

AGREEMENT BETWEEN THE CITY OF ONTARIO AND  
OWNERS OF THE MOBILEHOME PARKS WITHIN THE CITY  
OF ONTARIO REGARDING ANNUAL MAXIMUM RENT  
ADJUSTMENTS

**1. Parties and Date.**

This Agreement, which shall be known as "THE 2007 JACK GALVIN MOBILEHOME PARK ACCORD", is made and entered into effective this 5th day of January, 2007 by and between the City of Ontario, California, ("City") and the owners of mobilehome parks within the City (individually "Community Owner," collectively "Community Owners"). City and Community Owner are sometimes individually referred to as "Party" and collectively referred to as the "Parties".

**2. Recitals.**

2.1 The Parties agree that there are factors unique to the relationship between the owners of mobilehomes ("Homeowners(s)") and the communities in which they reside. Once occupancy has commenced, unique factors can affect the bargaining position of the parties and the operation of market forces. Because of those unique factors, there exist inherently real and substantial differences in the relationship which distinguish it from other landlord-tenant relationships. The Parties recognize that Homeowners have basic property and other rights which must be protected. The Parties further recognize that the Community Owner has a legitimate business interest in the operation of the community as part of the housing market and has basic property and other rights which must be protected.

2.2 It is necessary and desirable that the Homeowners and Community Owners are able to maintain their properties and avoid unbudgeted cost increases which would adversely impact their economic viability. It is desirable that all Homeowners are able to properly budget and avoid large cost increases. To the extent that Community Owners can maintain their communities and earn a reasonable return on the value of their investment, the Community Owners shall endeavor to spread any approved cost increases over time and avoid large and unreasonable annual rent increases to the extent possible. The Parties also recognize that land and real estate values have been rising at rates of 10-20% annually over the last decade and agree that rents must also ultimately reflect these economic conditions.

2.3 The parties recognize that, after initial installation, most mobilehomes are seldom moved and when a Homeowner decides to move, the mobilehome is commonly sold in place, and if rents are below free-market levels, the possibility exists that a portion of the mobilehome space value might be transferred upon such sale unless space rents are allowed to rise, upon such sale, to levels which are closer to, or at, free-market levels.

2.4 Concerns among Homeowners and Community Owners over rent increases and other park-related situations can often best be resolved between the two parties, provided there exists the incentive for both parties to negotiate in good faith and reach an agreement.

2.5 The Parties desire to enter into this Agreement to encourage continued fair bargaining between Community and Homeowners in order to achieve mutually satisfactory agreements regarding space rental rates in manufactured home communities, thereby eliminating the need for a City rent regulation ordinance. Agreements similar to this have been in effect since 1999 and have proven to be effective in stabilizing rents for existing Homeowners. In view of changed circumstances the Parties desire to revise and renew this Agreement for the benefit of all Parties.

2.6 It is recognized that all mobile home communities in the City have been subject to the provisions of a regulatory ordinance or agreements similar to this Agreement for over 15 years and market conditions during that time have produced a wide disparity in rental rates within some mobile home communities. Additional adjustments to rents for spaces within a single community that are below the average space rent within that community may be necessary to decrease this disparity without the implementation of a single significant rent increase.

### **3. Definitions.**

For purposes of this Agreement, the following words and phrases shall have the following meanings:

3.1 "Board" -- The Rent Review Board, as established in Section 4.3 of this Agreement.

3.2 "Capital Improvement" -- Any cost item of improvement or rehabilitation that is required to be capitalized by the tax provisions of the Internal Revenue Code.

3.3 "City Administrator" -- The person designated by the City to administer this Agreement when and as may be required hereunder.

3.4 "Consumer Price Index" -- Index published by the United States Department of Labor, Bureau of Labor Statistics for All Items Indexes for All Urban Consumers for the Los Angeles-Riverside-Orange County area (also herein referred to as "CPI" or "CPI-U").

3.5 "Community" -- A manufactured home community which rents (leases) space to owners of mobilehomes (formerly and also called a "mobilehome park").

3.6 "Community Owner" -- The undersigned person (entity) entitled to receive rent for a Mobilehome Space, or their agent, representative, successor or assign (also "Park Owner").

3.7 "Homeowner" -- The persons who have Tenancy in a Community under a rental agreement.

3.8 "Initial Rent" -- The rent in effect upon the effective date of this Agreement or as adjusted pursuant to Section 4.4.1, below.

3.9 "Mobilehome" -- A structure designed for human habitation and for being moved on a street or highway under permit, pursuant to Section 35790 of the California Vehicle Code. Mobilehome includes a manufactured home, as defined in Section 18007 of the California Health and Safety Code, and a mobilehome, as defined in Section 18008 of the California Health and Safety Code, but does not include a recreational vehicle, as defined in Section 799.29 of the California Civil Code and section 18010 of the California Health and Safety Code, or a commercial coach as defined in Section 18001.8 of the California Health and Safety Code.

3.10 "Mobilehome Park" -- Any area of land within the City where two or more Mobilehome Spaces are rented, or held out for rent, to accommodate Mobilehomes used for human habitation (also referred to as "Community").

3.11 "Mobilehome Residency Law" -- The California Mobilehome Residency Law ("MRL") which is also known as California Civil Code Provisions 798 et seq.

3.12 "Mobilehome Space" -- A site within a Mobilehome Park intended, designed, or used for the location or accommodation of a Mobilehome and any accessory structures or appurtenances attached thereto or used in conjunction therewith.

3.13 "Park Services" -- Services, including, but not limited to, repairs, maintenance, provisions of utilities, laundry facilities, janitorial services, refuse removal and any other benefit, privilege or facility connected with the use or occupancy of a Mobilehome Space. Services to a Mobilehome Space shall include a proportionate part of the services provided to the common facilities in a Mobilehome Park available to or for the benefit of the Mobilehome Space.

3.14 "Rent" -- The consideration, including any bonus, benefit or gratuity, demanded or received in connection with the use and occupancy of a Mobilehome Space.

3.15 "Resale" -- The Resale of a home shall include the transfer of the ownership interest in a Mobilehome from an existing Homeowner to a new Homeowner(s) pursuant to the MRL.

3.16 "Resale Exemption" -- The above definition of Resale shall not include a sale, resale, or transfer of interest between members of the same immediate family (defined as the homeowner's legal spouse, the homeowner's legal parents, or the homeowner's legal children). Transfers to such immediate family members are exempt from the Resale adjustment (per section 3.15 and/or 4.5.9). However after the initial transfer from the Homeowner of record on the date of this Agreement ("Original Homeowner") to the Original Homeowner's immediate family member any subsequent inter-family transfer shall be subject to the "Resale" increases per Section 4.5.9.

3.17 "Tenancy" -- The right of a Homeowner to the use of a space within a Mobilehome Park on which to locate, maintain and occupy the Homeowner's mobilehome, site improvements and accessory structures for human habitation, including the use of the services and facilities of the park.

#### 4. Terms.

4.1 Term. The term of this Agreement shall be retroactively effective from January 5, 2007 and continue in effect until January 5, 2012, unless earlier terminated as provided herein. This Agreement shall not be effective for any purpose until it has been executed by authorized representatives of the Community Owners of the Mobilehome Parks listed in Exhibit A and located in the City as of January 5, 2007. The term of this Agreement shall be extended for an additional period of three (3) years, until January 5, 2015, unless either Party provides notice to the other of that Party's intent to not extend this Agreement by July 5, 2011. If notice is so provided, then the Parties may renegotiate the terms of this Agreement. If no agreement is reached, the Agreement shall terminate on January 5, 2012.

#### 4.2 Applicability.

4.2.1 The provisions of this Agreement shall apply to all Mobilehome Parks and all Mobilehome Spaces listed in Exhibit A whose authorized representative of the Community Owner have executed this Agreement, except as provided in subsection 4.2.2.

4.2.2 This Agreement shall not apply to the following:

(a) Mobilehome Spaces rented out for nonresidential uses.

(b) Mobilehome Parks managed or operated by the United States Government, the State of California, or the City of Ontario.

(c) Tenancies for which any federal or state law or regulation specifically prohibits rent regulation.

(d) Mobilehome Spaces rented pursuant to a rental agreement exempted by the Mobile Home Residency Law or any other State or Federal law.

(e) Mobilehome Spaces that are not the principal residence of the Homeowner (consistent with MRL Section 798.21) or where the Homeowner has not legally rented the Mobilehome to another party (with Community Owner's consent).

(f) A Vacancy of the space by a Homeowner (whether through abandonment, repossession, termination of tenancy through lawful eviction, or otherwise) whereby the Community Owner and not a Homeowner is in possession of the Mobilehome Space.

(g) The purchase or sale of a Mobilehome on a Mobilehome Space by a person or entity that intends to resale, or hold for resale, the Mobilehome (i.e. A dealer or rehabilitator of Mobilehomes).

(h) Any newly constructed Mobilehome Spaces initially held out for rent after January 1, 1990.

4.2.3 Nothing in this Agreement shall preclude a Homeowner or prospective Homeowner from entering into a written lease or agreement with a Community Owner pursuant to the Mobile Home Residency Law, thereby exempting the Homeowner's Mobilehome Space from this Agreement during the term of the lease.

4.2.4 Nothing in this Agreement shall be deemed to impose any obligation upon any Community Owner with respect to a Mobilehome Park in which the Community Owner does not have an ownership interest or a Mobilehome Park that is not subject to the Community Owner's control.

#### 4.3 Rent Review Board.

4.3.1 The Parties agree to the establishment of a Mobilehome Rent Review Board for the purpose of implementing and enforcing the provisions of this Agreement. The Rent Review Board shall consist of five (5) members serving at the pleasure of the City Council. Subject to the approval of the City Council of the City of Ontario, the membership of the Board shall be comprised of two Community Owner representatives, two Homeowner Representatives and the City Manager or his designee who shall serve as Board Chair, provided the City Manager or his designee does not have any ownership interest in or reside in a Mobilehome Park within the City and is not an immediate family member of a person who has an ownership interest in or reside in a Mobilehome Park within the City. No more than one Community Owner or Homeowner from any Mobilehome Park shall serve on the Board at any one time. A member shall serve a term of up to four (4) years, at the end of which the member may be considered for reappointment. The City Manager shall designate an employee who shall serve as the secretary of the Board. The City Clerk shall be responsible for the maintenance of all its permanent records.

