

RECORDING REQUESTED BY AND)
WHEN RECORDED MAIL TO:)
)
Marineland Community Association, Inc.)
c/o The Loftin Firm LLP)
5760 Fleet Street, Ste. 110)
Carlsbad, CA 92008)

This document is recorded for the benefit of the Independent Cities Finance Authority and the recording is fee exempt under Section 27383 of the Government Code.

ASSUMPTION, CONSENT AND RELEASE AGREEMENT

among

MILLENNIUM HOUSING OF CALIFORNIA,
as Borrower

MARINELAND COMMUNITY ASSOCIATION, INC.,
as New Owner

INDEPENDENT CITIES FINANCE AUTHORITY,
as Bond Issuer

and UNION BANK, N.A., (formerly known as Union Bank of California, N.A.),
as Trustee

Relating To

\$7,270,000
Independent Cities Lease Finance Authority
Mobile Home Park Revenue Bonds
(Hermosa Beach, Marineland Mobilehome Park)
SERIES 2004A

and

\$200,000
Independent Cities Lease Finance Authority
Mobile Home Park Subordinate Revenue Bonds
(Hermosa Beach, Marineland Mobilehome Park)
TAXABLE SERIES 2004B

Dated _____, 2013

ASSUMPTION, CONSENT AND RELEASE AGREEMENT

This ASSUMPTION, CONSENT AND RELEASE AGREEMENT (the “**Agreement**”), made and entered into as of October __, 2013 (“**Effective Date**”), by and among the MILLENNIUM HOUSING OF CALIFORNIA, a California nonprofit public benefit corporation (“**Borrower**”), MARINELAND COMMUNITY ASSOCIATION, INC., a California nonprofit public benefit corporation (“**New Owner**”), INDEPENDENT CITIES FINANCE AUTHORITY, formerly known as Independent Cities Lease Finance Authority (“**Bond Issuer**”) and UNION BANK, N.A. (formerly known as Union Bank of California, N.A.), a national banking association, as trustee (“**Trustee**”). Collectively the Borrower, New Owner, Bond Issuer and Trustee may be referred to as the “**Parties**” or individually as a “**Party**”)

RECITALS

WHEREAS, Bond Issuer, Borrower and Trustee entered into a Regulatory Agreement and Declaration of Restrictive Covenants dated as of July 1, 2004, recorded in the Office of the Los Angeles County Recorder’s Office as Document Number 04-1790301 (“**Regulatory Agreement**”), relating to Bond Issuer’s issuance pursuant to an Indenture of Trust, dated as of July 1, 2004 (the “**Indenture**”), by and between the Bond Issuer, and Trustee, of \$7,470,000 aggregate initial principal amount of its revenue bonds in two series designated “Independent Cities Lease Finance Authority Mobile Home Park Revenue Bonds (Hermosa Beach, Marineland Mobilehome Park), Series 2004A” (the “**Series A Bonds**”), and “Independent Cities Lease Finance Authority Mobile Home Park Subordinate Revenue Bonds (Hermosa Beach, Marineland Mobilehome Park), Taxable Series 2004B” (the “**Series B Bonds**” and together with the Series A Bonds, the “**Bonds**”); and

WHEREAS, the proceeds of which were loaned to Borrower for the purpose of acquiring and rehabilitating the Marineland Mobilehome Park (the “**Project**”) located at 531 Pier Avenue, within the City of Hermosa Beach, County of Los Angeles, State of California, on the real property described in **EXHIBIT A** attached hereto and incorporated herein as a low and very low income project; and

WHEREAS, the Borrower and New Owner have entered into a Purchase and Sale Agreement, dated as of April 1, 2013, as the same may be amended (the “**Purchase and Sale Agreement**”), pursuant to which the New Owner will acquire the Project from the Borrower; and

WHEREAS, the New Owner desires to acquire the Project operate it as a limited equity housing cooperative pursuant to California law; and

WHEREAS, the Regulatory Agreement provides that a purchaser of the Project shall certify that the continued operation of the Project shall comply with the provisions of the Regulatory Agreement and such purchaser shall assume in writing all performance obligations of the Borrower under the Regulatory Agreement; and

NOW, THEREFORE, in consideration of TEN DOLLARS (\$10.00), the recitals set forth above, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the promises and of the mutual covenants contained herein, the parties hereto agree as follows:

1. **Recitals.** The above recitals are true and correct and are incorporated herein.

2. **Definitions.**

(a) **"Borrower."** Upon the Effective Date, all references to the "Borrower" in the Regulatory Agreement (without regard to the capacity of or designation utilized to refer to the Borrower therein) shall be deemed to refer instead to the New Owner.

(b) **Other Definitions.** Any other capitalized term used in this Agreement not defined herein shall have the meaning ascribed to such term in the Regulatory Agreement.

3. **Assumption of Obligations.** The New Owner does hereby expressly assume and agree to perform and observe on and after the Effective Date all covenants and agreements of the Borrower contained in the Regulatory Agreement as may be modified herein.

4. **Qualified Project Period.** Unless otherwise extended by written notice to New Owner pursuant to Section 4(g) of the Regulatory Agreement, the "Qualified Project Period" shall terminate upon July 8, 2019, which is the date that is fifteen (15) years after the date on which fifty percent (50%) of the residential units in the Project were occupied, and on such date the Regulatory Agreement shall terminate in accordance with Section 11 thereof without the requirement of any further action by any Party.

5. **Release of the Borrower.** Borrower is hereby discharged from its obligations under the Regulatory Agreement incurred from and after the date of this Agreement. However, nothing in this Agreement shall act as a release or waiver of any claim that may arise in connection with the Borrower's failure to have faithfully discharged all of its duties and obligations under the Regulatory Agreement prior to the date of this Agreement ("**Prior Obligations**").

6. **Representations and Warranties by the Borrower.** The Borrower hereby represents and warrants, as of the date hereof, to the Bond Issuer and the Trustee as follows:

(a) That it is a California nonprofit public benefit corporation validly organized and existing and in good standing under the laws of the State of California, that it has full power and authority to enter into this Agreement and to convey the Project to the New Owner as described herein and in the Purchase and Sale Agreement (collectively, the "**Transaction**") and to execute, deliver and perform its obligations under all other documents executed by the Borrower in connection with the Transaction.

(b) To Borrower's actual knowledge, the Project is currently in compliance with all requirements set forth in the Regulatory Agreement.

The representations and warranties made by the Borrower in this Agreement, or pursuant hereto, shall survive the execution hereof.

