

[RECORDERS SPACE]

## MOBILE HOME PARK MEMORANDUM OF UNDERSTANDING

THIS MOBILE HOME PARK MEMORANDUM OF UNDERSTANDING (the "MOU ") is entered into as of \_\_\_\_\_, 2023 ("Effective Date") by and among the CITY OF RANCHO CORDOVA (the "City"), a California municipal corporation, and the owners ("Owners") of the mobile home parks ("Parks") identified on Exhibit A. Each individual Owner of a park will execute a substantively identical version of the MOU. This copy of the MOU is executed by the Owner of that Park commonly known as: \_\_\_\_\_("Park")

### RECITALS

This Agreement will be between the City and each park within the City of Rancho Cordova and shall contain substantively identical terms for each park.

This Agreement shall only be effective if all park owners within the City of Rancho Cordova enter into an agreement with the City; the Effective Date of this Agreement shall be when the last park owner in the City signs an Agreement with the City.

In order to avoid the negative consequences of a rent stabilization ordinance, including potential costly litigation and to maintain cordial relationships with their tenants, the Owners have agreed to attempt to negotiate a memorandum of understanding with the City that will (1) apply the provisions of this MOU to all existing tenants including good faith efforts to offer to amend the CPI formula rent increase provisions in any existing long term lease to conform to the terms of this MOU; and (2) waive during the term of this MOU any right an Owner would have had under a rent stabilization ordinance to apply for a Vega adjustment or an individual rent increase to maintain a fair return. In the event the Park becomes subject to a rent stabilization law or ordinance at some point after the Effective Date of this MOU, nothing in this MOU shall prevent Owner from applying for any rent increase Owner may be entitled to, including a Vega adjustment and/or a fair return adjustment.

This MOU: (1) is intended to operate as an alternative to a rent stabilization ordinance; (2) avoid excessive rent increases for the spaces in the Parks; (3) is intended by the City to provide the Owners with the opportunity to receive a reasonable return on their investment in the parks; and (4) to increase communication between Park Owners, residents, and the City.

The City and Owners intend that this MOU will govern the Parks and the rights of the Owners and Homeowners in those Parks (who are third party beneficiaries) during the Term and provide protections and benefits to the Owners and Homeowners of those Parks. The real property comprising the above-named Park is set forth in Exhibit A and this MOU shall be recorded against that real property until such time as this Agreement expires or terminates.

The Owner or Owners and the City acknowledge that the parties may discuss potential amendments to this MOU at any time during the term of this MOU, provided such amendments will be subject to approval by the City Council and the applicable Owner or Owners.

## **AGREEMENT**

NOW, THEREFORE, for the consideration of the mutual benefits, promises, and other valuable consideration identified herein, the receipt of which is hereby acknowledged, City and Owner agree as follows:

### **1. DEFINITIONS**

A. "Anniversary Date" means the calendar date of the last Base Rent increase for a Space at the Park prior to the Effective Date of this MOU. For example, if the Base Rent for a Space at the Park was last increased on December 1, 2022, the Anniversary Date for that Space during the term of this MOU will be December 1.

B. "Base Rent" shall be the monthly rent for each Space in the Park occupied by a Homeowner pursuant to any lease or rental agreement between the Homeowner and the Owner as of the Effective Date of this MOU, as adjusted by any Annual Base Rent Increase and/or any Rent Increase When Existing Homeowners Vacate the Premises allowed under this MOU during the term of this MOU.

Base rent does not include any rent credits or other reductions in rent provided by Owner to Homeowner on or after the Effective Date of this MOU. For example, in the event a Homeowner with a Base a Rent of \$1,000 per month receives a \$50 Annual Base Rent Increase, but also qualifies for a \$50 per month rent credit under the Rent Subsidy Program For Low Income Tenants, the Homeowner's Base Rent would be \$1,050, even though the qualifying Homeowner would pay only \$1,000.

Base Rent shall not include utilities, fees, or incidental reasonable charges for services actually rendered that are specifically allowed by law, including the MRL.

C. "Capital Improvement" means the installation of new improvements and facilities that do not currently exist at the Park, but does not include ordinary maintenance or repairs or Capital Replacement Costs. Capital Improvements are required to be amortized over the useful life of the improvements pursuant to the provisions of this Chapter and the United States Internal Revenue Code.

