

13 RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
City of Fullerton
303 West Commonwealth Avenue
Fullerton, CA 92832
Attention: City Clerk

(Space Above This Line Is for Recorder's Use Only)
This Agreement is recorded at the request and for the benefit
of the City of Fullerton and is exempt from the payment of a
recording fee pursuant to Government Code §§ 6103 and
27383.

HISTORIC PROPERTY PRESERVATION AGREEMENT

between

CITY OF FULLERTON

and

Ernest C. Kelsey and Timothy J. Holmes

concerning

400 West Brookdale Place, Fullerton, CA 92832



Historic Property Preservation Agreement

HISTORIC PROPERTY PRESERVATION AGREEMENT (MILLS ACT CONTRACT)

THIS HISTORIC PROPERTY PRESERVATION AGREEMENT (the "Agreement") is made and entered into as of the date of execution by the City Manager (herein referred to as the "Effective Date"), and is being entered into by and between the CITY OF FULLERTON, a municipal corporation ("City"), and Ernest C. Kelsey and Timothy J. Holmes (referred to herein as the "Owner"), with reference to the following:

RECITALS

WHEREAS, the Mills Act (Government Code Section 50280 *et seq.*) provides cities with the opportunity to contract with owners of qualified historical properties whereby the owners promise to preserve, restore and rehabilitate the property in return for a reduced property tax assessment; and

WHEREAS, the City is dedicated to the protection and stabilization of property values through maintaining and upgrading its older housing stock, through the use of incentives such as the Mills Act; and

WHEREAS, the Mills Act will also have beneficial effects on City businesses, economic stability and community pride by preserving important neighborhood resources; and

WHEREAS, the use of the Mills Act will fulfill one of the City's 2012 Historic Preservation Chapter of the Fullerton Plan; specifically, "Support projects, programs, policies and regulations to promote the maintenance, restoration and rehabilitation of historical resources" (Policy P4.3); and

WHEREAS, it is the City's expectation that the Owner will use the property tax savings accrued under this Agreement for improvements to the "Historic Property" (as defined below). To that end, as a condition of renewal, the City will require a revised schedule of improvements every ten years showing a plan for improvements commensurate with the tax savings; and

WHEREAS, Owner possesses fee simple title in and to that certain real property, together with associated structures and improvements thereon, located at 400 West Brookdale Place in the City of Fullerton, County of Orange, State of California, having Assessor's Parcel Number 032-123-12 and more specifically described in Exhibit A, which exhibit is attached hereto and made a part hereof (herein referred to as the "Historic Property"); and

WHEREAS, the Historic Property is a qualified historical property under the Mills Act in that it is privately owned property which is not exempt from property taxation and is listed on the National Register of Historic Places, California Register of Historical Resources or Register of Historical Landmarks, California Points of Historical Interest, or on a City of Fullerton Historic Register, or is an eligible property within a Residential Preservation Zone; and

WHEREAS, Owner, in consideration for abiding by the terms of this Agreement shall be entitled to a reassessment of valuation of the Historic Property and any corresponding reduction in property taxes pursuant to the provisions of the California Revenue and Taxation Code; and

WHEREAS, the City and Owner for their mutual benefit, now desire to enter into this Agreement to limit the use of the Historic Property to prevent inappropriate alterations, to ensure that characteristics of historical significance are preserved and maintained in an exemplary manner, and to carry out the purposes of Article 12 (commencing with Section 50280) of Chapter 1, Part 1, Division 1 of Title 5 of the California Government Code and Article 1.9 (commencing with Section 439) of Chapter 3, Part 2 of Division 1 of the California Revenue and Taxation Code.



AGREEMENT

NOW, THEREFORE, both Owner and City, in consideration of the mutual promises, covenants and conditions contained herein and the substantial public benefits to be derived there from, do hereby agree as follows:

1. **AGREEMENT SUBJECT TO GOVERNMENT CODE SECTIONS 50280-50290.** This Agreement is made pursuant to California Government Code Sections 50280 through 50290 and Article 1.9 (commencing with Section 439) of Chapter 3, Part 2 of Division 1 of the California Revenue and Taxation Code and is subject to all of the provisions of those statutes. To the extent any of the provisions in this Agreement are inconsistent with the pertinent provisions of the Government and Revenue and Taxation Code, they are superseded by those Code Sections.
2. **ASSESSMENT OF VALUATION.** Property tax relief afforded to Owner pursuant to Chapter 3, Part 2 of Division 1 of the California Revenue and Taxation Code will be determined solely by the Orange County Assessor. City makes no representations regarding the actual tax savings any person may realize by entering into this Agreement.
3. **PRESERVATION OF PROPERTY.** Owner agrees to preserve and maintain the Historic Property and its character defining features. Character defining features include, but are not necessarily limited to, the general architectural form, style, materials, design, scale, details, mass, roof line and other aspects of the appearance of the exterior of the Historic Property.

