

MEMORANDUM

TO: CHAIRMAN & MEMBERS OF THE PLANNING COMMISSION
FROM: JOEL ROJAS, COMMUNITY DEVELOPMENT DIRECTOR *For J.R.*
DATE: FEBRUARY 24, 2015
SUBJECT: DRAFT GENERAL PLAN LAND USE CHANGE FOR
3778 COOLHEIGHTS DRIVE

Project Manager: So Kim, Senior Planner *SK*

RECOMMENDATION

Approve the proposed land use change to the General Plan land use map for 3778 Coolheights Drive from "Residential 1-2 du/ac" to "Natural/Environmental Hazard".

BACKGROUND

At the January 13, 2015 Planning Commission meeting, the Commission received a status report from Staff on the General Plan Update. In short, the following needs to be done prior to bringing the entire Draft General Plan Update package to the Commission for review, which is targeted for the 2nd meeting in April:

- Prepare the Climate Change Section within the Open Space/Conservation Element – A draft version has been completed by the sub-committee and Staff. This will be presented to the Commission on March 10th.
- Process one last land use change at 3778 Coolheights and ensure all previous Commission approved changes are incorporated into a final "Draft" land use map – This is the topic of discussion this evening.
- Prepare a CEQA document for the General Plan Update, accompanied by a "Land Use Change Summary Report" that provides a list of all Commission approved land use changes associated with the General Plan Update.
- Update all graphics within the General Plan document.
- Minor text revisions/updates as necessary to the Commission approved elements.

The land use change described in the 2nd bullet point above is the topic of tonight's item. A public notice was circulated to all property owners within 500' radius of the subject site and published in the *Peninsula News* on February 5, 2015. Staff received one email in support and two emails in opposition to the proposed project (attached).

DISCUSSION

Why is Staff proposing a change from “Residential 1-2 du/ac” to “Natural/Environment Hazard”?

In December 1996, the City purchased the abutting 165-acre Forrestral Property for the purpose of protecting sensitive habitat and allowing for passive recreational public use. The property is now part of the City’s PV Nature Preserve. Excluded from the deal was a 2.46 acre lot located at the terminus of Coolheights Drive, which the seller at the time (Diamond Brothers Three) intended to develop with a single-family residence. However, Mr. Ortolano, who resides adjacent to the subject parcel, filed a lawsuit against the City and the developer claiming prescriptive rights over a portion of the property. In September 1998, the City entered into a Settlement Agreement to resolve the land dispute involving Mr. Ortolano Jr. According to the Settlement Agreement, approximately 0.26 acres (Parcel C as referenced in the aerial photo below) of the 2.46 acre lot and approximately 0.19 acres (Parcel E as referenced in the aerial photo below) of the City owned Forrestral Property was conveyed to Mr. Ortolano. The recorded grant deeds (attached) for both parcels C and E prevent any construction, improvements, and developments that would require permits from the City. Additionally, according to the settlement agreement, a 10’ portion of parcel C was reserved to the public as an easement for pedestrian ingress, egress, hiking, trail and mountain biking, and other recreational purposes. Given this background, as part of the General Plan Update, Staff proposes to change the General Plan Land use Designation of Parcel C and E described above and illustrated below from “Residential” to “Natural Environment/Hazard”.



It should be noted that pursuant to the attached Settlement Agreement agreed to by Mr. Ortolano and the City (Section 3.2.4), Mr. Ortolano or his representatives shall not oppose, protest or otherwise object to a General Plan amendment to designate parcels C and E as “Natural Environment/Hazard” and a corresponding zoning designation of “Open-Space Hazard”. Those provisions were included because it was the intent of the parties that the General Plan and Zoning

designations would be changed, as currently proposed by Staff, so that the newly created lot could be maintained and used as it was at the time of the settlement agreement and not developed with a residence. Nevertheless, Mr. Ortolano submitted the attached email in opposition to the proposed change in land use designation. He explains that the proposed change will “...*artificially create a derelict lot with marginal utility and limited alienability via a zoning designation out of character with the rest of the neighborhood.*” He also believes that the subject lot should be increased in density from the current RS-1 to RS-3 for consistency with other residential properties in the surrounding area.

It should be emphasized that consistent with the settlement agreement between the City and Mr. Ortolano, grant deeds were recorded for both parcels C and E (now known as 3778 Coolheights Drive) that prevent any construction, improvements, and developments that would require permits from the City. The purpose of a residential land use designation is to allow residential use, including the development of a home. Since residential use is not allowed on the subject lot per the recorded grant deeds that run with the land, the current Residential land use designation is inconsistent. Therefore, Staff does not believe that pursuing the proposed land use change results in a more restricted use or further isolates the subject lot from the surrounding properties.

CONCLUSION

Based on the discussion above, Staff believes that given the settlement agreement between the City and Mr. Ortolano and recorded grant deeds of the site, a “Natural Environment/Hazard” designation is appropriate for this site. As such, Staff recommends that the Planning Commission approve the change in land use designation from Residential 1-2 du/ac to Natural Environment/Hazard for 3778 Coolheights Drive.

ALTERNATIVES

In addition to Staff’s recommendation, the Commission could also consider the following alternative actions:

1. Do nothing and leave the existing General Plan land use designation for this site as Residential 1 du/ac.
2. Identify issues and/or questions associated with the proposed request and continue the item to a date certain.
3. Consider the property owner’s request to increase the density to Residential 2-4 du/ac.

ATTACHMENTS

- Public Correspondence
- Recorded Grant Deeds for Parcels C and E (now known as 3778 Coolheights Drive)
- Settlement Agreement

Public Correspondence

So Kim

From: JOE NASSIRI <joenassiri@msn.com>
Sent: Tuesday, February 17, 2015 4:32 PM
To: So Kim
Subject: Land Use Designation Notice, 3778 Coolheights

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Ms. So Kim,

As you may know, a large section of the subject property was part of our residential lot that was given to the neighbors as part of a settlement, to avoid time consuming litigation , so we could build our house in a reasonable time period.

We agreed to this settlement based on the understanding that there would be no future development on this lot. We were informed by the City Officials that the lot was substandard and did not meet the requirements of any development.

We strongly support any action to avoid future development of this lot since such development will degrade the neighborhood.

Sincerely

Nassiri Family

So Kim

From: So Kim
Sent: Thursday, February 12, 2015 11:50 AM
To: 'Ortolano'
Subject: RE: RPV General Plan Revision and 3778 Coolheights Dr Rezoning

Hi Mr. Ortolano,

I already read it and it appears to be consistent with what you told me over the phone yesterday. Once the Staff Report has been prepared and finalized, I will email you a copy prior to the meeting.

Sincerely,
So Kim
Senior Planner
City of Rancho Palos Verdes
www.rpvca.gov
(310) 544-5228

From: Ortolano [mailto:ortolanor@yahoo.com]
Sent: Thursday, February 12, 2015 11:35 AM
To: So Kim; Ralph Ortolano
Subject: Re: RPV General Plan Revision and 3778 Coolheights Dr Rezoning

Dear Ms. Kim:

I would hope that you would also read it so that you can use it as background in preparing your report and better understand the rationale behind why this single lot is zoned out of character with the rest of the neighborhood.

This is our opportunity, 17 years later, to finally fix this situation and conform its zoning with that of the adjacent 690 RS-3 lots. That's the point of a General Plan rewrite.

Sincerely,

Ralph

From: So Kim <SoK@rpv.com>
To: Ortolano <ortolanor@yahoo.com>
Sent: Thursday, February 12, 2015 11:26 AM
Subject: RE: RPV General Plan Revision and 3778 Coolheights Dr Rezoning

Thank you for your email and attachment. I will include it as part of the upcoming Staff Report to the Commission.

Sincerely,
So Kim
Senior Planner

City of Rancho Palos Verdes

www.rpvca.gov

(310) 544-5228

From: Ortolano [<mailto:ortolanor@yahoo.com>]

Sent: Thursday, February 12, 2015 11:19 AM

To: So Kim; Ralph Ortolano

Subject: RPV General Plan Revision and 3778 Coolheights Dr Rezoning

Dear So,

Thank you for contacting me and thank you for copies of the documents with which you were working so that I could be assured that you and I were working with the same documents.

I hope I was able to give you some background on how the restrictions ended up on this lot in the first place. If you have any questions while you're writing your report, please don't hesitate to ask.

In short, the primary issue was that I had an RS-3 lot in an RS 1-2 zone and, thus, my lot was deemed "unbuildable." It really ISN'T unbuildable. It's actually larger than a lot of the other RS-3 lots in the surrounding neighborhood, with more level ground. But, with the extreme animosity of some members of the City establishment, it was an excuse to impose restrictions that were essentially intended to only allow me to maintain pre-existing uses of the property.

Aside from the animosity, the primary reason the lot wasn't zoned RS-3 in the first place was because I was told that this would require rewriting the General Plan. Well, now, 17 years later, you're rewriting the General Plan, so this is the opportunity to fix the situation and finally zone this lot RS-3 like the rest of the neighborhood. That's apparently the purpose of a General Plan revision.

In the end analysis, I think everyone would be happier with the result if this lot was properly zoned in character with the other RS-3 lots in the neighborhood.

Notwithstanding the directive you've apparently received from your boss, I would hope that you would at least include a paragraph or two in your report discussing this option.

As I said before, you may contact me anytime, 24 hours a day, seven days a week.

Sincerely,

Ralph J. Ortolano, Jr.

OrtolanoR@yahoo.com

310-982-5499

PS: Please don't publish this telephone number or e-mail address in the public record. However, if the Planning Commissioners want my points of contact, I don't mind that they have the ability to communicate with me. In fact, I would prefer it.

3778 Coolheights Drive
Rancho Palos Verdes, CA 90275

February 10, 2015

Planning Commission
City of Rancho Palos Verdes
30940 Hawthorne Blvd.
Rancho Palos Verdes, CA 90275

SUBJ: Proposed Rezoning of 3778 Coolheights Drive, Rancho Palos Verdes, CA

Dear Planning Commissioners:

I have been notified that the City of Rancho Palos Verdes is proposing to rezone the property at 3778 Coolheights Drive from RS-1 to Natural Environment/Hazard. I respectfully suggest that this action does not advance the intent of a General Plan rewrite or the rationale originally given for why the restrictions on this lot were imposed.

For 40 years, the property at 3778 Coolheights Drive has been a 1/3 acre lot located in an area zoned as RS 1-2 dwelling units/acre. It is in a neighborhood that is comprised of 690 RS-3 lots and one RS-1 lot. The property at 3778 Coolheights Drive is 0.35 acres. Of this, nearly 6000 square feet (approximately 39.1 percent) is comprised of level land. This is consistent with the size of other developed lots in the neighborhood.

Unfortunately, the perfection of my right to this lot was contentious because it involved a lawsuit between me and the parties who purported to sell a portion of my lot to the City. In order to quiet title, I was required to also bring the City before the Court. I still recall how incensed one of the 1998 City Council members was that I had dared to do battle with the City to protect my rights.

It was not an easy decision to take on city hall and it was something that I did reluctantly. Notwithstanding that I had negotiated a settlement early on with the parties who had purported to sell a portion of my lot to the City, the City enormously complicated matters and dragged out the settlement process for at least another year.

As a condition of settlement, the City sought restrictions on this lot on the basis that it was a 1/3-acre lot in a RS-1 zone, notwithstanding that the 690 lots in the adjacent residential community were zoned RS-3. At the time, I was told that it would require a General Plan amendment to zone my lot as an RS-3 lot. So, I lived with restrictions that were intended to limit my uses to the nature of uses that existed on my lot up through 1998.

I agreed to a settlement with the City of Rancho Palos Verdes that imposed these restrictions because I was preparing to deploy on a Navy strategic sealift ship for up to a year and I would have been virtually completely incommunicado during my term of duty.

Unlike a modern 2015 Navy combatant ship—with satellite communications, e-mail, satellite television, and substantial medical facilities—a 1990s-era cargo transport had a video player, a \$10/minute (\$30 minimum per call) satellite phone with bad reception, extremely limited e-mail capabilities that were limited solely to Captain's official business and that were off-limits to the crew, and U.S. mail would typically follow us around the globe from port-to-port eventually catching up with us several months later. Typically, I was assigned collateral duties as the Medical Officer, being handed a Merck Manual, a Physician's Desk Reference, a First Aid and Basic Surgery manual, and a couple bottles of Crown Royal whisky to use as a general anesthetic.

Under these circumstances, it would have been impossible to prosecute a lawsuit, and I wanted to have a clear head to focus on my deployment. So, I settled the case—literally on the last day before I left town—in hopes that we might be able to fix the matter later. Since that time, my lot has been serenely zoned RS 1-2 with the settlement restrictions intact.

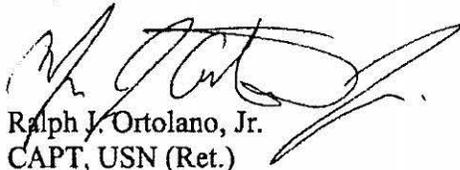
However, now the Planning Commission is finally engaged in the rewrite of its 1975 General Plan, and the obstacle that originally stood in the way of rezoning my lot to RS-3 is being removed.

I certainly hope that we can now set matters right and that there is no lingering animosity on the part of any member of the staff or elected city officials. It is my hope that the current rezoning proposal will be judged on the merits, rather than on this past history.

I submit that zoning my lot Natural Environment/Hazard will artificially create a derelict lot with marginal utility and limited alienability via a zoning designation out of character with the rest of the neighborhood. Furthermore, it is a zoning designation that really *isn't* what it purports to be because of modifications intended to maintain the uses I made of the property prior to 1998. Thus, it will be a zoning designation with exceptions, which is contrary to the intent of a General Plan rewrite that harmonizes uses.

It would be more in character with the purpose of the General Plan revision to do what supposedly could not be done in 1998 and finally harmonize the zoning of this lot with that of the 690 RS-3 lots of similar size in the adjacent neighborhood. This would promote the highest and best use of the property, enhance property values and support a sustainable tax base.

Very respectfully,



Ralph J. Ortolano, Jr.
CAPT, USN (Ret.)

From: [Nahid Farooq](#)
To: [So Kim](#)
Cc: drfarooq@gmail.com
Subject: Proposed Project Located at 3778 Coolheights Drive
Date: Tuesday, February 10, 2015 4:46:41 PM

02/10/2015

To: Community Development Department; Senior Planner Ms. So Kim

From: Muhammad and Nahid Farooq

Re: Proposed Project Located at 3778 Coolheights Dr.

