

City of Visalia and Visalia Mobile Home Park Owner

2025 Standardized Lease Program Agreement

The following mobile home parks owners within the City of Visalia, Gold Star Mobile Home Park/2120 S. Santa Fe LLC, Sierra Vista Mobile Home Park, Westlake Village Mobile Home Park/2400 W Midvalley LLC, Visalia Mobile Estates, Country Manor, Rancho Robles, _____ (referred to as "Park Owners" or "Park Owner" in this Agreement) and the City of Visalia agree that continuing the standardized lease program will provide stability to rental rates and hereby agree to the following:

1. The parties agree that this Standardized Lease Program Agreement will supersede the terms of the 2020 MOU and the obligations of the parties participating in the 2020 MOU will be extinguished and replaced with this Agreement upon signing.

2. It is understood and agreed that the 2025 Master Long-Term Lease Agreement ("2025 Model Lease" or "Lease") attached hereto as Attachment 1 shall be offered to those tenants that are on the 2020 Master Long-Term Lease when those 2020 Leases expire. Unless otherwise modified in writing by mutual agreement between Park Owner and Homeowner (meaning the residents in the mobilehome parks that own or reside in the mobilehomes) under Paragraph 29 of the 2025 Model Lease then all 2025 Model Leases shall have an end date of June 1, 2030.

If a Park Owner and Homeowner decide to extend the term of a Model Lease beyond the term of this Agreement, June 1, 2030, then Park Owners agree to state in writing in the lease extension that any required or optional duties of the City in this Agreement or in the Model Lease terminate on June 1, 2030 unless otherwise extended. Park Owner agrees to provide City with a copy of any addendum, extension, or amendment to the Model Lease and shall specifically state in any addendum, extension, or amendment that the document is not part of the Model Lease Program between the Park Owner and City.

3. The terms contained in the Lease must be offered to Homeowners of the mobile homes in the mobile home parks in the City of Visalia pursuant to the terms and conditions stated in this Agreement. In addition to the terms provided pursuant to this Agreement, the Park Owners may include additional terms that are applicable to each specific park. The City must review and approve these additional terms prior to their inclusion in the Lease.

3.1 Annual Rent Adjustment Floor and Ceiling – All Leases entered into under this Agreement must have the same Annual Rent Adjustment as required by this Agreement. The Annual Rent Adjustment for all leases shall be the Federal Social Security Act Cost of Living Adjustment ("Social Security COLA") for the prior year subject to the following provisions. The Owner may adjust the rent at least three percent (3%) if

the Social Security COLA increase is less than three (3%) but the Owner may not adjust the rent more than seven percent (7%) per year if the annual Social Security COLA increase is more than seven percent (7%). Rent increases are not required by this provision.

3.2. Voting Requirements for Capital Improvements Subject to Pass Through – Park Owners agree that the process specified in the Model Lease for the approval of Capital Improvements (*defined as any new substantial physical change to the common area of the mobile home park*) shall be followed throughout the park if they intend to pass through a charge of Capital Improvements. Park Owner shall prepare a description of the proposed improvement and best available estimate of cost that would apply to each space in the park and present these figures to all mobile home residents with a written ballot. All mobile home spaces with current tenants that own their mobile home and lease the underlying space are entitled to vote on whether to implement the Capital Improvement. In addition, in those parks that allow recreational vehicles, residents living in a recreational vehicle and that qualify as a “resident” under Civil Code section 799.31 would be entitled to vote on Capital Improvements. A majority of the current park residents that own their mobile homes are required to submit ballots approving the Capital Improvement in order for it to be implemented. Mobile homes spaces with mobile homes that are owned by the Park Owner are not included for voting purposes.

3.3. Division of Pass Through Amounts for Capital Improvements/Capital Replacements – Pursuant to the Lease the Park Owners are required to be solely responsible for an amount equal to five hundred dollars per space in the Park before being able to pass through any allowed Capital Improvement or Capital Replacement under the Lease. This amount is referred to as the “Absorption Amount.” Park Owners agree that the term “space” in the park for purposes of calculating a rental adjustment shall refer to all spaces that are in the park, whether they are being rented on a short or long term basis and whether the space is occupied by a mobile home, is currently vacant, occupied by a recreational vehicle, or by a mobile home owned by the Park Owner.

Nothing in this agreement requires a Park Owner to allow recreational vehicles if they are not otherwise permitted in the park.

