

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

SUMMERLAND BY THE SEA
A California Mutual Benefit Non Profit Corporation
Summerland CA 93067

MEMBER LEASE AGREEMENT

THIS AGREEMENT, made and entered into this _____ of _____, 20____ by and between SUMMERLAND BY THE SEA, A California Non-Profit Mutual Benefit Corporation, (hereinafter the "**Owner**"), and those person(s) listed on the last page of this Lease Agreement (hereinafter the "**Agreement**" or "**Member Lease**") as the Member (hereinafter the "**Member**"). Owner and Member acknowledge and agree that Member is a "Resident in a resident-owned mobilehome park" as defined in California Civil Code Section 799, et seq., and that Member's rights and obligations created by this Agreement shall be governed by Civil Code Section 799, and this agreement.

1. HOMESITE.

Owner leases to Member and Member leases from Owner the property commonly known as 2155 Ortega Hill Road, Space _____, Summerland, CA 93067, at which address Member has placed a Mobilehome, which Member presently owns (hereinafter the "**Homesite**"), in Summerland By The Sea Mobile Home Park (hereinafter the "**Park**") located at 2155 Ortega Hill Road, Summerland, California 93067.

2. DEFINITIONS.

2.1 "Base Rent" shall include the monthly fee paid by Member to Owner for use and possession of the Homesite, as well as Member's contribution for the costs of operating and maintaining the Mobilehome Park. Base Rent shall include funds for rent, operating costs, (including but not limited to, management costs, insurance, common area utilities, debt service), repairs and upkeep and contribution for reserves for replacement and repair of common area improvements.

2.2 "Guests" include all of Member's agents, employees, guests, invitees, permittees or licensees or other persons in the Park or on the Homesite at the invitation, request or tolerance of Member. A Guest is an individual who has stayed in the Member's mobilehome more than a total of twenty (20) consecutive days or a total of thirty (30) days in any calendar year. In making the determination that a person is a "Guest," Owner shall be reasonable and apply the criteria and standards prescribed by the Mobilehome Residency Law and normally accepted by reasonable people in distinguishing between a short-term guest and a person who is regularly residing in the household as a more or less semi-permanent member of the household, or distinguishing between a person who

is a guest who will be there on a long-term basis. Once an individual has exceeded the time period set forth above, the former guest must qualify as a resident of the Park, become a Member and execute this Member Lease.

2.3 "Park" means SUMMERLAND BY THE SEA MOBILE HOME PARK.

2.4 "Park Facilities" mean those areas and facilities of the Park generally open to Members and their guests

2.5 "Homesite" means the real property leased to Member by Owner.

2.6 "Owner" means SUMMERLAND BY THE SEA, a California Nonprofit Mutual Benefit Corporation, its successor or assigns, and the Owner's directors, representatives, officers, employees, agents and Park Manager.

2.7 "Member" is a person who has subscribed for and purchased a Membership in SUMMERLAND BY THE SEA and who is in good standing as defined in the Bylaws of SUMMERLAND BY THE SEA.

2.8 "Mobilehome Residency Law" means those provisions of the California Civil Code Sections 799 through 799.10 that are known as the "Mobilehome Residency Law."

2.9 "Owner's Approval" or "Approval of Owner," "Owner's Consent" or "Consent of Owner" or other similar terms as used in this Agreement or in other documents referred to in this Agreement, mean that the Owner's prior written approval must have been obtained by Member. If Owner's prior written approval is required, Member shall submit a written request to Owner that describes the action Member proposes to take and requests Owner to give prior written approval, before Member commences any such action requiring Owner's approval.

2.10 "Subscription of Membership" means an individual who has; (1) received and reviewed an Information Statement provided by Owner; (2) executed a subscription agreement to purchase a membership in Owner; and (3) paid for such membership and assessment, either in cash or in cash and Member's secured promissory note to Owner.

2.11 The definitions set forth in subparagraphs 2.1 through 2.10 shall apply under this Member Lease, unless the term that is used indicates that a different meaning is intended.

3. TERM.

3.1 The tenancy created under this Agreement shall be for a period of:
(Choose one and Initial Next to Choice)

(A). Approximately _____ (____) _____
years and shall commence on _____, (Initial Here) _____
20____, and end in 20____, unless modified or terminated by Owner in accordance with
the terms of this Agreement and/or the Mobilehome Residency Law.

