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PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is made by and between Paul Joel Goldstone, Trustee of Paul's Trust established pursuant to, and in accordance with, an Order of the San Mateo Superior Court, Case No. 66015, dated April 2, 2001 ("Seller") and Alimur Park Homeowners Association ("Buyer" or "APHA") for the purpose of selling and transferring ownership of the real property and improvements thereon commonly known as the Alimur Park Mobile Home Park, 4300 Soquel Drive, City of Soquel, County of Santa Cruz, State of California (the "Park").

DEFINITIONS

DAYS means calendar days, midnight to midnight, unless otherwise specified. **BUSINESS DAY** excludes Saturdays, Sundays and legal holidays. **DATE OF ACCEPTANCE** means the date Seller accepts the offer or the Buyer or Seller accepts the last counteroffer or the date by which both parties have signed this Agreement. **DELIVERED** means personally delivered, delivered by a nationally recognized overnight courier, or delivered by the United States Postal Service (USPS) by registered or certified first class mail, postage prepaid, return receipt requested. In the event of mailing, the document will be deemed delivered when it is first attempted to be delivered by the overnight courier or USPS. Unless otherwise provided in this Agreement or by law, delivery to the agent will constitute delivery to the principal. **DATE OF CLOSING** and **CLOSE OF ESCROW** means the date title is transferred. **TRANSFER OF POSSESSION** means the date that operation and possession of the Property is delivered to Buyer. **TERMINATE** this Agreement means that both parties are relieved of their obligations and all deposits will be returned to Buyer, except as otherwise provided in this Agreement. **PROPERTY** means the real property and any personal property included in the sale. (Defined terms may be stated with initial capital letters.)

RECITALS

This Agreement is made with reference to the following facts, each of which shall be conclusively deemed to be true for all purposes related to this Agreement.

WHEREAS:

A. Seller, Paul Goldstone, Trustee, Paul's Trust, also known as the Paul Joel Goldstone Trust UTD 06-27-03, is the owner of the Park. The Park has been and is now managed by Goldstone Management Inc., a California corporation ("GMI"). Paul Goldstone is the Chief Executive Officer of GMI.

B. The Park is a mobilehome park. There are approximately 147 spaces for mobilehomes (also called manufactured homes) at the Park. Most of these spaces are rented to residents who own the manufactured home situated on the rented space. (The manufactured


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homes owned by residents of the Park and other personal property of the residents are not part of the PROPERTY being conveyed by this Agreement.) There are 13 spaces which are not currently leased or rented and which are available for rent (the "Available Spaces"). There is also a 3-unit apartment building at the Park. The Park is improved with roads, clubhouse, laundry, pool, pool hall, and an infrastructure for providing natural gas, electricity, water and sewage collection, all of which is part of the PROPERTY to be conveyed pursuant to this Agreement.


C. The APHA is a California nonprofit mutual benefit corporation being formed by residents of the Park for the purpose of purchasing, owning and operating the Park. Only residents of the Park will become Members of the APHA. This Agreement is part of the package that will be shown to all residents who desire to become a Member of the APHA. All persons who become a Member of the APHA, will be deemed to have read and approved this Agreement.

D. The parties had previously entered into a Purchase and Sale Agreement for the sale of the Park. That prior agreement was canceled in accordance with its terms and is of no legal force or effect.

E. Seller and the residents of the Park have had an acrimonious relationship. Seller attempted to subdivide the Park against the resident's wishes and failed in that effort. Many residents of the Park participated in a lawsuit against Seller and GMI for failing to properly maintain the Park. That lawsuit was settled at considerable expense to Seller. Seller fears that he will be sued by the residents even if he sells the Park to the APHA, and Seller is not willing to sell and be sued. Buyer respects that condition of Seller and agrees to survey the residents concerning any and all claims which might be brought against Seller and to indemnify, defend and hold Seller harmless from all such claims.

F. Seller will not make any representation or warranty concerning the condition of the Park or any aspect of the Park, including any of its facilities or infrastructure, and Seller insists that Buyer make its own investigation and inspections and rely entirely on its own investigation and inspections in determining to purchase the Park. Towards this end, Seller is willing to advance and has advanced monies to Buyer to be used by Buyer to conduct its own inspections provided that Buyer will reimburse said monies to Seller at Close of Escrow. Seller understands that Buyer may decide not to purchase the Park based on the information obtained in the inspections, in which event Buyer will not reimburse Seller for the costs of the inspections. Buyer appreciates that Seller will advance monies for Buyer's inspections, and Buyer is willing to conduct its own investigation and inspections and to rely solely on its own investigation and inspections in deciding whether to purchase the Park.

G. Seller also conditions the sale on Seller's ability, after the Transfer of Possession, to develop the spaces available for rent ("Available Spaces") by upgrading those spaces up to 100 amperes, 2 pole electrical service and by installing new manufactured homes or upgrading the existing homes on those spaces, and to profit from that development by realizing the full


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purchase price of the new or upgraded manufactured home and having the new resident become a Member of the APHA on the same terms, conditions and agreements, including the Member Rental Agreement, as the initial Members of the APHA. Seller shall pay to Buyer at Close of Escrow \$12,000 per space for the option to develop each Available space according to the terms of the Option Agreement regarding Available Spaces (Exhibit "E"). Transfer of Possession, Seller shall pay Buyer monthly rent for each Available Space according to the terms of the Space Development and Rental Agreement (Exhibit "F") until the Available Space is transferred to the new Member, but only so long as Buyer makes all payments due Seller. Upon the sale of a home on an Available Space, the new resident shall become a Member of the APHA paying no subscription price and on the same terms, conditions and agreements, including the Member Rental Agreement, as the Members of the APHA. Buyer agrees that it is in Buyer's interest to have Seller develop the Available Spaces on the terms and conditions described above.

H. Buyer and Seller have been negotiating this Agreement for more than one year. While they have been in agreement on the price for a long time, Buyer has been unable to obtain financing.

I. Seller is willing to finance the sale of the Park to Buyer provided that, in the event that Buyer does not perform all obligations to be performed and/or fails to make all payments when due and Seller forecloses and again becomes the owner of the Park, (a) the Members of the APHA will be obligated to pay Seller the amounts provided in the Member Rental Agreement between the Members and the APHA, (b) the Member Rental Agreement will be a rental agreement for a period longer than one (1) year which is not subject to any local rent control ordinance according to the Mobilehome Residency Law and (c) if Seller forecloses and again becomes the owner of the Park, the APHA Members will be obligated to pay base rent in the amount of \$655 per month plus annual increases of 2.5% per year, such annual increases to commence one year after the date of foreclosure, and such other amounts, if any, as provided in the Member Rental Agreement attached as Exhibit "B".

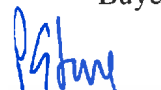
J. Deane F. Sargent is a real estate broker, duly licensed by the State of California. Mr. Sargent has actively participated in negotiating this Agreement, acting solely on behalf and for the benefit of APHA, such that this Agreement is exempt from usury laws.

AGREEMENT


NOW, THEREFORE, IT IS HEREBY AGREED, in mutual consideration of the following terms, covenants and conditions, as follows:

1. WARRANTY OF CORPORATE AUTHORITY

Buyer, Clay Butler, and each of them, warrant that Buyer is a nonprofit mutual benefit


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corporation duly organized and existing under California law and that corporate resolutions have been passed in accordance with its Bylaws such that Clay Butler is authorized to execute this Agreement on its behalf. Buyer shall provide Seller with a copy of such corporate documents, including but not limited to, Articles, Bylaws, Minutes and resolutions in a form satisfactory to Seller as a condition of Close of Escrow.

Buyer, Clay Butler, and each of them, further warrant that Buyer is authorized by the State of California to sell membership interests to the residents of the Park for a subscription price of Twelve Thousand Dollars (\$12,000) in order to perform this Agreement and the Loan Agreement.

2. WARRANTY OF AUTHORITY AS SELLER

Seller, Paul Goldstone, and each of them warrant that Paul Goldstone is the Trustee of Seller, is authorized to execute this Agreement on Seller's behalf, and that no other person must execute this Agreement to transfer ownership of the Property to Buyer at the Close of Escrow.


3. AGREEMENT TO SELL AND TO PURCHASE; PROPERTY DESCRIPTION

Seller agrees to sell and Buyer agrees to purchase the real property, personal property listed in Exhibit A to the PSA and the physical improvements thereon owned by Seller located at and which are a part of the property located in the County of Santa Cruz and commonly known as Alimur Park Mobile Home Park, 4300 Soquel Drive, Soquel, California (the PROPERTY). Seller agrees to sell and Buyer agrees to purchase the PROPERTY AS IS AND WITH ALL FAULTS at the date of the Close of Escrow or Transfer of Possession, whichever comes earlier.

Seller also agrees to assign and transfer to Buyer all right, title, interest, benefits and obligations under existing space and apartment leases and rental agreements, as well as all security deposits, which have been previously entered for the use and occupation of portions of the Park.

The PROPERTY does not include the personal property of GMI which has been used at and/or for the operation of the Park. Specifically, the files, furniture, furnishings, office supplies, office equipment, computers, routers, monitors, computer systems and related equipment, the ShoreTel telephone system and related equipment, videoconferencing equipment, and all vehicles are the personal property of GMI, none of which is being sold with the Park, and all of which may be removed by GMI at any time, before or after Close of Escrow, but if after Close of Escrow, within 14 days after Close of Escrow.

Buyer and Seller agree to develop a list describing the personal property included in the PROPERTY and to be conveyed and left in place, which shall be attached as Exhibit "A" to this Agreement. (The failure to develop such a list shall not be a material breach of this Agreement.)


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4. PURCHASE PRICE

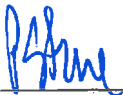
The Purchase Price of the Property is Eleven Million Dollars (\$11,000,000) ("Purchase Price") to be paid by Buyer to Seller at Close of Escrow, of which One Million Dollars (\$1,000,000) shall be paid in cash, without offset, and the balance of Ten Million Dollars (\$10,000,000) shall be loaned by Seller to Buyer in accordance with the terms of the Loan Agreement of even date herewith and shall be evidenced by a Promissory Note made by Buyer in favor of Seller for the principal sum of Ten Million Dollars (\$10,000,000) with interest thereon at the initial rate of five and 3/10th percent (5.3%) per annum, compounded, all due and payable in fifteen (15) years, with monthly payments fully amortized over thirty (30) years, secured by a first Deed of Trust and Assignment of Rents recorded in the Official Records of the County of Santa Cruz and a UCC Financing Statement filed with the California Secretary of State and as otherwise provided in the Loan Agreement.

5. ESCROW

The purchase and sale of the property shall be consummated through an escrow ("Escrow") established by Old Republic Title Co., 555 12th Street, Suite 2040, Oakland, CA 94607 (the Title Company). The escrow officer will be Julie Massey (the Escrow Officer). The Date of Closing shall be a date mutually agreeable to the parties but not more than ninety (60) days from the Date of Acceptance. If, through no fault of Seller, Buyer has not closed escrow within ninety (60) days from the Date of Acceptance, Seller may consider the Buyer in default of this Agreement and Seller alone, at Seller's option, may cancel this Agreement, in which event all charges of the Title Company shall be paid by Buyer.

As conditions of closing:

- a. Buyer shall pay Seller One Million Dollars (\$1,000,000) and reimburse Seller all monies advanced to Buyer for Buyer's inspections.
- b. The executed Loan Agreement and Promissory Note shall be delivered to Buyer.
- c. The Deed of Trust and Assignment of Rents shall be recorded in the Official Records of Santa Cruz County, California, as a first deed of trust, subject only to those Permitted Exceptions defined in the Loan Agreement.
- d. The UCC Financing Statement shall be filed with the California Secretary of State.
- e. Proof of insurance shall have been provided to Seller as provided in the


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Loan Agreement and Exhibit "D" thereto.

- f. Buyer's counsel shall have provided Seller an Opinion Letter, in a form satisfactory to Seller, that Buyer is properly organized and in good standing as of the Date of Closing.
- g. Buyer shall be in compliance with all other terms, covenants and conditions of this Agreement and the Loan Agreement, including, without limitation, Section 8 of this Agreement and Section 2.2 of the Loan Agreement.
- h. Buyer and Seller shall have waived all of the due diligence contingencies and other conditions contained in this Agreement and the Loan Agreement in accordance with their terms.
- i. Escrow shall not close prior to January 1, 2016.

This Agreement and the Loan Agreement (and any Addenda) shall constitute joint escrow instructions. In the event that the Title Company requests any additional instructions, Seller and Buyer shall each execute any additional instructions requested and as are consistent with this Agreement ("Additional Escrow Instructions") and promptly deliver the Additional Escrow Instructions to Title Company according to the Title Company's normal policy and procedures.

6. STATE OF TITLE EVIDENCED BY TITLE INSURANCE


Seller shall convey to Buyer a fee simple interest free and clear of all liens, encumbrances, deeds of trust, and mortgages except real property taxes, utility easements and assessments.

Buyer, at its expense, shall procure a California Land Title Association standard policy of title insurance in the amount of the purchase price, and to be issued by Title Company, showing title vested in Alimur Park Homeowners Association.

Buyer, at its expense, shall also procure a standard Lender's policy in favor of Seller in the amount of Ten Million Dollars (\$10,000,000), or such other amount as may be financed by Seller, to be issued by the Title Company.

Buyer, at Buyer's expense, will order a Preliminary Title Report concerning the Property (real and personal) from Title Company and, promptly thereafter, Buyer will deliver to Seller copies of the Preliminary Title Report and all documents of record to Seller.

Within ten (10) days after receipt of the Preliminary Title Report, Buyer will report to


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Seller in writing any objections to title contained in such report (other than monetary liens to be paid upon Close of Escrow). If Buyer objects to any exceptions to title, Seller will use due diligence to remove such exceptions at his own expense; provided, however, that if in Seller's personal opinion such exception(s) cannot be removed at a reasonable expense within a reasonable time, Seller may elect not to remove such exception(s). In that event, Buyer may, at its option, Terminate this Agreement, unless Buyer agrees and elects to purchase the Property subject to such exception(s).

7. PRORATION OF TAXES, RENTS, UTILITIES AND OTHER CHARGES

All taxes, bonds and assessments which are part of or paid with the real property tax bill and/or the business property tax bill (for business property included in and sold with the Property) will be prorated as of the Transfer of Possession (see Section 16) with Seller being responsible for all amounts for the period prior to the Transfer of Possession and Buyer being responsible for all amounts for the period on and after the Transfer of Possession. In the event there are other bonds or assessments which have an outstanding principal balance and are a lien upon the Property, the current installment will be prorated between Buyer and Seller as of the Transfer of Possession in the same manner. Future installments will be assumed by Buyer without credit toward the purchase price.

Proration of rents, utilities, additional rent and other charges shall be made as of the Transfer of Possession. All prorations shall be made on the basis of a thirty (30) day month excepting utilities which shall be based on the actual number of days in the billing period. Prorations shall be paid in cash to Seller or Buyer, as the case may be, if either party is entitled thereto. All security deposits and prepaid rents held by Seller shall be credited to Buyer.

If on the Transfer of Possession, any tenant of the Park owes Seller any monies for rent, additional rent, utilities or other charge, without regard to whether the same has previously been billed or is delinquent (collectively, Amounts Due Seller), the Amounts Due Seller shall be paid by Buyer to Seller at Transfer of Possession, and Seller shall, and upon payment does hereby, assign to Buyer the right to collect the Amounts Due Seller from the tenant. Any Amounts Due Seller which have not previously been billed or ascertained, such as, without limitation, the utility charges for the current month, remain the property of Seller, and the amount thereof shall be paid by Buyer to Seller promptly after the amount is ascertained and, in any event, within 30 days of billing by Seller; provided, however, that at Seller's election, such amount may be taken as a credit and deducted by Seller from any amounts due Buyer in the future, such as, without limitation, for space rent and utility charges for spaces retained by Seller and described below as the Available Spaces.

Buyer acknowledges that the Park is a master-metered Park. This means that PG&E bills the Park for gas and electric, and Santa Cruz Municipal Utilities bills the Park for water (except that Spaces 101A and 200 receive electric directly from PG&E). The Park passes those charges on to the residents based on each resident's actual usage. In accordance with law, and because


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the Park is responsible for the utility infrastructure in the Park, the amount charged to the residents is more than the amount charged by the utility company to the Park. The Amounts Due Seller described in the paragraph above include the amounts due from residents for utilities at the rates previously charged by Seller to the residents. In addition, from and after Transfer of Possession, Buyer shall be responsible for paying all utility charges to PG&E and Santa Cruz Municipal Utilities, and Buyer shall indemnify, defend and hold Seller harmless from any amounts which may be billed to Seller for utilities for the period after Transfer of Possession. If Seller is billed for any such utility charges for the period after Transfer of Possession, Seller, at Seller's election, may pay such amounts and shall have a credit for and may deduct from the amounts due Buyer from Seller in the future such as for space rent and utility charges for spaces retained by Seller and described below as the Available Spaces.

8. CLOSING COSTS

Buyer shall pay all escrow fees, recording fees, and transfer taxes, including without limitation all city, municipal and county documentary transfer taxes, and the premiums for all title insurance and endorsements required by Buyer and/or by Seller as Buyer's lender. The parties shall pay their own attorney fees. Buyer shall be solely responsible for any and all real estate commissions, including the commission of Deane F. Sargent. If this transaction closes as provided in this Agreement, all escrow charges billed by Title Company shall be borne as provided above; other escrow charges shall be paid according to the practice currently applied in the County of Santa Cruz. If either party Terminates this transaction because of the other's default, the defaulting party shall pay all escrow costs billed by the Title Company.

9. DUE DILIGENCE CONTINGENCIES

The following conditions shall be met to the satisfaction of Buyer and Seller in the times provided herein below. If any of the following conditions are not met to the satisfaction of Buyer and Seller, either party shall have the right to Terminate this Agreement.

9.1 This Agreement is subject to all existing service contracts, permits and licenses which may, by their terms, survive the Close of Escrow. The term "service contracts" does not include the Property Management Agreement between Seller and Goldstone Management Inc. The only service contract is a contract with Tri County Tow. Promptly after the Date of Acceptance, Seller shall make available to Buyer a copy of the contract with Tri County Tow and all permits and licenses affecting the Property. Buyer shall accept or reject all existing service contracts within fifteen (15) days. If no rejection is made by Buyer in writing within fifteen (15) days, Buyer shall be deemed conclusively to have accepted the service contracts, permits and licenses. Seller makes no representation that the Tri County Tow contract is transferable or assignable to Buyer, and Buyer shall conduct its own investigation of that contract.

9.2 This Agreement is subject to all existing leases and rental agreements concerning


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the use and occupancy of spaces and units in the Park. Promptly after the Date of Acceptance, Seller shall provide Buyer with a copy of all current leases and rental agreements in Seller's possession and a signed Rent Roll Statement itemizing, by unit, the tenant's name, rent amount, rent due date, delinquencies, deposits, rental period and expiration, and any rental incentives, bonuses or discounts. If no rejection is made by Buyer within fourteen (14) days after Buyer receives the Rent Roll Statement from Seller, then Buyer shall be deemed conclusively to have accepted the leases, rental agreements, and Rent Roll Statement.

9.3 Seller has previously provided to Deane F. Sargent, Buyer's real estate broker, certain financial information requested by Deane F. Sargent on behalf of Buyer, including a Rent Roll as of November 17, 2014, and certain income and expense records, all of which were agreed to be kept confidential from Buyer and all other persons except a prospective lender. Solely in reliance on Mr. Sargent's representations to Buyer, and not in reliance on any representations of Seller, Buyer hereby approves of the financial information, including the income and expense records, previously provided. Seller shall have no obligation to provide Buyer or Buyer's representatives with any additional financial information.

9.4 Buyer acknowledges that all of Seller's and Goldstone Management Inc.'s financial information concerning the acquisition, maintenance and operation of the Property is the confidential financial information of Seller and Goldstone Management Inc. Nothing contained in this Agreement shall be interpreted to relieve Deane F. Sargent from the obligation to keep confidential from Buyer all of the financial information previously provided. Nothing contained in this Agreement shall be deemed to require Seller or Goldstone Management Inc. to provide Buyer or anyone else with any financial information which has not previously been provided to Deane F. Sargent, except for the leases, service contracts, and Rent Roll Statement as specifically provided herein.

9.5 At Buyer's expense, Buyer and its consultants may inspect the Property. An inspection may proceed 48 hours after notice is given to GMI, said notice to be provided to Goldstone Management Inc. by telephone call or e-mail communication. Seller is not liable for paying any of Buyer's consultants' or inspector's fees. No inspector shall have any personal relationship with any resident of the Park. All inspectors must be properly licensed and qualified.

9.6 Buyer shall have fifteen (15) days from the Date of Acceptance to complete all inspections. If Buyer does not provide written notice within said 15 days that it is not satisfied with the results of the inspections, then Buyer shall be conclusively deemed to have completed and accepted all inspections and the condition of the Property. If Buyer gives Seller notice that it is not satisfied with the condition of the Property, at Seller's request Buyer shall at Buyer's expense give Seller a copy of each written inspection report concerning each unsatisfactory condition, specify the unsatisfactory condition, and afford Seller a reasonable opportunity to correct such unsatisfactory condition. Nothing contained herein shall be deemed to require Seller to make any corrections, repairs or improvements, and nothing contained herein shall be


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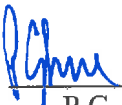
deemed to require Seller to sell the Park to Buyer pursuant to this Agreement if Seller makes any corrections, repairs or improvements.

9.7 To assist Buyer so that Buyer can timely complete all inspections which Buyer deems reasonably necessary, Seller agrees to advance up to \$30,000, some of which has already been advanced, for the cost of Buyer's inspections and to complete any required survey. For each inspection and survey to be paid by Seller, Seller shall have the right to approve the inspector/surveyor and the estimated cost and type of inspection before becoming obligated to pay for such inspection or survey. The invoices for inspections and surveys which have been pre-approved for payment by Seller may submit their invoices directly to Seller for payment. All inspection fees paid by Seller prior to Close of Escrow shall be reimbursed by Buyer to Seller in cash through escrow as a condition of Close of Escrow and transferring title to Buyer. All other inspection fees shall be paid by Buyer through escrow as a condition of Close of Escrow and transferring title to Buyer. Within 14 days after the Date of Acceptance, Seller agrees to provide to Buyer a copy of the most recent property survey of the Park (if any) as completed by a surveyor licensed by the California Board of Professional Engineers, Land Surveyors and Geologists.

9.8 Buyer's Members are residents of the Park. Buyer acknowledges that it is fully aware of the condition of the Property. Buyer agrees to purchase the Property AS IS, WHERE IS AND WITH ALL FAULTS. Seller shall have no obligation to perform any repair or improvement of the Property.

9.9 Seller has no duty to disclose to Buyer any information concerning the condition of the Property. Although this Agreement concerns the place of residence of Buyer's Members, the Members own their manufactured homes, although they do not now own the land on which those homes are situated, which land is Property subject to this Agreement. The Park is a mobile home park with approximately 147 spaces for manufactured homes. There is also a 3-unit apartment building located on the Property. The parties agree that the dominant purpose of this Agreement is the sale of "commercial real property" and that this Agreement concerns "commercial real property" within the meaning of California Civil Code section 1101.3(a). Seller is not obligated to make any disclosure pursuant to Article 1.5 Disclosures Upon Transfer of Residential Property, Civil Code sections 1102 et seq., and Article 1.7 Disclosure of Natural and Environmental Hazards, Right-to-Farm, and Other Disclosures Upon Transfer of Residential Property, Civil Code sections 1103 et seq. Buyer hereby waives any and all rights which it might otherwise have had based on the failure of Seller to make any disclosure pursuant to Article 1.5 and/or Article 1.7 and/or any other law concerning the transfer of residential real property.