4.3.2 The Board shall meet at such times at the call of the Board Chair to consider applications and complaints filed with the Board pursuant to this Agreement or otherwise to conduct the business of the Board. Any member who is absent without being excused by the Board from three (3) successive meetings of the Board shall be deemed to have vacated his or her office. All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act. Three (3) members of the Board shall constitute a quorum as long as one member of each category of representative membership is present (i.e., one Community Owner representative, one Homeowner representative, and City Manager or his designee). Three affirmative votes are required for a decision, including all motions, orders and rulings of the Board. The Board shall keep a record of its proceedings, which shall be open for inspection by any member of the public.

4.3.3 All candidates for appointment to the Board shall disclose in a verified statement all present holdings and interests in real property within the City, including interests in corporations, trusts or other entities owning real property within the City as defined by California Government Code Section 82035. Such disclosure statement shall be made available to the City Council prior to appointment of members of the Board and shall be filed with the City Clerk not less than ten (10) days after appointment. Disclosure of holdings required herein shall be in

addition to any other disclosure required by State or local law for holders of public office.

4.3.4 The Board shall make and adopt its own rules and regulations for conducting its business consistent with this Agreement and laws of the State, subject to the approval of the City Council of the City of Ontario. Such rules and regulations shall be reduced to writing and shall be on file with the City Clerk at all times. The Board shall appoint such officers as may be necessary.

4.3.5 A Community Owner requesting rent adjustments pursuant to Section 4.5 of this Agreement shall submit an application to the Board or City Administrator on forms prescribed by the Board with the following information:

- (a) The effective date of the proposed adjustment;
- (b) Identification of the Mobilehome Spaces affected;
- (c) The amount of the rent prior to the effective date of the proposed adjustment;
- (d) The amount of the increase or decrease (in dollars) for each Mobilehome Space;
- (e) The reason for the proposed adjustment;
- (d) Documentation substantiating the basis for the proposed adjustment;
- (f) Any other information the Board deems relevant or necessary.

4.3.6 Within sixty (60) days of receipt of a complete rent adjustment application, the Board or City Administrator shall determine whether to approve or disapprove, wholly or partially, a rent adjustment application. The burden of demonstrating and substantiating the appropriateness of the proposed rent adjustment shall be on the Community Owner. The Rent Review Board or City Administrator shall grant the Community Owner's application for a rent adjustment if the Board or City Administrator determines that the proposed rent adjustment is authorized by Section 4.5 of this Agreement and that it is supported by documentation and/or other evidence submitted by the Community Owner. The Board or City Administrator shall make findings of fact indicating the factors relied on in reaching a decision and shall provide written notice of its decision by mail or personal delivery to the Community Owner.

4.4 Initial Rent. The Initial rent per month for each Mobilehome Space not exempt from this Agreement shall be the rent in effect for that space as of January 5, 2007, the effective date of this Agreement.

4.4.1 First Adjustment to Initial Rents. The Initial Rent for an individual Mobilehome Space under this Agreement may be adjusted during the first year of this Agreement by not more than 10% if the Initial Rent for that Mobilehome space within a Community is less than 95% of the mean average rent on the effective date of this Agreement for all Mobilehome

Spaces within the Community covered by this Agreement. Such adjustment in the Initial Rent shall be in-lieu of any other increases in rent applicable during the calendar year that the Initial Rent adjustment occurs.

4.4.2 Second Adjustment to Initial Rents The Initial Rent for an individual Mobilehome Space under this Agreement may also be adjusted in the second year of this Agreement by not more than 10% if the Initial Rent for a Mobilehome Space after adjustment under Section 4.4.1 is still less than 95% of the mean average for all Mobilehome Spaces within the Community covered by this Agreement. Such adjustment in the Initial Rent shall be in-lieu of any other increases in Rent applicable during the calendar year that the second adjustment to Initial Rent occurs pursuant to this section.

4.4.3 Conversion of an exempt Mobilehome Space For any Mobilehome Space exempt from this Agreement as a result of a rental agreement referred to in Section 4.2.2(d), the Rent, upon the expiration or termination of such rental agreement, shall be the last months rent prior to expiration or termination of the rental agreement (as adjusted by the CPI for the period of time from the last rent adjustment on that Mobilehome Space to the next scheduled Annual Rent Adjustment, defined below, under this Agreement).

#### 4.5 Rent Adjustment.

4.5.1 Advance Notice and Period of. Community Owners or their designees shall communicate to all affected Homeowners the Annual Rent Adjustments authorized by Section 4.5.2. by a written notice at least 90 days prior to the effective date of the Rent adjustment (consistent with MRL section 798.30). Said notice shall include the applicable percentage increase of the CPI for the preceding calendar year. The annual rent adjustment may not be given more than once each year except in the event that the Community Owner is granted a Supplemental Rent Adjustment, as defined below. The City Administrator may request that a Community Owner provide a statement indicating the affected Mobilehome Spaces, the percentage change in the rental amount being charged and/or other information necessary to confirm that the Community Owner has properly calculated the Annual Rent Adjustment.