The Secretary of the Interior's Standards for Rehabilitation (Exhibit B) and City's minimum maintenance standards (Exhibit C), attached hereto and incorporated herein by reference, shall constitute the minimum standards and conditions for preservation, restoration, and rehabilitation of the Historic Property, and shall apply to the Historic Property throughout the term of this Agreement. Owner shall, where necessary, restore and rehabilitate the Historic Property to conform 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, the State Historical Building Code, and the City of Fullerton Historic Preservation Design Standards.

As consideration for the City to enter into this Agreement, the Owner agrees, at its own cost and expense, to complete, or cause to be completed, the work or improvements described in Exhibit D within the times established therefor in Exhibit D. Improvements can be inclusive of work completed within the last five years of the start date of this contract. The Owner shall secure any and all permits which may be required by the City or any other governmental agency affected by the construction of the work or improvements described in Exhibit D. The Owner accepts responsibility for and shall be responsible for identification of and compliance with all applicable laws pertaining to the construction and installation of the work or improvements described on Exhibit D and the contract or contracts pertaining thereto. The Owner will neither seek to hold nor hold the City liable for, and will hold the City harmless with respect to, any consequences of any failure by the Owner to correctly determine the applicability of any such requirements to any contract he/she/they enter into. In addition to the foregoing, the Owner hereby agrees to and will comply with all applicable local, state, and federal statutes, regulations, rules, codes (including building codes), ordinances, and other requirements of governmental authorities now or hereafter in effect ("Applicable Laws") pertaining to the use of the Historic Property. Owner must give the City immediate written notice on Owner's becoming aware that the use or condition of the Historic Property is in violation of any Applicable Laws.

4. **PHOTOGRAPHIC SURVEY AND ANNUAL REPORTING.** Owner agrees to provide the City with a report as to the status of the Historic Property annually at least ninety (90) days prior to each anniversary of the Effective Date of this Agreement. The annual report shall provide reasonable and satisfactory documentation of the completed work required by Exhibit D for the twelve-month period preceding each anniversary of this Agreement, and whether the Historic Property has undergone any changed conditions, and whether Owner has received any public funds from other sources designated for the preservation or maintenance of the Historic Property and from whom such funds have been received. Upon reasonable prior notice, Owner hereby agrees to permit the City or its authorized representative to perform an exterior photographic survey of the Historic Property. To determine the Owner's compliance with the terms and provisions of this Agreement. In addition, and upon reasonable prior notice, the Owner shall also (i) permit periodic examinations of the exterior of the Historical Property by representatives of the City, the Orange County Assessor, the California Department of Parks and Recreation and the State Board of Equalization, and Mills Act Program Guidelines & Application 5. (ii) furnish the City with such information reasonably requested by the City, as may be necessary to determine the Owner's



compliance with this Agreement. In addition, all Mills Act property surveys are annually conducted from the sidewalk and evaluate everything that is visible from the public right-of-way. During this process, maintenance conditions, 10- Year Plan items and compliance with the Secretary of the Interior's Standards for Rehabilitation are evaluated. Following the survey, Mills Act property owners will receive a letter by mail, notifying them of the survey results and explaining whether or not they are in compliance. If at any point during the term of the Contract the property is deemed noncompliant, the owner will be given a reasonable deadline to make the improvements, with an extension granted if the owner has shown good-faith efforts to make the improvements.