9.10 Seller, Goldstone Management Inc., and their agents and employees have not made any representations or warranties concerning any aspect of the condition of the Property. Any prior representations or warranties which may have been made by any of them are hereby disclaimed and are of no further force or effect.


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9.11 Buyer shall conduct its own inspections and shall rely solely on its investigation and inspection. Buyer's members are residents of the Park, many of whom have lived there for many years, and are familiar with the conditions at the Park, including the conditions of the soil, drainage, roadways, gas & electric service, pool, clubhouse, etc.

9.12 For example, Buyer and its members are familiar with the fact that they receive their utility bills from Goldstone Management Inc., on behalf of Seller, because the Park is a master-metered Park, which means that the Pacific Gas & Electric Company delivers the gas and electricity to the Park, and the Park, through its own infrastructure, delivers the gas and electricity throughout the Park to the residents. The Park also distributes water and drains sewage on its own infrastructure. Buyer is responsible for conducting whatever investigation and inspection of the gas and electric, water distribution and sewage systems and infrastructure in the Park that Buyer deems appropriate. Buyer may hire at its expense electrical engineers, electricians, contractors and plumbers and whoever Buyer chooses to conduct those inspections and investigations.


9.13 Similarly, Buyer and its members are familiar with the drainage and conditions of the land and roadways throughout the Park, and Buyer, at its expense, and as it deems appropriate, may retain geologists, soil engineers, paving contractors and other persons to investigate and inspect the conditions of the earth, drainage, water and roadways at the Park.

9.14 Buyer may also wish to retain experts, consultants, architects, engineers, plumbers, electricians and contractors to inspect the office, clubhouse, pool, apartment building and other facilities. Buyer may also wish to retain experts and consultants to inspect and evaluate environmental hazards, such as earthquake, wind, landslide, and flood, as well as lead, mold, fungus and asbestos.

9.15 Nothing contained herein is intended to require Buyer to perform any particular type of inspection. Nor is anything contained herein deemed to be a complete and exhaustive list of the kinds of inspection that Buyer may wish to conduct and types of consultants that Buyer may wish to retain. Nor is anything contained herein intended to limit in any way the inspections that Buyer may conduct.

9.16 Buyer shall provide Seller with copies of Buyer's Articles of Incorporation, Bylaws and organizational Minutes (collectively, "Buyer's Corporate Documents"). Seller shall have thirty (30) days from receipt to approve Buyer's Corporate Documents to Seller's personal satisfaction.

9.17 Buyer shall provide Seller with a Rent Roll concerning all Member Rental Agreements with its Members and all other leases and rental agreements which are or shall be effective as of the Close of Escrow. The Rent Roll shall identify the resident/tenant, unit/space, and rent. For Buyer's Members, the Rent Roll shall also state the record owner of the mobilehome on the space and whether the membership subscription has been paid. The Rent


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Roll shall be supported by copies of all Member Rental Agreements which have been entered into by Buyer's Members. All such Member Rental Agreements shall be in the form attached hereto as Exhibit B. The Rent Roll shall be in an Excel spreadsheet in the form attached to the Loan Agreement as Exhibit C. Seller shall have until Close of Escrow to approve or disapprove of the Rent Roll to Seller's personal satisfaction.

9.18 Buyer's counsel shall provide Seller with an Opinion Letter in a form acceptable to Seller that Buyer is duly organized, existing and in good standing under the laws of the State of California and that the officer signing this Agreement, the Loan Agreement and the Loan Documents is duly authorized to act, as further provided in the Loan Agreement.

10. INDEMNIFICATION

Buyer shall indemnify, defend and hold Seller harmless from any and all claims that are or might be brought by any resident of the Park and/or any Member of the APHA at any time after the Date of Acceptance. Buyer shall inquire of all residents about any and all claims and potential claims and shall provide Seller with all information obtained about any and all claims and potential claims. Seller reserves the right to Terminate this Agreement at Seller's personal discretion based on the information provided by Buyer about claims and potential claims. Seller also reserves the right to Terminate this Agreement at its personal discretion if any claim is brought by any resident or Member after the Date of Acceptance. In furtherance of this provision, the Buyer shall sign and perform an Indemnity Agreement in the form attached hereto as Exhibit C. The Indemnity Agreement shall continue in effect after Close of Escrow.

11. AVAILABLE SPACES

11.1 There are currently approximately 13 home site spaces on the Property which are not rented or occupied and are available for rent, and there are other spaces which may not be rented or occupied at the time of Close of Escrow (collectively, the Available Spaces). The Available Spaces are Space Nos. 12, 23, 23a, 27, 31, 37, 80, 88, 91, 94, 103, 104, and 227 and may also include, any other Space which, in the ordinary course of business, is not occupied, rented or leased by a resident on the Date of Close of Escrow. Seller and Buyer agree that it is in both parties' best interest that new manufactured homes (of appropriate style, quality, amenities and site placement) are placed in the Park and that existing home be upgraded. Seller and Buyer agree to cooperate prior to and subsequent to the Close of Escrow to achieve this goal. All of the provisions of this Section 11. Available Spaces shall continue in effect after Close of Escrow.

11.2 Seller shall continue to use and occupy the Available Spaces and shall have the right to develop the Available Spaces, upgrade the electrical, install new manufactured homes and upgrade existing homes on the Available Spaces. Seller shall develop the Available Spaces at its expense, and Seller shall reap all profits and losses, as the case may be, from the sale of manufactured homes on the Available Spaces.


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11.3 Seller shall have the right, but not the obligation, to place new (i.e., previously unused) manufactured homes and upgrade existing homes on the Available Spaces before or after Close of Escrow. Seller, at his personal discretion, may remove any existing home on any of the Available Spaces or not remove the home. Seller may, but shall not be required to, repair, improve and/or upgrade the existing home in place before or after Close of Escrow. Except as otherwise provided herein, Seller shall comply with all of Seller's currently existing Rules and Regulations for the placement of new homes and the repair and improvement of existing homes at the Park. A true copy of the existing Rules and Regulations is attached hereto as Exhibit D (and is also attached to the Member Rental Agreement, Exhibit B). Seller shall not be obligated to comply with any new rules and regulations which may be made by Buyer after Close of Escrow except where the new rules or regulations or changes to existing rules or regulations are mandated by law to be applicable to Seller. Seller shall have the right to sell the homes on the Available Spaces. All proceeds from the sale of the homes on the Available Spaces shall accrue to and be paid only to Seller. Seller may finance the sale of homes on the Available Spaces and obtain security therefor.

11.4 Seller may, but shall not be required to, upgrade the electrical service on each of the Available Spaces up to 100 Amperes electric service (100 Amp Service) at Seller's expense. The Park is a "master metered" Park, which means that the electric company delivers electricity to the Park and that the Park, on its own equipment, distributes that electricity to the residents. At no charge, Buyer shall provide Seller and its contractors and employees with access to all of the electrical equipment of the Park as reasonably necessary for Seller to upgrade the electrical service to the Available Spaces. Nothing contained herein shall be deemed to require Seller at Seller's expense to upgrade any of the Park's electrical equipment. Seller is informed and believes that, as presently configured, the electrical infrastructure at the Park is adequate to permit the upgrading of the electrical service to 100 Amp, 2 pole Service on all of the Available Spaces. Buyer and Buyer's Members and residents shall do nothing to alter the electrical service at the Park in any way, including but not limited to upgrading the amperage of other spaces that would affect the ability of Seller to upgrade each of the Available Spaces to 100 Amp Service in the most economic and efficient way. If anything is done by Buyer or any of Buyer's Members or residents that increases the cost to upgrade any of the Available Spaces to 100 Amp Service, Seller shall be entitled to damages, which it may offset against rent due for the Available Spaces.

11.5 Seller shall advance to Buyer at the Close of Escrow the original offering subscription price for each APHA membership share ("Share") associated with each of the Available Spaces, to wit: the sum of \$12,000 for each of the Available Spaces; and Buyer shall grant Seller the right to transfer the Share associated with each Available Space to any person to whom Seller sells a home on that Available Space. Upon the sale of a home on an Available Space, Seller shall transfer the Share associated with that Available Space to the new home owner, and Buyer shall transfer the Share associated with that Space to the new home owner on its records at no cost. The parties shall enter into an Option Agreement in the form attached hereto as Exhibit E to further this provision.


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11.6 From Transfer of Possession until sale of the home on an Available Space, Seller will pay to Buyer rent for that Available Space. Seller's rent for each Available Space until sold shall be the same rent charged to each APHA Member. Seller may not be evicted from any Available Space for nonpayment so long as Buyer owes Seller money pursuant to the Promissory Note. However, if Seller has not made any payment when due to Buyer, Buyer shall be entitled to a credit for the amount due Buyer which has not been paid by Seller, which credit may be applied to payments due by Buyer to Seller on account of the Promissory Note until Seller pays the rent due to Buyer. Once Seller pays the rent to Buyer, Buyer shall no longer be entitled to a credit for the rent which had been unpaid, and Buyer shall pay said amount to Seller with the next installment payment due Seller on account of the Promissory Note. The rent for each Available Space after it is sold shall be the same amount as was paid by Seller; provided, however, that the new homeowner shall execute a Member Rental Agreement for the applicable space, in the same form signed by all Members (Exhibit B), and the new homeowner shall be obligated as provided therein to pay such rental assessments, utilities and other incidental charges as may be lawfully imposed by the APHA. In furtherance of this provision, the parties shall enter into a Space Development and Rental Agreement in the form attached hereto as Exhibit F for each of the Available Spaces.

11.7 Buyer may review the qualifications of proposed new residents for the Available Spaces. However, Seller will have complete, personal discretion to decide whether to sell a home on an Available Space to anyone. Without limiting the preceding provision, the failure of a proposed new resident to meet Seller's standards for residency existing on the Date of Acceptance will be reasonable grounds for Seller to withhold approval.

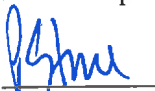
11.8 Buyer and Seller agree that the development of the Available Spaces is a complex undertaking that will require the cooperation of Buyer and Seller. Buyer and Seller agree that neither of them will do anything to interfere with the other's performance of its obligations or receipt of its benefits pursuant to this undertaking.

12. SELLER'S EXCHANGE

Seller, at Seller's sole election and expense, may exchange the Property pursuant to 26 USCS section 1031, in which event Buyer shall do all things reasonably necessary to cooperate with the exchange process. Seller may elect to treat the sale for income tax purposes as an installment sale, in which event, Seller shall do all things reasonably necessary to cooperate with such election.

13. PARK OPERATIONS

13.1 Prior to Transfer of Possession, Seller, through GMI, will continue to operate the Park in a professional manner.


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13.1.1 Seller will operate the Park in the same manner as it has previously operated the Park.

13.1.2 Seller will not deviate from enforcing the existing Rules and Regulations (Exhibit D) to the full extent of the law.

13.1.3 Buyer will assist Seller and GMI, if requested, with selected management tasks which may arise before the Close of Escrow.

13.2 After Transfer of Possession and so long as any money is due Seller pursuant to the Promissory Note, Buyer shall operate the Park in a professional manner and as follows:

13.2.1 Buyer, at its expense, will at all times retain a professional property management company with experience in managing mobilehome parks to assist Buyer in the management and operation of the Park. The property management company shall be subject to Seller's approval, in Seller's personal discretion, and shall have the qualifications stated in the Loan Agreement.

13.2.2 Buyer will not deviate from enforcing the Member Rental Agreement and all tenant rental agreements to the full extent of the law. Buyer may not alter or amend the Member Rental Agreement without Seller's prior written consent.

13.2.3 Buyer will not deviate from enforcing the existing Rules and Regulations (Exhibit "D") to the full extent of the law. Buyer may not alter or amend the Rules and Regulations (Exhibit "D") without the prior written consent of Seller.

13.2.4 Buyer shall comply with all laws applicable to mobilehome parks. For each year in which a significant change is made to the Mobilehome Residency Law (MRL), prior to February 1 Buyer shall either provide all homeowners, residents and Members with a copy of the MRL as then enacted or shall provide them with a notice that there has been a change in the MRL, that they can obtain a copy from Buyer or management at no charge, and provide a copy at no charge within 7 days of a request, as provided in Civil Code section 798.15(c).

13.2.5 Buyer shall also provide all new homeowners, residents and Members with a copy of the Member Rental Agreement, in the form attached hereto as Exhibit B, more than thirty (30) days prior to the execution of that agreement and do all other things required by the MRL so that all Member Rental Agreements comply at all times with all of the requirements of the MRL to qualify as a rental agreement exempt from local rent control ordinances.

13.2.6 Buyer shall at all times maintain adequate insurance with an insurance company having an AM Best Financial Strength Rating of A- or better and a Financial Size Category of IX or better, providing insurance policies with coverages to the personal satisfaction of Seller as more particularly set forth in the Loan Agreement and in the Property and Liability


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Insurance Requirements attached thereto as Exhibit D.

13.2.7 Buyer shall at all times comply with all of the obligations set forth in the First Deed of Trust securing the Promissory Note.

13.2.8 These provisions of Section 13.2 shall continue to be enforceable by Seller so long as any money is due pursuant to the Promissory Note and until the Promissory Note has been paid in full. Buyer agrees that Seller will have no adequate remedy at law in the event of the breach of these provisions, or any of them, and that Seller may obtain an injunction compelling Buyer to comply with these provisions, and each of them; provided, however, that nothing contained herein shall be deemed in any way to limit Seller's right to exercise the power of sale and foreclose on the Deed of Trust by nonjudicial foreclosure.

13.3 Seller does not wish to control the daily lives of Park residents nor interfere with their enjoyment of the Park. However, Seller is concerned that the Park will operate in a professional manner that will enhance and not diminish the value of the Park and the long-term financial health of Buyer. Seller will have the power to veto any proposed change in the Rules and Regulations of the Park (the Rules). No change in the Rules will take effect without Seller's prior consent. Any proposed change in the Rules will first be submitted by Buyer to Buyer's professional property management company for its opinion on whether the Rule change should be implemented. If a Rule change is approved by Buyer's professional property manager, then it will be submitted to Seller for approval.

13.4 As a sign of good faith, Seller hereby approves requested changes to the Rules concerning Pets, Fences and Secondary Parking Spaces so that the following Rules may take effect immediately upon the Transfer of Possession.

12.B. PARKING: Each homesite has parking facilities. **NO STREET PARKING IS PERMITTED.** The streets within this community are narrower than conventional city streets and are in compliance with construction standards for mobilehome parks in California. The streets within a mobilehome park are entitled "Fire Lanes" and as such are under the jurisdiction of the local fire department. Therefore, any Resident or Guest of a Resident parked on the street is subject to having his/her vehicle towed away at the owner's expense. Parking is **ONLY** permitted in the Homeowner's driveway. No parking is permitted on any part of a mobile home space except on a properly constructed and paved driveway. Vehicles may not protrude into the street or across sidewalks. Guest parking areas are **ONLY FOR GUESTS**.

Residents may be allowed to build at their own expense and use secondary parking spaces on their home site, as long as these spaces are properly constructed and paved and maintained in good working order and used only for vehicle parking purposes (no parking on grass or landscaping). All four wheels of


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all vehicles using a secondary parking space must be off the street and on the paved secondary parking space. Vehicles, including vehicle bumpers, must not encroach on the red striping which borders the red fire lane. All plans for the construction of secondary parking spaces must be submitted by the resident to management for approval. Any change in parking and any addition of a secondary parking space cannot decrease the value of the Park, the unit in question or that of their neighbors'. No construction on a secondary parking space may begin before written approval of this construction by management. Any adverse impact a secondary parking space might have on neighboring lots will be strongly considered by management when deciding whether to grant permission to construct a secondary parking space. Management will be the sole authority on what constitutes an acceptable secondary parking space and what constitutes a negative impact on the Park and surrounding neighbors.

13. FENCES: For privacy and protection of pets, residents may build fences at their own expense on their home site. Fences may not exceed 4' (four) feet in height at any point, measured from the lowest point of the lot along the fence line where it meets the soil on the side of the property on which the fence is being constructed. For example, if there is a retaining wall on a lot, the fence may not be built 4' high on top of that wall; the top of the fence on top of the wall could not be more than 4' about the bottom of the retaining wall where it meets the ground. However, the uphill neighbor could put a 4' fence on top of the soil, so long as it does not adversely impact the downhill neighbor as provided below. If the lot is sloped, the top of the fence will not follow the slope. Instead, the top of the fence will always be level, horizontal, so the fence will have to step up from place to place but never be more than 4' high. Absent special circumstances, all fences shall be in the back half of the lot and at least 50% of the fence surface shall be open and transparent as measured in square feet. These fence restrictions are in part intended to minimize the visibility of fences from the street helping beautify the overall park appearance. All fences shall be made of wood or metal only and shall be of a neutral color and finish. Fences will also be subject to material, height and setback requirements as determined by Buyer's board of directors, California law, utility providers and any applicable local ordinances. All plans for fence projects must be submitted in writing to management for approval and permits must be obtained when necessary before construction begins. The plans shall include a description of the fence materials and finished color. Any adverse impact fencing might have on neighboring lots will be strongly considered by management when deciding whether to grant permission to construct a fence. Management will be the sole authority on what constitutes a fence, what constitutes an acceptable fence, and what constitutes a negative impact on the Park and/or surrounding neighbors.

21. PETS: No pets are allowed in the Park without written permission of


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management. A pet registration form must be filled out prior to allowing any pet in the park. Only aquatic animals in an aquarium, birds in a cage, or miscellaneous small mammals such as hamsters or rats, or two (2) small dogs or two (2) cats with a maximum full grown size of 12" (inches) shoulder height and a maximum weight of 20 lbs. when full grown is allowed. Pets cannot be left unattended and without a leash outside of the home. Pets must be on a leash no longer than 6' (feet) when walked in the Park. No pets are allowed in the recreational/clubhouse/pool areas. Management reserves the right to approve all pets and to remove any pet determined to be a nuisance to the Park or the Residents or left unattended. Pets that bark, bite or disturb their neighbors will not be allowed. Residents are required to pick up their pet's droppings and to keep their spaces in a clean and sanitary condition at all times. Guests and visitors are not permitted to bring pets into the Park. In addition, owners of pets must be in compliance with the Santa Cruz County Ordinances regarding pets.

14. BROKERS

Buyer has employed Deane F. Sargent as a real estate broker with respect to this transaction and is exclusively obligated to pay his commission in addition to the purchase price and other amounts due Seller.

Seller has not employed any real estate broker or agent with respect to this transaction and shall have no obligation whatsoever to pay any real estate broker or agent's commission under any circumstance, even if Seller breaches its obligations under this Agreement.

15. NOTICES


All notices and demands shall be given in writing and DELIVERED as provided in the DEFINITIONS. Notices shall be addressed as shown below for each party. If any party gives notice of a change of name or address, notices to that party shall thereafter be given as shown in that notice. As a courtesy, but not in lieu of the required notice described above, notices should also be given by email and/or facsimile.

To Seller:

Paul Goldstone, Trustee
82 Shattuck Square
Berkeley, CA 94704
paul@goldstonemgmt.com

With a copy to:

Timothy Hansen


P.G


C.B.

82 Shattuck Square
Berkeley, CA 94704
tim@goldstonemgmt.com

And a copy to:

S. Robert Diener
Attorney at Law
3050 Shattuck Avenue Berkeley, CA 94705
bob@dienerlaw.com
Fax: (510) 848 5819

To Buyer:

Clay Butler
4300 Soquel Drive #229
Soquel, CA 95073

With a copy to:

David E. Loop, Esq.,
46 Knollwood Drive
Aptos, CA 95003
Fax: (831) 688 1293

16. TRANSFER OF POSSESSION

On Close of Escrow or Transfer of Possession, whichever is earlier, Seller shall deliver possession of the Property to Buyer in substantially the same condition, reasonable wear and tear excepted, as on the Date of Acceptance.

Seller, at Seller's election, may transfer possession of the Property to Buyer prior to Close of Escrow, in which event:

- A. the date of Transfer of Possession shall be evidenced by a writing signed by Seller;
- B. Buyer shall be entitled to receive all rents, profits, and income and shall be responsible for and obligated to pay all expenses and liabilities related to the Property from the date of Transfer of Possession; and
- C. the Promissory Note shall be dated as of the date of Transfer of Possession and shall accrue interest from said date; interest accrued as of the Date of


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Closing shall be paid through escrow on Close of Escrow.

17. RATIFICATION BY MEMBERSHIP IN APHA

APHA shall provide a copy of this Agreement and the Loan Agreement to all prospective Members of APHA as a condition of becoming a Member. Each person who becomes a Member of APHA shall be conclusively deemed to have read and ratified this Agreement and the Loan Agreement, including each of the Exhibits to this Agreement and the Loan Agreement, all of which are incorporated in this Agreement and the Loan Agreement as if set forth in full.

18. PERFORMANCE AND ALTERNATIVE DISPUTE RESOLUTION

Any termination of this Agreement shall be by written notice timely delivered to the other party, with instructions to escrow to return all instruments and funds to the parties depositing them, except as otherwise provided in this Agreement. Such instructions to escrow must be signed by or on behalf of both parties.

Before any party to this Agreement files an action on a dispute arising out of this Agreement which remains unresolved after 30 days of informal negotiations, the parties agree to enter into non-binding mediation administered by a neutral dispute resolution organization, outside of Santa Cruz County, such as JAMS or ADR Services, Inc., and undertake a good faith effort during mediation to settle the dispute.

19. ARBITRATION OF DISPUTES

Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration conducted by the American Arbitration Association at its San Francisco office in accordance with its Commercial Arbitration Rules. The arbitrator shall be a retired judge or justice, or any attorney with at least 10 years of commercial real estate law experience, who shall not have resided, practiced law or been a judge in the County of Santa Cruz at any time. The parties shall have the right to discovery in accordance with Code of Civil Procedure § 1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. The Arbitrator's Decision shall comply with California law and shall be subject to appeal. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Nothing contained herein shall be deemed in any way to limit Seller's right to commence nonjudicial foreclosure proceedings.

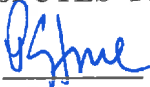
“NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE ‘ARBITRATION OF DISPUTES’ PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A


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COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."


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20. EFFECT OF WAIVER OF PROVISION ON REMEDY

No waiver by a party of any provision of this Agreement shall be considered a waiver of any other provision or any subsequent breach of the same or any other provision.

21. TIME IS OF THE ESSENCE

Time is of the essence in the performance of all the terms, covenants and conditions of this Agreement.

22. INTERPRETATION OF THE AGREEMENT

Recitals. The Recitals set forth at the commencement of this Agreement are contractual in nature and not mere Recitals. Each of the statements set forth in the Recitals shall be deemed to be true for all purposes related to this Agreement and shall be considered in interpreting this Agreement and determining the mutual intention of the parties when this Agreement was made.

Integration Clause. This Agreement and the Loan Agreement and the documents to be executed pursuant to each of them constitutes the entire agreement between the parties. This Agreement and the Loan Agreement and the documents to be executed pursuant to each of them supersedes and replaces any and all prior agreements, written and oral. Any amendment to this Agreement, including any purported oral modification supported by new consideration, must be reduced to writing and signed by both parties before it will be effective.

Counterparts. This Agreement and all amendments and supplements to it may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.


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Binding on Others. This Agreement inures to the benefit of, and is binding on, the parties, their respective joint tenants, partners, heirs, personal representatives, successors and assigns.

Captions. The captions heading the various paragraphs of this Agreement are for convenience and shall not be considered to limit, expand, or define the contents of the respective paragraphs. Masculine, feminine or neuter gender, and the singular and the plural number shall each be considered to include the other whenever the context so requires.