4.5.2 Annual Rent Adjustment. On or after the first day of July of each year and upon giving notice as required by the MRL, the Rent for a Mobilehome Space may be automatically adjusted by up to one hundred twenty percent (120%) of the percentage change in the CPI for the previous 12 month period as of December 31<sup>st</sup> multiplied by the Rent then in effect. The City Administrator shall advise the Community Owners of the percentage change in the CPI during the preceding calendar year, which shall be used to calculate the annual Rent adjustment permitted under this section ("Annual Rent Adjustment"). To further reduce the possibility of large rent increases, this Annual Rent Adjustment shall be further limited by a maximum and minimum annual adjustment percentage such that no Annual Rent Adjustment increase shall exceed ten percent. In consideration of this limitation by Community Owners, the Parties agree that no rental increase per this section shall be less than four (4) percent.

4.5.3 Administrative Approval of Supplemental Rent Adjustments. In order to reduce the administrative burden on the Board, the Parties agree that the City Administrator may review certain requests for supplemental Rent adjustments ("Supplemental Rent Adjustments") for cost

increases that are not controlled by Community Owner but are easily confirmed as a matter of public record. These cost increases that are eligible for a Supplemental Rent Adjustment are further described in Sections 4.5.4 through 4.5.6 and Section 4.5.8 of this Agreement. The Community Owner may request a Supplemental Rent Adjustment by submitting an application and supporting documentation detailing the cost increase and the amount of the requested adjustment (both on a total and per Mobilehome Space basis). The City Administrator shall determine whether the Supplemental Rent Adjustment complies with this Agreement. If the City Administrator determines that the request is not consistent with this Agreement then the Community Owner may either revise the application or request a hearing before the Board. Upon the approval of any application by the City Administrator or Board, the Community Owner shall provide notice to Homeowners of the amount and effective date of the Supplemental Rent Adjustment. The Supplemental Rent Adjustment may be noticed with the Annual Rent Adjustment or separately at another date. If a Supplemental Rent Adjustment is to be noticed and included with the Annual Rent Adjustment, the request must be submitted to the City Administrator prior to February 1<sup>st</sup>.

4.5.4 Rent Adjustment for Cost of Utilities. In addition to any other Rent adjustment permitted by this Agreement and upon the review and confirmation of a rate change in any applicable utility and supporting materials by the City Administrator pursuant to Section 4.5.3, a Community Owner may implement a Supplemental Rent Adjustment equal to the amount of any increase or decrease in the cost of the utilities paid for by the Community Owner. Rent Adjustments for the cost of utilities are limited to the increased costs of utilities incurred by the Community Owner during the two (2) calendar year period prior to the submittal of a Supplemental Rent Adjustment application for utility rate change. For purposes of this section, utilities include refuse collection, sewer, water, electricity, gas, and other public utility services. This subsection shall not apply if the Rent for a Mobilehome Space does not include the cost of such utilities (as these costs are already paid directly by the Homeowner).

4.5.5 Rent Adjustment for Taxes. In addition to any other Rent adjustment permitted by this Agreement, and upon review and confirmation of a change in any applicable governmental assessment and supporting materials by the City Administrator pursuant to Section 4.5.3, a Community Owner may obtain a Supplemental Rent Adjustment equal to the amount of any increase or decrease in the taxes, assessments, or levies imposed upon the Mobilehome Park by local, State, or federal government agencies. A Community Owner may postpone a rent adjustment permitted by this subsection, at his or her option, for up to 90 days from the date when such taxes become a legal obligation of the Community Owner. A Supplemental Rent Adjustment for taxes does not apply to and shall not include the annual 2% property tax valuation adjustment as per current state law.

4.5.6 Rent Adjustment for Capital Improvements. In addition to any other Rent adjustment permitted by this Agreement, and upon application to the City Administrator, accompanied by supporting materials pursuant to 4.5.3, the Community Owner may obtain a Supplemental Rent Adjustment in the event a Capital Improvement is made within the Mobilehome Park which exceeds a total cost of ten thousand dollars (\$10,000) or, in the case of a Mobilehome Park with 50 Mobilehome Spaces or less, a total cost of two thousand five hundred dollars (\$2,500) provided the Community Owner agrees to amortize the Capital Improvement project costs over a period of not less than seven years. The Rent adjustment shall be based on the total project cost equally shared, pro rata, among the total number of Mobilehome Spaces

within the Mobilehome Park. Rent increases for a Capital Improvement shall not be part of the rent and shall terminate after the amortization period. A Community Owner shall not be entitled to any additional increase for a Capital Improvement as part of a future Rent adjustment until the improvement is completed.

4.5.7 Rent Adjustment for Undue Hardship. In addition to any other rent adjustment permitted by this Agreement and upon application to the Board, a Community Owner may obtain a Rent adjustment if the application of this Agreement, apart from any authorized rent adjustments, results, or would result, in undue hardship to the Community Owner's Mobilehome Park. In determining whether a hardship Rent adjustment should be authorized, the Board may consider, among other relevant factors, increased costs to the Community Owner, attributable to increases or decreases in master land and/or facilities lease rent, utility rates, property taxes, insurance, advertising, government assessment and fees, incidental service, normal repair and maintenance, Capital Improvements, upgrading and addition of amenities or services, net operating income, as well as just and reasonable return on the value of the Community Owner's property.