7. **Representations and Warranties by the New Owner.** Notwithstanding Section 2(a) above, New Owner shall not be deemed to be restating, asserting or otherwise to represent or warrant the covenants and conditions contained in Section 2 of the Regulatory Agreement which covenants and conditions related specifically to the Borrower herein and are not applicable to New Owner. The New Owner hereby affirms, represents and warrants that:

(a) The New Owner is a California nonprofit public benefit corporation validly organized and existing and in good standing under the laws of the State of California, has full power and authority to purchase the Project and to enter into the Transaction and to execute, deliver and perform its obligations under all other documents executed by the New Owner in connection with the Transaction;

(b) This Agreement, upon its execution and delivery to the Trustee, shall constitute a valid and binding agreement, enforceable against the New Owner in accordance with its terms;

(c) The execution, delivery and performance of this Agreement and the performance by the New Owner of its obligations under the Regulatory Agreement assumed hereby (i) have been duly authorized on behalf of the New Owner by all necessary corporate action; (ii) do not and will not contravene any federal, state or local law, statute, ordinance, rule or regulation, or any judgment, decree or order of any federal, state or local court of competent jurisdiction or governmental body or agency by which the New Owner or its properties and assets, including the Project, are bound; (iii) do not and will not violate or result in a default under any agreement, contract, indenture, mortgage, deed of trust, security agreement or other instrument to which the New Owner is a party or by which its properties and assets, including the Project, are bound; and (iv) do not and will not result in the creation or imposition of (or the obligation to create or impose) any lien, charge, security interest or encumbrance upon any properties or assets of the New Owner, including the Project, and (v) do not and will not violate the New Owner's organizational documents;

(d) There are no judgments outstanding against the New Owner, and there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, or before or by any court, administrative agency, department or public body or arbitration panel, pending or, to the best knowledge of the New Owner, threatened against or affecting the New Owner or its assets and properties including, but not limited to, the Project, nor, to the best knowledge of the New Owner, is there any basis therefor, wherein an unfavorable decision, ruling or finding would, in any way, adversely affect the New Owner's ability to operate the Project and to comply with the terms of the Regulatory Agreement;

(e) The New Owner is not in default in any material respect under any contract, mortgage, deed or trust, lease, loan or credit agreement, partnership agreement

or other instrument to which the New Owner is a party or by which it or its properties and assets, including, but not limited to, the Project, are bound;

(f) (i) The New Owner is qualified as an organization described in Section 501(c)(3) of the Code and has received a Determination Letter (the “**Determination Letter**”) from the Internal Revenue Service to the effect that it is an organization described in Section 501(c)(3) of the Code; (ii) the Determination Letter has not been modified, limited or revoked; (iii) the New Owner is in compliance with all terms, limitations and conditions, if any, contained in its Determination Letter; (iv) the facts and circumstances which form the basis of the Determination Letter as represented to the Internal Revenue Service continue substantially to exist, and the New Owner is exempt from federal income taxes under Section 501(a) of the Code;

(g) The New Owner is a corporation (i) organized and operated exclusively for educational or charitable purposes and not for pecuniary profit; and (ii) no part of the net earnings of the New Owner inures to the benefit of any person or private individual, all within the meaning, respectively, of Section 3(a)(4) of the Securities act of 1933, as amended, and of Section 12(g)(2)(d) of the Securities Exchange Act of 1934, as amended;

(h) The New Owner will maintain, until the expiration of the Qualified Project Period, its status as an organization described in Section 501(c)(3) of the Code and its exemption from federal income taxation under Section 501(a) of the Code; and

(i) The Project during the Qualified Project will be owned (as ownership is determined for purposes of federal income taxation) by the New Owner, or by an organization described in Section 501(c)(3) of the Code and operated in such a manner as to not constitute an unrelated trade or business of such organization or by a governmental unit (as described in Section 145 of the Code). The New Owner agrees to limit any use of the Project (other than by tenants or owners as contemplated by the Regulatory Agreement) by other than (i) an organization described in Section 501(c)(3) of the Code in a manner so as to not constitute an unrelated trade or business of such organization or (ii) a governmental unit described in Section 145 of the Code to no more than the allocable portion of the overall cost of the Project not paid from the proceeds of the Bonds, or pursuant to an agreement which complies with the requirements of Revenue Procedure 97-13, as the same are now in effect or as later modified.

(j) Notwithstanding anything to the contrary in the Regulatory Agreement, the New Owner is a limited equity housing cooperative as defined in California Civil Code Section 817 and is a qualified non-profit under Section 501(c)(3) of the Code and will operate the Project as a resident-owned limited equity housing cooperative.

The representations and warranties made by the New Owner in this Agreement, or pursuant hereto, shall survive the execution hereof.

8. No Novation. It is the intent of the parties that this Agreement shall not constitute a novation.

9. **Acknowledgment of Remedies.** Anything contained herein to the contrary notwithstanding, the New Owner hereby consents and agrees that the Bond Issuer and the Trustee shall exercise and pursue remedies against the New Owner with respect to the Regulatory Agreement (with the exception of Prior Obligations) following the Effective Date.

10. **Indemnification.** The New Owner agrees to indemnify and hold the Bond Issuer, the Trustee, and the Borrower their respective members, directors, commissioners, agents and employees, harmless from and against any and all actions, costs, damages, expenses, liabilities or losses of any kind (including reasonable attorneys' fees, costs and litigation expenses incurred in connection with the investigation, settlement, litigation, appeal or otherwise incurred in connection therewith) suffered or incurred by the Bond Issuer, the Trustee, and/or the Borrower, their respective members, directors, commissioners, agents and employees, as a result of the New Owner's execution of this Agreement.

11. **Payment of Fees.** New Owner hereby agrees to pay all fees, costs and expenses incurred by the Bond Issuer and the Trustee (including, but not limited to, fees of Trustee's counsel, Bond Issuer's counsel, and Bond Counsel) in connection with the preparation and delivery of this Agreement, the sale of the Project, the defeasance and/or prepayment of the Bonds, and any other documents executed simultaneously herewith.

12. **Release of Trustee.** In accordance with Section 11 of the Regulatory Agreement, following the payment of the Bonds on the date hereof, the Trustee shall no longer have any duties or responsibilities under the Regulatory Agreement and all reference therein to the Trustee shall be deemed references to the Bond Issuer.

13. **Severability.** If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, such provision shall be deemed to be omitted from this Agreement and the validity, legality and enforceability of the remaining portions hereof shall in no way be affected or impaired by such holding, but such holding shall affect the validity, legality or enforceability of such provision under other, dissimilar facts or circumstances.