Controlling Law. This Agreement is entered into in the State of California and shall in all respects be governed by the laws of California. Venue of any litigation arising hereunder shall be in the county where Paul Goldstone resides, San Mateo County.


No Representation Regarding Legal Effect of Document. No representation, warranty or recommendation is made by Seller or Buyer or their brokers, respective agents, employees, or attorneys regarding the legal sufficiency, legal effect, or tax consequences of this Agreement or the transaction, and each signatory is advised to submit this Agreement to his or her respective attorney before signing it. Each party has been represented by an attorney of its own choosing and has participated in the drafting of this Agreement. The provisions of Civil Code section 1654, and any similar provision of statutory or common law, to the effect that an ambiguity in an agreement shall be construed against the party who drafted it, shall not apply to this Agreement, the Loan Agreement, and any document made pursuant to this Agreement and/or the Loan Agreement.


IN WITNESS WHEREOF the parties have signed this Agreement.

Seller

Buyer

ALIMUR PARK HOMEOWNERS
ASSOCIATION

By: 
Paul Joel Goldstone,
Trustee of Paul's Trust

By: 
Clay Butler, President

Dated: 10-9-2015

Dated: 10-9-15

BROKER ACKNOWLEDGMENT:

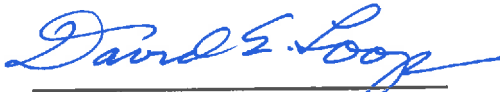
I, Deane F. Sargent, warrant that I am a broker duly licensed by the State of California, Bureau of Real Estate. I acknowledge that I have read, understood and participated in the negotiation of the foregoing agreement and that I have arranged the Loan to be made pursuant to the Loan Agreement. I acknowledge that Seller is not obligated to pay me or anyone else any commission with respect to this transaction. I agree that I am obligated to keep confidential from Buyer all of the financial information, including certain income and expense records, of Seller and Goldstone Management Inc. which was previously to me by Seller to show to a prospective lender. I agree to be bound by the Mediation and Arbitration provisions.

Dated: _____

Deane F. Sargent,
Buyer's Real Estate Broker

APPROVED AS TO FORM:

S. Robert Diener
Attorney for Seller



David E. Loop
Attorney for Buyer

**SCHEDULE OF EXHIBITS
TO PURCHASE AND SALE AGREEMENT**

- A LIST OF INCLUDED PERSONAL PROPERTY
- B MEMBER RENTAL AGREEMENT
- C INDEMNITY AGREEMENT
- D RULES AND REGULATIONS
- E OPTION AGREEMENT
- F SPACE DEVELOPMENT AND RENTAL AGREEMENT

BROKER ACKNOWLEDGMENT:

I, Deane F. Sargent, warrant that I am a broker duly licensed by the State of California, Bureau of Real Estate. I acknowledge that I have read, understood and participated in the negotiation of the foregoing agreement and that I have arranged the Loan to be made pursuant to the Loan Agreement. I acknowledge that Seller is not obligated to pay me or anyone else any commission with respect to this transaction. I agree that I am obligated to keep confidential from Buyer all of the financial information, including certain income and expense records, of Seller and Goldstone Management Inc. which was previously to me by Seller to show to a prospective lender. I agree to be bound by the Mediation and Arbitration provisions.

Dated: October 9, 2015 
Deane F. Sargent,
Buyer's Real Estate Broker

LIST OF INCLUDED PERSONAL PROPERTY

Exhibit A to Purchase And Sale Agreement and

Exhibit E to the Loan Agreement

The following items of personal property are included in the sale and will remain at the Alimur Park Mobilehome Park and be transferred to Buyer at Close of Escrow:

Club House and Pool:

All pool side furniture, pool equipment, pool cleaning equipment, and all pool chemicals.

All furniture in the Clubhouse (not including the furniture in the office and office store room).

All games and cooking utensils, pictures on the wall, cleaning and other supplies not stored in the office.

Garage: Paint and electric meters

Pool Hall: All items in Pool Hall.

Laundry: All equipment in laundry.

Apartments:

1. All park owned appliances, stove, washer and dryer, and refrigerator in manager's apartment
2. Refrigerator and stove in Apts. 1 & 3.

ALIMUR PARK HOMEOWNERS ASSOCIATION

By 

Clay Butler, President



PAUL JOEL GOLDSTONE, TRUSTEE OF PAUL'S TRUST, established pursuant to, and in accordance with, an Order of the San Mateo Superior court, Case No. 66015, dated April 2, 2001

Exhibit B to the Purchase and
Sales Agreement

ALIMUR PARK HOMEOWNERS ASSOCIATION
A California Nonprofit Mutual Benefit Corporation

MEMBER LEASE AND RENTAL AGREEMENT

THIS RENTAL 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.

NOTICE: THIS RENTAL AGREEMENT CONTAINS A SUBORDINATION CLAUSE WHICH MAY RESULT IN YOUR OCCUPANCY OF THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This Rental Agreement (the "Agreement") is dated _____, 20____, and is between ALIMUR PARK HOMEOWNERS ASSOCIATION (the "Corporation"), a California nonprofit mutual benefit corporation and

[NAMES OF ALL RECORD OWNERS OF THE MOBILEHOME ON THE SPACE]

(who are referred to, jointly and severally, as "Member").

Recitals

The following statements are true and shall be conclusively deemed to be true for all purposes concerning this Agreement.

WHEREAS, ALIMUR PARK MOBILE HOME PARK (the "Park") is a mobilehome park at 4300 Soquel Drive, Soquel, County of Santa Cruz, California, owned and managed by the Corporation, which is owned only by residents of the Park who are Members of the Corporation, and which is organized for the purpose, among other things, of providing a mobilehome space for Members of the Corporation who are in good standing and rental space for other residents;

WHEREAS, the Park is owned, operated, and managed under and pursuant to the Corporation's Articles of Incorporation filed with the California Secretary of State on February 20, 2014 (the "Articles"), and Bylaws adopted M/D/Y _____, (the "Bylaws")

(the Articles and Bylaws are collectively referred to as the "Corporate Documents"), the Nonprofit Mutual Benefit Corporations Law, California Corporations Code section 7110 and following) (the "Association Law"), the California Mobilehome Residency Law, Civil Code section 798 and following, the California Fair Employment and Housing Act, California Government Code section 12900 and following, and all other applicable federal and state Fair Housing Laws, and Title 25, California Code of Regulations;

WHEREAS, Member has been a resident of the Park pursuant to a written, month-to-month rental agreement; Member is familiar with the physical improvements and services provided; Member has had more than 30 days to review this Agreement and decide whether to accept or reject this Agreement and decide whether or not to become a Member of the Corporation; and Member has freely and voluntarily decided to stop being a month-to-month tenant and become a Member of the Corporation and occupy a Space (defined in section 1) at the Park for a term of 20 years; and

WHEREAS, Member is in good standing with the Corporation and occupies the mobilehome as Member's primary residence and therefore is entitled to occupy a mobilehome space within the Park as a Member; and

WHEREAS, the Corporation purchased the Park by obtaining a loan (the "Purchase Money Loan") from Paul Joel Goldstone, Trustee of Paul's Trust established pursuant to, and in accordance with, an Order of the San Mateo Superior Court, Case No. 66015, dated April 2, 2001 (the "Mortgage Lender"), which is secured by a Deed of Trust and Assignment of Rents on the Park and the Corporation's rents and income (the "First Deed of Trust"); and

WHEREAS, as a condition of making the Purchase Money Loan, the Mortgage Lender required that in the event of any conveyance of the Park by foreclosure of the First Deed of Trust, exercise of a power of sale under the First Deed of Trust or conveyance in lieu of foreclosure, ("Foreclosure Conveyance"), the Member will recognize the Mortgage Lender and its successors and assigns as the owner with the rights to collect all sums due hereunder as rent, enforce this Agreement, and enforce the Rules and Regulations; and

WHEREAS, the Member accepts and agrees to be bound by the Mortgage Lender's condition.



NOW THEREFORE, IT IS AGREED AS FOLLOWS:

AGREEMENT

1. Occupancy of a Space. The Corporation will provide and make available a space located at 4300 Soquel Drive, #____, Soquel, California (the "Space"), to Member on which Member shall own and occupy a mobilehome as Member's primary residence.

2. Term. The term of this Agreement shall be for twenty (20) years, unless earlier terminated in accordance with this Agreement or by law, commencing December 1, 2015, and ending November 30, 2035.

3. Rent. The initial monthly rent shall be \$555.00, payable in advance on the first day of each calendar month, which amount may be modified as provided below.

4. Performance of Obligations. For as long as Member is a resident of the Park, Member shall maintain Member's status as a member in good standing with the Corporation, will occupy the mobilehome on the Space as Member's primary residence, and will diligently and promptly perform all of Member's obligations under the Corporate Documents, this Agreement, and the Rules and Regulations (as defined in Section 13).

5. Subordination. This Agreement is subordinate to the lien of the First Deed of Trust in favor of Mortgage Lender. Member will execute a separate subordination agreement if required by Mortgage Lender or any of its successors or assigns. Further, if required by Mortgage Lender or any of its successors or assigns who becomes the new owner of the Park by any Foreclosure Conveyance, Member will execute a separate agreement stating that Member recognizes such new owner as Member's landlord with the right to manage the Park and enforce this Agreement and the Rules and Regulations. However, no separate subordination agreement is required for this Agreement to be subordinate to the First Deed of Trust; and no separate agreement is required for Member to be obligated to honor this Agreement and to recognize Mortgage Lender or its successors or assigns who becomes the new owner of the Park as a result of a Foreclosure Conveyance, as Member's landlord with the right to collect rent, manage the Park and enforce this Agreement and the Rules and Regulations.

6. Change of Ownership. Upon any change in ownership of the





Park resulting from a Foreclosure Conveyance, the Mortgage Lender, and its successors and assigns, may require that the rental agreement which existed immediately before the foreclosure remain in force. In the event of such a change of ownership, Member hereby affirms this Agreement, recognizes the new owner, including the Mortgage Lender, its successors, agents and assigns, as landlord and manager of the Park, and agrees to pay all amounts due pursuant to this Agreement and the Bylaws as rent to the new owner, comply with the Rules and Regulations, and perform all other obligations of Member under this Agreement.

7. Rent; Monthly Fee for Maintenance/Operating Expenses. During the occupancy of the Space, Member shall pay as rent a monthly fee, in advance, due on the first day of each calendar month, equal to the amount of all dues, assessments, fees and other charges levied by the Corporation or its membership to Member, including all maintenance and operating expenses for the Park, as established from time to time by the Board of Directors and/or the Members of the Corporation, pursuant to the Bylaws. For the purposes of this paragraph the term "maintenance and operating expenses" shall mean all maintenance and operation expenses incurred by the Corporation for the ownership, operation, maintenance, and management of the Park, including the performance of Member's obligations under the Rules if Member fails to perform all of those obligations, and any additional funds needed to pay debt service for any debt of the Corporation as may be validly incurred by the Corporation under the Corporate Documents, including the Purchase Money Loan secured by the First Deed of Trust. The initial rent shall be \$555.00 or such other greater amount as is established from time to time by the Board of Directors of the Corporation pursuant to the Bylaws.

8. Rent In the Event of Foreclosure. In the event that Mortgage Lender or its successors and assigns acquires title to the Park and becomes the new owner by a Foreclosure Conveyance or as otherwise provided in section 6, Member shall become the tenant of the new owner. In that event, the initial monthly Base Rent due the new owner shall be either (i) \$655.00 or (ii) such other amount as most recently established by the Board of Directors of the Corporation, whichever is greater.

The initial monthly Base Rent shall be increased annually on the anniversary date of the Foreclosure Conveyance by two and one-half percent (2.5%).



Lender may from time to time increase the rent to recover the cost of improvements made to the Park, including but not limited to the clubhouse, pool, drainage, sewers, roads, and other common areas; and Lender may also from time to time increase the rent to recover the cost of improvements made to the Park's utilities' infrastructure where allowed by law. Lender may also increase the rent to recover the cost of repairs made to the Park common areas and infrastructure, as described above, but only to the extent that the aggregate cost of repairs made in any one calendar year exceeds \$50,000. The costs of all such repairs and improvements shall be recovered on a monthly basis over their useful life in accordance with schedules published by the Internal Revenue Service, if any. If no schedule of the useful life is published by the Internal Revenue Service, the useful life of the repair or improvement will be deemed to be seven (7) years, and the costs of the repair or improvement will be recovered over eighty-four (84) months.

All rent due hereunder shall be due, in advance, on the first day of each calendar month.

9. Late Charge. The rent, including the rent due pursuant to Sections 3 and 7 and the Rent in the Event of Foreclosure due pursuant to Section 8, shall be received no later than the first day of each calendar month. If full payment is not received on or before five (5) days after the date payment is due, Member shall pay a late charge equal to six percent (6%) of the amount due.

Member recognizes that late payment of any amount due will result in damages, losses, and additional costs and expenses to the Corporation and/or Lender, as the case may be, the extent of which is extremely difficult and economically impractical to ascertain. Tenant agrees that the Late Charge is a reasonable estimate of the damage, loss and expense to be suffered by the Corporation and/or Lender as a result of such late payment and constitutes a reasonable liquidated damage and is not a penalty. This late charge shall constitute additional rent due under this Agreement. The Late Charge shall be reassessed on the amount remaining delinquent and added to Member/Tenant's obligation on each successive monthly period occurring after the date on which the late charge is initially imposed. The provisions of this paragraph in no way relieve Member/Tenant of the obligation to pay all amounts due on or before the date on which they are due, nor do the terms of this paragraph in any





way affect the Corporation or Lender's remedies pursuant to this Agreement in the event any amount due under this Agreement is unpaid after the due date.

10. Bad Checks. If Member makes any payment with a check that is dishonored for any reason, Member shall pay the Corporation and/or Lender, as the case may be, a service charge in the amount of \$25.00 for the first such check and \$35.00 for each subsequent check written against insufficient funds. Nothing contained herein shall limit the Corporation or Lender's rights pursuant to Civil Code section 1719. If a Member writes two or more checks against insufficient funds, the Corporation or Lender, as the case may be, may require that the Member make all future payments in cash, money order or certified funds.

11. Permitted Use. The Space shall be used for the placement and occupancy by Member of a mobilehome owned by Member and occupied by Member as Member's principal residence, and for no other purpose. Other installations and/or improvements may be permitted in the Space only as otherwise permitted in this Agreement, the Rules (as defined in Section 13), and/or the Corporate Documents.

Member shall abide by the present Rules (as defined in Section 13) and all future Rules hereafter lawfully adopted by the Corporation as provided in Section 13 of this Agreement. Member shall also abide by and be subject to the provisions of the Corporate Documents and any applicable state and local laws, codes, ordinances and regulations, including but not limited to Title 25 of the California Code of Regulations.

12. Utilities. The Corporation shall cause the Space to be serviced with water, gas, and electricity, except for certain Spaces identified below. The Corporation shall also provide the Space with a sewer line. The Member shall be billed for water, water ready-to-serve charge, gas and electricity on a monthly basis, and the Member may also be billed from time to time for sewer line and infrastructure maintenance, repair, replacement and improvement. The Member shall pay for all such charges as utility fees within thirty (30) days of billing. Payment to the Corporation for water, water ready-to-serve charge, sewer line and infrastructure fees, gas and electricity is in addition to the rent due under Sections 3 and 7 and Rent in the Event of Foreclosure under Section 8. The foregoing notwithstanding, however, Spaces 101A and 200 receive



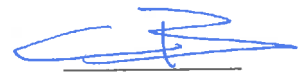
electric service directly from PG&E; the Corporation is not required to provide electric service to Space 101A or 200; and the Members occupying Space 101A and 200 shall pay PG&E, not the Corporation, for electric service.

13. Rules and Regulations. Standards for maintaining mobilehomes and accessory buildings or structures and other improvements, and for the use and maintenance of permanent buildings and facilities, and for conduct throughout the Park for purposes of preserving the finest quality of operation and atmosphere for the convenience and enjoyment of Park Residents will be promulgated through the Rules and Regulations, a copy of which is attached as Exhibit "A" and incorporated into this Agreement by this reference. The Rules and Regulations attached to this Agreement may be amended from time to time by the Corporation or any person, including Mortgage Lender, its successors or assigns, who becomes the owner of the Park as a result of a Foreclosure Conveyance; provided, however, that the Corporation cannot change the Rules and Regulations without the prior written consent of the Mortgage Lender, its successors or assigns, so long as any money remains due on the Purchase Money Loan. The Rules and Regulations and any valid amendments thereto are referred to in this Agreement as the "Rules." By initialing below, Member acknowledges that Member has received a copy of the Rules (Exhibit A) and read the Rules, and Member agrees to perform and be bound by the Rules, and each of them, and all valid amendments thereto.

The Corporation shall provide Member with a copy of any future amendment to the Rules. Member shall comply with all Rules and shall be responsible for compliance with those Rules by all persons residing in or visiting Member's mobilehome from time to time, as allowed by the Rules. Any violation of the Rules shall constitute a violation of this Agreement, subjecting the Member and any other occupant to eviction.

14. Assignment and Subletting. Except as required by law, member shall not rent, assign or sublet to anyone, including but not limited to permanent guests, roomers, live-in servants, all or any portion of the Space, Member's mobilehome located thereon, or Member's interest in the Space and/or this Agreement. The transfer of Member's interest in the Corporation is governed by the Corporate Documents. Member shall not transfer, rent, assign or sublet any membership interest or





other interest in the Corporation except as provided in the Corporate Documents.

15. Termination of Agreement; Eviction. This Agreement may be terminated pursuant to Civil Code Section 798.56 if Member is not in good standing as a Member of the Corporation, if Member fails to pay all of the rent, utility payments and other amounts when due under this Agreement, particularly including without limitation Sections 3, 7, 8, 9, 10, 12 and 21, fails to fully comply with any of the Rules, and/or fails to fully comply with and perform all other obligations of Member pursuant to this Agreement. This Agreement is subject to the provisions of the Mobilehome Residency Law, Civil Code sections 798 and following, a copy of which is attached hereto as Exhibit "B" and is incorporated herein by this reference.

This Agreement may be terminated and Member may be evicted in accordance with the Mobilehome Residency Law, Civil Code sections 798.55 and following, for the reasons specified in Section 798.56 of the Mobilehome Residency Law, including but not limited to nonpayment of the amounts due hereunder and a violation of the Rules. This Agreement shall also terminate upon suspension or termination of Member's status as a Member of the Corporation pursuant to the Corporate Documents; provided, however, that in the event Mortgage Lender or any other lender or any of their successors or assigns acquires title to the Park as provided in Section 6, this Agreement shall continue as a Lease with Member as the Tenant and Mortgage Lender, other lender, or their successors or assigns as the Landlord, even if the Member's status as a Member of the Corporation is or has been suspended or terminated pursuant to the Corporate Documents.

By initialing below, Member acknowledges receipt of a copy of the Mobilehome Residency Law, and that it is incorporated into this Agreement.

Upon any termination of this Agreement, the Corporation, Mortgage Lender, other lender, or their successors or assigns, as the case may be, may exercise any and all rights and remedies under this Agreement, the Corporate Documents, and applicable law (including without limitation, the Mobilehome Residency Law and any law for unlawful detainer proceedings).





16. Obligation to Pay Rent and Surrender Space. Member shall pay the rent, utilities and other amounts specified in this Agreement, including, but not limited to, Sections 3, 7, 8, 9, 10, 12 and 21 so long as this Agreement is in effect, together with any fees, assessments and/or charges that may be required under the Corporate Documents, and use the premises only for the manner contemplated under this Agreement, the Corporate Documents and the Rules. Member shall surrender the Space on termination of this Agreement in the same condition as received, except for improvements made by Member, such as walls or landscaping, acceptable to Park Management and the new purchasing Member.

17. Holdover. If at the expiration of the term of this Agreement no new rental agreement is made and member fails to surrender possession of the Space, this Agreement shall continue in full force and effect on the same terms and conditions on a month-to-month basis, provided however, that the rent during the holdover period shall be not less than the rent due at the expiration of the term and the rent may be adjusted periodically without the limitations set forth in Section 8.

18. Indemnity. Member agrees to indemnify, defend and hold harmless the Corporation, Mortgage Lender and their successors and assigns from liability for any occurrence on the Space, however caused, and for all personal injury and property damage to Member, any occupant of Member's mobilehome, Member's guest, and all other persons, without regard to their status at the Park.

19. Responsibilities of Management. It is the responsibility of the Corporation, its management, and their successors and assigns ("Management"), to provide and maintain physical improvements in the common facilities in good working order and condition. In the event of any breakdown or deterioration of these improvements, or any of them, Management shall have a reasonable period of time to repair, replace or upgrade the improvement, in Management's personal discretion, and bring the improvements into good working order and condition.

20. Physical Improvements and Services. Notwithstanding anything to the contrary in Section 12, the physical improvements, services and utilities to be provided to Member are the physical improvements which now exist in the Park for the Space, and the services and utilities to be provided to



Member and which will continue to be provided to Member are the services which are currently being provided to the Member.


21. Maintenance Fees. The Corporation, Mortgage Lender and their successors and assigns may charge a reasonable fee for services relating to the maintenance of the Space and the mobilehome and other improvements on the Space in the event the Member fails to maintain them in accordance with the Rules after written notification to Member and the failure of Member to comply within 14 days. The written notice shall state the specific condition to be corrected and an estimate of the charges to be imposed by management if the services are performed by management or its agent. Member may request that the Corporation allow the Member additional time beyond 14 days to comply, but nothing contained herein shall obligate the Corporation to grant any additional time.

22. Recitals. Member acknowledges that all of the statements contained in the Recitals set forth at the commencement of this Agreement are true, shall conclusively be deemed to be true for all purposes related to this Agreement, and are contractual in nature and are not merely recitals.

23. Conflicts. In the event of a conflict between the Rules and the Corporate Documents, the Rules will control to the extent permitted by applicable law. The Mobilehome Residency Law applies only to the extent required by law. Therefore, in the event of a conflict between the Mobilehome Residency Law and this Agreement, this Agreement will control to the extent permitted by applicable law. In the event of a conflict between the provisions of the Corporations Code as it applies to the Association (the "Associate Law") and the Mobilehome Residency Law, the Mobilehome Residency Law will control to the extent permitted by applicable law; except that the Association Law will control to the extent that it requires a Member to sell the mobilehome on the Space to individuals who will occupy it as their primary residence and become Members of the Corporation.

In the event of a conflict between this Agreement and the Corporate Documents or between this Agreement and the Association Law, this Agreement will control to the extent permitted by applicable law.

NOTICE: PARAGRAPH 5 OF THIS AGREEMENT CONTAINS A SUBORDINATION PROVISION WHICH ALLOWS THE CORPORATION TO OBTAIN A LOAN OR





LOANS A PORTION OF WHICH MAY BE EXPENDED FOR PURPOSES OTHER THAN THE IMPROVEMENT OF THE LAND AND WHICH PROVIDES THAT THIS AGREEMENT WILL BE SUBORDINATE TO THE RIGHTS OF THE LENDER.

**IMPORTANT NOTICE TO ALL MANUFACTURED HOME/MOBILEHOME OWNERS:
CALIFORNIA LAW REQUIRES THAT YOU BE MADE AWARE OF THE
FOLLOWING:**

The Mobilehome Residency Law (MRL), found in Section 798 et seq. of the Civil Code, establishes the rights and responsibilities of homeowners and park management. The MRL is deemed a part of the terms of any park rental agreement or lease. This notice is intended to provide you with a general awareness of selected parts of the MRL. It does not serve as a legal explanation or interpretation. For authoritative information, you must read and understand the laws. These laws change from time to time. In any year in which the law has changed, you may obtain one copy of the full text of the law from management at no charge. This notice is required by Civil Code Section 798.15(i) and the information provided may not be current.

