

RECORDING REQUESTED BY AND )  
WHEN RECORDED MAIL TO: )  
 )  
Preston F. Olsen, Esq. )  
Ballard Spahr LLP )  
201 S. Main St., Suite 800 )  
Salt Lake City, UT 84111-2221 )

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This document is recorded for the benefit of the California Mobilehome Park Financing Authority, and the recording is fee-exempt under Section 27383 of the Government Code.

#### RELEASE OF REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

THIS RELEASE OF REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (this "Release") is made as of the \_\_\_\_ day of \_\_\_\_, 2015 by and among MUFG UNION BANK, N.A. (formerly known as Union Bank of California, N.A.), as trustee (the "Trustee"), MILLENNIUM HOUSING CORPORATION, a California nonprofit public benefit corporation (the "Borrower"), and the CALIFORNIA MOBILEHOME PARK FINANCING AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority").

#### WITNESSETH:

WHEREAS, the Authority previously issued its Mobile Home Park Revenue Bonds (Palomar Estates East and West Mobilehome Park) Series 2003A and its Mobile Home Park Subordinate Revenue Bonds (Palomar Estates East and West Mobilehome Park) Series 2003B (together, the "Bonds");

WHEREAS, the Authority loaned the proceeds of the Bonds to the Borrower pursuant to a loan agreement dated as of March 1, 2003 (the "Loan Agreement") among the Authority, the Trustee and the Borrower to provide financing for two adjoining mobilehome parks with 846 total spaces known as Palomar Estates East and Palomar Estates West located on certain real property in the City of San Marcos (the "City"), County of San Diego, California, more particularly described in Exhibit A attached hereto (the "Project");

WHEREAS, as a condition of the issuance of the Bonds and the loan of the proceeds thereof to the Borrower, the Authority required the Borrower to agree to certain restrictions running with the land as set forth in that certain Regulatory Agreement and Declaration of Restrictive Covenants, dated as of March 1, 2003, filed in the records of San Diego County, California on the 17<sup>th</sup> day of March, 2003 as Document No. 2003-0293720 (the "Regulatory Agreement");

WHEREAS, the Independent Cities Finance Authority ("ICFA") is issuing its Mobile Home Park Revenue Refunding Bonds (Palomar Estates East and West) in one or more series (collectively, the "Refunding Bonds") for the purpose of refunding the outstanding Bonds;

WHEREAS, in connection with the issuance of the Refunding Bonds, ICFA, the Trustee and the Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants dated as of \_\_\_\_\_ 1, 2015 (the "2015 Regulatory Agreement") pursuant to which the Borrower will agree to restrict the use of the Project to ensure that the Project will be used and operated in accordance with the Internal Revenue Code of 1986, as amended (the "Code") and Chapter 8, Part 5 of Division 31 of the California Health and Safety Code (the "Act");

WHEREAS, the Borrower has requested and the Authority and the Trustee have agreed that the lien and restrictions of the Regulatory Agreement be released and terminated pursuant to the terms of this Release.

NOW, THEREFORE, in consideration of these promises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree and consent as follows:

1. Subject to the terms of paragraph 2 below, the lien and restrictions of the Regulatory Agreement on the Project are hereby released and the Regulatory Agreement is hereby terminated.

2. This Release shall become effective upon the occurrence of the redemption and payment of the Bonds.

3. As material consideration to the agreement by the Authority to enter into this Release, the Borrower shall indemnify, hold harmless and defend the Authority and the City and their respective officers, members, directors, officials, employees and agents of each of them (each, the "Indemnified Party" and collectively, the "Indemnified Parties") against all loss, costs, damages, expenses, suits, judgments, actions and liabilities of whatever nature, joint and several (including, without limitation, attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments), directly or indirectly resulting from or arising out of or related to (a) the operation, use, occupancy, maintenance, or ownership of the Project (including compliance with laws, ordinances and rules and regulations of public authorities relating thereto including, but not limited to, the 2015 Regulatory Agreement); (b) the failure or alleged failure of Borrower to comply with any applicable initial and/or continuing disclosure requirements of the Securities and Exchange Commission or any other applicable regulatory agency pertaining to the Refunding Bonds; (c) action or alleged action or failure to act or alleged failure to act of Borrower resulting in the loss or threatened loss of the exclusion of interest on the Bonds or the Refunding Bonds from gross income for federal income tax purposes; provided, however, the Borrower shall not be obligated to indemnify the Authority or the City for damages caused by the gross negligence or willful misconduct of the Authority or the City. If any such claim is asserted, or any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges, are sought to be imposed, the Authority or the City shall give prompt notice to the Borrower, and the Borrower shall assume the investigation defense thereof, including the employment of counsel selected by the Indemnified Party and reasonably acceptable to the Borrower and the payment of all reasonable expenses related thereto, with full power to litigate, compromise or settle the same, provided that the Authority and the City, as the case may be, shall have the right to review and approve or disapprove any such compromise or settlement, such approval shall not be unreasonably withheld. The

Authority and the City shall each have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defeasance thereof, and the Borrower shall pay the costs incurred by the Authority and the City in connection with any such action or proceeding, including the reasonable fees and expenses of such separate counsel, as such costs are incurred by the Authority or the City. The determination by the Authority or the City to retain such separate legal counsel shall be at the sole discretion of the Authority or the City, as applicable.

The rights of any Indemnified Party to indemnify hereunder and rights to payment of fees and reimbursement of expenses pursuant to this Release shall survive the final payment and redemption of the Bonds.

4. This Release may be executed in any number of counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one instrument.

5. This Release shall be governed by the laws of the State of California.

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

CALIFORNIA MOBILEHOME PARK  
FINANCING AUTHORITY

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF CALIFORNIA                    )  
  ) ss.  
COUNTY OF \_\_\_\_\_                )

On \_\_\_\_\_, 2015, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

MILLENNIUM HOUSING  
CORPORATION, a California nonprofit  
public benefit corporation

By: \_\_\_\_\_  
Lorraine M. Carraway, Vice President

STATE OF CALIFORNIA                    )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 2015, before me, \_\_\_\_\_, a  
Notary Public, personally appeared Lorraine M. Carraway, who proved to me on the  
basis of satisfactory evidence to be the person whose name is subscribed to the within  
instrument and acknowledged to me that she executed the same in his authorized  
capacity, and that by her signature on the instrument the person, or the entity upon behalf  
of which the person acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California  
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

UNION BANK, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Officer

STATE OF CALIFORNIA                    )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 2015, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_(Seal)

## EXHIBIT A

### LEGAL DESCRIPTION OF LAND

The land is situated in the City of San Marcos, County of San Diego, State of California, and is described as follows: