

**AGENDA
SPECIAL MEETING
REDONDO BEACH HOUSING AUTHORITY
TUESDAY, OCTOBER 21, 2025 - 6:00 P.M.
REDONDO BEACH COUNCIL CHAMBERS
415 DIAMOND STREET**

CALL MEETING TO ORDER

ROLL CALL

A. APPROVAL OF ORDER OF AGENDA

B. ADDITIONAL ITEMS FOR IMMEDIATE CONSIDERATION

B1. BLUE FOLDER ITEMS

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

C. CONSENT CALENDAR #C1 through #C3

Business items, except those formally noticed for public hearing, or those pulled for discussion are assigned to the Consent Calendar. The Authority Members may request that any Consent Calendar item(s) be removed, discussed, and acted upon separately. Items removed from the Consent Calendar will be taken up under the "Excluded Consent Calendar" section below. Those items remaining on the Consent Calendar will be approved in one motion following Oral Communications.

C1. APPROVAL OF AFFIDAVIT OF POSTING for the Regular Housing Authority meeting of October 16, 2025.

C2. APPROVAL OF MOTION TO READ BY TITLE ONLY and waive further reading of all Ordinances and Resolutions listed on the agenda.

C3. APPROVAL OF MINUTES OF THE FOLLOWING MEETING:

A. AUGUST 19, 2025

B. SEPTEMBER 2, 2025

C4. APPROVE AND EXECUTE AFFORDABLE HOUSING DOCUMENTS FOR THE SALE OF 2001 ARTESIA BOULEVARD, UNIT #301, REDONDO BEACH, CALIFORNIA 90278

A. AGREEMENT CONTAINING COVENANTS, RESTRICTIONS AND OPTION TO PURCHASE

B. SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE

C. ESCROW INSTRUCTIONS

Contact: ELIZABETH HAUSE, HOUSING ADMINISTRATOR

D. EXCLUDED CONSENT CALENDAR ITEMS

E. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

This section is intended to provide members of the public with the opportunity to comment on any subject that does not appear on this agenda for action. This section is limited to 30 minutes. Each speaker will be afforded three minutes to address the Commission. Each speaker will be permitted to speak only once. Written requests, if any, will be considered first under this section.

F. EX PARTE COMMUNICATIONS

This section is intended to allow all officials the opportunity to reveal any disclosure or ex parte communication about the following public hearings.

G. PUBLIC HEARINGS

H. OLD BUSINESS

I. NEW BUSINESS

J. MEMBERS ITEMS AND REFERRALS TO STAFF

K. ADJOURNMENT

The next scheduled meeting of the Redondo Beach Housing Authority is a Regular meeting on Tuesday, December 2, 2025 at 6:00 p.m. in the City Hall Council Chambers, 415 Diamond Street, Redondo Beach, California.

It is the intention of the City of Redondo Beach to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant of this meeting you will need special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact the City Clerk’s Office at (310) 318-0656 at least forty-eight (48) hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

An Agenda Packet is available 24 hours a day at www.redondo.org under the City Clerk and during City Hall hours. Agenda Packets are also available for review in the Office of the City Clerk.

Any writings or documents provided to a majority of the members of the Authority regarding any item on this agenda will be made available for public inspection at the City Clerk’s Counter at City Hall located at 415 Diamond Street during normal business hours.

Community Services Department

1922 Artesia Boulevard
Redondo Beach, California 90278
www.redondo.org

tel: 310 318-0610
fax: 310 798-8273

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF REDONDO BEACH)

AFFIDAVIT OF POSTING

In compliance with the Brown Act, the following materials have been posted at the locations indicated below.

Legislative Body Redondo Beach Housing Authority

Posting Type Agenda – October 21, 2025 Special Meeting

Posting Locations 415 Diamond Street, Redondo Beach, CA 90277
 ✓ City Hall Kiosk
 ✓ City Clerk’s Counter, Door “1”

Meeting Date & Time October 21, 2025 6:00 p.m.

As Housing Administrator of the City of Redondo Beach, I declare, under penalty of perjury, the document noted above was posted at the date displayed below.

Elizabeth Hause, Housing Administrator

Date: October 16, 2025



**SPECIAL MEETING OF THE REDONDO BEACH
HOUSING AUTHORITY**

CALL MEETING TO ORDER

Chairman Light called a Special Meeting of the Redondo Beach Housing Authority (RBHA) to order at 6:21 p.m. in the City Hall Council Chamber, 415 Diamond Street, Redondo Beach, California.

ROLL CALL

RBHA Members Present: Waller, Castle, Kaluderovic, Obagi (via Zoom), Behrendt, Commissioner Price, Commissioner Newton, Chairman Light

RBHA Members Absent: None

Officials Present: Eleanor Manzano, City Clerk
Mike Witzansky, City Manager
Joy Ford, City Attorney
Elizabeth Hause, Community Services Director
Melissa Villa, Analyst/Liaison

A. APPROVAL OF ORDER OF AGENDA

B. ADDITIONAL ITEMS FOR IMMEDIATE CONSIDERATION - None

B.1. BLUE FOLDER ITEMS - None

C. CONSENT CALENDAR #C1 through #C4

C1. APPROVAL OF AFFIDAVIT OF POSTING for the Special Housing Authority meeting of August 19, 2025.

C2. APPROVAL OF MOTION TO READ BY TITLE ONLY and waive further reading of all Ordinances and Resolutions listed on the agenda.

**C3. APPROVAL OF MINUTES OF THE FOLLOWING MEETING:
A. June 17, 2025**

C4. APPROVAL TO SUBMIT THE SECTION EIGHT MANAGEMENT ASSESSMENT PROGRAM (SEMAP) TO THE DEPARTMENT OF HOUSING AND URBAN

DEVELOPMENT (HUD)

Contact: ELIZABETH HAUSE, HOUSING ADMINISTRATOR

Motion by Member Waller, seconded by Member Kaluderovic, to approve the Consent Calendar in its entirety.

Chair Light invited public comment.

City Clerk Manzano reported no eComments and no one online.

ROLL CALL:

AYES: Waller, Castle, Kaluderovic, Obagi (via Zoom), Behrendt
NOES: None
ABSENT: None

Motion carried by roll call vote, 5-0.

D. EXCLUDED CONSENT CALENDAR ITEMS - None

E. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Chair Light invited public comment.

City Clerk Manzano reported no eComments and no one online.

F. EX PARTE COMMUNICATIONS - None

G. PUBLIC HEARINGS - None

H. OLD BUSINESS - None

I. NEW BUSINESS - None

J. MEMBERS ITEMS AND REFERRALS TO STAFF - None

K. ADJOURNMENT – 6:24 P.M.

Motion by Member Waller, seconded by Member Castle, to adjourn the Special Meeting of the Housing Authority at 6:24 p.m.

ROLL CALL:

AYES: Waller, Castle, Kaluderovic, Obagi (via Zoom), Behrendt
NOES: None
ABSENT: None

Motion carried by roll call vote, 5-0.

The next scheduled meeting of the Redondo Beach Housing Authority is a Regular meeting on Tuesday, September 2, 2025, at 6:00 p.m. in the City Hall Council Chambers, 415 Diamond Street, Redondo Beach, California.

Respectfully submitted,

Eleanor Manzano, CMC
City Clerk



REGULAR MEETING OF THE REDONDO BEACH HOUSING AUTHORITY

CALL MEETING TO ORDER

Chairman Light called a Regular Meeting of the Redondo Beach Housing Authority (RBHA) to order at 6:31 p.m. in the City Hall Council Chamber, 415 Diamond Street, Redondo Beach, California.

ROLL CALL

RBHA Members Present: Waller, Castle, Kaluderovic, Obagi, Behrendt, Commissioner Price, Commissioner Newton, Chairman Light

RBHA Members Absent: None

Officials Present: Eleanor Manzano, City Clerk
Mike Witzansky, City Manager
Joy Ford, City Attorney
Elizabeth Hause, Community Services Director
Imelda Delgado, Housing Manager
Laura Diaz, Records Mgmt. Coordinator/Sr. Deputy City Clerk

A. APPROVAL OF ORDER OF AGENDA

Motion by Member Obagi, seconded by Member Kaluderovic, to approve the order of agenda as written.

Motion carried 5-0 by voice vote.

B. ADDITIONAL ITEMS FOR IMMEDIATE CONSIDERATION - None

B.1. BLUE FOLDER ITEMS - None

C. CONSENT CALENDAR #C1 through #C3

C1. APPROVAL OF AFFIDAVIT OF POSTING for the Regular Housing Authority meeting of September 2, 2025.

- C2. APPROVAL OF MOTION TO READ BY TITLE ONLY and waive further reading of all Ordinances and Resolutions listed on the agenda.**
- C3. APPROVAL OF AGREEMENT BETWEEN THE HOUSING AUTHORITY OF THE CITY OF REDONDO BEACH AND LEGGINS CASTERLINE & COMPANY LLC FOR AN AMOUNT NOT TO EXCEED \$33,540 FOR THE TERM OF AUGUST 21, 2025 THROUGH AUGUST 31, 2026 FOR SERVICES RELATED TO FISCAL RECONCILIATION AND REPORTING TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

CONTACT: ELIZABETH HAUSE, HOUSING ADMINISTRATOR

Motion by Member Kaluderovic, seconded by Member Waller, to approve the Consent Calendar.

Chair Light invited public comment.

City Clerk Manzano reported no eComments and no one online.

Motion carried 5-0 by voice vote.

D. EXCLUDED CONSENT CALENDAR ITEMS - None

E. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Chair Light invited public comment.

City Clerk Manzano reported no eComments and no one online.

F. EX PARTE COMMUNICATIONS - None

G. PUBLIC HEARINGS - None

H. OLD BUSINESS - None

I. NEW BUSINESS – None

11. RECEIVE AND FILE QUARTERLY STATUS REPORT ON SECTION 8 AND FAIR HOUSING PROGRAMS

CONTACT: ELIZABETH HAUSE, HOUSING ADMINISTRATOR

Community Service Director Hause reported they had a presentation and introduced Imelda Delgado as the new Housing Manager.