14. **Notices.** Following the Effective Date, any notices to be given to Borrower pursuant to the Regulatory Agreement are to be given to the New Owner as follows:

Marineland Community Association, Inc.
c/o The Loftin Firm LLP
5760 Fleet Street, Ste. 110
Carlsbad, CA 92008

15. **Miscellaneous.**

(a) Paragraph headings used herein are for convenience only and shall not be construed as controlling the scope of any provision hereof.

(b) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(c) As used herein, the neuter gender shall include the masculine and feminine genders, and vice versa, and the singular the plural, and vice versa, as the context demands.

16. Multiple Counterparts. This Agreement may be executed in one or more counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Assumption, Consent and Release Agreement to be executed by their duly authorized representatives as of the date set forth above.

INDEPENDENT CITIES FINANCE
AUTHORITY, a joint powers authority

By: _____
Name: Deborah J. Smith
Title: Program Administrator

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____ before me, _____, a
Notary Public, personally appeared _____, 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 _____

(Seal)

(SIGNATURE PAGE FOR ASSUMPTION AGREEMENT)

MILLENNIUM HOUSING OF CALIFORNIA,
a California nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____ before me, _____, a Notary Public, personally appeared _____, 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 _____

(Seal)

(SIGNATURE PAGE FOR ASSUMPTION AGREEMENT)

MARINELAND COMMUNITY ASSOCIATION,
INC., a California nonprofit public benefit
corporation

By: _____

Name: _____

Title: _____

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____ before me, _____, a
Notary Public, personally appeared _____, 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 _____

(Seal)

(SIGNATURE PAGE FOR ASSUMPTION AGREEMENT)

UNION BANK, N.A., a national banking
association

By: _____

Name: _____

Title: _____

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____ before me, _____, a
Notary Public, personally appeared _____, 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 _____

(Seal)

EXHIBIT A
LEGAL DESCRIPTION OF PROJECT

ADMINISTRATION AND OVERSIGHT AGREEMENT

by and among

INDEPENDENT CITIES FINANCE AUTHORITY

and

WOLF & COMPANY INC.,
as Oversight Agent

and

MARINELAND COMMUNITY ASSOCIATION, INC.,
as Owner

Dated as of October 22, 2013

ADMINISTRATION AND OVERSIGHT AGREEMENT

THIS ADMINISTRATION AND OVERSIGHT AGREEMENT (the “Administration Agreement”) is made and entered into as of October 22, 2013, by and among the INDEPENDENT CITIES FINANCE AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the “Authority”), MARINELAND COMMUNITY ASSOCIATION, INC., a California nonprofit public benefit corporation (the “Owner”), and WOLF & COMPANY INC. (the “Oversight Agent”).

RECITALS:

WHEREAS, the Authority previously issued its Mobile Home Park Revenue Bonds (Hermosa Beach, Marineland Mobilehome Park) Series 2004A and its Mobile Home Park Subordinate Revenue Bonds (Hermosa Beach, Marineland Mobilehome Park) Taxable Series 2004B (collectively, the “Bonds”) pursuant to an Indenture of Trust, dated as of July 1, 2004 (the “Indenture”), by and between the Authority and Union Bank, N.A., (formerly known as Union Bank of California, N.A.) as trustee thereunder (the “Trustee”); and

WHEREAS, the Authority made a loan (the “Loan”) of the proceeds of the Bonds to the Millennium Housing of California, a California nonprofit public benefit corporation (“Millennium Housing”), as provided in the Loan Agreement, dated as of July 1, 2004 (the “Loan Agreement”), by and among the Authority, Millennium Housing and the Trustee, in order to provide financing with respect to the acquisition and improvement of the Marineland Mobilehome Park (the “Project”) located in the City of Hermosa Beach (the “City”); and

WHEREAS, the Authority entered into a Regulatory Agreement and Declaration of Restrictive Covenants with respect to the Project dated as of July 1, 2004 (the “Regulatory Agreement”), with the Trustee and the Millennium Housing, which agreement, among other things, sets forth certain restrictions applicable to the Project, which restrictions are intended to assure continued compliance with the provisions of California law and of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, on the date hereof, Millennium Housing is selling the Project to the Owner and the Owner is assuming the obligations of Millennium Housing under the Regulatory Agreement pursuant to an Assumption, Consent and Release Agreement dated the date hereof (the “Assumption Agreement”) among Millennium Housing, the Authority, the Trustee and the Owner;

WHEREAS, in connection with the sale of the Project to the Owner on the date hereof, the Bonds will be defeased under the terms of the Indenture; and

WHEREAS, the Authority desires to appoint Wolf & Company, Inc., as Oversight Agent under the Regulatory Agreement to monitor the income levels of the residents of the Very Low Income Spaces (as defined in the Regulatory Agreement) and the Spaces occupied by Lower Income Residents in accordance with Section 4(2) of the Regulatory Agreement (the “Lower Income Spaces”) and to carry out the duties of the Oversight Agent set forth in the Regulatory Agreement; and

WHEREAS, Wolf & Company, Inc., represents that it has the necessary experience and expertise required to evaluate whether the Project complies with the requirements set forth in the Regulatory Agreement.

NOW, THEREFORE, in consideration of the premises and respective representations and covenants herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

1.1. Definitions of Terms. All capitalized terms used in this Administration Agreement and not otherwise defined herein shall have the respective meanings given to them in the Regulatory Agreement.

1.2. Article and Section Headings. The heading or titles of the several articles and sections hereof shall be solely for the convenience of reference and shall not affect the meaning, construction or effect of the provisions hereof.

1.3. Interpretation. The singular form of any word used herein, including terms defined in the Regulatory Agreement, shall include the plural and vice versa, if applicable. The use of a word of any gender shall include all genders, if applicable.

ARTICLE II REPRESENTATIONS AND WARRANTIES

2.1. Representations of the Authority. The Authority makes the following representations:

(a) It is a joint powers authority, duly organized and existing under the Constitution and laws of the State of California.

(b) It has the power to enter into the transactions contemplated by this Administration Agreement and to carry out its obligations hereunder and to consummate all other transactions on its part contemplated herein; and it has duly authorized the execution and delivery of this Administration Agreement.

2.2. Representations and Warranties of the Owner. The Owner makes the following representations and warranties:

(a) It has power and authority to own its properties and carry on its business as now being conducted, and is duly qualified to do such business wherever such qualification is required, including the State of California.

(b) It has the power to execute and deliver this Administration Agreement and to carry out the transactions on its part contemplated hereby; and it has duly authorized the execution, delivery and performance of this Administration Agreement.

(c) The Oversight Agent is independent from and not under the control of the Owner, does not have any substantial interest, direct or indirect, in the Owner, and is not an officer or employee of the Owner.

