 Fax: (310) 208-2001

Revision	01

EXHIBIT 2

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Palos Verdes Homes Association
320 Palos Verdes Dr. W.
Palos Verdes Estates, CA 90274

SPACE ABOVE THIS LINE FOR
RECORDER'S USE

APN: 7545-002-900

MODIFICATION OF DEED RESTRICTIONS

Grantor: PALOS VERDES HOMES ASSOCIATION, a California nonprofit corporation

Grantee: THOMAS J. LIEB, TRUSTEE, THE VIA PANORAMA TRUST U/DO MAY 2, 2012

THIS MODIFICATION OF DEED RESTRICTIONS (this "Modification") is made and entered into as of _____, 201_, by **PALOS VERDES HOMES ASSOCIATION, a California nonprofit corporation** ("Grantor"), and **THOMAS J. LIEB, TRUSTEE, THE VIA PANORAMA TRUST U/DO MAY 2, 2012** ("Grantee").

Recitals:

A. Grantee is the owner of the real property located in Los Angeles County, California legally described on the attached Exhibit A (the "Grantee Property"). The Grantee Property and other real property located in Palos Verdes Estates are encumbered by restrictions limiting the use and ownership of such real property to parkland as set forth in various deeds, including, without limitation, Paragraph Nos. 3-6, inclusive, of each of the following instruments: [INSERT DEED RECORDING INFORMATION] (the "Parkland Restrictions"). The Parkland Restrictions include restrictions contained in any other deed or instrument purporting to limit the use or ownership of the Grantee Property to parkland. Without limitation of the foregoing, the Parkland Restrictions

include any restriction in substantially the form of any of the following:

- That the subject property “is to be used and administered forever for park and/or recreation purposes . . .”
- That “no buildings, structures or concessions shall be erected, maintained or permitted” on the subject property “except such as are properly incidental to the convenient and/or proper use of said realty for park and/ or recreation purposes.”
- That the subject property “shall not be sold or conveyed, in whole or in part ...except to a body suitably constituted by law to take, hold, maintain and regulate public parks ...”
- That, with written permission, a property owner abutting the subject property may construct paths or landscaping on the subject property as a means of improving access to or views from such property. Such improvements must not impair or interfere with the use and maintenance of such property for park and/or recreation purposes.

B. Article VI, Section 3 of 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, recorded July 5, 1923 in Book 2360, Page 231, Official Records of Los Angeles County, as amended (“Declaration No. 1”), permits modification of deed restrictions encumbering real property subject to Declaration No. 1 by Grantor and the owner(s) of such real property, provided the written consent of the owners of not less than two-thirds in area of all lands held in private ownership within three hundred feet in any direction of such real property (collectively, the “Neighboring Owners”) is duly executed and recorded.

C. Grantor and Grantee desire to modify the Parkland Restrictions to provide that such Parkland Restrictions no longer encumber the Grantee Property.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and in consideration of the above recitals, Grantor and Grantee hereby agree as follows:

Agreements:

1. **Modification of Parkland Restrictions.** The Parkland Restrictions are hereby modified to provide that such Parkland Restrictions no longer encumber the Grantee Property. The Grantee Property may hereafter be used, owned, operated, managed, encumbered, and conveyed free of the Parkland Restrictions.

2. **Neighboring Owners.** The written consents of the Neighboring Owners have been obtained and are attached to this Modification and incorporated by reference.

3. **General Provisions.**

a. **Severability.** Invalidation of any provisions of this Modification shall in no way affect any of the other provisions of this Modification.

b. **Benefits and Burdens Run With The Land.** This Modification shall run with the land as to the properties burdened and benefited by the provisions herein and any lawful division thereof. The rights, covenants, and obligations contained in this Modification shall bind, burden, and benefit the parties, their successors, heirs, assigns, tenants, employees, guests, invitees, licensees, contractors, agents, mortgages, and beneficiaries under a deed of trust.

c. **Waiver.** No provision of this Modification shall be deemed to have been waived unless such waiver is in writing signed by the waving party. No failure by any party to insist upon the strict performance of any provision of this Modification, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach, of such provisions, or of any other provision. No waiver of any provision of this Modification shall be deemed a waiver of any other provision of this Modification or a waiver of such provision with respect to any subsequent breach, unless expressly provided in writing.

d. **Governing Law.** The parties expressly agree that this Modification will be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Modification has been duly executed as of the date first set forth above.