Housing Manager Delgado provided a quarterly update for the Housing Authority; provided program overview numbers: 454 households assisted which includes 335 elderly/disabled households, and 20 Project Based Vouchers (PBV) at Moonstone

Apartments; reported an estimated quarterly spending of \$2.18 million and spoke of special programs; provided information regarding their waiting list, noted that Redondo Beach residents are their first priority on the list, which was closed in 2015.

Chair Light asked if the list has been checked to make sure it is current since it closed in 2015.

Housing Manager Delgado stated they do an annual purge of the waiting list; explained that letters are sent and if unresponsive they are taken off the list; continued the presentation and reported that the HUD Portfolio Management Specialist projected a funding shortfall; explained their next steps are mainly corrective actions to combat the shortfall expected; provided more details on their corrective measures which included: Administrative plan updates, implementation of HUD shortfall guidelines, contingency planning, and independent financial review; recommendation is to receive and file the quarterly status report on the Section 8 Program.

Community Services Director Hause stated they are already taking steps to make sure the delta in funding versus obligations is minimized if not eliminated; assured Council that everyone currently on a voucher will not be impacted and they don't have to drop anybody off the list.

Member Castle asked if the program has always operated on a shortfall.

Community Services Director Hause stated RB has been fortunate and not operated in a shortfall and this is the first time but noted the amount is minimal compared to the rest of the program.

Member Kaluderovic thanked Community Services Director Hause for taking the time to meet with her; felt it would be a good idea to clear the list and have people re-apply more frequently so they can prioritize employees and residents of RB; mentioned the emergency housing vouchers expire December 2026 and asked what the plan is when that happens.

Housing Manager Delgado spoke of applying for "set-aside funds" which may help, and the renewal funding may also help.

Member Kaluderovic asked if there are any unused VASH vouchers.

Housing Manager Delgado said they do have some, but they are assigned by the VA.

Member Kaluderovic asked for an explanation on billing all incoming portability vouchers, which was on the list.

Housing Manager Delgado explained it is a federal program, and families can transfer (which they call portability) anywhere in the nation and if someone comes to their City they decide whether they will absorb them financially or if they will bill their initial agency; noted because they cannot afford to absorb them, they will need to bill for everybody.

Member Obagi asked what the cause of the deficit was this year. Housing Manager Delgado explained it is higher expenditures, noted rent increases were apparent in September.

Member Obagi mentioned the President may declare a housing emergency, asked if it would help if the Council wrote a letter to the federal government about the rising costs and the assistance needed.

More discussion followed about the growing expenses, all cities have been impacted, who to write letters to, what the City can do to seek assistance, and the need for the City to react and plan for no assistance and manage expenses accordingly.

Member Obagi spoke more about what they can do to influence getting more resources in RB for housing from the federal government.

Chair Light stated if the Housing Authority supports it, he will draft letters with the help of staff and Councilmember Kaluderovic and contact the City's lobbyists.

Motion by Councilmember Obagi, seconded by Councilmember Castle, to receive and file the Quarterly Status Report on the Section 8 Program and direct the Mayor to write letters and contact the City's lobbyists as he stated.

Member Kaluderovic asked the next time they meet with the Housing Authority if they could get numbers, so they have a better understanding of the impact it makes.

Community Services Director Hause stated they will bring the Administrative Plan Update to them at the next quarterly meeting.

Chair Light invited public comment.

A speaker came up and spoke about her friend on Section 8 and noted she has received several rent increases.

Housing Manager Delgado stated there are state laws that prohibit increases from going beyond CPI plus 5%, thought the current number is no more than 8% is allowed every year.

City Clerk Manzano reported no eComments and no one online.

Motion carried 5-0 by voice vote.

J. MEMBERS ITEMS AND REFERRALS TO STAFF - None

K. ADJOURNMENT – 6:51 P.M.

Motion by Member Waller, seconded by Member Obagi, to adjourn the Regular Meeting of the Housing Authority at 6:51 p.m.

Motion carried 5-0 by voice vote.

The next scheduled meeting of the Redondo Beach Housing Authority is a Regular meeting on Tuesday, December 2, 2025, at 6:00 p.m. in the City Hall Council Chambers, 415 Diamond Street, Redondo Beach, California.

Respectfully submitted,

Eleanor Manzano, CMC
City Clerk



Administrative Report

Authority Action Date: October 21, 2025

To: CHAIRMAN AND MEMBERS OF THE HOUSING AUTHORITY

From: ELIZABETH HAUSE, HOUSING ADMINISTRATOR

Subject: APPROVE AND EXECUTE THE ESCROW INSTRUCTIONS LETTER AND THE AGREEMENT CONTAINING COVENANTS, RESTRICTIONS AND OPTION TO PURCHASE FOR THE SALE OF AFFORDABLE HOUSING UNIT AT 2001 ARTESIA BOULEVARD, UNIT #301, REDONDO BEACH, CALIFORNIA 90278

RECOMMENDATION

Approve and execute the escrow instructions letter and the Agreement Containing Covenants, Restrictions and Option to Purchase for the sale of Affordable Housing unit at 2001 Artesia Boulevard, Unit #301, Redondo Beach, California 90278.

EXECUTIVE SUMMARY

On February 17, 2004, the City Council adopted Senior Housing Ordinance No. 2927-04, amending the zoning ordinance to establish standards for senior citizen housing. On March 2, 2004, the City Council approved the Montecito Senior Housing development, located at 2001 Artesia Boulevard, consisting of 60 residential condominium units. In compliance with Ordinance No. 2927-04, a condition of project approval required the developer to enter into an Affordable Housing Agreement with the City to provide and restrict by deed five (5) units as affordable for low- and moderate-income households for a minimum of fifty-five (55) years from the date of construction, in accordance with applicable state and local laws.

The current owner is requesting to sell one of the moderate-income units (#301) within the Montecito development. Pursuant to State and local requirements, this income-restricted unit must be sold to a qualified moderate-income household. To preserve affordability and ensure continued compliance with the City's inclusionary housing requirements, Housing Authority approval is required for the execution of the Escrow Instructions Letter, the Agreement Containing Covenants, Restrictions, and Option to Purchase, and all related documents necessary for the sale and ongoing regulation of this affordable housing unit. The same materials will be presented to the City Council for concurrent approval during its special meeting scheduled for the same evening.

BACKGROUND

The City Council adopted Ordinance No. 2927-04 on February 17, 2004, amending the zoning ordinance to establish standards for housing for senior citizens. The Ordinance includes an inclusionary housing requirement that ten percent (10%) of the senior housing units be affordable to low- and moderate-income households in proportion to the housing needs identified in the City's Housing Element. These units must remain affordable for a period of not less than fifty-five (55) years from the effective date of the Affordable Housing Agreement, which is February 20, 2008.

Pursuant to State and local requirements, the income-restricted unit at 2001 Artesia Boulevard, Unit #301, may be sold only to qualified moderate-income households. Moderate-income levels are based on a Countywide formula, with limits determined by household size in relation to the County's median income.

The current owner of Unit #301 has requested approval to sell the property and has identified a qualified moderate-income buyer. The attached Agreement is a recorded instrument ensuring the long-term maintenance of affordability restrictions. As part of the transaction, Housing staff will verify the buyer's eligibility and income qualification in accordance with State and local guidelines. The maximum allowable sales price for this unit is \$304,400, consistent with affordability standards under State law.

The Affordable Housing Agreement and associated documents for this transaction include:

1. Agreement Containing Covenants, Restrictions, and Option to Purchase –ensuring long-term affordability, providing notice of affordability restrictions to future purchasers and lenders, and reserving the City's purchase rights.
2. Performance Deed of Trust – securing the developer's and purchaser's obligations under the Agreement to ensure continued compliance for the full term of affordability.
3. Escrow Instructions Letter – authorizing the execution and recordation of the necessary affordability documents at the close of escrow.

Approval of these documents will authorize the Chairman to execute the agreements on behalf of the Housing Authority and to take any actions necessary to complete the sale in compliance with the City's affordable housing requirements.

COORDINATION

The City Attorney's office has approved the Affordability Housing Agreement and all necessary and related documents as to form.

FISCAL IMPACT

The Affordable Housing Program activities are processed through the City's Housing Authority office. The Housing Authority has received a \$50.00 fee for this transaction.

Submitted by:
Elizabeth Hause, Housing Administrator

Approved for forwarding by:
Mike Witzansky, City Manager

Attachments:

- Agreement Containing Covenants, Restrictions and Option to Purchase (Moderate Income)
- Performance Deed of Trust (Option to Cure and Purchase Agreement)
- Escrow Instructions Letter
- Request for Notice – City Attorney's Office
- Request for Notice – City of Redondo Beach

RECORDING REQUESTED BY:

City of Redondo Beach

WHEN RECORDED MAIL TO:

City of Redondo Beach
City Attorney's Office
415 Diamond Street
Redondo Beach, California 90277
Attention: Joy A. Ford, Esq.

(No Fee per Government Code § 27383)

**AGREEMENT CONTAINING
COVENANTS, RESTRICTIONS AND OPTION TO PURCHASE
[MODERATE INCOME]**

Owner: Debra Merrill

Residence Address: 2001 Artesia Boulevard, #301, Redondo Beach, California 90278

This agreement, entitled Agreement Containing Covenants, Restrictions and Option to Purchase (the "Agreement") is entered into as of this 21st day of October, 2025 by and among the City of Redondo Beach, a chartered municipal corporation (the "City"), the Housing Authority of the City of Redondo Beach, a public body, corporate and politic (the "Authority") and Debra Merrill (the "Owner").

