

Corona La Linda Mobilehome Park

777 South Temescal St.
Corona, CA 92879

LEASE AGREEMENT

THIS AGREEMENT WILL BE EXEMPT FROM ANY ORDINANCE, RULE, REGULATION OR INITIATIVE MEASURE ADOPTED BY ANY GOVERNMENTAL ENTITY WHICH ESTABLISHES A MAXIMUM AMOUNT THAT A LANDLORD MAY CHARGE A TENANT FOR RENT.

ACKNOWLEDGMENT: TENANT SHALL HAVE AT LEAST 30 DAYS FROM THE DATE THE LEASE IS FIRST OFFERED TO THE TENANT TO ACCEPT OR REJECT THE LEASE. TENANT MAY CHOOSE TO ACCEPT AND EXECUTE THIS LEASE IN LESS THAN THE ALLOTTED 30-DAY REVIEW PERIOD AND IF SO, TENANT AGREES SUCH ACCEPTANCE AND EXECUTION IS VOLUNTARILY. AFTER EXECUTING THIS LEASE, TENANT MAY ALSO VOID THE LEASE BY SERVING WRITTEN NOTICE OF CANCELLATION WITHIN 72 HOURS OF EXECUTION OF THIS LEASE. IF TENANT DOES NOT EXERCISE THIS OPTION TO VOID THE LEASE, IT SHALL BE ESTABLISH THE TERMS OF TENANCY AND SUCH ELECTION IS VOLUNTARILY.

Tenant initials here: | _____ The foregoing is acknowledged and agreed.

ACKNOWLEDGMENT: MOBILEHOME RENTAL AGREEMENT DISCLOSURE STATEMENT RECEIVED: IF THIS AGREEMENT IS ENTERED INTO WITH A NEW TENANT, TENANT WARRANTS THAT THIS AGREEMENT HAS BEEN CAREFULLY READ AND REVIEWED, AND THAT TENANT HAS EXECUTED A WRITTEN DISCLOSURE STATEMENT PROVIDED BY THE MANAGEMENT AT LEAST THREE (3) DAYS PRIOR TO THE EXECUTION OF THIS AGREEMENT.

Tenant initials here: | _____ The foregoing is acknowledged and agreed.

THIS AGREEMENT is made as of the date specified below between Corona La Linda Mobilehome Park, (the "Owner"), and those persons listed on the last page of this Rental Agreement (the "Agreement") as the Tenant (the "Tenant").

It is the policy and intent of Lessor to do business in accordance with State and Federal Fair Housing Laws. It is illegal to discriminate against any person because of race, color, religion, sex, handicap, familial status or national origin.

1. SPACE:

A. Owner rents to Tenant and Tenant rents from Owner Space ### (the "Space") in Corona La Linda Mobilehome Park (the "Community"), located at 777 South Temescal St., Corona, California 92879.

B. By signing this Agreement, Tenant acknowledges and agrees that he or she has fully and completely examined and inspected, to his/her satisfaction, the premises, including, without limitation, the Space, the streets, the laundry facilities, all recreational facilities, the common areas and all other areas open to Tenant for his/her use. Tenant further acknowledges and agrees that he or she has received all information requested, that he or she found all conditions safe and acceptable as now existing and maintained by Owner and has found them to be in every respect as represented by Owner to Tenant, either orally or in writing, and to the extent that they are not exactly as represented, either orally or in writing, accepts them as they are. Tenant further agrees that if, at some future date, there should exist any condition other than as set forth herein, Tenant will immediately notify Owner of same in writing by certified mail, return receipt requested. Tenant further acknowledges and agrees that if Tenant should fail to immediately notify Owner in writing by certified mail, return receipt requested, of any such condition, within sixty (60) days of its discovery, Tenant

will be in substantial violation of this Agreement. Should Tenant fail to report any such defect in writing within one-year of its discovery, during which time Tenant pays the rent and other charges due under the terms of this Agreement, Tenant does, by signing this Agreement, waive and will be deemed to have waived any damages Tenant had or has by reason of such unreported condition and/or defect completely and without qualification.

C. By signing this Agreement, Tenant acknowledges that he or she understands that the Manufactured Home Community is an older community; therefore, the utility systems (electric, natural gas, sewer and water) do not work as well as newer systems and do periodically break down and require repair. Tenant further acknowledges and agrees that he or she has found the utility systems acceptable as now existing and maintained by Owner and has found them to be in every respect as represented by Owner to Tenant, either orally or in writing, and to the extent that they are not exactly as represented, either orally or in writing, accepts them as they are. Tenant further acknowledges and agrees that by signing this Agreement, Tenant will not make any claim against Owner as a result of any periodic breakdown or interruption in any utility system so long as Owner makes reasonable efforts to reinstate or repair the utility. Tenant further acknowledges and agrees that the electrical service available at the space is 100 amps. Tenant understands and agrees that it is

Tenant's responsibility to ensure that Tenant's home and all accessory equipment, structures and appliances that Tenant has or may install on the space are compatible with the electric service now available and does not exceed the available service. TENANT AGREES TO FORBEAR FROM CONSUMING MORE AMPERAGE THAN THE EXISTING RATING FOR THE HOMESITE, AND TO FORBEAR FROM USING ELECTRICITY WHICH MAY INTERFERE WITH OR DISRUPT SERVICE ON THE LOCAL UTILITY BRANCH CIRCUIT, TO AVOID DAMAGE TO OWNER'S AND TENANT'S PROPERTY AND TO THE PROPERTY OF OTHERS.

D. IF THE MANUFACTURED HOME, APPLIANCES AND EQUIPMENT IN THE MANUFACTURED HOME ARE NOT COMPATIBLE WITH THE ELECTRIC SERVICE AND CAPACITY NOW AVAILABLE OR EXCEEDS AVAILABLE SUPPLY AT THE PEDESTAL, TENANT SHALL DE-AMP THE MANUFACTURED HOME OR DISCONTINUE EXCESS DEMAND TO ENSURE AGAINST ANY OVERLOADING OR CAUSING ANY DISRUPTION IN SERVICE. PARK SHALL HAVE NO LIABILITY OR RESPONSIBILITY TO TENANT IF THE AVAILABLE ELECTRICAL SUPPLY IS INSUFFICIENT OR INCOMPATIBLE. TENANT IS EXPRESSLY LIABLE FOR SERVICE DISRUPTIONS CAUSED BY EXCESSIVE DEMANDS ON THE ELECTRICAL SYSTEM.

E. The quality and availability of such outside services are beyond management control. Accordingly, Tenant releases Owner from any inconvenience, damage or damages, claim, loss, injury or other liability, which relates to outside utility companies, suppliers, and their services and products. Any increase in the cost of utilities or services separately charged will be immediately passed through and paid by Tenant at such prevailing rates regulated and authorized by the utility companies.

(1) CAUTION: INTERMITTENT POWER INTERRUPTIONS ARE FOLLOWED BY RESTORATION OF ELECTRICITY, WHICH MAY CAUSE SURGES IN ELECTRICAL POWER. POWER SURGES OFTEN AFFECT UNPROTECTED CONSUMER HOUSEHOLD APPLIANCES SUCH AS ELECTRONIC EQUIPMENT (COMPUTERS, STEREOS, RADIOS, ETC.). THE OWNER IS NOT RESPONSIBLE FOR THE DISRUPTIONS, OUTAGES,

PREMISES, WHICH ARE CAUSED BY THE SERVING PUBLIC UTILITY. TENANT AGREES THAT OWNER IS FULLY AND UNCONDITIONALLY RELEASED AND DISCHARGED FROM ANY AND ALL LIABILITY WHICH ARISES AS A RESULT OF THE ACTS AND OMISSION OF THE SERVING PUBLIC UTILITY. IT IS THE RESPONSIBILITY OF THE TENANT, EXCLUSIVELY, TO EXERCISE PRUDENT CARE FOR PROPERTY WHICH MAY BE AFFECTED BY DISRUPTIONS, OUTAGES, SURGES, OR OTHER IRREGULARITIES IN THE PROVISION OF ELECTRICAL SERVICE TO THE PREMISES. ACCORDINGLY, TENANT HAS THE RESPONSIBILITY TO TAKE THE FOLLOWING PRECAUTIONS:

SURGE PROTECTORS FOR THE PROTECTION OF TENANT'S PROPERTY, especially for computer equipment, stereo equipment, radios and other electrical appliances, devices and products which may be affected by disruptions, outages, surges, or other irregularities in the provision of electrical service. Unplug heat-producing items such as irons or portable heaters to prevent a fire when power is restored.

(3) Report the difficulty to the management immediately.

(4) Turn off and unplug all computer equipment, stereo equipment, radios, appliances and other electrical equipment, except for a single light bulb, which will be the signal your power has been restored. This helps ensure against circuit overloading, which could delay restoration of service.

(5) In the event of an outage, do not use candles for lighting during an outage, since they create a fire hazard. Use flashlights or battery-powered lanterns instead.

(6) Check the neighborhood to see if others have their power. If they do, the problem may be a "tripped" circuit breaker.

(7) IT IS RECOMMENDED THAT TENANT OBTAIN A TENANT'S INSURANCE POLICY TO COVER DAMAGE, LOSS AND LIABILITY ASSOCIATED WITH THE DISRUPTIONS, OUTAGES, SURGES, OR OTHER IRREGULARITIES IN THE PROVISION OF ELECTRICAL SERVICE TO THE PREMISES AND OTHER RISKS.

F. By signing this Agreement, Tenant acknowledges that he or she understands that he or she will be a tenant of Community and that he or she rents only the land upon which his/her home is located. Tenant further acknowledges that he or she has no other rights in the land, the Community, or the value of the land or Community, except those, which are expressly given to him by this Agreement, the Mobilehome Residency Law or any other applicable law. Tenant further acknowledges that upon the expiration of this Agreement, or any renewal thereof, the Owner of the Community may close the Community and/or change its use from its present use as a manufactured home community to some other use. Tenant further acknowledges and agrees that in such event, he or she will receive advance notice in accordance with the provisions of the Mobilehome Residency Law and any other applicable law, and will be required, upon expiration of the period specified in said notice, to remove his/her home from the Community.

G. By signing this Agreement, Tenant acknowledges that he or she understands that the value of Tenant's home is in no way guaranteed by Owner. Tenant acknowledges that neither Owner nor any person acting on Owner's behalf have made any representations that Tenant's home will increase in value over time and that in fact the home may decrease in value depending upon (without limitation): market conditions; availability of financing; condition of the home; demand for housing in the area; availability and cost of other housing alternatives; the age of the Community; changes in the Community's Rules and Regulations; the rental rate; and levels of maintenance in the Community. By signing this Agreement, Tenant specifically accepts the risk of changes in the above-referenced factors and accepts the increase or decrease in value of Tenant's home that they may bring about.

H. None of the foregoing or other provisions of this lease shall be construed to constitute a relinquishment or release of rights which absolves lessor of any willful misconduct or other acts or omissions which may not be so released in a lease agreement, and shall be construed only as a release of liability to the fullest extent allowed by law.

2. TERM:

A. Applicable Term (Check one option only)

FIFTEEN (15) YEAR OPTION

(1) The tenancy created under this Agreement will be for a period of fifteen (15) years and will commence on **January 1, 2016** and end on **December 31, 2030**, unless sooner terminated in accordance with the terms of this Agreement.

Tenants' Initials

TWENTY (20) YEAR OPTION


(2) The tenancy created under this Agreement will be for a period of twenty (20) years and will commence on **January 1, 2016** and end on **December 31, 2035**, unless sooner terminated in accordance with the terms of this Agreement.

Tenants' Initials


TWENTY-FIVE (25) YEAR OPTION

(3) The tenancy created under this Agreement will be for a period of twenty-five (25) years and will commence on **January 1, 2016** and end on **December 31, 2040**, unless sooner terminated in accordance with the terms of this Agreement.