Homeowners and park management have certain rights and responsibilities under the MRL. These include, but are not limited to:

1. Management must give a homeowner written notice of any increase in his or her rent at least 90 days before the date of the increase. (Civil Code Section 798.30)
2. No rental or sales agreement may contain a provision by which a purchaser or a homeowner waives any of his or her rights under the MRL. (Civil Code Sections 798.19, 798.77)
3. Management may not terminate or refuse to renew a homeowner's tenancy except for one or more of the authorized reasons set forth in the MRL. (Civil Code Sections 798.55, 798.56)
4. A homeowner must give written notice to the management of not less than 60 days before vacating his or her tenancy. (Civil Code Section 798.59)
5. Homeowners, residents, and their guests must comply with the rental agreement or lease, including the reasonable rules and regulations of the park and all applicable local





ordinances and state laws and regulations relating to mobilehomes. Failure to comply could be grounds for eviction from the park. (Civil Code Section 798.56)

6. Homeowners must pay rent, utility charges, and reasonable incidental service charges in a timely manner. Failure to comply could be grounds for eviction from the park. (Civil Code Section 798.56)

7. Homeowners have a right to peacefully assemble and freely communicate with respect to mobilehome living and for social or educational purposes. Homeowners have a right to meet in the park, at reasonable hours and in a reasonable manner, for any lawful purpose. Homeowners may not be charged a cleaning deposit in order to use the park clubhouse for meetings of resident organizations or for other lawful purposes, such as to hear from political candidates, so long as a homeowner of the park is hosting the meeting and all park residents are allowed to attend. Homeowners may not be required to obtain liability insurance in order to use common facilities unless alcohol is served. (Civil Code Sections 798.50, 798.51)

8. If a home complies with certain standards, the homeowner is entitled to sell it in place in the park. Management may require certain upgrades. Management may not require a homeowner to sell his or her home to the park, may not charge a transfer or selling fee, and may not require a homeowner to use a broker or dealer approved by the park. A homeowner has a right to advertise his or her home for sale. Management may deny approval of a buyer, but only for certain reasons listed in the law. (Civil Code Sections 798.70-798.74)

9. Management has the right to enter the space upon which a mobilehome is situated for maintenance of utilities, trees, and driveways; for inspection and maintenance of the space in accordance with the rules and regulations of the park when the homeowner or resident fails to maintain the space; and for protection and maintenance of the mobilehome park at any reasonable time, but not in a manner or at a time that would interfere with the resident's quiet enjoyment of his or her home. (Civil Code Section 798.26)

10. A homeowner may not make any improvements or alterations to his or her space or home without following the rules and regulations of the park and all applicable local ordinances and state laws and regulations, which may include obtaining a permit to construct, and, if required by park rules or the

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rental agreement, without prior written approval of management. Failure to comply could be grounds for eviction from the park. (Civil Code Section 798.56)

EACH MEMBER HAS READ AND INITIALED EACH OF THE 12 PAGES ABOVE THE SIGNATURE PAGE OF THIS AGREEMENT AND AGREES TO BE LEGALLY BOUND BY ALL OF ITS TERMS.

This Agreement is executed on this the ___ day of _____, 20__

_____.

Member:

_____ (Print Name) _____

_____ (Print Name) _____

_____ (Print Name) _____

Corporation:

ALIMUR PARK HOMEOWNERS ASSOCIATION
A California Nonprofit Mutual Benefit Corporation

By: _____
Clay Butler, President





**Exhibit C to Purchase and Sale Agreement
INDEMNITY AGREEMENT**

This Indemnity Agreement ("Agreement") is made by and between Alimur Park Homeowners Association, a California nonprofit mutual benefit corporation ("APHA") (hereinafter, "Indemnitor") and Paul Joel Goldstone, Trustee of Paul's Trust established pursuant to, and in accordance with, an Order of the San Mateo Superior Court, Case No. 66015, dated April 2, 2001 (the "Trust"), Goldstone Management Inc., a California corporation ("GMI"), and each of their trustees, officers, directors, shareholders, agents and employees (hereinafter, the Trust, GMI, and each of their trustees, officers, directors, shareholders, agents and employees are referred to collectively as "Indemnitees").

RECITALS

A. APHA is purchasing the Alimur Mobile Home Park (the "Park") from the Trust, and the Trust is financing the purchase. This Agreement is made as a condition of the sale and financing and is made pursuant to and in accordance with the terms of the Purchase and Sale Agreement and the Loan Agreement between the APHA and the Trust.

B. At all times that the Trust has owned the Park, GMI has been the manager of the Park for the Trust.

C. As a condition of the sale and financing, the Trust requires that APHA indemnify, defend and hold harmless the Indemnitees from any and all liability of every kind and nature which may exist now or in the future concerning the ownership and operation of the Park.

D. APHA ("Indemnitor") understands and accepts this condition and agrees to indemnify, defend and hold harmless Indemnitees from any and all liability of every kind and nature which may exist now or in the future concerning the ownership and operation of the Park.

AGREEMENT

NOW, THEREFORE, in further consideration of the Purchase and Sale Agreement and the Loan Agreement between APHA and the Trust, and other good and valuable consideration, IT IS HEREBY AGREED:

1. Upon APHA becoming the owner of record of Alimur Mobile Home Park (the "Park"), Indemnitor agrees to indemnify, defend and hold harmless Indemnitee and each of their successors and assigns from any and all claims, actions, liabilities, loss, damages or suits (Claim) arising from any of the following:

a. Indemnitee's ownership, management and/or operation of the Park, whether the Claim arose from events occurring before or after Indemnitor's ownership of the Park and whether the Claim was first presented before or after Indemnitor's ownership of the Park, provided, however, that this Agreement does not extend to any Claim which was asserted and pending prior to the execution of the subject Purchase and Sale Agreement and which is set forth on the list of excluded claims attached as Exhibit 1 hereto.

b. The ownership, management and/or operation of the Park by APHA, and its agents and employees.

c. The indemnity granted hereby extends to any and all

claims, of every kind, nature and description, including but not limited to claims for personal injury and property damage, howsoever caused and/or arising, and extends to all consequences and effects related to all claims, including claims, causes, effects and consequences which are not presently known or contemplated. Without limiting the generality of the foregoing, this indemnity further extends to all claims which may in any way relate to or concern Building Laws, Hazardous Materials, Hazardous Materials Claims and Hazardous Materials Laws as those terms are defined in the Loan Agreement between the APHA and the Trust.

1. Where any Claim is asserted against any Indemnitee, Indemnitee shall provide Indemnitor with reasonable timely notice of same in writing. Thereafter, Indemnitor shall at its own expense indemnify, defend, protect and hold harmless Indemnitees, and each of them, against said Claim and any loss, damage, cost, expense, attorney's fees and liability resulting therefrom.

2. Should Indemnitor fail to defend and/or indemnify and hold harmless Indemnitees, and each of them, from any such Claim, then in such case Indemnitee shall have full rights to defend, pay or settle said Claim on its own behalf without notice to Indemnitor; and Indemnitees, and each of them, may claim and recover from Indemnitor all attorney's fees, costs, expenses, expert witness fees and payments made or agreed to be paid on account of and with respect to said Claim.

3. Indemnitor agrees to pay all reasonable attorney's fees necessary to enforce said indemnification.


4. This Agreement and the indemnity provided hereunder shall be unlimited as to amount and duration, and it shall be binding upon and inure to the benefit of the parties, their heirs, successors, assigns and personal agents and representatives.

5. All notices to be given hereunder shall be given as provided in the Purchase and Sale Agreement between APHA and the Trust.


6. Each of the parties has been represented by legal counsel of its own choosing and has had the opportunity to participate in the negotiation and drafting of this Indemnity Agreement. The provisions of Civil Code section 1654, to the effect that an ambiguity in an agreement should be construed against the party who drafted it, and any similar provision of common or statutory law, shall not apply to this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement.


Alimur Park Homeowners Association

By 
Clay Butler, President

Dated: 10-9-15


Paul Goldstone, Trustee

Goldstone Management Inc.

By 
Paul Goldstone, CEO

Dated: 10-9-2015



EXHIBIT 1 TO INDEMNITY AGREEMENT

The following claims, and no others, are excluded from the Indemnity Agreement:

The claim of Charles Green for personal injuries which allegedly occurred on or about March 2, 2014, which is currently pending in the Santa Cruz Superior Court, and any and all claims, demands, actions, and causes of action related thereto.

IN WITNESS WHEREOF, the parties have signed this Exhibit 1 to Indemnity Agreement.

Alimur Park Homeowners Association

By 
Clay Butler, President

Dated: 10-9-15


Paul Goldstone, Trustee

Paul Goldstone, Trustee
Goldstone Management Inc.

By 
Paul Goldstone, CEO

Dated: 10-9-2015





**Exhibit D to the Purchase And Sale
Agreement**

**ALIMUR PARK MOBILEHOME
PARK RULES AND REGULATIONS**

To Be Effective on Close of Escrow

Following are the Rules and Regulations of the ALIMUR PARK MOBILEHOME PARK (the "Park"). These Rules and Regulations are implemented pursuant to California Civil Code Section 798.25 and are applicable to all Residents, upon proper notice, on the effective date noted whether or not they are signed. Management reserves the right to supplement and amend these Rules and Regulations as allowed by law and the Bylaws of the Alimur Park Homeowners Association. Although Management will take reasonable steps to enforce these Rules and Regulations in a reasonable fashion from and after their effective date, the manner and method of enforcement lies solely within the discretion of Management. There is no guarantee that these Rules and Regulations will always be enforced to the exact satisfaction of any particular Resident. Since Management personnel and resources are limited, Residents should notify Management, in writing, of any violation of these Rules and Regulations that require the attention of Management.

I. DEFINITIONS:

- A. HIS, HER: Any reference to his or her is intended to include the other and is not limited to any particular gender.
- B. PARK, COMMUNITY: Any reference to Park or Community refers to the ALIMUR PARK MOBILEHOME PARK.
- C. MANAGER: Any reference to the Manager refers to the Resident Manager.
- D. MANAGEMENT: Any reference to Management refers to the owners and operators of the Park, including the Resident Manager.
- E. GUEST: Any reference to a Guest refers to a person who is present in the Park at the invitation of a Resident but who has not signed a Rental Agreement nor has any other rights of tenancy. A Guest is not a Resident.
- F. RENTAL AGREEMENT: Any reference to "rental agreement" refers to the written lease or rental agreement between Management and Homeowner.
- G. LOT, SITE, HOMESITE, and SPACE: Any reference to the lot, site, homesite or space refers to the area upon which the Homeowner's mobilehome rests. This

area is described by a specific number in the Rental Agreement.

H. **RESIDENT**: A Resident is a Homeowner or other person who lawfully occupies a mobilehome.

I. **HOMEOWNER**: A Homeowner is a person who is a registered owner of a mobilehome according to the Department of Housing and Community Development (“HCD”) or County tax records and who has a tenancy in the Park under a Rental Agreement.

J. **MANAGEMENT APPROVAL**: References to approval, permission or authorization of the Management shall be construed as written approval prior to taking action.

2. **RENTAL AGREEMENT**: All Homeowners are required to sign a written Rental Agreement. Before one can be accepted as a Homeowner of this community, a prospective homeowner must fill out an Application for Membership or Tenancy form, be accepted and approved by Park Management, and sign a Rental Agreement. A prospective homeowner who has already purchased a mobilehome from a previous Homeowner is not a legal Homeowner of this Community until and unless Management has accepted that person as a Homeowner and a Rental Agreement has been signed.

3. **FAIR HOUSING COMMUNITY**: The Park is open to qualified Residents without regard to race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, genetic information, age, political affiliation or military or veteran status. Disabled persons may request reasonable accommodations under state and federal Fair Housing Laws.

4. **GUESTS**: Upon request, a Guest must be able to demonstrate to Management proof that he/she lives somewhere other than the Park on a permanent basis. A copy of a current valid rental agreement is an example of acceptable proof. The Park is private property.

A. Guests may stay with a Resident (20) consecutive days or thirty (30) total days in a calendar year without registering. A day is defined as a calendar day or any portion thereof. Thereafter, Guests must register at the Park office. Subject to the provisions of the California Civil Code Mobilehome Residency Law (Section 798 et seq.) which allows certain Guests to remain in the Park on a long-term or indefinite basis, no Guest may remain in the Park more than 60 days in any 12-month period without applying for and being accepted by the Park as a Resident. If an application from the prospective resident is denied, the Guest must vacate the park upon at least 7 days written notice to the host Resident. No Guest may remain in the Park without the presence of a host Resident occupying the home on an ongoing basis. Persons doing so are considered unlawful

occupants under the California Civil Code.

B. Residents are required to acquaint all Guests with these Rules and Regulations of the Park. Residents are personally responsible for the action and conduct of their Guests and are liable for any damage to the property of the Park or any Resident of the Park caused directly or indirectly by a Resident's Guest. Any violation of the Park Rules and Regulations by a Guest of the Resident or by any person residing with the Resident on the leased premises shall be deemed a breach of the Rules and Regulations by the Resident and shall have the same effect as if the Resident had breached the same. Guests must be accompanied by a Resident when using any park facilities or equipment.

5. **PERMISSIBLE USE OF THE LOT:** The Homesite shall be used for a mobilehome approved by Management. This Mobilehome shall be used solely as a residence and shall house only Residents, approved in writing, by Management, and no others. Resident agrees not to change the mobilehome on said homesite without first obtaining Management's written consent and all necessary permits. The Homesite shall remain accessible to Management at all times in order to facilitate repairs of equipment, installation of new equipment, maintenance of landscaping in accordance with Mobilehome Residency Law provisions and the ability to respond to other emergencies that may arise. No commercial business shall be conducted in the Park. No yard sales may be held in the Park.

6. **LOT MAINTENANCE:**

A. Residents shall maintain their homesites in a clean, well-kept and attractive fashion, including the front, sides, and back. If a homesite remains neglected after written notification to the Homeowner of the condition to be corrected and the failure of the homeowner to comply within 14 days, Management may, but is not obligated to, perform all work reasonably necessary to correct the noticed condition and bill the Resident for this service, pursuant to Civil Code Section 798.36. All trash, debris, boxes, barrels, brooms, ladders, etc., must be kept out of sight. No towels, rugs, wearing apparel or laundry of any description may be hung outside the mobile home at any time. Unsightly vehicles are not permitted to park on mobilehome spaces (see "Vehicles"). No storage under mobilehomes or decks or on top of or behind storage sheds is allowed. No appliances are allowed outside of the mobilehome or storage shed. Only patio furnishings, operational barbecue equipment and decorative plants are allowed on the decks or patios.

B. The Park has an extensive network of underground utilities. Any digging or trenching must be approved in writing by Management in advance. The Homeowner shall be liable for any damage or injury incurred as a result of digging or grading of any area around the mobilehome or any deviation from the plan submitted for approval to Park Management.

C. Management approval of all plans for work to be done by contractors in the



Park is required.

D. Resident does not have the right to make repairs or capital improvements to the homesite and charge back the cost of such repairs or capital improvements to Management. All alterations, improvements, and changes shall be approved, in writing, in advance but will be at the cost of the Resident, and shall at once become a part of the realty and belong to Management. However, at Management's option, Resident shall, at his or her expense when surrendering the lot, remove all such alterations, additions, or improvements installed by Resident, and Resident shall repair any damage to the premises caused by the removal.

E. Subject to the limitations of Civil Code Section 798.37.5, all plants, shrubs, and trees planted on the homesite as well as all structures permanently embedded in the ground at the homesite, blacktop, concrete or any other structure permanently attached to the ground of the homesite, shall be maintained by Resident at Resident's sole expense and responsibility, and Resident shall be completely responsible for each of them. Tree maintenance shall include, but not be limited to, trimming and removal of the trimmings. No tree shall be planted without the express permission, in writing, of Park management.

F. Subject to the limitations of Civil Code Section 798.37.5, driveways and walkways on the homesite are the responsibility of the Residents. Residents shall maintain their driveways in a clean, safe and attractive condition. Periodic replacement, at Resident's sole expense, may be required based on wear and deterioration. Management reserves the sole right to determine if a driveway or walkway is beyond repair and needs replacement.

G. When a homesite is vacated, Resident must insure that all holes must be filled and leveled and lot cleaned.

7. **INSURING PROPER DRAINAGE:** It is the Resident's responsibility to assist Management in assuring the natural flow and drainage of water on the homesite. This requires that Residents do no act which would impede the natural flow and drainage of water or assist in the buildup of water. Residents are required to use proper irrigation techniques. Additionally, it is suggested that the Resident "level" the coach on a consistent basis and install rain gutters on the roof. Please consult Management for suggestions or assistance in this regard.

8. **MOBILEHOME MAINTENANCE:** The exterior of the mobilehome must be well maintained, clean and neat in appearance and kept in good repair. Management reserves the right to require painting of the mobilehome if it falls into a condition that is chipped, peeling or stained. All electrical, water, sewer, and gas connections must be kept in a good and leakproof condition at all times and in compliance with all state and local laws or regulations. Report any community facility which is out of order to the Management. Any additions to the mobilehome (porches, screen rooms, cabanas, air

conditioners, water softeners, etc.) must be approved by Management in writing, then submitted to the proper regulatory agency for the necessary permits. (See Paragraph#11.) Use of spray guns or heavy equipment requires Management's prior approval.

9. STORAGE SHEDS: Prior written approval of Management must be obtained before a shed is installed. No more than one (1) storage shed will be permitted. The storage shed may have a maximum total footprint of 150 square feet. The shed may have a maximum height of 8 feet unless the shed is on the carport or under the patio/deck awning, in which case the height of the shed must extend to the bottom of the carport or patio/deck awning so that the carport or patio/deck awning serves as the roof. If an existing shed is re-roofed, shingles must be used that match the home. No rolled composition roofing will be permitted. The shed must be set on a concrete floor. The location of the shed must be approved by Management and checked in advance for any underground pipes, wires, utilities, etc. Installation of the shed, including digging and pouring the concrete pad, will be at the resident's risk and expense. The shed must be located on the street side directly behind the home if the back of the home faces the street. Otherwise, the shed should be placed on the homesite at the rear of the home. Storage sheds must be professionally manufactured and the siding color and material must match the mobilehome if possible. Electrical service to the shed requires a State permit. The maintenance requirements for a shed are the same as those required for the mobilehome as outlined in Paragraph 8. Sheds must be installed in conformance with Title 25, California Code of Regulations, and be at least four feet from utility pedestal to allow for maintenance and reading of meters.

10. MOBILEHOME STANDARDS: The following guidelines have been established for those Residents who wish to perform any additions, replacements or alterations to their space, mobilehome, accessory structures or landscaping or when replacement is required by Management due to deterioration, damage or neglect. Deviations from these guidelines may be permitted under circumstances deemed extraordinary in the sole judgment of the Management. Homeowners will be required to submit a scaled site plan describing any proposed work. Homeowners must receive Management's prior written approval before commencing any work on their space. Management reserves the right to apply the following guidelines to any new installation, remodel or modification. Management will apply only those sections of these standards which relate to the Homeowner's proposed changes. On existing mobilehomes, all work must be fully completed within 45 days from commencement. On new homes all work must be fully completed within 45 days from delivery of the home. This work includes all required appurtenant structures and landscaping requirements. Management reserves the right to make exceptions for accommodation of disabilities as required by law.

A. Mobilehomes must be a minimum of 480 square feet or 12' wide x 40' long for spaces which can only accommodate a single wide home. Mobilehomes must be a minimum of 800 square feet or 20' wide x 40' long for spaces which can accommodate a double wide home. Existing setbacks must be observed and in no event may any home or appurtenant structure be located closer than 3 feet to the street.

Pgtone



B. Mobilehomes being resided / re-skirted must have skirting/siding which is either redwood, aluminum or vinyl ship lap or hard-board material of a T-111 style. Skirting/siding for patio/decks, handicap ramps and stairs must be the same material and color as the home. Skirting/siding patterns must be the same pattern throughout the home with the exception of trim pieces. Management encourages the use of decorative masonry skirting. All such material must be approved in writing by Management. Skirting must be kept in good repair at all times.

C. Single wide mobilehomes must have roofs that are a minimum 2/12 pitch and double wides must have roofs that are a minimum of 3/12 pitch. All roofs must be made only of wood, tile or composition shingles. Only existing metal roofs may be replaced as metal roofs. Those metal roofs must have a finished roof coating in white. Residents replacing shingle roofs must continue to use wood, tile or composition shingles unless prohibited by law. Rolled composition or built-up foam roofing material is not permitted.

D. Management must approve in writing all exterior colors. Homeowners will be required to provide a color sample to the Management office prior to any exterior painting.

E. Mobilehomes must have awnings covering all carports, handicap ramps, and front and rear steps. Patio/deck awning covers must extend the entire length of the home unless the patio/deck is in the rear of the home. Management may at its discretion require the installation of window awnings over certain windows and/or upgraded front elevations in order to create a more traditional appearance to the home. Three-band aluminum unitizing or full band wood fascia must be installed around the entire perimeter of a new home to include all patio/decks, handicap ramps, carports, and front and rear steps. Aluminum unitizing and full band wood fascia must be color matched to the home siding or trim. Residents who add or replace carports, patio/decks, handicap ramps of front and rear steps must cover them with awnings. Any awning in disrepair must be replaced and must meet the criteria herein.

F. Mobilehomes must have a minimum raised patio/deck of 6' x 20'. All raised patios/decks, stairs (entire risers) and handicap ramps must be fully carpeted with all edges trimmed in aluminum. Exposed redwood wood patios/decks, stairs or handicap ramps will be permitted. They must be properly skirted and stair treads must be faced. Required patio/deck/stair railings must be constructed of wood, aluminum or wrought iron.

G. Mobilehomes must provide covered carport parking for two (2) vehicles unless the space can only accommodate one (1) vehicle. Windbreaks or sunblock's are allowed on the carport sides per paragraph "K", below.

H. No ducts or refrigeration units are allowed on the roof. No evaporative, window mounted or through-the-wall cooling units of any kind are allowed. The location



must be approved in writing by Management.

I. Reflective mirrored film or foil may not be used on the window of a home if it is visible from the exterior of the home. Any interior window coverings visible to the outside must be standard drapery, mini-blind or shutter material.

J. Exterior windbreaks or sunblock's are allowed on the patios/decks and carports provided they are constructed of approved aluminum style or vinyl material and provide a 12" from the ceiling and an 18" clearance from the floor. No wood lattice windbreaks or sunblock's are permitted anywhere on the exterior of the home. A plastic or vinyl system may be permitted providing it is framed. Screen rooms are permitted on patio/decks provided they are constructed using bronze anodized aluminum framing materials from top of patio/deck to bottom of awning. California rooms (or Arizona rooms) may deviate from this requirement if approved by Management.

K. Mobilehome Hitches must be removed.

L. Chimneys, flues or exhaust vents may extend above the roof line only high enough to meet applicable codes. Any chimneys, flues or exhaust vents extending beyond 12 inches above the roof line must be skirted to match the home siding or must be covered with other approved decorative material. No items of any kind may extend beyond 36 inches above the roof line unless specifically required by law. Patio/deck stair railings must be constructed of wood, aluminum or wrought iron.

M. Full landscaping plans or any substantial change in landscaping must be preapproved by Management and must include detailed drawings showing kinds and location of plantings to include size, type and color. Types of landscape rock, ground cover, and details of the irrigation system must also be included. Any plans that include digging on the space must have prior approval by Management to insure no damage done to park infrastructure.

N. Landscaping must be comprised primarily of shrubs, flowers and ground cover. Decorative rock, wood bark, or mulch may be used only as accent material around trees or shrubbery areas.