RECITALS

- A. The City and Authority have determined that it is desirable to stimulate the purchase of homes by Moderate Income Senior Households, and that such households should not be forced to pay housing costs in excess of an amount that is affordable.
- B. Concurrently with the execution of this Agreement, Owner is purchasing the Residence for a purchase price that is affordable to Owner as the result of the following agreements:
 - 1. Affordable Housing Agreement Imposing Restrictions on Real Property by and between the City and Watt Communities at the Montecito, LLC, a California limited liability company dated October 17, 2006, and recorded May 5, 2008 as Instrument No. 2008-0785404 of the official records of Los Angeles County, California;
 - 2. The Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for The Montecito – Tract No. 60361 dated May 16, 2007, and recorded May 5, 2008 as Instrument No. 2008-785401 in the official records of Los Angeles County, California; and

3. Related Amendments including but not limited to the Sixth Amendment to the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for The Montecito – Tract No. 60361 dated February 6, 2012 and recorded February 21, 2012 as instrument No. 2012-0274129, in the official records of Los Angeles County, California.
 4. Addendum to Grant Deed Covenants, Restrictions and Option to Purchase (Moderate Income) between the City, the Redevelopment Agency of the City, and Alma D. Harshman, dated February 16, 2010 attached as Exhibit A to Grant Deed (Condominium) by Watt Communities at the Montecito, LLC (Grantor) and Alma D. Harshman (Grantee), recorded on March 8, 2010 as Instrument No. 2010-0310688, in the official records of Los Angeles County, California.
- C. In order to preserve the affordability of the Residence for Moderate Income Senior Households, and in return for and in consideration of the opportunity for the seller to sell and the Owner to purchase the Residence under the above-referenced circumstances and for other good and valuable consideration, the receipt and legal sufficiency of which the undersigned hereby acknowledges, the Owner, on behalf of himself, herself, or themselves and with the express intent to bind all those defined as “Owner” in Section 1 below, has agreed to execute this Agreement.
- D. The purpose of this Agreement is to place certain use restrictions on the Residence, establish resale controls with respect to the Residence and reserve to the City and Authority an option to purchase or designate an Eligible Purchaser to purchase the Residence from Owner in order to provide for the continued availability of such Residence to Moderate Income Senior Households.

NOW, THEREFORE, in consideration of the benefits received by the Owner, the City and the Authority, the parties agree as follows:

5. DEFINITIONS

As used in this Agreement, the following capitalized terms shall have the corresponding meanings which follow, or are specifically defined in the sections indicated below.

- a. “Deficiencies” – Section 5.
- b. “Designee” – Section 6.
- c. “Eligible Purchaser” shall mean a prospective purchaser of the Residence who meets the then-current requirements established by the City or Authority.
- d. “Excess Proceeds” – Section 9.

- e. “Moderate Income Affordable Purchase Price” shall mean a purchase price resulting in a monthly housing cost to the buyer which does not exceed to one-twelfth (1/12) of the product of thirty-five percent (35%) of one hundred ten percent (110%) of the area median income for Los Angeles County, adjusted for household size appropriate to the unit, as published annually by the California Department of Housing and Community Development (“HCD”), and measured at the time the purchaser and the seller enter into a purchase and sale agreement for the Residence. For purposes of determining affordable sale price, the term “household size appropriate to the unit” shall mean the number of bedrooms in the unit plus one.
- f. “Moderate Income Senior Citizen Household” shall mean a Senior Citizen Household whose income level does not exceed a maximum of one hundred twenty percent (120%) of the area median income for Los Angeles County, as published annually by HCD, adjusted for the purchaser’s actual household size, and determined in accordance with California Health & Safety Code Section 50093 published criteria from time to time in effect.
- g. “Owner” shall mean the person or persons listed in the first sentence of this Agreement, as well as any and all assignees, transferees or successors-in-interest to the Residence.
- h. “Mortgage Financing” – shall mean a purchase money loan of funds to be used by the Eligible Purchaser for the acquisition of the Residence. The maximum allowable mortgage is set at 95% of the Moderate Income Affordable Purchase Price. The Primary Mortgage must be fully amortizing loan with a fixed interest rate. Negatively amortizing loans and variable interest rate loans are not permitted.
- i. “Residence” – Section 2.
- j. “Restricted Period” shall mean fifty-five (55) years commencing from the date the first Certificate of Occupancy for the Residence is issued.
- k. “Sales Price” shall mean the total compensation payable by a purchaser for the Residence.
- l. “Senior Citizen Household” shall mean a household where at least one person in residence is fifty-five (55) years of age older and such person intends to reside in the Residence as his/her/their primary residence on a permanent basis. Any other person residing in the Residence shall be a “qualified permanent resident” or a “permitted health care resident” as provided in the Unruh Civil Rights Act, California Civil Code Section 51, et seq., or the Federal Fair Housing Act, 42 USC Section 3607, and all other applicable federal, state and local laws and regulations governing the use and occupancy of the development.

- m. “Transfer” shall mean any sale, assignment or transfer, voluntary or involuntary, of any interest in the Residence, including, but not limited to, a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest, or an interest evidenced by a land contract by which possession of the Residence is transferred and Owner retains title. Any Transfer without satisfaction of the provisions of this Agreement is prohibited. Transfers by gift, devise, or inheritance to an existing spouse, surviving joint tenant, or a spouse as part of a dissolution proceeding or in connection with marriage, or by devise or inheritance to children, shall be a “Excluded Transfer” for purposes of this Agreement; provided, however, that transferees of any Excluded Transfer shall be bound by all covenants, conditions, restrictions, limitations and provisions contained in this Agreement, including, but not limited to, promptly providing the City and Authority with the “Notice of Excluded Transfer” upon any such Excluded Transfer.

6. DESCRIPTION OF PROPERTY

This Agreement concerns the real property commonly known as 2001 Artesia Boulevard, #301, Redondo Beach, California, 90278, which is more fully described in Exhibit A attached hereto and incorporated herein by reference (the “Residence”). The Residence shall also include any and all improvements constructed on the real property whether now or in the future.

7. OWNER CERTIFICATION

Owner certifies the following:

- a. The financial and other information provided in order to qualify to purchase the Residence is true and correct; and
- b. Owner shall occupy the Residence as Owner’s principal place of residence.

8. OWNER-OCCUPANCY; LEASING OF RESIDENCE

- a. For the term of this Agreement, Owner shall occupy the Residence as his/her/their primary residence, and the Residence shall be used as the primary residence of Owner and Owner’s household and for no other purpose.
- b. Except as provided herein, for the term of this Agreement, the Owner shall not lease the Residence. Notwithstanding the foregoing, the Owner may lease the Residence to Moderate Income Senior Citizen Households at a monthly rental rate not to exceed the affordable rent based on the calculation methodology set forth in California Health and Safety Code Section 50053. The Owner shall provide copies of all rental/lease agreements to the City and Authority. Any lease in violation of this restriction shall be void and shall constitute a default by the Owner under this Agreement.

- c. The Authority shall have the right to monitor compliance with this Section 4 by requesting that the Owner provide the Authority, not more frequently than annually, the following:
 - i. A written certification under penalty of perjury that the Residence is occupied by the Owner as his/her/their primary residence, accompanied by supporting documentation reasonably satisfactory to the Authority; or
 - ii. If the Residence is not owner-occupied, documentation evidencing the fulfillment of the Section 4.b. requirements, including, without limitation, all of the following: a copy of the lease then in effect and the written consent signed by the Authority Executive Director or designee; a written certification under penalty of perjury stating when the Residence was last owner-occupied, accompanied by supporting documentation reasonably satisfactory to the Authority, and stating the amount of monthly rent collected under the lease; and documentation reasonably satisfactory to the Authority that the Owner is making a reasonable effort to sell the Residence to an Eligible Purchaser.
- d. In the event of a breach or threatened breach of this Section 4, in addition to any other rights and remedies available to the City and Authority, whether at law or in equity, the City and Authority shall be entitled to institute legal action to enforce performance of this Section 4, to enjoin any actions which are in breach of this Section 4, and to seek to recover any excess rent that may have been paid to Owner.
- e. These owner-occupancy restrictions may be modified or terminated only upon the written approval of the City and Authority. Any modification or termination must be in writing and recorded in the Official Records of the Office of the County Recorder of Los Angeles County.
- f. Owner shall be considered as occupying the Residence if Owner is living in the Residence for at least ten (10) months out of each calendar year.

9. MAINTENANCE OF PROPERTY

Owner agrees it shall maintain the interior and exterior of the Residence and any landscaping on the Residence in good condition and repair and in a manner consistent with the community standards which will uphold the value of the Residence, and in accordance with all applicable City codes. Failure to maintain the Residence in accordance with this Section 5, including, but not limited to, any violations of applicable building, plumbing, electric, fire, housing or other applicable City of Redondo Beach Building Codes, shall be a default by the Owner under this Agreement. In the event the City or Authority, in its sole discretion, determines that the Owner has failed to maintain the Residence, the City or Authority shall notify Owner with regard to any noted code violations and maintenance

deficiencies (collectively, the “Deficiencies”), and Owner shall cure the Deficiencies in a reasonable manner, acceptable to the City or Authority, within sixty (60) days following the date of such notice. Should Owner fail to cure all the Deficiencies prior to the time set forth herein, the City, Authority, or designee, shall have the right, but not the obligation, to enter the Residence, correct any Deficiency, and hold the Owner responsible for the cost thereof. Any cost incurred by the City or Authority to cure any such Deficiency, until paid, shall constitute a lien on the Residence pursuant to Civil Code Section 2881.

10. NOTICE OF INTENDED TRANSFER

In the event Owner intends to Transfer the Residence, Owner shall promptly notify the Authority and City in writing of such intent (“Owner’s Notice”). The written notice shall be given in accordance with Section 21 of this Agreement at least sixty (60) days prior to the actual date of any Transfer; provided, however, that in the event of an Excluded Transfer, the written notice shall occur within ninety (90) days after the date of such Excluded Transfer (“Notice of Excluded Transfer”).

Following receipt of the Owner’s Notice, the City or Authority shall notify Owner of the Resale Price that may be paid for the Residence and may exercise its Option, as defined below, to purchase the Residence or designate an Eligible Purchaser (“Designee”) to purchase the Residence, as provided in Section 8, below.

11. DETERMINATION OF RESALE PRICE

The maximum Sales Price that the Owner may receive for any type of Transfer of the Residence (“Resale Price”) shall be the Moderate Income Affordable Purchase Price at the time of such Transfer.