Tenants' Initials

 **B.** Tenant acknowledges that Owner has offered Tenant the option of: a month-to-month agreement; an agreement having a term of twelve (12) months; an agreement having a term which is longer than a month-to-month tenancy but less than twelve (12) months in length; an agreement having a term of fifteen (15) years; an agreement having a term of twenty (20) years; and an agreement having a term of twenty five (25) years. Tenant acknowledges his/her understanding that he or she may elect to accept any one of these six (6) options and that this election is solely at Tenant's option. Tenant further acknowledges that even though he or she has these six (6) options, he or she has voluntarily elected the term of tenancy set forth above.

Tenants' Initials

 **C.** Tenant further acknowledges, again, that Owner has, at the time this Lease was first offered to Tenant, provided Tenant with written notice of Tenant's right to have at least thirty (30) days to inspect this Lease and to void this Lease by notifying Owner in writing within seventy-two (72) hours of the signing of this Lease. If Tenant is signing this Lease prior to the expiration of the thirty (30) days inspection period, Tenant acknowledges that Tenant has voluntarily elected to take less than thirty (30) days to inspect and review this Lease. **Because this Lease is a binding Agreement for the entire term of the Agreement, including any applicable extensions thereof, Tenant is advised to read this Agreement carefully and to see an attorney prior to its signing.**

Tenants' Initials

3. RENT:

A. Tenant will pay as rent to Owner without deduction or offset (without waiving Civil Code Section 1942) and on the first day of each month:

(1) The base rent (as it may be adjusted) as specified in Paragraph 3(B) below.

(2) All utility charges billed to Tenant by Owner during each month. (Please Note: Utility rates for utilities billed to Tenant by Owner are set by the Public Utilities Commission and/or other governmental agencies. Therefore, charges for these utilities may be increased at any time in accordance with the rates established by these other parties and no advance notice of increases in these rates will be given to Tenant by Owner).

(3) Guest charges of Ten Dollars (\$10.00) per day for each guest staying more than a total of twenty (20) consecutive days or thirty (30) days in a calendar year. This additional charge for guests will not, however, apply if the guest is exempt from a guest fee as defined by the Mobilehome Residency Law or if the guest comes within the meaning of Civil Code, Section 798.34.

(4) Owner may charge a reasonable fee for services relating to the maintenance of the land and premises upon which the home is situated in the event the Tenant fails to maintain such land or premises in accordance with the Rules and Regulations of the Community after written notification to the Tenant and the failure of the Tenant to comply within fourteen (14) days.

(5) Other initial monthly charges (specify):

Sewer Charge: \$\$\$\$ Cable Charge: N/A
Trash Charge: \$\$\$\$ Paramedic Fee: \$\$\$\$
Water Charge: Metered RV Storage: _____
Other: Fire Protection: \$\$\$\$

Charges for extra vehicle parking and guests may be increased upon ninety (90) days' notice to Tenant. Utility changes billed to Tenants will be adjusted according to any increase or decrease in rate by the service provider.

(6) Periodic Market Rent Re-Evaluation: Additionally, effective on the commencement of each fifth anniversary date of this agreement and thereafter (each 60 months after commencement), Owner reserves the right to further adjust monthly rents by increasing then-charged monthly rents to equal and reflect (i) comparable monthly rents in the Park, or (ii) general market conditions based on a figure representing up to half the prevailing monthly rent then charged for a conventional residential rental (condominium, townhouse, single family Residential, apartment residency) consisting of the same number of sleeping rooms as contained in the mobile home; or (iii) comparable monthly rents in equally or larger sized mobilehome parks in similarly situated markets and within a 100 mile radius; or (iv) a cash on cash return of 14 percent per annum on then present value of the mobile home park to the Park, based on valuation of an MAI appraiser of Owner's choice (divided by the number of spaces and by 12 to determine the amount of increase per month); or twenty percent. Owner shall have sole discretion to utilize any of the foregoing methodologies for such rent adjustments. Owner's forbearance from seeking such an increase in whole or part shall not be a waiver or estoppel against any future exercise of the right to institute such a rent adjustment.

B. Base Rent (Check one option only)

FIFTEEN (15) YEAR OPTION

(1) The beginning monthly Base Rent under this Lease shall be \$_____ which shall remain in effect until the first anniversary date (or rent adjustment date) which is **January 1st** of each calendar year. Each anniversary date, then current monthly Base Rent shall be adjusted based upon 100% of the annual increase in the Consumer Price Index (CPI) for the Los Angeles- Riverside- Orange County area (1982-1984 = 100), utilizing the "All Urban Consumers" index as of the most recent month available at the time of the giving notice of the increase to Tenant. In no event shall the CPI rent adjustment under *this* paragraph be less than seven (7) percent per month of the then last charged monthly Base rent. In the event that the CPI index is discontinued or revised, another governmental index then in existence shall be selected by Owner and used to obtain substantially the same result as if the CPI index had not been discontinued or revised

Tenants' Initials

TWENTY (20) YEAR OPTION

(2) The beginning monthly Base Rent under this Lease shall be \$_____ which shall remain in effect until the first anniversary date (or rent adjustment date) which is **January 1st** of each calendar year. Each anniversary date, then current monthly Base Rent shall be adjusted based upon 100% of the annual increase in the Consumer Price Index (CPI) for the Los Angeles- Riverside- Orange County area (1982-1984 = 100), utilizing the "All Urban Consumers" index as of the most recent month available at the time of the giving notice of the increase to Tenant. In no event shall the CPI rent adjustment under *this* paragraph be less than six and one-half (6.5) percent per month of the then last charged monthly Base rent. In the event that the CPI index is discontinued or revised, another governmental index then in existence shall be selected by Owner and used to obtain substantially the same result as if the CPI index had not been discontinued or revised

Tenants' Initials

TWENTY-FIVE (25) YEAR OPTION

(3) The beginning monthly Base Rent under this Lease shall be \$_____ which shall remain in effect until the first anniversary date (or rent adjustment date) which is **January 1st** of each calendar year. Each anniversary date, then current monthly Base Rent shall be adjusted based upon 100% of the annual increase in the Consumer Price Index (CPI) for the Los Angeles- Riverside- Orange County area (1982-1984 = 100), utilizing the "All Urban Consumers" index as of the most recent month available at the time of the giving notice of the increase to Tenant. In no event shall the CPI rent adjustment under *this* paragraph be less than six (6) percent per month of the then last charged monthly Base rent. In the event that the CPI index is discontinued or revised, another governmental index then in existence shall be selected by Owner and used to obtain substantially the same result as if the CPI index had not been discontinued or revised

Tenants' Initials

C. All rents payable hereunder will be paid by check or money order. Two-party checks will not be accepted. Owner may, upon ten (10) days written notice to Tenant require payment to be made in money order, cashier check or equivalent. If the entire rent owed by Tenant is not paid by the sixth (6th) day of the month at 8:00 a.m. (*whether payment date is a holiday, Saturday or Sunday*), Tenant will pay a late charge of Ten Percent (10%) to Owner. Tenant will also pay to Owner a Twenty-Five Dollars (\$25.00) charge for each check of Tenant's, which is returned or dishonored for any reason by Owner's bank. The acceptance by Owner of any late payment will not constitute a waiver of any breach of any term or provision of this Agreement, or any rule, regulation, term or provision contained in any document referred to in this Agreement, nor will it reinstate, continue or extend the term of this Agreement or affect any notice, demand or suit hereunder. Charges for late rent and returned checks may be increased upon ninety (90) days' notice to Tenant. The late charge is not a grace period or option to pay late. Payments may be applied to the earliest outstanding balances and allocated for utilities or rents at discretion of the owner notwithstanding any endorsements or restrictions of the Tenant, which shall be deemed of no force and effect and void.

Rounding of Rent Increases: Each time that there is an adjustment in rent, total rent will be rounded up, not down, to the nearest one dollar (\$1.00). EXAMPLE: if rent is \$800.00 per month, and the rent increase were \$24.55, the new total rent would become \$825.00 per month (not \$824.55).

D. This Agreement provides that Tenant's monthly rent (as set forth in Paragraph 3(B) above) is subject to be increased for increases in, for example, operational expense such as government-required services, taxes, insurance, capital improvements and replacements, common area maintenance, park operational expense and uninsured losses. The amounts of the rent increase attributable to any such increase will be computed in accordance with Subparagraphs "(1)," "(2)," "(3)" and "(4)" below. Such increases may be projected and estimated, and corrected when actually ascertained or incurred. **The subparagraphs set forth below are for convenience only and for the purpose of calculating the total rent increase. These additional amounts shall be added to the amount of each of the rent increases noted in Paragraph 3(B) above and are considered part of the rent.**

(1) a. **RENT INCREASES OPERATIONAL EXPENSE:** Increases in Operational expense will also be used to adjust rent. Operational expense include all items of tax-deductible or amortizable expense incurred which relate to or touch upon community business and operations: this includes government required costs and expenses, uninsured losses, taxes, ordinary (not capital) expense, repair, replacements, maintenance, improvements, interest increases, debt service, or refinancing and common area maintenance as more specifically described in this agreement. To maintain the standards and qualities of the community, management will use reasonable diligence and exercise prudent management to continue the community in present condition. Expense must be incurred, as needed, to maintain the community. Rent will be adjusted (whether increased or decreased) each anniversary date to account for increases in operational expense on an item-by-item basis. Owner may waive its right to adjust rents when permitted hereunder without prejudice to exercise of such rights

thereafter during or after the term. Notwithstanding the foregoing to the contrary, any particular increase in any item for which the rent may be increased may be added to monthly rent on 90 days advance written notice without respect to changes in any other expense increase or decrease which may occur on the next succeeding anniversary date. For example, if there is imposed on the owner a new assessment, charge or increase in property tax or other expense as described in the following sub-paragraph, the amount of the increase may be added to monthly rent on 90 days advance written notice without further adjustment, offset, deduction, reduction or other modification.

b. For example (without limiting the generality of the operating expenses which can be used for the increase of monthly rent) included are costs for or which relate to maintenance, repair, replacement, operation or cleaning of common areas and buildings, mold suppression or remediation of any mobilehome or building or structure or facility or amenity, roads, landscaping and tree removal or trimming, homesites, adjacent property conditions, amenities, facilities, services, improvements, equipment, tools, machines, or other property used in owner's service for the community, fixtures, appliances, equipment and accessory structures, and parts thereof, including but not limited to roofs, walls, furnishings, appliances, amenities and facilities, services, parking areas, driveways, curbs, gutters (in any location in the community, including individual homesites leased or rented to Tenants though located not in a common area), roadways, walkways, landscaped areas (trees, shrubs, and other landscape maintenance whether in common areas or individual homesites, any common or private Tenant roads, driveways, walkways, curbs or gutters or drains), sewer systems including inspections and cleaning, irrigation systems, common area lighting facilities, fences and gates, plants and landscaping; air conditioning, electrical systems, equipment and replacements, heating, mechanical, ventilating and plumbing systems and all other utilities and the cost of supplies and equipment and maintenance and service contracts in connection therewith; wages, salaries, and other labor costs, taxes, insurance, and governmental required expense; trash disposal services allocable to common areas; identification and entrance and other posted signs; fire detection systems including sprinkler system maintenance and repair; water quality compliance or cost; patrol services or other crime prevention measures employed by the management now or during the term; resurfacing and painting; business and office administration and operation, including but not limited to temporary or part-time personnel (employees, agents and representatives), equipment, appliances, tools, materials, utilities, supplies, vehicles predominantly devoted to community use, as appropriate or related to implementing any or all of the foregoing; property management fee of six percent of the then-aggregate income generated by Community rents; any deductible portion of an insured loss; uninsured loss; comprehensive general liability insurance and workers compensation and health insurance for employees and agents of the owner, including all any umbrella policies or supplemental insurance purchased by the owner. Also included are common area utility costs (such as natural gas and electricity and water used for common areas), labor, supplies materials, supplies, professional and consultant fees, salaries, employee costs, contractors, and other costs for common area maintenance, including provisions, accommodations or improvements for the disabled or handicapped or as mandated by the Americans with Disabilities Act or compliance with Fair Housing Acts of

the Federal or state governments, including modifications or additions to the common areas, defense of any claims, and costs of decrees, judgments, attorney's fees or liabilities to the extent not insured. Also included are government-mandated costs such as assessments, exactions, bonds, excise fees, charges, costs, licenses, permits, any tax, districts, services, or other fees, judgments, administrative or legislatively (or quasi-governmental) imposed costs and expenses: however, not included are penalties or fines not permitted by the "MRL." All must qualify as ordinary and necessary expenses deductible from gross income which relate to carrying on of the business, incurred in the usual course of the operation of the business, though unusual seldom recurring as per 26 U.S.C.A. (I.R.C.1954) §162.