(B). Twelve months, which shall commence
on _____, 20____, and end on _____, 20____. (Initial Here) _____

(C). _____ months, commencing
on _____, 20____ and ending on _____ 20____. (Initial Here) _____

3.2 Member acknowledges that Owner has offered Member the option of: (1) a long term agreement; or (2) a rental agreement having a term of twelve (12) months; or (3) a rental agreement having a term which is longer than a month-to-month tenancy but less than twelve (12) months in length. Member acknowledges his/her understanding that he/she may elect to accept any one of these three (3) options and that this election is solely at Member's option. Member further acknowledges that even though he/she has these three (3) options, he/she has voluntarily elected the term of tenancy set forth in Section 3.1 above.

(Member's Initials) _____

(Member's Initials) _____

3.3 Holding Over Member acknowledges and agrees that any holding over after the expiration of the lease with the consent of Owner, shall be construed as a month-to-month tenancy in accordance the terms of this Member Agreement, as applicable.

4. RENT.

4.1 Member shall pay as rent to Owner, without deduction or offset (without waiving Civil Code Section 1942), on the first day of each month, the base rent as specified in paragraph 4.2.

4.2 The base rent shall be _____ Dollars (\$_____) per month and this base rent shall remain in effect for the entire term of this Agreement, subject to any adjustments or special assessments made pursuant to paragraph 4.4(b) below, and any

late charges as set forth in paragraph 4.4; however, base rent and any adjustment thereto shall not include profit to the Owner.

4.3 Late Charges: All rents payable hereunder shall be paid by personal check, cashier's check or money order. If the entire rent owed by Member is not paid by the tenth (10th) business day of the month, Member shall pay a late charge of ten (10) percent of the amount due. Member shall also pay a handling charge equal to Bank's charge plus \$20.00 for each check of Member that is returned or dishonored for any reason, by Owner's bank. The acceptance by Owner of any late payment shall not constitute a waiver of any breach of any term or provision of this agreement or any rule, regulation, term or provision, nor shall it reinstate, continue, or extend the term of this agreement or affect any notice, demand or suit hereunder.

4.4 Adjustments to Base Rent.

(a) The above referenced base rent may be adjusted annually according to the procedure outlined in SUMMERLAND BY THE SEA Bylaws, as amended and *Civil Code Section 1366*, as amended.

(b) The Member acknowledges and agrees that the base rent may be increased or decreased to cover all costs of operation of the Mobilehome Park, including any sums necessary to pay the underlying obligation(s) which presently or may in the future encumber the Mobilehome Park. In lieu of increasing base rent, Owner may impose a special assessment pursuant to the terms of the corporation's Bylaws and State law. The Owner shall have sole discretion to choose between a rent increase or special assessment. The right to increase base rent due to payment of any underlying debt shall be extinguished upon the dissolution of SUMMERLAND BY THE SEA, if that corporation no longer owns the SUMMERLAND BY THE SEA MOILE HOME PARK. (See Section 7, below).

(c) The Member acknowledges that he/she may lose his/her tenancy and their membership if the Member fails to meet the Member's obligations under the Bylaws of the corporation and this Member Lease.

5. FEES AND OTHER CHARGES.

5.1 Member shall pay as additional rent to Owner, without deduction or offset, on the first day of each month:

(a) If Member has a rental agreement for the Park's Storage area, a storage fee of _____ dollars (\$_____) per month. This fee is subject to change upon sixty (60) days written notice to the member.

(b) Owner reserves the right to charge additional fees for services actually rendered to the Member upon notice required by law.

(c) These fees may be increased upon sixty (60) days notice to Member.

6. TAXES

A. Member shall pay directly to the assessing body or party, when due, all municipal, county, state and federal property taxes on Member's Mobilehome and other property owned by Member, and other taxes (except for Owner's "property taxes" and Owner's income taxes and franchise taxes) levied upon the Premises, Member, or Owner in connection with the use and occupancy of the Premises by Member. This includes property taxes on accessory equipment and structures (including, but not limited to, awnings, skirtings, storage sheds, steps and porches) and other improvements made or installed by Member, former Members, or by persons other than Owner.

B. Member shall also pay to Owner, Member's share of the real property taxes for the Homesite and pro-rata share of the real property taxes for the common areas of the Mobilehome park as determined by the Santa Barbara County Assessor. Currently, this is being paid as part of the base rent. Owner reserves the right to provide for payment of the share directly to the County tax Collector by the Member or collect the appropriate amount from member each month.

C. It should be noted that the change of ownership of a Membership will cause the amount of property taxes to increase as to the new owner of the Membership based upon a change of ownership.