Grantor: PALOS VERDES HOMES ASSOCIATION, a California nonprofit corporation

By: _____
Title: _____

State of California)
)
County of Los Angeles)

On _____ before me, _____, a Notary Public in and for said State, 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 _____

(This area for notary stamp)

Grantee:

Thomas J. Lieb, Trustee, The Via Panorama
Trust U/DO May 2, 2012

State of California)
)
County of Los Angeles)

On _____ before me, _____, a Notary Public in and for said State, 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 _____

(This area for notary stamp)

The undersigned, _____ [INSERT
OWNER NAME(S)], the owner(s) of _____
[INSERT PROPERTY ADDRESS], hereby consent to the foregoing Modification in accordance with its terms.

State of California)
)
County of Los Angeles)

On _____ before me, _____, a Notary Public in and for said State, 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 _____

(This area for notary stamp)

EXHIBIT A
GRANTEE PROPERTY

EXHIBIT 3

SETTLEMENT TIMELINE EXHIBIT

[Day 1 is execution date of Settlement Agreement]

Day 5: Dismissals of litigation filed [Paras. 11.1 & 13.7]
Parkland Restrictions for Bluff Cove recorded [Para. 1.2]

Day 10: Homes Association makes payment to Lugliani [Para. 2.1.3.1.4]
Homes Association pays CEPC attorneys' fees within 5 days of dismissal
confirmation [Para. 7.1]

Day 15: Notice of vacated easements recorded [Para. 1.3]

Day 60: Lugliani completes restoration of City Parcel to natural state similar to adjacent
land, including removal of vegetation, road, and improvements [Para. 2.1.3.1]

Day 65: Deeds (with Deed Restrictions), modification of Parkland Restrictions for
Lugliani Parcel, and View Easement recorded [Paras. 2.1.2.1-2.1.2.3, 2.2]

Day 90: Lugliani completes pouring of new curb [Para. 2.1.3.1.1.2]

EXHIBIT 4

JOINT STATEMENT:

Today the lawsuit over the Panorama Parkland was resolved. The Parties* found common ground on their mutual priority for preserving parkland. The lawsuit was originally filed by John Harbison and CEPC to unwind a sale of parkland property from the Homes Association to the Luglianis. The property was conveyed by the City to the Homes Association as part of an agreement between the City, the Palos Verdes Unified School District and the Luglianis. The Court of Appeal held “the public did benefit from this litigation—namely through the protection of a public park.” Under the settlement, the Luglianis and the Homes Association will comply with the provisions of the CC&Rs that allow for re-designation of land use with the consent of the neighboring property owners. Harbison and CEPC support this re-designation in light of two facts: (1) the City is going to deed restrict the Bluff Cove properties (approx. 4 acres) along Palos Verdes Drive West (that are currently R1 Residential zoned) by imposing the same restrictions that are on all other City-owned open space. As a result, the City of Palos Verdes Estates will enjoy a net increase in deed-restricted open space property. (2) Unlike the original sale from the Homes Association to the Luglianis, under the agreement, the Homes Association will employ the proper mechanism under the CC&Rs including the explicit consent of the public within 300 feet of each property. The Agreement will create a view easement and restore natural parkland for the public to enjoy. All Parties affirm the continuing legal validity of the deed restrictions maintaining parkland. In addition, the Parties are resolving the ROBE Quorum litigation creating a more democratic election process for the Homes Association.

All Parties are pleased to have found a solution that increases parkland for the benefit of our residents. The Luglianis agreed to restore the flat portion of the Panorama parkland properties (approx. 0.4 acres) and return that to city ownership for the residents to enjoy. The Homes Association and Harbison were instrumental in identifying the portion of the property of most value to the community. The Homes Association is helping to fund the restoration.

This settlement completely resolves the lawsuit over Panorama Parkland.

*Parties to the Agreement are Citizens for Enforcement Parkland Covenants (CEPC), John Harbison, Palos Verdes Homes Association (Homes Association), City of Palos Verdes Estates, Ried Schott, Residents for Open Board Elections (ROBE) and Robert and Dolores Lugliani (the Luglianis, property owners of 900 Via Panorama).