D. "Capital Replacement" means an improvement required to maintain the common facilities and areas of the Park in a decent, safe and sanitary condition or to maintain the existing level of park amenities and services. If the expenditure qualifies for treatment as a capital expenditure which must be depreciated under the Internal Revenue Code, it is a Capital Replacement. If it can be fully deducted in one year as a business expense, it does not qualify as a Capital Replacement.

E. "Capital Replacement Costs" means all costs reasonably and necessarily related to the planning, engineering and construction of a Capital Replacement and shall include reasonable debt service costs, if any, incurred as a direct result of the Capital Replacement.

F. "Consumer Price Index" or "CPI" means the annual percentage change in the prices paid by urban consumers for a representative basket of goods and services. For purposes of this Ordinance, the consumer price index is defined as follows: All Urban Consumers, West Region, All Items, as published by the United States Bureau of Labor Statistics of the United States Department of Labor as measured. Should the All Urban Consumers, West Region Consumer Price Index be discontinued, the parties will use the most comparable Consumer Price Index that includes the City of Rancho Cordova, Sacramento County, or the State of California, in that order.

G. "Government Fees and Assessments" refers to all monetary cost a park owner is required to pay, imposed by any government or quasi-governmental entities, including all fees, bonds, districts, assessments, licenses, curbs and gutters, permits, exactions, costs, and charges, however invoiced, charged, demanded, imposed or levied.

H. "Homeowner" shall have the meaning set forth in Civil Code Section 798.9.

I. "Mobile Home Residency Law" or "MRL" means the California Mobile Home Residency Law codified in California Civil Code Section 798 *et seq.* as now enacted and hereafter amended.

J. "Mobile Home" means a vehicle designed or used for human habitation, including those vehicles within the meaning of Mobile Home as set forth in Civil Code Section 798.3, when used as the principal place of habitation for the occupants thereof.

K. "Mobile Home Park" or "Park" means any area of land within the City of Rancho Cordova where two (2) or more mobile home spaces are rented, or held out for rent, for periods of thirty (30) days or longer to accommodate mobile homes used for human habitation.

L. "Mobile Home Space" or "Space" is the site within a Mobile Home Park intended, designed or used for the location or accommodation of a Mobile Home and any accessory structures or appurtenances attached thereto or used in conjunction therewith.

M. "Mobile Home Park Owner" or "Park Owner" or "Owner" means the owner or operator of a Mobile Home Park, or its agent, representative, or designee.

N. "Party" means any Affected Homeowner and/or Park Owner involved in proceedings under this Chapter.

O. "Prospective Mobile Home Owner and/or Prospective Homeowner" means a person who is in the process of applying for a Space tenancy in a Mobile Home Park, but has not yet been approved for tenancy and/or entered into a rental agreement with Owner as required by Civil Code Section 798.75.

P. “Rent” means any consideration, whether monetary or non-monetary, including the fair-market value of labor performed or services rendered and specifically agreed to by Owner and Homeowner for, or in connection with, the use or occupancy of a Mobile Home Space. For example, if the Base Rent is \$1,000 per month, Owner and Homeowner may agree that the Base Rent may be paid with \$700 in monetary consideration and \$300 per month in non-monetary consideration, if Homeowner cleans the clubhouse once each week.

Rent shall not include:

1. Utility charges, including but not limited to sub-metered charges for gas, electricity and water.
2. Charges for water, refuse disposal, sewer service, cable television, telephone, internet and/or other services, which are either provided and charged to Homeowners solely on a cost pass-through basis and/or are regulated by state or local law.
3. Any amount paid for the use and occupancy of a Mobile Home unit (as opposed to amounts paid for the use and occupancy of a Mobile Home Space).
4. Charges for laundry services, vending machines and private functions at the clubhouse or other common area facilities of the Park.
5. Storage charges, including RV storage charges.
6. Government fees and charges that may be passed through to Homeowners pursuant to Civil Code Sections 798.49, or any other applicable provision of law.
7. Fees and charges specifically allowed under the Mobilehome Residency Law, including but not limited to fees and charges allowed under Civil Code Sections 798.15(g), 798.31, 798.32, 798.33(b), 798.39.5(a)(2), 798.72(a) and 798.74(f).
8. Labor, services or materials provided by the Homeowner pursuant to the Park’s rental agreement and/or rules and regulations, including labor, services or materials supplied by the Homeowner to maintain his or her Mobile Home and/or his or her Space.