2.3. Representations and Warranties of the Oversight Agent. The Oversight Agent makes the following representations and warranties:

(a) It is a corporation duly organized, validly existing and in good standing under the laws of the State of California and has the power and authority to carry on its business as now being conducted.

(b) It has the power to execute and deliver this Administration Agreement and to carry out the transactions on its part contemplated hereby; and it has duly authorized the execution, delivery and performance of this Administration Agreement.

(c) It is independent from and not under the control of the Owner, does not have any substantial interest, direct or indirect, in the Owner, and is not an officer or employee of the Owner.

(d) It has received copies of the Regulatory Agreement, and it is familiar with the terms and conditions thereof as the same relate to the Code and the Act.

ARTICLE III DUTIES AND COMPENSATION OF THE OVERSIGHT AGENT

3.1. Duties of Oversight Agent. Wolf & Company, Inc., is the Oversight Agent hereunder. This Section 3.1 applies to Wolf & Company, Inc., as Oversight Agent and to any successor Oversight Agent. In its capacity as Oversight Agent hereunder, for and on behalf of the Authority, the Oversight Agent will perform the following duties in a careful and timely manner, to the highest standards of its profession:

(a) It will be familiar with and will give written notice to the Authority and the Owner within ten days of the publication by the Department of Housing and Urban Development of any change in:

(i) The Median Income for the Area; and

(ii) The maximum income at which households consisting of various numbers of persons may be determined to be Lower Income and Very Low Income Residents under the terms of the Regulatory Agreement; and

(iii) The maximum allowable rents under each applicable provision of Section 4 of the Regulatory Agreement.

(b) Promptly following its receipt thereof, it will review the Income Certifications, Certificates of Continuing Program Compliance, and all other reports and certificates furnished to it pursuant to the Regulatory Agreement in order to determine that each such document is complete and to verify the internal accuracy of the calculations, and conclusions with respect to such calculations, set forth therein, including the conclusion that the Lower Income Spaces and Very Low Income Spaces have been rented as specified by the terms of the Regulatory Agreement; and it will maintain such documents on file and open to the inspection by the Authority and the Owner during the term of the Regulatory Agreement.

(c) Promptly upon receipt, it will review the form of application and lease with respect to the Lower Income Spaces and Very Low Income Spaces to verify compliance with the provisions of the Regulatory Agreement.

(d) Promptly upon determining that any report or certificate submitted to it pursuant to the Regulatory Agreement is inaccurate or incomplete the Oversight Agent shall:

(i) If the inaccuracy or lack of completeness does not cause the Project to cease to meet the qualifications set forth in Section 4 of the Regulatory Agreement, give notice of such inaccuracy or lack of completeness to the Owner and direct the Owner to correct or complete the same, as the case may be, within a 30-day period, subject to extension in the sole discretion of the Oversight Agent; and

(ii) If the inaccuracy or lack of completeness is not corrected within thirty (30) days or if the inaccuracy or lack of completeness causes the Project to cease to meet the qualifications set forth in Section 4 of the Regulatory Agreement, immediately give written notice of said fact to the Authority and the Owner.

(e) In the event that the Owner fails to file with the Oversight Agent any report, certification (including, in particular, the certification to the Secretary of the Treasury required by Section 4(e) of the Regulatory Agreement) or other document required pursuant to the Regulatory Agreement within the time set forth in the Regulatory Agreement as applicable, the Oversight Agent shall immediately give written notice of that fact to the Authority and the Owner.

(f) On behalf of the Authority, the Oversight Agent shall, at least annually and whenever requested by the Authority, audit the survey of the tenants of the Lower Income Spaces and Very Low Income Spaces with respect to income levels, household sizes and such other information as the Authority may specify, and all as further required under the Regulatory Agreement. Based on such information, the Authority shall determine compliance with the affordability requirements under the Act and the Code. In the event of any noncompliance the Oversight Agent shall notify the Authority as to the nature and extent of the noncompliance and the Oversight Agent shall suggest alternatives for bringing the Qualified Spaces into compliance.

(g) The Oversight Agent will perform on a timely basis all duties ascribed to the Oversight Agent in the Regulatory Agreement, including, without limitation, physical inspection of the Project on a semiannual basis, including examination of the infrastructure, the clubhouse, and any other common areas,

3.2. Compensation. For its services as the Oversight Agent, Wolf & Company, Inc. shall be paid an annual fee of \$4,000.00 payable by the Owner in equal quarterly installments in advance commencing October 22, 2013. The fee of the Oversight Agent shall be paid to the Oversight Agent by the Owner upon receipt by the Owner of an invoice from the Oversight Agent. If the Oversight Agent provides services outside the scope of this Agreement, as requested in writing by the Authority, the compensation shall be paid at the then prevailing fee schedule of the Oversight Agent.

ARTICLE IV
TERM

4.1. Term of Agreement. Unless sooner terminated pursuant to the provisions of Sections 4.2 and 4.3 hereof, this Administration Agreement shall remain in full force and effect for the term of the Regulatory Agreement.

4.2. Termination. At its sole discretion, the Authority may terminate this Administration Agreement upon giving the Oversight Agent and the Owner thirty (30) days written notice of its intention to do so. This Administration Agreement may be terminated in whole or in part only as to the services described in Section 3.1, whereupon a partial fee for the services not terminated will be agreed upon by the parties and memorialized in an amendment hereto.

4.3. Resignation of Oversight Agent. With the written consent of the Authority, the Oversight Agent may resign from its position and terminate this Administration Agreement by giving the other parties hereto thirty (30) days written notice of its intention to do so.

ARTICLE V
MISCELLANEOUS PROVISIONS

5.1. Execution in Counterparts. This Administration Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument.

5.2. Business Days. If any action is required to be taken hereunder on a date which falls on other than a Business Day, such action shall be taken on the next succeeding Business Day.

5.3. Governing Law. This Administration Agreement shall be construed in accordance with the laws of the State of California and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

5.4. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed to the appropriate Notice Address set forth in the Regulatory Agreement. The Notice Address of the Oversight Agent is: Wolf & Company Inc., 1100 S. Flower Street, Suite 3300, Los Angeles, California 90015, Attention: Wesley R. Wolf.

IN WITNESS WHEREOF, the parties hereto have caused this Administration Agreement to be executed on their behalf by their duly authorized representatives, all as of the date hereinabove written.