5. **PAYMENT OF ANNUAL SURVEY FEE.** The survey fee shall be waived by the City if an authorized representative is utilized to survey the exterior of the Historic Property. If an authorized representative is not available to survey the exterior, the Owner shall pay the City an annual fee of \$85 for each required yearly survey of the Historic Property for the purpose of covering the reasonable cost of performing required surveys as work is completed. Said fee shall be payable to the city of Fullerton and shall be remitted to the Planning Division upon demand and prior to the required survey. The amount of the annual survey fee shall be established by the City Council and may be revised from time to time.
6. **TERM.** The term of this contract is for a period of ten (10) years, which period starts on the Effective Date.
7. **AUTOMATIC RENEWAL.** On each yearly anniversary of the Effective Date of this Agreement (hereinafter referred to as the "renewal date"), one year shall be added automatically to the initial term of this Agreement, unless notice of non-renewal is given as provided in this Agreement.
8. **EFFECT OF OUTSIDE FUNDS.** If Owner receives funds designated for the preservation or maintenance of the Historic Property from any other public agency, this Agreement shall not be renewed except upon the vote of the City Council.
9. **NOTICE OF NONRENEWAL.** If in any year either the Owner or City desires not to renew this Agreement, that party shall serve written notice of nonrenewal on the other party in advance of the annual renewal date. Unless the notice is served by Owner to City at least ninety (90) days, or by City to Owner at least sixty (60) days prior to the renewal date, one year shall automatically be added to the term of the Agreement. Within fifteen (15) days of receipt by Owner of a notice of nonrenewal from the City, Owner may make a written protest. Upon receipt of such a protest the City Council shall set a hearing prior to the expiration of the renewal date of this Agreement or toll the renewal date until such hearing can reasonably held. 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. At any time prior to the renewal date, City may withdraw its notice of nonrenewal.
10. **EFFECT OF NOTICE NOT TO RENEW.** If in any year either party serves notice of intent not to renew this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the original execution date if not yet renewed, or the last renewal date of the Agreement, as the case may be.
11. **UPDATE OF IMPROVEMENT SCHEDULE.** At least ninety (90) days prior to the tenth (10th) anniversary of the Effective Date of this Agreement, and ninety (90) days prior to every tenth (10th) anniversary thereafter, Owner shall provide City with an updated schedule of improvements and maintenance items for the City's review and approval. Such updated schedule shall contain a list of proposed improvements and/or revisions to be accomplished during the next succeeding ten (10) years of the Agreement and a schedule for the construction of such improvements. Within thirty (30) days after the City's receipt of said updated schedule, the City's Director of Community and Economic Development shall either approve or disapprove such proposed schedule of proposed improvements, or shall respond in writing by stating what further information, if any, the City reasonably requires in order to determine the request complete and determine whether or not to grant the requested approval. Upon receipt of such a response, the Owner shall promptly furnish to the City such further information as may be reasonably requested. When determining whether to approve or deny the proposed schedule of proposed improvements, the Director of Community and Economic Development shall consider the estimated annual tax savings (i.e., the public costs) and compare those savings to the value of the benefits to the public of the proposed improvements and the maintenance of the Historic Property.
12. **INDEPENDENT ADVICE OF COUNSEL.** The Owner, and each of them, represent and declare that in executing this Agreement he/she/they have relied solely upon his/her/their own judgment, belief and knowledge, and the advice and recommendations of his/her/their own independently selected counsel, concerning the nature, extent and duration of



his/her/their rights and claims, and that he/she/they have not been influenced to any extent whatsoever in executing the same by the City or by any person representing the City.

13. FURNISHING OF INFORMATION. Owner shall furnish City with any information City shall require in order to enable City to determine eligibility of the Historic Property to be classified as a Historic Property.
14. ENFORCEMENT OF AGREEMENT. In lieu of and/or in addition to any provisions to cancel the Agreement as referenced herein, City may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any breach of the terms of this Agreement, to recover damages for any breach, or to obtain any other remedy consistent with the purpose of this Agreement. In the event of a default under the provisions of this Agreement by Owner, City shall give written notice to Owner specifying the alleged grounds for the default. Said notice shall be given by registered or certified mail addressed to the address stated in this Agreement. If such violation(s) is not corrected to the reasonable satisfaction of the City within thirty (30) days from the issuance of the notice of violation, or within such reasonable time as may be required to cure the breach or default, provided that acts to cure, correct or remedy such breach or default are commenced within thirty (30) days and thereafter diligently pursued to completion, then City may, without further notice, institute legal action. Except as otherwise expressly stated in this Agreement, the rights and remedies of the City are cumulative, and the exercise by the City of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the Owner. Any failure or delay by the City in asserting any of its right and remedies as to a breach of any of the covenants, conditions or agreements set forth herein shall not operate as a waiver of such breach or of any such rights or remedies, or deprive the City of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce such rights or remedies. A waiver by the City of a breach shall not be construed as a waiver of any succeeding breach of the same or other covenants, conditions or agreements set forth in this Agreement.
15. CANCELLATION. City may cancel this Agreement if City determines Owner has breached any of the conditions or covenants of this Agreement or has allowed the Historic Property to deteriorate to the point that it no longer meets the standards for a qualified historical property. City may also cancel this Agreement if it determines Owner has failed to restore or rehabilitate the Historic Property in the manner specified in this Agreement.
16. NOTICE OF CANCELLATION. This Agreement cannot be canceled until after City has given notice and has held a public hearing and given notice as required by Government Code Section 50285.
17. CANCELLATION FEE. If City cancels this Agreement in accordance with Section 15 above, Owner shall pay a cancellation fee of twelve and one-half percent (12.5%) of the current fair market value of the Historic Property at the time of cancellation. The current fair market value shall be determined by the County Assessor as though the Historic Property were free of the restriction on the Historic Property imposed pursuant to this Agreement. The cancellation fee shall be paid to the County Auditor at such time and in such manner as the County Auditor shall prescribe.
18. NOTICES. All notices required by or provided for in the Agreement shall be given in writing and may be mailed or delivered in person at the address of the respective parties as specified below or at any other address as may be later specified by the parties. Deposit of notice in the mail, postage prepaid, shall be deemed receipt of the notice.

If to Owner: Ernest C. Kelsey and Timothy J. Holmes
400 West Brookdale Place
Fullerton, CA 92832

If to City: City of Fullerton
Attn.: City Manager
303 West Commonwealth Avenue
Fullerton, CA 92832

19. NO COMPENSATION. Owner shall not receive any payment from the City in consideration of the obligations imposed under this Agreement. The Owner acknowledges and agrees that the consideration for the execution of this Agreement is the substantial public benefit to be derived therefrom and the advantage that will accrue to Owner as a result of the



effect upon the assessed value of the Historic Property on account of the restrictions on the use and preservation of the Historic Property.

20. **REMEDY IF AGREEMENT HELD NOT ENFORCEABLE.** In the event it is finally determined this Agreement does not constitute an enforceable restriction within the meaning of the applicable provisions of the California Government Code and the California Revenue and Taxation Code, except for an unenforceability arising from the cancellation or nonrenewal of this Agreement, then this Agreement shall be null and void and without further effect and the Historic Property subject to this Agreement shall from that time be free from any restriction whatsoever under this Agreement without any payment or further act of the parties to this Agreement.
21. **ACQUISITION OF PROPERTY BY EMINENT DOMAIN; CANCELLATION OF CONTRACT; INAPPLICABILITY TO DETERMINATION OF VALUE.** In the event that the Historic Property is acquired in whole or part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the City to frustrate the purpose of the Agreement, the Agreement shall be cancelled, and no fee shall be imposed under Section 17, above. The Agreement shall be deemed null and void for all purposes of determining the value of the Historic Property so acquired. If, subsequent to the filing of an action in eminent domain, the proposed condemnation is abandoned by the condemning agency, the restrictions on the use of the Historic Property included in this Agreement shall, without further agreement of the parties, be reinstituted and the terms of this Agreement shall continue in full force and effect.
22. **EFFECT OF AGREEMENT.** 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 hereto to be considered joint ventures or members of any joint enterprise.
23. **SUCCESSORS AND ASSIGNS.** This Agreement is binding upon and shall inure to the benefit of all successors in interest of the Owner. A successor in interest shall have the same rights and obligations under this Agreement as the original owner who entered into this Agreement.
24. **REQUIREMENTS RELATED TO TRANSFER OF HISTORIC PROPERTY.** In the event of any sale, transfer, assignment or conveyance of the Historic Property (herein referred to as a "Transfer"), the Owner agrees that, at least thirty (30) days prior to such Transfer, it shall give written notice to the City of such proposed Transfer, including the name(s) of the transferee(s). In addition, the Owner and the proposed transferee(s) shall enter into and deliver to the City through the escrow for the Transfer of the Historic Property an assignment and assumption agreement in a form satisfactory to the City's Attorney or such other evidence as may be satisfactory to the City that the transferee(s) has (have) assumed the Owner's obligations set forth in this Agreement. Upon the Transfer of the Historic Property and the assumption of the obligations hereunder by the transferee(s), the Owner's liability for performance shall be terminated as to any obligation to be performed hereunder after the date of such Transfer.
25. **RECORDATION.** 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 Orange.
26. **AMENDMENTS.** This Agreement may be amended, in whole or in part, only by a written and recorded instrument executed by the parties hereto, except that the Director of Community and Economic Development is authorized to amend the list of required projects in Exhibit D to be consistent with realized tax savings.
27. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement with the same effect as if all parties had signed the same signature page. Any signature page of this Agreement may be detached from any counterpart of this Agreement and re-attached to any other counterpart of this Agreement identical in form hereto but having attached to it one or more additional signature pages.
28. **ADMINISTRATION.** This Agreement shall be administered by the City's Director of Community and Economic Development (or their designee) following approval of this Agreement by the City. The City shall maintain authority of this Agreement through the City's Director of Community and Economic Development (or their designee). The City's Director of Community and Economic Development shall have the authority to issue interpretations, waive provisions and enter into amendments of this Agreement on behalf of the City so long as such actions do not change the uses