12. OPTION

As a material part of the consideration for this Agreement, Owner covenants and agrees for itself, its successors and its assigns and every successor in interest to the Residence, that for the Restricted Period, Owner hereby grants the City an option to purchase the Residence or designate an Eligible Purchaser to purchase the Residence from Owner (the “Option”) on the terms and conditions set forth in this Section 8 and in the manner set forth herein.

- a. Events Precipitating City’s Option to Purchase. The Owner agrees the City’s Option may be exercised upon the occurrence of any of the following:
 - i. An uncured default by Owner under this Agreement, subject to the notice and cure provisions of Section 10;
 - ii. An uncured default under any promissory note, deed of trust or any other lien, including, without limitation, a judgment lien, recorded against, secured by, or encumbering the Residence; or

- iii. Owner's Notice of Intent to Transfer the Residence.

- b. Time and Manner of Exercising Option. The Option may be exercised by the City delivering to Owner written notice of such exercise. Upon the City's knowledge of the occurrence of any event listed in subsection a. above, the City shall have sixty (60) days to notify Owner of its decision to exercise its Option. The notification to Owner regarding the Option exercise shall be pursuant to Section 21 of this Agreement. The City shall have the right, in its sole discretion, to assign the Option to the Authority upon written notice to the Owner that the Option has been assigned to the Authority. In the event the Option is assigned to the Authority, the Authority shall be entitled to the rights of the City in relation to the Option as set forth herein and shall be obligated under the terms and the covenants of this Section 8.

- c. Payment for Option. Upon the occurrence of an event listed in subsection a. above, and the exercise by the City of its Option, the City shall pay (or in the event City designates an Eligible Purchaser, cause to be paid by such Designee), the Resale Price to Owner at the close of escrow, pursuant to subsection d, below.

- d. Escrow. Within thirty (30) days following the exercise of the Option, the parties agree that the City shall open, or cause to be opened, an escrow with a title insurance company or such other escrow agent reasonably acceptable to the City (the "Escrow Agent") and the parties agree to execute escrow instructions with Escrow Agent as may be required by Escrow Agent, or to implement or give effect to the terms and conditions of this Agreement. The parties agree to the following escrow terms and conditions:
 - i. The escrow shall be for a period of ninety (90) days or sooner if mutually agreed by the parties;

 - ii. The City agrees that it will pay, or cause to be paid by the Designee, the Resale Price upon the close of escrow or as otherwise mutually agreed to by the parties. Notwithstanding the foregoing, should Owner fail to cure all Deficiencies, if any, in accordance with Section 5 prior to the close of escrow, the Owner hereby agrees that the Escrow Agent shall withhold that portion of the Resale Price necessary to pay for curing the Deficiencies, based upon written estimates obtained and submitted to the Escrow Agent by the City. The City and/or Designee shall cause the Deficiencies to be cured and, upon certification of completion of work by the City and/or Designee, the Escrow Agent shall disburse such funds to the City and/or Designee to pay for said work. Any remaining funds shall be disbursed by the Escrow Agent to Owner;

- iii. The Owner agrees that it shall pay the premium for a standard C.L.T.A. policy of owner's title insurance issued by the Escrow Agent or title insurance company reasonably acceptable to the City in the amount of the Resale Price, insuring title to the Residence in the City's (or Designee's, as the case may be) name, subject only to those matters approved by the City or Designee in writing. In the event the City (or Designee, as the case may be) requests an A.L.T.A. policy of owner's insurance and/or any title endorsements, the additional costs associated with the issuance of an A.L.T.A. policy or the endorsements shall be paid by the City (or Designee, as the case may be);
 - iv. In the event the City exercises its Option pursuant to Section 8.a.iii., the Owner and City agree that all costs and fees charged in connection with the closing and escrow shall be borne one-half (1/2) by the City (or Designee, as the case may be) and one-half (1/2) by the Owner. In the event the City exercises its Option pursuant to Section 8.a.i. or Section 8.a.ii., the Owner agrees to pay all costs and fees charged in connection with the closing and escrow;
 - v. The Owner agrees that it shall deposit in escrow for delivery to the City (or Designee, as the case may be) a grant deed to the City or Designee (in such form as may be reasonably acceptable to the City or Designee in his/her/their sole discretion);
 - vi. Taxes and assessments shall be prorated at the close of escrow with Owner paying all such taxes and assessments due and payable prior to the close of escrow and City (or Designee, as the case may be) paying all such taxes and assessments due and payable following the close of escrow;
 - vii. Owner agrees that title shall be conveyed by Owner at the close of escrow to the City (or Designee, as the case may be) free and clear of all mortgages, deeds of trust, liens and encumbrances. Owner agrees that any costs to remove or satisfy any mortgages, deeds of trusts, liens or encumbrances shall be the responsibility of Owner, at Owner's sole cost and expense; and
 - viii. Any other terms or conditions mutually agreed to by the parties.
- e. Priority of Option. The Option granted pursuant to this Agreement shall be senior in priority to any lien or encumbrance.

13. RESTRICTED TRANSFER BY OWNER

- a. In the event the City does not exercise its Option pursuant to Section 8, above, Owner may Transfer the Residence to an Eligible Purchaser for not more than the Resale Price.
- b. In the event the City does not exercise its Option pursuant to Section 8, above, and Owner experiences an extreme hardship, Owner may submit written request to the City or Authority to waive the requirement that the purchaser of the Residence be an Eligible Purchaser and/or the requirement that the Sales Price not exceed the Resale Price. Within one hundred and twenty (120) days of such written request, the City may, in its sole discretion, approve the Transfer of the Residence to a non-Eligible Purchaser and/or the Transfer of the Residence in excess of the Resale Price. Upon the issuance by the City or Authority of a written waiver of the requirement that the purchaser be an Eligible Purchaser and/or the requirement that the Sales Price not exceed the Resale Price, subject to the provisions of this Section 9.b. and 9.c., Owner may Transfer the Residence to the non-Eligible Purchaser and/or may Transfer the Residence for an amount in excess of the Resale Price, as applicable. Any such transferee shall execute and record a covenant against the Residence, running to the benefit of the City and Authority, requiring that the transferee will occupy the Residence, subject to limited leasing rights, as provided in Section 4, of this Agreement.
- c. In the event the City or Authority waives the requirement that the Sales Price not exceed the Resale Price, the City shall be entitled to receive, and Owner shall pay to the City, an amount equal to 50% of the "Excess Proceeds". "Excess Proceeds" shall mean the Sales Price minus the sum of the following: repayment in full of any mortgage encumbering the Residence, and reimbursement to the Owner in the amount of the sum of the Owner's original down payment, the cost of any Capital Improvements made by the Owner and any payments made by the Owner to reduce to the principal balance of the mortgage prior to the sale.

14. REFINANCING

Owner shall be permitted to refinance the Primary Mortgage provided that the replacement mortgage is a fully amortizing, fixed interest rate loan that does not exceed the sum of the then current principal balance of the existing Primary Mortgage and reasonable and customary closing costs.

15. DEFAULTS AND REMEDIES

Upon a violation of any of the provisions of this Agreement by Owner, the City or Authority shall give written notice to Owner specifying the nature of the violation. If the violation is not corrected to the satisfaction of City or Authority within thirty (30) days

after the date the notice is mailed, or within such further time as City or Authority determines is necessary to correct the violation, City or Authority may declare a default under this Agreement. Upon the declaration of a default or if Owner makes any misrepresentation in connection with receiving any benefits under this Agreement, City or Authority may apply to a court of competent jurisdiction for specific performance of the obligations of this Agreement, for an injunction prohibiting a proposed Transfer in violation of this Agreement, for a declaration that a Transfer in violation of the provisions of this Agreement is void or any such relief at law or in equity as may be appropriate. Owner, and/or Owner's purchaser or transferee in those circumstances where a Transfer has occurred in violation of this Agreement, shall hold the City, Authority and their employees or other agents harmless and reimburse the expenses, legal fees and costs for any action the City, the Authority or their employees or other agents take in enforcing the provisions of this Agreement.

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise or failure to exercise one or more of such rights or remedies by either party shall not preclude the exercise by it, at the same time or different times, of any right or remedy for the same default or any other default by the other party. Rights and remedies hereunder shall be in addition to and shall in no way limit any other rights and remedies provided by law or in equity. No waiver by the City or Authority of any default or breach by the Owner hereunder shall be implied from any omission by the City or Authority to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver, and such waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by the City or Authority to or of any act by the Owner requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act. The exercise of any right, power, or remedy shall in no event constitute a cure or a waiver of any default under this Agreement, nor shall it invalidate any act done pursuant to notice of default, or prejudice the City or Authority in the exercise of any right, power, or remedy hereunder.

16. NOTICE OF DEFAULT AND FORECLOSURE

Owner agrees the City and Authority shall have the right to record against title to the Residence a request for notice of default and any notice of sale under any deed of trust or mortgage with power of sale encumbering the Residence in the Office of the Recorder of Los Angeles County in substantially the form attached hereto as Exhibit B ("Notice of Sale"). The Owner shall provide to the City and Authority a written copy of any notice of default or notice of sale under any deed of trust or mortgage with power of sale encumbering the Residence immediately upon receipt by the Owner. The City or Authority may declare a default under this Agreement upon receipt of any notice given to the City and Authority pursuant to Civil Code Section 2924b or pursuant to this Section, and may exercise its remedies as provided in Section 8 and Section 10. In the event of default or foreclosure of such deed of trust or mortgage, the City or Authority shall have the same right as the Owner to cure defaults and redeem the Residence prior to foreclosure sale.

Nothing contained herein shall be construed as creating any obligation of the City or Authority to cure any such default, nor shall this right to cure and redeem operate to extend any time limitations in the default provisions of the underlying deed of trust or mortgage.

17. NON-LIABILITY OF THE CITY AND AUTHORITY

In no event shall the City or Authority become in any way liable or obligated to Owner or to any successor-in-interest of Owner by reason of the Option, nor shall the City or Authority be in any way obligated or liable to Owner or any successor- in-interest of Owner for any failure to exercise such Option.

