

RECORDING REQUESTED BY:)
AND WHEN RECORDED RETURN TO:)
Department of Regional Planning)
Los Angeles County Mills Act Program)
320 W. Temple St., 13th Floor)
Los Angeles, CA 90012)

LOS ANGELES COUNTY MILLS ACT PROGRAM AGREEMENT



BY AND BETWEEN
COUNTY OF LOS ANGELES
AND

**FOR THE PRESERVATION AND BENEFIT OF THE
QUALIFIED HISTORICAL PROPERTY LOCATED AT**

LOS ANGELES COUNTY MILLS ACT PROGRAM AGREEMENT

This Agreement is made and entered into this ____ day of _____, 20__, by and between the COUNTY OF LOS ANGELES ("County"), a body corporate and politic and a political subdivision of the State of California, by and through the Director of the County Regional Planning Department ("Director"), and [*PROPERTY OWNER(S)*] (individually and/or collectively, "Owner"), for the preservation and benefit of the real property located at [*STREET ADDRESS OF PROPERTY*] ("Historical Property").

RECITALS

WHEREAS, the County has established the Los Angeles County Mills Act Program (Los Angeles County Code, Sections 22.52.2700, et seq.), which implements the provisions of Sections 50280, et seq., of the California Government Code, which provisions are collectively known as the "Mills Act," vesting the County with the authority to enter into a contract with an owner or owners of certain eligible qualified historical properties who contractually commit to the preservation and, where necessary, the rehabilitation and restoration of such properties; and

WHEREAS, the Director is authorized to enter into Mills Act contracts on the County's behalf; and

WHEREAS, Owner owns fee simple title in and to the Historical Property, legally described as set forth in Exhibit "A" attached hereto, including all structures and improvements thereon; and

WHEREAS, the Director has determined that the Historical Property is a "qualified historical property" pursuant to Section 22.52.2720.H of the Los Angeles County Code and Section 50280.1 of the California Government Code, in that [*DESCRIBE QUALIFYING STATUS*]; and

WHEREAS, the Director has caused an inspection to be conducted of the interior and exterior of the Historical Property as required by Section 22.52.2760 of the Los Angeles County Code; and

WHEREAS, the County and Owner, for their mutual benefit, desire to enter into this Agreement for the preservation [*WHERE APPLICABLE, and restoration/rehabilitation*] of the Historical Property and to qualify the Historical Property for an assessment of valuation pursuant to Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code.

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

AGREEMENT

1.0 RECITALS

The parties to this Agreement affirm that the recitals set forth at the outset of this Agreement are true and accurate, and agree that said recitals are an integral part of this Agreement.

2.0 APPLICABLE DOCUMENTS

2.1 This Agreement is comprised of this document and the Exhibits "A," "B," "C," and "D," which are attached hereto and are made a part hereof by this reference. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task or other work, or otherwise between this document and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to this document and then to the Exhibits according to the following priority:

Exhibit A – Legal Description;

Exhibit B – Preservation [*WHERE APPLICABLE, and Restoration/Rehabilitation*] Plan;

Exhibit C – Standards and Conditions Applicable to the Historical Property;

Exhibit D – Inspection Schedule.

2.2 This Agreement, including the Exhibits attached hereto, constitute the complete and exclusive statement of understanding between the County and Owner which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Agreement.

3.0 EFFECTIVE DATE AND TERM OF AGREEMENT

This Agreement shall be effective and commence on the date first written herein above, 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 be automatically extended as provided in Section 4, below.

4.0 RENEWAL

4.1 **Annual Automatic Renewal.** Each year on the anniversary of the effective date of this Agreement (hereinafter referred to as the "Annual Renewal Date"), a year shall automatically be added to the term of this Agreement unless notice of nonrenewal is provided as set forth in this Section.

4.2 **Notice of Nonrenewal.** If either County or Owner desires in any year not to renew the Agreement, County, through the Director, or Owner shall serve written notice of nonrenewal of the Agreement on the other party in advance of the Annual Renewal Date. Unless such notice is served by the County to Owner at least sixty (60) days prior to the Annual Renewal Date, or by Owner to County at least ninety (90) days prior to the Annual Renewal Date, one (1) year shall automatically be added to the term of the Agreement as provided in this Section 4.0.

4.3 **Owner Protest of Nonrenewal.** Upon receipt by Owner of a notice of nonrenewal from County, Owner may make a written protest of the notice. County, through the Director, may withdraw its notice to Owner of nonrenewal at any time prior to the Annual Renewal Date.

4.4 **Term Following Nonrenewal.** If either County, through the Director, or Owner serves notice to the other of nonrenewal in any year, the Agreement shall remain in effect for the balance of the term then remaining.

