

EXHIBIT B

ADMINISTRATION AND OVERSIGHT AGREEMENT

by and among

INDEPENDENT CITIES FINANCE AUTHORITY

and

WOLF & COMPANY INC.,
as Oversight Agent

and

MILLENNIUM HOUSING OF CALIFORNIA,
as Borrower

and

CITY OF SANTA ROSA

Dated as of _____, 2016

Relating to:

\$ _____

Independent Cities Finance Authority
Mobile Home Park Revenue Refunding Bonds
(Santa Rosa Leisure Mobile Home Park) Series 2016

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ADMINISTRATION AND OVERSIGHT AGREEMENT

THIS ADMINISTRATION AND OVERSIGHT AGREEMENT (the “Administration Agreement”) is made and entered into as of _____, 2016, 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”), MILLENNIUM HOUSING OF CALIFORNIA, a California nonprofit public benefit corporation (the “Borrower”), WOLF & COMPANY INC. (the “Oversight Agent”) and the CITY OF SANTA ROSA, a municipal corporation organized and existing under the laws of the State of California (the “City”).

RECITALS:

WHEREAS, the Authority previously issued its its Mobile Home Park Revenue Bonds (Santa Rosa Leisure Mobilehome Park) Series 2007A, its Mobile Home Park Revenue Bonds (Santa Rosa Leisure Mobilehome Park) Series 2007B, its Mobile Home Park Subordinate Revenue Bonds (Santa Rosa Leisure Mobilehome Park) Series 2007C and its Mobile Home Park Subordinate Revenue Bonds (Santa Rosa Leisure Mobilehome Park) Taxable Series 2007D (collectively, the “2007 Bonds”) pursuant to an Indenture of Trust, dated as of November 1, 2007 (the “2007 Indenture”), between the Authority and MUFG Union Bank, N.A. (formerly known as Union Bank of California, N.A.) (in such capacity, the “2007 Trustee”), and loaned the proceeds of the 2007 Bonds (the “2007 Loan”) to the Borrower, as provided in a Loan Agreement dated as of November 1, 2007 (the “2007 Loan Agreement”) by and among the Authority, the Borrower and the Trustee, to provide financing with respect to the acquisition and improvement of a mobile home park with 182 total spaces known as Santa Rosa Leisure Mobile Home Park (the “Project”), located at 2185 Occidental Road, Santa Rosa, California; and

WHEREAS, in connection with the issuance of the 2007 Bonds, the Borrower entered into a Regulatory Agreement and Declaration of Restrictive Covenants dated as of November 1, 2007 (the “2007 Regulatory Agreement”) with the Authority and the 2007 Trustee; and

WHEREAS, in connection with the issuance of the 2007 Bonds, the Borrower entered into a Supplemental Regulatory Agreement and Declaration of restrictive Covenants dated as of November 1, 2007 (the “Supplemental Regulatory Agreement”) with the City; and

WHEREAS, the Borrower, the Authority and the City previously entered into an Administration and Oversight Agreement dated as of November 1, 2007 (the “2007 Administration Agreement”) with the Oversight Agent to monitor the income levels of the residents of Qualified Spaces for purposes of the 2007 Regulatory Agreement and the Supplemental Regulatory Agreement; and

WHEREAS, the Borrower has requested that the Authority issue its Mobile Home Park Revenue Refunding Bonds (Santa Rosa Leisure Mobile Home Park) Series 2016 in the initial principal amount of \$_____ (the “Bonds”) pursuant to an Indenture of Trust dated as of _____, 2016 (the “Indenture”) between the Authority and MUFG Union Bank, N.A., as trustee (the “Trustee”), and loan the proceeds from the sale thereof (the “Loan”) to the Borrower as provided in a Loan Agreement dated as of _____, 2016 (the “Loan Agreement”) by and among the Authority, the Borrower and the Trustee to, among other things, refinance the 2007 Loan in part and refund the 2007 Bonds in part; and

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WHEREAS, the Loan Agreement provides for certain oversight provisions relating to the management of the Project; and

WHEREAS, in connection with the issuance of the Bonds, the Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants dated as of _____, 2016 (the "Regulatory Agreement") with the Authority and the Trustee, which agreement, among other things, sets forth certain restrictions applicable to the property being financed with the proceeds of the Loan, 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, 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 Qualified Spaces and as Oversight Agent under the Loan Agreement to carry out the duties of the Oversight Agent set forth in the Loan Agreement; and