18. BINDING ON SUCCESSOR AND ASSIGNS

Notwithstanding any other provision of law, this Agreement shall run with the land and shall be enforceable against the Owner, his/her/their heirs, legal representatives, executors, successors-in-interest, assigns and transferees by the City, the Authority and their successors. Without limiting the generality of the foregoing, any party, and its successors and assigns, receiving title to the Residence through a trustee's sale, a judicial foreclosure sale, or deed in lieu of foreclosure of such deed of trust or mortgage, and any conveyance or transfer thereafter, shall be bound by all covenants, conditions, restrictions, limitations and provisions contained in this Agreement.

19. SUPERIORITY OF AGREEMENT

Owner covenants that the Owner has not, and will not, execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that, in any event, the Owner understands and agrees that this Agreement shall control the rights and obligations between the parties.

20. OBLIGATION TO REFRAIN FROM DISCRIMINATION

Owner covenants and agrees for itself, its successors, its assigns and every successor in interest to the Residence or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Residence nor shall Owner itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Residence. This covenant shall run in perpetuity.

21. FORM OF NONDISCRIMINATION AND NONSEGREGATION CLAUSES

All deeds, leases or contracts relating or pertaining to the Residence shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

- a. In deeds: “The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee itself or any person claiming under or through it, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.”
- b. In leases: “The lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, or ancestry in the leasing, subleasing, renting, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall the lessee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein leased.”
- c. In contracts: “There shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land.”

22. TERMINATION OF COVENANTS, RESTRICTIONS AND OPTION TO PURCHASE

The covenants, conditions, restrictions, limitations and provisions of this Agreement shall remain in effect with respect to the Residence for the longest feasible time, as determined by the City or Authority, but not less than the Restricted Period, except for the covenants, conditions, restrictions, limitations and provisions contained in Section 15 and 16 which shall run in perpetuity.

23. DEED OF TRUST

Each and every condition, obligation, covenant and agreement contained in this Agreement shall at all times throughout the term be secured by a deed of trust in favor of the City and the Authority (“Deed of Trust”), substantially in the form attached hereto as Exhibit C. Owner agrees to execute and deliver the Deed of Trust (in recordable form) and it shall be recorded against the Residence. The Deed of Trust will be subordinate to any liens securing financing for Owner’s purchase of the Residence, but this Agreement shall be senior to any such liens and shall not be extinguished by foreclosure, a deed in lieu of foreclosure or power of sale, or sale.

24. ENFORCEMENT

The City, the Authority, and their successors and assigns are deemed to be the beneficiaries of the terms and provisions of this Agreement and the covenants herein, both for and in their own right and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit this Agreement and the covenants running with the land have been provided. The City and the Authority shall have the right if any covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it is entitled. No remedy herein conferred upon or reserved by the City and Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of such right or power, but any such right or power may be exercised from time to time and as often as City or Authority may deem expedient. In order to entitle the City and Authority to exercise any remedy reserved to it in this Agreement, it shall not be necessary to give any notice, other than such notice as may be herein expressly required or required by law to be given. The City and Authority may, in their sole discretion, designate, appoint or contract with any other public agency, for-profit or non-profit organization as a beneficiary of this Agreement.

25. INVALID PROVISIONS

If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

26. CONTROLLING LAW

The terms of this Agreement shall be interpreted under the laws of the State of California.

27. NOTICES

All notices required herein shall be sent by certified mail, return receipt requested, as follows:

To the Owner:

Debra Merrill
2001 Artesia Boulevard, #301
Redondo Beach, California 90278

To the City:

City of Redondo Beach
City Attorney's Office
415 Diamond Street
Redondo Beach, California 90277
Attention: Joy A. Ford

To the Authority

The Housing Authority of the City of Redondo Beach
415 Diamond Street
Redondo Beach, California 90277
Attention: Director of Community Services
Attention: Housing Manager

or such other address that the City, the Authority of Owner may subsequently request in writing.

28. INTERPRETATION OF AGREEMENT

The terms of this Agreement shall be interpreted to encourage to the extent possible that the Resales Price and any mortgage payments of the Residence remain affordable to Moderate Income Senior Citizen Households.

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By signature herein below the Owner hereby accepts and approves the foregoing, agrees to be bound by the provisions of this deed, and grants to the City and Authority such powers and rights that are set forth in this Agreement.

“OWNER”

Date:

OCT. 09, 2025

By:


Debra Merrill

[remainder of page left intentionally blank]

[signatures continue on the following page]

A notary public or other officer completing this certificate only verifies the identity of the individuals who signed documents to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On this 9 day of October, 2025 before me, Jasmine N. Venegas
Notary Public, personally appeared, Debra Merrill, who proved
to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the
same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed
the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Handwritten Signature] (Seal)



A notary public or other officer completing this certificate only verifies the identity of the individuals who signed documents to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On this ___ day of _____, 20___, before me, _____,
Notary Public, personally appeared, _____, who proved
to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the
same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed
the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

Accepted and agreed to by the City this 21st day of October, 2025.

CITY OF REDONDO BEACH, a chartered
municipal corporation

Date: _____ By: _____
James A. Light
Mayor

APPROVED AS TO FORM:
Joy A. Ford
City Attorney

By: _____
Joy A. Ford

ATTEST:

By: _____
Eleanor Manzano
City Clerk

[Signatures continue on following page]

Accepted and agreed to by the Authority this 21st day of October, 2025.

HOUSING AUTHORITY OF THE CITY OF
REDONDO BEACH, a public body, corporate
and politic

Date: _____ By: _____
James A. Light
Chairman

APPROVED AS TO FORM:
Joy A. Ford
General Counsel for Authority

By: _____
Joy A. Ford

ATTEST:

By: _____
Eleanor Manzano
Secretary

A notary public or other officer completing this certificate only verifies the identity of the individuals who signed documents to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On this ____ day of _____, 20__, before me, _____, Notary Public, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

A notary public or other officer completing this certificate only verifies the identity of the individuals who signed documents to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On this ____ day of _____, 20__, before me, _____, Notary Public, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

EXHIBIT "A"
LEGAL DESCRIPTION

Real property in the City of Redondo Beach, County of Los Angeles, State of California, described as follows:

A CONDOMINIUM COMPOSED OF:

PARCEL 1:

A) AN UNDIVIDED 874/47,349 INTEREST IN AND TO LOT 1 OF TRACT NO. 60361, IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1329, PAGE(S) 43 TO 45, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM UNITS 201R TO 216R, INCLUSIVE, 301R TO 316R, INCLUSIVE, AND 401PH AND 416PH, INCLUSIVE, AS SHOWN AND DEFINED ON THE CONDOMINIUM PLAN RECORDED MAY 5, 2008 AS INSTRUMENT NO. 2008-0785400, OFFICIAL RECORDS.

B) UNIT 301, AS SHOWN AND DEFINED ON THE CONDOMINIUM PLAN ABOVE MENTIONED.

PARCEL 2:

AN EXCLUSIVE EASEMENT FOR PARKING SPACE PURPOSES OVER THOSE AREAS NUMBERED "34PS" AS SHOWN AND DEFINED AS EXCLUSIVE USE COMMON AREA ON THE CONDOMINIUM PLAN ABOVE MENTIONED.

PARCEL 3

AN EXCLUSIVE EASEMENT FOR BALCONY OR PATIO PURPOSES OVER THOSE AREAS BEARING THE UNIT NUMBER DESIGNATION FOLLOWED BY THE LETTER "B" AS SHOWN AND DEFINED AS EXCLUSIVE USE COMMON AREA ON THE CONDOMINIUM PLAN ABOVE MENTIONED.

PARCEL 4

AN EXCLUSIVE EASEMENT FOR STORAGE CLOSET PURPOSES OVER THOSE AREAS BEARING THE UNIT NUMBER DESIGNATION FOLLOWED BY THE LETTER "S" AS SHOWN AND DEFINED AS EXCLUSIVE USE COMMON AREA ON THE CONDOMINIUM PLAN ABOVE MENTIONED.

Assessor's Parcel Number: 4155-030-078

**EXHIBIT B
NOTICE OF SALE**

[BEHIND THIS PAGE]

RECORDING REQUESTED BY:

City of Redondo Beach

WHEN RECORDED MAIL TO:

City of Redondo Beach
City Attorney's Office
415 Diamond Street
Redondo Beach, California 90277
Attention: Joy A. Ford, Esq.

(No Fee per Government Code § 27383)

**PERFORMANCE DEED OF TRUST
(Option to Cure and Purchase Agreement)**

THIS PERFORMANCE DEED OF TRUST (this "Deed of Trust") dated as of October 21, 2025 is entered into by Debra Merrill, an unmarried woman ("Trustor") whose address is 2001 Artesia Boulevard, #301, Redondo Beach, California 90278 in favor of First American Title ("Trustee"), for the benefit of the City of Redondo Beach, a chartered municipal corporation (the "City") whose address is 415 Diamond Street, Redondo Beach, California 90277 and the Housing Authority of the City of Redondo Beach, a public body, corporate and politic (the "Authority") whose address is also 415 Diamond Street, Redondo Beach, California 90277 (the City and Authority are referred to hereinafter collectively and individually as the "Beneficiary").

Trustor, in consideration of the obligations referred to below and the trust hereby created, irrevocably grants, transfers, conveys, and assigns to Trustee, in trust, with power of sale, Trustor's fee interest in and to that real property located in the City of Redondo Beach, County of Los Angeles, State of California, described in Exhibit "A" attached hereto and incorporated herein by this reference.

TOGETHER WITH: All rights, title and interest (including any claim or demand in law or equity) which Trustor now has or may hereafter acquire in or to such property; all easements and rights of way appurtenant to such property; all crops growing or to be grown on such property; all water and water rights (whether or not appurtenant to such property) and shares of stock pertaining to such water or water rights, ownership of which affects such property; all minerals, oil, gas, and other hydrocarbon substances and rights thereto in, on, under, or upon such property and all royalties and profits from any such rights or shares of stock. The real property described in Exhibit "A" attached hereto shall be referred to as the "Property".