7. MEMBER LEASE SUBORDINATE TO PRESENT AND FUTURE PARK FINANCING.

Member acknowledges and agrees that this Lease shall be subordinate and subject to any and all financing secured by a deed of trust or mortgage that constitutes a lien or encumbrance upon the Park Property. This subordination includes both current financing and any financing that may encumber the Park Property in the future. In the event of a foreclosure upon the Park Property by a senior encumbrance, mortgage or deed of trust, this Lease shall be terminated and Member shall be subject to the payment of rent for the use of his/her Homesite at "fair market" levels, e.g. rent being paid by residents of other comparable rental parks in a similar location as the Park.

8. UTILITIES.

8.1 Owner shall provide and separately bill to Member the following utilities:

(a) **Water, and Trash:** \$ _____ a month. Owner reserves the right to sub meter these utilities at some date in the future, and to raise this fee upon appropriate notice required by law.

(b) **Electric:** The rate Owner shall charge Member for electricity usage shall be at rates established by _____.

(c) **Gas:** The rate Owner shall charge Member for gas usage shall be at rates established by the _____.

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 Member by Owner.

8.2 Member shall contract with and pay directly for all other utilities as required by Member, including, but not limited to, cable television (with an authorized cable television provider), and telephone. Owner shall not be liable for any loss or injury, and Member shall not be entitled to any abatement or reduction of rent by reason of Owner's failure to furnish any of the foregoing utilities when failure is caused by accident, breakage, repairs, strikes, or other labor disputes or by any other cause, similar or dissimilar, beyond the reasonable control of Owner. (Please Note: The provisions of the paragraph entitled "INDEMNIFICATION", paragraph 25 below, of this Agreement apply to this paragraph). Member shall not connect, except through existing electrical or natural gas outlets or water pipe on the Homesite, any apparatus or device for the purposes of using electric current, natural gas or water.

9. RESPONSIBILITY OF THE PARK.

It is the responsibility of the Park to provide and maintain the physical improvements in the common facilities of the Park in good working order and condition. Owner shall provide all of the physical improvements and services which are now in existence in the Park and provided to Members or which may be added at a later date. These physical improvements include the non-exclusive use of all of the common areas and common facilities of the Park which include, without limitation, all streets, non-restricted parking areas, and all other facilities, equipment and conveniences located in the common areas and common facilities for the use of Members. These services include the services provided by the Owner and other persons employed by the Park and the utilities specified in this Agreement. In the event of an unforeseen breakdown or sudden deterioration of the improvements, Owner shall have a reasonable time to repair same.

10. MODIFICATION OF RESIDENCY DOCUMENTS.

Except for the term of this Agreement and the amount of rent to be charged, each provision of this Agreement shall be deemed to be a Rule and Regulation as well, and may only be amended, modified, or otherwise changed and enforced as a Rule and Regulation under the Mobilehome Residency Law.

11. GUESTS.

11.1 For Guests who stay a total of twenty (20) consecutive days or a total of thirty (30) days in a calendar year, such Guest must register with the Owner. Furthermore, each Guest must complete an application for tenancy, be approved by Owner and execute all other residency documents before any additional person, (other than the ones listed on the last page of this Agreement), shall be permitted to become a Member of the Park. At that time, the new Member shall be subject to all rent and charges of the Park. Please note that, except as otherwise provided by law, Guests who do not meet the age requirements of the Park will not be approved for tenancy in the Park.

11.2 A Member who is living alone and who wishes to share his or her Mobilehome with one (1) person may do so, and a fee shall not be imposed by Owner for such additional person. However, such person shall comply with and be bound by the Rules and Regulations of the Park. Such person shall register with the Owner and execute all of the Park's residency documents, including, but not limited to this Agreement.

12. 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 Member acknowledges receipt of a copy of the following documents listed below:

(a) The California Civil Code provision known as the "Mobilehome Residency Law," effective January 1, 20____.

(b) The Park's Rules and Regulations dated January 2002 as amended.

13. USE OF MOBILEHOME AND PARK.

13.1 The Mobilehome and Homesite shall be used only for private residential purposes and no business or commercial activity of any nature shall be conducted thereon which negatively impacts upon the quality of life of other Members, in the sole discretion of Owner's Board of Directors. This prohibition applies to any applicable commercial or business activity, including, but not limited to, the following:

(a) Any activity requiring the issuance of a business license or permit by any governmental agency.

(b) The leasing, subleasing, commercial sale or exchange of mobilehomes. This subsection shall not affect the Members' right to offer his/her mobilehome "For Sale By Owner".

13.2 Member shall not abandon the Homesite at any time during the term of this Agreement.

13.3 At all times at least one of the persons listed on the last page of this Agreement as a Member must be the "legal" or "registered" owner of the Mobilehome which occupies the Homesite and all persons listed herein must be members of SUMMERLAND BY THE SEA.

14. ADVERTISEMENT.

Except as set forth in Civil Code Section 799.1.5, all exterior signs and advertising flags, including but not limited to, for sale signs, for lease signs and garage sale signs are prohibited. However, Member may place a sign in the window of the mobilehome stating that the Mobilehome is for sale or exchange. Such sign shall be no larger than twenty four (24) inches in width by thirty six (36) inches in height and such sign shall

state only the name, address and telephone number of the owner of the mobilehome or his or her agent.

15. COMPLIANCE WITH LAW AND RULES AND REGULATIONS.

Member agrees to abide and conform with all applicable laws and ordinances, all terms and conditions of this Agreement, the Bylaws of SUMMERLAND BY THE SEA, the Rules and Regulations, all rules, regulations, terms and provisions contained in any document referred to in this Agreement, and said rules, regulations, terms and provisions as may, from time to time, be amended, 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. Member 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, the Owner shall be entitled to injunctive relief including, but not limited to, restraining Member 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. In addition to any enforcement rights authorized by law, Owner may take the following actions against any Member or Guest whose act or failure to act violates or threatens to violate any provision of this Lease, the Bylaws of SUMMERLAND BY THE SEA or the Rules and Regulations:

- (a) Impose monetary penalties, including late charges and interest; or
- (b) Suspend voting rights in the corporation; or
- (c) Suspend recreational use privileges

The determination of whether to impose any of the foregoing sanctions shall be within the sole discretion of Owner. In the event any legal action is brought by Owner to obtain compliance with the Rules and Regulations, the Bylaws of SUMMERLAND BY THE SEA or the terms of this Lease, the prevailing party in such action shall be entitled to recover costs and reasonable attorney's fees. Owner may take more than one of the foregoing enforcement actions against any one violation or threatened violation. The Owner, in its sole discretion, may resolve or settle any dispute, including any legal action, upon such terms and conditions as it may consider appropriate. The enforcement actions set forth above shall not be imposed until due process requirements set forth in the corporation's bylaws have been complied with by Owner.

16. ENTRY UPON MEMBER'S HOMESITE.

16.1 The Owner shall have a right of entry upon the Homesite for maintenance of utilities, for maintenance of the Homesite where the Member fails to maintain the Homesite in accordance with the Rules and Regulations, and for the protection of the Park at any reasonable time, but Owner may not do so in a manner or at a time which would interfere with the occupant's quiet enjoyment, except in the case of emergency. The Owner may enter the Homesite and the Member's Mobilehome without the prior

written consent of the Member in the case of an emergency or when the Member has abandoned the Mobilehome.

16.2 In the event a Member fails to maintain his or her Homesite as provided in the Rules and Regulations, the Owner may, upon giving written notice to the Member, perform the required maintenance and charge Member, a reasonable fee for said maintenance. The written notice shall state the specific condition to be corrected, that Owner will perform the maintenance if Member doesn't perform such within fourteen (14) days of the notice and an estimate of the charges to be imposed.

17. WAIVER OF DEFAULT.

No delay or omission in the exercise of any right or remedy of Owner on any default by Member shall impair any such right or remedy or be construed as a waiver. No waiver by Owner of Owner's right to enforce any provision hereof after any default on the part of Member shall be effective unless made in writing and signed by Owner nor shall it be deemed a waiver of Owner's right to enforce each and all of the provisions hereof upon any further or other default on the part of Member. The acceptance of rent hereunder shall not be, or become construed to be, 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 shall it reinstate, continue or extend the term of this Agreement or affect any notice, demand or suit hereunder.

18. TERMINATION OF TENANCY BY OWNER.

18.1 This Agreement, at the sole option of the Owner, may be declared forfeited and/or the tenancy may be terminated and/or Member's right to renew his or her tenancy may be denied in accordance with the following provisions and other applicable law. Any such rights granted to Owner due to any amendments, deletions or modifications of the law may be enforced by Owner. The issuance of a termination of tenancy notice shall be considered an election to forfeit the tenancy within the meaning of this Agreement.

A Member's tenancy shall be terminated by Owner for one or more of the following reasons:

(a) Failure of the Member to comply with a local ordinance or state law or regulation relating to mobilehomes within a reasonable time after the homeowner receives a notice of noncompliance from the appropriate governmental agency.

(b) Conduct by the Member, upon the park premises, which constitutes a substantial annoyance to other homeowners or Members.