5.0 STANDARDS FOR HISTORICAL PROPERTY

During the term of this Agreement, the Historical Property shall be subject to the following conditions, requirements and restrictions:

- (a) Owner shall rehabilitate, preserve, and maintain the historically significant characteristics of the Historical Property, and shall use the property in

such a manner consistent with the preservation [*WHERE APPLICABLE, the restoration/rehabilitation*] of such historically significant characteristics. Attached hereto as Exhibit "B" is a list of those items for the preservation [*WHERE APPLICABLE, and restoration/rehabilitation*] and maintenance planned for the Historical Property, and a timeline for completion of any work, which shall apply to such property throughout the term of this Agreement.

- (b) Owner shall preserve [*WHERE APPLICABLE, and shall restore/rehabilitate*] the Historical Property in accordance with the minimum standards and conditions attached hereto as Exhibit "C," and all applicable rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation, the United States Secretary of the Interior's Standards for the Treatment of Historic Properties, the California Historical Building Code, and all rules and regulations adopted or established by the County regarding the restoration and rehabilitation of historical properties. If in the sole discretion of the Director the minimum standards and conditions attached hereto as Exhibit "C" conflict with or have been superseded by applicable standards governing the treatment of the Historical Property, the applicable standards shall govern in lieu of Exhibit "C." The Director shall notify the Owner in writing specifying which applicable standards the Owner shall follow, and which standards and conditions in Exhibit "C" have been superseded.

6.0 INSPECTIONS

- 6.1 **Period Inspections.** Owner shall allow periodic inspections of the interior and exterior of the Historical Property as set forth in the inspection schedule attached as hereto Exhibit "D." Such periodic inspections must occur at least every five (5) years, commencing upon the effective date of this Agreement.
- 6.2 **Additional Inspections.** In addition to the periodic inspections set forth in Section 6.1, above, Owner shall allow reasonable inspections of the interior and exterior of the Historical Property as may be requested, upon a minimum of 72 hours advanced notice thereof, by the Director or other representatives of the

County, the State Office of Historic Preservation, and/or the State Board of Equalization, for the purposes of determining Owner's compliance with the terms and provisions of this Agreement.

6.3 **Furnishing Information and Documentation.** Owner agrees to furnish the Director with any and all information and/or documentation requested by the Director for the purposes of determining the Owner's compliance with this Agreement.

6.4 **Records.** Owner shall maintain accurate and complete records of Owner's preservation [*WHERE APPLICABLE, and restoration/rehabilitation*] activities relating to this Agreement. Owner agrees that the Director shall have access to and the right to examine, audit, excerpt, copy, or transcribe any such pertinent records for the purposes of determining Owner's compliance with this Agreement.

7.0 BREACH BY OWNER.

7.1 **Breach.** Owner shall be in material breach of this Agreement if Owner:

- (a) Fails to preserve, [*WHERE APPLICABLE, restore/rehabilitate,*] maintain, or use the Historical Property in the manner specified in this Agreement, including the attached Exhibits;
- (b) Allows the Historical Property to deteriorate to the point that it no longer qualifies as a "qualified historical property" as defined in Section 22.52.2720.H of the Los Angeles County Code and/or Section 50280.1 of the California Government Code; and/or
- (c) Unreasonably fails or refuses to allow inspection of the interior and exterior of the Historical Property as required by this Agreement, including the attached Exhibits.

The forgoing list is not intended to be exclusive or all-encompassing, and is provided herein without limiting the County's rights and remedies with respect to any breach of this Agreement.

7.2 **Notice of Breach and Opportunity to Cure.** If the Director determines that the Owner has breached this Agreement, the Director shall give written Notice of Breach to Owner by registered or certified mail which specifically identifies the breach and the proposed action which the County recommends to Owner to cure said breach. Owner shall have sixty (60) days following the issuance of the

Notice of Breach within which to cure such breach to the reasonable satisfaction of the Director. In the event Owner cures the breach identified in the Notice of Breach to the reasonable satisfaction of the Director within the sixty (60) day cure period, the Director shall withdraw the Notice of Breach in writing, and shall provide Owner with a copy of such written withdrawal.

- 7.3 **County's Action Upon Owner's Failure to Cure.** If the Owner fails to cure the breach identified in a Notice of Breach within the sixty (60) day cure period, the County may cancel the Agreement pursuant to Section 8, below. Alternatively, the County may bring any action in court necessary to enforce this Agreement, including, but not limited to, an action for specific performance or injunction.