Q. “Rent Increase” means any increase in Base Rent charged by a Mobile Home Park Owner to a Homeowner.

R. “Rent Review Officer” means the City Manager or designee who shall serve as the Rent Review Officer to administer and enforce the provisions of this MOU .

S. "Transfer" means any transfer of legal title or ownership to a Mobile Home except for the following:

1. The transfer of a Mobile Home to the surviving joint tenant by devise, descent, or operations of law on the death of the joint tenant;

2. A transfer of the Mobile Home to, or the addition of, the spouse or domestic partner of the Homeowner;

3. A transfer of the Mobile Home resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes the owner of the Mobile Home;

4. A transfer to an inter vivos trust in which Homeowner is and remains the trustee or beneficiary and occupant of the Mobile Home; and

5. A transfer to a person other than a dealer, broker or other person authorized to sell Mobile Homes from the Park who does not qualify as a "homeowner" for purposes of the MRL and who does not have, and/or will not receive a "tenancy" in the Park for purposes of the MRL.

## 2. TERM.

The term of this MOU ("Term") shall commence on the Effective Date and continue for a period of ten (10) years.

Mobile Home Park Owners agree to not close their parks during the Term of this MOU, however, nothing in this MOU shall preclude any Owner from closing and/or going out of business if the Park is destroyed, or substantially destroyed, which shall mean for the purposes of this Agreement substantial loss of income and/or destruction of the Park infrastructure, by factors beyond Mobile Home Park Owner's control, including war, terrorist attack, earthquake, fire, or other acts of nature.

Nothing in this MOU shall preclude any Owner from applying for a "Vega adjustment," which allows park owners to start rent calculations with a base date rent similar to other comparable properties" and/or a rent increase based on fair return on investment, following the termination of this MOU and/or the enactment of any rent stabilization law that supersedes this MOU or is otherwise applicable to its Park.

## 3. APPLICABILITY

A. The provisions of this Agreement shall apply to all Mobile Home Parks and all Mobile Home Spaces owned by Owner within the City, except as provided in subparagraph B.

B. This Agreement shall not apply to Mobile Home Spaces covered by leases at the Effective Date of this Agreement, which provide for more than month-to-month tenancy, including adjustments and Pass Throughs within such leases, but only for the stated duration of any such lease. Upon the expiration or other termination of any such lease, all provisions of this Agreement shall immediately be applicable to the Mobile Home Space.

C. This Agreement shall not be effective for any purpose until it has been executed by the City Manager of the City of Rancho Cordova and the duly authorized representatives of the Owners of all Mobile Home Parks which are situated in the City.

D. Nothing in this Agreement shall be deemed to impose any obligation upon any owner with respect to a Mobile Home Park not subject to such Owner's control. This Agreement only imposes obligations on the Owner with respect to the Park.

#### 4. ANNUAL BASE RENT INCREASE.

On the first Anniversary Date during the term of this Agreement, and on each and every Anniversary Date thereafter, the Owner may increase the then existing Base Rent by one hundred percent (100%) of the increase in the CPI, using the most recently published CPI data for the twelve-month period prior to the notice of rent increase, with a minimum rent increase of three percent (3%), and a maximum of six percent (6%) ("Annual Base Rent Increase").

#### 5. RENT INCREASE WHEN EXISTING HOMEOWNERS VACATE THE PREMISES.

The Owners may increase the rent to the market rate when a current or existing Homeowner no longer resides at the Space *and* either (a) there is a Transfer of legal title or ownership of the existing Mobile Home to a new Homeowner, or (b) the existing Mobile Home is removed and a different Mobile Home is located on the Space.