O. It is the homeowner's responsibility to install and maintain well designated borders enclosing their landscaping where it does not abut a park street or walkway. No border may extend beyond a homeowner's lot line without Management's prior written approval. Homeowners may mutually agree to install and maintain one common border where lots are adjacent. A written agreement regarding the common border must be on file with Park Management, and it must be disclosed by seller if the mobilehome should be sold. Borders must be constructed of decorative masonry material or redwood. Redwood borders must be buried to within two inches of the ground.

P. The park's pedestal breakers are individually rated. This amperage rating may not be exceeded under any circumstance. In the event a mobilehome is replaced, the new mobilehome may not exceed the amperage rating of the former mobilehome unless approved by Management in advance and all work is performed with and according to all applicable permits.

Q. In accordance with code requirements, all service pedestal areas must be easily accessible at all times.

R. In addition to receiving Management's prior written approval before commencement of any work, all necessary city, county and state permits must be obtained.

11. MOBILEHOME RESALE

A. Residents must notify Management sixty (60) days prior to the intended date of sale and sign an "Intent to Sell" form. At this time, Management will notify Resident in writing of any repairs or maintenance needed for homes which are to remain in the Park. For Sale signs are permitted only as allowed by law, as described in Civil Code 798.70. No other signs are permitted. No "Open House" signs or "Real Estate Caravans" are permitted in the Park. Management reserves the right to require removal of a home upon resale in order to upgrade the Park in conformance with the California Civil Code.

B. Before the sale has been completed, the prospective Homeowner (the Buyer) must be accepted in writing by Management and a Rental Agreement must be signed. If a Buyer fails to comply with this Rule, it will result in the denial of entry into the Park for such person. A Buyer may not commence occupancy of a mobilehome until a Rental Agreement is signed and the sale is completed.

12. VEHICLES

A. SAFE DRIVING: Due to heavy pedestrian traffic in the Park, everyone is urged to drive SLOWLY and CAREFULLY at all times within the Park.

B. PARKING: Each homesite has parking facilities. NO STREET PARKING IS PERMITTED. The streets within this community are narrower than conventional city streets and are in compliance with construction standards for mobilehome parks in California. The streets within a mobilehome park are entitled "Fire Lanes" and as such are under the jurisdiction of the local fire department. Therefore, any Resident or Guest of a Resident parked on the street is subject to having his/her vehicle towed away at the owner's expense. Parking is ONLY permitted in the Homeowner's driveway. No parking is permitted on any part of a mobilehome space except on a properly constructed and paved driveway. Vehicles may not protrude into the street or across sidewalks. Guest parking areas are ONLY FOR GUESTS.



Residents may be allowed to build at their own expense and use secondary parking spaces on their home site, as long as these spaces are properly constructed and paved and maintained in good working order and used only for vehicle parking purposes (no parking on grass or landscaping). All four wheels of all vehicles using a secondary parking space must be off the street and on the paved secondary parking space. Vehicles, including vehicle bumpers, must not encroach on the red striping which borders the fire lane. All plans for the construction of secondary parking spaces must be submitted by the resident to management for approval. Any change in parking and any addition of a secondary parking space cannot decrease the value of the Park, the unit in question or that of their neighbors'. No construction on a secondary parking space may begin before written approval of this construction by management. Any adverse impact a secondary parking space might have on neighboring lots will be strongly considered by management when deciding whether to grant permission to construct a secondary parking space. Management will be the sole authority on what constitutes an acceptable secondary parking space and what constitutes a negative impact on the Park and surrounding neighbors.

C. VEHICLE COSMETICS AND MAINTENANCE RESTRICTIONS:

Unightly vehicles are not permitted to park on mobilehome spaces. All vehicles, including pick-up trucks and vans, must be maintained in good working and driving condition at all times. Vehicles may not be parked on blocks. All vehicles must be substantially free of damage and properly painted. Any vehicle which drips fluids must be fixed to avoid damage to the paving. Drip pans may be used if kept clean. Residents shall not leave any vehicle in disrepair anywhere on the premises, including the assigned parking spaces. Such vehicles shall be deemed a nuisance and may be towed away at the vehicle owner's expense. No vehicle repairs other than minor maintenance shall be performed on any vehicle while it is in the Park. Lubrication, oil or coolant change, degreasing or any other type of maintenance which might create a nuisance or violation shall not be performed anywhere in the Park.

D. BICYCLING: Bicycling is not permitted on the sidewalks or parking areas but is permitted in the streets.

13. FENCES: For privacy and protection of pets, residents may build fences at their own expense on their home site. Fences may not exceed 4' (four) feet in height at any point, measured from the lowest point of the lot along the fence line where it meets the soil on the side of the property on which the fence is being constructed. For example, if there is a retaining wall on a lot, the fence may not be built 4' high on top of that wall; the top of the fence on top of the wall could not be more than 4' about the bottom of retaining wall where it meets the ground. However, the uphill neighbor could put a 4' fence on top of the soil, so long as it does not adversely impact the downhill neighbor as provided below. If the lot is sloped, the top of the fence will not follow the slope. Instead, the top of the fence will always be level, horizontal, so the fence will have to step up from place to place but never be more than 4' high. Absent special circumstances, all fences shall be in the back half of the lot and at least 50% of the fence surface shall be open and transparent



as measured in square feet. These fence restrictions are in part intended to minimize the visibility of fences from the street helping beautify the overall park appearance. All fences shall be made of wood or metal only and shall be of a neutral color and finish. Fences will also be subject to material, height and setback requirements as determined by Buyer's board of directors, California law, utility providers and any applicable local ordinances. All plans for fence projects must be submitted in writing to management for approval and permits must be obtained when necessary before construction begins. The plans shall include a description of the fence materials and finished color. Any adverse impact fencing might have on neighboring lots will be strongly considered by management when deciding whether to grant permission to construct a fence. Management will be the sole authority on what constitutes a fence, what constitutes an acceptable fence, and what constitutes a negative impact on the Park and/or surrounding neighbors.

14. **ANTENNAS:** No radio antennas may be erected in the Park. Satellite dishes or TV antennas as permitted by law may be installed with Management approval. Management must approve in writing placement of the installation. Approval will be granted only for installations in the most inconspicuous manner possible, while allowing for adequate reception.

15. **TRASH CANS:** Residents may have only one (1) garbage container and one recycling container. This container must be placed curbside for designated pickup service. Residents should check with the park office for the pickup schedule. No refuse containers shall be placed curbside earlier than the evening before the pickup. Except for pickup, all garbage cans must be stored out of sight such as inside storage sheds.

16. **SUBLETTING:** NO subletting, subleasing, or renting of mobilehomes or homesites is allowed unless required by law and then only to the extent the law requires. The PARK is for owner-occupied homes only. At all times, at least one full-time park approved Homeowner must live in the home.

17. **ZONING DISCLOSURE:** The Park operates under zoning designation RM-3-MH. The park operates under use permit 3666-U, 2605-U and 54-36-(T). The park is owned in fee simple.

18. **OCCUPANCY QUESTIONNAIRE:** Resident shall provide Management with a copy of the registration card issued by the Department of Housing and Community Development for the mobilehome within 10 days of receipt of the original and each annual renewal. Additionally, resident shall complete, sign and provide Management, on execution of the Rental Agreement and thereafter on three (3) days written notice from Management, an Occupancy Questionnaire containing the following information:

- a. The names of all occupants in the mobilehome and their ages;
- b. The relationship of the occupants: family members, guests, residents or



shared tenancy under California Civil Code Section 798.34(b);

- c. The identities of the legal and registered owners of the mobilehome;
- d. The names and address of all lienholders of the mobilehome; and
- e. Any further information reasonably requested by Management.

19. SECURITY: The Mobilehome Park is not a security community. Any existing or new structure or services such as, but not limited to; perimeter fencing, front gates, the locking of the clubhouse or the use of card keys shall be construed as adding to the comfort and lifestyle of the Residents and shall not guarantee or imply any security. Any of the structures or services referred to above may be inoperative or unavailable due to circumstances beyond the control of the Management. Management assumes no security responsibility during these periods or at any other time.

20. LAUNDRY: Automatic laundry facilities are for the Resident's use only. Please leave machines, dryers, and laundry room clean. Remove all clothes from machines as soon as they are finished. No dyeing or tinting permitted in machines. Laundry room hours are posted at the facility.

21. PETS: No pets are allowed in the Park without written permission of management. A pet registration form must be filled out prior to allowing any pet in the park. Only aquatic animals in an aquarium, birds in a cage, or miscellaneous small mammals such as hamsters or rats, or two (2) small dogs or two (2) cats with a maximum full grown size of 12" (inches) shoulder height and a maximum weight of 20 lbs. when full grown is allowed. Pets cannot be left unattended and without a leash outside of the home. Pets must be on a leash no longer than 6' (feet) when walked in the Park. No pets are allowed in the recreational/clubhouse/pool areas. Management reserves the right to approve all pets and to remove any pet determined to be a nuisance to the Park or the Residents or left unattended. Pets that bark, bite or disturb their neighbors will not be allowed. Residents are required to pick up their pet's droppings and to keep their spaces in a clean and sanitary condition at all times. Guests and visitors are not permitted to bring pets into the Park. In addition, owners of pets must be in compliance with the Santa Cruz County Ordinances regarding pets.

Pet owners and potential pet owners must also:

- a. Bring a picture of their pet into the office for their file;
- b. Have all records, including, but not limited to, veterinary records, vaccinations and shots, kept up to date and provide a copy to Management;



- c. Have a report from the Veterinarian as to the mature size of the pet and the normal weight of such animal when full grown;
- d. Keep control of their pet at all times and keep it from running loose in the Park. Pets running loose will be considered to be without ownership and will be treated accordingly. Under no condition are pets to invade the privacy of anyone's homesite, shrubs, flowerbeds, etc.
- e. "Curb" their pet and dispose of all defecation, immediately.

GUESTS AND VISITORS ARE NOT PERMITTED TO BRING PETS INTO THE PARK.

22. **POOL.** The pool will be open for use and heated as posted in the office and/or the community bulletin board. These dates may be extended or contracted at the Management's discretion. Management reserves the right to close or restrict the use of the pool in the event restrictions on water use are imposed by government or quasi-government agencies or water companies and for the purposes of cleaning and repair. Management will abide by and conform to energy conservation programs established by the government or utility companies with respect to heating the pool.

There is no lifeguard on duty. All individuals using either the swimming pool or pool area equipment do so at their own risk. Management reserves the right to restrict the use of the pool area and deck area at Management's discretion. The pool may not be reserved for group activities.

1. All guests and occupants must be accompanied by a Resident.
2. It is strongly recommended that children under the age of 11 years old be accompanied by an adult at all times.
3. Remove all hairpins and hair ornaments before entering the pool.
4. Maximum of three Guests per Resident at the pool area.
5. Any individual irrespective of age who is incontinent, has insufficient control over urination or defecation, or in need of diapers is not permitted in the pool.
6. No diving or jumping from the edge of the pool is permitted.
7. No beach balls, rubber rafts, float boards, swim fins, coins, rocks, or other loose objects etc., are permitted. Objects are not permitted to be thrown into the pool.
8. Glassware, alcoholic beverages or drugs are strictly prohibited in pool area.

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9. No food is allowed in the pool area. Beverages are permitted only if they are in non-breakable containers. It is the residents' responsibility to take all debris and trash home with them for proper disposal.

10. Wet surfaces are slippery. No running in the pool area. Non-slip type footwear is suggested.

11. Only full bathing attire may be worn. No cut-offs or t-shirts are permitted.

23. CLUBHOUSE AND RECREATIONAL FACILITIES. The clubhouse and recreational facilities are private property provided for the exclusive use of Residents and their guests. Residents are entitled to bring a maximum of three (3) Guests into the clubhouse and recreational facilities. Guests must be accompanied by a Resident when using the clubhouse and recreational facilities. Hours are as posted.

A. Reservations for clubhouse functions may be made solely for groups consisting of Park Residents and their Guests (subject to the above limitations). Reservations will be accepted on a first come, first served basis. Please check with Management for the rooms and times available for reservation. The Residents must reserve the facility for the function and obtain the prior written consent of Management. The group using the clubhouse facilities is responsible for the cleanup work. Tables and chairs used for group functions should be put away immediately following each function unless other arrangements have been made with the Management. Management further reserves the right to require a security deposit for any of the facilities including the clubhouse use or, based upon prior experience, prohibit a group from scheduling a function. Management also reserves the right to prohibit any function deemed by Management to in any way be detrimental to the facilities. The park facilities are not to be used for general community meetings such as the Lions Club, Girl Scouts, etc.

B. The clubhouse and all other facilities are used at one's own risk. Except as expressly stated in the California Civil Code, Management reserves the right to restrict the use of the clubhouse and any other park facilities as to hours, purpose, and conduct. The clubhouse is designated as a "no smoking" facility. No alcohol is allowed in the clubhouse. All persons must wear shirts and shoes when using the clubhouse or any recreational facility other than the pool. Other than the pool, no wet swim apparel is permitted in the clubhouse or recreational facilities.

C. Heating will not be operated on a constant basis in the common facilities which have heating capacity. Heating will be turned on during normal business hours as required in Managements' judgement to maintain reasonable temperature levels consistent with energy conservation requirements.

D. Billiards:





1. Players are limited to three (3) games when others are waiting.
2. Players shall cover the table before leaving the billiard room.

24. **SPECIAL RULES INCORPORATED BY REFERENCE**: Other rules of conduct concerning the use of the Park's facilities are posted throughout the Park and by this reference are incorporated herein as though set forth in full. Residents must read and follow the posted rules.

25. **CAPTIONS**: The titles of paragraphs herein are for identification only. Residents should read the complete text of all paragraphs in order to fully understand the Rules and Regulations, or to find answers to particular questions.

26. **EXECUTION AND ACKNOWLEDGMENT**: Resident acknowledges having read the Park Rules and Regulations, including the Pool Rules and Regulations and the Clubhouse Rules and Regulations, and agrees to be bound by all the terms and conditions herein contained.

Resident Signature _____ Date _____

Print Name: _____

Resident Signature _____ Date _____

Print Name: _____

Exhibit E to the Purchase and Sale Agreement
OPTION AGREEMENT REGARDING
APHA MEMBERSHIPS
ASSOCIATED WITH AVAILABLE SPACES IN ALIMUR PARK

This Option Agreement (Agreement) is made by and between Alimur Park Homeowners Association, a California nonprofit mutual benefit corporation (Optionor or APHA) and the Paul Joel Goldstone, Trustee of Paul's Trust established pursuant to, and in accordance with, an Order of the San Mateo Superior Court, Case No. 66015, dated April 2, 2001 (Optionee or the Trust).

RECITALS

WHEREAS:

1. APHA is purchasing the Alimur Park Mobilehome Park (Park) from the Trust pursuant to a certain Purchase and Sale Agreement (PSA).
2. APHA's bylaws provide that its members must reside in the Park as their primary residence and that in the future only members of the APHA may acquire mobilehomes in the Park. The Trust does not qualify to be and is not a member of APHA.
3. The PSA provides, among other things, that the Trust retains the right to develop certain mobilehome spaces at the Park which are not currently leased or rented and which are described in the PSA as the Available Spaces, that the Trust will pay the membership subscription fee of \$12,000 for each of the Available Spaces, and that, upon sale of the mobilehome on an Available Space by the Trust, the membership associated with that space (Membership) will be transferred without charge to the new mobilehome owner, who will become a member of APHA.
4. Pursuant to the PSA, the Trust has paid the \$12,000 membership subscription fee for each of the Available Spaces, and APHA acknowledges the receipt of those payments.
5. Also pursuant to the PSA, APHA and the Trust have entered into a Space Development and Rental Agreement (SDRA) for each of the Available Spaces. The PSA and SDRA provide, among other things, that the Trust may repair and upgrade the amenities, facilities, mobilehomes and electrical service on the Available Spaces because it is in the mutual best interest of the Trust and APHA.
6. Optionor is the legal and beneficial owner of the APHA membership shares (Shares) associated with the each of the Available Spaces.
7. The Available Spaces include Space Nos. 12, 23, 23a, 27, 31, 37, 80, 88,



91, 94, 103, 104, and 227 and may also include any other Space which, in the ordinary course of business, is not occupied, rented or leased by a resident on the Date of Close of Escrow.

AGREEMENT

NOW, THEREFORE, in further consideration of the PSA, IT IS HEREBY AGREED as follows:

1. Option Agreement. Optionor wishes to grant to the Optionee and the Optionee wishes to accept from the Optionor, Options empowering Optionee to require the transfer of the Membership associated with each of the Available Spaces from Optionor to the buyer of a home (Buyer) installed on each of the Available Spaces, upon sale of that home by Optionee to the Buyer.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Optionor grants to Optionee the Options described in the paragraph directly above.

2. Exercise of Option. For purposes of exercising the Option, the Optionee shall give APHA notice in writing that a home installed on an Available Space has been sold to a third party Buyer. Optionee or the Buyer shall provide APHA with evidence of transfer of the home's title to Buyer (i.e., copies of Housing and Community Development Department title documents). APHA shall then transfer ownership of the Membership associated with the Space to the Buyer.

3. Non-assignability of Option. The option is personal to the Optionee. Therefore, the Optionee may not sell, assign or otherwise transfer the Option, or any of its rights under this Agreement without prior written consent of the Optionor. Regarding the Available Spaces, any purchaser or transferee of the option shall be bound by the provisions of the PSA.

4. Notices. Any notice required by this Agreement or given in connection with it, shall be in writing and shall be given as provided in the PSA.

5. No Waiver. The waiver or failure of either party to exercise in any respect any right provided in this Agreement shall not be deemed a waiver of any other right or remedy to which the party may be entitled.

6. Entirety of Agreement. This Agreement, the PSA, and the Space Development and Rental Agreements for each of the Available Spaces constitute the entire agreement between the parties concerning the Options and supersede any communications or previous agreements with respect to the subject matter of this agreement. There are no written or oral understandings directly or indirectly related to this Agreement that are not set forth herein. No change can be made to this Agreement



other than in writing and signed by both parties.

7. Governing Law. This Agreement shall be construed and enforced according to the Laws of the State of California. Venue of any litigation arising hereunder shall be in San Mateo County.

8. Severability. If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or on enforceable term had never been included.

9. Inurement. This Agreement shall inure to the benefit of and be binding upon each of the parties heirs, successors and assigns.

10. Recitals. The Recitals set forth in this Agreement are contractual in nature and not mere recitals. Each of the recitals shall conclusively be deemed to be true for all purposes related to this Agreement.

11. Interpretation. Each of the parties have been represented by counsel of their own choosing and have participated in the negotiation and drafting of this Agreement. The provisions of Civil Code section 1654 or any similar provision of common or statutory law, to the effect that an ambiguity in an agreement shall be construed against the person who drafted it, shall not apply to this Agreement.

IN WITNESS WHEREOF, the parties have executed this agreement:

Optionee

TRUSTEE, PAUL'S TRUST

By: Paul Goldstone, Trustee

Paul Goldstone, Trustee

Dated: 10-9-2015

Optionor

ALIMUR PARK HOMEOWNERS ASSOCIATION

By: Clay Butler

Clay Butler, President

Dated: 10-9-15

Exhibit F to the Purchase and Sale Agreement

SPACE DEVELOPMENT AND STORAGE AGREEMENT

This Space Development and Storage Agreement ("Agreement") is made and as of _____, 2015, by and between Alimur Park Homeowners Association, a California nonprofit mutual benefit corporation, hereinafter designated the "APHA" and Paul Joel Goldstone, Trustee of Paul's Trust, established pursuant to, and in accordance with, an Order of the San Mateo Superior Court, Case No. 66015, dated April 2, 2001 hereinafter designated as "Owner."

RECITALS

This Agreement is made with reference to the following facts, each of which shall be conclusively deemed to be true for all purposes concerning this Agreement.

- A. This Agreement is made pursuant to and in accordance with the Purchase and Sale Agreement ("PSA") between Owner, as Seller, and APHA, as Buyer, of the Alimur Park Mobilehome Park, 4300 Soquel Drive, Soquel, California (the "Park").
- B. Owner is financing the sale of the Park to the APHA pursuant to a Promissory Note ("Note") secured by a first Deed of Trust and Assignment of Rents on the Park and all rental income from the Park payable to the APHA.
- C. The Space which is the subject of this Agreement is one of the Available Spaces described in the PSA, Section 11. Owner is entitled to all rights set forth in the PSA and the Option Agreement between the parties with respect to the Space.

Now, therefore, IT IS HEREBY AGREED as follows:

AGREEMENT

1. PURPOSE. This Agreement is for space development and storage only. This Agreement does not create any rights for Owner under the Mobilehome Residency Law, Civil Code sections 798, et seq. This Agreement permits Owner to upgrade the electrical service, landscape, and otherwise improve the Space; to upgrade and renovate the existing mobilehome on the Space; to place a new mobilehome on the Space; and to maintain mobilehomes on the Space in the Park for storage purposes only. Owner understands that this Agreement does not confer any rights of tenancy in the Park, and that the charges payable hereunder are for storage only and are not rent



for occupancy of the premises. Owner understands, acknowledges and agrees that it has not been approved for residency in the Park, that it does not intend to, nor will it at any time, occupy the mobilehome. Should Owner or any persons not authorized to reside in the Park occupy said mobilehome, Park retains its legal remedies, to remove same and recover all damages as allowed by law.

Seller shall have no right to sublease or rent any mobilehomes being maintained in the Park pursuant to this Agreement. Seller may sell the mobilehome to a person or persons who intend to occupy the mobilehome as their principal residence, in which event such person(s) shall become a Member of the APHA as provided in the PSA and the Option Agreement.

2. TERM. APHA leases to Owner Space No. _____ at the Park (the "Space") on a month-to-month basis commencing July 1, 2015.

3. RENT. Owner agrees to pay to APHA rent for the Space in the amount of \$555.00 per month; provided, however, that the APHA may increase the rent to an amount equal to the average monthly rent of all Members of APHA. Any increase in rent shall take effect ninety (90) days after APHA gives Owner written notice of the new rent.

4. UTILITIES. As additional charges, Owner agrees to pay on the first day following billing, the charge for the all utilities furnished to the Space by APHA and used by Owner.

5. PAYMENT IN ADVANCE OF RENT AND OTHER CHARGES. Payment of rent and utilities is due in advance on the first day of each month. A late charge of six percent (6%) will be imposed on all charges not paid by the tenth (10th) day of the month; provided, however, that no late charge will be imposed so long as any money is due pursuant to the Note.

6. ENTRY UPON LEASED PREMISES. Owner hereby acknowledges that the APHA has the right of entry upon the Space to maintain utilities or in case of emergency.

7. RULES AND REGULATIONS. Owner acknowledges receipt of the Park Rules and Regulations in effect at the time of the making of this Agreement and agrees to abide by same. Any change, alternation or modification made to the Rules and Regulations will not be binding on Owner unless Owner consents in writing to such change, alteration or modification. Owner's consent to any change, alteration or modification of the Rules and Regulations will only effect future work and will not be binding on any work which as previously been done by Owner or any of its agents, employees or representatives.



8. OWNERSHIP OF IMPROVEMENTS. Owner is the owner of all improvements on the Space now existing and made or installed in the future, including but not limited to the mobilehome, storage shed, and all other improvements which Members of APHA are allowed to have and develop on their Spaces. Owner has the exclusive right to sell the improvements on the Space and to reap all profits (or losses) from the sale of those improvements.