(c) Conviction of the Member for prostitution or a felony controlled substance offense if the act resulting in the conviction was committed anywhere on the premises of the Mobilehome park, including, but not limited to, within the homeowner's Mobilehome. However, the tenancy may not be terminated for the reason specified in

this subdivision if the person convicted of the offense has permanently vacated, and does not subsequently reoccupy, the Mobilehome.

(d) Failure of the Member to comply with a reasonable rule or regulation of the park that is part of the Member Lease Agreement or any amendment thereto. No act or omission of the Member shall constitute a failure to comply with a reasonable rule or regulation unless and until Owner has given the Member written notice of the alleged rule or regulation violation and the Member has failed to adhere to the rule or regulation within seven days. However, if a Member has been given a written notice of an alleged violation of the same rule or regulation on three or more occasions within a twelve (12)-month period after the Member has violated that rule or regulation, no written notice shall be required for a subsequent violation of the same rule or regulation.

(e) Nonpayment of rent, utility charges, special assessments or reasonable incidental service charges; provided, that the amount due has been unpaid for a period of at least five (5) days from its due date, and provided, that the Member shall be given a three-day written notice subsequent to that five (5)-day period to pay the amount due or to vacate the tenancy. For purposes of this subdivision, the five (5)-day period does not include the date the payment is due. The three (3)-day written notice shall be given to the Member in the manner prescribed by Section 1162 of the Code of Civil Procedure. A copy this notice shall be sent to the persons or entities specified in subdivision (b) of Civil Code Section 798.55 within ten (10) days after notice is delivered to the homeowner. If the Member cures the default, the notice need not be sent. The notice may be given at the same time as the sixty (60) days' notice required for termination of the tenancy.

(1) Payment by the Member prior to the expiration of the three (3)-day notice period shall cure a default under this subdivision. In the event the Member does not pay prior to the expiration of the three-day notice period, the Member shall remain liable for all payments due up until the time the tenancy is vacated.

(2) Payment by the legal owner, as defined in Section 18005.8 of the Health and Safety Code, any junior lienholder, as defined in Section 18005.3 of the Health and Safety Code, or the registered owner, as defined in Section 18009.5 of the Health and Safety Code, if other than the Member, on behalf of the Member prior to the expiration of 30 calendar days following the mailing of the notice to the legal owner, each junior lienholder, and the registered owner provided in subdivision (b) of Civil Code Section 798.55, shall cure a default under this subdivision with respect to that payment.

(3) Cure of a default of rent, utility charges, or reasonable incidental service charges by the legal owner, any junior lienholder, or the registered owner, if other than the Member, as provided by this subdivision, may not be exercised more than twice during a twelve (12)-month period.

(4) If a Member has been given a three (3)-day notice to pay the amount due or to vacate the tenancy on three or more occasions within the preceding twelve (12)-month period, no written three (3)-day notice shall be required in the case of a subsequent nonpayment of rent, utility charges, or reasonable incidental service charges. In that

event Owner shall give written notice to the Member in the manner prescribed by Section 1162 of the Code of Civil Procedure to remove the Mobilehome from the park within a period of not less than sixty (60) days, which period shall be specified in the notice. A copy of this notice shall be sent to the legal owner, each junior lienholder, and the registered owner of the Mobilehome, if other than the Member, as specified in paragraph (b) of Civil Code Section 798.55, by certified or registered mail return receipt requested within 10 days after notice is sent to the Member.

(f) Condemnation of the Park.

(g) Change of use of the Park or any portion thereof, provided:

(1) Owner gives the Members at least fifteen (15) days written notice that Owner will be appearing before a local governmental board, commission, or body to request permits for a change of use of the Mobilehome Park.

(2) After all required permits requesting a change of use have been approved by the local governmental board, commission, or body, Owner shall give the Members six (6) months' or more written notice of termination of tenancy. If the change of use requires no local governmental permits, then notice shall be given twelve (12) months or more prior to Owner's determination that a change of use will occur. Owner in the notice shall disclose and describe in detail the nature of the change of use.

(3) Owner gives each proposed Member written notice thereof prior to the inception of his or her tenancy that Owner is requesting a change of use before local governmental bodies or that a change of use request has been granted.

(4) The notice requirements for termination of tenancy set forth in Sections 798.56 and 798.57 shall be followed if the proposed change actually occurs.

(5) A notice of a proposed change of use given prior to January 1, 1980, which conforms to the requirements in effect at that time shall be valid. The requirements for a notice of a proposed change of use imposed by this subdivision shall be governed by the law in effect at the time the notice was given.