Dear Ms. Kim;

My wife and I would like to express our support for the proposed project located at 3778 Coolheights Drive. We support the desired change of land use designation to Natural/Environment Hazard. Due to scheduling conflicts, Nahid and I will not be able to attend the public hearing but we would like our support of the proposed project to be known and taken into consideration by the planning commission. We have expressed our concerns to Mr. Ralph Ortolano, Jr. many times in regards to the fence, shed, foliage, and other items he has accumulated on his vacant lot to no avail. Nahid and I are extremely concerned for the hindrance of our view if any other building, construction, or objects are positioned on this vacant lot. For this reason, we both are highly supportive of designating this lot as Natural/Environment Hazard, as it should have been from its establishment. Thank you for reviewing our concerns and please accept our support for the project.

Sincerely,

Muhammad and Nahid Farooq

3777 Coolheights Drive

Rancho Palos Verdes, CA 90275

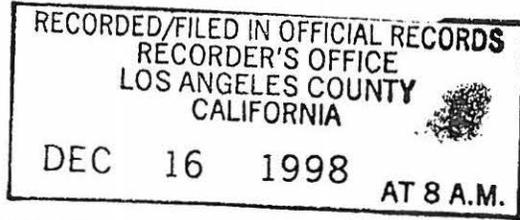
P.S. Please confirm receipt of email at nahidfarooq@yahoo.com

Recorded Grant Deeds

WHEN RECORDED MAIL TO:

City of Rancho Palos Verdes
30940 Hawthorne Boulevard
Rancho Palos Verdes,
California 90274

Attention: City Clerk



SURVEY, MONUMENT FEE \$10. CODE 9 9

FEE \$ 39

DOCUMENTARY TRANSFER TAX \$ 0
..X..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

Conveyance made for No Value

"This is a bonafide gift and the grantor

received nothing in return. R & J 11911"

4286046

GRANT DEED

[Handwritten Signature]

NOTIFICATION SENT \$4

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

City of Rancho Palos Verdes, a public body, corporate and politic

hereby GRANT(S) to

Ralph J. Ortolano, Jr., an individual

the real property in the City of Rancho Palos Verdes, County of Los Angeles, State of California, described as

See Exhibit A attached hereto and incorporated herein by this reference

Dated Sept 28, 1998

City of Rancho Palos Verdes, a public body,
corporate and politic

STATE OF CALIFORNIA } ss
COUNTY OF Los Angeles }

By: Barbara Ferraro

On September 28, 1998 before me,
SARA FERDMAN, NOTARY PUBLIC, a
notary public, personally appeared

Its: Maysu

Barbara J. Ferraro &
Jo Purcell

Attest:

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.

By: Jo Purcell

City Clerk



WITNESS my hand and official seal.

Signature Sara Ferdman

(This area for official notarial seal)

Mail Tax Statements To Return Address Above

Exhibit A

(portion of lot 92 described as Exhibit C in that certain settlement agreement between the parties and certain other parties)

That certain real property (the "Property") located in the City of Rancho Palos Verdes, County of Los Angeles, State of California described as follows:

THAT PORTION OF LOT 92 OF L.A.C.A. MAP NO. 51, IN THE CITY OF RANCHO PALOS VERDES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 1 PAGE 1 OF ASSESSOR'S MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT A POINT IN THE NORTHWESTERLY BOUNDARY LINE OF TRACT NO. 29057, PER MAP RECORDED IN BOOK 739 PAGES 23 THROUGH 27 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DISTANT NORTHEASTERLY THEREON 10.17 FEET FROM THE MOST NORTHERLY CORNER OF LOT 111 OF SAID TRACT; THENCE

1. ALONG SAID NORTHWESTERLY LINE SOUTH 28° 51' 01" WEST 216.00 FEET; THENCE
2. NORTH 61° 08' 59" WEST 120.00 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 120.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
3. ALONG SAID PARALLEL LINE NORTH 28° 51' 01" EAST 70.62 FEET TO THE SOUTHWESTERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DOCUMENT RECORDED JULY 18, 1997 AS INSTRUMENT NO. 97-1085908 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY, SAID LINE DESCRIBED IN SAID DOCUMENT AS HAVING A LENGTH OF 200.00 FEET; THENCE
4. NORTH 89° 39' 10" EAST 114.55 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 20.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
5. NORTH 13° 25' 24" WEST 14.87 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 30.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
6. ALONG LAST SAID PARALLEL LINE NORTH 28° 51' 01" EAST 61.50 FEET; THENCE

7. SOUTH 61° 08' 59" EAST 20.00 FEET; THENCE
8. NORTH 28° 51' 01" EAST 7.00 FEET; THENCE
9. NORTH 73° 51' 01" EAST 14.14 FEET TO THE POINT OF BEGINNING

EXCEPT THEREFROM THAT PORTION THEREOF LYING SOUTHWESTERLY OF THAT HEREINABOVE SAID SOUTHWESTERLY LINE PER INSTRUMENT NO. 97-1085908 OF OFFICIAL RECORDS.

Reserving to the public an easement for pedestrian ingress, egress, hiking, trail and mountain biking and other recreational purposes over the following described property:

THAT PORTION OF LOT 92 OF L.A.C.A. MAP NO. 51, IN THE CITY OF RANCHO PALOS VERDES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 1 PAGE 1 OF ASSESSOR'S MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

COMMENCING AT A POINT IN THE NORTHWESTERLY BOUNDARY LINE OF TRACT No. 29057, PER MAP RECORDED IN BOOK 739 PAGES 23 TO 27, INCLUSIVE, OF MAPS, RECORDS OF SAID COUNTY, DISTANT SOUTHWESTERLY THEREON 6.83 FEET FROM THE MOST NORTHERLY CORNER OF LOT 111 OF SAID TRACT; THENCE

1. NORTH 61° 08' 59" WEST 20.00 FEET TO A POINT IN A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 20.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE
2. NORTH 61° 08' 59" WEST 10.00 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 30.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
3. ALONG LAST SAID PARALLEL LINE SOUTH 28° 51' 01" WEST 61.50 FEET; THENCE
4. SOUTH 13° 25' 24" EAST 14.87 FEET TO FIRST SAID PARALLEL LINE; THENCE
5. ALONG SAID PARALLEL LINE NORTH 28° 51' 01" EAST 72.50 FEET TO THE TRUE POINT OF BEGINNING.

Subject to the qualifications and exclusions set forth in that certain Settlement Agreement among the parties and certain other parties dated as of September, 1998, the Property is

further subject to the following covenants, conditions and restrictions which shall run with the land and be binding on successors in interest:

Neither Grantee nor Grantee's agents, employees, heirs, successors, assigns, grantees or devisees shall construct upon, improve or otherwise develop, or attempt to construct upon improve or otherwise develop the Property. For purposes of these covenants, conditions, and restrictions, "construct," "improve" and "develop" shall refer to and mean any construction, paving, grading, excavation, improvement or development, including without limitation any addition to any structure, improvement or development for which a permit or permits from the City of Rancho Palos Verdes would be required under applicable law, regulation, statute or ordinance.

Said property is depicted as "Parcel C" on the diagram attached hereto as Exhibit A-1.

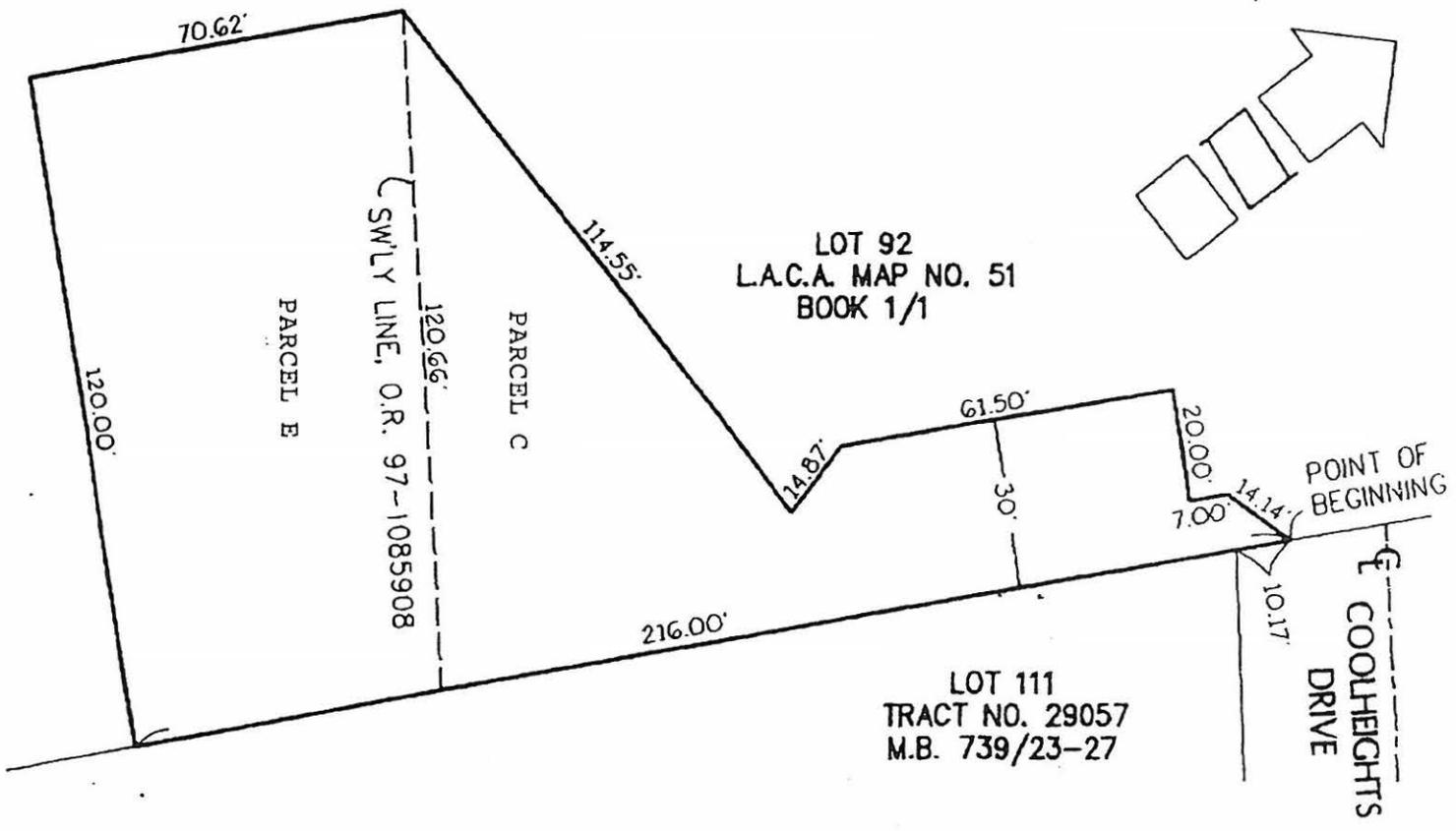
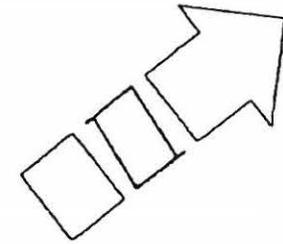
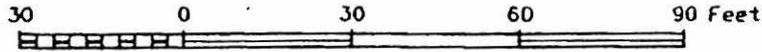
PAFFORD

Pafford
Associates
Surveyors

3470 Wilshire Boulevard
Los Angeles, Ca 90010
Tel. (213) 487-5900
FAX (213) 381-3037

26 JUNE 1998
SURVEY NO. 98.018

Scale: 1" = 30'



SEP-14-1998 17:03

EXHIBT A-1

98 2281569

97%

P.02

98 2281568

RECORDED LAWYERS TITLE COMPANY
WHEN RECORDED MAIL TO:

City of Rancho Palos Verdes
30940 Hawthorne Boulevard
Rancho Palos Verdes,
California 90274

Attention: City Clerk

RECORDED/FILED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
DEC 16 1998 AT 8 A.M.

RECORDING CODE 34

SURVEY, MONUMENT FEE \$10.00 CODE 99

FEE \$ 36

DOCUMENTARY TRANSFER TAX \$ 0
...X...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

Sara Ferdman
Conveyances Given For No Value
Signature of grantor and the grantor
received nothing in return, R & T 11911.

4286046

GRANT DEED

NOTIFICATION SENT \$4

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

City of Rancho Palos Verdes, a public body, corporate and politic

hereby GRANT(S) to

Ralph J. Ortolano, Jr., an individual

the real property in the City of Rancho Palos Verdes, County of Los Angeles, State of California, described as

See Exhibit A attached hereto and incorporated herein by this reference

Dated Sept. 28, 1998

City of Rancho Palos Verdes, a public body,
corporate and politic

STATE OF CALIFORNIA }
COUNTY OF Los Angeles } ss

On September 28, 1998 before me,
SARA FERDMAN NOTARY PUBLIC,
personally appeared Barbara J. Ferraro
& Jo Purcell,
personally known to me (or proved to me on the basis of
satis- factory 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.

By: Barbara J. Ferraro

Its: Mayor

Attest: J. Purcell

By: _____
City Clerk

WITNESS my hand and official seal.

Signature Sara Ferdman

SARA FERDMAN
Commission # 1144412
Notary Public — California
Los Angeles County
My Comm. Expires Jun 29, 2001
(This area for official notary seal)

Mail Tax Statements To Return Address Above

980911 99999-99999 sj 1491361.2 1

SARA FERDMAN
Commission # 1144412
Notary Public — California
Los Angeles County
My Comm. Expires Jun 29, 2001

Exhibit A

(portion of lot 92 described as Exhibit E in that certain settlement agreement between the parties and certain other parties)

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1. ALONG SAID NORTHWESTERLY LINE SOUTH 28° 51' 01" WEST 216.00 FEET; THENCE
2. NORTH 61° 08' 59" WEST 120.00 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 120.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
3. ALONG SAID PARALLEL LINE NORTH 28° 51' 01" EAST 70.62 FEET TO THAT LINE DESCRIBED AS HAVING A LENGTH OF 200.00 FEET HEREINBELOW, BEING THE SOUTHWESTERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DOCUMENT RECORDED JULY 18, 1997 AS INSTRUMENT NO. 97-1085908 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY; THENCE
4. NORTH 89° 39' 10" EAST 114.55 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 20.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
5. NORTH 13° 25' 24" WEST 14.87 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 30.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE

98 2281568

6. ALONG LAST SAID PARALLEL LINE NORTH 28° 51' 01" EAST 61.50 FEET;
THENCE
7. SOUTH 61° 08' 59" EAST 20.00 FEET; THENCE
8. NORTH 28° 51' 01" EAST 7.00 FEET; THENCE
9. NORTH 73° 51' 01" EAST 14.14 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LOT 92 OF L.A.C.A. MAP NO. 51,
WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT THE NORTHWEST CORNER OF LOT 110 OF TRACT NO. 29057, AS
PER MAP RECORDED IN BOOK 739, PAGES 23 THROUGH 27 OF MAPS; THENCE
SOUTH 28° 50' 45" WEST ALONG THE WESTERLY LINE OF SAID TRACT
NO. 29057, 358.00 FEET; THENCE NORTH 55° 09' 15" WEST, 200.00 FEET; THENCE
NORTH 00° 50' 45" EAST, 280.00 FEET; THENCE NORTH 49° 20' 45" EAST 180.00
FEET; THENCE SOUTH 44° 44' 35" EAST 278.67 FEET TO THE TRUE POINT OF
BEGINNING.

