CITY OF REDONDO BEACH HISTORIC PROPERTY PRESERVATION AGREEMENT

THIS HISTORIC PROPERTY PRESERVATION AGREEMENT (this "Agreement") is made by and between the CITY OF REDONDO BEACH, a municipal corporation ("City"), and MELDIA INVEST REALTY OF AMERICA INC, ("Owner") with reference to the following:

RECITALS

A. California Government Code Section 50280, et seq. authorizes cities to enter into contracts with the owners of qualified historical property to provide for the use, maintenance and restoration of such historical property so to retain its characteristics as property of historical significance;

B. Owner holds fee title in and to that certain real property, together with associated structures and improvements thereon, commonly known as 224-226 S. Broadway, Redondo Beach, California, (the "Historic Property"). A legal description of the Historic Property is attached hereto, marked as Exhibit "A" and is incorporated herein by this reference;

C. On March 4, 2020, the Preservation Commission of the City of Redondo Beach adopted Resolution No. 2020-03-PR-02 (Exhibit "C") thereby declaring and designating the Historic Property as a landmark pursuant to the terms and provisions of Chapter 4, Title 10 of the Redondo Beach Municipal Code, and subject to the execution and recordation of this Agreement;

D. City desires to enter into this Agreement for the purpose of protecting and preserving the characteristics of historical significance of the Historic Property;

E. Owner, in consideration for abiding by the terms of this Agreement, shall be entitled to qualify for a reassessment of valuation of the Historic Property, pursuant to the provisions of Chapter 3, Part 2, of Division 1 of the California Revenue and Taxation Code, and any corresponding adjustment in property taxes resulting therefrom.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the parties do hereby agree as follows:

1. <u>Effective Date and Term of Agreement.</u> This Agreement shall be effective and commence on October 20, 2020 ("Effective Date"), and shall remain in effect for a term of ten (10) years thereafter. Each year upon the anniversary of the effective date, such initial term will automatically be extended as provided in paragraph 2, below.

2. <u>Renewal.</u> On each yearly anniversary of the Effective Date of this Agreement (hereinafter referred to as the "renewal date"), an additional one-year term shall

automatically be added to the initial term of this Agreement unless a notice of nonrenewal ("Notice of Nonrenewal") is mailed as provided herein. If either Owner or City desires in any year not to renew this Agreement, Owner or City shall serve a written Notice of Nonrenewal upon the other party in advance of the annual renewal date of this Agreement. Such Notice of Nonrenewal shall be effective if served by Owner upon City at least ninety (90) days prior to the annual renewal date, or if served by City upon Owner, such Notice of Nonrenewal shall be effective if served upon Owner at least sixty (60) days prior to the annual renewal date.

3. <u>Owner Protest of City Nonrenewal.</u> Within fifteen (15) days of receipt by Owner of a Notice of Nonrenewal from City, Owner may make and file a written protest of the Notice of Nonrenewal. Upon receipt of such protest, the City Council shall set a hearing prior to the expiration of the renewal date of this Agreement. Owner may furnish the City Council with any information which the Owner deems relevant, and shall furnish the City Council with any information it may require. The City Council may, at any time prior to the annual renewal date of this Agreement, withdraw its Notice of Nonrenewal. If either City or Owner serves a Notice of Nonrenewal in any year, this Agreement shall remain in effect for the balance of the term then remaining, either from its original execution or from the last renewal of this Agreement, whichever may apply.

4. <u>Assessment of Valuation.</u> Tax relief afforded to the Owner pursuant to Chapter 3, Part 2, of Division 1 of the California Revenue and Taxation Code will require negotiation with the Los Angeles County Assessor's Office.

5. <u>Standards for Historical Property.</u> Owner shall preserve and maintain the Historic Property and its Character Defining Features according to the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation, the U.S. Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings, and the City of Redondo Beach Preservation Commission Design Guidelines. Character Defining Features include, but are not necessarily limited to, the general architectural form, style, materials, design, scale, details, mass, roof line, porch, and other aspects of the appearance of the exterior. The Secretary of Interior's Standards for Rehabilitation (attached hereto and marked as Exhibit "B") shall be incorporated herein by reference and constitute the minimum standards and conditions for maintenance, use, and preservation of the Historic Property. Such Standards shall apply to the property throughout the term of this Agreement.

6. <u>Periodic Examinations.</u> Owner shall allow reasonable periodic examinations, by prior appointment, of the exterior of the Historic Property by representatives of the County Assessor, State Department of Parks and Recreation, State Board of Equalization, and/or the City, as may be necessary to determine owner's compliance with the terms and provisions of this Agreement.