INDEPENDENT CITIES FINANCE AUTHORITY

By: _____
W. Michael McCormick, President

MARINELAND COMMUNITY ASSOCIATION,
INC., a California nonprofit public benefit
corporation

By: _____
Name: _____
Title: _____

WOLF & COMPANY INC., as Oversight Agent

By: _____
Authorized Signatory

RESIDUAL RECEIPTS PROMISSORY NOTE

Amount: \$90,000 November 1, 2013

1. Principal and Interest.

FOR VALUE RECEIVED, the undersigned ("Maker") promises to pay to the INDEPENDENT CITIES FINANCE AUTHORITY, or order at such place as the "Holder" may, from time to time, designate by written notice to the Maker, the principal sum of Ninety Thousand Dollars (\$90,000) at the simple interest of 2% per annum. This Residual Receipts Promissory Note (this "Note") is made and given pursuant to that certain Residual Receipts Loan Agreement between the Independent Cities Finance Authority and the Maker dated November 1, 2013 (the "Residual Receipts Loan Agreement" or "Agreement").

2. Term of Loan, Due Date and Right of Prepayment.

i. Maturity Date. Unless due at an earlier time by virtue of the acceleration of the balance hereof in accordance with the provisions hereof, all principal then due shall be due and payable in full, including all accrued and unpaid interest and principal then due and payable in full without any further demand or notice twenty (20) years from the date of the Residual Receipts Loan Agreement, being November 1, 2033.

ii. Accrued Interest. No interest shall accrue until August 15, 2016.

iii. Payment, Due Date. Commencing August 15, 2016 interest on the unpaid principal shall begin to accrue and the amount due shall be amortized over a period of 20 years as shown on Exhibit A attached hereto. Annual or more frequent payments toward the principal balance hereof and interest payable with respect thereto shall be made from "Residual Receipts", as defined in the Residual Receipts Loan Agreement, which shall be paid by the Owner (as provided more specifically in Article III of the Residual Receipts Loan Agreement). Any payments with respect to this Note shall first be applied to pay any interest currently owing and due hereunder and then to the principal balance owing hereunder.

iv. Prepayment. This Residual Receipts Promissory Note may be prepaid in whole or part at any time and from time to time without penalty or premium.

v. Disbursements. The Ninety Thousand Dollars (\$90,000) shall be disbursed either November 1, 2013, or upon completion of the Conditions Precedent in the Agreement, whichever is later.

3. Security for Note. This Residual Receipts Promissory Note is unsecured.

4. Acceleration Upon Certain Events or Upon Default. The full amount of the residual receipts loan, including principal and all accrued interest, shall immediately become due and payable upon the occurrence of either of the following:

i. Subject to the provisions of Section 2.03 of the Residual Receipts Loan Agreement, Title to the Property is transferred by sale, or other means, unless approved by the Authority prior to transfer; or

ii. A breach of any condition in this Note .

5. Costs Paid by Maker. Maker agrees to pay the following costs, expenses and attorneys' fees paid or incurred by the Holder of this Residual Receipts Promissory Note, or as adjudged by a court of competent jurisdiction: (a) reasonable costs of collection, costs and expenses and attorneys' fees paid or incurred in connection with the collection or enforcement of this Residual Receipts Promissory Note, whether or not suit is filed; and (b) costs of suit in such sum as the court may adjudge reasonable as attorneys' fees in any action to enforce payment of this instrument.

6. Waiver. Maker hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this instrument, and expressly agrees that, without in any way affecting the liability of Maker hereunder, the Holder hereof may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder or release any security now or hereafter securing this Residual Receipts Promissory Note. Maker hereby waives, to the fullest extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this instrument or any deed of trust, security agreement, guarantee or other agreement now or hereafter securing this Residual Receipts Promissory Note.

5. Severability. If any provision of this Residual Receipts Promissory Note is determined by a court of competent jurisdiction to be void or unenforceable, such determination shall not affect any other provision of this instrument, and all other provisions hereof shall remain valid and in full force and effect.

6. Limitations on Recourse. As is provided in the Residual Receipts Loan Agreement, this Note is nonrecourse as to Maker. Consequently, no deficiency amount may be recovered from Maker under the provisions hereof, except as may be provided herein. Notwithstanding the generality of the foregoing, however, Maker shall indemnify, defend, protect and hold the Holder hereof harmless from and against any and all loss, damage, liability, action, cause of action, cost or expense, including, without limitation, reasonable attorneys' fees and expenses incurred by the Holder hereof, arising as a result of any (i) fraud or material misrepresentation by the Maker under or in connection with the Residual Receipts Loan Agreement or this Note; (ii) intentional bad faith waste of the Property; (iii) illegal acts; and (iv) gross negligence. Maker's obligation to indemnify the Holder hereof as aforesaid shall be recourse obligations of the Maker, and in the event of any breach of such obligations, the Holder shall have the right to proceed directly against the Maker and may bring any action and institute any proceeding to recover all such losses, damages, liabilities, costs and expenses resulting from such breach for which indemnity is given hereunder.

7. Non-Waiver. No delay in demanding or failure to demand performance hereunder shall constitute a waiver by the Holder hereof of its right to subsequently demand such performance or to exercise any remedies for any default hereunder. Further, in order to be

effective, any waiver of any of the Holder's rights and remedies hereunder shall be expressed in a writing signed by a duly appointed representative of the Holder hereof. Further, waiver by the Holder hereof of any right hereunder shall not constitute a waiver of any other right, including, but not limited to, the right to exercise any and all remedies for a different or subsequent event of default hereunder.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MAKER:

Augusta Communities LLC, a California limited liability company

By: August Homes, a California nonprofit public benefit corporation, its sole member

By: _____
Executive Director

**EXHIBIT A TO
RESIDUAL RECEIPTS PROMISSORY NOTE**

LOAN AMORTIZATION SCHEDULE

Rate: 2.00%
Term: 20 years
Payment: Payments commence August 15, 2016.

November 1	Payment	Principal	Interest	Balance
2014				
2015				
2016				
2017				
2018				
2019				
2020	See Schedule A-1 for Interest Accruals and Payment Amounts			
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				

RESIDUAL RECEIPTS LOAN AGREEMENT

(Regarding Mobile or Manufactured Homes – Valley View Mobile Home Park)

THIS RESIDUAL RECEIPTS LOAN AGREEMENT (the “Agreement”) is dated as of October __, 2013, and is made and entered into by and between the INDEPENDENT CITIES FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the “Authority” or “ICFA”), and, AUGUSTA COMMUNITIES LLC, a California limited liability company (the “Owner”).