8.0 CANCELLATION

- 8.1 **Public Hearing.** The County may not cancel this Agreement except pursuant to the public hearing procedures set forth in Section 22.52.2810.B. of the Los Angeles County Code.
- 8.2 **Cancellation.** Subject to the provisions of Section 8.1, above, the County may cancel this Agreement if:
- (a) Owner fails to cure a breach of this Agreement following notice thereof as provided for in this Agreement, pursuant to Section 22.52.2810.A.1 of the Los Angeles County Code; or
 - (b) The Historical Property is demolished, destroyed, or significantly altered due to a natural disaster such that the Historical Property no longer meets the standards for a qualified historical property, pursuant to Section 22.52.2810.A.2 of the Los Angeles County Code; or
 - (c) The Historical Property is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, pursuant to Section 22.52.2810.A.3 of the Los Angeles County Code.
- 8.3 **Cancellation Fee.** In accordance with Section 22.52.2810.C of the Los Angeles County Code and Section 50286, subdivision (a), of the California Government Code, in the event the County cancels this Agreement pursuant to Section 8.2(a), above, the Owner shall pay a cancellation fee equal to 12 1/2 percent (12.5%) of the fair market value of the Historical Property at the time of cancellation, as determined by the County Assessor as though the property were free of this

Agreement. The Owner shall pay such cancellation fee to the County Auditor-Controller at the time and in the manner that the Auditor-Controller shall prescribe. No cancellation fee shall be imposed pursuant to this Section 8.3 in the event the Agreement is cancelled pursuant to Sections 8.2(b) or (c), above.

8.4 **Enforcement Action.** In the event Owner fails to cure any breach of this Agreement after notice thereof as provided for in this Agreement, and in lieu of and/or in addition to the County's rights to cancel this Agreement, the County may, without further notice, declare a default under the terms of this Agreement and may bring any action necessary to specifically enforce the obligations of Owner arising out of the terms of this Agreement, apply to any court, state or federal, for injunctive relief against any violation by Owner, and/or apply for such other relief as may be appropriate. All remedies at law or in equity which are not otherwise provided for in this Agreement are available to the County in the event that Owner breaches this Agreement.

8.5 **No Waiver by County.** The County's failure to cancel or enforce this Agreement shall not be deemed a waiver of any claim or remedy the County may have against Owner. In the event the County waives a breach or default under this Agreement, such waiver shall not be deemed to be a waiver of any other subsequent breach thereof or default hereunder.

9.0 **BINDING EFFECT OF AGREEMENT**

9.1 **Declaration of Intent that Agreement Shall Run with the Land.** The County and Owner hereby declare their specific intent that the covenants, conditions and restrictions set forth in this Agreement shall be deemed covenants running with the land and shall pass to and be binding upon, and inure to the benefit of, the Owner's successors and assigns in title or interest to the Historical Property. Each and every contract, deed or other instrument hereinafter executed covering or conveying the Historical Property, or any portion thereof, and each and every contract, deed or other instrument in which the Historical Property is identified as security for any loan, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, conditions and restrictions expressed in this Agreement, regardless of whether such covenants, conditions and restrictions are set forth in such contract, deed or other instrument.

- 9.2 **Declaration of Understanding that Agreement Touches and Concerns the Land.** The County and Owner hereby declare their understanding and intent that the burden of the covenants, conditions and restrictions set forth in this Agreement touch and concern the land because the Agreement relates to the use and enjoyment of the Historical Property, because Owner's legal interest in the Historical Property is rendered less valuable hereby, and because such covenants, conditions and restrictions will enhance the historical characteristics and significance of the Historical Property for the benefit of Owner and the general public.
- 9.3 **Rights and Obligations of Successors in Interest.** 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 Historical Property, whether by operation of law or in any manner whatsoever. Owner's successors in interest shall have the same rights and obligations under this Agreement as Owner.
- 9.4 **Annexation of Historical Property by a City.** In the event that the Historical Property is annexed to a city, this Agreement shall remain in force and effect and the city shall succeed to all rights, duties, and powers of the County hereunder.

10.0 RECORDATION

Not later than twenty (20) days after the effective date of this Agreement, the Director shall cause this Agreement to be recorded in the office of the County Registrar-Recorder/County Clerk, and shall provide Owner with a copy of the recorded Agreement. In the event this Agreement is cancelled pursuant to Section 8.0, above, the Director shall record a notice of contract cancellation in the office of the County Registrar-Recorder/County Clerk within twenty (20) days of such cancellation, and shall provide Owner with a copy of the recorded notice of contract cancellation.

11.0 RECORDING AND INSPECTION FEES

- 11.1 As a condition of entering into this Agreement, not later than twenty (20) days after the effective date of this Agreement, Owner shall deposit with Department of Regional Planning the following:

- (a) The sum of \$[____], to compensate the County for expenses incurred by County in connection with the recording of this Agreement; and
- (b) The sum of \$[____], which shall be placed in a performance fund and shall be used exclusively to compensate the County for expenses incurred by the County in connection with inspecting the Historical Property to determine Owner's compliance with this Agreement. The fund provides for [NUMBER OF PERIODIC INSPECTIONS] inspections. Failure by Owner to timely deposit such fees within the time frame set forth in this Section shall render this Agreement null and void.