WHEREAS, the Authority desires that the Oversight Agent continue to monitor the income levels of the residents of the Qualified Spaces for purposes of the 2007 Regulatory Agreement and the 2007 Loan Agreement; and

WHEREAS, the City desires that the Oversight Agent continue to monitor the income levels of the residents of the Qualified Spaces for purposes of the Supplemental 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 Loan Agreement, the Regulatory Agreement, the 2007 Regulatory Agreement and the Supplemental 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 Indenture and/or the Regulatory Agreement and/or the 2007 Regulatory Agreement and/or the Supplemental 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 Indenture and/or the Regulatory Agreement and/or the 2007 Regulatory Agreement and/or the Supplemental 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.

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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.

(c) The City of Santa Rosa is an associate member of the Authority.

2.2. Representations and Warranties of the Borrower. The Borrower 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 Borrower, does not have any substantial interest, direct or indirect, in the Borrower, and is not an officer or employee of the Borrower.

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 Borrower, does not have any substantial interest, direct or indirect, in the Borrower, and is not an officer or employee of the Borrower.

(d) It has received copies of the Indenture, the Loan Agreement, the Regulatory Agreement, the 2007 Regulatory Agreement and the Supplemental Regulatory Agreement, and it is familiar with the terms and conditions thereof as the same relate to the Code and the Act.

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ARTICLE III

TERMINATION OF 2007 ADMINISTRATION AGREEMENT; DUTIES AND COMPENSATION OF THE OVERSIGHT AGENT

3.1. Termination of 2007 Administration Agreement. The parties hereto agree that the 2007 Administration Agreement shall terminate upon the execution and delivery of this Administration Agreement. The parties hereto waive any notices required to be delivered in connection with the termination of the 2007 Administration Agreement.

3.2. Duties of Oversight Agent. Wolf & Company Inc. is the initial 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, the City, the Trustee and the Borrower 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 Low Income and Very Low Income Residents under the terms of the Regulatory Agreement, the 2007 Regulatory Agreement and the Supplemental Regulatory Agreement; and

(iii) The maximum allowable rents under each applicable provision of Section 5 of the Regulatory Agreement, Section 4 of the 2007 Regulatory Agreement and Section 4 of the Supplemental 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, the 2007 Regulatory Agreement and the Supplemental 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 Low Income Spaces and Very Low Income Spaces have been rented as specified by the terms of the Regulatory Agreement, the 2007 Regulatory Agreement and the Supplemental Regulatory Agreement; and it will maintain such documents on file and open to the inspection by the Authority, the City, the Trustee and the Borrower during the term of the Regulatory Agreement, the 2007 Regulatory Agreement and the Supplemental Regulatory Agreement.

(c) Promptly upon receipt, it will review the form of application and lease with respect to the Low Income Spaces and Very Low Income Spaces to verify compliance with the provisions of the Regulatory Agreement, the 2007 Regulatory Agreement and the Supplemental Regulatory Agreement.

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(d) Promptly upon determining that any report or certificate submitted to it pursuant to the Regulatory Agreement, the 2007 Regulatory Agreement and the Supplemental 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 5 of the Regulatory Agreement, give notice of such inaccuracy or lack of completeness to the Borrower and direct the Borrower 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;

(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 qualification set forth in Section 5 of the Regulatory Agreement, immediately give written notice of said fact to the Authority, the Trustee, the City and the Borrower; and

(iii) If the inaccuracy or lack of completeness does not cause the Project to meet the requirements of Section 4 of the 2007 Regulatory Agreement, give notice of such inaccuracy or lack of completeness to the Borrower and direct the Borrower to correct and complete the same, as the case may be, within a 30-day period, subject to extension in the sole discretion of the Oversight Agent;

(iv) 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 qualification set forth in Section 4 of the 2007 Regulatory Agreement, immediately give written notice of said fact to the Authority, the Trustee, the City and the Borrower; and

(v) If the inaccuracy or lack of completeness does not cause the Project to meet the requirements of Section 4 of the Supplemental Regulatory Agreement, give notice of such inaccuracy or lack of completeness to the Borrower and the City and direct the Borrower to correct and complete the same, as the case may be, within a 30-day period, subject to extension in the sole discretion of the Oversight Agent.