Subject to the express exclusions and qualifications set forth in that certain Settlement
Agreement between the parties and certain other parties dated as of September, 1998, the
Property is further subject to the following covenants, conditions and restrictions which shall
run with the land and be binding on successors in interest:

Neither Grantee nor Grantee's agents, employees, heirs, successors, assigns, grantees or
 devisees shall construct upon, improve or otherwise develop, or attempt to construct upon
 improve or otherwise develop the Property. For purposes of these covenants, conditions,
 and restrictions, "construct," "improve" and "develop" shall refer to and mean any
 construction, paving, grading, excavation, improvement or development, including without
 limitation any addition to any structure, improvement or development for which a permit or
 permits from the City of Rancho Palos Verdes would be required under applicable law,
 regulation, statute or ordinance.

Said property is depicted as "Parcel E" on the diagram attached hereto as Exhibit A-1.

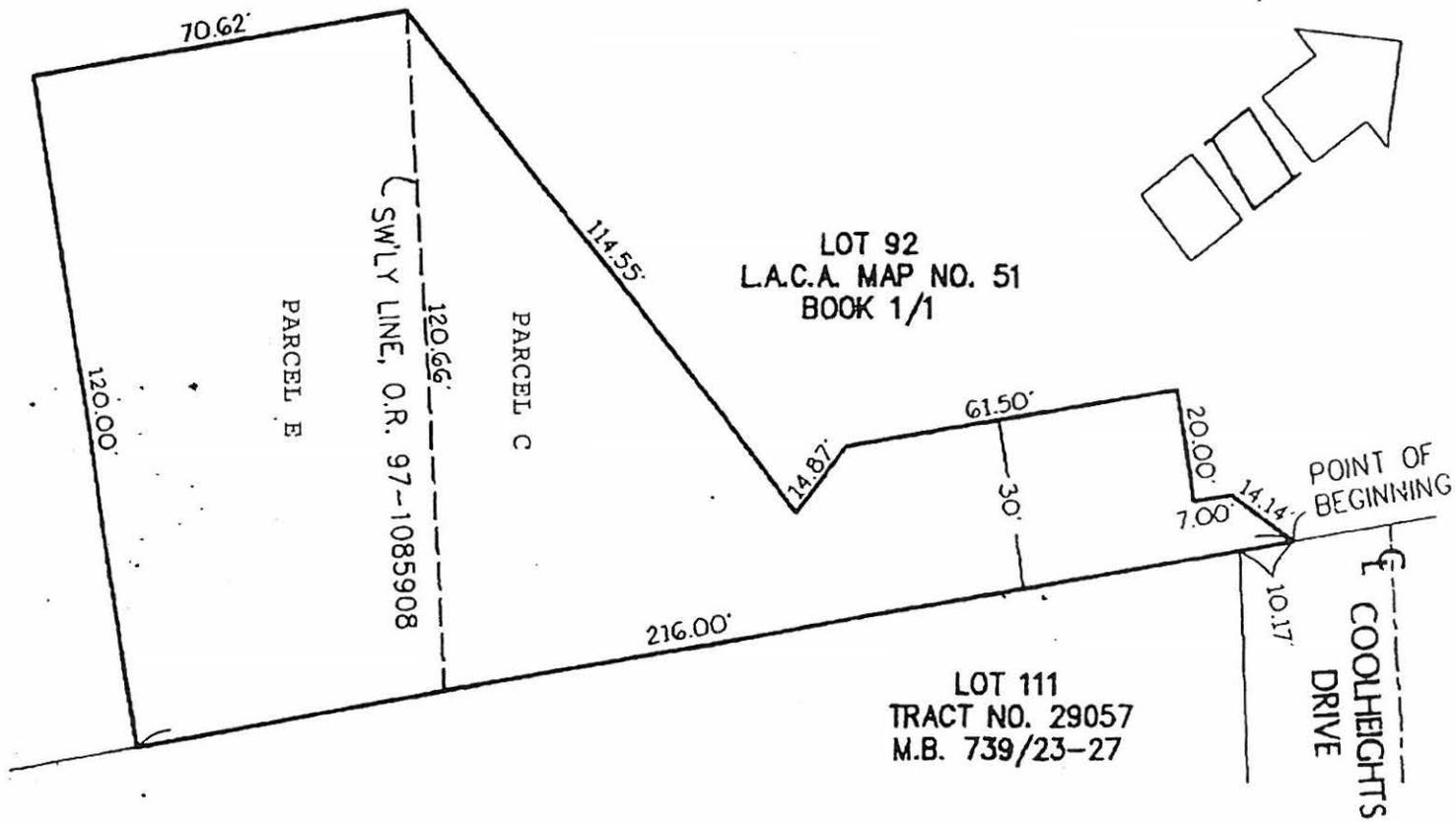
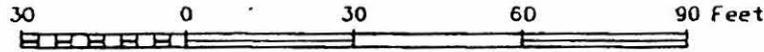
PAFFORD

Pafford
Associates
Surveyors

3470 Wilshire Boulevard
Los Angeles, Ca 90010
Tel. (213) 487-5900
FAX (213) 381-3037

26 JUNE 1998
SURVEY NO. 96.018

Scale: 1" = 30'



98 2281568

SEP-14-1998 17:03

EXHIBIT A-1

97%

P.02

Settlement Agreement

SETTLEMENT AGREEMENT
AND RELEASE

1. PARTIES: The parties to this SETTLEMENT AGREEMENT AND RELEASE ("Agreement") are Ralph J. Ortolano, Jr. ("Ortolano"), the City of Rancho Palos Verdes (the "City"), Diamond Brothers Three, a California limited partnership ("Diamond Brothers"), Frank Hsu and Joseph Hsu (the "Hsus"), So Quoc Ly and Muoi T. Ly, husband and wife (the "Lys"), and Arthur F. Tseng (a.k.a. Fan Fu Tseng) and Yu-Chen Tseng, husband and wife (the "Tsengs").

2. RECITALS: This Agreement is made with reference to the following facts:

2.1. Pursuant to that certain "AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS BY AND BETWEEN DIAMOND BROTHERS THREE PARTNERSHIP AS SELLER AND THE CITY OF RANCHO PALOS VERDES AS BUYER" dated as of October, 1996, Diamond Brothers conveyed certain real property located within the City to the City in or about December, 1996. That property, consisting of, in part, portions of Lot 69 ("Old Lot 69") and portions of Lot 92 ("Old Lot 92") and referred to hereinafter as "City's Property", is more particularly described in Exhibit A hereto. In connection with such conveyance, Diamond Brothers reserved unto itself, i.e., did not convey, that certain portion of property referred to herein as "New Lot 92," which is more particularly described in Exhibit B hereto. No Certificate of Compliance certifying the lawful creation of New Lot 92 has been recorded.

2.2. On or about July 17, 1997, Diamond Brothers conveyed New Lot 92 to the Lys and the Tsengs for valuable consideration.

2.3. On July 17, 1997, Ortolano filed a civil action against the City, Diamond Brothers and the Hsus, which civil action is currently pending in the Superior Court for the County of Los Angeles, State of California, as Case No. 174759 and is styled Ralph J. Ortolano v. Diamond Brothers Three, et al. (the "Lawsuit"). Ortolano named the Lys and the Tsengs as "Doe Defendants" in the Lawsuit in or around December 1997. In the Lawsuit, Ortolano alleges a cause of action for quiet title by which he claims title to portions of New Lot 92 and Old Lots 69 and 92 by adverse possession and a cause of action for trespass.

2.4. Each party herein denies any liability to each of the other parties herein. Nonetheless, the parties hereto are entering into this Agreement to avoid the expense and uncertainty of litigation.

2.5. Therefore, is the intention of the parties hereto to settle and dispose of, fully and completely, any and all claims, demands, causes of action, obligations, damages, and liabilities of any nature whatsoever that any party has or may have, individually or collectively, against any other party or parties which exist prior to the effective date hereof (as defined below), whether known or unknown, including but not limited to all claims, demands and causes of action reflected by, or incidental to, the Lawsuit.

2.6. Notwithstanding the provisions of paragraph 2.5 and paragraphs 4.1 and 4.2, this Agreement is not intended to affect in any way any rights, duties and/or obligations that do or might exist between husband and wife; further, this Agreement is not intended to affect in any way any rights, duties and/or obligations that do or might exist between the Hsus, individually or collectively, and Diamond Brothers.

3. TERMS:

3.1. Subject to the provisions of Section 3.2 through Section 3.2.4 of this Agreement, the parties hereto agree to the transfers of real property specified in paragraphs 3.1.1 through 3.1.5, inclusive, below.

3.1.1. The Lys and the Tsengs will cause that portion of New Lot 92 described at Exhibit C hereto to be conveyed by unconditional Grant Deed to the City in the form of Exhibit C-1 hereto, and the City shall accept said conveyance. The portion of New Lot 92 retained by the Lys and the Tsengs is described in Exhibit D hereto and shall be referred to hereinafter as "Revised New Lot 92."

3.1.2. Upon delivery and acceptance of the Grant Deed referred to in paragraph 3.1.1, above, the City will cause the portion of New Lot 92 described in Exhibit C hereto, to be conveyed to Ortolano by restricted Grant Deed in the form of Exhibit C-2 hereto, except that the City shall reserve and retain an easement for public access as described Exhibit C-2 hereto.

3.1.3. The City will cause the portion of the City's Property described in Exhibit E hereto to be conveyed to Ortolano by restricted Grant Deed in the form of Exhibit E-1 hereto, subject to any requirement for approval of such conveyance by the State of California Wildlife Conservation Board ("WCB"), County of Los Angeles ("County") or other agency from which approval of the said conveyance is legally required. The portion of the City's Property not conveyed to Ortolano and retained by the City shall be referred to hereinafter as the "City's Revised Property." The property described in Exhibit C hereto and conveyed to Ortolano as specified in paragraph 3.1.2, above, together with the property described in Exhibit E hereto and conveyed to Ortolano as specified in this paragraph 3.1.3, shall be referred to hereinafter as "Ortolano's Property."

3.1.4. The parties hereto agree that the City shall be granted an easement for public access ten feet in width from the terminus of the Coolheights Drive right of way to the City's Revised Property across Ortolano's Property and Revised New Lot 92, as described in Exhibits F and G hereto, and the parties shall execute such conveyances and instruments as are necessary or requested by the City to establish such public easement. In furtherance of this provision, the Lys and the Tsengs shall cause to be conveyed to the City an easement for public access across Revised New Lot 92 as described in Exhibit G hereto, by Grant Deed in the form of Exhibit G-1 hereto.

3.1.5. It is mutually understood by the parties hereto that the conveyances referred to at paragraphs 3.1.1, 3.1.2, 3.1.3 and 3.1.4 hereinabove are not subject to and are exempt from the Subdivision Map Act (Cal. Government Code §§ 66410, et seq.) ("Map Act") pursuant to and by virtue of Government Code § 66428. Upon delivery and acceptance of the deeds and conveyances referenced at paragraphs 3.1.1, 3.1.2, 3.1.3 and 3.1.4 hereinabove, and except to the extent prohibited by the Map Act, the City shall cause to be issued and approved Certificates of Compliance with respect to Ortolano's Property, Revised New Lot 92 and the City's Revised Property and the conveyances referenced at paragraphs 3.1.1, 3.1.2, 3.1.3 and 3.1.4 hereinabove.

3.1.6. The Lys and the Tsengs agree to furnish a policy of title insurance insuring Ortolano's title in the property described in Exhibit C hereto free and clear of the lien of the mortgage deed of trust executed by the Lys and/or the Tsengs encumbering New Lot 92.

3.2. The City and Ortolano hereto understand and agree that use of Ortolano's Property shall be limited as follows:

3.2.1. It is understood and agreed that neither Ortolano nor Ortolano's agents, employees, heirs, successors, assigns, grantees or devisees shall construct upon, improve or otherwise develop, or attempt to construct upon, improve or otherwise develop, Ortolano's Property.

3.2.2. In furtherance of paragraph 3.2.1, above, it is understood and agreed that the Grant Deeds referred to in paragraphs 3.1.2 and 3.1.3, above, shall specifically recite the restrictions contained herein, and Ortolano agrees to accept the same with said restrictions.

3.2.3. For purposes of paragraphs 3.2, 3.2.1 and 3.2.2, above, and the restrictions therein set forth, "construct," "improve" and "develop" shall refer to and mean any construction, paving, grading, excavation, improvement or development, including without limitation any addition to any existing structure, improvement or development for which a permit

or permits from the City would be required under then-applicable law, regulations, statutes or ordinances.

3.2.4. Also in furtherance of paragraph 3.2.1, above, and in furtherance of this Agreement and the purposes hereof, Ortolano agrees that neither Ortolano nor Ortolano's agents, employees, heirs, successors, assigns, grantees or devisees, shall oppose, protest or otherwise object to a General Plan amendment to designate Ortolano's Property as "Natural Environment/Hazard" and a corresponding re-zoning of Ortolano's Property to "Open Space - Hazard" under the City's General Plan and Development Code.

3.2.5. It is understood and agreed by and between Ortolano and the City that Ortolano has used the land defined herein as Ortolano's Property for the purposes and activities specified in subparagraphs (a) through (m), below, and has made the improvements to Ortolano's Property specified in subparagraphs (a) through (m), below. Notwithstanding paragraphs 3.2.1, 3.2.2, 3.2.3 and 3.2.4, it is understood and agreed by the parties hereto that, subject to paragraph 3.2.6, below, Ortolano shall be permitted to use Ortolano's property for the uses specified in Section 17.32.030 of the City's Development Code as may be amended from time to time in accordance with all other applicable ordinances and requirements, and shall be allowed to continue and maintain the uses of and activities and improvements on Ortolano's Property specified in subparagraphs (a) through (m), below, provided that Ortolano does not expand or intensify any such uses, activities or improvements. Photographs of Ortolano's Property and the conditions, uses and improvements existing thereon as of September 11, 1998 are on file in the City's Department of Planning, Building and Code Enforcement.

(a) existing split rail fencing around the perimeter of Ortolano's Property in the general location existing as of or prior to September 11, 1998 consistent with the type and dimensions existing as of September 11, 1998, in conformance with the City's Development Code;

(b) existing wood panel fencing in the approximate location existing as of or prior to September 11, 1998, consistent with the type and dimensions existing as of September 11, 1998, in conformance with the City's Development Code;

(c) existing unpaved footpaths of the size and type and in the locations existing as of or prior to September 11, 1998 consistent with the size and type existing as of September 11, 1998;

(d) horticultural and agricultural uses, including the growing of fruits, vegetables and seed crops, existing as of or prior to September 11, 1998

consistent with the intensity of the horticultural and agricultural uses existing as of September 11, 1998;

(e) weed and brush abatement as required by applicable fire regulations in areas which have been previously cleared of native vegetation and habitat, provided that uncleared areas of native vegetation and habitat which exist as of September 11, 1998 shall not be disturbed;

(f) landscaping, plants, trees, shrubs and groundcover existing as of or prior to September 11, 1998 consistent with the intensity of existing landscaping as of September 11, 1998, and subject to applicable laws and regulations including, without limitation, the provisions of Section 17.02.040 of the Rancho Palos Verdes Municipal Code;

(g) the existing irrigation system as of or prior to September 11, 1998 consistent with the type, visual appearance and capacity of the system existing as of September 11, 1998, provided that the irrigation system shall be maintained in good repair and working order so as to prevent leakage and/or erosion;

(h) existing retaining walls as of September 11, 1998;

(i) activities such as the moving of dirt reasonably necessary to maintain pathways, garden beds, landscaping, retaining walls and other improvements existing as of September 11, 1998, or reasonably necessary for erosion control, land stabilization or drainage control, of such scope, size or degree less than that which would require a grading permit pursuant to Section 17.76.040 of the Rancho Palos Verdes Municipal Code;

(j) the existing unpaved horseshoe pitch and recreational activity area, including benches and unpaved and unenclosed shade structure ancillary to same existing as of or prior to September 11, 1998;

(k) the existing storage shed structure of less than 120 square feet as of September 11, 1998, and up to two previously existing storage sheds provided the combined total area of the three sheds is less than 120 square feet and the shed or sheds are not habitable by humans, and provided further that, within thirty (30) days of the effective date of this Agreement, the existing shed is relocated in compliance with the City's Development Code so that it does not encroach within the front yard setback area or within the City's easement as referenced in paragraphs 3.1.2 and/or 3.1.4, and provided further that no shed or encroaches within any required setback area or

within the City's easement as referenced in paragraphs 3.1.2 and/or 3.1.4;

(l) the keeping of small domestic animals or pets (e.g., rabbits) as provided in Section 17.02.020(E) of the City's Development Code, provided that this provision is for the benefit of Ortolano personally and shall not run with the land notwithstanding any other provision of this Agreement, including one triangular rabbit hutch of approximately 200 square feet and one fenced dog run of approximately 14.5 feet by 63 feet, provided that such enclosure(s) for the keeping of said animals comply with all applicable provisions of City's Development Code and do not exceed a combined total of area of 1100 square feet, and are not habitable by humans, and provided further that they are consistent with those kept as of or prior to September 11, 1998, and provided further that no nuisance is created thereby or by such animals or pets;

(m) the keeping of a maximum of five beehives for non-commercial purposes as provided in Section 17.02.020(G) of the City's Development Code, provided that no nuisance is created thereby.

3.2.6. Ortolano shall be required to apply for and obtain any and all required permits for any and all grading, fencing, landscaping, paving, construction or other improvements made at any time prior to this Agreement to Ortolano's Property, and shall be required to apply for such permits and to pay any and all applicable fees and penalties for such permits within ten days of the date he receives the deeds referred to in paragraphs 3.1.2 and 3.1.3, including, without limitation, permits as may be required for existing fences, walls, patios, irrigation system, grading or structures.

3.3. Ortolano consents to, and agrees not to protest in any way whatsoever, the creation of the "hammerhead turnaround" at the terminus of Coolheights Drive.

3.4. Upon conveyance of the property referenced in paragraphs 3.1.1, 3.1.2 and 3.1.3, above, Diamond Brothers shall distribute the sum of \$30,000.00 as follows:

3.4.1. Diamond Brothers shall issue a check payable to "So Quoc Ly and Arthur Tseng" in the amount of \$20,000.00.

3.4.2. Diamond Brothers shall issue a check payable to the "City of Rancho Palos Verdes" in the amount of \$8,494.00 (which is calculated as \$ 1.10 per square foot of the 0.19 acres of property described in Exhibit E hereto and to be conveyed by the City to Ortolano in accordance with paragraph 3.1.3, above, of this Agreement).

3.4.3. Diamond Brothers shall issue a check payable to "Ralph J. Ortolano, Jr." in the amount of \$1,506.00.

3.5. Within five days of the effective date hereof, counsel of record for Ortolano shall file a Request for Dismissal of the Lawsuit with prejudice to its refiling.

3.6. Within two business days of the effective date hereof, counsel of record for Ortolano shall deliver to counsel of record for the Lys and the Tsengs a Notice of Withdrawal of Lis Pendens in recordable form with respect to any Lis Pendens Ortolano recorded or caused to record respecting Old Lot 69, Old Lot 92, New Lot 92, Revised New Lot 92, the City's Property, the City's Revised Property and/or Ortolano's Property.

3.7. Each party to the Lawsuit shall bear his/her/its own attorneys' fees and costs incurred in connection with the Lawsuit.

4. RELEASES AND PROMISES: In consideration of the foregoing, the parties promise and agree, and release and discharge as follows:

4.1. Except as to such rights or claims as may be created by this Agreement, and except as to rights, duties, claims and obligations existing between husbands and wives and between general partners and limited partnerships, the parties hereto, and each of them, hereby covenant not to sue, acknowledge full and complete satisfaction of, and hereby release, remise, and forever discharge each of the other parties hereto, individually and collectively, including their respective predecessor and successor corporations, past and present directors, officers, agents, servants, employees, representatives, administrators, assigns, heirs, successors or predecessors in interest, and attorneys, of and from any and all claims, demands, causes of action, obligations, agreements, liens, judgments, orders, damages, liabilities, losses, costs and expenses of any kind, in law or in equity, existing prior to the effective date hereof, whether known or unknown, that such parties, individually and collectively, now hold, or have ever held against each of the other parties, individually and collectively, including but not limited to any and all claims, demands, or causes of action reflected in, or incidental to, the Lawsuit.

4.2. Ortolano hereby further agrees on his own behalf and on behalf of his successors and assigns and any future owner of Ortolano's Property, and covenants not to sue, and hereby releases, remises, and forever discharges the City, including its predecessors and successors corporations, past and present directors, officers, agents, servants, employees, representatives, administrators, assigns, heirs, successors or predecessors in interest, and attorneys, of and from any and all

claims, demands, causes of action, obligations, agreements, liens, judgments, orders, damages, liabilities, losses, costs and expenses of any kind, in law or in equity, whether known or unknown, that Ortolano, now holds, has ever held, or may hereafter have or hold or claim to have or hold, against the City based on the deed restrictions specified in paragraphs 3.2, 3.2.1, 3.2.2 and 3.3.3 of this Agreement, and/or based on the general plan amendment and zone change specified in paragraph 3.2.4 of this Agreement, including, but not limited to, claims for inverse condemnation.

4.3. The parties specifically waive the benefit of the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Notwithstanding the provisions of Section 1542, the parties expressly acknowledge that this Agreement is also intended to include in its effect, without limitation, claims which the parties do not know or expect to exist at the time of the execution hereof, and that this Agreement contemplates the extinguishment of such claims.

4.4. This Agreement is solely by and among the parties to this Agreement and does not release any party except as set forth herein, and except as provided in Section 6.1.

5. REPRESENTATIONS AND WARRANTIES: The parties represent, warrant, and agree as follows:

5.1. The parties have received independent legal advice from legal counsel with respect to the advisability of making the settlement provided for herein, or have voluntarily chosen not to seek the same, with respect to the advisability of executing this Agreement, and with respect to the releases, waivers, and all other matters contained herein. The parties acknowledge that they have executed this Agreement without fraud, duress, or undue influence. This Agreement shall be construed fairly as to all parties and not in favor of or against any party regardless of which of the parties prepared this Agreement, and the parties hereby waive the benefit of the provisions of Section 1654 of the California Civil Code.

5.2. No party, nor any officer, agent, employee, representative, or attorney of such party, has made any statement, representation, or promise to any other party regarding any facts relied upon in entering into this Agreement, and no party relies upon any statement, representation or promise of any other party, or of any officer, agent, employee,

representative, or attorney for such party, in executing this Agreement, or in making the settlement provided for herein, except as expressly stated in this Agreement.

5.3. The parties have read this Agreement and understand the contents hereof.

5.4. The execution, delivery and performance of this Agreement and the documents contemplated hereby have been duly authorized by all corporate, partnership or city council action required for the parties to so act, and the signatories to this Agreement on behalf of each party have full power and authority to enter into this Agreement.

5.5. The parties have not heretofore assigned, transferred, or granted, or purported to assign, transfer, or grant, any of the claims, demands, causes of action, obligations, agreements, liens, judgments, orders, damages, liabilities, losses, costs and expenses of any kind, in law or in equity, whether known or unknown, that any party now holds, will ever hold, or has ever held against any other party.

5.6. The parties will execute all such further and additional documents as shall be reasonable, convenient, necessary, or desirable to carry out the provisions of this Agreement.

6. MISCELLANEOUS:

6.1. This Agreement is binding upon and shall inure to the benefit of the parties hereto, their respective predecessor and successor corporations, and the past and present directors, officers, shareholders, agents, servants, employees, representatives, administrators, partners, general partners, managing partners, limited partners, assigns, heirs, successors or predecessors in interest, adjustors, attorneys, and insurers.

6.2. This Agreement constitutes a single, integrated written contract expressing the entire agreement of the parties. There is no other agreement, written or oral, express or implied, between the parties with respect to the subject matter of this Agreement. This Agreement may be modified only in a writing signed by all parties affected by such modification.

6.3. The Agreement shall be considered severable, such that if any provision or part of the Agreement is ever held invalid under any law or ruling, that provision or part of the Agreement shall remain in force and effect to the extent allowed by law, and all other provisions or parts shall remain in full force and effect.

6.4. This Agreement shall be deemed to have been executed and delivered within the State of California, and the

rights and obligations of the parties hereto shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

6.5. If any controversy, claim or dispute arises out of or with respect to this Agreement, or enforcement or interpretation of the same, then the prevailing party or parties in any resultant legal proceeding shall be entitled to recover his/her/its attorneys' fees and costs from the losing party or parties, in addition to any other relief to which it may be entitled.

6.6. The Court shall retain jurisdiction to enforce the terms of this Settlement Agreement.

6.7. This Agreement may be executed in multiple counterpart facsimile signature pages, each of which shall be deemed an original, and all of which together shall constitute one Agreement. This Agreement shall be effective on the date last executed by one of the parties hereto if so executed in counterparts (the "effective date").

PLEASE READ CAREFULLY. THIS SETTLEMENT AGREEMENT INCLUDES A RELEASE OF KNOWN AND UNKNOWN CLAIMS.

DATED: September __, 1998 RALPH J. ORTOLANO, JR.

By: _____

DATED: September __, 1998 DIAMOND BROTHERS THREE

By: _____

Frank Hsu
Its: General Partner

DATED: September __, 1998 FRANK HSU

DATED: September __, 1998 JOSEPH HSU

(signatures continue)

DATED: September 25, 1998

CITY OF RANCHO PALOS VERDES

By: Barbara J Ferraro
Its: Mayor

ATTEST:
[Signature]
City Clerk

DATED: September __, 1998

SO QUOC LY

DATED: September __, 1998

MUOI T. LY

DATED: September __, 1998

ARTHUR F. TSENG (A.K.A. FU TSENG)

DATED: September __, 1998

YU-CHEN TSENG

EXHIBIT I

LEGAL DESCRIPTION OF PROPERTY

THOSE PORTIONS OF LOT 69, 70, 90, 91 AND 92 OF L.A.C.A. NO. 51, IN THE CITY OF RANCHO PALOS VERDES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1, PAGE(S) 1 OF ASSESSORS MAPS,, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF LOT 90; THENCE IN A GENERALLY SOUTHERLY DIRECTION ALONG THE NORTHWESTERLY AND WESTERLY LINES OF SAID LOT, TO THE NORTHWESTERLY LINE OF TRACT 22835, AS PER MAP RECORDED IN BOOK 603 PAGES 62 THROUGH 65 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTHEASTERLY, NORTHERLY AND SOUTHEASTERLY ALONG THE NORTHWESTERLY, WESTERLY AND NORTHEASTERLY LINES OF SAID TRACT TO THE MOST SOUTHWESTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO PALOS VERDES PENINSULA UNIFIED SCHOOL DISTRICT OF LOS ANGELES COUNTY, RECORDED MARCH 2, 1970 AS INSTRUMENT NO. 1093, IN BOOK 4645 PAGE 858, OFFICIAL RECORDS OF SAID COUNTY, THENCE ALONG THE WESTERLY AND NORTHEASTERLY LINES OF SAID LAND, NORTH 34° 01' 47" EAST, 368.26 FEET; THENCE NORTH 13° 28' 13" WEST, 40.69 FEET; THENCE NORTH 34° 01' 47" EAST, 674.00 FEET; THENCE SOUTH 57° 45' 00" EAST, 250.59 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 1570.00 FEET; THENCE SOUTHEASTERLY, ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31° 53' 37" AN ARC DISTANCE OF 873.94 FEET TO THE END OF SAID CURVE; THENCE TANGENT TO SAID CURVE, SOUTH 25° 51' 23" EAST, 200.00 FEET TO THE MOST WESTERLY CORNER OF THE LAND DESCRIBED IN ROAD DEED TO THE COUNTY OF LOS ANGELES, RECORDED NOVEMBER 6, 1967 AS INSTRUMENT NO. 1884, IN BOOK D3821 PAGE 210, OFFICIAL RECORDS OF SAID COUNTY; THENCE NORTHEASTERLY AND SOUTHEASTERLY ALONG THE NORTHWESTERLY AND NORTHEASTERLY LINES OF SAID LAND TO THE NORTHWESTERLY TERMINUS OF THAT CERTAIN COURSE ON THE NORTHWESTERLY LINE OF FORRESTAL DRIVE 60 FEET WIDE, AS SHOWN ON THE MAP OF TRACT 26834, AS PER MAP RECORDED IN BOOK 691 PAGES 3 THROUGH 8 INCLUSIVE OF MAPS, RECORDS OF SAID COUNTY, SHOWN AS HAVING A BEARING OF NORTH 64° 08' 37" EAST AND A LENGTH OF 60 FEET; THENCE ALONG THE NORTHEASTERLY LINE OF FORRESTAL DRIVE, SOUTH 25° 51' 23" EAST, 4.24 FEET TO THE NORTHWESTERLY CORNER OF LOT 161 OF SAID LAST MENTIONED TRACT; THENCE EASTERLY AND SOUTHEASTERLY ALONG THE NORTHWESTERLY AND NORTHEASTERLY LINES OF LOTS 154 THROUGH 161 OF SAID TRACT TO THE SOUTHWESTERLY CORNER OF LOT 12 OF TRACT 30360, AS PER MAP RECORDED IN BOOK 761 PAGES 41 AND 42 OF MAPS,

RECORDS OF SAID COUNTY; THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINES OF LOTS 12 AND 1 OF SAID TRACT TO THE NORTHEASTERLY CORNER OF SAID LOT 1, SAID CORNER BEING ALSO THE SOUTHWESTERLY CORNER OF TRACT 29057, AS PER MAP RECORDED IN BOOK 739 PAGES 23 THROUGH 27 INCLUSIVE OF MAPS, RECORDS OF SAID COUNTY; THENCE NORTHEASTERLY AND SOUTHEASTERLY ALONG THE NORTHWESTERLY AND NORTHEASTERLY LINES OF SAID TRACT TO THE SOUTHWESTERLY CORNER OF TRACT 27611, AS PER MAP RECORDED IN BOOK 705 PAGES 31 THROUGH 36 INCLUSIVE OF MAPS, RECORDS OF SAID COUNTY; THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF SAID TRACT TO THE MOST SOUTHWESTERLY CORNER OF LOT 83 OF TRACT 33206, AS PER MAP RECORDED IN BOOK 930 PAGES 53 THROUGH 59 INCLUSIVE OF MAPS, RECORDS OF SAID COUNTY; THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF SAID LOT TO THE SOUTHWESTERLY CORNER OF LOT 1 OF TRACT 27526, AS PER MAP RECORDED IN BOOK 781 PAGES 43 AND 44 OF MAPS, RECORDS OF SAID COUNTY; THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT TO THE SOUTHEASTERLY CORNER OF LOT 2 OF TRACT 26661, AS PER MAP RECORDED IN BOOK 782 PAGES 53 AND 54 OF MAPS, RECORDS OF SAID COUNTY; THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT TO THE SOUTHWESTERLY CORNER OF SAID LOT, SAID CORNER BEING ALSO THE SOUTHEASTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO R.B. AND M.K. MORRIS RECORDED SEPTEMBER 12, 1945 AS INSTRUMENT NO. 722, IN BOOK 22313 PAGE 18, OFFICIAL RECORDS OF SAID COUNTY; THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LAND TO THE MOST SOUTHERLY CORNER OF PARCEL 39 OF RECORDS OF SURVEY MAP FILED IN BOOK 59 PAGES 8 THROUGH 10 INCLUSIVE OF RECORD OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE CONTINUING ALONG THE SOUTHWESTERLY LINES OF PARCELS 39 AND 38 TO THE SOUTHEASTERLY LINE OF PARCEL 37; THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINES OF PARCEL 37, 30 AND 29 TO THE MOST SOUTH CORNER OF PARCEL 29; THENCE WESTERLY AND NORTHWESTERLY ALONG THE SOUTHERLY AND SOUTHWESTERLY LINES OF PARCELS 19 TO 29 OF SAID RECORD OF SURVEY TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF LOT 92 OF SAID L.A.C.A. MAP NO. 51 DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 110 OF TRACT NO. 29057, AS PER MAP RECORDED IN BOOK 739, PAGES 23 THROUGH 27, OF MAPS; THENCE SOUTH 28° 50' 45" WEST ALONG THE WESTERLY LINE OF SAID TRACT NO. 29057, 358.00 FEET; THENCE NORTH 55° 09' 15" WEST, 200.00 FEET; THENCE NORTH 00° 50' 45" EAST, 280.00 FEET; THENCE NORTH 49° 20' 45" EAST 180.00 FEET; THENCE SOUTH 44° 44' 35" EAST 278.67 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING APPROXIMATELY 107,362.56 SQUARE FEET.

NOTE: SAID FOREGOING EXCEPTED PORTION OF LOT 92 IS SOMETIMES ALSO REFERRED TO AS LOT 42 OF TENTATIVE TRACT MAP NO. 37885.

EXHIBIT B

THAT PORTION OF LOT 92 OF L.A.C.A. MAP NO. 51 IN THE CITY OF RANCHO PALOS VERDES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 1 PAGE 1 OF ASSESSOR'S MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 110 OF TRACT NO. 29057, AS PER MAP RECORDED IN BOOK 739, PAGES 23 THROUGH 27, OF MAPS; THENCE SOUTH $28^{\circ} 50' 45''$ WEST ALONG THE WESTERLY LINE OF SAID TRACT NO. 29057, 358.00 FEET; THENCE NORTH $55^{\circ} 09' 15''$ WEST, 200.00 FEET; THENCE NORTH $00^{\circ} 50' 45''$ EAST, 280.00 FEET; THENCE NORTH $49^{\circ} 20' 45''$ EAST 180.00 FEET; THENCE SOUTH $44^{\circ} 44' 35''$ EAST 278.67 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING APPROXIMATELY 107,362.56 SQUARE FEET.

NOTE: SAID FOREGOING PORTION OF LOT 92 IS SOMETIMES ALSO REFERRED TO AS LOT 42 OF TENTATIVE TRACT MAP NO. 37885.

**Pafford
Associates
Surveyors**

3470 Wilshire
Boulevard
Suite 900
Los Angeles
CA 90010-3909

Date: 14 September 1998
Pafford Survey No.98.018.01
Client: City of Rancho Palos Verdes

LEGAL DESCRIPTION

T.213.487.5900
F.213.381.3037

PORTION OF ORTOLANO PARCEL WITHIN DIAMOND BROTHERS THREE

THAT PORTION OF LOT 92 OF L.A.C.A. MAP No. 51, IN THE CITY OF RANCHO PALOS VERDES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 1 PAGE 1 OF ASSESSOR'S MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT A POINT IN THE NORTHWESTERLY BOUNDARY LINE OF TRACT No. 29057, PER MAP RECORDED IN BOOK 739 PAGES 23 THROUGH 27 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DISTANT NORTHEASTERLY THEREON 10.17 FEET FROM THE MOST NORTHERLY CORNER OF LOT 111 OF SAID TRACT; THENCE

1. ALONG SAID NORTHWESTERLY LINE SOUTH 28° 51' 01" WEST 216.00 FEET; THENCE
2. NORTH 61° 08' 59" WEST 120.00 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 120.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
3. ALONG SAID PARALLEL LINE NORTH 28° 51' 01" EAST 70.62 FEET TO THE SOUTHWESTERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DOCUMENT RECORDED JULY 18, 1997 AS INSTRUMENT No. 97-1085908 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY, SAID LINE DESCRIBED IN SAID DOCUMENT AS HAVING A LENGTH OF 200.00 FEET; THENCE
4. NORTH 89° 39' 10" EAST 114.55 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 20.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
5. NORTH 13° 25' 24" WEST 14.87 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 30.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
6. ALONG LAST SAID PARALLEL LINE NORTH 28° 51' 01" EAST 61.50 FEET; THENCE
7. SOUTH 61° 08' 59" EAST 20.00 FEET; THENCE
8. NORTH 28° 51' 01" EAST 7.00 FEET; THENCE
9. NORTH 73° 51' 01" EAST 14.14 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION THEREOF LYING SOUTHWESTERLY OF THAT HEREINABOVE SAID SOUTHWESTERLY LINE PER INSTRUMENT No. 97-1085908 OF OFFICIAL RECORDS.

THIS LEGAL DESCRIPTION WAS WRITTEN BY LLOYD PILCHEN, LAND SURVEYOR, AND IS APPROVED FOR USE IN CONFORMANCE WITH STATE LAW AND LOCAL ORDINANCE.


LLOYD PILCHEN, L.S.6976
LICENSE EXP. 9/30/01



14 SEP 98
DATE

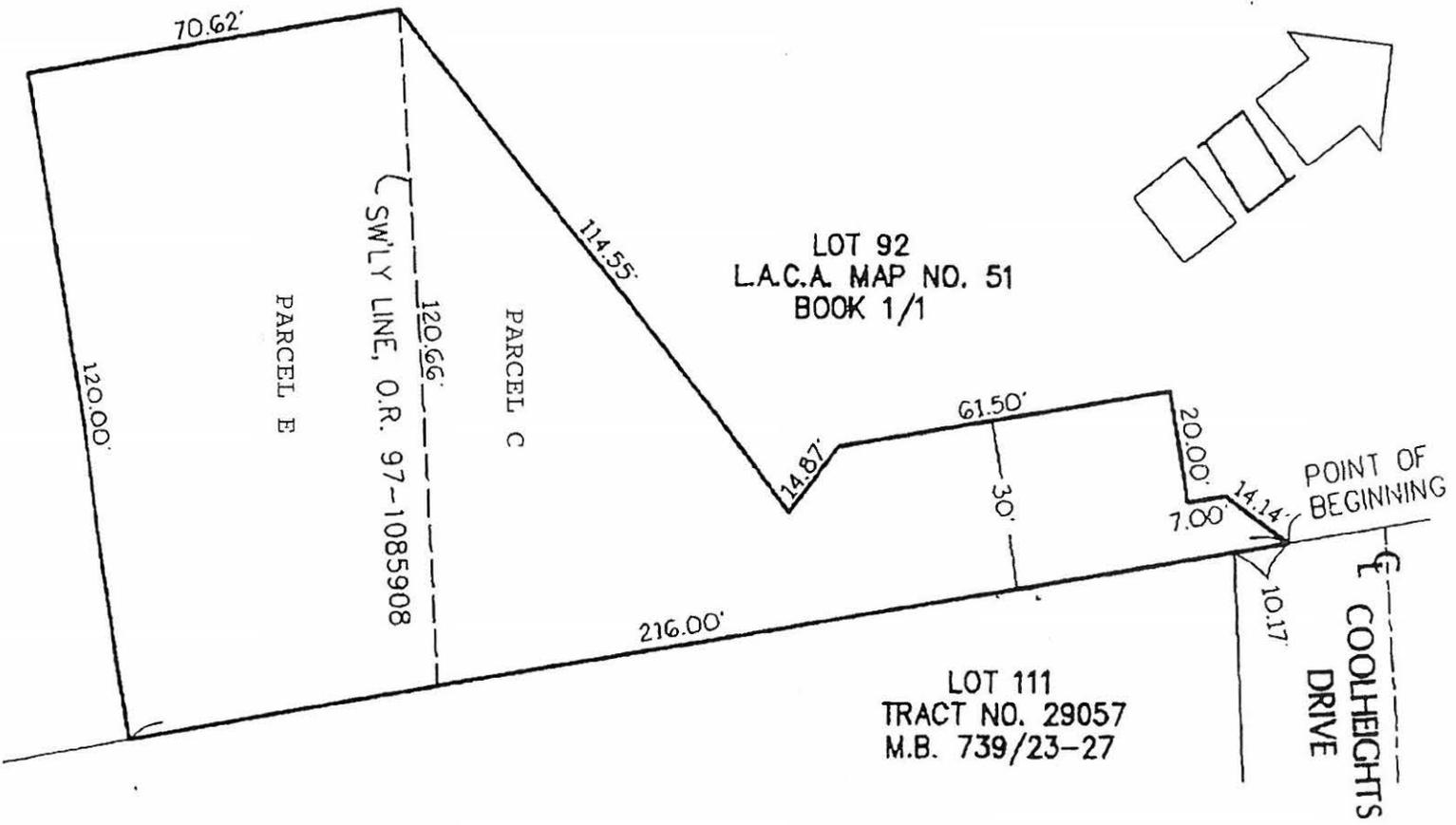
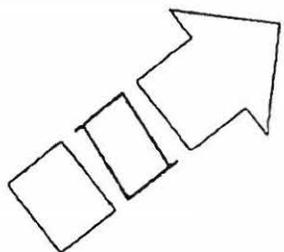
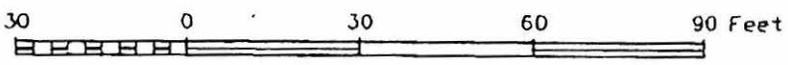
PAFFORD

Pafford
Associates
Surveyors

3470 Wilshire Boulevard
Los Angeles, Ca 90010
Tel. (213) 487-5900
FAX (213) 381-3037

26 JUNE 1998
SURVEY NO. 98.018

Scale: 1" = 30'



SEP-14-1998 17:03

2133813037

97%

P.02



WHEN RECORDED MAIL TO:

DOCUMENTARY TRANSFER TAX \$ 0
..X..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

Signature of Declarant or Agent determining tax - Firm Name

GRANT DEED

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

So Quoc Ly and Muoi T. Ly, Husband and Wife and Arthur F. Tseng (a.k.a. Fan Fu Tseng) and Yu-Chen Tseng, husband and wife

hereby GRANT(S) to

The City of Rancho Palos Verdes, a public body, corporate and politic,

the real property in the City of Rancho Palos Verdes, County of Los Angeles, State of California, described as

See Exhibit A attached hereto and incorporated herein by this reference

Dated _____, 1998

STATE OF CALIFORNIA } ss
COUNTY OF _____ }

So Quoc Ly

On _____ before me,
_____ a notary public,
personally appeared _____

Muoi T. Ly

Arthur F. Tseng

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.

Yu-Chen Tseng

WITNESS my hand and official seal.

Signature _____

(This area for official notarial seal)

Exhibit A

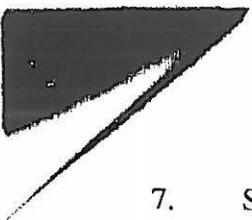
(portion of lot 92 described as Exhibit C in that certain settlement agreement between the parties and certain other parties)

That certain real property located in the City of Rancho Palos Verdes, County of Los Angeles, State of California described as follows:

THAT PORTION OF LOT 92 OF L.A.C.A. MAP NO. 51, IN THE CITY OF RANCHO PALOS VERDES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 1 PAGE 1 OF ASSESSOR'S MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT A POINT IN THE NORTHWESTERLY BOUNDARY LINE OF TRACT NO. 29057, PER MAP RECORDED IN BOOK 739 PAGES 23 THROUGH 27 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DISTANT NORTHEASTERLY THEREON 10.17 FEET FROM THE MOST NORTHERLY CORNER OF LOT 111 OF SAID TRACT; THENCE

1. ALONG SAID NORTHWESTERLY LINE SOUTH 28° 51' 01" WEST 216.00 FEET; THENCE
2. NORTH 61° 08' 59" WEST 120.00 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 120.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
3. ALONG SAID PARALLEL LINE NORTH 28° 51' 01" EAST 70.62 FEET TO THE SOUTHWESTERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DOCUMENT RECORDED JULY 18, 1997 AS INSTRUMENT NO. 97-1085908 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY, SAID LINE DESCRIBED IN SAID DOCUMENT AS HAVING A LENGTH OF 200.00 FEET; THENCE
4. NORTH 89° 39' 10" EAST 114.55 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 20.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
5. NORTH 13° 25' 24" WEST 14.87 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 30.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
6. ALONG LAST SAID PARALLEL LINE NORTH 28° 51' 01" EAST 61.50 FEET; THENCE

- 
7. SOUTH 61° 08' 59" EAST 20.00 FEET; THENCE
 8. NORTH 28° 51' 01" EAST 7.00 FEET; THENCE
 9. NORTH 73° 51' 01" EAST 14.14 FEET TO THE POINT OF BEGINNING

EXCEPT THEREFROM THAT PORTION THEREOF LYING SOUTHWESTERLY OF THAT HEREINABOVE SAID SOUTHWESTERLY LINE PER INSTRUMENT NO. 97-1085908 OF OFFICIAL RECORDS.

Said property is depicted as "Parcel C" on the diagram attached hereto as Exhibit A-1.

PAFFORD

Pafford
Associates
Surveyors

3470 Wilshire Boulevard
Los Angeles, Ca 90010
Tel. (213) 487-5900
FAX (213) 381-3037

26 JUNE 1998
SURVEY NO. 98.018

Scale: 1" = 30'

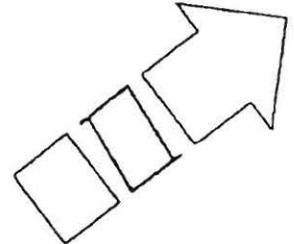
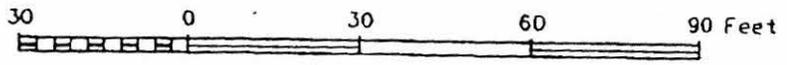
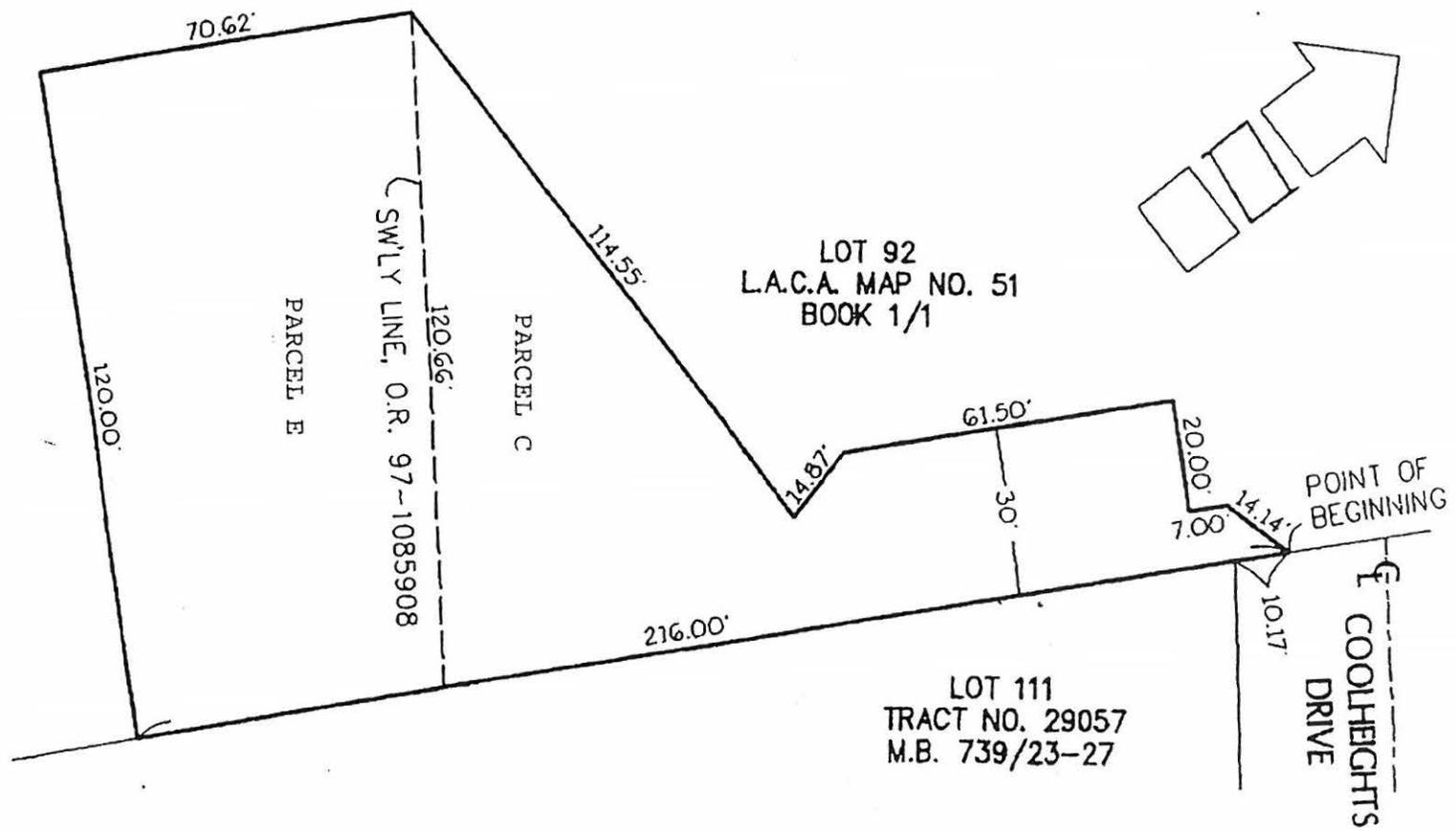


EXHIBIT A-1



SEP-14-1998 17:03

2133813037

97%

P.02

Certificate of Acceptance

This is to certify that the interest in real property conveyed by the Grant Deed from So Quoc Ly and Muoi T. Ly, husband and wife, and Arthur F. Tseng (a.k.a. Fan Fu Tseng) and Yu- Chen Tseng, husband and wife, to the city of Rancho Palos Verdes, a public body, corporate and politic, is hereby accepted by the undersigned officer or agent on behalf of the City of Rancho Palos Verdes pursuant to the authority duly conferred by the City Council of the City of Rancho Palos Verdes and the City of Rancho Palos Verdes consents to the recordation thereof by its duly authorized officer.

City of Rancho Palos Verdes,
a public body, corporate and politic

Dated: _____

By: _____

Title: _____

WHEN RECORDED MAIL TO:

City of Rancho Palos Verdes
30940 Hawthorne Boulevard
Rancho Palos Verdes,
California 90274

Attention: City Clerk

DOCUMENTARY TRANSFER TAX \$ 0
...X...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

Signature of Declarant or Agent determining tax - Firm Name

GRANT DEED

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

City of Rancho Palos Verdes, a public body, corporate and politic

hereby GRANT(S) to

Ralph J. Ortolano, Jr., an individual

the real property in the City of Rancho Palos Verdes, County of Los Angeles, State of California, described as

See Exhibit A attached hereto and incorporated herein by this reference

Dated _____, 1998

City of Rancho Palos Verdes, a public body,
corporate and politic

STATE OF CALIFORNIA }ss
COUNTY OF _____ }

By: _____

On _____ before me,
_____, a
notary public, personally appeared

Its: _____

_____,
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.

Attest:

By: _____

City Clerk

WITNESS my hand and official seal.

Signature _____

(This area for official notarial seal)

Exhibit A

(portion of lot 92 described as Exhibit C in that certain settlement agreement between the parties and certain other parties)

That certain real property (the "Property") located in the City of Rancho Palos Verdes, County of Los Angeles, State of California described as follows:

THAT PORTION OF LOT 92 OF L.A.C.A. MAP NO. 51, IN THE CITY OF RANCHO PALOS VERDES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 1 PAGE 1 OF ASSESSOR'S MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT A POINT IN THE NORTHWESTERLY BOUNDARY LINE OF TRACT NO. 29057, PER MAP RECORDED IN BOOK 739 PAGES 23 THROUGH 27 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DISTANT NORTHEASTERLY THEREON 10.17 FEET FROM THE MOST NORTHERLY CORNER OF LOT 111 OF SAID TRACT; THENCE

1. ALONG SAID NORTHWESTERLY LINE SOUTH 28° 51' 01" WEST 216.00 FEET; THENCE
2. NORTH 61° 08' 59" WEST 120.00 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 120.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
3. ALONG SAID PARALLEL LINE NORTH 28° 51' 01" EAST 70.62 FEET TO THE SOUTHWESTERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DOCUMENT RECORDED JULY 18, 1997 AS INSTRUMENT NO. 97-1085908 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY, SAID LINE DESCRIBED IN SAID DOCUMENT AS HAVING A LENGTH OF 200.00 FEET; THENCE
4. NORTH 89° 39' 10" EAST 114.55 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 20.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
5. NORTH 13° 25' 24" WEST 14.87 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 30.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
6. ALONG LAST SAID PARALLEL LINE NORTH 28° 51' 01" EAST 61.50 FEET; THENCE

7. SOUTH 61° 08' 59" EAST 20.00 FEET; THENCE
8. NORTH 28° 51' 01" EAST 7.00 FEET; THENCE
9. NORTH 73° 51' 01" EAST 14.14 FEET TO THE POINT OF BEGINNING

EXCEPT THEREFROM THAT PORTION THEREOF LYING SOUTHWESTERLY OF THAT HEREINABOVE SAID SOUTHWESTERLY LINE PER INSTRUMENT NO. 97-1085908 OF OFFICIAL RECORDS.

Reserving to the public an easement for pedestrian ingress, egress, hiking, trail and mountain biking and other recreational purposes over the following described property:

THAT PORTION OF LOT 92 OF L.A.C.A. MAP NO. 51, IN THE CITY OF RANCHO PALOS VERDES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 1 PAGE 1 OF ASSESSOR'S MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

COMMENCING AT A POINT IN THE NORTHWESTERLY BOUNDARY LINE OF TRACT No. 29057, PER MAP RECORDED IN BOOK 739 PAGES 23 TO 27, INCLUSIVE, OF MAPS, RECORDS OF SAID COUNTY, DISTANT SOUTHWESTERLY THEREON 6.83 FEET FROM THE MOST NORTHERLY CORNER OF LOT 111 OF SAID TRACT; THENCE

1. NORTH 61° 08' 59" WEST 20.00 FEET TO A POINT IN A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 20.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE
2. NORTH 61° 08' 59" WEST 10.00 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 30.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
3. ALONG LAST SAID PARALLEL LINE SOUTH 28° 51' 01" WEST 61.50 FEET; THENCE
4. SOUTH 13° 25' 24" EAST 14.87 FEET TO FIRST SAID PARALLEL LINE; THENCE
5. ALONG SAID PARALLEL LINE NORTH 28° 51' 01" EAST 72.50 FEET TO THE TRUE POINT OF BEGINNING.

Subject to the qualifications and exclusions set forth in that certain Settlement Agreement among the parties and certain other parties dated as of September, 1998, the Property is



further subject to the following covenants, conditions and restrictions which shall run with the land and be binding on successors in interest:

Neither Grantee nor Grantee's agents, employees, heirs, successors, assigns, grantees or devisees shall construct upon, improve or otherwise develop, or attempt to construct upon improve or otherwise develop the Property. For purposes of these covenants, conditions, and restrictions, "construct," "improve" and "develop" shall refer to and mean any construction, paving, grading, excavation, improvement or development, including without limitation any addition to any structure, improvement or development for which a permit or permits from the City of Rancho Palos Verdes would be required under applicable law, regulation, statute or ordinance.

Said property is depicted as "Parcel C" on the diagram attached hereto as Exhibit A-1.

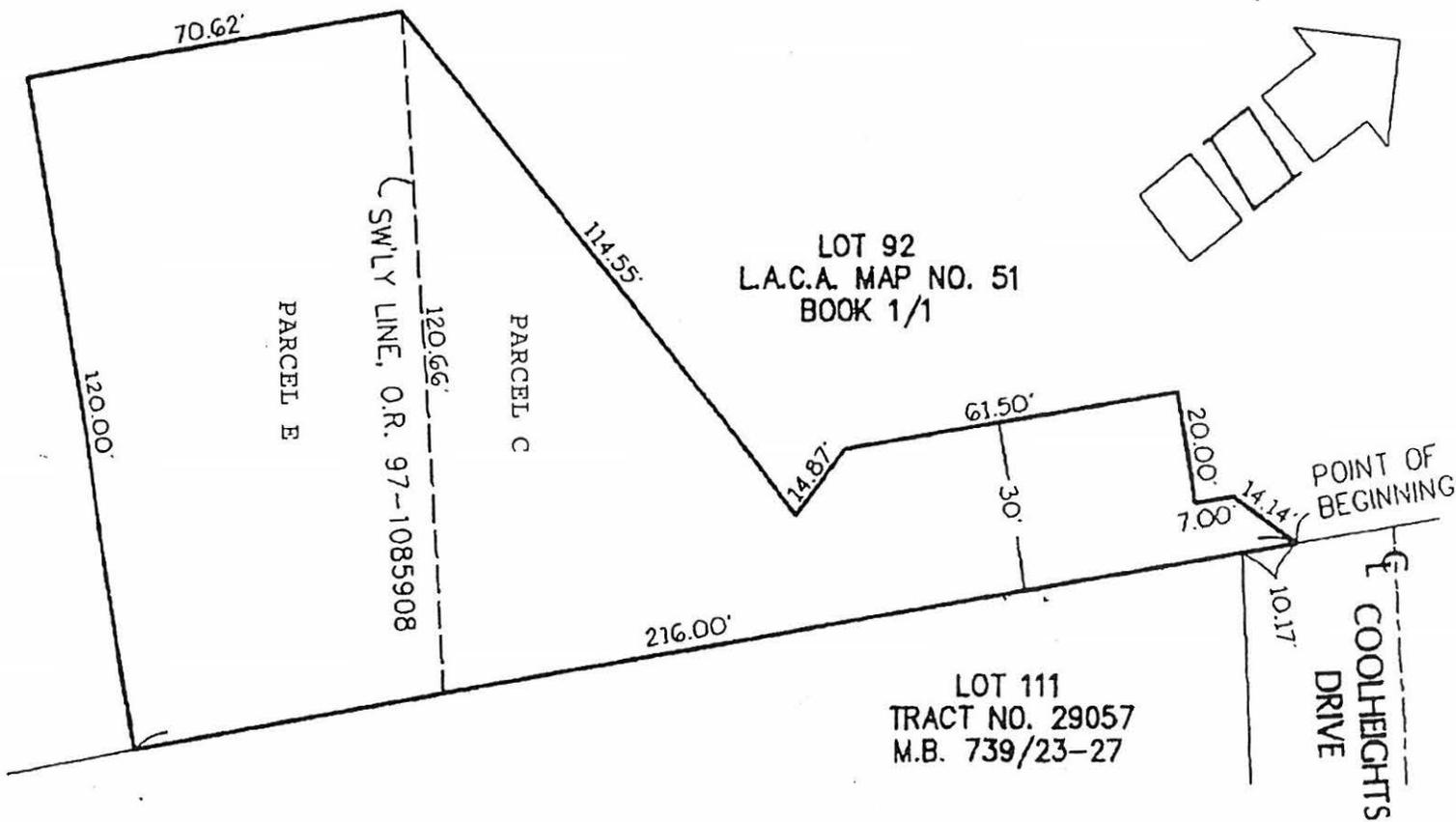
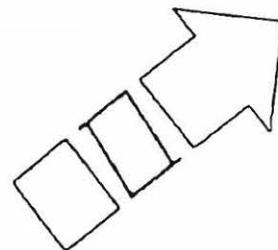
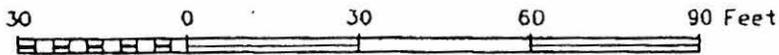
PAFFORD