(h) The report required pursuant to subdivisions (b) and (i) of Section 65863.7 of the Government Code shall be given to the Members at the same time that notice is required pursuant to subdivision (g) of this section.

18.2 If Member remains in possession after his/her tenancy has been terminated, Member shall pay to Owner a monthly amount equal to the rental charges and payments under this member lease agreement, Member was paying to Owner at the time Member's tenancy was terminated. Acceptance of any money by the Owner pursuant to this provision shall not be construed as a reinstatement of Member's tenancy.

18.3 This agreement shall be terminated if, in accordance with the Bylaws of the SUMMERLAND BY THE SEA, the members vote to convert this Mobilehome park to

a condominium or subdivision, and the park is converted to a condominium or other subdivision.

18.4 Member acknowledges and agrees that this Member Lease is appurtenant to and part of his or her membership in SUMMERLAND BY THE SEA. Should the Member abandon his or her membership, or have his or her membership terminated pursuant to Bylaws of the corporation, this Member Lease shall immediately terminate and the Member shall be offered: (a) a month to month rental agreement; (b) a rental agreement for a term of twelve (12) months or less; or (c) a long term rental agreement. The rent in such event shall be set upon the terms and conditions set forth in Section 4.6 (b) of this Agreement.

Member's Initials _____

Members Initials _____

19. TRANSFER OF OWNER'S INTEREST.

In the event Owner voluntarily transfers its interest in the Park, Owner shall be automatically relieved of any obligations hereunder which occur after the date of such transfer, provided such obligations are assumed in writing by the transferee. Should Owner involuntarily lose its interest in the Park Property, this Lease shall terminate by operation of law. (See Section 7 for more details)

20. REQUIRED REMOVAL OF OLDER MOBILE HOMES.

In event of the sale or transfer of the homeowner's mobile home to a third party, the corporation, in order to then upgrade the quality of the park, reserves the right to have the homeowner's mobile home removed at once from the park if the mobile home falls within one of the following sets of criteria:

(a) It is less than ten feet wide.

(b) It is at least twenty feet wide, does not comply with the construction and safety standards of Sections 18550, 18552, and 18605 of the California Health and Safety Code and the regulations established thereunder, and is more than 20 years old, or more than 25 years old if manufactured after September 15, 1971.

(c) It is less than twenty feet wide, does not comply with the construction and safety standards of Sections 18550, 18552, and 18605 of the California Health and Safety Code and the regulations established thereunder, and is more than 17 years old, or more than 25 years old if manufactured after September 15, 1971.

(d) It is in a significantly rundown condition or in disrepair.
The corporation will base its determination with respect to subparagraph 13(d) on the general condition of the mobile home and its acceptability to the health and safety of the occupants and to the public, exclusive of the age of the mobile home, will use reasonable

discretion in determining the general condition of the mobile home and its accessory structures, and will demonstrate any ways in which the mobile home is in a significantly rundown condition or in disrepair.

21. APPROVAL OF PURCHASER OF MEMBERSHIP AND MOBILEHOME.

Member may sell his/her Mobilehome at any time pursuant to the rights and obligations of Member and Owner under the Mobilehome Residency Law and other applicable law. Any additional rights granted to Member or to Owner due to amendments, deletions, or modifications of the Mobilehome Residency Law and other applicable law may be enforced by Owner or by Member. Member must, however, notify Owner in writing of Member's intent to sell his/her Mobilehome. If the prospective buyer of the Mobilehome intends for the Mobilehome to remain in the Park, said prospective buyer must do all of the following before occupying the Mobilehome: (1) complete an Application for tenancy; (2) be accepted by the Owner; (3) execute a Member Lease and other agreements for the occupancy of the Homesite, or execute an express assumption of this Member Lease; (4) execute and deliver to the Owner a signed copy of the Park's then effective Park Rules and Regulations and other residency documents; and (6) purchase the Member's membership in SUMMERLAND BY THE SEA.

IF THE PURCHASER FAILS TO EXECUTE THE PARK'S MEMBER LEASE AGREEMENT OR PURCHASE MEMBER'S MEMBERSHIP IN SUMMERLAND BY THE SEA, THE BUYER SHALL HAVE NO RIGHTS OF TENANCY IN THE PARK. The Member Lease, Rules and Regulations and other residency documents signed by the new Member may be different in their terms and provisions than this Agreement, the Rules and Regulations, and other residency documents now in effect, at the sole discretion of Owner.

22. RENTING, SUBLETTING OR ASSIGNMENT.

A. A Member shall not sublease, rent, encumber or assign his or her Mobilehome, the Homesite or any rights or interest that he or she may have under this Agreement, except as set forth herein.