(e) (i) In the event that the Borrower fails to file with the Oversight Agent any report, certification (including, in particular, the certification to the Secretary of the Treasury required by Section 5(i) 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, the Trustee, the City and the Borrower.

(ii) In the event that the Borrower 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(i) of the 2007 Regulatory Agreement) or other document required pursuant to the 2007 Regulatory Agreement within the time set forth in the 2007 Regulatory Agreement as applicable, the Oversight Agent shall immediately give written notice of that fact to the Authority, the Trustee, the City and the Borrower.

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(iii) In the event that the Borrower fails to file with the Oversight Agent any report, certification or other document required pursuant to the Supplemental Regulatory Agreement within the time set forth in the Supplemental Regulatory Agreement, the Oversight Agent shall immediately give written notice of that fact to the City and the Borrower.

(f) On behalf of the Authority and the City, the Oversight Agent shall, at least annually and whenever requested by the Authority and the City, audit the survey of the tenants of the Low 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 Section 5 of the Regulatory Agreement, Section 4 of the 2007 Regulatory Agreement and Section 4 of the Supplemental Regulatory Agreement. Based on such information, the Authority shall determine compliance with the affordability requirements under the Act, the Code and the Supplemental Regulatory Agreement. In the event of any noncompliance the Oversight Agent shall notify the Authority and the City 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 Indenture, the Loan Agreement, the Regulatory Agreement, the 2007 Regulatory Agreement and the Supplemental Regulatory Agreement, including without limitation the following: (i) annual review of the Borrower's financial statements, (ii) review the coverage calculation for release of surplus cashflow and report comments to the Borrower, the Authority and the City, (iii) review the final budget and forward comments to the Borrower and the Authority, (iv) physical inspection of the Project on a quarterly basis, including examination of the infrastructure, the clubhouse, and any other common areas, (v) monthly confirmation report to the Authority, the City and any Bondholder requesting such information that the Trustee has received the monthly deposit in accordance with the approved budget and, in the event that the Trustee has not, to take such further steps as required by the Loan Agreement, (vi) review any proposed use of amounts in the Repair and Replacement Fund as set forth in a written request of the Borrower and (vii) review any proposed use of amounts in the Surplus Fund as set forth in a written request of the Borrower.

(h) On or about 120 days after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2017, the Oversight Agent shall perform a search of the Repository, as such term is defined in the Continuing Disclosure Agreement dated as of _____, 2016 (the "Disclosure Agreement") between the Borrower and Wolf & Company Inc. (in such capacity, the "Dissemination Agent"), to confirm that the Annual Report has been submitted to the Repository. The Oversight Agent shall promptly provide notice to the Borrower, the Trustee and the Authority if the Annual Report has not been submitted to the Repository by such date.

3.3. Compensation. For its services as the Oversight Agent, Wolf & Company Inc. shall be paid an amount equal to \$_____ on the Closing Date and thereafter, commencing _____ 15, 2016, an annual fee of \$_____ payable by the Borrower in equal quarterly installments. The fee of the Oversight Agent shall be paid to the Oversight Agent by the Trustee upon receipt by the Trustee of an invoice from the Oversight Agent. If the Oversight Agent

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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 longer of the term of the Regulatory Agreement or the term of the 2007 Regulatory Agreement.

4.2. Termination. At its sole discretion, the Authority may terminate this Administration Agreement upon giving the Oversight Agent and the Borrower 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.

4.4. Termination With Respect to Supplemental Regulatory Agreement. At its sole discretion, the City may terminate this Administration Agreement with respect to the Supplemental Regulatory Agreement upon giving the Oversight Agent and the Borrower 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 2007 Regulatory Agreement and the Supplemental 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.

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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: _____
[_____] , President

CITY OF SANTA ROSA

By: _____
Its: _____

MILLENNIUM HOUSING OF CALIFORNIA, a
California nonprofit public benefit corporation

By: _____
Lorraine M. Carraway, Vice President

WOLF & COMPANY INC., as Oversight Agent

By: _____
Authorized Signatory