c. "Taxes" as used in subsection "b" immediately preceding this paragraph include without limitation, both general and special real estate taxes, personal property taxes, bonds, fees, user fees, charges and surcharges and assessments including but not limited to any taxes, assessments or charges on offsite or onsite improvements or any assessments or charges in lieu of real property taxes. Property taxes and assessments also include any tax or excise on rents or any such other tax however described which is levied or assessed against Owner as a direct substitution in whole or in part for any real property taxes.

d. "Government required expense" as used in subsection "b" immediately preceding this paragraph includes without limitation any existing new additional or changed services or facilities, or expense, cost, levy, exaction, fee, assessment, or other financial obligation or burden of any kind which Owner is required by the government to pay or be responsible for in relation to operation of the community and further includes without limitation, fees, bonds, assessments, charges or other costs and expenses for any utility or equipment for same, including for water, fire protection, fire hydrants or other suppression or prevention measures or equipment or appliances, sewer, trash pickup, trash bin rental and utilities provided by Owner.

e. The term "insurance" as used in subsection "b" immediately preceding this paragraph includes without limitation all amounts paid by the Park for insurance including but not limited to insurance for any loss damage or injury to property or person for fire, earthquake, flood, vandalism, burglary or theft.

f. The amount of the increase will be determined by taking the total amount of current expenses for the calendar year prior to the applicable rent increase item by item, and subtracting same for the immediately preceding calendar year. The difference in the amounts will then be divided by the total number of homesites to determine the amount to be charged per homesite, and then divided by 12 to determine that portion of the monthly rent increase added to monthly rent effective on the applicable rent adjustment date. Owner reserves the right not to increase rent for such operating expense increases on any Anniversary Date during the term, and use such increases to increase rents in any succeeding year during the term, such that operating expenses for more than one calendar year may be calculated and added on a single Anniversary Date.

REPLACEMENTS: "Capital Improvement" refers to any thing or item, which is new and not previously existing in the Community. Capital Improvements include all items, which the Owner reports as capital improvements and as allowed by the Internal Revenue Service (as defined by the laws, regulations, rulings and decisional law of the United

States including without limitation, Title 26 of the United States Code, §§263(a)(1) and (2) (Subtitle A, Chapter 1, Subchapter B, Part IX of the Internal Revenue Code), and the regulations thereunder including without limitation Treas. Reg. § 1.263(a)-1 and §1.263(a)-2 of Title 26 (Chapter I, Subchapter A, Part 1 of the Code of Federal Regulations). "Capital Replacement" refers to the replacement or major reconstruction of any existing thing or item in the Community. The "cost" of capital improvements and replacements shall consist of the actual cost of the capital improvements and replacements plus all interest, points and other costs and charges related to the borrowing of any sums by Owner to make capital improvements and replacements. Only costs for capital improvements and replacements made during the forty-eight month period prior to execution of this Lease through the end of the term shall be used to determine the amount of any increase in the then current monthly rent. The cost of such capital improvements and replacements shall be amortized over the useful life of the capital improvement or replacement. If Owner lends the Community funds to make the capital improvement or replacement, Owner will, in addition to the cost of such capital improvement or replacement, be entitled to interest computed at two (2) percentage points over the then effective Bank of America (or successor bank) prime rate at the inception of the adjustment. The amortized amount will then be divided by twelve (12) and again by the number of spaces in the Community. The result will then be shown as a separate charge on the monthly billing immediately following a 90-day notice of charge for capital improvements and replacements. Increases for capital improvements and replacements will not be included in base rent for purposes of calculating the annual CPI increase. Once the cost of a particular capital improvement or replacement has been fully recovered by amortization, it will be removed from the billing. Any capital improvement (a new thing or item not previously existing in the Community) may be passed through as further rent adjustments. This provision shall survive the expiration of the term until full reimbursement is obtained.

(3) UNINSURED LOSS: Uninsured loss is defined as any loss incurred for which the Owner is not actually compensated by insurance during the period from inception of this Lease (including where arising from events, acts, omissions and occurrences which precede the term hereof). The loss will be amortized over a five (5) year period and the result will be divided by the number of spaces and again by twelve (12). The result will then be shown as a separate charge on the monthly billing immediately following a 90-day notice of charge for uninsured loss. Increases for uninsured losses will not be included in base rent for purposes of calculating the annual CPI increase. Once the cost has been fully recovered by amortization, it will be removed from the billing. Owner will keep a policy or policies of insurance with extended coverage endorsements for ninety percent (90%) or more of the replacement value of the buildings and equipment or such other fire and casualty insurance as Owner, in his sole discretion, determines provides equal or greater protection. Earthquake and flood insurance are not included in this provision unless mandated by law or are included at Owner's option. For purposes of calculating any uninsured loss pass-through, the deductible of any of the Community's applicable policies of insurance, shall not be considered an uninsured loss.

(4) a. RIGHT OF AUDIT TO OPERATING EXPENSE RENT INCREASES: Any objection to any rental adjustment shall be deemed waived if not raised by written

notice to Owner within one year following the anniversary date on which an increase in rent based on other than CPI adjustments is first effective or charged. During such period, Tenant shall have the right during Management's regular business hours and on reasonable prior notice, to inspect, at the location of Management's summary of cost, invoices and proof of payment (not the general ledger or accounting records), at Tenant's sole cost, Management's documentation (consisting of invoices, checks, or other evidence of payment of the items on which the rent increase is based) with respect to, for example, operating expenses for the calendar year to which such operating expense statement relates.

b. The inspection of Management's said records may be conducted by a reputable certified public accountant, provided, that such accountant is not retained by Tenant on a contingency fee basis. The inspection of said records must be completed not later than thirty (30) days after same are made available to Tenant, and any audit report prepared by Tenant's auditors shall be delivered concurrently to Management and Tenant within such thirty (30) days period. If, after such inspection of said records, Tenant disputes the amount of operating expenses for the calendar year under inspection, Management and Tenant shall meet and attempt in good faith to resolve the dispute. If the parties are unable to resolve the dispute within sixty (60) days after completion of Tenant's inspection, then Tenant shall have the right to submit the dispute to ADR (defined as "alternate dispute resolution," which is by "reference" if Owner has offered and Tenant has agreed to the reference provisions which apply to this agreement or the rules and regulations), or an action in declaratory relief if no ADR mechanism has been agreed to by both parties, which right shall be exercised, if at all, by delivering a notice of election to pursue such applicable remedy to Management not later than the last day of said sixty (60) day period.

c. If ADR applies, Management and Tenant shall agree, within fifteen (15) days after Tenant's delivery of the written notice of election, to retain an arbitrator or seek legal relief for appointment of a reference. If arbitration applies, the arbitrator shall be a retired judge associated with the Judicial Arbitration and Mediation Service, Inc. ("JAMS"), each side to share costs, deposits and advances equally on notice from JAMS, if the parties can then agree, the arbitrator may be any unaffiliated certified public accountant or real estate attorney with at least ten (10) years of experience in non-Residential management/Tenant law in the County where the community is located or nearest county if no such individual can be located. If ADR applies, further, the arbitration or reference shall be limited to the determination of the appropriate amount of operating expenses, as relevant to the subject of the dispute, for the calendar year under review. The decision of the arbitrator shall be delivered simultaneously to Management and Tenant, and shall be final and binding upon Management and Tenant.

d. If the arbitrator determines that the amount of operating expenses billed to Tenant was incorrect, the appropriate party shall pay to the other party the deficiency or overpayment, as applicable, within thirty (30) days following delivery of the arbitrator's decision, without interest. All costs and expenses of the arbitration shall be paid to the prevailing party, deemed to be the Tenant if the final decision is a finding that the operating expense rent increase was more than five (5) percent more than allowable under this Agreement. If Management's

overstated operating expenses for the applicable calendar year was less than five percent (5%) of the originally reported operating expenses, Tenant(s) shall pay all costs and expenses of the arbitration, or Management shall have the right to elect that the such costs and expenses may be charged as further rent, prorated to all Tenants subject to the exercise of an audit right as herein provided, effective and to be charged and billed on the first of the month following the date of the award or at any time thereafter. Tenant shall keep any information gained from its inspection of Management's general ledger confidential and shall not disclose it to any other party, except as required by law.

e. If requested by Management, Tenant shall require its employees or agents inspecting Management's general ledger to sign a confidentiality agreement as a condition of Management making Management's said records available to them. Tenant understands and agrees that the confidentiality provision set forth herein is of material importance to Management and that any violation thereof shall result in immediate and irreparable harm to Management.

f. Tenant's exercise of its audit rights shall not relieve Tenant of its obligation to pay disputed amounts, and Tenant's rights under this section may only be exercised by Tenant if Tenant is not in default under this lease during the period that Tenant is exercising its rights hereunder. The payment by Tenant of its operating expense payment, or any amount on account thereof, shall not preclude Tenant from exercising its rights under this section, but if Tenant fails to timely exercise its audit rights in accordance with this section, such failure shall be conclusively deemed to constitute Tenant's approval of Management's operating expense statement for the calendar year in question. There shall be no more than one (1) audit and/or review by Tenant of operating expenses for any twelve (12) months period. Management shall maintain its accounting records with respect to operating expenses during the review period for each calendar year and during the tendency of any audit. In no event shall this section be deemed to allow any review of any of Management's records by any sub-tenant of Tenant. Tenant agrees that this section shall be the sole method to be used by Tenant to dispute the amount of any operating expenses payable or not payable by Tenant pursuant to the terms of this lease, and Tenant hereby waives any other rights at law or in equity relating thereto.

E. By signing this Agreement, Tenant and Owner acknowledge and agree that a material part of the consideration given for the length of the term of this Agreement and the amount of the beginning monthly rent set forth in paragraph 3(B) herein, is Owner's ability to increase Tenant's rent increases in accordance with subparagraphs "(1)," "(2)," "(3)" and "(4)" of paragraph 3(D) herein. Tenant and Owner further acknowledge and agree that if subparagraphs "(1)," "(2)," "(3)" and "(4)" of paragraph 3(D) herein were not included within this Agreement, the length of the term of this Agreement would not have exceeded twelve (12) months and the amount of the monthly rent set forth in paragraph 3(B) would have been significantly higher. Therefore, by signing this Agreement, Tenant agrees that if, for any reason, the provisions of subparagraphs "(1)," "(2)," "(3)" and "(4)" of paragraph 3(D) herein should, for any reason, be held to be invalid, unenforceable, or contrary to law, in whole or in part, or should any law be enacted which would prevent Owner from increasing Tenant's rent in accordance with

subparagraphs "(1)," "(2)," "(3)" and "(4)" of paragraph 3(D) herein, in whole or in part, Owner may, at Owner's sole option, elect to terminate this Agreement and/or increase the base rent by an amount not to exceed twenty five percent of the then current monthly rent. In the event that Owner should elect to terminate this Agreement as set forth herein, Tenant shall, at Tenant's sole option, have the option of: a month-to-month agreement; an agreement having a term of twelve (12) months; an agreement having a term which is longer than a month-to-month tenancy but less than twelve (12) months in length. In the event that Tenant should fail to notify Owner in writing of which of these three (3) options Tenant has chosen within thirty (30) days of Owner's election to terminate this Agreement, the tenancy under this Agreement shall become a month-to-month tenancy.

4. TERMINATION: THE TENANT OCCUPYING THE SPACE MAY ELECT TO TERMINATE THIS AGREEMENT ON SIXTY (60) DAYS WRITTEN NOTICE TO SUCH EFFECT TO OWNER IF ONE OF THE FOLLOWING OCCURS:

A. All persons occupying the Space rented to Tenant by this Agreement terminate their tenancy as to said Space and remove their Home from the Community. In such event, the Space will revert to Owner's control and Owner may lease or rent the Space to any party on any terms he chooses; or

B. All persons occupying the Space rented to Tenant by this Agreement terminate their tenancy as to said Space and sell their Home to another party who has been approved by Owner for tenancy in the Community in accordance with the terms of this Agreement.