B. The homeowner shall not sublet or assign all or any portion of the space or the home-owner's interests under this agreement without the prior written approval of the corporation. Subletting may only be by written lease approved by the corporation. A form of lease approved by the board is available from the corporation. No mobile home not the primary residence homeowner may be sublet. Approval of subletting will be given only in the following circumstances:

(1) When the homeowner is away and desires to rent the mobile home for use by others during his or her absence; or

(2) When a prospective homeowner wishes to rent for the period required to get his or her own mobile home set up in the park; or

(3) When a prospective homeowner, who meets all requirements for residence wishes to rent for a trial period; in such case the duration of the sublease shall be subject to approval by the corporation; or

(4) In such other circumstances as may be deemed by the corporation to warrant special approval.

No mobile home may be sublet unless it has been occupied by the homeowner in the park for at least one year. A homeowner may sublet only one mobile home at a time. The maximum duration of a sub-tenancy shall be 12 months, unless extended by the corporation because of special circumstances.

C. A Member who sells his or her membership in the Corporation and his/her Mobilehome to a buyer of such membership and Mobilehome who is duly approved for residency in the Park by Owner may, with Owner's prior written consent, assign this Member Lease agreement to such duly approved buyer.

23. OCCUPANCY QUESTIONNAIRE.

23.1 In order to maintain a close and harmonious relationship between Owner and the Members, Members shall complete an Occupancy Questionnaire on each anniversary date of the signing of this Member Lease and such executed Questionnaire shall contain the following upon completion:

- (a) The names and ages of all occupants of the space;
- (b) Proof of age of all occupants of the space (driver's license, birth certificate or other proof sufficient in the discretion of Owner to establish the age of all occupants of the mobilehome);
- (c) Nature of occupancy, i.e., guest, Member, shared tenancy, family member;
- (d) The legal and registered owner of the Mobilehome;
- (e) Name and address of all lienholders of the Mobilehome; and
- (f) A copy of the registration card issued by the Department of Housing and Community Development for the Mobilehome occupying the Homesite.
- (g) A copy of the owners' proof of insurance for home and for Liability for the leased premises

23.2 Member shall immediately notify Owner of any changes in the information supplied by Member in the Occupancy Questionnaire.

24. LIENS AND CLAIMS.

24.1 Prohibition Against - Member shall not suffer or permit to be enforced against Owner's title to the Park, or any part thereof, any lien, claim or demand arising from any work of construction, repair, restoration or maintenance of the Homesite or Mobilehome.

24.2 Removal of Liens by Member - Should any lien, demand or claim be filed, Member shall cause it to be immediately removed. In the event Member, in good faith, desires to contest such lien, demand or claim, he may do so, but in such case Member agrees to and shall indemnify and hold Owner harmless from any and all liability for damages resulting therefrom and agrees to and shall, in the event of a judgment of foreclosure on said lien, cause the same to be satisfied, discharged and removed prior to execution of the judgment.

24.3 Removal of Liens by Owner - Should Member fail to discharge any such lien or furnish bond against the foreclosure thereof, Owner may, but shall not be obligated to, discharge the same or take such other action as it deems necessary to prevent a judgment of foreclosure on said lien from being executed against the property and all costs and expenses, including, but not limited to, reasonable attorney's fees and court costs incurred by Owner in connection therewith, shall be repaid by Member to Owner on written demand.

25. INDEMNIFICATION.

25.1 PLEASE NOTE: Nothing contained in the following paragraph or elsewhere in this Agreement, the Rules and Regulations or other residency documents of the Park, shall have the effect of an agreement by Member to release, indemnify and hold harmless the Owner, the Park or any other person for the negligent or willful acts or omissions of the Owner, the Park or any other person, or from a breach by the Owner of the Park or any other person of this Agreement or the breach of any other duty owed by the Owner, the Park or any other person to Member or to any other person.

25.2 Owner and Park shall not be liable for any loss, damage or injury of any kind whatsoever to the person or property of any Member or to any of the employees, guests, invitees, permittees or licensees of any Member, or to any other person whomsoever, caused by any use of the Park or Homesite, caused by 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, unless resulting from circumstances described in paragraph 25.1 above. As a material part of the consideration of this Agreement, Member hereby waives all claims and demands against Owner and the Park, and hereby agrees to indemnify and hold Owner and the Park free and harmless from liability for all claims and demands for any such loss, damage or injury, together with all costs and expenses arising therefrom or in connection therewith, unless resulting from the circumstances described in paragraph 25.1 above.