FOR THE PURPOSE OF SECURING: performance of Trustor's obligation to allow the Beneficiary to cure any default or otherwise purchase the Property in accordance with, and subject to, the terms and conditions of the October 21, 2025 Agreement

Containing Covenants, Restrictions and Option to Purchase [Moderate Income] ("Covenant Agreement") executed by Trustor and Beneficiary, recorded concurrently herewith and incorporated herein by reference.

**TO MAINTAIN AND PROTECT THE SECURITY OF THIS DEED OF TRUST,
TO SECURE THE FULL AND TIMELY PERFORMANCE BY TRUSTOR OF
THE SECURED OBLIGATION, TRUSTOR HEREBY COVENANTS AND
AGREES AS FOLLOWS:**

1. Maintenance of the Property. Trustor will:
 - a. keep the Property in good condition;
 - b. not permit any mechanic's or materialman's lien to arise against the Property;
 - c. comply with all laws having a material effect on the Property; and
 - d. not commit or permit waste on or to the Property.
2. Taxes and Other Sums Due. Trustor will promptly pay, satisfy and discharge when due:
 - a. prior to delinquency, all general and special taxes, and assessments, water and sewer district charges, rents and premiums affecting the Property; and
 - b. all encumbrances, charges and liens on the Property, with interest thereon, which are prior or superior to the lien of this Deed of Trust. Upon request by Beneficiary, Trustor will promptly furnish Beneficiary with all notices of sums due for any amounts specified in subparagraph (a) hereof, and upon payment of any such sum by Trustor, Trustor will promptly furnish Beneficiary with written evidence of such payment. Should Trustor fail promptly to make any payment required hereunder, Beneficiary may (but is not obligated to), at Beneficiary's sole expense, make such payment. Trustor will notify Beneficiary immediately upon receipt by Trustor of notice of any increase in the assessed value of the Property and agrees that Beneficiary, in the name of Trustor, may (but is not obligated to), at Beneficiary's expense, contest by appropriate proceedings such increase in assessment.
3. Lease of the Property by Trustor. Except as permitted under the Covenant Agreement, Trustor shall not enter into a lease for all or any portion of the Property.
4. Defense of Deed of Trust; Litigation. Trustor will give Beneficiary immediate written notice of any action or proceeding (including, without limitation, any judicial or non-judicial proceeding to foreclose the lien of a junior or senior mortgage or deed of trust) affecting or purporting to affect the Property or this Deed of Trust. Trustor shall commence, appear in, prosecute, defend, compromise and

settle, and incur necessary costs and expenses, including reasonable attorneys' fees, in so doing, any action or proceeding, whether judicial or non-judicial, deemed necessary in Beneficiary's reasonable judgment to preserve or protect the Property or this Deed of Trust. Trustor shall utilize counsel reasonably satisfactory to Beneficiary in connection with any such action or proceeding. Trustor will pay all costs and expenses of Beneficiary and Trustee, including costs of evidence of title and reasonable attorneys' fees, in any such action or proceeding in which Beneficiary or Trustee may appear or for which legal counsel is sought, whether by virtue of being made a party defendant or otherwise, and whether or not the interest of Beneficiary or Trustee in the Property is directly questioned in such action or proceeding, including, without limitation, any action for the condemnation or partition of all or any portion of the Property and any action brought by Beneficiary to foreclose this Deed of Trust or to enforce any of its terms or provisions.

5. Failure of Trustor to Comply with Deed of Trust. Should Trustor fail to do any act required by this Deed of Trust, or should there be any action or proceeding (including, without limitation, any judicial or non-judicial proceeding to foreclose the lien of a junior or senior mortgage or deed of trust) affecting or purporting to affect the Property or this Deed of Trust, Beneficiary or Trustee may (but is not obligated to):
 - a. Make any such payment or do any such act in such manner and to such extent as either deems necessary to preserve or protect the Property or this Deed of Trust, Beneficiary and Trustee being authorized to enter upon the Property for any such purpose; and
 - b. In exercising any such power, pay necessary expenses, employ attorneys and pay reasonable attorneys' fees incurred in connection therewith, without notice to or demand upon Trustor and without releasing Trustor from any obligation hereunder.
6. Amounts Advanced to Bear Interest. At Beneficiary's request, Trustor will immediately pay any expenses or other amounts advanced or paid by Beneficiary or Trustee under any provision of this Deed of Trust. Until so repaid, all such amounts shall be added to, and become a part of, the indebtedness secured hereby and bear interest from the date of advancement or payment by Beneficiary or Trustee at the highest rate then allowed by applicable law.
7. Default. Each of the following shall constitute a "**Default**" under this Deed of Trust:
 - a. The filing by Trustor of any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors; or
 - b. In the event that after the date hereof, except as provided in the Covenant Agreement Trustor sells, contracts to sell, gives an option to purchase,

conveys, transfers or alienates the Property, or suffers its title to, or any interest in the Property to be divested, whether voluntarily or involuntarily;
or

- c. Trustor defaults under the terms and conditions of the Covenant Agreement.
8. Remedies on Default. In the event of any Default hereunder which remains uncured following notice from Beneficiary and any cure period for such Default set forth herein, Beneficiary, at Beneficiary's option, and to the extent permitted by applicable law, may, by delivering to Trustee a written declaration of default and demand for sale, executed by Beneficiary and reciting facts demonstrating such default by Trustor, together with a written notice of default, cure any defaults or purchase the Property pursuant to the terms of the Covenant Agreement. Beneficiary shall also deposit with Trustee the Covenant Agreement (including any amendments thereto), this Deed of Trust and such other documents necessary or appropriate. Upon receipt by Trustee of such affidavit or declaration of default and such notice of default and election to sell, Trustee shall accept as true and conclusive all facts and statements contained in such affidavit or declaration of default and shall cause such notice of default and election to sell to be recorded as required by applicable law. Upon the expiration of such period as may then be required by applicable law following recordation of such notice of default, and after notice of sale has been given in the manner and for the period required by applicable law, Trustee, without demand on Trustor, shall sell the entire Property at the time and place fixed in such notice of sale, to Beneficiary, subject to the minimum bid requirement, for cash in lawful money of the United States, payable at the time of sale. Such sale shall be subject to all of the terms and conditions of the Covenant Agreement. Trustee may postpone the sale of all or any portion of the Property by public announcement made at the initial time and place of sale, and from time to time thereafter by public announcement made at the time and place of sale fixed by the preceding postponement. Trustee shall deliver to Beneficiary at such sale its deed conveying the Property, but without any covenant or warranty, express or implied. The recital in such deed of any matter of fact shall be conclusive proof of the truthfulness thereof. After deducting all costs, fees, and expenses of Trustee under this Section, including costs of procuring evidence of title and Trustee's and Trustee's attorneys' fees incurred in connection with such sale. Trustee shall deliver all proceeds up to the purchase price to Trustor and any excess to Beneficiary.
9. Obligation to Inform Beneficiary of Default. Trustor will notify Beneficiary in writing, at or prior to the time of the occurrence of any Default event described in Section 7 hereof, of such event and will promptly furnish Beneficiary with any and all information concerning such event which Beneficiary may request.
10. Remedies Cumulative. Each remedy provided by this Deed of Trust is separate and distinct and is cumulative to all other rights and remedies provided hereby or by applicable law, and each may be exercised concurrently, independently or successively, in any order whatsoever.

11. Trustee. The Trustee shall be deemed to have accepted the terms of this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee shall not be obligated to notify any party hereto of any pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee is a party, unless such sale relates to or reasonably might affect the Property or this Deed of Trust, or unless such action or proceeding has been instituted by Trustee against the Property, Trustor or Beneficiary.
12. Reconveyance. Upon written request of Beneficiary reciting that the right to cure or purchase will not be exercised by Beneficiary, surrender of this Deed of Trust to Trustee for cancellation, and payment by Beneficiary of any reconveyance fees customarily charged by Trustee, Trustee shall reconvey, without warranty, the Property as directed by Beneficiary and Trustor in a joint writing. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truthfulness thereof.
13. Substitution of Trustee. Beneficiary, at Beneficiary's option, may from time to time, by written instrument approved in writing by Trustor, substitute a successor to Trustee named herein or acting hereunder, which instrument, when executed and acknowledged by Beneficiary and Trustor and recorded in the office of the Recorder of the county in which the Property is located, shall constitute conclusive proof of the proper substitution of such successor Trustee, who shall, without conveyance from the predecessor Trustee, succeed to all right, title, estate, powers and duties of such predecessor Trustee, including without limitation, the power to reconvey the Property. To be effective, such instrument must contain the name of the original Trustor, Trustee, and Beneficiary hereunder, the book and page at which, and the county in which, this Deed of Trust is recorded and the name and address of the substitute Trustee and be signed by Trustor. If any notice of default has been recorded hereunder, this power of substitution cannot be exercised until all costs, fees and expenses of the then acting Trustee have been paid. Upon such payment, the then acting Trustee shall endorse receipt thereof upon the instrument of substitution. The procedure herein provided for substitution of Trustees shall be exclusive of other provisions for substitution provided by applicable law.
14. No Waiver by Beneficiary. No waiver by Beneficiary of any right or remedy provided by the Covenant Agreement, this Deed of Trust or applicable law shall be effective unless such waiver is in writing and subscribed by Beneficiary. Waiver by Beneficiary of any right or remedy granted to Beneficiary under the Covenant Agreement or any provision thereof, this Deed of Trust or applicable law as to any transaction or occurrence shall not be deemed a waiver as to any future transaction or occurrence. The assertion by Beneficiary of any right or remedy provided by this Deed of Trust shall not constitute a waiver of Beneficiary's right to require prompt performance of the Secured Obligation and Trustor's obligations under this Deed of Trust.
15. Consents and Approvals to be in Writing. Whenever the consent or approval of Beneficiary or Trustor is specified as a condition of any provision of this Deed of

Trust, such consent or approval by Beneficiary or Trustor, as applicable, shall not be effective unless such consent or approval is in writing, subscribed by Beneficiary or Trustor, as applicable. Such consent shall not be unreasonably withheld, delayed or conditioned.