The amount of project costs that can be collected through a pass-through charge from park residents over time with the monthly space rent shall be limited to a not to exceed a total amount of \$500,000 for Capital Replacement projects. Capital Replacement project costs above this amount are the sole responsibility of Park Owners except that if the entire \$500,000 limitation is used and a qualifying Capital Replacement project occurs during the five-year term of this agreement, then up to an additional \$250,000 of that project (after the Absorption Amount) may be eligible for collection through a pass through.

There is no limitation on the amount of project costs subject to pass-through on a Capital Improvement project approved under Section 3.2 of this Agreement.

Capital Replacement projects shall not be divided or phased in a manner that results in multiple projects.

After the amount subject to reimbursement as a pass-through amount from a Capital Improvement or Capital Replacement project is calculated it shall be divided between the spaces in the Park and repaid over time as described in the Model Lease. The maximum amount for pass through collection shall not exceed twelve (12) years.

4. Park Owners may offer alternative lease forms but must indicate, in writing, to every Homeowner, that the Lease negotiated pursuant to this Agreement between the Park Owner and the City in lieu of a rent control ordinance exists. In addition, Park Owners must provide each Homeowner with a copy of the 2025 Master Lease and the contact information for the person named by the City as the point of contact concerning the Lease. City agrees that it will provide educational information to Homeowners about the terms and conditions of the 2025 Master Lease upon request.

5. The term of this Agreement shall continue for five (5) years. Parties agree that all Leases entered into under the terms of this Agreement shall terminate on June 1, 2030 or as otherwise agreed to between the parties to that Lease. The duties under this Agreement shall terminate on June 1, 2030.

City and Park Owners agree to begin meeting to discuss whether to extend, modify, or terminate this Agreement by June 1, 2029. City will also seek input from Homeowners that reside in the participating parks in 2029 on whether they feel the Model Lease Program should be extended, modified, or terminated. A decision is not required by that date.

6. The Model Lease shall be offered to all existing Homeowners that are not otherwise parties to a lease agreement once per year. The Model Lease shall also be offered to Homeowners with expiring leases no later than forty-five (45) days prior to the expiration of their lease.

Homeowner that are on month-month leases or otherwise eligible to enter into a new lease agreement shall be able to request a Model Lease with the Park Owner at any time they are eligible to enter into a new lease agreement. Park Owner agrees that upon such request they will enter into a Model Lease with the Homeowner.

7. Park Owner agrees to document when the Lease was offered to any new Homeowner or to any Homeowner with an expiring lease. The documentation form will request the Homeowner sign and date the form indicating they were offered the Lease by the Park Owner. It shall not be necessary to list whether the Lease was signed. The form must also be signed

and dated by the Park Owner's representative. All persons signing the form shall also print their name and provide a mailing address. If the Homeowner refuses to sign the form, then the Park Owner's representative shall print the name of the Homeowner and indicate the refusal to sign.

Individual Homeowners may request a copy of any document that they sign or was signed by the Park Owner representative if the Homeowner refused to sign it. This request by the Homeowner may be made at any time.

Park Owner shall maintain the documentation form in case of any disputes concerning whether the Model Lease is being offered to new Homeowners or Homeowners with expiring leases. If there is such a dispute, then the documentation may be made public at the request of the Homeowner.

8. Each Park Owner must post a copy of the Lease in public view for all Homeowners to see with a notification that Homeowners may contact the City with any questions.

9. Park Owners agree to supply City with the contact information for their mobile home park managers and to update this list within thirty days of any changes in management.

10. Every Park Owner shall file an annual mobile home park registration statement to the City no later than February 1, of each year. The registration statement shall include the number of mobile home spaces within the park at the end of the year; the number of spaces that were being rented at the end of year; the number of spaces that were being rented pursuant to a Lease at the end of the year; a description of each charge, including utilities, not included in space rent that are billed to Homeowners by Park Owners; the name and address to which all required notices and correspondence to the Park Owner may be sent.

The annual registration statement shall, for each mobile home park within the City of Visalia, include a spreadsheet listing the highest and lowest space rent in the park (to the nearest \$25.00) and the number of units that fall between those two levels in \$25.00 increments. For example, assuming a park with 55 spaces, lowest rent \$380, highest rent \$515, and the remaining spaces falling in between those ranges, a breakdown might look as follows:

Rent Range	Number of Spaces
\$376-\$400	5
\$401-\$425	15
\$426-\$450	15
\$451-\$475	10
\$476-\$500	7
\$501-\$525	3

11. All the terms, covenants, and conditions of this Agreement shall inure to the benefit of and be binding upon the successor and assigns of the parties hereto.