26. INSURANCE.

Owner does not carry public liability or property damage insurance to compensate Member, Member's Guest or any other person from any loss, damage, or injury except those resulting from actions where Owner would be legally liable for such loss, damage or injury. Member is responsible for obtaining, at Member's own cost, extended coverage for homeowners, fire and other casualty insurance on the Mobilehome, other

improvements and contents to the full insurable value and such other insurance as is necessary to protect Member, Member's Guest or others from loss or liability.

27. NOTICES.

All notices required or permitted under this Agreement must be in writing and may be served upon Owner or Member by any means then permitted by law. Member understands that any notice of Owner terminating Member's tenancy must be given to Member in writing in the manner described by Section 1162 of the California Code of Civil Procedure. The service of any other notice on Member, including, but not limited to, a notice of rent increase; a notice of amendments to the Park's Rules and Regulations/Standards for Maintenance of Physical Improvements in the Park/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, may be duly and validly served if the notice is mailed to the Member at his address in the Park by First Class United States mail, postage prepaid. Any such notice served upon Member in this manner shall be deemed served five (5) days after its mailing.

28. ENTIRE AGREEMENT.

This Agreement and the documents referred to herein constitute the entire Agreement between Member and Owner pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations and understandings of the parties, whether written or oral.

29. ATTORNEY'S FEES AND COSTS.

If any action arises out of Member's tenancy, this Agreement, or the provisions of the Mobilehome Residency Law, the prevailing party shall be entitled to reasonable attorney's fees and costs. A party shall be deemed the prevailing party if judgment is rendered in his/her favor or where the litigation is dismissed in his/her favor prior to or during trial, unless the parties otherwise agree in the settlement or compromise.

30. HEADINGS.

The title of the paragraphs and subparagraphs contained herein are inserted solely for convenience and under no circumstances are they or any of them to be treated or construed as any part of this Agreement.

31. 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.

32. INVALIDITY OF PROVISIONS.

32.1 Certain terms and provisions of this Agreement and other documents referred to in this Agreement refer to, restate or summarize provisions of the Mobilehome Residency Law and other applicable laws. In every instance it is intended that these references, restatements and summaries will accurately reflect the law and correctly set forth Member's and Owner's rights, liabilities, duties and obligations to one another and to other persons. The same is true of all of the other provisions of this Agreement and the other documents used by the Park. If any of the provisions of this Agreement or the other documents used by the Park fail in any way to meet the above criteria, then it is unintentional and all such provisions shall be deemed to be automatically revised to correctly reflect the Owner's and Member's rights, liabilities, duties and obligations under the provisions of the Mobilehome Residency Law and all other applicable laws. Member agrees to promptly notify Owner in writing of any instance where Member believes that any of the provisions of this Agreement or the other documents used by the Park fail to meet the above criteria.

32.2 If any term or provision of this Agreement or any document referred to in this Agreement or the application thereof to any person or circumstances shall, 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 circumstance other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement or the other document shall be valid and be enforced to the fullest extent permitted by law.

33. CHOICE OF LAW.

This Agreement and all documents referred to in this Agreement shall be construed and enforced in accordance with the laws of the State of California.

34. ZONING AND CONDITIONAL USE PERMIT INFORMATION.

34.1 The nature of the zoning under which the Park operates is as follows: Residential mobile home park (MHP).

34.2 If a change occurs concerning the zoning permit under which the Park operates or an agreement in which Owner is a Member, all Members shall be given written notice within thirty (30) days of such change.

35. ACKNOWLEDGMENT.

35.1 Member (which includes each of the people whose names are listed on the last page of this Agreement), acknowledges that they have read, understood and received copies of this Agreement, together with a copy of the Park's Rules and Regulations and all other residency documents referred to in this Agreement, a copy of the Mobilehome Residency Law, and further, that they have read and understood each of these documents and the other Rules and Regulations posted in and about the Park. Member understands that by executing this Agreement they will be bound by the terms and conditions thereof.

35.2 Representations

(a) Member covenants and agrees that he has examined the premises and park improvements and facilities and the same are delivered to him in good order and condition.

(b) Member warrants that he/she is a member in good standing of SUMMERLAND BY THE SEA.

Executed this ____ day of _____, 20__, at _____, _____ County, California.

"Owner"

**SUMMERLAND BY THE SEA,
A California Non Profit Mutual Benefit Corporation**

Dated: _____ By: _____, President

Dated: _____ By: _____
VP/Park Manager, Secretary

"Member(s)"

Print name

Print name