9. DEVELOPMENT OF SPACE. APHA grants Owner, and its agents, employees, and representatives, access to the infrastructure, common areas and easements of the Park and Park facilities for the purpose of developing the Space. APHA will cooperate fully with Owner in Owner's efforts to develop the Space. To develop the Space, Owner may do all things that it deems appropriate to develop the Space for the purpose of selling the mobilehome and other improvements on the Space to a person or persons who will occupy the mobilehome as their primary residence. Without limitation, Owner may repair or upgrade the existing mobilehome, install a new mobilehome, upgrade the utilities, upgrade the electrical service to 100 amperes service (100 Amp, 2 Pole Service), landscape, repair or upgrade the existing storage shed, install a new storage shed, and repair, upgrade or improve all other facilities on the Space. APHA will not do anything which would in any way inhibit Owner's development of the Space in the most efficient manner in the personal opinion of Owner. For example, and not by way of limitation, Owner may, but shall not be obligated to, increase the electrical service to the Space to 100 amperes of electrical service ("100 Amp Service"); and Owner and its agents, employees, and representatives may access and utilize all facilities of the electrical service infrastructure and all common areas and easements to dig such trenches and run such conduit as is appropriate, in Owner's sole discretion, to upgrade the electrical service to the Space to 100 Amp Service; and APHA and its members and other residents of the Park shall not do anything which would in any way interfere with or increase the cost for Owner to upgrade the electrical service.

10. MAINTENANCE OF SPACE. Owner hereby agrees to maintain the Space, including landscaping, mobilehome and any other structure on the Space, in a clean and attractive condition throughout the term of this Agreement as provided in the Rules and Regulations, subject to the provisions of paragraph 7.

11. FAILURE TO COMPLY WITH RULES AND REGULATIONS. Should Owner fail to develop or maintain the Space in accordance with the Rules and Regulations, APHA may give Owner thirty (30) days' written notice specifying the condition to be corrected. Owner shall correct the noticed defective condition within thirty (30) days if it can be corrected within such time. Otherwise Owner shall commence to correct the noticed defective condition within thirty (30) days and will diligently pursue the completion of such correction. If Owner fails to correct or commence correction of any defective condition within thirty (30) days' of its receipt of written notice to correct such defective condition, APHA and its agents, employees and



representatives may perform any work necessary to correct such defective condition and charge Owner the cost thereof.

12. OWNER'S ELECTION TO CREDIT NOTE. So long as any money is due pursuant to the Note, Owner, at its election, may, in lieu of payment, give credit against the current monthly installment due on account of the Note for any sum due hereunder. If any payment is not made when due, APHA may give Owner written notice of the delinquent payment, in which case Owner shall either pay said sum within thirty (30) days of its receipt of the notice of delinquency or give APHA notice that it is crediting such amount to the Note. If Owner fails to pay or give or give a credit notice, APHA shall be entitled to a credit on the Note for the amount due; provided, however, that nothing contained herein shall limit Owner's right to contest that the amount claimed by APHA was not due in whole or in part.

13. ASSIGNMENT OR SUBLETTING: Owner may assign its right pursuant to this Agreement.

14. TERMINATION OF AGREEMENT: This Agreement will terminate upon sale of the mobilehome on the Space to a purchaser who becomes a Member of the APHA and signs a Member Rental Agreement. Owner may terminate this Agreement upon thirty (30) days written notice without cause, in which event Owner will no longer have the right to use or occupy the Space, APHA have the right to use and occupy . APHA may also terminate this Agreement in the event Owner violates any of the terms or conditions hereof and, except as otherwise provided herein, fails to correct same upon thirty (30) days' written notice specifying the action that need to be taken; provided, however, that APHA may not terminate this Agreement so long as any money is due pursuant to the Note.

If this Agreement is terminated as provided above other than by sale of the mobilehome on the Space to a purchaser who becomes a Member of the APHA, then: (1) Owner shall no longer have the right to use, occupy or develop the Space, (2) APHA may do anything the owner of mobile home park property may lawfully do, such as develop the Space and/or rent the Space to someone else, (3) APHA shall pay Owner the \$12,000 option fee for the membership share associated with the Space, and (4) upon making such payment, Owner's option with respect to the membership share associated with the Space will also terminate.

15. SAVINGS CLAUSE: Each provision of this Agreement is separate and distinct and individually enforceable. In the event any provision is declared to be unlawful, the enforceability of all other provisions shall not be affected.

16. NOTICES: Any notice required by this Agreement shall be served as provided in the PSA.

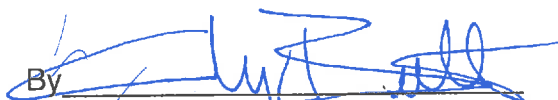


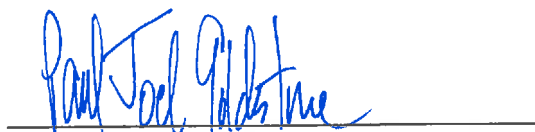
17. RECITALS. The recitals set forth at the beginning of this Agreement shall be conclusively deemed to be true for all purposes, including the interpretation of this Agreement. This Agreement shall be interpreted so as to be consistent with the provisions of the PSA, particularly section 11, thereof, which are incorporated herein by this reference.

18. SUCCESSORS. This Agreement is binding on and shall inure to the benefit of the heirs, successors and assigns of each of the parties.

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

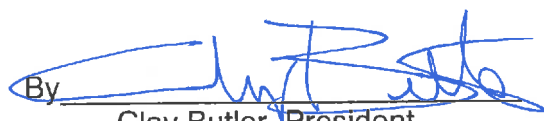
Alimur Park Homeowners Association


By 
Clay Butler, President


Paul Joel Goldstone
Trustee, Paul's Trust

APPROVED AS TO FORM

Alimur Park Homeowners Association

By 
Clay Butler, President


Paul Joel Goldstone
Trustee, Paul's Trust

LOAN AGREEMENT

This Loan Agreement ("Agreement") is made by and between ALIMUR PARK HOMEOWNER'S ASSOCIATION, a California nonprofit mutual benefit corporation ("Borrower") and PAUL JOEL GOLDSTONE, TRUSTEE OF PAUL'S TRUST, established pursuant to, and in accordance with, an Order of the San Mateo Superior court, Case No. 66015, dated April 2, 2001 ("Lender") concerning Borrower's purchase of that certain real property with improvements thereon commonly known as 4300 Soquel, Drive, Soquel, California.

RECITALS:

A. Borrower is purchasing the Property from Lender pursuant to a certain Purchase and Sale Agreement of even date herewith;

B. Lender has agreed to finance the sale of the Property to Borrower and to make the Loan to Borrower on the terms and conditions of the Purchase and Sale Agreement and on the terms and conditions contained herein;

C. Borrower has been represented by Deane F. Sargent, a real estate broker duly licensed by the State of California, Bureau of Real Estate, and by David E. Loop, Esq., an attorney duly licensed to practice law by the State Bar of California.

D. Lender has not been represented by any real estate broker and has been represented by S. Robert Diener, an attorney duly licensed to practice law by the State of California.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Borrower and Lender agree as follows:

1. DEFINED TERMS. The following terms, as used herein, shall have the following meanings:

Agreement: This Loan Agreement, as originally executed and as amended from time to time by Borrower and Lender in writing.

Borrower: ALIMUR PARK HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation.

Building Laws: All federal, state and local laws, statutes, regulations, codes, ordinances, orders, rules and requirements applicable to the development, construction, use, operation, management and maintenance of the Property, including without limitation, all access, building, zoning, planning, subdivision, fire, traffic, safety, health, labor, discrimination, Hazardous Materials Laws, shoreline, flood plain laws, regulations and ordinances, including, without limitation, all applicable requirements of the Fair Housing Act of 1988, as amended, the Americans with Disabilities Act of 1990, as amended, Title 25, California Code of Regulations, as amended, and all orders or decrees



of any court adopted or enacted with respect thereto applicable to the Property, as any of the same may from time to time be amended, modified or supplemented.

Cash Collateral Account: The meaning set forth in Section 8.3 of this Agreement.

Consenting Party: Each person required to execute consent to any assignment of Service Agreements or Permits.

Corporate Documents: "Corporate Documents" means and refers to certified copies of Borrower's Articles of Incorporation, Bylaws, and Minutes of Organizational Meeting.

Default: Any event which, if it were to continue uncured, would, with notice or lapse of time or both, constitute an Event of Default (as such term is defined in Section 7.1 of this Agreement).

Default Rate: The default interest rate specified in the Note.

Escrow Account: The meaning set forth in Section 3.1(a) of this Agreement.

Executive Order and Patriot Act: Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order") and Public Law 107-56, known as the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act").

ERISA: Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder from time to time.

Event of Default: The meaning set forth in Section 7.1 of this Agreement.


Foreclosure Conveyance: Any conveyance of the Property by foreclosure of the Security Instrument, exercise of a power of sale under the Security Instrument or conveyance in lieu of foreclosure.

Governmental Approvals: All consents, licenses and permits and all other authorizations or approvals relating to the use and operation of the Property.

Governmental Authority: Any federal, state, county or municipal government, or political subdivision thereof, any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality, or public body, or any court, administrative tribunal, or public utility.

Hazardous Materials: (i) Any substance, material, waste, solid, liquid, gas, odor or form of energy, from whatever source, that is subject to or regulated by any current or future Hazardous Materials Law; (ii) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "pollutant," "contaminant" or "solid waste" in any Hazardous Materials Law; (iii) mold, fungi or other similar substance, and (iv) more specifically, but not by way of limitation, (a) any



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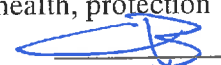

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substance now or in the future designated pursuant to Section 311(b)(2)(A) of the Clean Water Act, as amended, 33 U.S.C. 1321(b)(2)(A); (b) any toxic pollutant listed under Section 307(a) of the Clean Water Act, 33 U.S.C. 1317; (c) any "hazardous substance" or "pollutant or contaminant" as defined in Sections 101(14) and 101(33) of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601(14) & 9601(33); (d) any element, compound, mixture, solution or substance designated pursuant to Section 102 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9602; (e) petroleum, including crude oil or any fraction thereof; (f) any hazardous waste having the characteristics identified under or listed pursuant to the Solid Waste Disposal Act, as amended, 42 U.S.C. 6921 et seq.; (g) any material defined as "hazardous waste" pursuant to 40 C.F.R. Part 260; (h) any hazardous air pollutant listed under Section 112 of the Clean Air Act, 42 U.S.C. 7412; (i) and any imminently hazardous chemical substance or mixture for which the Administrator of the Environmental Protection Agency has taken action pursuant to Section 7 of the Toxic Substances Control Act, 15 U.S.C. 2606; (j) any substance, the presence of which causes or threatens to cause a nuisance on the Property or a nuisance or trespass to real estate in the vicinity of the Property; (k) polychlorinated biphenyls; (l) underground storage tanks; (m) asbestos and asbestos-containing materials (whether friable or non-friable); (n) atmospheric radon at indoor concentrations exceeding 4 picocuries per cubic liter; and (o) urea formaldehyde and related substances. Notwithstanding the foregoing, the term "Hazardous Materials" does not include (A) a substance used in the cleaning and maintenance of the Property, if the quantity and manner of its use and storage are customary, prudent, and do not violate applicable Laws, or (B) automotive motor oil in immaterial quantities, if leaked from vehicles in the ordinary course of the operation of the Property and cleaned up in accordance with reasonable property management procedures and in a manner that violates no applicable Laws.

Hazardous Materials Claims: Any and all investigation, enforcement, cleanup, removal, assessment, remedial or other governmental or regulatory action, agreement or order threatened, instituted or completed pursuant to any Hazardous Materials Law, together with any and all claims made or threatened by any governmental entity or other third party against Borrower, Lender or the Property, for indemnification, damage, contribution, cost recovery, compensation, loss or injury resulting from any actual, proposed or threatened use, storage, holding, existence, release (including any spilling, leaking, pumping, pouring, emitting, emptying, dumping, disposing into the environment and the continuing migration into or through soil, surface water, or groundwater), emission, discharge, generation, processing, abatement, removal, disposition, handling or transportation to or from the Property of any Hazardous Materials, including, without limitation, the movement or migration of any Hazardous Material from surrounding property or groundwater in, into or onto the Property and any residual Hazardous Material contamination on or under the Property.

Hazardous Materials Laws: Any federal, state or local statute, regulation, rule, code, ordinance, common law or requirement of any governmental or quasi-governmental authority regulating, relating to, or imposing obligations, liability, or standards of conduct concerning pollution, natural resources, wetlands, protection of human health, protection


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of the environment, industrial hygiene, Hazardous Materials (as defined herein), the manufacture, production, processing, distribution, use, treatment, storage, discharge, disposal, transport or handling of Hazardous Materials or the environmental conditions on, under or about the Property. The term "Hazardous Materials Laws" shall include, without limitation, any common law of nuisance or trespass, any law or regulation relating to emissions, discharges, releases or threatened releases of Hazardous Materials into the environment (including without limitation, ambient air, indoor air, surface water, groundwater, land surface or subsurface strata).

Improvements: The following improvements located on the Land: 147 mobile home pads, 3-unit apartment building with parking and storage, roads, a clubhouse, office, swimming pool, pool hall, laundry and electrical, gas, water and sewage collection and distribution infrastructure.

Include or including: Including but not limited to.

Indemnity Agreement: The Indemnity Agreement described in Section 10 of the Purchase and Sale Agreement, and attached as Exhibit C to the Purchase and Sale Agreement, executed by Borrower/Buyer as Indemnitor, as originally executed or as may be hereafter supplemented or amended from time to time in writing.

Indemnified Parties: The meaning set forth in Section 3.19 of this Agreement.

Indemnitor: Alimur Park Homeowners Association

Internal Revenue Code: The Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder from time to time.

Land: The land legally described in Exhibit A hereto.

Laws: Collectively, all federal, state and local laws, statutes, codes, ordinances, orders, rules and regulations, including judicial opinions or precedential authority in the applicable jurisdiction, as any of the same may from time to time be amended or modified.

Lender: Paul Joel Goldstone, Trustee of Paul's Trust, established pursuant to, and in accordance with, an Order of the San Mateo Superior court, Case No. 66015, dated April 2, 2001, which has its principal place of business at 82 Shattuck Square, Berkeley, California 94704.

Loan: The mortgage loan from Lender to Borrower evidenced by the Note, which is also described as the Purchase Money Loan.

Loan Documents: This Agreement, the Note, the Security Instrument, the Indemnity Agreement, the other documents and instruments listed in Section 2.2 of this Agreement, and all other documents and instruments given to Lender from time to time in connection with or to evidence or secure the Loan, as originally executed or as any of the same may be hereafter amended from time to time, in writing.


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Loan Maturity: Maturity Date (as defined in the Note).

Loan Opening Date: The date of the disbursement of the Loan, which will be the Date of Close of Escrow and transfer of title to Borrower.

Mortgage Correspondent: As of the Loan Opening Date, the Mortgage Correspondent is Goldstone Management Inc. Its address is: 82 Shattuck Square, Berkeley, CA 94704. Lender retains the right to change the Mortgage Correspondent at any time during the term of the Loan. Borrower hereby acknowledges that Lender may utilize Mortgage Correspondent or other outside third parties selected by Lender in any aspects of the Loan, including but not limited to, the servicing, administration and monitoring of the Loan.

Note: That certain Secured Promissory Note made by Borrower and payable to the order of Lender in the original principal amount of TEN MILLION AND NO/100 DOLLARS (\$10,000,000.00) or such other amount as provided pursuant to the Purchase and Sale Agreement.

Opinion Letter: A letter from Borrower's counsel attesting that Borrower is duly organized and existing, can lawfully enter into and be bound by the Sale and Loan Documents, and that the person signing on behalf of Borrower is properly authorized to do so.

Permits: All building permits, governmental permits, licenses, variances, conditional or special use permits, and other authorizations now or hereafter issued in connection with the construction, development ownership, operation or use of the Property, to the fullest extent that the same or any interest therein may be legally assigned by Borrower, together with any use permits or licenses issued to any tenant or other user of the Property (to the extent that Borrower has an interest in such permit or license).

Permitted Exceptions: Permitted Exceptions to title are (i) the lien of taxes and assessments not yet due and payable and (ii) those matters of public record listed as special exceptions in the Lender's title insurance policy insuring the lien of the Security Instrument.

Proceedings: The meaning set forth in Section 9.14 of this Agreement.

Property: The Land, together with the Improvements and any and all other buildings, structures and improvements located or to be located thereon, and all rights, privileges, easements, hereditaments and appurtenances, thereunto relating or appertaining, including parking in compliance with any applicable zoning ordinance and tenant rental agreements and leases, and all personal property, fixtures and equipment required or used (or to be used) for the operation thereof. The Property is commonly known as the Alimur Park Mobilehome Park, 4300 Soquel Drive, Soquel, California.

Purchase and Sale Agreement: The agreement between Borrower, as Buyer, and Lender, as Seller, concerning the purchase and sale of the Property.


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Qualified Property Manager: Either (i) a financially sound, professional property management company, experienced in managing properties similar in type and quality to the Property, and which is one of the top three institutional property management companies in the real estate market where the Property is located, based on the number of mobilehome sites under its management or (ii) another property management company approved in writing by the Lender.

Real Property: That portion of the Property constituting real property.

Recourse Events: The meaning set forth in Section 9.18 of this Agreement.

Rent Roll: The meaning set forth in Section 4.5 of this Agreement.

Sale and Loan Documents: "Sale and Loan Documents" refers to and means the Purchase and Sale Agreement, all documents executed pursuant thereto and the Loan Documents.

Security Instrument: The first Deed of Trust And Assignment of Rents and the UCC Financing Statement or similar instruments described in Section 2.2 of this Agreement, as originally executed by Borrower or as may be hereafter amended from time to time in writing.

Service Agreements: (i) all agreements heretofore or hereafter entered into relating to the construction, ownership, operation or use of the Property, including but not limited to a property management agreement with a Qualified Property Manager; (ii) any and all present and future amendments, modifications, and addenda to any of the items described in clause (i), above; and (iii) any and all guarantees, warranties and other undertakings (including payment and performance bonds) heretofore or hereafter entered into or delivered with respect to any of the items described in clause (i), above.

Title Insurer: Old Republic Title Insurance Company, or such other title insurance company licensed in the State in which the Property is located, as may be approved by Lender in connection with the Loan.

Transfer: The meaning set forth in Section 6.2 of this Agreement.

Defined terms may be used in the singular or the plural. When used in the singular preceded by "a," "an," or "any," such term shall be taken to indicate one or more members of the relevant class. When used in the plural, such term shall be taken to indicate all members of the relevant class.

2. TERMS OF LOAN AND DOCUMENTS.

2.1 Agreement to Borrow and Lend. Subject to all of the terms, provisions and conditions set forth in this Agreement and the Purchase and Sale Agreement, Lender agrees to make and Borrower agrees to accept the Loan. Borrower agrees to pay all indebtedness evidenced and secured by the Sale and Loan Documents in accordance with the terms thereof.


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2.2 Loan Documents. In consideration of Lender's entry into this Agreement and Lender's agreement to make the Loan, Borrower agrees that it will, in sufficient time for review by Lender and its counsel prior to the Loan Opening Date, execute and deliver or cause to be executed and delivered to Lender the following documents and instruments in form and substance acceptable to Lender:

- (a) Purchase and Sale Agreement;
- (b) Secured Promissory Note;
- (c) Deed of Trust And Assignment of Rents encumbering Borrower's estate in the Property and securing the Note, subject only to the Permitted Exceptions;
- (d) Indemnity Agreement;
- (e) Uniform Commercial Code financing statements, in duplicate, naming Borrower as debtor and Lender as secured party with respect to all of the Property which may be deemed to be personal property;
- (f) Rent Roll as of date of closing;
- (g) Space Development and Rental Agreements for all sites rented by Lender;
- (h) Assignment of Property Management Agreement (attached to the property management agreement with a Qualified Property Manager);
- (i) Option Agreement;
- (j) Evidence of insurance;
- (k) Corporate Documents;
- (l) Opinion Letter;
- (m) The final Settlement Statement executed by the Borrower at the Loan Opening Date; and
- (n) Such other instruments and documents as Lender may reasonably require.

2.3 Terms of the Loan. The Loan will bear interest for the period and at the rate or rates set forth in the Note, and be payable in accordance with the terms of the Note. The outstanding principal balance, all accrued and unpaid interest and all other sums due and payable under the Note or other Loan Documents, if not sooner paid, shall be paid in full at Loan Maturity.

2.4 Prepayments. Borrower may not make any prepayment of principal or interest at any time during the first thirteen (13) years of the Loan. Thereafter, Borrower may make prepay the Loan in full, but not in part, as further provided in the Note.



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2.5 Conditions to Disbursement. Borrower agrees to perform and satisfy all conditions precedent to the disbursement of the Loan set forth in this Agreement and the Purchase and Sale Agreement.

2.6 Sources and Uses. Borrower shall use the proceeds of the Loan solely for the purpose of purchasing the Property and for no other purpose.


3. BORROWER'S COVENANTS. Borrower further covenants and agrees with Lender as follows:

3.1 Escrow Deposits.

(a) Borrower shall deposit monthly with Lender or its Mortgage Correspondent a sum equal to one-twelfth (1/12th) of the amount estimated by Lender or its Mortgage Correspondent to be required to pay, at least thirty (30) days prior to their respective due dates, annual property taxes, assessments, and insurance premiums for the Property (the "**Escrow Account**"). Lender and Mortgage Correspondent shall not pay interest on or segregate the Escrow Account. (If Lender is required to segregate the Escrow Account, Borrower shall (1) execute such documents as Lender, in its sole discretion, deems necessary to perfect its security interest in the Escrow Account and (2) pay the costs of setting-up and maintaining the Escrow Account.) At closing, Lender will determine the amount of the initial deposit that must be made by the Borrower to the Escrow Account at closing; and

(b) The Escrow Account is hereby pledged as additional security for the Loan and shall be held to be irrevocably applied for the purposes for which made hereunder and shall not be subject to the direction or control of Borrower; provided, however, that neither Lender, Mortgage Correspondent nor any depository holding such funds shall be liable for any failure to apply to the payment of taxes, assessments, or insurance premiums any amount so deposited unless: (i) Borrower shall have requested Lender, Mortgage Correspondent or said depository in writing to make application of such funds to the payment of the particular taxes, assessments or insurance premiums as the case may be, accompanied by the bills therefor, (ii) there shall exist no Default or Event of Default hereunder or under any of the Sale and Loan Documents, (iii) there are sufficient funds in the Escrow Account to pay the particular taxes, assessments, ground rent or insurance premiums, and (iv) following payment of such taxes, assessments or insurance premiums, the Escrow Account will be "in balance" in the reasonable opinion of Lender.

3.2 Payment of Taxes. Borrower shall pay all real estate taxes, assessments and charges of every kind upon the Property before the same become delinquent and, upon request of Lender, Borrower shall furnish Lender evidence of such payment; provided, however, that Borrower shall have the right to pay any such tax, assessment or charge under protest or to otherwise contest any such tax, assessment or charge but only if (i) such contest has the effect of preventing the collection of such tax, assessment or charge so contested and also preventing the sale or forfeiture of the Property or any part thereof or any interest therein, (ii) Borrower has notified Lender in writing in advance of its intent to contest such tax, assessment or charge, and (iii) Borrower has deposited security in form and amount satisfactory to Lender, in its sole


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judgment, and increases the amount of such security so deposited promptly after Lender's request therefor. If Borrower shall fail to commence such contest or, having commenced such contest, and having deposited such security required by Lender for its full amount, shall thereafter fail to prosecute such contest in good faith or with due diligence, or, upon adverse conclusion of any such contest, shall fail to pay the tax, assessment or charge so contested, Lender may at its election (but shall not be required to), pay and discharge any such tax, assessment or charge, and any interest or penalty thereon, and any amounts so expended by Lender shall be deemed to constitute disbursements of the Loan proceeds hereunder (even if the total amount of disbursements would exceed the face amount of the Note), and shall bear interest from the date expended at the Default Rate and be payable with such interest upon demand. Lender in making any payment hereby authorized relating to any tax, assessment or charge, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, charge, sale, forfeiture, tax lien or title or claim thereof.