permitted on the Historic Property or the purpose of this Agreement, and such amendments may include extensions of time specified in Exhibit D. All other waivers or amendments shall require the written approval and consent of the City Council.

IN WITNESS WHEREOF, the City and the Owner have executed this Agreement.

“OWNER”

Dated: November 18, 2025

By: _____
Name: Ernest C. Kelsey

“OWNER”

By: _____
Name: Timothy J. Holmes

“CITY”

CITY OF FULLERTON, a municipal corporation

Dated: November 18, 2025

Eddie Manfro, Interim City Manager

ATTEST:

APPROVED AS TO FORM:

Lucinda Williams, City Clerk

Richard D. Jones, City Attorney



EXHIBIT "A"

LEGAL DESCRIPTION OF HISTORIC PROPERTY

The following described property in the City of Fullerton, County of Orange, State of California:

Lot 39 of Tract 686, in the City of Fullerton, County of Orange, State of California, as shown on a map thereof recorded in Book 21, page 4 of Miscellaneous Maps, in the Office of the County Recorder of said County.

Said real property is commonly known as 400 West Brookdale Place, Fullerton, CA 92832



EXHIBIT "B"

SECRETARY OF THE INTERIOR'S STANDARDS FOR REHABILITATION

1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
2. The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
3. Each property shall 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 architectural elements from other buildings, shall not be undertaken.
4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
6. Deteriorated historic features shall be repaired rather than replaced. 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.
7. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
8. Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
10. New additions and adjacent or related new construction shall 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"

CITY OF FULLERTON HISTORIC PROPERTY

MAINTENANCE STANDARDS

All buildings, structures, yards and other improvements shall be maintained in a manner which does not detract from the appearance of the immediate neighborhood. The following conditions are prohibited:

1. Dilapidated, deteriorating, or unrepaired structures, such as: fences, roofs, doors, walls and windows.
2. Publicly visible storage of scrap lumber, junk, trash or debris.
3. Publicly visible storage of abandoned, discarded or unused objects or equipment, such as automobiles, automobile parts, furniture, stoves, refrigerators, cans, containers or similar items.
4. Stagnant water or excavations, including pools or spas.
5. Any device, decoration, design, structure or vegetation that is unsightly by reason of its height, condition, or its inappropriate location.



EXHIBIT "D"
REHABILITATION / MAINTENANCE PLAN

Kelsey-Holmes Residence Proposed Mills Act Projects	400 West Brookdale Place Fullerton, CA 2026-2036
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Project	Timing	Cost	Duration
Install Moisture Barrier - East Side	2026	\$3,500	1 month
Termite/Dry rot repair/Wood Maintenance	2027	\$5,000	2 months
Side drainage improvements	2028	\$8,000	2 months
Retaining Wall replacement	2029	\$30,000	6 months
Stucco Repair	2030	\$5,000	2 months
Front Walkway/Courtyard Repair	2031	\$15,000	3 months
Roof Repairs	2032	\$7,500	1 month
Window Repair/Replacement	2034	\$10,000	Ongoing
Upper Porch Sliding Window Replacement	2035	\$25,000	2 months
Paint House	2036	\$35,000	3 Months