16. Notices. All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered:
- a. upon receipt when hand delivered during normal business hours (provided that notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received);
 - b. upon receipt when sent by facsimile to the number set forth below (provided, however, that notices given by facsimile shall not be effective unless the sending party delivers the notice also by one other method permitted under this Section);
 - c. upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that the sender has in its possession the return receipt to prove actual delivery); or
 - d. one (1) business day after the notice has been deposited with either FedEx or United Parcel Service to be delivered by overnight delivery (provided that the sending party receives a confirmation of actual delivery from the courier).

The addresses of the parties to receive notices are as follows:

TO BENEFICIARY:

City of Redondo Beach
415 Diamond Street
Redondo Beach, California 90277
Attention: City Manager, Michael Witzansky
Attention: Director of Community Services
Facsimile: (310) 543-1730

Housing Authority of the City of Redondo Beach
415 Diamond Street
Redondo Beach, California 90277
Attention: Housing Manager

TO TRUSTOR:
Debra Merrill
2001 Artesia Boulevard, #301
Redondo Beach, California 90278

TO TRUSTEE:
First American Title
330 North Brand Boulevard, Suite 1150
Glendale, California 91203
Attention: Trust Officer

17. Request for Notice of Default. The undersigned Trustor requests that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to it at the address specified herein.
18. Governing Law. This instrument shall be governed by and construed in accordance with the laws of the State of California.
19. Severability. If any paragraph, clause or provision of the Covenant Agreement or this Deed of Trust is construed or interpreted by a court of competent jurisdiction to be void, invalid or unenforceable, such decision shall affect only those paragraphs, clauses or provisions so construed or interpreted and shall not affect the remaining paragraphs, clauses and provisions of the Covenant Agreement or this Deed of Trust.
20. Relationship. Nothing contained herein or in the Covenant Agreement shall be deemed to create or construed to create a partnership, joint venture or any relationship other than that of Trustor and Beneficiary. Trustor and Beneficiary expressly disclaim any intent to create a partnership or joint venture pursuant to this Deed of Trust or the Covenant Agreement.
21. Attorney Fees. If any party to this Deed of Trust shall bring any action for any relief against any other party, declaratory or otherwise, arising out of this Deed of Trust, the losing party shall pay to the prevailing party a reasonable sum for attorney fees incurred in bringing such suit and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Any judgment or order entered in such action shall contain a specific provision providing for the recovery of attorney fees and costs incurred in enforcing such judgment. For the purpose of this Section, attorney fees shall include, without limitation, fees incurred in the following:
 - a. post-judgment motions;

- b. contempt proceedings;
- c. garnishment, levy, and debtor and third party examinations;
- d. discovery; and
- e. bankruptcy litigation.

22. General Provisions.

- a. This Deed of Trust applies to, inures to the benefit of, and binds the respective heirs, legatees, devisees, administrators, executors, successors and assigns of each of the parties hereto.
- b. As used herein, the word "person" shall mean and include natural persons, corporations, partnerships, unincorporated associations, joint ventures and any other form of legal entity.
- c. As used herein, the word "Property" shall mean and include the Property and part thereof.
- d. As used herein and unless the context otherwise provides, the words "herein," "hereunder" and "hereof" shall mean and include this Deed of Trust as a whole, rather than any particular provision hereof.
- e. In exercising any right or remedy, or taking any action provided herein, Beneficiary may act through its employees, agents or independent contractors, as authorized by Beneficiary.
- f. Wherever the context so requires herein, the masculine gender includes the feminine and neuter, the singular number includes the plural, and vice versa.
- g. Captions and paragraph headings used herein are for convenience only, are not a part of this Deed of Trust and shall not be used in construing it.

IN WITNESS WHEREOF, the parties have entered into this Deed of Trust as of the date first written above.

TRUSTOR:

Debra Merrill, an unmarried woman



Debra Merrill

A notary public or other officer completing this certificate only verifies the identity of the individuals who signed documents to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On this 9th day of October, 2025 before me, Jasmine N. Venegas
Notary Public, personally appeared, Debra Merrill, who proved
to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the
same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed
the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

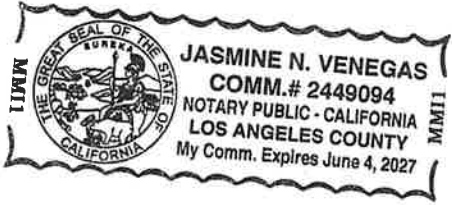


EXHIBIT "A"
LEGAL DESCRIPTION

Real property in the City of Redondo Beach, County of Los Angeles, State of California, described as follows:

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EXCEPT THEREFROM UNITS 201R TO 216R, INCLUSIVE, 301R TO 316R, INCLUSIVE, AND 401PH AND 416PH, INCLUSIVE, AS SHOWN AND DEFINED ON THE CONDOMINIUM PLAN RECORDED MAY 5, 2008 AS INSTRUMENT NO. 2008-0785400, OFFICIAL RECORDS.

B) UNIT 301, AS SHOWN AND DEFINED ON THE CONDOMINIUM PLAN ABOVE MENTIONED.

PARCEL 2:

AN EXCLUSIVE EASEMENT FOR PARKING SPACE PURPOSES OVER THOSE AREAS NUMBERED "34PS" AS SHOWN AND DEFINED AS EXCLUSIVE USE COMMON AREA ON THE CONDOMINIUM PLAN ABOVE MENTIONED.

PARCEL 3

AN EXCLUSIVE EASEMENT FOR BALCONY OR PATIO PURPOSES OVER THOSE AREAS BEARING THE UNIT NUMBER DESIGNATION FOLLOWED BY THE LETTER "B" AS SHOWN AND DEFINED AS EXCLUSIVE USE COMMON AREA ON THE CONDOMINIUM PLAN ABOVE MENTIONED.

PARCEL 4

AN EXCLUSIVE EASEMENT FOR STORAGE CLOSET PURPOSES OVER THOSE AREAS BEARING THE UNIT NUMBER DESIGNATION FOLLOWED BY THE LETTER "S" AS SHOWN AND DEFINED AS EXCLUSIVE USE COMMON AREA ON THE CONDOMINIUM PLAN ABOVE MENTIONED.

Assessor's Parcel Number: 4155-030-078



Community Services Department
Housing Authority

1922 Artesia Boulevard
Redondo Beach, California 90278
www.redondo.org

tel: 310 318-0635
fax: 310 798-8463

October 21, 2025

Lisa McMullen
Escrow Officer / Manager
Chartwell Escrow
21250 Hawthorne Boulevard, Suite 410
Torrance, California 90503

Re: Escrow No. CWT-LM-871

Dear Ms. McMullen:

These instructions are submitted by the City of Redondo Beach (the “**City**”) and the Housing Authority of the City of Redondo Beach (the “**Authority**”) in connection with the following transaction.

Paula Marie Broussard, Trustee of the Alma Darlene Harshman Trust dated January 8, 2020 (the “**Seller**”) and Debra Merrill (the “**Buyer**”) have entered into that certain California Residential Purchase Agreement and Joint Escrow Instructions dated August 18, 2025 relating to the sale of the residential unit located at 2001 Artesia Blvd., #301, Redondo Beach, California 90278. The “**Unit**” is more particularly described in the legal description attached to this letter as Exhibit A.

The Unit is subject to the covenants, conditions, restrictions, limitations and provisions contained in the following agreements:

1. The Affordable Housing Agreement Imposing Restrictions on Real Property by and between the City and Watt Communities at the Montecito, LLC, a California limited liability company dated October 17, 2006, and recorded May 5, 2008 as Instrument No. 2008-0785404 of the official records of Los Angeles County, California (the “Affordable Housing Agreement”); and

2. Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for The Montecito - Tract No. 60361, dated May 16, 2007 and recorded May 5, 2008 as Instrument No. 2008-0785401 in the official records of Los Angeles County, California.
3. Related Amendments including but not limited to the Sixth Amendment to the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for The Montecito – Tract No. 60361 dated February 6, 2012 and recorded February 21, 2012 as instrument No. 2012-0274129, in the office records of Los Angeles County, California (“the Amendments”).
4. Addendum to Grant Deed Covenants, Restrictions and Option to Purchase (Moderate Income) between the City of Redondo Beach, the Redevelopment Agency of the City of Redondo Beach, and Alma D. Harshman, dated February 16, 2010 attached as Exhibit A to Grant Deed (Condominium) by Watt Communities at the Montecito, LLC (Grantor) and Alma D. Harshman (Grantee), recorded on March 8, 2010 as Instrument No. 2010-0310688, in the official records of Los Angeles County, California (the “Addendum”).

The Affordable Housing Agreement, Amendments and Addendum place certain income and sale price limits on the Unit to assure that the Unit remains affordable to moderate income senior households. Performance of these obligations is secured by that certain Performance Deed of Trust (Option to Cure and Purchase Agreement) dated February 16, 2010 and recorded in the official records of Los Angeles County on March 8, 2010 as Instrument No. 2010-0310690. The Seller is the trustor; the City is the beneficiary; and Chicago Title Company is the trustee of the Performance Deed of Trust.

The Buyer, the City, and the Authority will execute an Agreement Containing Covenants, Restrictions and Option to Purchase [Moderate Income] (the “**2025 Covenants Agreement**”) for recordation against the Unit. The Covenants Agreement also requires the Buyer to execute a Performance Deed of Trust (Option to Cure and Purchase Agreement) in favor of the City and the Authority, for recordation against the Unit (the “**2025 Performance Deed of Trust**”).

The purpose of this letter is to provide the City’s and Authority’s instructions relating to the above referenced transaction. Your recordation of the “**Recording Documents**” shall be deemed to be your acceptance of these escrow instructions. However, we ask that you return to the undersigned a copy of this letter signed by you, indicating your acceptance of these instructions.

The City and Authority hereby instruct the Escrow Agent as follows. The transaction will close when all conditions precedent to the transaction have been satisfied.