RECITALS

WHEREAS, the Authority is authorized to provide financing for the purpose of making a loan to a nonprofit organization exempt from federal income taxation under Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended for use by such organization to finance the acquisition of, among other things, mobile home parks to provide housing within the jurisdiction of one of the member agencies of the Authority;

WHEREAS, the Authority desires to make a loan to Owner in order to enable it to acquire and install new mobile homes or manufactured homes and related improvements and expenses on vacant spaces, and the rehabilitation of these mobile or manufactured homes that are being made available to rent or sale to the public;

WHEREAS, it is the understanding of the parties that this loan is not expected to be accelerated if a mobile or manufactured home is sold because the loan is not the only source of funds for the Project; and

WHEREAS, the proceeds of the loan will be used to leverage additional funds to permit Owner the ability to purchase new mobile home or manufactured homes to fill vacant spaces outright.

ARTICLE I SUBJECT OF AGREEMENT

Section 1.01 Definitions. The following terms shall, for the purpose of this Agreement and related Promissory Note, have the following meanings. In addition, the capitalized terms used but not defined in this Agreement shall have the meanings specified in the Indenture of Trust by and between the Authority and U.S. Bank National Association, as Trustee:

“Authority” shall mean the Independent Cities Financing Authority. The address of the Authority for the purpose of receiving notices pursuant to this Agreement is: PO Box 6740 Lancaster, CA 93539-6740, Attn: Executive Director.

“Authority Residual Receipts Loan” shall mean the loan made by the Authority pursuant to the provisions of this Agreement to assist Owner to acquire, finance, install and rehabilitate mobile or manufactured homes on the Property.

“Authority Residual Receipts Note” shall mean the Residual Receipts Promissory Note

which evidences the Authority Residual Receipts Loan, in which the Owner is the maker and the Authority is the holder, and which is unsecured. The form of the Residual Receipts Promissory Note is set forth in Attachment No. 2 hereto.

“Authorized Officer of the Authority” shall mean the Board President or the Executive Director or such other officer designated in writing by the Executive Director.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and any published rulings, procedures and notices thereunder.

“County” shall mean the County of San Bernardino.

“Coverage Ratio” shall mean, for any period of time the ratio derived by dividing the sum of the Net Operating Revenues received by the Owner by the annual debt service attributed to the Property as shown in Exhibit 3. This calculation will occur one month after audit is due (June 15, 2016 audited coverage requirement) so the coverage calculation will be made using audited financials.

“Coverage Requirement Certificate” shall mean the certificate filed by the Borrower as required by Section 3.08 hereof and as shown in Exhibit 3.

“Improvements” shall mean, as of the Closing Date or at any time thereafter, any structures (other than mobile homes not owned by the Borrower), site improvements, facilities and fixtures located on the Property.

“Net Operating Revenues” shall mean Operating Revenues, less the Operation and Maintenance Costs during such fiscal year or period.

“Operating Revenues” shall mean, for any fiscal year or other period, all rents, income, receipts and other revenues derived by the Owner arising from the operation of the Property, including rental income from Spaces and future rental assistance, if any, provided to property tenants, determined in accordance with Generally Accepted Accounting Principles and all other money howsoever derived by the Borrower from the operation of the Property or arising from the Property, but not including resident security deposits.

“Operation and Maintenance Costs” shall mean, for any fiscal year or other period, the reasonable and necessary costs and expenses of operating the common areas of the Property and Improvements and of managing and repairing and other expenses necessary to maintain and preserve the common areas of the Property and Improvements in good repair and working order, calculated in accordance with Generally Accepted Accounting Principles, including but not limited to (a) utility services supplied to the common areas of the Property and Improvements, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, (b) compensation to the property management agents, salaries and wages of employees, payments to employee retirement systems, fees of auditors, accountants, attorneys or engineers providing services related to the operation and management of the Property and Improvements, (c) monthly deposits to the Repair and Replacement Fund pursuant to Section 5.7(i) of the Indenture, and (d) all other reasonable and necessary costs of the Owner or charges required to be paid by it related to the operation and maintenance of the common

areas of the Property and Improvements, including, but not limited to, costs of insurance and property taxes, if any, but excluding in all cases (i) depreciation, replacement and obsolescence charges or reserves therefor, (ii) amortization of intangibles or other bookkeeping entries of a similar nature, (iii) costs of capital additions, replacements, betterments, extensions or improvements to the common areas of the Property and Improvements, which under Generally Accepted Accounting Principles are chargeable to a capital account or to a reserve for depreciation, (iv) debt service and deposits required by loans, and (v) fees and expenses of the fiduciaries, oversight agents, trustees, attorneys, nonprofit consultants, arbitrage consultants, financial advisors and accountants who provide services on a regular basis to the Owner.

“Owner” shall mean Augusta Communities LLC, a California limited liability company, which sole member is Augusta Homes, a California nonprofit public benefit corporation that has obtained an exemption from federal income taxation under Section 501 (c)(3) of the Code or any successor to which a Permitted Transfer of the Property may be made, as authorized by the provisions of this Agreement. The address of Owner for purposes of receiving notices pursuant to this Agreement is: 400 N Mountain Ave, Suite 205, Upland, California 91786, Attention: Executive Director.

“Property” shall mean the real property commonly known as the Valley View Mobilehome Park located at 12995 6th Street in the City of Yucaipa, California as more particularly described in Attachment No. 1 hereto, all improvements thereon and all personal property owned by the Owner and used in connection therewith, both during and after rehabilitation.

“Project” shall mean the acquisition, financing, installation or rehabilitation of new or existing mobile or manufactured homes on the Property.

“Residual Receipts” shall mean Net Operating Revenues.

“Space” means a mobile home space within the Property upon which a mobile home may be placed.

“State” shall mean the State of California.

ARTICLE II PURPOSE OF AGREEMENT

Section 2.01 Purpose of the Agreement. The purpose of this Agreement is to provide for the acquisition, financing, installation or rehabilitation of new or existing mobile or manufactured housing on the Property in accordance with this Agreement. The acquisition, financing, installation, rehabilitation and use of new or the existing mobile or manufactured housing on the Property pursuant to this Agreement, and the fulfillment generally of the provisions of this Agreement, are in the vital and best interests of the Authority, and in accordance with the public purposes and provisions of applicable federal, state, and local laws, ordinances and requirements.

Section 2.02 Prohibition Against Change in Management and Control of Owner. The qualifications and identity of Owner are of particular concern to the Authority. It is because of those qualifications and that identity that the Authority has entered into this Agreement with

Owner. No voluntary or involuntary successor in interest of Owner shall acquire any rights or powers under this Agreement except as expressly set forth herein.

Section 2.03 Permitted Transfers of the Property. Owner may transfer by sale or other means the Property to an affiliate entity without violating the terms of this Agreement, subject to the approval of the Authority. Authority will execute any document reasonably required for such transfer .

ARTICLE III FINANCING

Section 3.01 Loan Amount. The Authority shall loan Owner NINETY THOUSAND DOLLARS (\$90,000.00) evidenced by a Residual Receipts Promissory Note in favor of Authority as set forth in Attachment No. 2 hereto and incorporated herein by reference.

Section 3.02 Interest. The Residual Receipts Promissory Note shall bear interest at the rate of two percent (2%) per annum, and shall be paid from a portion of the Residual Receipts produced from the operation of the Property commencing November 1, 2013.

Section 3.03 Amortization Period. Payment of principal of the Authority Residual Receipts Loan and interest thereon shall be payable based on a twenty (20) year amortization commencing August 15, 2016 as provided in the Authority Residual Receipts Note. Interest will begin accruing on August 15, 2016 on the outstanding balance of the Authority Residual Receipts Loan until the Authority Residual Receipts Note is paid in full.

Section 3.04 Payment Priority. Payments on the Authority Residual Receipts Note shall be applied in the following order: (i) to repayment of any accrued interest, (ii) to the payment of interest currently due, and (iii) to repayment of principal.

Section 3.05 Unsecured. The Authority Residual Receipts Note shall be unsecured.

Section 3.06 Disbursement Date. The proceeds of the Authority Residual Receipts Loan shall be disbursed to or on behalf of the Owner on or prior to November 1, 2013.

Section 3.07 Due Date. All amounts, including any accrued interest, owing on the Residual Receipts Promissory Note shall be due on the earlier of (i) the date of any sale of the Valley View Mobilehome Park by the Owner or (ii) the stated due date of the Authority Residual Receipts Note, being November 1, 2033.

Section 3.08 Coverage Ratio. The Borrower shall file with the Authority a Coverage Requirement Certificate which calculates the Coverage Ratio based on audited financial statements (June 15, 2016 audited coverage requirement). Payment on the Authority Residual Receipts Note will be made after the Coverage Requirement Certificate shows the Coverage Ratio is at least 1.3. If Coverage Ratio is not at least 1.3 at this time, all amounts, including any accrued interest, owing on this Residual Receipts Promissory Note will continue to remain due as set forth in Section 3.07.

Section 3.09 Conditions Precedent. Notwithstanding the terms and conditions in this Agreement, the Authority shall only disburse to or on behalf of the Owner proceeds of the Authority Residual Receipts Loan, up to the total thereof, as specified in Article III hereof, when the following conditions precedent are satisfied to the reasonable satisfaction of the Executive Director of the Authority or the designated representative thereof:

3.09.1 Owner shall have executed and delivered to the Authority the original of this Agreement, the original Authority Residual Receipts Note and any other documents or instruments required under the terms of this Agreement to be executed and delivered by Owner.

3.09.2 Any other documentation reasonably requested by the Authority has been executed by Owner.

ARTICLE IV REHABILITATION OF THE PROPERTY

Section 4.01 Deposit of Funds. It is contemplated and agreed between the Authority and the Owner that, in addition to the sources of funds available for the Project, the proceeds of the Authority Residual Receipts Loan shall be deposited in full to the Owner on or prior to November 1, 1013 assuming Conditions Precedents set forth in Section 3.09 have been fully satisfied.

Section 4.02 Governing Standards. Owner shall cause all installation, reconstruction and rehabilitation performed on the Property to be performed in accordance with all conditions which may be imposed by the City of Yucaipa in issuing any required building or other permit required for the Project. Owner shall cause all installations, repairs, reconstruction and rehabilitation as necessary to be performed in compliance with (i) all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter, and (ii) all directions, rules and regulations of any fire marshal, health officer, building inspection, or other officer of every governmental authority now having or thereafter acquiring jurisdiction over the Property. Such work shall proceed only after Owner procures each permit, license, or other authorization that may be required by any governmental authority having jurisdiction, if any. All construction work and professional services shall be performed by persons or entities licensed as required or necessary or otherwise authorized to perform the applicable construction work or service within the State.

Section 4.03 Non-Discrimination. Owner for itself and its successors and assigns agrees that in the construction, repair and rehabilitation of the Property and the improvements thereon, Owner will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, national origin or ancestry.

Section 4.04 Right of Access. Subject to the rights of occupants of mobile homes in the Property, representatives of the Authority shall have the reasonable right of access to the Property without charges or fees, at all times during normal business hours during the term of this Agreement with reasonable written notice, including, but not limited to, the inspection of the work being performed in installing and rehabilitating the Project.

Section 4.05 No Duty To Supervise. The Authority neither undertakes nor assumes nor will have any responsibility or duty to Owner or to any third party to review, inspect, supervise, pass judgment upon or inform Owner or any third party of any matter in connection with the Property or the Project whether regarding the quality, adequacy or suitability of work performed, any labor, service, equipment or material furnished to the Property or in connection with the Project, any person furnishing the same, or otherwise. Owner and all third parties shall rely upon its or their own judgment regarding such matters, and any review, inspection, supervision, exercise of judgment or information supplied to Owner or to any third party by the Authority in connection with such matter is for the public purpose of developing affordable housing, and neither Owner (except for the purposes set forth in this Agreement) nor any third party is entitled to rely thereon. The Authority shall not be responsible to undertake and/or supervise any of the work of the Project.

ARTICLE V DEFAULTS AND REMEDIES

Section 5.01 General Default. Subject to extensions of time which may be permitted by the terms of this Agreement, failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The party who fails or delays must immediately commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence, and during any period of curing shall not be in default.

Section 5.02 No Waiver. The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Except as otherwise expressly provided in this Agreement, any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such right or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Section 5.03 Legal Actions. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, or to obtain any other remedy consistent with the purpose of this Agreement. Subject to applicable provisions of State and/or federal law, such legal actions may be instituted in any state court within the County, or in the United States District Court.

Section 5.04 Applicable Law. The laws of the State shall govern the interpretation and enforcement of this Agreement.

Section 5.05 Acceptance of Service of Process. In the event that any legal action is commenced by Owner against the Authority, service of process on the Authority shall be made by personal service upon the Executive Director of the Authority, or in such other manner as may be provided by law.

Section 5.06 Service of Process. In the event that any legal action is commenced by the Authority against Owner, service of process on Owner shall be made by personal service upon

the Executive Director of the sole member of the Owner and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

Section 5.07 Rights and Remedies Are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party 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 other party.

Section 5.08 Specific Performance. If either party defaults with regard to any of the provisions of this Agreement, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the defaulting party does not commence a cure of the default within thirty (30) days after service of the notice of default and has not cured the same promptly in a continuous and diligent manner within a reasonable period of time after commencement, the non-defaulting party, at its option, may thereafter (but not before) commence an action for specific performance of the terms of this Agreement pertaining to such default.