5. SECURITY DEPOSIT: Upon execution of this Agreement, unless Tenant is already a Tenant of the Community, Tenant shall deposit with Owner \$_____ as a security deposit for the performance by Tenant of the provisions of this Agreement. If Tenant is in default, Owner can use the security deposit, or any portion of it, to cure the default or to compensate Owner for any damage sustained by Owner resulting from Tenant's default. Owner shall return the security deposit to Tenant in accordance with the provisions of the Mobilehome Residency Law. Owner's obligations with respect to the security deposit are those of a debtor and not a Trustee. Owner can maintain the security deposit separate and apart from Owner's general funds or can commingle the security deposit with Owner's general and other funds. Owner will not be required to pay Tenant interest on the security deposit.

6. INCORPORATED DOCUMENTS: The following documents as they may be amended, modified or otherwise changed from time to time as permitted by the terms of this Agreement, are incorporated herein by this reference, and Tenant acknowledges receipt of a copy of the following documents listed below:

A. Current California Civil Code provisions known as the "Mobilehome Residency Law", a copy of which is attached hereto as Exhibit "1" and incorporated herein by this reference;

B. The Community's Rules and Regulations. Owner reserves the right to amend or eliminate any and all of the Community's Rules and Regulations in accordance with the provisions of the Mobilehome Residency Law and

any other applicable law without liability to you and/or others; and

C. Other (Specify): _____

7. UTILITIES: Owner will provide and separately bill to Tenant electricity, natural gas, water, trash collection, sewer service, and cable. Telephone and satellite service(s) is/are provided by and billed directly to Tenant by the supplying utility. Any increase in utility rates or any utility tax will be immediately passed through and paid by Tenant without prior notification.

8. APPROVAL OF PURCHASER AND SUBSEQUENT TENANTS:

A. Tenant may sell his/her Home at any time pursuant to the rights and obligations of Tenant and Owner under the Mobilehome Residency Law and other applicable law. Tenant must, however, immediately notify the Management in writing of Tenant's intention to sell his/her Home. If the prospective buyer/transferee/assignee of the Home intends for the Home to remain in the Community, or for the buyer/transferee/assignee to reside in the Community, said buyer/transferee/assignee must do the following before occupying the Home:

- (1) Complete an application for tenancy;
- (2) Be accepted by Owner;
- (3) Execute an assignment of this Agreement or accept some other rental agreement or lease if offered and acceptable to the prospective tenant for the occupancy of the Space; and
- (4) Execute and deliver to Owner a copy of the Community's then effective Rules and Regulations and other residency documents.

B. Tenant must immediately notify owner in writing of the intent to sell/transfer the manufactured home or assign the right to occupy your homesite. This written notice shall be given to owner at least 10 days prior to Tenant's execution of any escrow, sale, exchange, transfer, assignment, or other agreement. Tenant agrees, however, that Tenants will not sell or otherwise transfer the manufactured home to anyone who does not agree to accept an assignment or assumption of this Agreement. (The assignment must be executed by the buyer, subject to owner approval, prior to establishing tenancy and the 72-hour right of rescission provided for in Civil Code §798.17. will not apply to the buyer/transferee/assignee.)

C. On sale of the manufactured home to a person who intends to live in the community, that person may either: (1) accept an assignment of this Agreement, or (2) sign any new lease we are then offering, or (3) remove the manufactured home from the community.

D. The assignment of this Agreement or a new lease must be signed by the buyer prior to establishing tenancy and the 30-day inspection and 72-hour right of rescission per Civil Code §798.17 will not apply to an assignment. If buyer does not accept an assignment of this Agreement, or sign a new agreement, Tenant remains responsible for performance of this Agreement. The buyer will also have no rights of tenancy in the Community. Owner may, at our option, pursue any remedies against the buyer and or Tenant.

E. If buyer and owner agree to sign a new lease and the buyer rejects that new lease within 72 hours, the buyer must accept an assignment of this Agreement. If the buyer does not, the requirements of this paragraph and this Agreement will continue to apply.

F. The requirements of this Agreement and this paragraph will apply if (1) Tenant sells only a portion of its interest or (2) the manufactured home is repossessed/acquired by another because of inability to make required payments or for any other reason or method voluntary or not.

G. The manufactured home buyer has no right of possession or tenancy until all the following requirements are first satisfied in full. Management has the right to and must first approve the prospective assignee. The following requirements must be complied with before sale and move-in.

- i. Tenants give advance notice of Tenants' intent to sell,
- ii. Buyer shall complete, fully and accurately, an application for tenancy (including acknowledgment of receipt of all written disclosures of community conditions then in effect),
- iii. Management shall obtain a credit report from TRW or other source as to buyer's credit history to which buyer shall consent in writing if requested,
- iv. Management shall interview the buyer,
- v. Buyer's application will be reviewed and accepted or rejected; if accepted,
- vi. Management must have first executed and agreed to an Assignment of this Lease prior to the first date scheduled and agreed upon for the close of escrow. The Assignment of this Agreement shall be released to Tenants or buyer for inclusion into escrow to prove that buyer has been accepted as a prospective Tenant on condition that the manufactured home purchase is completed;
- vii. The Assignment of this Agreement shall only become effective as to Tenants' buyer after approved for prospective tenancy on condition that (i) Tenants' transfer is consummated and (ii) at the time of recordation of title no prior breach of this Agreement (including non-payment of rent, violation of the Rules and Regulations, or commission of substantial annoyance or any other justification for the termination of tenancy under Civil Code section 798.56) has occurred; buyer shall be responsible, as additional rent, for any sums, charges, rents, utilities or other amounts which have not been paid as required by this agreement by the seller, and same shall be billed and paid by buyer after close of escrow.
- viii. Tenants or buyer must put the Assignment of this agreement into escrow, together with the Rules and Regulations, and other residency documents as may then be required;
- ix. Buyer shall not take possession of the manufactured home or homesite if management does not approve buyer for tenancy, or should the sale not be completed; in such case, buyer has no right of tenancy.

Note: In the event there is no escrow, State law requires that a copy of this fully executed Rental Agreement be made a part of the purchase and sale contract. Therefore, the Assignment of the Rental Agreement or substitute

agreement (if applicable) must be made a part of the contract of sale for the purchase of the manufactured home in such case.

H. Money received by management pending the close of sale or the consummation of the sale (in the event that there is no escrow) and prior to the written approval or rejection of the prospective Tenant by the management shall be conclusively acknowledged and recited herein as rent paid on behalf of and for the avoidance of the termination of tenancy of the Tenant-seller. Under no circumstances shall receipt of money from any person, including the prospective Tenant, purchaser or applicant be deemed an acceptance of rent or the creation or formation of a manufactured home tenancy. Under no circumstances does the Tenant manager have any authority to accept rent from a prospective homeowner, purchaser or applicant or to otherwise nullify the requirements for approval of the prospective purchaser set forth above.

IF BUYER FAILS TO ACCEPT AN ASSIGNMENT OF THIS LEASE, HE WILL HAVE NO RIGHT TO LIVE IN THE COMMUNITY. Civil Code §798.75(b) states that: "In the event the purchaser fails to execute the rental agreement, the purchaser shall not have any rights of tenancy". Should any buyer fail or refuse to agree to the terms of this Agreement, Tenant agrees that such buyer shall have no rights of tenancy, and shall not take possession of the homesite. Such persons are otherwise subject to Civil Code §798.75 (c), (d).

I. The requirements of this Agreement will apply before any person other than the ones listed on the original signature page of this Agreement, or listed on any subsequent document assigning this Agreement to another party, will be permitted to become a Tenant. A guest who remains in the Community after his host has died, moved, or for any other reason does not physically reside in the Community on a regular basis, will be considered to be the equivalent of a buyer and the guest will be subject to the requirements of this Agreement, whether the guest is listed as a "legal" or "registered" owner of the manufactured home or not. The requirements of this Agreement will also apply if Tenant only sells/transfers a portion of the interest in the manufactured home or assign only a portion of the right to occupy the homesite.

J. Upon sale/transfer of the manufactured home or assignment of the homesite, after execution of this Agreement, the rent may be increased to: the monthly rent then charged at the time of the last sale or transfer prior to Tenant's sale or transfer plus up to twenty percent per month; for another then-available homesite; by twenty-percent of then last-charged monthly rent to Tenant; or, by the amount of three and one-half percent per annum for each year of the term of the longer of this agreement or Tenant's actual occupancy of the space including past leases or rental agreements; whichever is the greater of all the foregoing.

K. If there has been no rent adjustment as a result of the sale or transfer for a period of 120 months or more, owner may further re-establish monthly rent at a level which reflects then current fair market rent levels on 90 days advance written notice. Such determination shall be made by a real estate appraiser possessing a current MAI designation selected by owner. Tenant may dispute such rent determination by rebutting with its own real estate

appraiser with MAI designation; if both cannot agree, they shall appoint a third neutral appraiser whose opinion shall be final, both sides sharing the third appraiser's fee equally. The final determination shall be between the amounts opined by the owner's or Tenant's appraisers. Owner may elect, in lieu of the foregoing procedure, to increase rents by no more than twenty percent per month in addition to all other adjustments permitted by this lease agreement as of such 120-month time. All other rent increases provided for in this Agreement will also continue to apply to the monthly rent.

L. Tenant agrees to do such other things and to execute and deliver to Owner such additional documents as Owner may reasonably require to protect Owner's interest in conjunction with the sale/transfer/assignment of this Agreement.

M. Except for guests, the requirements in paragraph 8(A) for completion of an application, approval by Owner, and the execution of documents will also apply before any additional person other than the ones listed on the last page of this Agreement will be permitted to become a Tenant of the Community or reside with Tenant on a semi-permanent or long term basis.

9. USE PROHIBITED:

A. The home and space will be used only for private Residential purposes and no business or commercial activity of any nature will be conducted thereon. For purposes of this Agreement, commercial activity includes, but will not be limited to:

(1) Any on-site activity requiring the issuance of a business license or permit by any governmental agency; and

(2) Any activity, which increases traffic within the Community, requires the storage of material on the space, results in deliveries within the Community or unreasonably interferes with other Tenants' quiet enjoyment of their homes and spaces.

(3) These limitations are not intended to and shall not prohibit a properly licensed foster family home, family day care home or Residential care facility, which the Community is required by law to accept.

B. No persons other than those listed on the last page of this Agreement, and Tenant's guests, may reside at the Space without the prior written consent of Owner/Management. At all times at least one of the persons listed on the last page of this Agreement as a Tenant must be the "legal" or "registered" owner of the Home which occupies the Space and that person must regularly occupy the Home on a full-time basis.

C. No more than two (2) persons per bedroom, plus one (1) additional person per home may regularly occupy the home. For purposes of this restriction, "bedroom" is a room intended by the manufacturer of the home to be regularly used as a bedroom and all bedrooms must contain closet space, window and door exit not into another room. "Bedroom" does not include any room, which has been or could be converted to a bedroom.

10. REMOVAL ON SALE:

A. Owner may, in order to upgrade the quality of the Community, require the removal of homes from the Space upon its sale to a third party, in accordance with the provisions of the Mobilehome Residency Law and other

applicable law. Any such rights granted to Owner due to amendments, deletions, or modifications of the Mobilehome Residency Law and other applicable law may be enforced by Owner at its option.

B. Accordingly, Owner reserves the right to require that Tenant obtain an inspection conducted by the California Department of Housing and Community Development, or if applicable, the local enforcement agency with responsibility and jurisdiction to enforce Division 13, Part 2.1 of the California Health and Safety Code and the applicable provisions of the California Code of Regulations Title 25, Division 1, Chapter 2 (mobilehome parks). The manufactured home may not be transferred or sold for in-park residency by a new prospective Tenant if the manufactured home and accessory structures, equipment and appliances do not pass such code inspection. The inspection shall be requested by Tenant no later than on the date Tenant is required to notify the management that the manufactured home is being offered for sale. Such notification must be given as soon as possible, because there may be delays encountered in scheduling an inspection. Tenant should further seek inspection as soon as possible in order to avoid possible inconvenience or delay in finalizing a subsequent sale of the manufactured home after the expiration of the 60-day written notice of termination of tenancy required to be given to the management.