I. DOCUMENTS

Enclosed herewith are the following documents that will need to be returned to the Authority prior to execution by the City and the Authority.

1. One original of the 2025 Covenants Agreement that has been signed by the Buyer.
2. One original of the 2025 Performance Deed of Trust that has been signed by the Buyer.
3. One original of this escrow instructions letter that has been signed by Lisa McMullen, Escrow Officer/Manager.

The signed documents are to be returned to the following address:

Imelda Delgado, Housing Manager
Housing Authority of the City of Redondo Beach
1922 Artesia Boulevard
Redondo Beach, California 90278

II. CLOSING PROCEDURES

You are instructed to close this transaction when and only when all of the following occurs:

1. The City and the Authority have deposited into escrow one original 2025 Covenants Agreement executed in recordable form by the Buyer, the City and the Authority.
2. The Buyer has deposited into escrow one original 2025 Performance Deed of Trust, executed in recordable form by the Buyer.
3. The City and the Authority have deposited into escrow one original Request for Notice Under Section 2924b Civil Code - City, and one Request for Notice Under Section 2924b Civil Code - Authority in recordable form (the "**Request for Notice**"):
 - a. The Request for Notice documents will be delivered to escrow without signatures.
 - b. After the first trust deed mortgage loan has been recorded, escrow will fill in the instrument number and recordation date for the first trust deed mortgage loan in both of the Requests for Notice.
 - c. The City will pick up the originals from escrow after being notified that the blanks have been filled in.

4. All of the Buyer's and Seller's conditions precedent to closing this transaction have either been satisfied or waived by the party to be benefited and you have received confirmation from the Buyer and the Seller that you are to proceed with this transaction.
5. You have committed to complying with all the instructions contained in these escrow instructions.

In closing escrow, you will adhere to the procedures set forth in the instructions below. All requirements with respect to closing shall be considered as having taken place simultaneously and no delivery shall be considered as having been made until all deliveries and closing transactions have been accomplished. Do not record or deliver any of the documents described above unless all conditions to closing are satisfied. When all conditions precedent to the close of escrow have been satisfied, you are authorized to:

1. With respect to any documents that have not been dated (whether or not such documents are to be recorded), fill in the date of recordation. With respect to any other blanks in the documents, fill in the appropriate information (for example, recording information or dates of other documents). If you have any questions regarding how to fill in any blanks, please contact the undersigned immediately.
2. With respect to any documents that do not have a legal description appended, insert the legal description attached to this letter as Exhibit A.
3. Record the following documents (the "Recording Documents") in the Land Records of Los Angeles County, California, in the following order and in no other order:
 - a. The Substitution of Trustee and Full Reconveyance
 - b. The grant deed conveying fee title to the Unit from the Seller to the Buyer.
 - c. The 2025 Covenants Agreement.
 - d. The 2025 Performance Deed of Trust.
4. Promptly after recordation, conformed and certified copies of the Recording Documents (showing all recording information) are to be delivered to:

Imelda Delgado, Housing Manager
Housing Authority of the City of Redondo Beach
1922 Artesia Boulevard
Redondo Beach, California 90278

5. These instructions may be modified only by written or telephonic instructions from the undersigned. If any of the instructions in this letter cannot be followed for any reason, please call the undersigned immediately.
6. Please bill the Seller for any charges you incur associated with the foregoing documents. Any documents signed by the City and/or the Authority are entitled to free recording pursuant to Government Code §27383:
 - a. If any of such documents do not contain a legend to that effect, please insert the legend in the upper left corner of such documents.
 - b. Neither the City nor the Authority shall incur any expense in connection with the fulfillment of these escrow instructions.
 - c. All costs incurred by you with respect to this escrow shall be the sole obligation of the Seller.

Very truly yours,

City of Redondo Beach, a chartered municipal corporation

Housing Authority of the City of Redondo Beach, a public body, corporate and politic

By: _____
James A. Light
Mayor and Chairman

The undersigned acknowledges receipt of the within escrow instructions and agrees to proceed in accordance therewith.

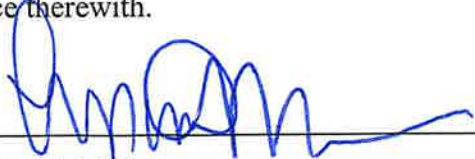
By: _____

Lisa McMullen
Escrow Officer / Manager
Chartwell Escrow

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“S” AS SHOWN AND DEFINED AS EXCLUSIVE USE COMMON AREA ON THE
CONDOMINIUM PLAN ABOVE MENTIONED.

Assessor's Parcel Number: 4155-030-078

RECORDING REQUESTED BY:

City of Redondo Beach

WHEN RECORDED MAIL TO:

City of Redondo Beach
City Attorney's Office
415 Diamond Street
Redondo Beach, California 90277
Attention: Joy A. Ford, Esq.

(No Fee per Government Code § 27383)

**REQUEST FOR NOTICE
Under Section 2924b Civil Code**

In accordance with Section 2924b, Civil Code, request is hereby made that copies of any NOTICE OF DEFAULT and copies of any NOTICE OF SALE under the DEED OF TRUST dated as of _____ and recorded as Instrument No. _____, in the Official Records of Los Angeles County on _____ and describing the following real property, located in Los Angeles County as

[See Exhibit "A" attached hereto and incorporated herein]

executed by Debra Merrill, an unmarried woman as Trustor, in which the City of Redondo Beach, California and the Housing Authority of the City of Redondo Beach, California are collectively names as Beneficiary and First American Title, as Trustee, be mailed to:

City of Redondo Beach
415 Diamond Street
Redondo Beach, California 90277
Attention: City Attorney

NOTICE: A copy of any notice of default and of any notice of sale, will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.

CITY OF REDONDO BEACH, a Chartered
Municipal Corporation

Date: _____ By: _____
James A. Light
Mayor and Chairman

APPROVED AS TO FORM:
Joy A. Ford
City Attorney and General Counsel for Authority

By: _____
Joy A. Ford

ATTEST:

By: _____
Eleanor Manzano
City Clerk and Secretary for Authority

A notary public or other officer completing this certificate only verifies the identity of the individuals who signed documents to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On this ____ day of _____, 20__, before me, _____, Notary Public, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

A notary public or other officer completing this certificate only verifies the identity of the individuals who signed documents to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

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WHEN RECORDED MAIL TO:

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City of Redondo Beach
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Redondo Beach, California 90277
Attention: Housing Manager

(No Fee per Government Code § 27383)

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In accordance with Section 2924b, Civil Code, request is hereby made that copies of any NOTICE OF DEFAULT and copies of any NOTICE OF SALE under the DEED OF TRUST dated as of _____ and recorded as Instrument No. _____, in the Official Records of Los Angeles County on _____ and describing the following real property, located in Los Angeles County as

[See Exhibit "A" attached hereto and incorporated herein]

executed by Debra Merrill, an unmarried woman as Trustor, in which the City of Redondo Beach, California and the Housing Authority of the City of Redondo Beach, California are collectively names as Beneficiary and First American Title, as Trustee, be mailed to:

The Housing Authority of the City of Redondo Beach
415 Diamond Street
Redondo Beach, California 90277
Attention: Housing Manager

NOTICE: A copy of any notice of default and of any notice of sale, will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.

HOUSING AUTHORITY OF THE CITY OF
REDONDO BEACH, a Public Body Corporate
and Politic

Date: _____ By: _____
James A. Light
Mayor and Chairman

APPROVED AS TO FORM:
Joy A. Ford
City Attorney and General Counsel for Authority

By: _____
Joy A. Ford

ATTEST:

By: _____
Eleanor Manzano
City Clerk and Secretary for Authority

A notary public or other officer completing this certificate only verifies the identity of the individuals who signed documents to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On this ____ day of _____, 20__, before me, _____, Notary Public, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

A notary public or other officer completing this certificate only verifies the identity of the individuals who signed documents to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On this ____ day of _____, 20__, before me, _____, Notary Public, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

EXHIBIT "A"
LEGAL DESCRIPTION

Real property in the City of Redondo Beach, County of Los Angeles, State of California, described as follows:

A CONDOMINIUM COMPOSED OF:

PARCEL 1:

A) AN UNDIVIDED 874/47,349 INTEREST IN AND TO LOT 1 OF TRACT NO. 60361, IN THE CITY OF REDONDO BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1329, PAGE(S) 43 TO 45, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM UNITS 201R TO 216R, INCLUSIVE, 301R TO 316R, INCLUSIVE, AND 401PH AND 416PH, INCLUSIVE, AS SHOWN AND DEFINED ON THE CONDOMINIUM PLAN RECORDED MAY 5, 2008 AS INSTRUMENT NO. 2008-0785400, OFFICIAL RECORDS.

B) UNIT 301, AS SHOWN AND DEFINED ON THE CONDOMINIUM PLAN ABOVE MENTIONED.

PARCEL 2:

AN EXCLUSIVE EASEMENT FOR PARKING SPACE PURPOSES OVER THOSE AREAS NUMBERED "34PS" AS SHOWN AND DEFINED AS EXCLUSIVE USE COMMON AREA ON THE CONDOMINIUM PLAN ABOVE MENTIONED.

PARCEL 3

AN EXCLUSIVE EASEMENT FOR BALCONY OR PATIO PURPOSES OVER THOSE AREAS BEARING THE UNIT NUMBER DESIGNATION FOLLOWED BY THE LETTER "B" AS SHOWN AND DEFINED AS EXCLUSIVE USE COMMON AREA ON THE CONDOMINIUM PLAN ABOVE MENTIONED.

PARCEL 4

AN EXCLUSIVE EASEMENT FOR STORAGE CLOSET PURPOSES OVER THOSE AREAS BEARING THE UNIT NUMBER DESIGNATION FOLLOWED BY THE LETTER "S" AS SHOWN AND DEFINED AS EXCLUSIVE USE COMMON AREA ON THE CONDOMINIUM PLAN ABOVE MENTIONED.

Assessor's Parcel Number: 4155-030-078

EXHIBIT C
PERFORMANCE DEED OF TRUST

[BEHIND THIS PAGE]