

SEP 6 1983

DENSITY BONUS HOUSING AGREEMENT

This agreement is entered into this 16 day of August, 1983, between Brookside Ltd., a California limited partnership hereinafter referred to as "Developer", and the City of Redlands, a municipal corporation hereinafter referred to as "City".

RECITALS

1. Developer is the developer of all that certain real property located in the City of Redlands, County of San Bernardino, described in Exhibit A attached hereto and incorporated herein by reference.
2. Developer has applied for revised conditional use permit and tentative tract map approval for a 144-unit project denominated "Le Parc" and located at Brookside Avenue and Tennessee Street in City.
3. This agreement shall be mutually binding, is made in good faith, and reflects the Planning Commission and City Council's intent to provide quality, affordable housing for the people of City.

TERMS

4. Pursuant to the requirements of California Government Code Sections 65915-18, City agrees to grant the following incentives to Developer in order to allow the provision of affordable housing to the people of City within the Le Parc project:
 - a. A density bonus of 25 units over the otherwise permitted density in the R-2-2000 Multiple Family Residential District.
 - b. A reduction to 48 in required covered parking spaces for proposed one bedroom units, from the 96 otherwise required by Section 39.20(b)(2) of the Redlands Ordinance Code.
 - c. A reduced setback to permit garages adjacent to the existing private road, with at least 4' wide permanently maintained and irrigated landscaping between such private road and the garage walls.

- d. A reduced front yard for two story buildings constructed about a court or in multiples on a single lot or site.
5. Developer covenants and agrees to provide, construct and make available for sale 36 condominium units within the Le Parc project to only owner occupants with permitted income levels, and at maximum sales prices, all as set forth herein. These units are hereinafter called "Section 5 units".
6. "Owner occupants" are buyers who in complete good faith intend to reside for the foreseeable future in the unit purchased, and who declare such to be true to City in a joint written affidavit with Developer under penalty of perjury and in a form acceptable to City.
7. "Permitted income levels" shall be \$ 24,100 for individuals or families purchasing 1 bedroom units, and \$ 30,100 for individuals or families purchasing 2 bedroom units. These levels are set at 120% of the current median family income in City as calculated by HUD and are subject to revision by written addendum hereto as such median income changes.
8. "Maximum sales prices" shall be \$ 72,700 for two-bedroom units and \$ 56,950 for one-bedroom units. These prices are calculated pursuant to the following formulae, and are subject to revision by written addendum hereto as median income changes:
- | | | | | | | | | |
|-------------------------------|---|--------------------------|---|---------------------------|---|-----------------------------------|---|-------------------------------|
| Permitted
Income
Level | X | Debt
Ratio
(.35) | ÷ | 12
(mos/yr) | - | Assess-
ments
(incl. taxes) | = | Maximum
Monthly
Payment |
| Maximum
Monthly
Payment | ÷ | Sales
Price
Factor | = | Maximum
Sales
Price | | | | |
9. Developer agrees to obtain and maintain on file with City an income certification from all buyers of Section 5 units. Such income certification shall include a statement of total annual income earned by each household member, along with each place of employment; it shall be signed by the head of the household and shall be verified and certified as true by Developer.

10. An eligible buyer at the commencement of occupancy will be deemed to remain an eligible buyer as long as that individual or family continues to reside in the unit initially purchased, even though the buyer may subsequently cease to meet the requirements herein for initial purchase.
11. The Section 5 units shall carry ten-year resale restrictions on their grant deeds in a form satisfactory to City. These restrictions shall require purchasers upon any resale to meet all maximum income level, owner occupancy and maximum sales price requirements herein.
12. Developer covenants and agrees that all Section 5 units will be evenly distributed and dispersed throughout the Le Parc project, with the same architectural treatment as other units in that project.
13. Developer shall within thirty days of closing on any Section 5 unit provide City with a copy of all fully executed closing documents thereon, including the restricted grant deed.
14. Developer covenants and agrees to institute and diligently support an anti-speculation program in connection with the sale and resale of Section 5 units. As part of that program, affidavits in form and content satisfactory to City shall be required from the real estate broker and escrow agent handling each initial purchase of a Section 5 unit.
15. Upon violation of any of the provisions of this agreement by Developer, which violation is deemed in the discretion of City to be a material violation, City shall give written notice thereof to Developer by registered or certified mail at the address stated in this agreement, or such other address as may be subsequently designated in written notice by Developer. If such violation is not corrected to the satisfaction of City within ten days after the date such notice is mailed, or within such further time as City determines is necessary to correct the violation, City shall declare a default under this agreement. In the event of such a default, City may, in its

