

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