C. In addition to the requirement of inspection, Management shall furthermore, require repairs and/or improvements prior to approval the manufactured home for in-park sale in the following respects:

(1) All damage caused by the actions or negligence of the Tenant or an agent of the Tenant.

(2) The repair or improvement of the manufactured home, its appurtenances, or an accessory structure that is not owned and installed by the management, based upon or as required by a local ordinance or state statute or regulation relating to manufactured homes, or a rule or regulation that implements or enforces a local ordinance or a state statute or regulation relating to manufactured homes. Such requirements shall apply to the exterior of the manufactured home, its appurtenances, or an accessory structure that is not owned and installed by the management.

D. Tenant is required to request written statement itemizing all required repairs and/or improvements. Management shall provide a written summary of repairs or improvements required no later than 10 business days following the receipt of a request for this information, as part of the notice of termination of tenancy required by Civil Code §798.59 (the written advance 60-day notice of termination of tenancy to be given to the management).

E. Management further reserves the right, pursuant to Civil Code §798.73, to require removal on sale if the manufactured home is in a significantly rundown condition or in disrepair, as determined by the general condition of the manufactured home and its acceptability to the health and safety of the occupants and to the public, exclusive of its age.

F. Any such rights granted either party due to amendments, deletions or modifications of the Mobilehome Residency Law and other applicable law may be enforced by either party at that party's option.

G. If, on the date of this Agreement, there is not presently a manufactured home located on the Homesite, or if Tenant is to remove the manufactured home presently located on said Homesite and replace it with another manufactured home, Tenant acknowledges and agrees that a certain make, model, type, size, age, and condition of the manufactured home which will occupy the Homesite and the accessory equipment and structures which will be a part of or installed with the manufactured home. Tenant warrants to Park that all representations made regarding the manufactured home and all accessory equipment and structures prior to their being placed on the Homesite are true and accurate. Park is permitted by this paragraph to inspect the manufactured home and the accessory equipment, and Tenant agrees not to substitute another manufactured home or other accessory equipment and structures for the ones approved by Park unless they meet all of Park's requirements and specifications. If Park determines that said representations are not true and accurate, then Park may refuse to accept the manufactured home or the accessory equipment and structures for installation. Submission of a plot plan is required by Tenant (or its agent) and approval in writing by management must be obtained before seeking or procuring any permits for installation of the manufactured home. Inspection by management may be made at the time the manufactured home and the accessory equipment and structures arrive at the Park, and the manufactured home and the accessory equipment and structures shall not be allowed within the Park until they are inspected and approved.

11. ENTRY UPON TENANT'S SPACE: Owner and Community Management will have a right of entry upon the land upon which a Home is situated for maintenance of utilities, for maintenance of the Space where the Tenant fails to maintain the Space in accordance with the Rules and Regulations, and the protection of the Community at any reasonable time, but not in a manner or at a time which would interfere with the occupant's quiet enjoyment. Owner and Community Management may enter a home without the prior written consent of the occupant in the case of an emergency or when the occupant has apparently abandoned the home.

12. INDEMNIFICATION:

A. Owner, Management and the Community will not be liable for any loss, damage or injury of any kind whatsoever to the person or property of any Tenant or any of the employees, guests, invitees, permittees, or licensees of any Tenant, or of any other person whomsoever, caused by any use of the Community or the space, or by any defect in improvements erected thereon, or arising from any cause whatsoever, unless resulting from the negligence or willful act of Owner or the Community.

B. Tenant acknowledges that Owner does not carry public liability or property damage insurance to compensate Tenant, Tenant's guest or any other person from any loss, damage or injury except those resulting from situations where Owner would be legally liable for such loss, damage or injury. If you want this type of insurance coverage, you should obtain, at your own cost, extended coverage for your home, fire, earthquake and other casualty insurance on the home, other improvements and contents to the full insurable value, personal liability and such other insurance as is necessary to protect you, your guests or others from loss or liability.

13. RENTING, SUBLETTING OR ASSIGNING:

A. Tenant will not sublease, or otherwise rent all or any portion of Tenant's Home or the Space except in accordance with the rules and regulations. Tenant will not assign or encumber its interest in this Agreement or the Space without compliance with this agreement. No consent to any assignment, encumbrance, sublease or other renting will constitute a further waiver of the provisions of this paragraph. If Tenant consists of more than one person, a purported assignment, voluntary, involuntary, or by operation of law, from one person to the other will be deemed an assignment within the meaning of this paragraph. OWNER RESERVES THE RIGHT TO LEASE, RENT OR SUBLET ANY OF ITS SPACES OR OWNER'S HOMES WITHIN THE COMMUNITY.

B. Notwithstanding the foregoing restriction against subleasing, Management shall permit a Tenant to sublease his or her home if the mobilehome serves as the Tenant's primary residence and a Tenant's medical emergency or medical treatment requires the Tenant to be absent from his or her home and this is confirmed in writing by an attending physician. Only one mobilehome may be subleased by the Tenant though the Tenant may own or control one or more mobilehomes or homesites in the Park. The following provisions shall apply to a rental or sublease pursuant to this section:

(a) The minimum term of the sublease shall be six months but no greater than 12 months.

(b) The management may require approval of a prospective renter or sublessee, subject to the process and restrictions provided by subdivision (a) of Section 798.74 for prospective purchasers of mobilehomes. The management may charge a prospective sublessee a credit-screening fee for the actual cost of any personal reference check or consumer credit report that is provided by a consumer credit reporting agency, as defined in Section 1785.3.

(c) The renter or sublessee shall comply with all rules and regulations of the park. The failure of a renter or sublessee to comply with the rules and regulations of the park may result in the termination of the Tenant's tenancy in the mobilehome park, in accordance with Section 798.56. A Tenant's tenancy will not be terminated however, if the Tenant completes an action for unlawful detainer or executes a judgment for possession, pursuant to Chapter 4 (commencing with Section 1159) of Title 3 of Part 3 of the Code of Civil Procedure within 60 days of the Tenant receiving notice of termination of tenancy.

(d) The Tenant shall remain liable for the mobilehome park rent and other park charges.

(e) The management may require the Tenant to reside in the mobilehome park for a term of one year before management permits the renting or subletting of a mobilehome or mobilehome space.

(f) Notwithstanding subdivision (a) of Section 798.39, if a security deposit has been refunded to the Tenant pursuant to subdivision (b) or (c) of Section 798.39, the management may require the Tenant to resubmit a security deposit in an amount or value not to exceed two months' rent in addition to the first month's rent. Management will retain this security deposit for the duration of the term of the rental or sublease.

(g) The Tenant shall keep his or her current address and telephone number on file with the management during the term of rental or sublease. If applicable, the Tenant may provide the name, address, and telephone number of his or

her legal representative. Tenant agrees that subtenant is authorized as an agent for receipt of service of process and notices of Tenant and that service of any papers shall only be required to be made to the premises.

(h) A Tenant may not charge a renter or sublessee more than an amount necessary to cover the cost of space rent, utilities, and scheduled loan payments on the mobilehome, if any. Therefore, the rental agreement must be submitted prior to the sublease for inspection by the management. Failure to do so or overcharging a subtenant constitutes a violation of these rules and regulations.

(i) Tenant shall further agree, warrant and guarantee the dutiful performance of all terms and conditions of the sublease agreement by the sublessee and agree to indemnify and defend Management and all agents and employees against any claim or demand made by or against the sublessee for any injury or damage caused by sublessee or resulting to the sublessee, active negligence and willful misconduct excepted.

(j) Tenant acknowledges that sub-lessees are not tenants because there is no landlord/tenant relationship as between Management and a sublessee. It is specifically agreed and understood that Sublessee cannot become a tenant by attempting or purporting to pay Park such monies.

(k) Receipt, retention, acceptance or possession of any monies from the sublessee shall only be on behalf of the Tenant. As between Park and sublessee there is no privity of estate or contract. Any endorsements tendered on the face of any conditional obligation of the Tenant to the contrary shall be deemed a breach of this agreement entitling Management to immediately declare breach and termination hereof.

(l) Tenant further agrees to defend and indemnify, at his or her sole expense, the Park from any claims, liabilities, or actions brought by sublessee against the Management or for any action brought against the Park by any person arising out of conduct related to Sublessee's conduct within the Park. Subleasing not approved or in any way inconsistent with this agreement is void. There is no power and no right to sublease unless all rules and regulations pertaining to subleasing are satisfied and complied with. For purposes of the Rental Agreement, Rules and Regulations, and other residency documents, "subleasing" includes the rental of the mobilehome and space, including "home sitting", "house-sitting", "house-watching", "care taking", subleasing with an option to purchase, and purchase contracts unless in such circumstances the purchaser is bona fide and has been approved in accordance with Civil Code §798.74 and becomes the registered owner of the mobilehome. Subleasing also refers to contractors who occupy the space or mobilehome in the absence of the tenant, for whatever the purpose.

14. COMPLIANCE WITH LAW AND RULES AND REGULATIONS: Tenant agrees to abide by and conform with all applicable law, ordinances, regulations and all terms and provisions of this Agreement, the Rules and Regulations, and all rules, regulations, terms and provisions contained in any document referred to in this Agreement, as said rules, regulations, terms and provisions may from time to time be amended, eliminated, modified or otherwise changed by Owner as permitted by the terms of this Agreement. Any violation of the Rules and Regulations shall be deemed a public nuisance. Tenant agrees that a breach of this Agreement or any of the Rules and Regulations cannot reasonably or adequately be compensated in damages in an action of law and, therefore,

Owner shall be entitled to injunctive relief including, but not limited to, restraining Tenant from continuing to breach any such rules or regulations, term, or condition, or to allow a condition violative of a rule or regulation, term or condition to exist or continue to exist.

15. MODIFICATION OF RESIDENCY DOCUMENTS: Owner may, pursuant to the rights granted to it by the Mobilehome Residency Law or any other law now in effect or as amended, modify, amend or otherwise change any term, provision, rule or regulation contained in this Agreement, the Rules and Regulations or in any document referred to herein. Except for the term of this Agreement, the amount to be charged (including utilities), and the provisions of Paragraphs 7, 17, 19 and 39 of this Agreement, each provision of this Agreement will be deemed to be a Rule and Regulation as well, and may be amended, modified or otherwise changed and enforced as a Rule and Regulation under the Mobilehome Residency Law. The term of this Agreement may not be changed and the rent to be charged may only be changed in accordance with the rent adjustment provisions of this Agreement.

16. CHANGES IN STANDARDS OF MAINTENANCE, SERVICES, EQUIPMENT OR PHYSICAL IMPROVEMENTS: The Community's general standards of maintenance, standards of maintenance of physical improvements in the Community, together with services, (including utilities), equipment and physical improvements within the Community may be changed from time to time as provided by the Mobilehome Residency Law, and other applicable law. Tenant acknowledges that this provision applies to all Tenants, including those on other than a month-to-month tenancy. Any such rights granted Owner due to any amendments, deletions or modifications of the Mobilehome Residency Law and other applicable law may be enforced by Owner.

17. TERMINATION OF TENANCY BY OWNER: This Agreement, at the sole option of Owner, may be declared forfeited and/or the tenancy may be terminated and/or Tenant's right to possession or to renew Tenant's tenancy terminated in accordance with the provisions of the Mobilehome Residency Law and other applicable law. Any such rights granted to Owner due to any amendments, deletions or modifications of the Mobilehome Residency Law and other applicable law may be enforced by Owner. The issuance of a termination of tenancy notice will be considered an election to forfeit the tenancy within the meaning of this Agreement.