7. <u>Provision of Information of Compliance.</u> Owner hereby agrees to furnish City with any and all information requested by the City which may be necessary or advisable to determine compliance with the terms and provisions of this Agreement.

8. <u>Cancellation.</u> City, following a duly noticed public hearing, as set forth in California Government Code Sections 50285, et seq., may cancel this Agreement if it determines that Owner breached any of the conditions of this Agreement or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historic property. City may also cancel this Agreement if it determines that the Owner has failed to maintain and preserve the Historic Property in accordance with the terms of this Agreement. If this Agreement is cancelled because of failure of the Owner to preserve, maintain, and rehabilitate the Historic Property as specified above, the Owner shall pay a cancellation fee to the state Controller as set forth by the provisions of Government Code Section 50286.

9. <u>Destruction.</u> Notwithstanding any provision of this Agreement to the contrary, the Owner may cancel this Agreement without payment of the cancellation fee set forth in Paragraph 8, if the existing single-family residence [the "Structure"] on the Historic Property is damaged by fire, earthquake, or other Act of God or accidental cause to the extent (1) the then fair market value of said Structure is reduced by 51 percent or more; or (2) 51 percent or more of said Structure's floor area is destroyed or irreparably damaged; or (3) 51 percent or more of the Structure's Character Defining Features are destroyed or irreparably damaged; or (4) that the cost to the Owner (exclusive of insurance proceeds) to restore the Structure to its prior condition would exceed \$10,000.00. If the Owner desires to cancel this Agreement under this Paragraph 9, written notice shall be given to the City within 90 days after such damage or destruction occurs.

In the event the Owner desires to cancel this Agreement due to the circumstances outlined in this Paragraph 9, either party may request a hearing before the City Council to determine (a) the extent of diminution of value, (b) the extent of the damage or destruction to the floor area of said Structure, and/or (c) extent of damage or destruction to the Character Defining Features of the said Structure. The City Council may refer any matter relating to (c) to the Preservation Commission for its findings and recommendations.

10. <u>Enforcement of Agreement.</u> City may specifically enforce, or enjoin the breach of, the terms of this Agreement. In the event of a default under the provisions of this Agreement by Owner, City shall give written notice to Owner by registered or certified mail addressed to the address stated in this Agreement of violations of this Agreement. If such a violation is not corrected to the reasonable satisfaction of the City within thirty (30) days after the date of the notice of violation, or within such a reasonable time as may be required to cure the breach or default (provided that acts to cure the breach or default are commenced within thirty (30) days and thereafter diligently pursued to completion), then City may, without further notice, declare a default under the terms of this Agreement and bring any action necessary to specifically enforce the obligations of Owner growing out of the terms of this Agreement, including, but not limited to, bringing an action for injunctive relief against the Owner or for such other relief as may be appropriate.

City does not waive any claim of default by Owner if City does not enforce or cancel this Agreement. All other remedies at law or in equity which are not otherwise provided for in this Agreement or in City's regulations governing historic properties are available to the City to pursue in the event that there is a breach of this Agreement. No waiver by City or any breach or default under this Agreement shall be deemed to be a waiver of any other subsequent breach thereof or default hereunder.

11. <u>Binding Effect of Agreement.</u> The Owner hereby subjects the Historic Property described in Exhibit "A" hereto to the covenants, reservations and restrictions as set forth in this Agreement. City and Owner hereby declare their specific intent that the covenants, reservations and restrictions as set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors and assigns in title or interest to the Historic Property. Each and every contract, deed or other instrument hereinafter executed, covering or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

12. <u>Covenants Run With the Land.</u> City and Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth herein touch and concern the land in that the value of the Owner's legal interest in the Historic Property may be affected thereby. City and Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the land by enhancing and maintaining the historic characteristics and significance of the Historic Property for the benefit of the public and Owner.

13. <u>Notices.</u> Any notice required to be given by the terms of this Agreement shall be provided at the address of the respective parties as specified below or at any other address as may be later specified by the parties hereto.

| To City: | Planning Division City of Redondo Beach 415 Diamond Street Redondo Beach, CA 90277 |
|-----------|--|
| To Owner: | Meldia Investment Realty of America Inc. c/o Keishi Ando 444 W. Ocean Blvd. #500 Long Beach, CA 90802 |

14. <u>Effect of Agreement.</u> None of the terms, provisions or conditions of this Agreement shall be deemed to create a partnership between the parties hereto and any of their heirs, successors or assigns, nor shall such terms, provisions or conditions cause the parties to be considered joint venturers or members of any joint enterprise.

15. Indemnity of City. Owner agrees to protect, defend, indemnify, and shall hold City and its elected officials, officers, agents and employees harmless from liability for claims, loss, proceedings, damages, causes of action, liability, costs or expense, including reasonable attorney's fees in connection with damage for personal injuries, including death, and claims for property damage which may arise from the direct or indirect use or operations of Owner or those of his contractor, subcontractor, agent, employee or other person acting on his behalf which relate to the use, operation and maintenance of the Historic Property. Owner hereby agrees to and shall defend the City and its elected officials, officers, agents and employees with respect to any and all actions for damages caused by, or alleged to have been caused by, reason of Owner's activities in connection with the Historic Property. This hold harmless provision applies to all damages and claims for damages suffered, or alleged to have been suffered, by reason of the operations referred to in this Agreement regardless of whether or not the City prepared, supplied or approved the plans, specifications or other documents for the Historic Property.

16. <u>Binding Upon Successors.</u> All of the agreements, rights, covenants, reservations and restrictions contained in this Agreement shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns and all persons acquiring any part or portion of the Historic Property, whether by operation of law or in any manner whatsoever.

17. <u>Legal Costs.</u> In the event legal proceedings are brought by any party or parties to enforce or restrain a violation of any of the covenants, reservations or restrictions contained herein, or to determine the rights and duties of any party hereunder, the prevailing party in such proceeding may recover all reasonable attorney's fees to be fixed by the court, in addition to court costs and other relief ordered by the court.

18. <u>Severability.</u> In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

19. <u>Governing Law.</u> This Agreement shall be construed and governed in accordance with the laws of the State of California.

20. <u>Recordation.</u> No later than twenty (20) days after the parties execute and enter into this Agreement, City shall cause this Agreement to be recorded in the office of the County Recorder of the County of Los Angeles.

21. <u>Amendments.</u> This Agreement may be amended, in whole or in part, only by a written and recorded instrument executed by the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California, as of the 20th day of October, 2020.

CITY OF REDONDO BEACH

OWNER(S)

William C. Brand, Mayor

By: Keishi Ando for Meldia Investment Realty of America Inc.

ATTEST:

Eleanor Manzano, City Clerk

APPROVED AS TO FORM:

City Attorney's Office

EXHIBIT "A"

LEGAL DESCRIPTION

Lots 37 and 38, Block 168, Townsite of Redondo Beach, County of Los Angeles, State of California, as per map recorded in Book 39, Page(s) 1 to 17 inclusive of maps, in the office of the County Recorder of Los Angeles County.

EXHIBIT "B"

SECRETARY OF THE INTERIOR'S STANDARDS FOR REHABILITATION

- 1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces and spatial relationships.
- 2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
- 3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.
- 4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
- 5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
- 6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
- 7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
- 8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
- 9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work shall be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the historic integrity of the property and its environment.
- 10. New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

EXHIBIT "C"

HISTORIC DESIGNATION RESOLUTION

RESOLUTION NO. 2020-03-PR-02

A RESOLUTION OF THE PRESERVATION COMMISSION OF THE CITY OF REDONDO BEACH APPROVING A LANDMARK DESIGNATION. CERTIFICATE OF APPROPRIATENESS, AND AN **EXEMPTION** DECLARATION FOR THE RESTORATION AND OF FIVE HISTORIC RENOVATION **STRUCTURES** LOCATED AT 224 – 226 SOUTH BROADWAY

WHEREAS, an application was filed on December 23, 2019, on behalf of Meldia Investment Realty of America, Inc. (property owner) to request the designation, restoration, and renovation of five historic structures pursuant to Chapter 4, Title 10 of the Municipal Code for the property located at 224 – 226 South Broadway; and

WHEREAS, notice of the time and place of the public hearing was given according to the requirements of law; and

WHEREAS, on March 4, 2020, the Preservation Commission of the City of Redondo Beach held a public hearing to consider the applications, at which time all interested parties were given an opportunity to be heard and to present evidence.

NOW, THEREFORE, THE PRESERVATION COMMISSION OF THE CITY OF REDONDO BEACH DOES HEREBY FIND AS FOLLOWS:

SECTION 1. The building meets the minimum eligibility requirement for landmark designation by being at least 50 years old in that evidence indicates that some of the buildings were constructed in 1920 and are currently 100 years old.

SECTION 2. The buildings embody distinctive characteristics of a style, type, period, or method of construction, and is a valuable example of the use of indigenous materials or craftsmanship in that the building is a representative example of the Bungalow style of architecture that was popular in California in the early 1900's.

SECTION 3. This property reflects special elements of the City's cultural, social, and economic history. The residential structures were constructed on the property during a time when Redondo Beach was a thriving resort with a growing residential community for working men and their families. These structures served as homes for working and middle class families who served the community. This property is representative of the early period of growth and development in Redondo Beach.

SECTION 4. Pursuant to Article 2, Chapter 3, Title 10, of the Redondo Beach Municipal Code, the proposed project has been determined to be categorically exempt from the requirements of the California Environmental Quality Act (CEQA), and an exemption declaration to this effect has been prepared and filed.

SECTION 5. As conditioned below, the proposed project conforms to the prescriptive standards adopted by the Preservation Commission and will not detrimentally alter, destroy or adversely affect any exterior improvement or exterior architectural feature.

NOW, THEREFORE, THE PRESERVATION COMMISSION OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Based upon the findings contained herein, the Preservation Commission hereby approves the designation of the buildings and property at 224 – 226 South Broadway as a historic landmark.

SECTION 2. Based upon the findings contained herein, a Certificate of Appropriateness is hereby approved for the exterior restoration and interior renovation work to the five structures as well as the landscape improvements in accordance with the submitted applications and plans to the extent specified and represented therein, except as such work may be amended or modified by conditions set forth below.

SECTION 3. This Certificate is approved on the basis of, and shall only be operative with, the applicant's compliance with the conditions listed below. Failure by the applicant or his/her successors in interest to comply with these conditions shall provide a basis for initiating enforcement proceedings pursuant to Article 7, Chapter 4, Title 10 of the Redondo Beach Municipal Code.

- 1. The approval granted herein is for the exterior restoration and interior renovation of the five existing structures as well as the landscape improvements, as reflected on the application and plans reviewed and approved by the Preservation Commission at its meeting on March 4, 2020.
- 2. No other work is authorized herein. The precise design and architectural treatment of all structures, walks, walls, fences, landscaping and driveways shall not be altered without prior approval of the Preservation Commission or Planning Staff, as appropriate, and issuance of a Certificate of Appropriateness and other necessary permits. If additional work outside of the scope of work identified on the plans is necessary, the applicant shall immediately contact Planning Staff prior to starting any work.
- 3. The Planning Division shall be authorized to approve minor changes and shall inform the Commission of any such changes.

- 4. The applicant shall comply with all applicable requirements and obtain all necessary permits from the Building Division, Engineering Division, Fire Department, and any other agency with jurisdiction over the project.
- 5. In the event of a disagreement in the interpretation and/or application of these conditions, the issue shall be referred back to the Preservation Commission for a decision. The decision of the Commission shall be final.
- 6. The Preservation Commission shall retain jurisdiction over the matter for the purpose of enforcing these conditions and for the purpose of modification thereof as circumstances may subsequently indicate.
- 7. Work performed shall be verified against plans submitted. If modifications to plans are necessary, amended plans shall be submitted prior to a change occurring, and subject to the approval of the Building and Planning Divisions as minor alterations, and the Preservation Commission, if deemed necessary for major changes.
- 8. Periodic inspections shall be scheduled with Planning Division staff to verify compliance with approved plans.
- 9. Prior to final inspection from the Building Division, the applicant shall schedule an inspection with Planning Division staff to review the completed work for conformance to the Certificate of Appropriateness. Any non-compliance or unauthorized deviations will be grounds for revocation of the Certificate of Appropriateness and/or subsequent cancellation of the Mills Act Contract.
- 10. Consistent with the Secretary of the Interior's Standards, the proposed improvements shall be repaired rather than replaced, wherever possible. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
- 11. The front porches are considered character-defining features to each of the bungalows and all restoration work proposed shall match the design and intent of the original porch features including decorative beams and the attic vents above the porch.
- 12. The garage shall be restored to have exterior horizontal wood siding on all visible sides similar to but slightly differentiated from the original siding on the historic bungalows.
- 13. Any project related maintenance, repair, stabilization, rehabilitation, preservation, conservation, or reconstruction of the historic building, including identified historic

landscaping, shall be conducted in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitation, Restoring, and Reconstructing Historic Buildings and the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings. Detailed design plans shall be submitted to the City's Planning Division, Planning Commission, and Preservation Commission for their review and approval prior to actual physical rehabilitation work.

FINALLY BE IT RESOLVED, that the Preservation Commission forward a copy of this resolution to the Planning Commission, City Council, all appropriate City departments, and any other interested governmental and civic agencies. PASSED, APPROVED AND ADOPTED this 4th day of March, 2020.

DocuSigned by: Edward Caldwell 8010BEB135E4E

Edward Caldwell, Chair Preservation Commission City of Redondo Beach

The foregoing resolution was adopted on March 4th, 2020 by the following vote:

- AYES: Chair Caldwell, Commissioners Jackson, Matsuno, McNearney, and Morse
- NOES: None
- ABSENT: Commissioners Penner-More and Ritums
- ABSTAIN: None

APPROVED AS TO FORM:

City Attorney's Office Michael W. Webb