4.5.8 Rent Adjustment for Reduction in Park Services. In the event a Community Owner reduces or eliminates any services or benefits to any Mobilehome Space, the Community Owner shall adjust the Rent for each affected Mobilehome Space to reflect the cost savings resulting from the reduction or elimination of such services or benefits. A petition may be submitted to the City Administrator, signed by a majority of Homeowners with the Mobilehome Park requesting an adjustment to Rent if a Community Owner reduces or eliminates any services or benefits. Sufficient supporting information shall be submitted with the petition to clearly identify the services or benefits that have been reduced and the cost savings resulting from the reduction. Such petition shall be forwarded to the respective Community Owner for a response. The Community Owner's response, if any, shall be considered prior to the issuance of any determination by the City Administrator regarding the petition. Any decision of the City Administrator to adjust rents is subject to the mediation and arbitration provisions in Section 4.8.

4.5.9 Rent Adjustment Upon Resale. Notwithstanding the Rent adjustments otherwise permitted pursuant to this Agreement, the Community Owner may increase the Rent for a Mobilehome Space upon a Resale ("Resale Adjustment"). The amount of the Resale Adjustment shall be based on the period of time that has elapsed since the last resale of the home ("Resale Interval"). If the Resale Interval is less than 24 months, the amount of the Resale Adjustment may be up to 5% of the Rent prior to Resale. If the Resale Interval is greater than 24 months, the amount of the Resale Adjustment may be up to 5% for each full 12-month period in the Resale Interval. Upon receipt of a Homeowner's notice of pending Resale pursuant to Civil Code Section 798.59, the Community Owner shall notify the Homeowner of the anticipated Rent adjustment authorized by this subsection either by a separate statement or by a notation on the Homeowner's notice. The Rent adjustment indicated by the Community Owner shall remain effective for the Mobilehome Space that is the subject of the Resale and may only be increased pursuant to this Agreement.

4.5.10 Discretion for Lower Adjustments. Nothing in this Agreement shall be construed to require a Community Owner to increase Rents on an annual basis or to prevent a

Community Owner from adjusting Rents to amounts lower than otherwise permitted by this Agreement.

4.5.11 Rent Adjustment Formula. Computation of rent adjustments allowable under this Section shall be according to the following formula:

Multiply the Rent and the allowable percentage adjustment in the CPI to determine the Annual Rent Adjustment, to which shall be added any additional increases or decreases allowed under Sections 4.5.4, 4.5.5, 4.5.6, 4.5.7 of this Agreement, the sum of which shall be rounded off to the nearest dollar.

Formula

Current Rent x 120% of the Percent of Change of CPI (for the previous calendar year) = Dollar Amount of Annual Rent Adjustment (Maximum of 10.0%; Minimum 4.0%)

Annual Rent Adjustment + Additional Rent Adjustments =  
Total Rent Adjustment Amount Rent +/- Total Rent Adjustment Amount =  
New Rent

New Rent Rounded off to nearest dollar (.01 - .49 = 0.00),  
(.50 - .99 = 1.00)

Example

Percent Change in CPI = 3.3% x 120% = 3.96%

As 3.96% is less than 4.0% Minimum, Minimum 4.0% applies

\$400.00 x .0400 = \$16.00

\$16.00 (Annual Rent Adjustment) + \$5.00 (Additional Rent Increase authorized by Agreement) = 21.00 (Rounded off to \$21.00)

\$21.00 + \$400.00 = \$421.00 (New Rent)

4.6 Unauthorized Rent Adjustments. In the event a Community Owner attempts to adjust the Rent without complying with the provisions of this Agreement, such an increase shall be deemed null and void, and affected Homeowners shall not be required to pay such adjustment.

4.7 Responsibilities of Community Owner.

4.7.1 Disclosure. The Community Owner shall comply with the disclosure requirements of the MRL (including 798.74, et seq.) and the California Civil Code such that prospective Homeowners are advised of the existence and content of this Agreement. It is expressly understood by the Community Owners that for the purposes of disclosure requirements of the MRL, this Agreement shall be treated the same as a local mobilehome rent

control measure. The intent is to assist prospective Homeowners in understanding their rights and options prior to entering into a lease or rental agreement.

#### 4.8 Mediation and Arbitration.

4.8.1 Any dispute between Community Owners and Homeowners relating to this Agreement shall be resolved solely by mediation and arbitration in accordance with the provisions set forth in this Section.

4.8.2 Any request for mediation or demand for arbitration must be filed with the Rent Review Board in writing and must be made prior to the last day that legal or equitable proceedings would be barred by the applicable Statute of Limitations. Such request or demand must be accompanied by the payment of a fee of Ten Dollars (\$10.00) per space for which the request or demand is made. The fee shall be applied towards the cost of mediation or arbitration and any additional costs shall be borne equally by the Community Owner and the affected Homeowners. Such request or demand must provide: (a) a description of the dispute; (b) facts from which the dispute arises; (c) a description of the relief or action requested.