18. RESPONSIBILITY OF OWNER:

A. It is the responsibility of the Owner to provide and maintain the physical improvements in the common facilities of the Community in good working order and condition. Owner will provide all of the physical improvements and services which are now in existence in the Community and provided to Tenants or which may be added at a later date. These physical improvements include the nonexclusive use of all of the common areas and common facilities of the Community which includes without limitation all streets, non restricted parking areas, all recreational facilities and equipment, pool (if present), laundry facilities, lawns and all other facilities, equipment and conveniences located in the common areas and common facilities for the use of Tenants. These services include the services provided by the Community Manager and other persons employed by the Community and the utilities specified in this Agreement. If a clubhouse is provided, it will be kept ventilated as required by law. In

order to conserve energy, the air-conditioning and heating systems will not be operated on a constant basis. Rather, air-conditioning and heating will be operated as required to maintain reasonable temperature levels.

B. With respect to a sudden or unforeseeable breakdown or deterioration of these improvements, the management shall have a reasonable period of time to repair the sudden or unforeseeable breakdown or deterioration and bring the improvements into good working order and condition after management knows or should have known of the breakdown or deterioration. A reasonable period of time to repair a sudden or unforeseeable breakdown or deterioration shall be as soon as possible in situations affecting a health or safety condition, and shall not exceed thirty (30) days in any other case except where exigent circumstances justify a delay.

C. With respect to Owner's providing any services or facilities, (including utilities) to Tenant, any prevention, delay or stoppage due to strikes, walkouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, regulation or controls, judicial orders, fire or other casualty, deliberate sabotage, breakage, repairs and other causes beyond the reasonable control of Owner will excuse Owner's performance of Owner's obligation in these areas for a period equal to any such prevention, delay, stoppage or repair time. Tenant will remain responsible without abatement or reduction for the rent, utilities, and other charges to be paid by Tenant pursuant to the terms of this Agreement.

D. Owner purchases the utilities provided Tenant from others and is not responsible for any defects in the quality of these utilities or the services provided by the supplying utility companies, including, but not limited to, the taste, color or smell of water, power outages, interruptions in service, reduction of service or any similar defect beyond the control of Owner.

E. Tenant acknowledges and agrees that the Community is not a "security" Community. Owner makes no representation or warranty that the Community is secure from theft or any other criminal act perpetrated by any Tenant or any other person.

19. MAINTENANCE OF IMPROVEMENTS: Tenant is financially responsible to maintain, repair and/or replace Tenant's home and all equipment, structures and other improvements to Tenant's home and space in good and safe condition and repair and in an aesthetically pleasing manner at all times. This obligation includes, without limitation, the home, accessory structures and equipment, fences, driveways, banks, trees, shrubbery, lawns and other landscaping located on Tenant's space regardless of whether Tenant is the original occupant of the space or purchased the home from a former occupant of the space. This obligation also applies to Tenant regardless of whether or not Tenant installed the improvements or purchased the home with the improvements already installed on the home and/or space. This obligation also includes the responsibility to insure that the drainage is maintained on the space so as to prevent water from accumulating on the space, under the home or running off so as to adversely affect other spaces and/or property; that all required setbacks and lot line requirements are met; that there are no encroachments on other spaces and/or property; that all building codes and other similar requirements have been met; and that all required permits have been obtained.

20. DISCLOSURE: Owner is required by law to make the following disclosure: **Notice: The California Department of Justice, sheriffs' departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a data base of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The database is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification Line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service. Pursuant to Section 290.46 of Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.**

21. NOTICES: All notices required or permitted under this Agreement must be in writing and may be served upon Owner or Tenant by any means then permitted by law. Tenant understands that any notice terminating Tenant's tenancy must be given to Tenant in writing in the manner described by Section 1162 of the California Code of Civil Procedure. The service of any other notice on Tenant, including but not limited to, a notice of rent increase; a notice of amendments to the Community's Rules and Regulations/Standards for Maintenance of Physical Improvements in the Community/Additions, Alterations or Deletions of Services, Equipment or Physical Improvements; notices relating to other matters in Articles 1 through 5, inclusive and Article 7 of the Mobilehome Residency Law; or future copies of the Mobilehome Residency Law, may be duly and validly served if the notice is mailed to the Tenant at his address in the Community by First Class United State mail, postage prepaid. Any such notice served upon Tenant in this manner will be deemed served five (5) days after its mailing.

22. WAIVER OF DEFAULT:

A. If Tenant fails to meet any of its obligations under this Agreement, a delay or omission by Management in exercising any right or remedy will not impair any rights or remedies, nor will it be considered a waiver of any right or remedy. No waiver of Management's right to enforce any provision of this Agreement after any default will be effective unless it is made in writing and signed by both parties, nor will it be considered a waiver of Management's rights to enforce each and every provision of this Agreement upon any further or other default. Acceptance of rent will also not be a waiver (nor estoppel or acquiescence) of any breach of any term or provision of this Agreement, including any rule, regulation or other term or provision contained in any document referred to in this Agreement.

B. Acceptance of rent shall not reinstate or create a tenancy. Conditional acceptance of rent pending approval of tenancy shall not be deemed to create a tenancy or waive any requirements applicable to tenancy, purchaser application or approval requirements or assignment or transfer requirements. Acceptance of rent shall constitute no

waiver of rule violations, substantial annoyance, or other grounds for the termination of tenancy specified under the Mobilehome Residency Law. Acceptance of rent after service of a notice to terminate tenancy as specified in Civil Code section 798.57 shall not waive, affect or prejudice the notice. Nor shall routine service of other notices, management communications, or other actions or omissions of the management waive, prejudice, or affect the right to terminate tenancy, process a purchaser application and approve a tenant for tenancy, or otherwise affect the rights of management. Possession of rent by the Tenant manager shall not be acceptance until actually approved by the park owner; accordingly, the receipt by or the tender of payment to the Tenant park manager shall be conditional and for custody purposes only until approved and accepted by the park owner.

C. Acceptance of rent after service of a notice to terminate tenancy as specified in Civil Code section 798.57 shall not waive, estop, affect or prejudice the notice, the suit, action or legal proceeding in any way, such acceptance being inadmissible on liability issues. Nor shall routine service of other notices, management communications, or other actions or omissions of the management waive, prejudice, or affect the right to terminate tenancy, process a purchaser application and approve a tenant for tenancy, or otherwise affect the rights of management. Possession of rent by the Tenant manager shall not be acceptance until actually approved by the park owner; accordingly, the receipt by or the tender of payment to the Tenant park manager shall be conditional and for custody purposes only until approved and accepted by the park owner.

D. Park may exercise any right under the terms of the rental agreement or lease, or these rules and regulations as amended or modified or any other right of the management under applicable law, and do so at any time subsequent to the date such right became effective hereunder, and do so retroactively to the date the right initially became effective or enforceable and demand performance from such inception through to and including the date of the demand and thereafter; any such delay, forbearance, whether intentional or inadvertent in enforcing any such right shall not be construed as a waiver, release or acquittal, accord and satisfaction, settlement in whole or part; shall not constitute an estoppel, or laches; and, shall not render any such right unenforceable or be a defense against enforcement of such rights from the time such right could first be exercised and thereafter.

23. ENTIRE AGREEMENT: This Agreement and the documents referred to herein constitute the entire agreement between Tenant and Owner pertaining to the subject matter contained herein and supersede all prior and contemporaneous agreements, representations and understandings of the parties, whether written or oral.

24. ALTERATION OF THIS AGREEMENT: This Agreement may be altered by the Tenant only by written agreement signed by both of the parties or by operation of law. This Agreement may be altered by the Owner by written agreement signed by both of the parties, by operation of law or in any manner provided for by the Mobilehome Residency Law or other applicable law.

25. INFORMATION REGARDING TENANT'S HOME: Tenant agrees to provide to Owner the information concerning the mobilehome which presently occupies, or will occupy the Space which is the subject of this Agreement at the end of this agreement. Tenant agrees to immediately notify Owner in writing of any change to any of the following information. Tenant grants Owner

permission to contact the legal owner of Tenant's home directly should the need arise. Tenant represents and warrants that all such information, including changes to such information, is true and correct to the best of Tenant's knowledge.

26. OCCUPANCY QUESTIONNAIRE: Tenant will complete, sign and return to Owner, on three (3) days' written notice, an Occupancy Questionnaire on a form provided by Owner containing the following:

A. The names of all occupants of the Space;

B. The nature of occupancy, i.e., guest, Tenant, shared tenancy under Civil Code, Section 798.34(b), family member, etc.;

C. The names and addresses of all lienholders of the home occupying the Space;

D. The name, address and telephone number of Tenant's employer;

E. The name, address and telephone number of the person to contact in the event of an emergency; and

F. A copy of the registration card issued by the Department of Housing and Community Development for the home occupying the Space.

27. ESTOPPEL CERTIFICATE:

A. Tenant agrees, upon not less than ten (10) days' prior notice by Owner, and within ten (10) days' of each anniversary of this Agreement without notice, to deliver to Owner a statement in writing that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), the dates to which the rent and other charges have been paid and whether or not Owner is in default of the performance of any covenant, agreement, term, provision, or condition contained in this Agreement, or is in violation of any law, ordinance, or administrative regulation and, if so, specifying each such default or violation, it being intended that any such statement delivered pursuant hereto may be relied upon by Owner or any other party who may reasonably rely upon such statement. Tenant also agrees to execute and deliver from time to time such estoppel certificates as any institutional lender or other third party may require or request with respect to this Agreement.

B. Should any required estoppel certificate not be provided in a timely fashion, it will be conclusively presumed, and will constitute a representation and warranty by such party, that this Agreement is in full force and effect without modification, except as may be represented by the requesting party, and that Owner is not in breach, default, or violation of any of the respects referenced above.

28. ATTORNEY'S FEES AND COSTS: In any action arising out of Tenant's tenancy, this Agreement, or the provisions of the Mobilehome Residency Law, the prevailing party will be entitled to reasonable attorneys' fees and costs. A party will be deemed a prevailing party if the judgment is rendered in his or her favor or where the litigation is dismissed in his or her favor prior to or during the trial, unless the parties otherwise agree in the settlement or compromise.

29. HEADINGS: The word titles of the paragraph and subparagraph designations contained herein are inserted solely for convenience and under no circumstances are they, or any of them, to be treated or construed as part of this Agreement.

30. TIME OF ESSENCE: Time is of the essence with respect to the performance of every provision of this Agreement in which time is a factor.

31. INVALIDITY OF PROVISIONS: If any term or provision of this Agreement or any document referred to in this Agreement or the application thereof to any person or circumstance will, to any extent, be invalid or unenforceable, the remainder of this Agreement or the other document or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected thereby, and each term and provision of this Agreement or the other document will be valid and be enforced to the fullest extent permitted by law.

32. IMPROVEMENTS: All landscaping and structures or other improvements permanently attached to or embedded in the ground will become a part of the realty upon their installation and belong to Owner and will remain upon and be surrendered with the Space, unless Tenant obtains permission from Owner to remove, at his own expense, said improvements. Tenant will repair any damage to the Space caused by the removal, including, but not limited to, the filling in and leveling of holes or depressions and will leave the Space in a neat, uncluttered condition with the Community's original engineered grade intact.

33. HOLD-OVER TENANCY: If Tenant continues to reside in the Park after the term of this Agreement has expired or been terminated per the termination paragraphs of this Agreement (including any extension of the initial term) and Tenant has not signed a new rental or lease agreement, Tenant shall reside on a month-to-month tenancy, first beginning at the last Monthly Rent and other charges permitted under this Agreement. During any such month-to-month tenancy, Tenant will pay all Monthly Rent and other charges required by this Agreement and its terms shall continue to apply. Owner may, however, increase the Monthly Rent or charges or change any other terms of this Agreement upon proper written notice. Notwithstanding the foregoing to the contrary, beginning on the first day of the calendar month which is closest to ninety days prior to the expiration of the term of this agreement, then currently billed monthly rent shall increase by the amount of twenty percent and such new rental amount shall be charged for such 90 day period prior to the commencement of the **HOLD-OVER** term, unless through negotiation or compromise, such amount is changed by mutual written agreement subscribed by each of the parties. Example: If the term expired on the thirty-first day of July, the adjustment would be charged beginning the first day of May. Such increase is without prejudice to any other and further changes allowed on ninety days notice under Civil Code §798.30.