#### 6. PASS THROUGH ADJUSTMENTS.

In addition to the increases in Base Rent authorized in Sections 4 and 5, Owner may pass through to the Homeowner the following costs ("Pass Throughs").

a. Government Fees and Assessments. If the cost of Government Fees and Assessments exceeds the cost for Government Fees and Assessments from the prior fiscal tax year by more than the annual CPI increase, the Owner may pass through such increase to the Homeowners unless the Government Fee or Assessment has increased by less than the CPI in any of the prior five (5) years. The amount of any Government Fees and Assessments Pass Through shall be the total annual amount of such increase in the Government Fees and Assessments divided by twelve (12) and then divided by the total number of spaces in the Park.

b. Capital Improvements. The Owner may pass through to the Homeowners, the amortized cost of any Capital Improvement, provided that such Capital Improvement has been approved by a majority of the residents of the Park by a written ballot with each Space having one (1) vote. The Owner shall provide the residents of the Park with at least thirty (30) days to consider the approval of the Capital Improvement. Any written ballot shall include the estimated cost of the Capital Improvement Pass Through for each resident. The amount of any Capital Improvement Pass Through shall be determined by amortizing the actual cost of the Capital Improvement plus interest at the actual rate of interest paid by the Owner for any financing associated with the Capital Improvement over the applicable amortization schedule of the U.S. Internal Revenue Code, or the Prime Rate in the event Owner does not borrow funds for the Capital Improvement.

The annual amortized amount determined in accordance with this subsection shall be divided by twelve (12) and then divided equally among all spaces in the Park. Any Capital Improvement Pass Through shall be eliminated as a rent obligation at the conclusion of the amortization period. In the event the amortization schedules used by the U.S. Internal Revenue Service are repealed or no longer exist, Owner may use the amortization schedules in place on the Effective Date of this MOU.

c. Capital Replacements. The Owner may pass through to the Homeowners the amortized cost of any Capital Replacement in accordance with the following.

(1) Prior to implementing any Capital Replacement Pass Through, except a Capital Replacement necessitated by an emergency, the Owner must provide the Homeowners with advance notice of the proposed Capital Replacement and an opportunity to comment on the need, design, and conduct of the work. The Mobile Home Park Owners will limit rent increases based on capital expenditures to the “replacement of existing improvements,” which cost in excess of \$10,000.

(2) The amount of any Capital Replacement Pass Through, including a Capital Replacement necessitated by an emergency, shall be determined by subtracting from the actual cost of the Capital Replacement any insurance proceeds, rebates, tax credits or warranty payments received by the Owner defraying the costs of the Capital Replacement and amortizing the remaining cost of the Capital Replacement plus interest at the actual rate of interest paid by the Owner for any financing associated with the Capital Replacement or if the Owner does not borrow funds for the Capital Replacement, at the Prime Rate over a minimum of ten (10) years. The annual amortized amount determined in accordance with this subsection shall be divided by twelve (12) and then divided equally among all spaces in the Park.

(3) Any Capital Replacement Pass Through shall be listed separately from the base rent on monthly rent billings and shall be eliminated as a rent obligation at the conclusion of the amortization period.

(4) Notwithstanding anything set forth above in this subsection (c), Owner shall be allowed a Capital Replacement Pass Through for Capital Replacements that were commenced and completed prior to the Effective Date, as long as (i) the Capital Replacement was completed no earlier than six (6) months prior to the Effective Date; (ii) the cost of the Capital Replacement has not already been passed through to the Homeowners; and (iii) the Capital Replacement Pass Through amount conforms to the requirements of subsection (c)(2) above. Owner shall list in Exhibit B any Capital Replacements that were completed prior to the Effective Date that meet the criteria of this Section.

d. Property Tax Increases. The Owner may pass through to the Homeowners the amount by which Property Taxes increase in any given fiscal tax year by more than two percent (2%) over and above the prior fiscal tax year Property Taxes, subject to the following.

(1) A Property Tax Pass Through may be imposed in the amount of any Property Tax increase that exceeds two percent (2%) in a given fiscal tax year that is caused by an involuntary Property Tax reassessment including but not limited to a death of a person holding an ownership interest

in the Park or as the result of any new general or special real estate property tax imposed by the City of Rancho Cordova, the County of Sacramento, or the State of California.

(2) If the Park is sold to a third party pursuant to an arms-length transaction, the Owner may pass through to the Homeowners the increase in Property Taxes resulting from a reassessment of the Park upon such sale to the extent that such increase exceeds two percent (2%) in a given fiscal tax year, provided, however, the total amount of any Property Tax Pass Through resulting from a sale shall be phased in over five (5) years with equal increases each year until the full amount of the Property Tax Pass Through has been implemented, and shall thereafter continue at one hundred percent (100%).