4.8.3 The Community Owner and the affected Homeowners shall first attempt in good faith to mediate such a dispute and shall use their best efforts to reach agreements on the matters in dispute. Within fifteen (15) days of the request of any party for arbitration or mediation pursuant to subsection 4.8.2, the requesting party shall attempt to employ the services of a third person mutually acceptable to the parties to conduct and conclude such mediation within thirty (30) days of his or her appointment. If the parties are unable to agree on such third person, or, if on completion of such mediation, the parties are unable to agree and settle the dispute, then the dispute shall be referred to arbitration as set forth in subsection 4.8.4.

4.8.4 Any dispute between the parties that is to be resolved by arbitration shall be settled and decided by arbitration by the Judicial Arbitration and Mediation Service, Inc. ("JAMS") pursuant to JAMS standard procedures for arbitration. If JAMS is unwilling or unable to act as arbitrator, the parties shall apply to the presiding Judge of the Superior Court of the Country of San Bernardino for the appointment of an arbitrator.

A. The arbitrator shall prepare and provide the parties with written factual findings and the basis for the arbitrator's decisions.

B. The parties each agree to deposit with the arbitrator one-half of the estimated arbitrator costs and fees. Failure of any party to make such deposit shall result in forfeiture by the non-depositing party of the right to defend or prosecute the claim subject to arbitration, but shall not otherwise serve to abate, stay or suspend the arbitration proceedings.

C. Arbitration shall be conducted pursuant to California Code of Civil Procedure and statutes permitting expanded discovery proceedings shall be applicable to all disputes which are arbitrated. The parties shall cooperate with the arbitrator and produce any relevant records or documents requested by the arbitrator.

D. The costs incurred or recoverable through proceedings under this section shall not be recoverable by either party nor be a justification for a Rent adjustment.

4.8.5 Notice of the arbitrator's determination shall be mailed to the Community Owner and all affected Homeowners.

#### 4.9 Remedies.

4.9.1 City may, but shall not be obligated to, enforce the provisions of this Agreement on behalf of a Homeowner or Homeowners in the event of breach of or non-compliance with this Agreement by a Community Owner.

4.9.2 Any Homeowner aggrieved by a breach of or non-compliance with this Agreement by a Community Owner shall, as an intended third-party beneficiary of this Agreement, have the right, on such Homeowner's own behalf, to bring the matter before the Rent Review Board or to prosecute a civil action against the Community Owner, in any court of competent jurisdiction, to enforce the provisions of this Agreement or recover damages for the breach thereof. Any legal proceedings may only be commenced after the arbitration process (as described in section 4.8) has been fully applied to any alleged breach or non-compliance under this Agreement.

4.10 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

4.11 Binding on Assigns. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors, and assigns of the Parties.

4.12 Severability. If any provision of this Agreement or the application thereof to any person or circumstance is held to be unlawful or is otherwise invalidated by a final judgment of any court of competent jurisdiction, such invalidity shall not affect other provision or applications of this Agreement which can be implemented without the invalid provision or application, and to this end, the provisions of this Agreement are deemed to be severable.

4.13 Construction. To the extent that the context of this Agreement so requires, the singular shall include the plural and the masculine, feminine and neuter genders shall each include the other.

4.14 Amendment. This Agreement may not be altered, amended, modified or revoked except by an instrument in writing executed by the City and all Community Owners who are signatories to this agreement.

4.15 Attorneys' Fees and Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement or because of an alleged dispute, breach, default, or misrepresentation in connection with any provision of this Agreement, the successful or prevailing Party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled.

4.16 Authority to Enter Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to enter into this Agreement so as to bind each respective Party to perform the conditions contemplated herein.

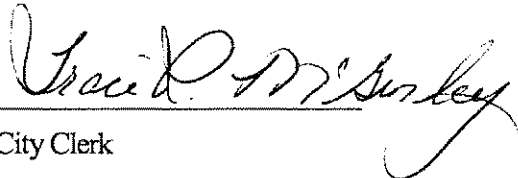
**[Signatures on following pages]**

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

**CITY OF ONTARIO**

By:   
Paul S. Leon, Mayor

ATTEST:

  
City Clerk

APPROVED AS TO FORM:

  
City Attorney

**EXHIBIT A Mobilehome Community Owners**

**Comet Trailer Court**

12018 Central Avenue  
Chino, Ca.91710

By:   
Patrick Grabowski

**Fernwood Mobilehome Park**

1512 East Fifth Street  
Ontario, Ca. 91764  
Tower Management Co.  
80 South Lake Ave. #3719  
Pasadena, Ca. 91101

By: \_\_\_\_\_  
Alex Boggs

**Samoa Village Mobilehome Estates**

310 East Philadelphia Avenue  
Ontario, Ca. 91761  
Community Asset Management  
P.O. Box 3670  
Ontario, Ca. 91761

By: \_\_\_\_\_  
Karin Staddon

**Golden Gate Trailer Court**

Steve McLemore  
Leah Robertson  
9873 Alder Avenue  
Bloomington CA 92316

By: \_\_\_\_\_  
Steve McLemore

By: \_\_\_\_\_  
Leah Robertson

**Grove Manor Mobilehome Park**

850 Mission Boulevard  
Ontario, Ca. 91761  
Simpson Property Management  
3011 S. Croddy Way  
Santa Ana, CA 92704

By: \_\_\_\_\_  
Suzanne M. Pixley

**Lamplighter Ontario MHC**

2139 East Fourth Street  
Ontario, Ca. 91764  
Lamplighter Ontario Associates, LP  
Morgan Partners Inc.  
321 High School Road NE#351  
Bainbridge Island, Wa. 98110-1697