Pafford
Associates
Surveyors

3470 Wilshire Boulevard
Los Angeles, Ca 90010
Tel. (213) 487-5900
FAX (213) 381-3037

26 JUNE 1998
SURVEY NO. 98.018

Scale: 1" = 30'



SEP-14-1998 17:03

EXHIBIT A-1

97%

P.02

**Pafford
Associates
Surveyors**

3470 Wilshire
Boulevard
Suite 900
Los Angeles
CA 90010-3909

Date: 14 September 1998
Pafford Survey No.98.018.01
Client: City of Rancho Palos Verdes

T.213.487.5900
F.213.381.3037

LEGAL DESCRIPTION

PROPOSED ORTOLANO PARCEL (DOES NOT INCLUDE LOT 111)

THAT PORTION OF LOT 92 OF L.A.C.A. MAP No. 51, IN THE CITY OF RANCHO PALOS VERDES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 1 PAGE 1 OF ASSESSOR'S MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT A POINT IN THE NORTHWESTERLY BOUNDARY LINE OF TRACT No. 29057, PER MAP RECORDED IN BOOK 739 PAGES 23 THROUGH 27 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DISTANT NORTHEASTERLY THEREON 10.17 FEET FROM THE MOST NORTHERLY CORNER OF LOT 111 OF SAID TRACT; THENCE

1. ALONG SAID NORTHWESTERLY LINE SOUTH 28° 51' 01" WEST 218.00 FEET; THENCE
2. NORTH 61° 08' 59" WEST 120.00 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 120.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
3. ALONG SAID PARALLEL LINE NORTH 28° 51' 01" EAST 70.62 FEET TO THE SOUTHWESTERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DOCUMENT RECORDED JULY 18, 1997 AS INSTRUMENT No. 97-1085908 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY, SAID LINE DESCRIBED IN SAID DOCUMENT AS HAVING A LENGTH OF 200.00 FEET; THENCE
4. NORTH 89° 39' 10" EAST 114.55 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 20.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
5. NORTH 13° 25' 24" WEST 14.87 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 30.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
6. ALONG LAST SAID PARALLEL LINE NORTH 28° 51' 01" EAST 61.50 FEET; THENCE
7. SOUTH 61° 08' 59" EAST 20.00 FEET; THENCE
8. NORTH 28° 51' 01" EAST 7.00 FEET; THENCE
9. NORTH 73° 51' 01" EAST 14.14 FEET TO THE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION WAS WRITTEN BY LLOYD PILCHEN, LAND SURVEYOR, AND IS APPROVED FOR USE IN CONFORMANCE WITH STATE LAW AND LOCAL ORDINANCE.

Lloyd Pilchen
LLOYD PILCHEN, L.S.6976
LICENSE EXP. 9/30/01



14 SEP 98
DATE

**Pafford
Associates
Surveyors**

3470 Wilshire
Boulevard
Suite 900
Los Angeles
CA 90010-3909

Date: 14 September 1998
Pafford Survey No.98.018.01
Client: City of Rancho Palos Verdes

T.213.487.5900
F.213.381.3037

LEGAL DESCRIPTION

PORTION OF ORTOLANO PARCEL WITHIN CITY PARCEL

THAT PORTION OF LOT 92 OF L.A.C.A. MAP No. 51, IN THE CITY OF RANCHO PALOS VERDES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 1 PAGE 1 OF ASSESSOR'S MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT A POINT IN THE NORTHWESTERLY BOUNDARY LINE OF TRACT No. 29057, PER MAP RECORDED IN BOOK 739 PAGES 23 THROUGH 27 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DISTANT NORTHEASTERLY THEREON 10.17 FEET FROM THE MOST NORTHERLY CORNER OF LOT 111 OF SAID TRACT; THENCE

1. ALONG SAID NORTHWESTERLY LINE SOUTH 28° 51' 01" WEST 216.00 FEET; THENCE
2. NORTH 61° 08' 59" WEST 120.00 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 120.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
3. ALONG SAID PARALLEL LINE NORTH 28° 51' 01" EAST 70.62 FEET TO THAT LINE DESCRIBED AS HAVING A LENGTH OF 200.00 FEET HEREINBELOW, BEING THE SOUTHWESTERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DOCUMENT RECORDED JULY 18, 1997 AS INSTRUMENT No. 97-1085908 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY; THENCE
4. NORTH 89° 38' 10" EAST 114.55 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 20.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
5. NORTH 13° 25' 24" WEST 14.87 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 30.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
6. ALONG LAST SAID PARALLEL LINE NORTH 28° 51' 01" EAST 61.50 FEET; THENCE
7. SOUTH 61° 08' 59" EAST 20.00 FEET; THENCE
8. NORTH 28° 51' 01" EAST 7.00 FEET; THENCE
9. NORTH 73° 51' 01" EAST 14.14 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LOT 92 OF L.A.C.A. MAP No. 51, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT THE NORTHWEST CORNER OF LOT 110 OF TRACT No. 29057, AS PER MAP RECORDED IN BOOK 739, PAGES 23 THROUGH 27 OF MAPS; THENCE SOUTH 28° 50' 45" WEST ALONG THE WESTERLY LINE OF SAID TRACT No. 29057, 358.00 FEET; THENCE NORTH 55° 09' 15" WEST, 200.00 FEET; THENCE NORTH 00° 50' 45" EAST, 280.00 FEET; THENCE NORTH 49° 20' 45" EAST 180.00 FEET; THENCE SOUTH 44° 44' 35" EAST 278.67 FEET TO THE TRUE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION WAS WRITTEN BY LLOYD PILCHEN, LAND SURVEYOR, AND IS APPROVED FOR USE IN CONFORMANCE WITH STATE LAW AND LOCAL ORDINANCE.

Lloyd Pilchen
LLOYD PILCHEN, L.S.8976
LICENSE EXP. 9/30/01



14 SEP 98
DATE

WHEN RECORDED MAIL TO:

City of Rancho Palos Verdes
30940 Hawthorne Boulevard
Rancho Palos Verdes,
California 90274

Attention: City Clerk

DOCUMENTARY TRANSFER TAX \$ 0
..X..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

Signature of Declarant or Agent determining tax - Firm Name

GRANT DEED

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

City of Rancho Palos Verdes, a public body, corporate and politic

hereby GRANT(S) to

Ralph J. Ortolano, Jr., an individual

the real property in the City of Rancho Palos Verdes, County of Los Angeles, State of California, described as

See Exhibit A attached hereto and incorporated herein by this reference

Dated _____, 1998

City of Rancho Palos Verdes, a public body,
corporate and politic

STATE OF CALIFORNIA } ss
COUNTY OF _____ }

On _____ before me,

personally appeared _____,

By: _____

personally known to me (or proved to me on the basis of
satis- factory 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.

Its: _____

Attest:

By: _____

City Clerk

WITNESS my hand and official seal.

Signature _____

(This area for official notarial seal)

Exhibit A

(portion of lot 92 described as Exhibit E in that certain settlement agreement between the parties and certain other parties)

That certain real property (the "Property") located in the City of Rancho Palos Verdes, County of Los Angeles, State of California described as follows:

THAT PORTION OF LOT 92 OF L.A.C.A. MAP NO. 51, IN THE CITY OF RANCHO PALOS VERDES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 1 PAGE 1 OF ASSESSOR'S MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT A POINT IN THE NORTHWESTERLY BOUNDARY LINE OF TRACT NO. 29057, PER MAP RECORDED IN BOOK 739 PAGES 23 THROUGH 27 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DISTANT NORTHEASTERLY THEREON 10.17 FEET FROM THE MOST NORTHERLY CORNER OF LOT 111 OF SAID TRACT; THENCE

1. ALONG SAID NORTHWESTERLY LINE SOUTH 28° 51' 01" WEST 216.00 FEET; THENCE
2. NORTH 61° 08' 59" WEST 120.00 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 120.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
3. ALONG SAID PARALLEL LINE NORTH 28° 51' 01" EAST 70.62 FEET TO THAT LINE DESCRIBED AS HAVING A LENGTH OF 200.00 FEET HEREINBELOW, BEING THE SOUTHWESTERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DOCUMENT RECORDED JULY 18, 1997 AS INSTRUMENT NO. 97-1085908 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY; THENCE
4. NORTH 89° 39' 10" EAST 114.55 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 20.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
5. NORTH 13° 25' 24" WEST 14.87 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 30.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE

6. ALONG LAST SAID PARALLEL LINE NORTH 28° 51' 01" EAST 61.50 FEET; THENCE
7. SOUTH 61° 08' 59" EAST 20.00 FEET; THENCE
8. NORTH 28° 51' 01" EAST 7.00 FEET; THENCE
9. NORTH 73° 51' 01" EAST 14.14 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF SAID LOT 92 OF L.A.C.A. MAP NO. 51, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT THE NORTHWEST CORNER OF LOT 110 OF TRACT NO. 29057, AS PER MAP RECORDED IN BOOK 739, PAGES 23 THROUGH 27 OF MAPS; THENCE SOUTH 28° 50' 45" WEST ALONG THE WESTERLY LINE OF SAID TRACT NO. 29057, 358.00 FEET; THENCE NORTH 55° 09' 15" WEST, 200.00 FEET; THENCE NORTH 00° 50' 45" EAST, 280.00 FEET; THENCE NORTH 49° 20' 45" EAST 180.00 FEET; THENCE SOUTH 44° 44' 35" EAST 278.67 FEET TO THE TRUE POINT OF BEGINNING.

Subject to the express exclusions and qualifications set forth in that certain Settlement Agreement between the parties and certain other parties dated as of September, 1998, the Property is further subject to the following covenants, conditions and restrictions which shall run with the land and be binding on successors in interest:

Neither Grantee nor Grantee's agents, employees, heirs, successors, assigns, grantees or devisees shall construct upon, improve or otherwise develop, or attempt to construct upon improve or otherwise develop the Property. For purposes of these covenants, conditions, and restrictions, "construct," "improve" and "develop" shall refer to and mean any construction, paving, grading, excavation, improvement or development, including without limitation any addition to any structure, improvement or development for which a permit or permits from the City of Rancho Palos Verdes would be required under applicable law, regulation, statute or ordinance.

Said property is depicted as "Parcel E" on the diagram attached hereto as Exhibit A-1.

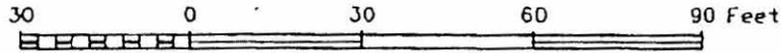
PAFFORD

Pafford
Associates
Surveyors

3470 Wilshire Boulevard
Los Angeles, Ca 90010
Tel. (213) 487-5900
FAX (213) 381-3037

26 JUNE 1998
SURVEY NO. 98.018

Scale: 1" = 30'

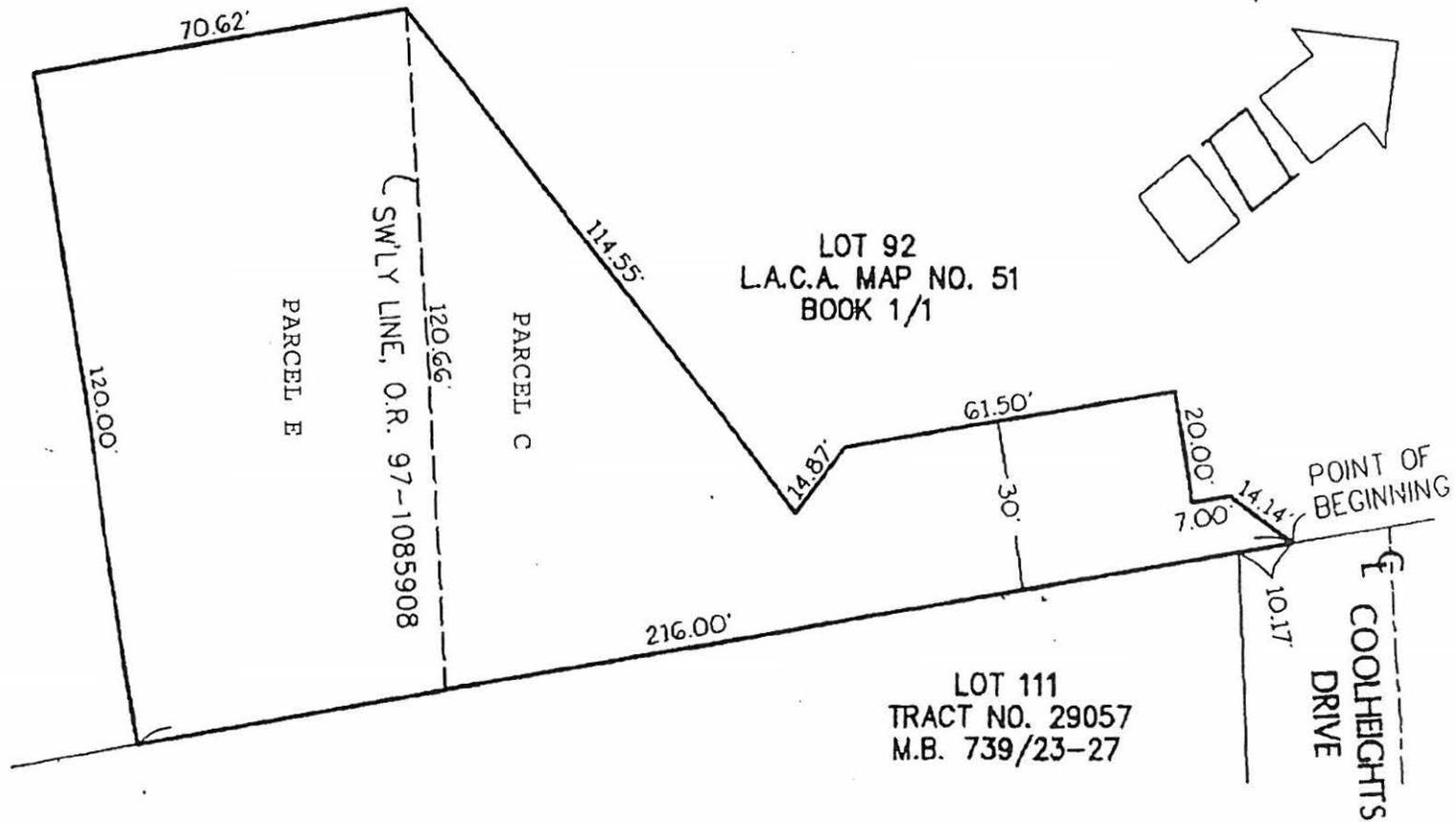


SEP-14-1998 17:03

EXHIBIT A-1

97%

P. 02



PAFFORD

Date: 28 June 1998
Pafford Survey No. 98.018
Client: Ralph J. Otolano, Jr.

