

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
Debra Merrill

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[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

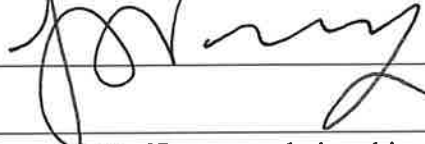
COUNTY OF LOS ANGELES

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: _____



(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]