

Requested By:
CHICAGO TITLE COMPANY

Electronically Recorded in Official Records, County of San Bernardino

8/18/2008
08:00 AM
BS



LARRY WALKER
Auditor/Controller - Recorder

629 Chicago Title Company

TO BE RECORDED AND UPON
RECORDATION RETURN TO:

Doc #: **2008-0375547**



Titles: **1** Pages: **9**

Fees 62.00

Taxes .00

Other 00

PAID 62.00

City Clerk
City of Redlands
P.O. Box 3005
Redlands, CA 92373

**EXTENSION OF REGULATORY AGREEMENT
(ORANGE VILLAGE APARTMENTS)**

by and between

CITY OF REDLANDS

And

ORANGE VILLAGE APARTMENTS, L.P.,
a California limited partnership

Dated as of August 5, 2008

810075321-X59

TO BE RECORDED AND UPON
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**EXTENSION OF REGULATORY AGREEMENT
(ORANGE VILLAGE APARTMENTS)**

THIS **EXTENSION OF REGULATORY AGREEMENT (ORANGE VILLAGE APARTMENTS)** (this "Agreement") is made and entered as of this 5th day of August, 2008, by and between CITY OF REDLANDS, a municipal corporation, duly organized and existing under the laws of the State of California (the "City") and ORANGE VILLAGE APARTMENTS, L.P., a California Limited Partnership, as Owner (the "Owner").

WITNESSETH

WHEREAS, pursuant to that certain Indenture of Trust, dated as of July 1, 1988 (the "Indenture"), the City issued its Variable Rate Demand Multifamily Housing Revenue Bonds, 1988 Series A and 1988 Series B (Orange Village Apartments Project) (the "Bonds") in the aggregate principal amount of \$8,000,000 and used the proceeds thereof to make a loan to finance the acquisition, construction and ownership of a multifamily rental housing development known as the Orange Village Apartments (the "Project"); and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations and rulings promulgated with respect thereto, prescribed that the financing, use and operation of the Project be restricted in certain respects; and

WHEREAS, in order to ensure that the Project would be financed, constructed, used and operated in accordance with said Code and related regulations and rulings, a Regulatory Agreement and Declaration of Restrictive Covenants dated as of July 1, 1988 (the "Regulatory Agreement") was entered into among Maskan Development Company, a California Limited Partnership (succeeded in interest by the Owner), Seattle-First National Bank (succeeded as trustee by U.S. Bank National Association), and the City; and

WHEREAS, the Regulatory Agreement was recorded in the Official Records of the County of San Bernardino, State of California, on August 18, 1988 as an encumbrance on the real property described on Exhibit A attached hereto (the "Project Property"); and

WHEREAS, the Project has been refinanced by the Owner with a taxable borrowing and the Bonds have been redeemed and, as a result, the Qualified Project Period (as defined in the Regulatory Agreement) has expired as of August 1, 2008; and

WHEREAS, a Release and Discharge of Regulatory Agreement dated August 5, 2008, recorded on August 8, 2008, has removed the Regulatory Agreement as an encumbrance on the Project Property; and

WHEREAS, in consideration for the City's assistance in terminating the Regulatory Agreement, the Owner has determined to extend for an additional two years the applicability to the Project of the covenants contained in Section 4 and 4.A of the Regulatory Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the City and the Owner hereby agree as follows:

Section 1. Incorporation of Regulatory Agreement By Reference. The definitions contained in Section 1 of the Regulatory Agreement and the covenants and restrictions relating to the Project contained in Sections 4 and 4.A of the Regulatory Agreement are hereby incorporated herein by reference.

Section 2. Extension of Covenants. The Owner hereby agrees that for a period of two years commencing upon the recordation of this Agreement until the date which is two years after such recordation that the covenants contained in Section 4 and Section 4.A shall remain applicable to the Project and shall take all necessary actions to comply with said Section 4 and Section 4.A. Any references to the "Qualified Project Period" in Section 4 and Section 4.A shall be limited to the two year period described in the first sentence of this Section 2.

Section 3. Subordination/Foreclosure. The covenants contained in Section 2 are expressly subordinate to all the terms and provisions of the that certain Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing in the original principal amount of \$12,950,000.00, made to be effective as of August 7, 2008, by Chicago Title Company, as trustee, for the benefit of Wells Fargo Bank, National Association, a national banking association ("**Lender**").

Section 4. Covenants to Terminate Upon Foreclosure. In the event that Lender or any successor in interest thereto commences foreclosure proceedings against the Project, this Agreement shall terminate without the need of any actions take by either party hereto.

Section 5. Enforcement by the City. In the event the City determines that the Owner is not in compliance with respect to Section 2 hereof, the Owner shall pay to the City the amount of \$2,000 for each unit not in compliance with Section 2.

Section 6. Agreement to Record. The Owner hereby represents, warrants and covenants to cause this Agreement to be recorded in the real property records of the County of San Bernardino, California, and in such other places, if any, as the City may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

Section 7. Effective Date. This Agreement shall be effective as of the date hereof.

Section 8. Multiple Counterparts. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

IN WITNESS WHEREOF, the City and the Owner have executed this Extension of Regulatory Agreement by duly authorized representatives, all as of the date first written above.

CITY OF REDLANDS, as City

By: _____

City Manager

N. Enrique Martinez

ORANGE VILLAGE APARTMENTS, L.P.

By: _____

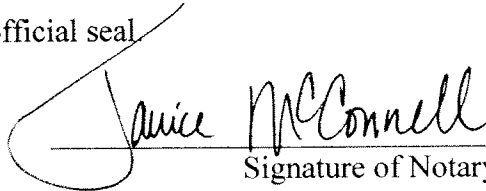
Title: _____

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

On August 12, 2008 before me, Janice McConnell, a Notary Public,
personally appeared N. Enrique Martinez, who proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within
instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~
authorized capacity(~~ies~~), and that by his/~~her~~/~~their~~ signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

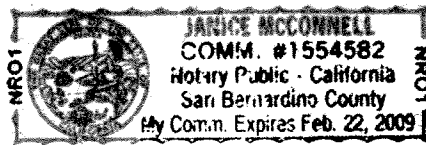
I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature of Notary

[SEAL]



IN WITNESS WHEREOF, the City and the Owner have executed this Extension of Regulatory Agreement by duly authorized representatives, all as of the date first written above.

CITY OF REDLANDS, as City

By: _____
City Manager

ORANGE VILLAGE APARTMENTS, L.P.

By: Thomas Tomanek / Angelita Tomanek
Title: President and / Vice President

Thomas Tomanek & Associates VIII, Inc.
a California Corporation

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN FRANCISCO)

On AUGUST 7, 2008 before me, WILLIAM K. HOLSMAN Notary Public,
personally appeared THOMAS TONIAWICK & ANGELITA ELIA TONIAWICK who proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) 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.

William K. Holzman
Signature of Notary

[SEAL]

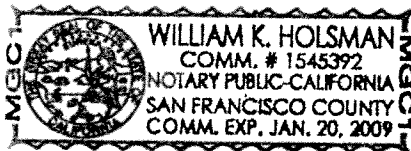


EXHIBIT A

LEGAL DESCRIPTION OF PROJECT PROPERTY

(continued)

EXHIBIT "A"

PARCEL 3 OF PARCEL MAP NO. 9105, IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 95 PAGES 98 AND 99 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Assessors Parcel Number: 0167-151-24