**Pafford
Associates
Surveyors**

3470 Wilshire
Boulevard
Suite 900
Los Angeles
CA 90010-3909

T. 213.487.5900
F. 213.381.3037

LEGAL DESCRIPTION

CITY TRAIL EASEMENT

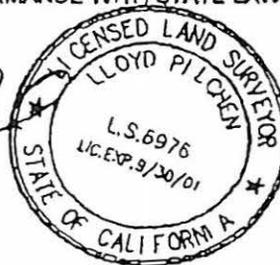
THAT PORTION OF LOT 92 OF L.A.C.A. MAP No. 51, IN THE CITY OF RANCHO PALOS VERDES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 1 PAGE 1 OF ASSESSOR'S MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

COMMENCING AT A POINT IN THE NORTHWESTERLY BOUNDARY LINE OF TRACT No. 29057, PER MAP RECORDED IN BOOK 730 PAGES 23 TO 27, INCLUSIVE, OF MAPS, RECORDS OF SAID COUNTY, DISTANT SOUTHWESTERLY THEREON 8.83 FEET FROM THE MOST NORTHERLY CORNER OF LOT 111 OF SAID TRACT; THENCE

1. NORTH 81° 08' 59" WEST 20.00 FEET TO A POINT IN A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 20.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE
2. NORTH 81° 08' 58" WEST 10.00 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 30.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
3. ALONG LAST SAID PARALLEL LINE SOUTH 28° 51' 01" WEST 81.50 FEET; THENCE
4. SOUTH 13° 25' 24" EAST 14.87 FEET TO FIRST SAID PARALLEL LINE; THENCE
5. ALONG SAID PARALLEL LINE NORTH 28° 51' 01" EAST 72.50 FEET TO THE TRUE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION WAS WRITTEN BY LLOYD PILCHEN, LAND SURVEYOR, AND IS APPROVED FOR USE IN CONFORMANCE WITH STATE LAW AND LOCAL ORDINANCE.


LLOYD PILCHEN, L.S. 6976
LICENSE EXP. 9/30/01



6.26.98
DATE

Date: 26 August 1998
Pafford Survey No.98.018.01
Client: City of Rancho Palos Verdes

3470 Wilshire
Boulevard
Suite 900
Los Angeles
CA 90010-3909

LEGAL DESCRIPTION

T.213.487.5900
F.213.381.3037

**CITY TRAIL EASEMENT
OVER PROPOSED PARCEL OF DIAMOND BROTHERS THREE
(PORTION OF LOT 92 OF L.A.C.A. MAP No. 51)**

THAT PORTION OF LOT 92 OF L.A.C.A. MAP No. 51, IN THE CITY OF RANCHO PALOS VERDES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 1 PAGE 1 OF ASSESSOR'S MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

COMMENCING AT A POINT IN THE NORTHWESTERLY BOUNDARY LINE OF TRACT No. 29057, PER MAP RECORDED IN BOOK 739 PAGES 23 THROUGH 27 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DISTANT NORTHEASTERLY THEREON 10.17 FEET FROM THE MOST NORTHERLY CORNER OF LOT 111 OF SAID TRACT; THENCE

1. ALONG SAID NORTHWESTERLY LINE SOUTH 28° 51' 01" WEST 216.00 FEET; THENCE
2. NORTH 61° 08' 59" WEST 120.00 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 120.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
3. ALONG SAID PARALLEL LINE NORTH 28° 51' 01" EAST 70.62 FEET TO A POINT IN THE SOUTHWESTERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DOCUMENT RECORDED JULY 18, 1997 AS INSTRUMENT No. 97-1085908 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY, AND BEING THE TRUE POINT OF BEGINNING; THENCE
4. NORTH 89° 39' 10" EAST 114.55 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 20.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
5. NORTH 13° 25' 24" WEST 14.87 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 30.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
6. ALONG LAST SAID PARALLEL LINE SOUTH 28° 51' 01" WEST 5.13 FEET TO A LINE PARALLEL WITH SAID COURSE HAVING A LENGTH OF 114.55 FEET AND 10.00 FEET NORTHERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
7. ALONG LAST SAID PARALLEL LINE SOUTH 89° 39' 10" WEST 122.86 FEET TO LAST SAID SOUTHWESTERLY LINE; THENCE
8. SOUTHEASTERLY ALONG LAST SAID SOUTHWESTERLY LINE 17.35 FEET TO THE TRUE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION WAS WRITTEN BY LLOYD PILCHEN, LAND SURVEYOR, AND IS APPROVED FOR USE IN CONFORMANCE WITH STATE LAW AND LOCAL ORDINANCE.


LLOYD PILCHEN, L.S.6976
LICENSE EXP. 9/30/01



26 AUG 98
DATE

WHEN RECORDED MAIL TO:

City of Rancho Palos Verdes
30940 Hawthorne Boulevard
Rancho Palos Verdes, California 90274

Attention: City Clerk

DOCUMENTARY TRANSFER TAX \$ 0
..X..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

Signature of Declarant or Agent determining tax - Firm Name

GRANT DEED

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

So Quoc Ly and Muoi T. Ly, Husband and Wife and Arthur F. Tseng (a.k.a. Fan Fu Tseng) and Yu-Chen Tseng, husband and wife

hereby GRANT(S) to

The City of Rancho Palos Verdes, a public body, corporate and politic,

the real property in the City of Rancho Palos Verdes, County of Los Angeles, State of California, described as

See Exhibit A attached hereto and incorporated herein by this reference

Dated _____, 1998

STATE OF CALIFORNIA } ss
COUNTY OF _____ }

On _____ before me,
personally appeared _____

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 _____

So Quoc Ly

Muoi T. Ly

Arthur F. Tseng

Yu-Chen Tseng

(This area for official notarial seal)

Exhibit A

(portion of lot 92 described as Exhibit G in that certain settlement agreement between the parties and certain other parties)

An easement for ingress, egress, hiking, trail and mountain biking and other recreational purposes over that certain real property located in the City of Rancho Palos Verdes, County of Los Angeles, State of California described as follows:

THAT PORTION OF LOT 92 OF L.A.C.A. MAP No. 51, IN THE CITY OF RANCHO PALOS VERDES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP RECORDED IN BOOK 1 PAGE I OF ASSESSOR'S MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

COMMENCING AT A POINT IN THE NORTHWESTERLY BOUNDARY LINE OF TRACT No. 29057, PER MAP RECORDED IN BOOK 739 PAGES 23 THROUGH 27 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DISTANT NORTHEASTERLY THEREON 10.17 FEET FROM THE MOST NORTHERLY CORNER OF LOT 111 OF SAID TRACT; THENCE

1. ALONG SAID NORTHWESTERLY LINE SOUTH 28° 51' 01" WEST 216.00 FEET; THENCE
2. NORTH 61° 08' 59" WEST 120.00 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 120.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
3. ALONG SAID PARALLEL LINE NORTH 28° 51' 01" EAST 70.62 FEET TO A POINT IN THE SOUTHWESTERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN DOCUMENT RECORDED JULY 18, 1997 AS INSTRUMENT No. 97-1085908 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY, AND BEING THE TRUE POINT OF BEGINNING; THENCE
4. NORTH 89° 39' 10" EAST 114.55 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 20.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE
5. NORTH 13° 25' 24" WEST 14.87 FEET TO A LINE PARALLEL WITH SAID TRACT BOUNDARY LINE AND 30.00 FEET NORTHWESTERLY THEREFROM, MEASURED AT RIGHT ANGLES; THENCE

6. ALONG LAST SAID PARALLEL LINE SOUTH 28° 51' 01" WEST 5.13 FEET TO A LINE PARALLEL WITH SAID COURSE HAVING A LENGTH OF 114.55 FEET AND 10.00 FEET NORTHERLY THEREFROM. MEASURED AT RIGHT ANGLES, THENCE
7. ALONG LAST SAID PARALLEL LINE SOUTH 89° 39' 10" WEST 122.86 FEET TO LAST SAID SOUTHWESTERLY LINE; THENCE
8. SOUTHEASTERLY ALONG LAST SAID SOUTHWESTERLY LINE 17.35 FEET TO THE TRUE POINT OF **BEGINNING**.

Said easement is depicted on the diagram attached hereto as Exhibit A-1.

Certificate of Acceptance

This is to certify that the interest in real property conveyed by the Grant Deed from So Quoc Ly and Muoi T. Ly, husband and wife, and Arthur F. Tseng (a.k.a. Fan Fu Tseng) and Yu- Chen Tseng, husband and wife, to the city of Rancho Palos Verdes, a public body, corporate and politic, is hereby accepted by the undersigned officer or agent on behalf of the City of Rancho Palos Verdes pursuant to the authority duly conferred by the City Council of the City of Rancho Palos Verdes and the City of Rancho Palos Verdes consents to the recordation thereof by its duly authorized officer.

City of Rancho Palos Verdes,
a public body, corporate and politic

Dated: _____

By: _____

Title: _____

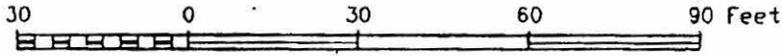
AUG-13-1998 11:35

EXHIBIT A-1

647

2 24

Scale: 1" = 30'

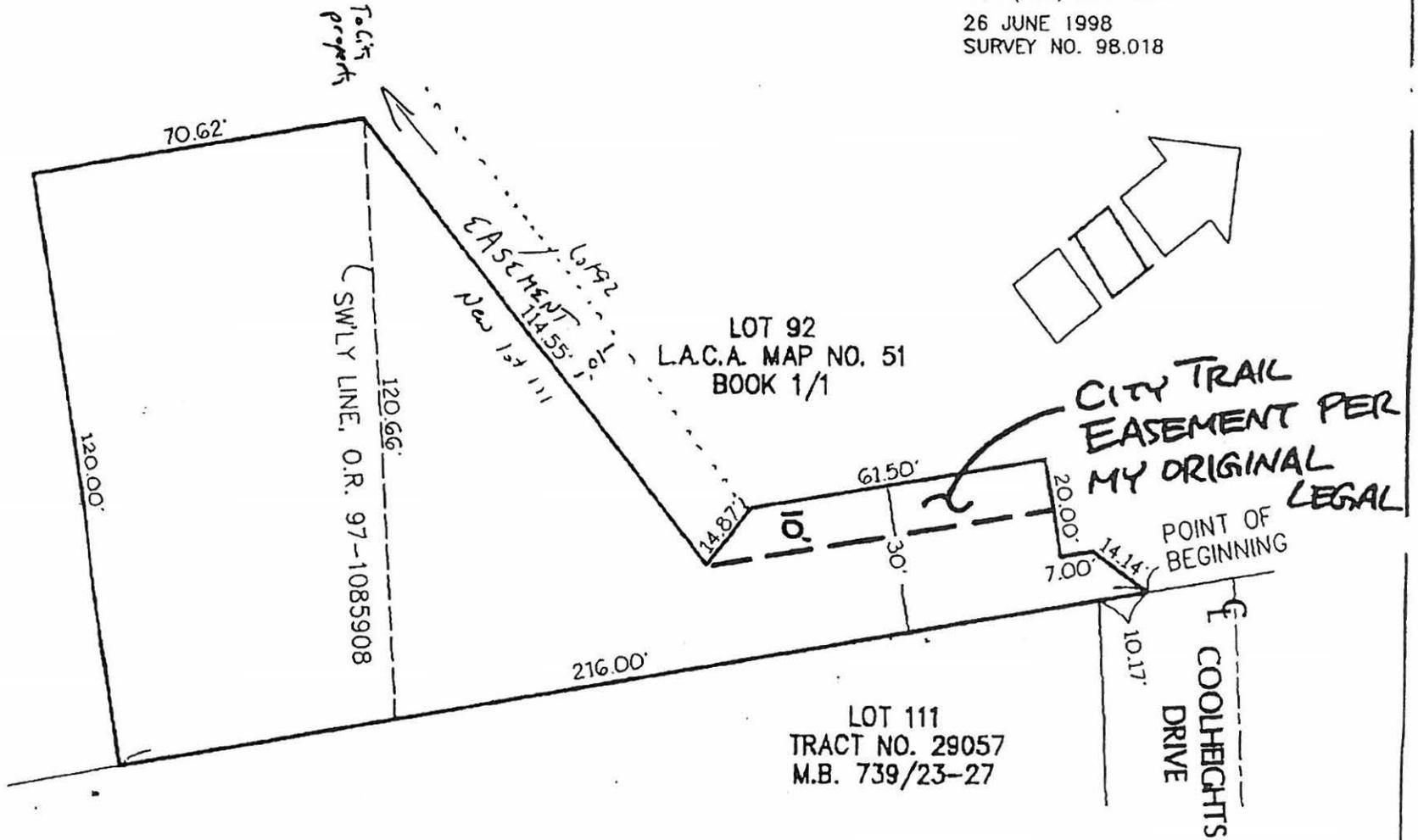


PAFFORD

Pafford Associates
Surveyors

3470 Wilshire Boulevard
Los Angeles, Ca 90010
Tel. (213) 487-5900
FAX (213) 381-3037

26 JUNE 1998
SURVEY NO. 98.018



8/13/1998 11:26 2133813037

RBA PARTNERS INC

PAGE 04