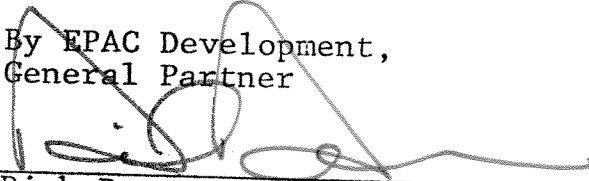
discretion, demand payment by Developer for all density, parking and setback benefits conferred by this agreement. The amount owed City by Developer pursuant to this section shall be set by a qualified real estate appraiser appointed with the consent of Developer and City. If Developer and City cannot agree upon a single such appraiser, each shall appoint its own qualified real estate appraiser, and the two appointees shall appoint a third. The decision of the appraiser or appraisal panel shall be final.

16. If any action, at law or in equity, including any action for declaratory relief, is brought to enforce or interpret the provisions of this agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.
17. This agreement is assignable by Developer, is binding upon the parties hereto and their respective successors and assigns, and shall inure to the benefit of the parties, their successors and assigns.
18. Developer shall indemnify, defend and hold harmless City, its officers, agents and employees, from any and all claims, losses or legal actions arising from any and all of the actions of Developer, its employees, agents or subcontractors pursuant to this agreement.

DEVELOPER

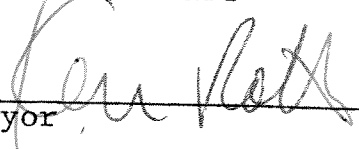
Brookside Ltd, a California
limited partnership

By EPAC Development,
General Partner

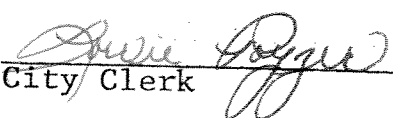

Rick Doremus, President
EPAC Development

5375 East Second St. Long Beach
(Address)

CITY OF REDLANDS

By 
Mayor

Attest:


City Clerk

30 Cajon Street, P. O. Box 280

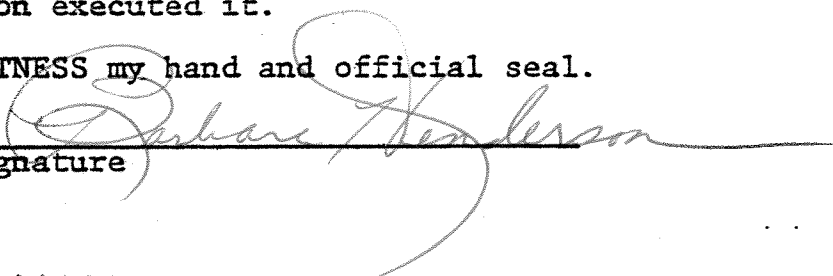
Redlands, CA 92373

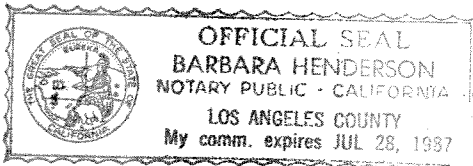
(Address)

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

On this the 22nd day of September, 1983, before me, the undersigned Notary Public, appeared Rick Doremus, President of EPAC Development, known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.


Signature



5375 E. Second Street #3, Long Beach, CA 90803

EXHIBIT A

(LEGAL DESCRIPTION)

Lot 1 and 2 of Tract 11779 per Map recorded in Map Book 161 Pages 1 and 2,
Records of San Bernardino County, California.

Epac Development
5375 E. Second Street
Long Beach, CA 90803
(213) 433-9908

September 22, 1983

INCOME SPREAD/EXAMPLES

Tract 11779 Affordables

AREA: Redlands

SOURCE: HUD* median income calculations for 1983 incorporating
P.M.S.A. San Bernardino/Riverside Counties

INCOME: 120% of \$25,100**

HOUSEHOLD SIZE:

1	2	3	4
\$21,100	\$24,100	\$27,100	\$30,100
1 Bedroom income - \$24,100			
2 Bedroom income - \$30,100			

CALCULATIONS:

$$\$24,100 \times .35 \div 12 - (152) = 550 \div .009654244*** = \$56,969$$

$$\$30,100 \times .35 \div 12 - (175) = 702 \div .009654244*** = \$72,714$$

*Per Jerry Nickano, HUD, (213) 688-5931

**HUDs 100% Median Income

***Reflects 11% Interest Rate