34. LIENS AND CLAIMS: Tenant will not suffer or permit to be enforced against Owner's interest in the Community, or any part thereof, any lien, claim or demand arising from any work of construction, repair, restoration, maintenance or removal as herein provided, or otherwise

arising, and Tenant will pay all such liens, claims and demands before any action is brought to enforce the same against the Community. Tenant agrees to hold Owner and the Community free and harmless from all liability for any such liens, claims or demands, together with all costs and expenses, including, but not limited to, attorneys' fees and court costs incurred by Owner and the Community in connection therewith.

35. DAMAGE: Tenant agrees to pay for all damages to the Community, Space and other persons and/or property caused by Tenant or Tenant's guests. Tenant indemnifies and holds Owner harmless from any damage or injury to any person or property arising from any acts or omissions of Tenant, Tenant's family, Tenant's guests or any invitee of Tenant.

36. TRANSFER OF OWNER'S INTEREST, SUBORDINATION: In the event Owner transfers its interest in the Community, Owner will be automatically relieved of any obligations hereunder, which occur after the date of such transfer. This Agreement will always be subject and subordinate to all present and future trust deeds and encumbrances that are or may be placed upon the Community.

37. CONDEMNATION: If any portion of the Community is taken under the power of eminent domain, or is sold to any authority having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, or the utility systems or other portions of the Community are or will be affected by the condemnation to the point where, in Owner's sole discretion, it is not practical to continue to operate the Community, Owner will have the right, but not the obligation, to terminate this Agreement as of the date of the condemning authority takes possession. The entire amount of any such award given for any reason under the power of eminent domain will be Owner's property whether such award will be made as compensation for diminution in value of the leasehold or for taking the fee or the taking of any interest Tenant may have as a result of this Agreement or Tenant's tenancy in the Community. Nothing contained in this paragraph, however, will preclude Tenant from obtaining, or giving Owner any interest in, any award to Tenant for the loss of or damage to Tenant's home or other removable property.



38. _____ (check here). **DISPUTE RESOLUTION PROCESS:** To ensure speedy resolution of disputes, neutral arbitration is used to resolve disputes. Arbitrator shall determine costs based on ability to pay. Arbitration applies to all claims for personal or bodily injury; and, claims for property damage and any claimed loss or expense whatsoever (apart from damages incidental to an unlawful detainer action). Arbitration shall be under the Federal Arbitration Act (FAA), as mobilehomes and appurtenances are constructed, shipped, financed and leased in interstate commerce.



A. The arbitrator shall determine all issues including whether the dispute may be arbitrated. State laws shall not apply. Commercial Rules of

the American Arbitration Association ("AAA") procedures apply. No joinder of actions or consolidation or class actions allowed. The award may be entered as a court judgment. Any alternative dispute resolution organization within 75 miles shall select 5 proposed arbitrators, each side strikes up to 2 names, the least expensive per hour of any remaining may be the arbitrators. Arbitration shall be completed within 4 months from demand for arbitration.

B. No party shall recover their attorney's fees in arbitration (notwithstanding an attorney's fees clause to the contrary in this agreement). Discovery permitted as per federal law; punitive damages are allowed up to ten percent of compensatory damages if any. The arbitration shall be as soon as possible by schedule determined by the arbitrator. This clause is intended to promote federal policy favoring arbitration to be construed per *AT&T Mobility v. Concepcion*, decided in April, 2011 by the United States Supreme Court.

Please Initial here _____
To Acknowledge Agreement to Dispute Resolution Process.

39. ZONING AND USE PERMIT INFORMATION:

A. The nature of the zoning under which the Community operates is MP (Mobilehome Park).

B. The Community does not operate under a conditional use permit which has an expiration date.

C. The Community is not subject to a ground lease.

D. If a change occurs concerning the zoning or permit, under which the Community operates, all Tenants will be given notice within thirty (30) days of such change.

40. EFFECTIVE DATE OF LEASE AGREEMENT: This Agreement will be effective upon its signing by both Tenant and Owner/Community Management, even though that date may be before the beginning date of this Agreement unless Tenant is a "Prospective Tenant". If Tenant is a "Prospective Tenant," and is signing this Agreement in accordance with Civil Code, Section 798.75(a), this Agreement, and any tenancy created hereby will be null and void, and of no force and effect unless and until: (a) escrow is closed within thirty (30) days of the execution of this Agreement, unless otherwise extended in writing by Owner; (b) at least one (1) person signing this Agreement will be the registered owner of the home located on the Space; and (c) Tenant assumes physical occupancy of the home within thirty (30) days of the execution of this Agreement, unless otherwise extended in writing by Owner.

41. ACKNOWLEDGMENT:

PLEASE NOTE: THE FOLLOWING PARAGRAPHS ARE SET FORTH PURSUANT TO CALIFORNIA LEGAL AUTHORITY OR REQUIREMENTS. THIS AGREEMENT IS NOT VALID, AT OWNER'S ELECTION, UNLESS ALL APPLICABLE PARAGRAPHS ARE INITIALED BY PROSPECTIVE TENANT OR TENANT.

A. PERIOD OF REVIEW: Purchaser shall have at least 30 days to review this agreement. But, escrow may not close until a mutually executed agreement has been placed in escrow or included in the sale contract. This agreement may be canceled within 72 hours after execution by written notification to the park.

Agreed: _____ (initial here)

B. Tenant acknowledges that a rental agreement for a term of from one month (month-to-month) up to twelve (12) months has been offered. Such rental agreement would, if selected by the Tenant, be subject to the terms of any ordinance, rule, regulation, or initiative measure adopted by any local governmental entity, which establishes a maximum amount that may be charged for rent. In lieu of such a rental agreement, Tenant acknowledges that any such rental agreement is rejected in favor of the agreement to this rental agreement, which is not subject to any such terms.

Agreed: _____ (initial here)

C. Tenant further acknowledges that a manufactured home rental agreement disclosure statement has been provided to the Tenant at least ten (10) days prior to the execution of this Agreement. If a term from one (1) month to twelve (12) months is selected, all provisions for rent adjustments set forth herein DO NOT apply: in such case, monthly rent may be increased at any time on 90 days advance written notice or in accordance with applicable rent restrictions, but all rental terms and charges shall remain the same during the first twelve (12) months beginning on the date this agreement is first offered.

Agreed: _____ (initial here)

D. This rental agreement may be in additional consideration of the purchase of the manufactured home on the homesite. It is acknowledged that this agreement shall remain in full force and effect in the event that the state-authorized exemption from local rent control under Civil Code section 798.17 as set forth above is invalidated, inapplicable, unenforceable or void. In such case, the state-authorized rent control exemption provisions of this lease shall be deemed severable there from and shall not affect the rights and duties in this lease; therefore, this lease shall remain valid and exempt from any subsequent rent regulations, as an agreement with a term of more than 12 months. This provision is a material inducement for this lease.

Agreed: _____ (initial here)

E. Purchaser acknowledges having received, read and understood a copy of: The attached Mobilehome Residency Law, Mobilehome Park Rental Agreement Disclosure form, all other residency documents which have been provided to the prospective Tenant or Tenant, including the Rules and Regulations.

Agreed: _____ (initial here)

F. No salesperson, broker, financial institution or any person not specifically employed by owner has the authority or right to make statements on behalf of owner. The Tenant managers have no authority to modify this agreement. This agreement and the purchase contract for the manufactured home on the homesite are the exclusive agreements between us.

Agreed: _____ (initial here)

G. The rules and regulations are an impermanent part of this agreement, and Park Owner may unilaterally amend, add to or delete any rule under Civil Code §§798.25, 798.25.5 including subleasing regulations.

Agreed: _____ (initial here)

42. LOT LINES AND LOT LINE MARKERS: The boundaries of the real property rented to Homeowner shall be the lesser of either (1) the lot lines as determined by a governmentally approved survey or by a recorded plot plan or (2) the apparent physical boundaries of the Homesite as they exist at the time this Agreement is entered into. However if the minimum area necessary to comply with set back requirements of state and local agencies comprises of a smaller area than stated above then this smaller area shall comprise the Homesite. Any adjustment shall not result in reduction, or offset of rents. The lesser of the lot lines or actual and apparent use of a homesite defines the expectations of occupation which homeowner may use and enjoy. Such expectations are also subject to change based on any adjustments required by any authority requiring same or as needed for setback compliance. In such cases, no claim shall lie against management for satisfaction of such legal mandate or direction and homeowner releases owner, management and all persons from any loss in area of the homesite resulting from legally required lot line adjustments. Homeowner is responsible for homesite maintenance within the area defined by the lot line markers. You shall maintain your lot line markers as they currently exist and you will promptly notify us if your lot line markers are lost, moved or destroyed. The foregoing defines the enforceable expectations of use, occupation and enjoyment to which Tenant is entitled. The lot line markers and lot lines in the park are for the purpose of establishing the separation and set-backs for installation of mobilehomes, accessory structures and equipment, utilities and appliances as defined by applicable codes and standards and for no other purpose. Therefore, homeowner may not rely on the lot line markers to define the area of use and enjoyment to be expected. Owner reserves the right to modify any lot line at any time provided that such modification does not violate any applicable law. If homeowner or any prior tenant of the space or any adjoining space has installed landscaping or other improvements that have been discovered to encroach across a lot line over a course of time of previously-established consistent usage, then homeowners of any adjoining spaces agree to continue to allow the use of the area encroached upon as was expected before such discovery. This use of the encroached-upon area will not, however, affect the location of the lot line markers. Homeowner shall maintain the lot line markers as they currently exist. Homeowner agrees to indemnify and hold harmless owner and owner's

agents, employees, representatives, assigns and successors, against any loss, cost, damage, expense (including attorneys' fees) or other liability incurred or imposed by reason of any person, association, firm or corporation claiming to have an interest in the event that the lot line markers are lost, moved or destroyed.

43. DUTY TO INSPECT FOR MOLD. Homeowner agrees that prior to taking possession of the mobilehome on completion of sale, a home warranty inspection shall be conducted by buyer at buyer's expense in order to investigate the conditions of the mobilehome including the presence of any mold. If buyer discovers the presence of any mold, it shall be the immediate duty of the buyer to remediate and remove any such discovered mold. Buyer shall thereafter at reasonable and recommended intervals cause to be made further periodic inspections, as necessary and appropriate, in order to ensure that the mobilehome shall be kept free of any mold. Buyer assumes all risk that any mold is present in or about the mobilehome at time of purchase. Buyer therefore agrees to indemnify, defend and hold management, owner and all agents and employees free and harmless from any claim, demand, suit, action, or liability (personal or bodily injury or property damage to any person or thing) caused or claimed to be caused by mold in, about or under a mobilehome or any accessory structure equipment, appliance or other property, or upon the homesite. Since management may not enter the mobilehome except under the circumstances allowed by the Mobilehome Residency Law, Tenant further warrants that the mobilehome is under the exclusive control of the Tenant and that management has no duties respecting prevention or treatment of mold within the mobilehome. If the occurrence of mold is observed by the management and tenant fails to properly remediate such condition, management may but has no duty to proceed with any available remedy to cause tenant to do so.

A. TENANT RESPONSIBLE FOR MOISTURE, ACCUMULATED WATER, MOLD: Tenant shall maintain the homesite so water does not accumulate. Water must drain off in a fashion as to avoid runoff onto another homesite. The skirting shall not extend into the grade because moisture or water may accumulate under the mobilehome. All watering systems shall be installed, maintained and adjusted as necessary to avoid water run-off and standing water. Any berms shall be maintained to avoid the accumulation of water on the homesite. Any masonry skirting must contain sufficient ventilation to prevent accumulation of water under the mobilehome.

B. Tenant warrants to maintain the mobilehome and areas under the mobilehome and space free of and from conditions which produce mold. Tenant is also responsible for mold cleanup. It is imperative to treat and remove all molds as if they are potentially harmful. The following are sources of indoor moisture that may cause problems: flooding, backed-up sewers, leaky roofs, humidifiers, mud or ice dams, damp crawl spaces, constant plumbing leaks, house plants – watering can generate large amounts of moisture, steam from cooking, shower/bath steam and leaks, wet clothes on indoor drying lines, clothes dryers vented indoors, combustion appliances (e.g. stoves) not exhausted to the outdoors. Homeowner should keep the

humidity of the home down and ensure adequate ventilation inside the home (especially in the kitchen and bathroom).