By: \_\_\_\_\_  
Thomas E. Morgan, General Partner  
Lamplighter Ontario Associates, LP

**Rancho Ontario ACLP**

1400 East Philadelphia Avenue  
Ontario, Ca. 91761  
By: Ontario Mobilehome Park Corp.  
General Partner  
503 West Palm Drive  
Placentia, Ca. 92870

By: \_\_\_\_\_  
Richard H. O'Hara, President

**EXHIBIT A Mobilehome Community Owners**

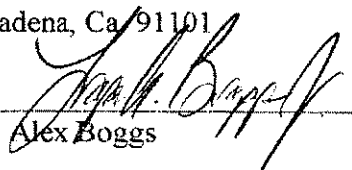
**Comet Trailer Court**

12018 Central Avenue  
Chino, Ca.91710

By: \_\_\_\_\_  
Patrick Grabowski

**Fernwood Mobilehome Park**

1512 East Fifth Street  
Ontario, Ca. 91764  
Tower Management Co.  
80 South Lake Ave. #3719  
Pasadena, Ca 91101

By:   
Alex Boggs

**Samoa Village Mobilehome Estates**

310 East Philadelphia Avenue  
Ontario, Ca. 91761  
Community Asset Management  
P.O. Box 3670  
Ontario, Ca. 91761

By: \_\_\_\_\_  
Karin Staddon

**Golden Gate Trailer Court**

Steve McLemore  
Leah Robertson  
9873 Alder Avenue  
Bloomington CA 92316

By: \_\_\_\_\_  
Steve McLemore

By: \_\_\_\_\_  
Leah Robertson

**Grove Manor Mobilehome Park**

850 Mission Boulevard  
Ontario, Ca. 91761  
Simpson Property Management  
3011 S. Croddy Way  
Santa Ana, CA 92704

By: \_\_\_\_\_  
Suzanne M. Pixley

**Lamplighter Ontario MHC**

2139 East Fourth Street  
Ontario, Ca. 91764  
Lamplighter Ontario Associates, LP  
Morgan Partners Inc.  
321 High School Road NE#351  
Bainbridge Island, Wa. 98110-1697

By: \_\_\_\_\_  
Thomas E. Morgan, General Partner  
Lamplighter Ontario Associates, LP

**Rancho Ontario ACLP**

1400 East Philadelphia Avenue  
Ontario, Ca. 91761  
By: Ontario Mobilehome Park Corp.  
General Partner  
503 West Palm Drive  
Placentia, Ca. 92870

By: \_\_\_\_\_  
Richard H. O'Hara, President

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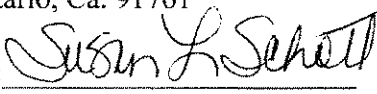
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By:   
~~Karin Staddon~~  
SUSAN SCHOTT

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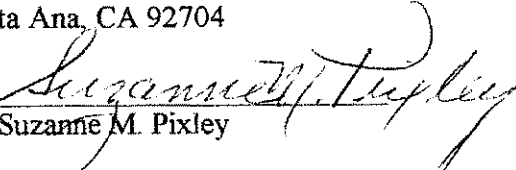
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Ontario, Ca. 91761

By: \_\_\_\_\_  
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**Golden Gate Trailer Court**

202 Allyn Avenue  
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By: \_\_\_\_\_  
Steve McLemore

By: \_\_\_\_\_  
Leah Robertson


**Grove Manor Mobilehome Park**

850 Mission Boulevard  
Ontario, Ca. 91761  
Simpson Property Management  
5082 Bolsa Avenue, Suite 104  
Huntington Beach, Ca. 92649

By: \_\_\_\_\_  
Suzanne M. Pixley

**Lamplighter Ontario MHC**

2139 East Fourth Street  
Ontario, Ca. 91764  
Lamplighter Ontario Associates, LP

By:   
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C/o Morgan Partners Inc.  
321 High School Road NE#351  
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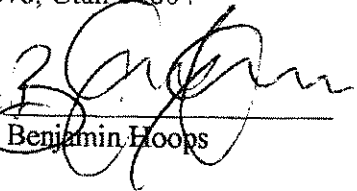
1400 East Philadelphia Avenue  
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General Partner  
503 West Palm Drive  
Placentia, Ca. 92870

By:   
Richard H. O'Hara, President

**Country Meadows Mobile Home  
Community**

1855 E. Riverside Drive  
Ontario, CA 91761  
Kingsley Management Company  
5314 N. River Run Drive, Suite 210  
Provo, Utah 84604