Section 5.09 Limitations on Recourse. Notwithstanding anything to the contrary contained in this Agreement or in the Residual Receipts Promissory Note, except in the event of fraud, waste, illegal acts or gross negligence, (i) Owner shall not have, and no officer or director of Owner (each, a "Owner Affiliate") shall have any direct, indirect or derivative personal liability for the obligations of Owner under this Agreement, and (ii) the Authority shall not exercise any rights or institute any action against the Owner or any Owner Affiliate directly, indirectly or derivatively, for the payment of any sum of money that is or may become payable hereunder.

ARTICLE VI GENERAL PROVISIONS

Section 6.01 Nondiscrimination. The Owner agrees that it shall not discriminate on the basis of race, creed, color, sex or national origin in the lease, use or occupancy of the Property or the Spaces therein or in connection with the employment or application for employment of persons for the rehabilitation, operation and management of the Property.

Section 6.02 Notices Demands and Communications between the Parties. Formal notices, demands and communications between the Authority and Owner shall be sufficiently given if delivered personally, or dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Authority and Owner, as designated herein. Such notices, demands and communications if given in person shall be deemed given when delivered, and if given by mail shall be deemed given three (3) business days after deposit in the mails. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by written notice to the other.

Section 6.03 Conflicts of Interest. No member, official or employee of the Authority shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is, directly or indirectly, interested. Owner warrants that neither it nor any affiliated entity has paid or

given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. No officer or employee of the Owner shall acquire any interest in conflict with or inimical to the interests of the Authority in the Property.

Section 6.04 Non-liability of Authority and Authority Officials and Employees. No member, official, employee, attorney or consultant of the Authority or the Authority, shall be personally liable to Owner, or any successor in interest, in the event of any default or breach by the Authority or the Authority or for any amount which may become due to Owner or to its successor, or on any obligations under the terms of this Agreement.

Section 6.05 Enforced Delay: Extension of Time of Performance. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, Acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or supplier, acts of the other party, acts or failure to act of the Authority or any other public or governmental Authority or entity (except that acts or failures to act by the Authority shall not excuse performance by the Authority) or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time the party claiming such extension gives notice to the other party, provided notice by the party claiming such extension is sent to the other party within thirty (30) days of knowledge of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the Authority and Owner. Owner agrees to acquire and install the mobile homes or manufactured homes as set forth herein within 6 months of the date of this Agreement.

Section 6.06 Consents and Approvals. Consents and approvals required of the Authority or Owner shall not be unreasonably withheld or delayed.

Section 6.07 Successors and Assigns. All of the terms, covenants and conditions of this Agreement shall be binding upon the Owner and its permitted successors and assigns. Whenever the term "Owner" is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided.

Section 6.08 Relationship Between Authority and Owner. It is hereby acknowledged that the relationship between the Authority and the Owner is not that of a partnership or joint venture, and that the Authority and the Owner shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided in this Agreement, including the attached agreements, the Authority shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Property.

Section 6.09 No Third Party Beneficiaries. Notwithstanding any other provision of this Agreement to the contrary, nothing herein is intended to create any third party beneficiaries to this Agreement, and no person or entity other than the Authority, the Authority and the Owner, and the permitted successors and assigns of either of them, shall be authorized to enforce the provisions of this Agreement.

Section 6.10 Authorization to Sign. Execution of this Agreement shall be presumed to be made by an individual authorized by his or her respective corporation by resolution of its board of directors and such execution shall constitute a waiver by the party of any lack of such a resolution.

Section 6.11 Exhibits Schedules and Other Documents. All exhibits attached hereto and referred to herein are hereby incorporated herein as though set forth at length.

Section 6.12 Further Execution of Documents. The parties hereto agree to execute and file and to join in the execution and filing of any and all agreements, consents or other documents reasonably necessary to effect the consummation of the transaction contemplated hereby, as either party hereto may reasonably require.

Section 6.13 Miscellaneous. The agreements contained herein shall not be construed in favor of or against either party but shall be construed as if all parties prepared this Agreement. The masculine and neuter genders, the singular number and the present tense shall be deemed to include the feminine gender, the plural number and past and future tenses, respectively, where the context so requires.

Section 6.14 Severability. In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

Section 6.15 Execution in Counterparts. This Agreement shall be executed in duplicate originals, each of which is deemed to be an original.

Section 6.16 Entire Agreement. Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements concerning the Authority Residual Receipts Loan between the parties with respect to all or any part of the Property.

Section 6.17 Amendment. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Authority or Owner, and all amendments hereto must be in writing and signed by the appropriate authorities of the Authority and Owner.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, all as of the date first above written.

Independent Cities Finance Authority

By: _____

Name _____

Title _____

Augusta Communities LLC, a California limited liability company

By: Augusta Homes, a California nonprofit public benefit corporation, its sole member

By: _____

Name _____

Title _____

DRAFT

Attachment 1

LEGAL DESCRIPTION OF PROPERTY

THE SOUTH 112 OF THAT PORTION OF LOT 41, SAN ANTONIO TRACT, IN THE CITY OF MONTCLAIR, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 3 OF MAPS, PAGE(S) 16, RECORDS OF SAID COUNTY LYING WEST OF THE WESTERLY LINE OF ROMONA AVENUE AND NORTH OF THE NORTHERLY LINE OF GRAND A VENUE, AS SAID A VENUES ARE SHOWN ON SAID MAP.

Attachment 2

AUTHORITY RESIDUAL RECEIPTS NOTE

Attachment 3

COVERAGE REQUIREMENT CERTIFICATE

**Coverage Requirement Certificate
\$90,000 ICFA Residual Receipts Loan 2013
Month & Year
Based on Audited Financials**

The undersigned hereby states and certifies on behalf Augusta Communities LLC, a California limited liability company (the "Borrower"), that, in accordance with the provisions of Section 3.08 of the Residual Receipts Loan Agreement:

	Month/Year
1. Total Operating Revenues (Note 1)	_____
2. Total Expenses (Note 2)	_____
3. Net Operating Revenues	_____
4. Series A Debt Service	_____
5. Series A Coverage Ratio (Note 3)	_____
6. Series A and B Debt Service	_____

- Notes:
- 1. Revenues less interest on Repair and Replacement Fund
 - 2. Expenses
 - 3. Series A Coverage Requirement - 1.3

AUGUSTA COMMUNITIES LLC
A California limited liability company

By: _____
_____, Executive Director

Attachment 4
PAYMENT SCHEDULE