C. If you can see mold, or if there is an earthy or musty odor, you can assume you have a mold problem. Visible mold growth is found underneath materials where water has damaged surfaces, behind walls or inside the vapor barrier under the sub-floor of the mobilehome. Look for discoloration and leaching from wall surfaces. Mold cleanup is usually considered one of the housekeeping tasks of the private citizen and is such a responsibility of the tenant, along with roof and plumbing repairs, sweeping and house cleaning.

D. Any discovery of mold in or about the mobilehome should be cleaned up promptly. When considering clean up of mold, verify the extent of the problem. It can be treated with bleach. Common dish soap will also aid in dissolving accumulated grease and dirt in the area.

E. Tenant agrees to indemnify, defend and hold management, owner and all agents and employees free and harmless from any claim, demand, suit, action, or liability (personal or bodily injury or property damage to any person or thing) caused or claimed to be caused by mold in, about or under a mobilehome or any accessory structure equipment, appliance or other property, or upon the homesite. Tenant furthermore warrants that there is no mold of any kind upon any location on the homesite. Since management may not enter the mobilehome except under the circumstances allowed by the Mobilehome Residency Law, Tenant further warrants that the mobilehome is under the exclusive control of the Tenant and that management has no duties respecting prevention or treatment of mold within the mobilehome. If the occurrence of mold on the homesite is observed by the management and tenant fails to properly remediate such condition, management may proceed with any available remedy including a fourteen day notice as elsewhere provided for in tenant's agreements with the management (with management cost therefore to be added as further rent payable together with rents and other charges on the first month, as billed, following such remediation); seek injunctive relief to compel compliance with mold remediation as hereby required; and / or terminate tenancy for failure to comply with this reasonable rule and regulation. Such remedies are cumulative and election of any remedy shall not preclude the resort to other remedies.

44. DRUG ENFORCEMENT POLICY: THE PARK COOPERATES WITH ALL LAW ENFORCEMENT AGENCIES IN THE IDENTIFICATION AND APPREHENSION OF ALL PERPETRATORS INVOLVED IN THE USE, POSSESSION, MANUFACTURE OR SALE OF CONTROLLED SUBSTANCES AND OTHER ILLEGAL SUBSTANCES. Park will further cooperate to the fullest extent of the law with any efforts to prosecute such persons and in the seizure of any mobilehome or other property as an instrumentality of such crimes.

MOBILEHOME INFORMATION

Make of Home: _____

Model of Home: _____

Year of Manufacture: _____

License or Decal Number: _____

Vehicle Identification/Serial Number(s): _____

LEGAL OWNER'S INFORMATION (I.E., USUALLY THE LENDER WHO FINANCED THE HOME)

Name: _____

Address: _____

Telephone Number: _____

Loan Number: _____

REGISTERED OWNER'S INFORMATION (I.E., USUALLY YOUR NAME/ETC.)

Name: _____

Address: _____

Telephone Number: _____

Loan Number: _____

47. EXECUTION AND ACKNOWLEDGMENTS: I/WE AGREE THAT WE HAVE READ, UNDERSTOOD AND VOLUNTARILY AGREED TO ALL OF THE PROVISIONS OF THIS AGREEMENT WHICH CONSIST OF THIS MOBILEHOME LEASE AGREEMENT AND THE OTHER DOCUMENTS REFERRED TO IT.

Homeowner(s) understand(s) that by signing this Agreement, all of the terms and conditions of these documents and signs as they may be changed in accordance with the law and are legally binding

A. OPPORTUNITY TO SEEK LEGAL ADVICE: I/WE HAVE BEEN ADVISED BY REPRESENTATIVES OF THE PARK THAT I/WE HAVE THE RIGHT TO CONSULT A LAWYER AND GET THE LAWYER'S ADVICE BEFORE SIGNING THIS AGREEMENT.

HOMEOWNER(S)' INITIALS

I/WE HAVE TAKEN THIS AGREEMENT TO A LAWYER BEFORE SIGNING IT. THE LAWYER IS:

Name: _____

Address: _____

Telephone: _____

C. RENTAL AGREEMENT OFFERS: MANAGEMENT HAS OFFERED YOU THE OPTION OF SELECTING A RENTAL AGREEMENT HAVING A TERM OF 12 MONTHS OR LESS, INCLUDING A MONTH-TO-MONTH TENANCY, AND THAT THIS OPTIONAL RENTAL AGREEMENT CONTAINS THE SAME RENTAL CHARGES, TERMS AND CONDITIONS WHICH ARE ALSO APPLICABLE DURING THE FIRST 12 MONTHS OF THIS AGREEMENT. BY AGREEMENT TO THIS LEASE, YOU WILL BE VOLUNTARILY REJECTING THE 12-MONTH OR LESS RENTAL AGREEMENT OPTION IN FAVOR OF THIS LONG-TERM LEASE AGREEMENT.

HOMEOWNER(S)' INITIALS: _____

I/WE HAVE BEEN GIVEN THE OPPORTUNITY TO SEEK LEGAL COUNSEL BEFORE SIGNING THIS AGREEMENT BUT CHOOSE TO DECLINE TO DO SO.

HOMEOWNER(S)' INITIALS

HOMEOWNER(S)' INITIALS

B. ACKNOWLEDGMENTS OF DOCUMENTS. HOMEOWNER(S) ACKNOWLEDGE(S) HAVING RECEIVED, READ AND UNDERSTOOD A COPY OF: THE GENERAL PROVISIONS OF THIS AGREEMENT, THE ATTACHED MOBILEHOME RESIDENCY LAW, RULES AND REGULATIONS, MOBILEHOME PARK RENTAL AGREEMENT DISCLOSURE FORM, INFORMATION FOR PROSPECTIVE HOMEOWNERS, LEAD PAINT DISCLOSURE, CARE NOTICE, OTHER: _____

D. PATRIOT ACT COMPLIANCE: Homeowner hereby represents and warrants that each and every "person" or "entity" affiliated with Homeowner or that has an economic interest in the Homeowner and all other occupants of the space or that has or will have an interest in the transaction contemplated by this Lease and the purchase of the manufactured home or in any property that is the subject matter of this Lease and the purchase of the manufactured home or will participate, in any manner whatsoever, in the leasing of the premises and the purchase of the manufactured home located thereon, is:

(i) not a "blocked" person listed in the Annex to Executive Order Nos. 12947, 13099 and 13224;

(ii) in full compliance with the requirements of the Patriot Rules and all other requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury ("OFAC");

(iii) not in receipt of any notice from the Secretary of State or the Attorney General of the United States or any other department, agency or office of the United States claiming a violation or possible violation of the Patriot Rules;

(iv) not listed as a Specially Designated Terrorist or as a blocked person on any lists maintained by OFAC pursuant to the Patriot Rules or any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of the OFAC issued pursuant to the Patriot Rules or on any other list of terrorists or terrorist organizations maintained pursuant to the Patriot Rules;

(v) not a person who has been determined by competent authority to be subject to the prohibitions contained in the Patriot Rules; and

(vi) not owned or controlled by or now acting and/or will in the future act for or on behalf of any person or entity named in the Annex or any other list promulgated under the Patriot Rules or any other person who has been determined to be subject to the prohibitions contained in the Patriot Rules.

HOMEOWNER(S)' INITIALS

E. GENERAL RELEASE BY HOMEOWNER(S) AND RESIDENT(S): In consideration of this agreement, homeowners and owner and management including family members, other residents, agents, employees and representatives (collectively the "parties") agree to fully and forever mutually release and discharge each other from all claims, including without limitation, all lawsuits, actions, causes of action, claims, demands, loss, injury, damage, disputes, arbitrations or controversies of any and all kinds whatsoever, which any of them has, had or may have had or had, including claims for personal injury, bodily injury, pain and suffering, emotional distress, property damage or loss, violations of statute, ordinance or other law, including, further, all other damage, legal damages, cost, loss, expense, or debt, based on, arising from, or proximately resulting from any and all acts and omissions, of whatever kind or nature, whether known or unknown, suspected or unsuspected, liquidated or not, which any of the parties have, had, or may have or have had, at all past times through the date hereof. This agreement has no effect on executory duties, obligations and responsibilities of the parties and does not purport to release rights as to events after the making of this agreement.

The parties each acknowledge the existence of and, with respect to the releases given herein, expressly waive and relinquish any and all rights and benefits under Civil Code §1542, which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH A CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

The parties agree that there may be discovery of other facts and circumstances respecting the terms of this release in the future which are not known or realized now, which if known or realized would affect their judgment and willingness to enter this agreement. It is agreed that each side takes the full risk for such unknown, unrealized and undiscovered facts and matters. This is a settlement of uncertain rights and liabilities and therefore the parties agree there is no admission of fault, misconduct, wrongdoing or liability by entering into this agreement.

HOMEOWNER(S)' INITIALS

F. NO WAIVER OF FUTURE RIGHTS AND CLAIMS: Nothing contained in this paragraph or elsewhere in this agreement, the Rules and Regulations or other residency documents shall have the effect of an agreement to release indemnify and hold harmless Owner or any other person for the negligent or willful misconduct of Owner, or any other person or from a breach by Owner or management or any other person, of this Agreement or the breach of any other duty owed by Owner, management or any other person to Resident or to any other person as to future actions or conditions which do not exist and which are therefore not released herein. However, Owner and management shall not be liable for any loss, damage or injury of any kind whatsoever to the person or property of any Homeowner(s) or to any of the residents, family members, employees, guests, invitees, permittees or licensees of Homeowner(s) or to any other person whomsoever caused by any use of the park or homesite, which is the result of any defect in improvements erected thereon, or arising from any accident in the park or homesite arising from any fire or other casualty thereon or arising from any cause whatsoever to the fullest extent of the law, unless such occurrence may not be consensually released as a matter of law.

HOMEOWNER(S)' INITIALS

Homeowner(s) agree(s) to indemnify, hold harmless and defend Owner and management for all liability, damage, damages, injury, loss, debts, suits, actions, claims, demands, causes of action, judgments, and expenses, including the provision of a defense, attorney's fees and costs, resulting from or alleged to have resulted from Homeowner's(s') (including family members, other occupant's or guest's, or any invitee's) negligent, willful, or intentional conduct, or arising from the condition or the

maintenance, or lack thereof, or any other act or omission, with respect to the mobilehome, the homesite, vehicle(s), equipment, accessory structures, property, improvements, common areas or all of them.

HOMEOWNER(S)' INITIALS

G. HOMEOWNER WARRANTIES:

Homeowner(s) warrant(s) that all information provided to us is true and correct, constituting material inducements for this agreement. Homeowner(s) shall promptly notify owner in writing of any change in this information. Provision of false information is fraud, and justifies rescission, damages, and other remedies.

H. NOTE TO NEW HOMEOWNERS AND ESCROW; THIS AGREEMENT IS NOT EFFECTIVE UNLESS THE PURCHASE OF THE MOBILEHOME IS COMPLETED; OTHERWISE THIS AGREEMENT IS EXPRESSLY NULL AND VOID FOR ANY PURPOSE.

IN WITNESS WHEREOF, Owner and Tenant have executed this Agreement as of the day and year written below, further acknowledging and agreeing that all blank spaces have been completely filled in prior to such execution.

Dated: _____

By: _____
Authorized Agent for Park

NOTE: The failure to provide full and complete information on any residency document and upon the application for tenancy is grounds for revocation and rescission of the tenancy agreement. Management reserves all rights of action against any persons who make or participate in the making of any misrepresentations or concealment of facts regarding this agreement or the application for tenancy. Tenant represents and warrants that the information Tenant has provided to Owner is true and correct. Tenant also agrees to promptly notify Owner, in writing, of any change in this information.

TENANTS

By: _____
Name Date

By: _____
Name Date

By: _____
Date

Person(s) in addition to the above who will reside in the above Homesite