(3) Owner shall not be entitled to any Property Tax Pass Through due to an increase in Property Taxes if triggered solely by an internal reorganization resulting in an event of "Change of ownership" unless such event occurs one year or more after the Effective Date of the MOU. Property tax pass throughs memorialized in a long-term lease covenant shall remain inapplicable to the MOU and protected and in effect.

(4) All Property Tax Pass Throughs shall be divided by twelve (12) and then shall be allocated equally among all spaces in the Park.

e. Emergency or Disaster Related Costs. Owner may pass through to the Homeowners any costs to repair damage to the Park arising from any Disaster Related Event in excess of the initial fifty thousand dollars (\$50,000) of such costs, provided such costs are amortized in accordance with the procedure for amortizing Capital Replacements above and such costs are divided equally among all Spaces in the Park. Any Disaster Related Event costs passed through to the Homeowners shall be net of any insurance proceeds or disaster grants or assistance received by the Owner for such costs. Owner shall not be entitled to pass through to the Homeowners any Disaster Related Event costs unless the Owner has continued to maintain throughout the term of this MOU the types and amounts of property insurance in effect on the Effective Date, if those types and amounts of property insurance are commercially available throughout the term of this MOU, at the same price in effect on the Effective Date, adjusted each year by the increase in the CPI. If those types and amounts of property insurance are not commercially available throughout the term of this MOU, at the above-described price, Owner reserves the right, in its sole and absolute discretion, to purchase whatever property insurance it deems reasonable for the Park. Owner shall disclose Owner's property insurance coverage to any Homeowner so requesting, provided however, no Homeowner shall be entitled to such disclosure more than once in any twelve-month period.

f. Requirements applicable to all Pass Throughs.

(1) No Pass Through shall be implemented unless Owner gives the Homeowners at least ninety (90) days written notice of the Pass Through including the calculations that serve as the basis for the Pass Through. The Owner shall also make available for the Homeowners' review at least one set of all documents related to the Pass Through, including bids, contracts, plans and other related documents either at the on-site manager's office and/or the park's clubhouse or community center during normal business hours during the ninety (90) day period following the

notice of the Pass Through.

(2) Pass Throughs shall be separately itemized in the monthly space rent bills.

(3) Pass Throughs are additional Rent and shall be considered rent for purposes of the MRL, including Civil Code Sections 798.30 and 798.31.

#### 7. RENT SUBSIDY PROGRAM FOR LOW INCOME TENANTS.

Owner agrees to implement a safety net program within the Park designed to provide relief from Annual Base Rent Increases and Pass Throughs to Homeowners that, due to financial circumstances, are unable to pay the increased Base Rent or Pass Throughs. The safety net program shall at a minimum provide relief from Annual Base Rent Increases and Pass Throughs to Homeowners pursuant to all of the following terms and conditions:

a. Any Homeowners with (i) a household income equal to or less than twice their monthly rent per month and (ii) less than \$60,000 in assets, not including their mobile home or vehicles, shall be eligible to apply for the safety net program.

b. Subject to subsection c. below, qualifying Homeowners may receive a minimum rent credit for the amount of any rent increase that causes their monthly rent, including all Pass Throughs, to exceed one half (1/2) of their household income. For example, if a qualifying Homeowner's rent is \$1,000 per month, and the Annual Base Rent Increase is \$50 per month, but the Homeowner's income is only \$1,800 per month, the Homeowner's Base Rent would be increased to \$1,050, but the Homeowner would receive a \$50 rent credit, meaning the Homeowner would only pay \$1,000.

c. This program is limited to five percent (5%) of all Homeowners in each Park. In the event that more than five percent (5%) of Homeowners qualify in a given Park, then the Mobile Home Park Owner shall have option of providing priority to either (a) those households with the lowest income, or (b) those households who most recently qualified for the rent credit program. Parkowners may choose to participate in an independent program in which a third party (e.g., MHET) is used to determine household eligibility to the program, and to process program applications.

d. Each individual household must submit an application verifying (a) income and (b) assets of less than \$60,000, not including their mobile home or vehicles on a form given out by Mobile Home Park Owners. Each individual household that is accepted for the safety net program shall be required to reapply once every twelve months, such that the Owner can determine whether that household continues to qualify for the program. Participation in the safety net program shall terminate if the qualifying household no longer qualifies, or no longer resides at the Park.

e. Items a. through d. are minimum requirements, to assist the neediest Homeowners at each park. Owner is free to establish more generous guidelines but cannot be required to do so. Owner shall provide the City with information on the Owner's safety net program at the City's request. Nothing herein shall prevent Owner from offering a safety net program that serves

Homeowners not meeting the qualifications stated herein or provides greater protections to Homeowners.