12. Park Owners agree that all transfers of a mobile home park by the Park Owners shall include a condition stating that the new Owner is bound to the terms of this Agreement. Upon the sale or transfer of a mobile home park, the seller or transferor shall notify the City of the sale or transfer and of the name and address of the buyer or transferee. Within thirty (30) days following the sale or transfer of a mobile home park, the buyer or transferee shall register with the City and provide the information described above.

An Park Owner may terminate this Agreement if one of the following occurs to it: (i) upon the institution by or against that Park Owner of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of that Park Owner's debts, (ii) upon that Park Owner making an assignment of a mobile home park in the City of Visalia subject to this Agreement for the benefit of creditors, or (iii) upon that Park Owner's dissolution or ceasing to do business. If a Park Owner terminates this Agreement under this subsection, then this Agreement still continues with the remaining Park Owners and the City.

13. When disputes under Leases arise, each party to this Agreement agrees to participate in the dispute resolution process as described in the Lease. The parties acknowledge that it is in the sole discretion of the City to fund the ombudsman position that would act as a mediator in any disputes. If the City is not funding the ombudsman position, then the City is not required to be involved in the dispute resolution procedure in the Master Lease.

14. To the extent any of the provisions of this Agreement are not met, any party to this Agreement may initiate appropriate action to seek compliance, including injunctive relief. Prior to initiating action, a party shall attempt to meet and confer with the party alleged to be in violation to resolve the matter. The prevailing party shall be entitled to recover costs and reasonable attorney's fees expended in enforcing the terms and conditions of this Agreement.

14.1 The parties agree that as liquidated damages for willfully failing to provide the annual mobile home park registration statement to the City, the Park Owner shall pay the City \$25 per day. This amount begins to accrue five business days after the date the Owner is required to provide the information to the City.

The liquidated damages described above only apply to willful failures of a Park Owner to provide the annual mobile home park registration statement to the City. The liquidated damages provision does not apply to any other violations of this Agreement or to violations of any Model Lease term.

15. Any notice to be given to either party under the terms of this Agreement, shall be written and served either by personal delivery or by first

class mail, postage prepaid, addressed as follows:

City of Visalia
707 W. Acequia
Visalia, CA 93291

Mobile Home Park Owners

2120 S. Santa Fe LLC
3250 Wilshire Blvd., Suite #1918
Los Angeles, CA 90010

2400 W. Midvalley LLC
3250 Wilshire Blvd., Suite #1918
Los Angeles, CA 90010

Richmond Management
15750 Arroyo Drive #188
Moorpark, CA 93201

Visalia Mobile Estates
Northwind Properties LTD
1654 The Alameda #100
San Joes, CA 95126

Sierra Vista LLC
22880 Savi Ranch Parkway
Yorba Linda, CA 92887

16. It is the intent of the parties to this Agreement that its terms and conditions be enforceable and shall supersede all prior Agreements. This Agreement contains the entire agreement between the parties. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied upon by either party. Each party has relied on his own examination of this Agreement, counsel of his own advisors and the warranties, representations, and covenants in the Agreement itself.

17. If any provision of this Agreement is held invalid or unconstitutional, such decision shall have no effect on the validity of the remaining provisions of the Agreement, and such remaining provisions shall continue to remain in full force and effect.

18. Notwithstanding any of the provisions of this Agreement, the parties may hereafter, by mutual consent agree to modifications herein or additions hereto in writing which are not forbidden by law.

19. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement on behalf of the entity that he or she represents. Each party represents and warrants to the other that the execution and delivery of the

Agreement and the performance of such party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

The following parties have executed this Agreement:

City of Visalia

Mobile Home Park Owners

2120 S Santa Fe LLC

City Manager Date

Name _____ Date
Title _____

Attest:

Sierra Vista LLC

Deputy City Clerk Date

Name _____ Date
Title _____

Approved as to Form:

2400 W Midvalley LLC

City Attorney Date

Name _____ Date
Title _____

Visalia Mobile Estates

Risk Manager Date

Name _____ Date
Title _____

Rancho Robles

Name _____ Date
Title _____