11.2 In the event the amount in the performance fund described in Section 11.1(b), above, falls below twenty percent (20%) of the original amount specified in Section 11.1(b), the Director in his/her sole discretion may require Owner to replenish the performance fund to the full amount specified in Section 11.1(b), above. Failure by Owner to replenish the fund within twenty (20) days of the Director's request shall be considered a material breach of this Agreement.

12.0 CONFLICT OF INTEREST

Owner represents and warrants that no County employee whose position in the County enables him/her to influence the award of this Agreement, and no spouse or economic dependent of such employee is or shall be employed in any capacity by Owner herein or does or shall have any direct or indirect financial interest in this Agreement. Owner further represents and warrants that Owner is aware of and has read, and that Owner's authorized officers are aware of and have read, the provisions of Section 2.180.010 of the Los Angeles County Code, "Certain Contracts Prohibited," and that execution of the Agreement will not violate those provisions.

13.0 REPRESENTATIONS AND WARRANTIES

Owner represents and warrants that Owner has the full right and authority to enter into this Agreement. Owner further represents and warrants that all persons owning fee simple title to the Historical Property are signatories hereto and bound hereby.

14.0 GENERAL TERMS AND CONDITIONS

14.1 **No Partnership or Joint Enterprise.** This Agreement shall not be deemed to create a partnership between the parties hereto or any of their heirs, successors

or assigns, nor shall the Agreement cause such persons to be considered joint venturers or members of any joint enterprise.

- 14.2 **Indemnification and Hold Harmless.** Owner, and each of them jointly and severally, shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.
- 14.3 **Severability.** 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.
- 14.4 **Governing Law, Jurisdiction, Venue.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Owner agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder or related hereto shall be exclusively in the County of Los Angeles.
- 14.5 **Amendments.** Except as provided in Section 5.0(b), above, this Agreement may be amended, in whole or in part, only by a written instrument executed by the parties hereto and recorded with the County Registrar-Recorder/County Clerk.
- 14.6 **Public Records Act.** All documents submitted by Owner to the County in connection with this Agreement become a matter of public record and shall be regarded as public records, except as otherwise provided in the California Public Records Act (California Government Code, commencing with Section 6250).
- 14.7 **Director or Designee.** Wherever the term "Director" appears in this Agreement, it shall be construed as including the Director and the Director's designee. Such designee may include persons who are not employees of the County, including but not limited to outside consultants and contractors.
- 14.8 **Captions.** The section headings appearing herein shall not be deemed to govern, limit, modify or in any way affect the scope, meaning or intent of these terms and conditions.

14.9 **Interpretation.** No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative drafted such provision.

14.10 **Warranty of Compliance with County's Defaulted Property Tax Reduction Program.** Owner acknowledges that County has established a goal of ensuring all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers. Unless Owner qualifies for an exemption or exclusion, Owner warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with the Los Angeles County Code, Chapter 2.206.

15.0 NOTICE

Any notice required or permitted 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 in writing by the parties hereto.

TO COUNTY: Los Angeles County Department of Regional Planning
320 West Temple Street, 13th Floor
Los Angeles, California 90012
ATTENTION: Los Angeles County Mills Act Program

TO OWNER: [Name]
[Street Address]
[City, State, ZIP]

[ALL OTHER OWNERS AS APPLICABLE]

IN WITNESS WHEREOF, Owner has executed this Agreement and the County of Los Angeles has caused this Agreement to be executed on its behalf by the Director of the Los Angeles County Department of Regional Planning, the day and year first above written.

COUNTY OF LOS ANGELES

By: _____ Date: _____
Richard J. Bruckner, Director
Los Angeles County Department
of Regional Planning

OWNER

By: _____ Date: _____
Name:
Address:

[ALL OTHER OWNERS AS APPLICABLE]

APPROVED AS TO FORM:

John F. Krattli
County Counsel

By: _____
Deputy

EXHIBIT A

[Legal description of the Historical Property]

EXAMPLE

EXHIBIT B

Work Program and Timeline

Item No.:	Building Feature:	Cost: \$	Projected completion year:
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Description of work:

Item No.:	Building Feature:	Cost: \$	Projected completion year:
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Description of work:

Item No.:	Building Feature:	Cost: \$	Projected completion year:
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Description of work:

Item No.:	Building Feature:	Cost: \$	Projected completion year:
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EXHIBIT C

Standards and Conditions Applicable to the Historical Property

Secretary of the Interior 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 integrity of the property and its environment.
10. New additions and adjacent or related new construction will be undertaken in a 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 D

[Inspection schedule of the Historical Property]

EXAMPLE