#### 8. OWNER'S BUSINESS PRACTICES.

Each Owner hereby covenants with the City that the Owner will act in good faith in all the Owner's dealings with the Homeowners in the Park under this MOU. No Owner shall declare a Homeowner's Space abandoned or seek to terminate a Homeowner's tenancy for purposes of obtaining a Base Rent increase or a Pass Through in contravention of this MOU.

#### 9. CONTINUED COMMUNICATION AND UPDATES.

Once each year Owners shall provide the City with a written report calculating any (a) Annual CPI Increases, (b) Capital Improvement Pass Throughs, and/or (c) Tax Property Pass Throughs at their park. The written report shall be detailed enough to determine appropriate rents on each individual space within the Park. That written report shall also address the number of residents participating in the Rent Subsidy Program for Low Income Tenants, including the percentage of spaces participating in the rent subsidy program. The City shall provide the Parkowners with the name, address or other contact information for submission of that written report. An Owner's failure to comply with this reporting requirement shall be subject to the Resolution of Disputes procedures in paragraph 13 of this MOU.

#### 10. CITY AS ENFORCEMENT AGENCY.

If any Owner fails to comply with the terms of this MOU, the City may initiate an action on behalf of the affected Homeowner or Homeowners to enforce the terms of this MOU. An affected Homeowner may provide written notice of any alleged breach of this Agreement to the Park Owner and copy the City; alternatively, an affected Homeowner may also contact the City directly to seek assistance in enforcing this Agreement.

#### 11. EXCEPTION FROM RENT CONTROL ORDINANCES.

Provided that the Owner is not in material breach of this MOU, and during the period in which this MOU remains in effect, the City shall not enforce or impose the provisions of any City ordinance or regulation, with respect to the amount of rent charged by Owner for occupancy of any mobile home spaces or any City adopted rent stabilization ordinance, within the Park.

The City reserves the right to pass a mobile home rent control ordinance if any Park Owner is not in compliance with this Agreement.

#### 12. COVENANTS RUNNING WITH THE LAND.

The obligations of the Owner contained within this MOU with respect to the Park are covenants running with the land to the benefit of the City and to each present or future Homeowner leasing any Space within the Park during the term of this MOU as an intended third-party beneficiary to this MOU. The parties intend that these covenants touch and concern the Park, and that they

shall be binding upon the Owner and all successors, heirs, and assigns of the Owner with respect to the Park during the term of this MOU. This executed and notarized MOU shall be recorded in the Official Records of the Sacramento County Recorder's Office with respect to that real property legally described in Exhibit A. The obligations under this MOU and the covenants contained in this MOU shall terminate and cease to exist simultaneously with the termination of this MOU, at which time Owner may take any action allowed by law to remove or otherwise extinguish those covenants. The City shall cooperate in good faith to assist Owner in removing or otherwise extinguishing said covenants, including executing any documents that may be required by the Sacramento County Recorder's Office to effectuate such a removal and/or extinguishment.

### 13. RESOLUTION OF DISPUTES.

a. Mediation. In the event any dispute arises between the Owner and City with respect to the enforcement of any provisions of this MOU, or between the Owner and any Homeowner who is an intended third party beneficiary with respect to the interpretation or enforcement of any provisions of this MOU, the party claiming a violation of the MOU shall give written notice to the other party specifying the nature of the dispute, and if the party claiming a violation of the MOU is a Homeowner, the Homeowner shall give written notice to both the Owner and the City. If the issue raised in the written notice is not corrected within thirty (30) days of such notice, then the Owner and City agree that the parties will first try to resolve the dispute through mediation using a third-party City-provided mediator or neutral hearing officer. The parties shall resolve such dispute through mediation prior to filing any action or lawsuit or seeking judicial relief, unless doing so would cause any action or lawsuit to be barred by any applicable statute of limitations, in which case a protective action may be filed, without prejudice to the continuation of the mediation.

b. Resolution of Disputes Not a Waiver of Rights or Benefits. None of the rights, liabilities, or obligations of the Owner, City, Homeowner, or prospective Homeowner to one another shall be waived, suspended, or delayed pending the recommendations of a mediator, or other person designated to administer and make recommendations under any dispute resolution proceeding of this MOU. For example, the Homeowner remains obligated to pay the amount of any rents due, including the amount in dispute, during any dispute resolution proceeding.

