

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

National Community Renaissance of California
9065 Haven Avenue, Suite 100
Rancho Cucamonga, California 91730
Attn: Richard J. Whittingham, CFO

APN: 0171-461-48

**NOTICE OF RELEASE
OF DENSITY BONUS AGREEMENT**

This Notice of Release of Density Bonus Agreement is made this 2nd day of November, 2010, by the City of Redlands, a municipal corporation ("City").

WHEREAS, National Community Renaissance of California, a California nonprofit public benefit corporation which acquired title as The Southern California Housing Development Corporation ("Owner"), is currently the owner of the apartment community commonly known as the Colony Apartments, located at 221 New York Street, Redlands, California (the "Property"). The Property is described more specifically on Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, on or about August 3, 1987, Daljit Sarkaria, Elaine Sarkaria and John A. Sarkaria (collectively, the "Sarkarias") and the City entered into that certain Density Bonus Agreement (the "Density Bonus Agreement") concerning the Property, which was subsequently recorded on August 24, 1987 as Instrument No. 87-292877, Official Records of San Bernardino County, California. The Sarkarias were the original developers of the apartment improvements which were constructed on the Property. In conjunction with the City's approval of a conditional use permit permitting construction of a project with additional density on the Property, the Sarkarias and the City agreed to and did execute the Density Bonus Agreement imposing affordability restriction on use of the Property for ten (10) years from the date of execution thereof. Based upon its execution date of August 3, 1987, the Density Bonus Agreement expired August 2, 1997; and

WHEREAS, the Owner continues to operate the improvements on the Property to provide affordable housing. In connection therewith, the Owner most recently agreed to impose affordability restrictions on the Property in the form of a Regulatory Agreement and Declaration of Restrictive Covenants among the California Statewide Communities Development Authority,

Washington Mutual Bank, FA and the Owner (the “Bond Regulatory Agreement”), which Bond Regulatory Agreement was recorded on July 9, 2003 as Document No. 2003-0501127. Among its provisions, the Bond Regulatory Agreement restricts rental of forty percent (40%) of the apartment units located on the Property to persons and families with a household income not greater than sixty percent (60%) of the area medium income as set by and determined by the United States Department of Housing and Urban Development. The term of the Bond Regulatory Agreement expires on the *later* of the date that no bonds issued in connection therewith remain outstanding or July 8, 2033. The provisions and restrictions of the Bond Regulatory Agreement restrict a greater number of apartment units at deeper affordability than the Density Bonus Agreement and thereby protect the affordable housing interests of the City; and

WHEREAS, by virtue of the foregoing and by reason of the expiration of the term of the Density Bonus Agreement, the City has agreed to release the Density Bonus Agreement from the Official Records of San Bernardino County. The purpose of recordation of this Notice of Release of Density Bonus Agreement is to document as a matter of public record such release.

OPERATIVE PROVISIONS

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the City hereby declares that:

1. The Density Bonus Agreement has expired according to its terms. Although expired, the interest of the City in the provision of quality affordable housing on the Property for the residents of the City is continued during the term of the Bond Regulatory Agreement.
2. The Density Bonus Agreement has expired by its terms and is of no further force and effect.
3. The obligations of the parties under the Density Bonus Agreement no longer run with the land and the Property is hereby released from the burdens of the Density Bonus Agreement, which is of no force and effect as a matter of public record.

IN WITNESS WHEREOF, the undersigned, an authorized representative of the City, has executed this Notice of Release of Density Bonus Agreement as of the date and year first above written.

City of Redlands,
a municipal corporation

By: _____
Pat Gilbreath, Mayor
City of Redlands

-

ATTEST:

Sam Irwin, City Clerk

EXHIBIT “A”
[Legal Description]

Parcel 1 of Parcel Map No. 9485, in the City of Redlands, County of San Bernardino, State of California, as shown by Map recorded in Book 107, Page 67 of Parcel Maps, in the Office of the County Recorder of San Bernardino County, California.

ALL-PURPOSE ACKNOWLEDGMENT

State of California)
) ss.
County of _____)

On _____, before me, _____
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person 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 of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Notice of Release of Density Bonus Agreement
Document Dated November 2, 2010 Number of Pages: 4

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____ Right Thumbprint of Signer

- Individual

- Corporate Title(s): _____
- Partner - Limited General
- Attorney in Fact
- Trustees
- Guardian or Conservator

Other:

Signer is Representing: _____