3.3 Maintenance of Insurance.

(a) Insurance Coverage Requirements: Borrower shall maintain insurance coverage as contained in the Purchase and Sale Agreement and as attached hereto and made a part hereof as Exhibit D.

(b) No Other Insurance. Borrower shall not obtain separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Lender is included thereon under a standard, non-contributory Lender clause acceptable to Lender. Borrower shall immediately notify Lender whenever any such separate insurance is taken out and shall promptly deliver to Lender the original policy or policies of such insurance.

(c) Lender's Right to Obtain Insurance: Notwithstanding this Section 3.3, upon an Event of Default under this Agreement or a Default under any of the other Sale and Loan Documents, Lender or Mortgage Correspondent shall have the right (but not the obligation) to place and maintain insurance required to be placed and maintained by Borrower hereunder, and use funds on deposit in the Escrow Account for the payment of insurance to pay for same. Any additional amounts expended therefor shall constitute additional disbursements of Loan proceeds (even if the total amount of disbursements would exceed the face amount of the Note), and shall bear interest from the date expended at the Default Rate and be payable together with such interest upon demand.

3.4 Mechanics' Liens and Contest Thereof. Borrower will not suffer or permit any mechanics' lien claims to be filed or otherwise asserted against the Property and will promptly discharge the same if any claims for lien or any proceedings for the enforcement thereof are filed or commenced; provided, however, that Borrower shall have the right to contest in good faith and with due diligence the validity of any such lien or claim upon furnishing to the Title Insurer such security or indemnity as it may require to induce the Title Insurer to insure against all such claims, liens or proceedings; and provided further that Lender will not be required to make any further disbursements of the Loan proceeds unless (a) any mechanics' lien claims shown by any title insurance commitments or interim binders or certifications have been released or insured


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against by the Title Insurer, or (b) Borrower shall have provided Lender with such other security with respect to such claim as may be acceptable to Lender, in its sole discretion.

3.5 Settlement of Mechanics' Lien Claims. If Borrower shall fail promptly to discharge any mechanics' lien claim filed or otherwise asserted or to contest any such claims and give security or indemnity in the manner provided in Section 3.4 hereof, or, having commenced to contest the same, and having given such security or indemnity, shall thereafter fail to prosecute such contest in good faith or with due diligence, or fail to maintain such indemnity or security so required by the Title Insurer for its full amount, or, upon adverse conclusion of any such contest, shall fail to cause any judgment or decree to be satisfied and lien to be promptly released, then, and in any such event, Lender may, at its election (but shall not be required to): (i) procure the release and discharge of any such claim and any judgment or decree thereon, without inquiring into or investigating the amount, validity or enforceability of such lien or claim, and (ii) effect any settlement or compromise of the same, or may furnish such security or indemnity to the Title Insurer, and any amounts expended by Lender in doing so, including premiums paid or security furnished in connection with the issuance of any surety company bonds, shall be deemed to constitute disbursements of the Loan proceeds hereunder (even if the total amount of disbursements would exceed the face amount of the Note), and shall bear interest from the date expended at the Default Rate and be payable together with such interest upon demand.

3.6 Maintenance, Repair and Restoration of Improvements. Borrower shall (i) promptly repair, restore or rebuild any Improvements which may become damaged or be destroyed; and (ii) keep the Improvements in good condition and repair, without waste.

3.7 Rental Agreements and Leases. All residential rental agreements and leases shall be written on a standard form (without any material changes) which Lender has approved, to Lender's personal satisfaction, and shall be on arm's length terms consistent with the terms for similar leases in the market area of the Property, shall provide for free rent only if the same is consistent with prevailing market conditions and shall provide for market rents then prevailing in the market area of the Property, and shall provide for security deposits in reasonable amounts; such leases shall not require Lender's prior consent. Lender approves the form of the Member Rental Agreement attached to the Purchase and Sale Agreement as Exhibit B. Lender also approves the form of the existing leases and rental agreements previously made by Lender and/or Mortgage Correspondent as Landlord. Upon the request of Lender from time to time, Borrower shall deliver to Lender a copy of each lease and rental agreement entered into by Borrower (and each amendment or modification thereof). Borrower shall submit to Lender for Lender's written approval, prior to the execution thereof, any proposed rental agreement, lease, license or occupancy agreement of the Property or any portion thereof that differs from the aforementioned approved form leases and rental agreements. Borrower shall not enter into, modify, amend, waive any material provision of, terminate or cancel any rental agreement or lease of space in the Property except in the normal course of business in a manner which is consistent with sound and customary leasing and management practices for similar properties in the community in which the Property is located. Borrower shall not enter into, modify, amend, waive any material provision of, terminate or cancel any lease(s) of space in the Property for non-residential use without the prior written consent of Lender. Any new rental agreement, lease, modification, amendment, waiver of any material provision, termination or cancellation of any rental


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agreement or lease of space in the Property in violation of this Section 3.7 (without the prior written consent of Lender) shall be deemed by Lender in its sole discretion, as an Event of Default.

3.8 Compliance With Laws. Borrower shall promptly comply with all applicable Laws of any Governmental Authority having jurisdiction over Borrower or the Property, and shall take all actions necessary to bring the Property into compliance with all applicable Laws, including without limitation all Building Laws (whether now existing or hereafter enacted). Borrower shall immediately notify Lender if Borrower receives any actual notice, action or lien notice or otherwise becomes aware that the Property violates or is alleged to violate any Building Law, and of a condition or situation on the Property which will constitute violation of a Building Law (whether now existing or hereafter enacted). The notice to Lender shall describe with particularity the Building Law violation and the Borrower's plan to promptly correct the violation. At its own cost, Borrower will take all actions necessary to bring the Property into compliance with all applicable Laws (whether now existing or hereafter enacted).

3.9 Alterations/New Improvements. Without the prior written consent of Lender, Borrower shall not (1) make any material alterations to any structures located on the Property or (2) construct any new Improvements of any kind on the Land. If a request is made by Borrower, Lender's consent may be conditioned upon Lender's receipt and approval of such information, documentation and assurances as Lender may reasonably require under the circumstances, including, but not by way of limitation, plans, specifications, budgets, construction contracts, materials supply contracts, lien waivers, invoices and proof of payment, survey updates, performance bonds, date down title endorsements and evidence of property and liability insurance coverage. Such consent shall also be conditioned upon Borrower's payment of any and all Lender's attorneys' fees in connection with such alterations at or new improvements to the Property.

3.10 Personal Property. (i) All of Borrower's personal property, fixtures, furnishings, furniture, attachments and equipment located on or used in connection with the Property, shall always be located at the Property and shall also be kept free and clear of all chattel mortgages, conditional vendor's liens and all other liens, encumbrances and security interests of any kind whatever, (ii) Borrower will be the absolute owner of said personal property, fixtures, furnishings, furniture, attachments and equipment, and (iii) Borrower shall, from time to time, furnish Lender with evidence of such ownership satisfactory to Lender, including searches of applicable public records.

3.11 Prohibition against Cash Distributions and Application of Cash Flow. Borrower shall first apply all cash flow from the Property to pay Property expenses, including amounts due to Lender pursuant to the Sale and Loan Documents. No cash flow from the Property shall be distributed to any officer, director, member or tenant of Borrower or applied to the payment of any obligations, debts or expenses not related to the Property.

3.12 Inspection by Lender. Borrower will cooperate (and will cause the property manager to cooperate) with Lender in arranging for inspections of the Property from time to time by Lender and its agents and representatives.


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3.13 Furnishing Information. Borrower shall deliver or cause to be delivered to Lender and Mortgage Correspondent 1) annual financial statements for Borrower and the Property; and 2) a duly executed current Borrower Annual Certification to Lender, in the form attached hereto as Exhibit B, in each of the foregoing cases as soon as available and in all events no later than ninety (90) days after the close of each fiscal year of Borrower. Annual financial statements of Borrower and the Property shall include a current rent roll for the Property to be submitted within ninety (90) days after the end of Borrower's fiscal year. Lender shall have the right to require that the Borrower provide quarterly financial statements and rent rolls (including aged delinquency reports) at any time during the Loan term.


On the occurrence of an Event of Default, Borrower shall promptly provide Lender and Mortgage Correspondent with such additional financial reports and such additional financial information as Lender may require. If an Event of Default has occurred, or Lender reasonably believes that previously provided financial statements are inaccurate, the annual statements shall be audited by certified public accountants acceptable to Lender and prepared in accordance with generally accepted accounting principles. Borrower shall also furnish a current operating statement for the Property, including a rent roll, at the time it delivers its financial statements.

Additionally, Borrower will:

- (a) promptly supply Lender and Mortgage Correspondent with such information concerning Borrower's affairs relating to the Property as Lender may hereafter request from time to time;
- (b) at any time during regular business hours permit Lender, Mortgage Correspondent or any of its agents or representatives to have access to and examine all of its books and records regarding the development and operation of the Property;
- (c) permit Lender and Mortgage Correspondent to copy and make abstracts from any and all of such books and records; and
- (d) immediately notify Lender and Mortgage Correspondent if Borrower receives any actual notice, action or lien notice or otherwise becomes aware that the Property violates or is alleged to violate any Building Law, or of a condition or situation on the Property which will constitute violation of a Building Law (whether now existing or hereafter enacted). The notice to Lender shall describe with particularity the Building Law violation and the Borrower's plan to promptly correct the violation.

3.14 Documents of Further Assurance. Borrower shall, from time to time, upon Lender's request, execute, deliver, record and furnish such documents as Lender may reasonably deem necessary or desirable to: (i) perfect and maintain perfected as valid liens upon the Property, the liens granted by Borrower to Lender under the Security Instrument and the collateral assignments and other security interests under the other Sale and Loan Documents as contemplated by this Agreement and the Purchase and Sale Agreement, (ii) correct any errors of a typographical nature or inconsistencies which may be contained in any of the Sale and Loan Documents, and (iii) consummate fully the transaction contemplated under this Agreement.


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3.15 Furnishing Reports. Borrower shall provide Lender and Mortgage Correspondent promptly after receipt with copies of all inspections, reports, test results and other information received by Borrower from time to time from its employees, agents, representatives, architects and engineers, which in any way relate to the Property, or any part thereof.

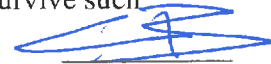
3.16 Operation of Property and Zoning. As long as any portion of the Loan remains outstanding, the Property shall be operated in a first-class manner as a mobile home park and apartment building. Borrower shall fully and faithfully perform all of its covenants, agreements and obligations under each of the rental agreements and leases of space in the Property. Borrower shall not initiate or acquiesce in a zoning variation or reclassification without Lender's consent.

3.17 Management Agents' and Brokers' Contracts. Borrower shall not enter into, modify, amend, waive any material provision of, terminate or cancel any management agreement for the Property without the prior written approval of Lender. If, in the ordinary course of business, Borrower shall enter into, modify, amend, waive any provision of, terminate or cancel any contracts or agreements (other than property management agreements) with leasing agents or brokers, Borrower shall notify Lender within ten (10) days after such action.

3.18 Furnishing Notices. Borrower shall deliver to Lender and Mortgage Correspondent copies of all material notices received or given by Borrower (or its agents or representatives) in connection with the Property.

3.19 Indemnification. Borrower shall indemnify, defend and hold Lender, Mortgage Correspondent and their respective directors, officers, members, shareholders, employees, agents, representatives, contractors, licensees, invitees, successors and assigns (collectively, "**Indemnified Parties**") harmless from and against all claims, injury, damage, loss, costs and liability of any and every kind (including reasonable attorneys' fees prior to trial, at trial and on appeal) incurred by Indemnified Parties by reason of: (i) the operation or maintenance of the Property or any construction at the Property; (ii) the payment of any brokerage commissions or fees of any kind with respect to the Purchase and Sale Agreement and/or the Loan, and for any reasonable attorneys' fees prior to trial, at trial and on appeal and any other expenses incurred by Lender in connection with any claims for such commissions or fees; (iii) any other action or inaction by, or matter which is the responsibility of, Borrower; (iv) the breach of any representation or warranty or failure to fulfill any of Borrower's obligations under this Agreement or any other Sale and Loan Document; (v) any default that occurs, including an Event of Default; and (vi) the death or incapacity of any individual(s) having direct or indirect management or control over the Property and/or Borrower; (vii) the cost of all alterations, repairs and replacements to the Property (including without limitation architectural, engineering, legal and accounting costs), all fines, fees and penalties, and all legal and other expenses (including reasonable attorneys' fees prior to trial, at trial and on appeal), incurred in connection with the Property's being in violation of Building Laws; (viii) all loss, damages and costs of every kind associated with any and all Hazardous Materials, Hazardous Material Claims and the breach of and/or compliance with any and all Hazardous Materials Laws; and (ix) the costs of collection of the sums due under this indemnity, whether or not Borrower is in possession of the Property. If Lender shall become the owner of or acquire an interest in or rights to the Property by a Foreclosure Conveyance, the foregoing indemnification obligation shall survive such


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Foreclosure Conveyance. This Indemnification supplements and is in addition to the Indemnity Agreement attached as Exhibit C to the Purchase and Sale Agreement.

3.20 Organizational Documents.

(a) Without the prior written consent of Lender, Borrower shall not amend or modify or permit any amendment or modification of its articles of incorporation or bylaws, and shall not admit or permit the admission of any new Member except persons who become residents of the Property as their principal residence and subscribe to and become a Member in good standing in accordance with the bylaws.


(b) Borrower will continuously be in good standing under the laws of the State of California and maintain its existence and its rights to do business in the State of California.

3.21 Loan Expenses. Borrower agrees to pay all expenses of the Loan, including all recording charges, title insurance charges, costs of surveys, costs for certified copies of instruments, escrow charges, fees, expenses and charges of the inspectors and consultants of Borrower. All such expenses, charges, costs and fees shall be the Borrower's obligation regardless of whether the Loan is disbursed in whole or in part unless such failure to disburse is due to Lender's wrongful failure to disburse hereunder. Any and all advances or payments made by Lender under this Agreement and/or the Purchase and Sale Agreement from time to time, including for fees of Borrower's consultants, inspectors, and architectural and engineering consultants, and other Loan expenses shall, as and when advanced or incurred by Lender, constitute additional indebtedness evidenced by the Note and secured by the Security Instrument and the other Loan Documents to the same extent and effect as if the terms and provisions of this Agreement were set forth therein, whether or not the aggregate of such indebtedness shall exceed the aggregate face amount of the Note.

3.22 No Additional Debt. Borrower shall not, without the prior written consent of Lender, incur any indebtedness (whether personal or nonrecourse, secured or unsecured) in connection with the Property, other than customary trade payables paid within sixty (60) days after they are incurred. Borrower represents that the Property constitutes a single real estate project, and does not constitute residential real property with fewer than four residential units. Borrower represents that the Property generates substantially all of the gross income of Borrower, and Borrower conducts no substantial business other than the business of owning and operating the Property and activities incidental thereto. Borrower shall not conduct any business activity that would disqualify the Property from having a "single asset real estate" status as defined by Section 101(51) (B) of the United States Bankruptcy Code.

3.23 Service Agreements and Permits.

(a) Borrower hereby assigns, grants, conveys and transfers to Lender, as security for the timely payment and performance by Borrower of all of its obligations under the Loan Documents and all other obligations of Borrower which are secured by the Security Instrument, all of Borrower's rights, titles, interests, privileges, benefits and remedies in, to and under (i) all Service Agreements, and any and all present and future


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amendments and modifications thereof, and (ii) Permits, to the fullest extent that the same or any interest therein may be legally assigned by Borrower. By its funding of the Loan and so long as an Event of Default shall not have occurred and be continuing under this Agreement, Lender hereby grants to Borrower a revocable license to enforce the Service Agreements, and to utilize all of the Permits and the trade names, trademarks and logos necessary for the ownership and operation of the Property.

(b) Borrower shall at all times faithfully abide by, perform and discharge each of its obligations under the Service Agreements and the Permits, diligently enforce its rights in, under and to the Service Agreements and the Permits, unless otherwise directed by Lender in writing, and shall, at Borrower's sole cost and expense, appear in and defend Lender in any action or proceeding in any way connected with any of the Service Agreements or Permits, and shall pay all reasonable costs and expenses, including, without limitation, attorneys' fees, which Lender may incur in connection with Lender's appearance, voluntarily or otherwise, in any such action or proceeding.

3.24 Property Management. The Property shall be managed at all times by a Qualified Property Manager. Borrower shall cause each property manager to execute an agreement acceptable to Lender conditionally assigning such manager's property management agreement to Lender and subordinating manager's right to receive fees and expenses under such agreement to the lien of the Security Instrument while any sums payable to Lender remain outstanding under the Loan Documents.


4. REPRESENTATIONS AND WARRANTIES. To induce Lender to execute this Agreement and perform the obligations of Lender hereunder, Borrower hereby represents and warrants to Lender as follows:

4.1 Title. On the Loan Opening Date and thereafter, Borrower will have good and marketable fee simple title to the Real Property, subject only to the Permitted Exceptions.

4.2 No Litigation. Except as disclosed in writing to Lender prior to the date hereof, (1) there is no pending litigation or unsatisfied judgment entered of record against Borrower or the Property and (2) to Borrower's knowledge no litigation or proceedings are threatened against Lender or Borrower.

4.3 Due Authorization. The execution and delivery of the Sale and Loan Documents and all other documents executed or delivered by or on behalf of Borrower and pertaining to the Purchase and Sale Agreement, this Agreement and the Loan have been duly authorized or approved by Borrower and, when executed and delivered by Borrower or when caused to be executed and delivered on behalf of Borrower, will constitute the legal, valid and binding obligations of the obligor thereon, enforceable in accordance with their respective terms except as limited by bankruptcy, insolvency, or other laws of general application relating to the enforcement of creditor's rights, and the payment or performance thereof will be subject to no offsets, claims or defenses of any kind or nature whatsoever.

4.4 Breach of Laws or Agreements. The execution, delivery and performance of this Agreement and the other Sale and Loan Documents have not constituted (and will not, upon


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the giving of notice or lapse of time or both, constitute) a breach or default under any other agreement to which Borrower is a party or may be bound or affected, or a violation of any Law which may affect the Property, any part thereof, any interest therein, or the use thereof, or Borrower.

4.5 Rental Agreements and Leases. Borrower and its agents have not entered into any leases or other arrangements for occupancy of space within the Property other than rental agreements and leases shown on the rent roll, a current copy of which is attached hereto as Exhibit C, and made a part hereof (the "**Rent Roll**"), or entered into in accordance with the requirements of this Agreement. All rental agreements and leases disclosed on the Rent Roll are in full force and effect. The members to whom Member Rental Agreements are made have paid the subscription fee in full pursuant to the Bylaws, and the Member Rental Agreements will take effect immediately upon transfer of title to the Property to Borrower. To Borrower's knowledge, there are no existing defaults under any of the member subscription agreements, rental agreements or leases other than as disclosed in writing to Lender. Copies of the rental agreements and leases previously furnished to Lender, and each Estoppel Certificate from each tenant thereunder, are true, correct and complete.

4.6 Condemnation. (i) No condemnation of any portion of the Property, (ii) no condemnation or relocation of any roadways abutting the Property, and (iii) no denial of access to the Property from any point of access to the Property, has commenced or, to Borrower's knowledge, is contemplated by any Governmental Authority.


4.7 Condition of Improvements.

(a) The foundations and structure of the Improvements are structurally sound and the various mechanical systems have adequate capacities and are in good working condition. The Improvements were built in substantial compliance with applicable plans and specifications and the Improvements are in full compliance with all applicable Building Laws. Certificates of occupancy with respect to the Improvements, and any other certificates which may be required to evidence compliance with building codes and permits and approval for full occupancy of the Improvements and all installations therein have been issued by all appropriate authorities. Borrower has no knowledge of required capital expenditures or deferred maintenance other than those that would be normally expected for a mobilehome park with buildings of similar age and type. No notice of violation of any Building Law has been received.

(b) The Improvements in their current condition are in accordance with and their uses comply fully with (i) all Building Laws applicable to the Property, and (ii) any restrictions of record, or any agreement affecting the Property or any part thereof.

(c) No notice of violation of any Building Law has been received, and all Governmental Approvals have been complied with.

(d) The Improvements are higher than the 100-year flood plain or will be continuously covered by adequate flood insurance.


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(e) There has been issued for the Improvements such certificates as may be required to evidence compliance with Building Laws and Permits, and approval for full occupancy of the Improvements.

(f) **BORROWER SHALL UNCONDITIONALLY INDEMNIFY, DEFEND AND HOLD LENDER HARMLESS FROM ANY AND ALL LOSS LIABILITY COST AND EXPENSE THREATENED AGAINST OR SUFFERED BY LENDER BY REASON OF BREACH OF ANY OF THE REPRESENTATIONS, WARRANTIES AND AGREEMENTS SET FORTH IN THIS SECTION 4.7.** The foregoing indemnity shall include the cost of all alterations, repairs and replacements to the Property (including without limitation architectural, engineering, legal and accounting costs), all fines, fees and penalties, and all legal and other expenses (including attorneys' fees), incurred in connection with the Property being in violation of the Building Laws and for the cost of collection of the sums due under this indemnity, whether or not Borrower is in possession of the Property. If Lender shall become the owner of or acquire an interest in or rights to the Property pursuant to a Foreclosure Conveyance, the foregoing indemnification obligation shall survive such Foreclosure Conveyance.

(g) All information previously provided by Borrower to Lender regarding compliance of the Property with applicable Building Laws is accurate and complete to Borrower's actual knowledge.

4.8 Information Correct. All financial statements furnished to Lender or Mortgage Correspondent by Borrower fairly present the financial condition of Borrower and were prepared in accordance with a method of preparation approved by Lender, consistently applied, and all other information previously furnished by Borrower to Lender in connection with the Purchase and Sale Agreement, this Agreement and the Loan are true, complete and correct in all respects except as otherwise disclosed to Lender in writing and do not fail to state any material fact necessary to make the statements made not misleading. Borrower has not misstated or failed to disclose to Lender any material fact relating to: (i) the condition, use or operation of the Property, (ii) the status or any material condition of any tenant, member, rental agreement or lease at the Property known to it, (iii) Borrower, (iv) the litigation disclosure provided by Borrower, except as disclosed in writing to Lender prior to the date hereof.

4.9 Material Adverse Change. No material adverse change in the operations or financial condition of Borrower has occurred since the respective effective dates of their financial statements previously submitted to Lender, and no material adverse change in the condition (physical or otherwise) of the Property has occurred since the Date of Acceptance of the Purchase and Sale Agreement.

4.10 Solvency. Borrower is not (a) currently insolvent on a balance sheet basis or (b) currently unable to pay its debts as they come due; and no bankruptcy or receivership proceedings are contemplated or pending.


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4.11 Restrictions. The use of the Property (including contemplated accessory uses) does not violate any restrictions of record, or any agreement affecting the Property or any part thereof.

4.12 Utilities. The Property has adequate water, gas and electrical supply, storm and public sanitary sewerage facilities, other required public utilities, fire and police protection, and means of appropriate access between the Property and public highways.

4.13 Brokerage Fees. No brokerage fees or commissions are payable by or to any person in connection with the Purchase and Sale Agreement, this Agreement or the Loan to be disbursed hereunder other than fees which shall be paid by Borrower.

4.14 Encroachments. No building or other improvement in the Property encroaches upon any building line, setback line, side yard line, or any recorded or visible easement (or other easement of which Borrower has knowledge of with respect to the Property).

4.15 Separate Tax Parcel. The Property is taxed separately without regard to any other property and for all purposes the Property may be mortgaged, conveyed, and otherwise dealt with as an independent parcel.