### 14. GENERAL PROVISIONS.

a. Notices. All notices and other communications required or permitted under this MOU, unless otherwise expressly stated, shall be made in writing and shall be delivered to the party whom addressed by personal service or by deposit in any U.S. mail depository, first class postage paid, and shall be deemed received: (1) if personally delivered, upon the date of actual receipt by the person to receive such notice, or (2) if mailed, two business days after the date of any proof of deposit in the United States mail. Notices to any Owner shall be given to the address for such Owner listed on Exhibit A. Notices to the City shall be given to the City of Rancho Cordova, 2729 Prospect Park Dr, Rancho Cordova, CA 95670, Attention: City Manager, with a copy of such notice sent to such address to the attention of the City Attorney. The address for delivery of notices may be changed by either party by giving notice to such change to the other party in

accordance with this paragraph.

b. Complete Agreement. This MOU shall: (1) constitute the parties' entire agreement, (2) merge all prior discussions and negotiations between the parties, and (3) supersede and replace all prior agreements and understandings, whether oral or written, with respect to the subject matter hereof.

c. Amendments. This MOU may not be amended, altered, or modified except by a writing signed by the City and the Owners, unless the amendment, alteration or modification impacts less than all of the Owners, in which case only the impacted Owner or Owners and the City must sign.

d. Successors and Assigns. Except as provided in paragraph h below, this MOU shall be binding upon and inure to the benefit of the parties and their prospective successors and assigns.

e. Severability. If any portion of this MOU shall be held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining portions of this MOU shall remain in effect and enforceable to the fullest extent permitted by law, if such enforcement would not frustrate the overall intent of the parties as such intent is manifested by all provisions of this MOU. If the MOU or any portion of this MOU is held by a court of competent jurisdiction to be invalid, void, contrary to public policy, ultra-vires, or otherwise unenforceable (collectively, "**Impairment**") the City shall not be liable to the any Owner, any Homeowner, or any other party in law, equity, or in an action for damages for such Impairment.

f. Extension Not a Waiver. The failure by any party or intended third party beneficiary to require strict performance of the obligations of another party to this MOU, or the failure to exercise or delay in the exercise of any power, remedy, or right provided in this MOU or otherwise available to any party or intended third party beneficiary, upon any failure of another party to perform the other party's obligations under this MOU, shall not be deemed a waiver and shall not impair or affect the right of such party or intended third party beneficiary to require strict performance and to exercise the power, remedy, or right on any other or subsequent occasion for the same or any other failure of the other party to perform its obligations under this MOU.

g. Applicable Law. This MOU shall be construed in accordance with, and governed by, the law of the State of California. Nothing herein shall preclude any party from challenging any law, on its face, or as applied, on the ground that it violates the state or federal constitution.

h. MOU Not Applicable to Resident-owned Parks. The MOU shall not apply to any resident-owned park. In the event the ownership of the Park to which this MOU applies is transferred to the residents of the Park, this MOU shall immediately and finally terminate with respect to the Park upon the Effective Date of the transfer of ownership. A "resident-owned" park shall mean a park in which fifty percent (50%) or more of the Spaces are owned by the residents of the park, directly or indirectly, through any means of devices.

i. Exhibits. Exhibits A and B are attached hereto and are incorporated herein by this reference.

j. Execution in Multiple Counterparts. This MOU may be executed in multiple counterparts and

becomes binding with respect to the City of Rancho Cordova and each Owner when originally signed by the City Manager of the City of Rancho Cordova and an authorized representative of the Owner and delivered to the City Manager of the City.

k. Enforcement of Rules and Regulations. Nothing in this MOU shall preclude Owner from enforcing the Park's rules and regulations that are not in conflict with this MOU.

*Signatures on the following page*

5275826.2

EXHIBIT A  
LEGAL DESCRIPTION OF REAL PROPERTY

EXHIBIT B  
CAPITAL REPLACEMENTS