By: \_\_\_\_\_

  
Benjamin Hoops

**Webb's Mobilehome Park**

637 West Brooks  
Ontario, Ca. 91761  
Pama Management  
4900 Santa Ana Ave. Ste. 2C  
El Monte, Ca. 91761

By: \_\_\_\_\_

Mike Nijjar

**Star Trailer Park**

1230 Nocta  
Ontario, Ca 91764

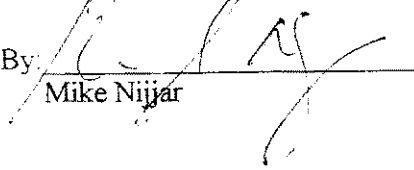
Kyung Sam Kim  
Kathy J. Kim  
5311 Bridgewood Drive  
La Palma, Ca. 90623

By: \_\_\_\_\_

By: \_\_\_\_\_

**Webb's Mobilehome Park**

637 West Brooks  
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Pama Management  
4900 Santa Ana Ave. Ste. 2C  
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By:   
Mike Nijjar

**Star Trailer Park**

1230 Nocta  
Ontario, Ca. 91764  
S&K Investments  
Sam & Kathy Kim Kyung  
5311 Bridgewood Drive  
La Palma, Ca. 90623

By: \_\_\_\_\_

By: \_\_\_\_\_

**Country Meadows Mobile Home  
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Kyung Sam Kim  
Kathy J. Kim  
5311 Bridgewood Drive  
La Palma, Ca. 90623

By: Kyung Sam Kim

By: Kathy J. Kim

## EXHIBIT A – Contact Information

<p>Fernwood Mobilehome Park 1512 East 5<sup>th</sup> St. Ontario, CA. 91764</p>	<p>212</p>	<p>Alex Boggs Tower Management 80 South Lake Ave Ste 719 Pasadena CA. 91101</p>	<p>626-795-7755 (ext. 30) alex@towermgmt.com</p>
<p>Samoa Village Mobilehome Estates 310 East Philadelphia Ontario, CA. 91761</p>	<p>284</p>	<p>Karin Staddon Comm. Asset Management P O Box 3670 Ontario, CA. 91761</p>	<p>909-673-0777 (ext. 318) kstaddon@communityam.com</p>
<p>Comet Trailer Court 12018 Central Ave. Chino, CA. 91710</p>	<p>24</p>	<p>Patrick Grabowski 12018 Central Ave. Chino, CA. 91710</p>	<p>Clay Hage 25240 Pico Vista Way Moreno Valley, CA. 92557</p> <p>951-236-3776 Fax 909-822-6085 <a href="mailto:clayhage@aol.com">clayhage@aol.com</a></p>
<p>Lamplighter Ontario MHC 2139 East 4<sup>th</sup> St. Ontario, CA. 91764</p>	<p>246</p>	<p>Tom Morgan Morgan Partners, Inc 321 High School Rd. NE #381 Bainbridge Island, WA. 98110-1697</p>	<p>206-780-8500 tom@morganpartners.biz</p>
<p>Star Trailer Park 1230 Nocta Ontario, CA. 91764</p>	<p>39</p>	<p>Sam &amp; Kathy Kim Kyung S&amp;K Investments 5311 Bridgewood Drive La Palma, CA. 90623</p>	<p>714-522-7520 <a href="mailto:kathykim@yahoo.com">kathykim@yahoo.com</a></p>
<p>Golden Gate Trailer Court 202 Allyn Ave. Ontario, CA. 91764</p>	<p>22</p>	<p>Steven McLemore Leah Robertson 8749 Highland Street Whittier, CA. 90605</p>	<p>562-945-6069 office 909-921-5069 cell No email</p>
<p>Grove Manor Mobilehome Park 850 Mission Blvd. Ontario, CA. 91761</p>	<p>128</p>	<p>Suzanne M. Pixley Simpson's Property Mgt. 16812 Gothard St. Huntington Beach, CA. 92647</p>	<p>714-596-6770 <a href="mailto:pix4sim@autocrib.com">pix4sim@autocrib.com</a></p>
<p>Webb's Mobilehome Park 637 W. Brooks Ontario, CA.</p>	<p>47</p>	<p>Mike Nijjar Pama Management 4900 Santa Ana Ave. Ste. 2C El Monte, CA. 91731</p>	<p>626-575-0062 ext.1 mike@pamamgt.com</p>
<p>Country Meadows Mobile Home Community 1855 E. Riverside Dr. Ontario, CA. 91761</p>	<p>437</p>	<p>Benjamin T. Hoopes Kingsley Management 5314 N. River Run Dr. Ste. 210 Provo, Utah 84604</p>	<p>801-420-9128 <a href="mailto:benhoopes@mac.com">benhoopes@mac.com</a></p>
<p>Rancho Ontario 1400 E. Philadelphia Ave. Ontario, CA. 91761</p>	<p>451</p>	<p>Richard H. O'Hara 503 West Palm Dr. Placentia, CA. 92870</p>	<p>714-572-9787 <a href="mailto:rohara@oharacpas.com">rohara@oharacpas.com</a></p>
<p>Sky Park Villa</p>	<p>??</p>	<p>Frida Dwayne (aka) Dotson</p>	<p>909-983-3149</p>

1601 E. Holt Ave.  
Ontario, CA. 91761

6205 Archibald  
Rancho Cucamonga, CA. 91739

no response to corresp.

MHET

Peter Herzog

949-259-3309

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