4.16 ERISA. The subject loan transaction will not result in a "prohibited transaction," as defined in Section 406 of ERISA or Section 4975 of the Internal Revenue Code. The transactions contemplated by this Agreement by or with Borrower are not in violation of Laws regulating investments of and fiduciary obligations with respect to governmental plans, as defined in Section 3(32) of ERISA. The Borrower and Members of Borrower may be required to provide appropriate documentation to Lender supporting this representation.

4.17 Executive Order and Patriot Act. None of the Borrower, any Member of Borrower, or any entity or person owning an interest in or being an investor or otherwise in Borrower are in violation of any laws relating to terrorism or money laundering, including the Executive Order and the Patriot Act.


4.18 No Default. No Default or Event of Default has occurred and is continuing.

4.19 Trade Name; Principal Place of Business. Borrower uses no trade name other than its actual name set forth herein and "Alimur Park Mobilehome Park." The principal place of business of Borrower is 4300 Soquel Drive, Soquel, California.

4.20 FIRPTA. Borrower is not a "foreign person" within the meaning of Sections 1445 or 7701 of the Internal Revenue Code.

4.21 RICO. Borrower has not been charged with nor, to its knowledge, is it under investigation for, possible violations of the Racketeer Influenced and Corrupt Organizations Act, the Continuing Criminal Enterprise Act, the Controlled Substance Act of 1978, or similar laws providing for the possible forfeiture of any of its respective assets or properties.

4.22 No Casualty. No part of the Property has been damaged by fire or other casualty, except as disclosed in writing to Lender.


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4.23 Truth of Recitals. All statements set forth in the Recitals are true and correct.

4.24 Personal Property and Inventory. Attached hereto as Exhibit E is a true and correct list of the inventory of tangible personal property and equipment owned and used in the operation of the Property.

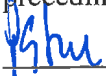
4.25 Property Documents. The Property is not subject to any reciprocal easements, covenants, conditions or restrictions or development agreements, except as reflected in the policy of title insurance accepted by Lender with respect to the Loan.

4.26 Service Agreements and Permits. No previous assignment, sale, pledge, transfer, mortgage or other encumbrance of any interest in the Service Agreements, the Permits, or any of them, has been made, and Borrower agrees not to assign, sell, pledge, transfer, mortgage or otherwise encumber its interest in the Service Agreements, the Permits, or any of them, so long as any portion of the Loan remains unpaid. Borrower further represents and warrants that (i) Borrower has not performed any act which might prevent Borrower from performing its undertakings hereunder or which might prevent Lender from operating under or enforcing any of the terms and conditions hereof or which would limit Lender in such operation or enforcement, (ii) Borrower is not in default under the Service Agreements, the Permits, or any of them, and no other party to the respective Service Agreements is in default thereunder except as disclosed in writing to Lender, (iii) no amendments to any of the Service Agreements, and no change in the Permits, will be made or consented to by Borrower without the prior written consent of Lender, and (iv) upon execution of each Service Agreement and the issuance of each Permit, Borrower will deliver, if requested by Lender, a copy of the same (or the original at Lender's request) to Lender and will require such of the parties thereto as Lender may designate to execute and deliver to Lender a consent to this Agreement, such consent to be in form and content satisfactory to Lender.

4.27 Arrangement by Broker. The Purchase and Sale Agreement, this Agreement and the Loan were negotiated and arranged by Deane F. Sargent, a real estate broker licensed by the State of California, Bureau of Real Estate, acting solely on behalf of Borrower with respect to the Loan and the purchase of the Property by Borrower, and with the expectation of compensation. The Loan was arranged by Mr. Sargent within the meaning of California Civil Code section 1916.1, such that the Loan and the Sale and Loan Documents are exempt from the usury laws of the State of California. Borrower waives any and all rights which it might otherwise have to complain that the Loan, the Sale and Loan Documents or any provision contained in any of them are usurious or violate any restriction on interest rates.

5. CASUALTY AND CONDEMNATION.

5.1 Lender's Right to Settle Claims; Election to Apply Insurance and Condemnation Proceeds to Indebtedness. Except as otherwise provided in this Section, in the event of any loss or damage to any portion of the Property due to fire or other casualty, or any taking of any portion of the Property by condemnation or under power of eminent domain, Lender may, in its sole and absolute discretion, either apply the proceeds to the Loan balance or disburse them for the purposes of repair and restoration. Notwithstanding the immediately preceding sentence, Borrower shall have the right to use insurance or condemnation proceeds to


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rebuild following a casualty or a condemnation of the Improvements, or to remedy the effect on the Property of any condemnation, provided that (i) Lender shall have the right to settle any claim or award that Borrower has not settled on or before one hundred twenty (120) days after the date of such loss or prior to the date of such taking and (ii) each of the following is satisfied in the determination of Lender: (a) no Default exists, (b) Borrower has not failed to make any payment when due at any time during the preceding twelve months, (c) the proceeds received by Lender, together with any additional funds deposited with Lender by Borrower, are sufficient, in Lender's sole and absolute discretion, either to restore the Property to its condition before the casualty or to remedy the condemnation, (d) local building and zoning laws allow the Property to be rebuilt to that which existed prior to the casualty or condemnation, (e) a loss of no more than 5% of the rental income results through members and/or tenants exercising rights to terminate their rental agreements or leases as a result of casualty or condemnation, and (f) the Loan-to-Value ratio of the Property on completion will be 50% or less, as determined by an Appraisal (provided, however, in the event the casualty or condemnation proceeds received are less than 3% of the original Loan amount, Borrower will not have to satisfy this subpart (f) to rebuild). The Appraisal required pursuant to the foregoing provision shall be at Borrower's expense and Borrower is required to provide proof of payment thereof to Lender and Lender's Mortgage Correspondent.

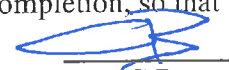
In all other cases, Lender shall have the right (but not the obligation) to collect, retain and apply to the indebtedness of Borrower under this Agreement and the other Sale and Loan Documents all insurance and condemnation proceeds (after deduction of all expense of collection and settlement, including attorneys' and adjusters' fees and expenses), and if such proceeds are insufficient to pay such amount in full, to declare the balance remaining unpaid on the Note and Security Instrument to be due and payable forthwith and to avail itself of any of the remedies afforded thereby as in the case of any Event of Default. Any proceeds remaining after application to the indebtedness of Borrower under this Agreement and the other Sale and Loan Documents shall be paid by Lender to Borrower or the party then entitled thereto.

5.2 Borrower's Obligation to Rebuild and Use of Proceeds Therefor. If Lender does not elect to or is not entitled to apply fire or casualty insurance proceeds to the indebtedness, any and all insurance proceeds received by Borrower, including casualty or Business Income Coverage (as defined in Exhibit D attached hereto and made a part hereof) shall be delivered to Lender by Borrower in keeping with the terms of this Agreement and the other Sale and Loan Documents. Thereafter, all insurance proceeds received will be deposited into a third party escrow account controlled by Lender or its Mortgage Correspondent. Lender may also require that Borrower deposit any deficit between the business interruption or loss of rents proceeds received and the debt service due under the Sale and Loan Documents during the period of rebuilding or restoration of the Improvements. As provided under Section 5.1 of this Agreement, Lender shall have the right (but not the obligation) to settle, collect and retain such proceeds, and after deduction of all expenses of collection and settlement, including attorney and adjusters' fees and expenses, to release the same to Borrower periodically provided that Borrower shall:

(a) Expediently repair and restore all damage to the portion of the Property in question resulting from such fire or other casualty, including completion of the construction if such fire or other casualty shall have occurred prior to completion, so that


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the Property will be completed in accordance with the plans and specifications therefor; and

(b) If the proceeds of fire or casualty insurance (and the undisbursed available Loan proceeds for construction) are, in Lender's sole judgment, insufficient to complete the repair and restoration of the buildings, structures and other improvements constituting the Property, then Borrower shall promptly deposit with Lender the amount of such deficiency.

Any request by Borrower for a disbursement by Lender of fire or casualty insurance proceeds and funds deposited by Borrower pursuant to this Section 5.2 and the disbursement thereof shall be conditioned upon Borrower's satisfaction of the same conditions precedent as would be applicable in connection with construction loans made by institutional lenders for projects similar to the Property, including approval of plans and specifications, submittal of evidence of completion, updated title insurance, lien waivers, and other customary safeguards.

6. ASSIGNMENTS.

6.1 Lender's Right to Assign. Lender shall have the right to assign, transfer, sell, negotiate, pledge or otherwise hypothecate this Agreement and any of its rights and security hereunder, including the Note, Security Instrument, and any other Sale and Loan Documents. Lender shall have the right to hire outside firms it deems necessary to assist with the servicing, administration and monitoring of the Loan. Borrower hereby agrees that all of the rights and remedies of Lender in connection with the interest so assigned shall be enforceable against Borrower by such assignee with the same force and effect and to the same extent as the same would have been enforceable by Lender but for such assignment. Borrower agrees that Lender shall have the right to sell participations in the Loan or to include the Note in a securitized pool of indebtedness without the consent of Borrower.

6.2 Prohibition of Assignments by Borrower.

(a) Borrower will not cause or permit: (i) the Property or any interest in the Property, to be conveyed, transferred, assigned, encumbered, sold or otherwise disposed of; or (ii) any transfer, assignment or conveyance of any direct or indirect interest in Borrower or in the membership interests of Borrower, except in accordance with the Articles and Bylaws of Borrower which have been approved by Lender, or (iii) any merger, reorganization, dissolution or other change in the ownership structure of Borrower (each, a "**Transfer**") without in each case the prior written consent of Lender, in Lender's sole discretion, until the provisions of this Loan have been fully complied with and the Loan and all other sums evidenced by the Note and/or secured by the Security Instrument and other Sale and Loan Documents, have been repaid in full.

(b) Except as otherwise provided herein, if Lender approves a Transfer of all or any part of the Property, or a change in ownership, control or management of Borrower, Lender reserves the right to charge Borrower an assumption fee of 1% of the current Loan balance. Prior to Lender's consideration for approval of any Transfer of all or any part of the Property, or a change in the ownership, control or management of



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Borrower, Lender must receive for its review copies of all Transfer and other documents, including without limitation any documents reasonably required to ascertain the creditworthiness and experience of any proposed transferee. Any transferee must agree to assume in writing all obligations of Borrower under the Sale and Loan Documents, and Borrower must pay all costs and expenses in connection with such transfer and assumption, including without limitation all fees and expenses incurred by Lender. As further conditions to any such Transfer, Borrower shall not be in default under any of the Sale and Loan Documents at the time of the proposed Transfer and Lender may further require a date down endorsement to the Lender's policy of the title insurance and an opinion of Borrower's counsel, each in form and substance satisfactory to Lender.

7. EVENTS OF DEFAULT.

7.1 **Event of Default.** The occurrence of any one or more of the following shall constitute an "Event of Default," as such term is used herein:

- (a) If Borrower fails to pay principal or interest under the Note when due;
- (b) If Borrower defaults in the performance of any of its other covenants, agreements and obligations under this Agreement or any of the Sale and Loan Documents involving the payment of money;
- (c) If Borrower defaults in the performance of any of its covenants, agreements and obligations under this Agreement or any of the Sale and Loan Documents not expressly described in other subparts of this Section, and fails to cure such default within thirty (30) days after written notice thereof from Lender provided, however, that if such default is reasonably susceptible of cure, but cannot be cured within such thirty (30) day period, then so long as Borrower promptly commences cure and thereafter diligently pursues such cure to completion, the cure period shall be extended for an additional thirty (30) days, within which Borrower may complete such cure;
- (d) If at any time or times hereafter any representation or warranty (including the representations and warranties of Borrower set forth in any of the Sale and Loan Documents), statement, report or certificate furnished to Lender in connection with the Loan is not true and correct in any material respect;
- (e) If any petition is filed by or against Borrower under the United States Bankruptcy Code or any similar state or federal Law, whether now or hereafter existing (and, in the case of involuntary proceedings, failure to cause the same to be vacated, stayed or set aside within thirty (30) days after filing);
- (f) If any assignment, pledge, encumbrance, transfer, hypothecation, failure of notice or other disposition is made in violation of Section 6.2 of this Agreement;
- (g) If Borrower shall fail to pay any debt owed by it or is in default under any agreement with Lender or any other party (other than a failure or default for which the maximum liability of Borrower does not exceed 25% of its cash assets) and such failure


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or default continues after any applicable grace period specified in the instrument or agreement relating thereto;

(h) If a default (other than those set forth in this Section 7.1) occurs under any of the Sale and Loan Documents and continues beyond the applicable grace period, if any, contained therein; or

(i) If Borrower defaults in the performance of any of its covenants, agreements and obligations set forth in Section 3.20 or Section 3.22 of this Agreement.

8. REMEDIES.

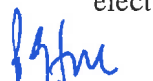
8.1 Remedies Conferred Upon Lender. Upon the occurrence of any Event of Default, including without limitation the filing by Borrower of a voluntary petition under Chapter 11 of the United States Bankruptcy Code, Lender shall have the right (but not the obligation) to pursue any one or more of the following remedies concurrently or successively, it being the intent hereof that all such remedies shall be cumulative and that no such remedy shall be to the exclusion of any other:

(a) Declare the Note to be immediately due and payable;

(b) Use and apply any monies deposited by Borrower with Lender, including amounts in the Escrow Account, regardless of the purpose for which the same was deposited, to cure any such default or to apply on account of any indebtedness under this Agreement which is due and owing to Lender;

(c) Exercise or pursue any other right or remedy permitted under this Agreement or any of the Sale and Loan Documents or conferred upon or available to Lender at law or in equity or otherwise; and

(d) To correct any such Event of Default in such manner and to such extent as Lender may deem necessary to protect the security hereof, including, without limitation, the right (but not the obligation) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Lender, and also the right (but not the obligation) to perform and discharge each and every obligation, covenant, condition and agreement of Borrower under the Service Agreements and the Permits. Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any of the Service Agreements nor any of the Permits, or by reason of this Agreement, unless or until Lender exercises its rights hereunder. Lender may, at its option, upon written notice to the appropriate Consenting Party in the case of a Service Agreement, exercise any or all of the rights and remedies granted to Borrower under any Service Agreement or Permit, including any right or remedy with respect to the Consenting Party in question in the case of a Service Agreement, as if Lender had been an original party to such Service Agreement or the permittee under the Permit. After an Event of Default, upon giving such notice to any Consenting Party with respect to a Service Agreement, Lender may elect to assume all obligations of Borrower under any Service Agreement between


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Borrower and the Consenting Party or with respect to any Permit; but in any case Lender shall not be responsible for any default of Borrower under the Service Agreement occurring prior to the time Lender gives such notice to the Consenting Party or assumes the obligations under any Permit. Each Consenting Party is hereby authorized by Borrower to perform its obligations under the Service Agreements to which it is a party for the benefit of Lender without any obligation to determine whether or not an Event of Default has in fact occurred.

8.2 Non-Waiver of Remedies. No waiver of any breach or default hereunder shall constitute or be construed as a waiver by Lender of any subsequent breach or default or of any breach or default of any other provision of this Agreement.

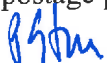
8.3 Cash Collateral Account. Upon the occurrence of an Event of Default, Lender may require Borrower to deposit all rents and all revenues from the operation of the Property, including utility payments, into an account held by and pledged to Lender ("**Cash Collateral Account**"). Lender shall not pay interest on any amounts held on deposit in the Cash Collateral Account, unless required to do so under applicable Laws. Borrower shall execute such documents as Lender, in its sole discretion, deems necessary to perfect its interest in the Cash Collateral Account.

9. GENERAL PROVISIONS.

9.1 Captions. The captions and headings of various Articles and Sections of this Agreement and Exhibits pertaining hereto are for convenience only and are not to be considered as defining or limiting in any way, the scope or intent of the provisions hereof.

9.2 Merger. This Agreement, the Purchase and Sale Agreement, and the Sale and Loan Documents and all instruments delivered in connection them, as may be amended from time to time in writing, constitute the entire agreement of the parties with respect to the Property and the Loan, and all prior discussions, negotiations and document drafts are merged herein and therein. This Agreement, the Purchase and Sale Agreement and the Sale and Loan Documents shall be interpreted to supplement each other and, if possible, to not be inconsistent. If there are any inconsistencies between the Purchase and Sale Agreement, this Agreement or the Sale and Loan Documents, the terms contained in this Agreement and the other Sale and Loan Documents shall prevail. Neither Lender nor any agent or employee of Lender has made or is authorized to make any representation or agreement upon which Borrower may rely unless such matter is in writing signed by Lender. Borrower agrees that it has not and will not rely on any custom or practice of Lender, or on any course of dealing with Lender, in connection with the Loan unless such matters are set forth in this Agreement or the Sale and Loan Documents or in an instrument made for the benefit of Borrower and in a writing signed by Lender.

9.3 Notices. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing, using a font size of at least 12 pts., addressed as follows and shall be deemed to have been properly given if hand delivered, if sent by reputable overnight courier with signature required (effective the business day following delivery to such courier) or if mailed by United States registered or certified mail, postage prepaid, return receipt requested (effective the first business day after receipt or after



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notice thereof was delivered) to such addresses (for the applicable person or party) as set forth below (with courtesy copies by email or facsimile):

If to Lender: Paul Goldstone, Trustee
c/o Goldstone Management Inc.
82 Shattuck Square
Berkeley, CA 94704
paul@goldstonemgmt.com

with a copy to: Timothy Hansen, Vice President
Goldstone Management Inc.
82 Shattuck Square
Berkeley, CA 94704
tim@goldstonemgmt.com

and a copy to: S. Robert Diener
Attorney at Law
3050 Shattuck Avenue
Berkeley, CA 94705
bob@dienerlaw.com
Fax: (510) 848 5819

If to Borrower: Clay Butler, President
Alimur Park Homeowners Association
4300 Soquel Drive, #229
Soquel, CA 95073

with a copy to: David E. Loop, Esq.
46 Knollwood Drive
Aptos, CA 95003
Fax: (831) 688 1293

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice. Notices given in any other fashion shall be deemed effective only upon receipt. Courtesy copies shall be given by email and facsimile as shown above but shall not affect the effective date of the notice. The communication shall clearly state, in the same format as above, the number of days, business or otherwise, in which Lender has to review the communication before consent is deemed given, if and when applicable.

9.4 Modification; Waiver. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is sought. Lender reserves the right to charge an administrative fee for any such modification, waiver, amendment, discharge, or change of this Agreement.


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9.5 Governing Law. This Agreement shall be governed, construed, applied and enforced in accordance with the laws of the State of California.


9.6 Acquiescence Not to Constitute Waiver of Lender's Requirements. Lender may at any time by a specific writing waive compliance by Borrower with any covenant in any of the Sale and Loan Documents, consent to Borrower's doing any act which in any of the Sale and Loan Documents Borrower is prohibited from doing, or consent to Borrower's failing to do any act which in any of the Sale and Loan Document Borrower is required to do; provided however that such waiver will not apply to any subsequent similar event. Lender may waive any Default without waiving any other prior or subsequent Default. Lender may remedy any Default without waiving the Default remedied. Neither failure by Lender to exercise, nor delay by Lender in exercising, nor discontinuance of the exercise of any right, power or remedy upon any Default shall be construed as a waiver of such Default or as a waiver of the right to exercise any such right, power or remedy (including the right to accelerate the maturity of the Loan or any part thereof) at a later date. No single or partial exercise by Lender of any right, power or remedy under any of the Sale and Loan Documents shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy under any of the Sale and Loan Documents may be exercised at any time and from time to time. No modification or waiver of any provision of any of the Sale and Loan Documents nor consent to any departure by Borrower therefrom shall in any event be effective unless in writing signed by Lender and then such waiver or consent shall be effective only in the specific instance, for the purpose for which given and to the extent therein specified. No notice to nor demand on Borrower in any case shall of itself entitle Borrower to any other or further notice or demand in similar or other circumstances.

9.7 Disclaimer by Lender.

(a) This Agreement is made for the sole benefit of Borrower and Lender (and Lender's successors and assigns and participants, if any), and no other person or persons shall have any benefits, rights or remedies under or by reason of this Agreement, or by reason of any actions taken by Lender pursuant to this Agreement. Lender shall not be liable for any debts or claims accruing in favor of any third parties against Borrower or others or against the Property. Borrower is not and shall not be an agent of Lender for any purposes. Except as expressly set forth in the Sale and Loan Documents, Lender is not and shall not be an agent of Borrower for any purposes. Lender, by making the Loan or taking any action pursuant to any of the Sale and Loan Documents, shall not be deemed a partner or a joint venturer with Borrower or any fiduciary of Borrower.

(b) Any review, investigation or inspection conducted by Lender, any architectural or engineering consultants retained by Lender or any agent or representative of Lender in order to verify independently Borrower's satisfaction of any conditions precedent to the disbursement of the Loan, Borrower's performance of any of the covenants, agreements and obligations of Borrower under this Agreement, or the truth of any representations and warranties made by Borrower hereunder (regardless of whether or not the party conducting such review, investigation or inspection should have discovered that any of such conditions precedent were not satisfied or that any such covenants, agreements or obligations were not performed or that any such representations


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or warranties were not true), shall not affect (or constitute a waiver by Lender of) (i) any of Borrower's representations and warranties under this Agreement or Lender's reliance thereon, or (ii) Lender's reliance upon any certifications required under this Agreement or any other facts, information or reports furnished Lender by Borrower hereunder.

(c) By accepting or approving anything required to be observed, performed, fulfilled or given to Lender pursuant to the Sale and Loan Documents, including any certificate, statement of profit and loss or other financial statement, survey, appraisal, rental agreement, lease, insurance policy or the Corporate Documents, Lender shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term provision or condition thereof, and such acceptance or approval thereof shall not constitute a warranty or representation to anyone with respect thereto by Lender.

9.8 Right of Lender to Make Advances to Cure Borrower's Defaults. If Borrower shall fail to perform in a timely fashion any of Borrower's covenants, agreements or obligations contained in this Agreement or the Sale and Loan Documents, Lender may (but shall not be required to) perform any of such covenants, agreements and obligations. Any funds advanced by Lender in the exercise of its judgment that the same are needed to protect its security for the Loan are deemed to be obligatory advances hereunder and any amounts expended (whether by disbursement of undisbursed Loan proceeds or otherwise) by Lender in so doing, shall constitute additional indebtedness evidenced and secured by the Note, the Security Instrument and the other Sale and Loan Documents, shall bear interest from the date expended at the Default Rate and be payable together with such interest upon demand.

9.9 Definitions Include Amendments. Definitions contained in this Agreement which identify documents, including the Sale and Loan Documents, shall be deemed to include all amendments and supplements to such documents from the date hereof, and all future amendments and supplements thereto entered into from time to time to satisfy the requirements of this Agreement or otherwise with the consent of the Lender. Reference to this Agreement contained in any of the foregoing documents shall be deemed to include all amendments and supplements to this Agreement.

9.10 Time Is of the Essence. Time is hereby declared to be of the essence of this Agreement and of every part hereof.

9.11 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

9.12 Waiver of Consequential Damages. In no event shall Lender be liable to Borrower for consequential damages, whatever the nature of a breach by Lender of its obligations under this Agreement, or any of the Sale and Loan Documents, and Borrower hereby waives all claims for consequential damages.


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9.13 Claims Against Lender. Lender shall not be in default under this Agreement, or under any other of the Sale and Loan Documents, unless a written notice specifically setting forth the claim of Borrower shall have been given to Lender within thirty (30) days after Borrower first had knowledge of, or reasonably should have had knowledge of, the occurrence of the event which Borrower alleges gave rise to such claim and Lender does not remedy or cure the default, if any there be, promptly thereafter. If it is determined in any proceedings that Lender has improperly failed to grant its consent or approval, where such consent or approval is required by this Agreement or any other of the Sale and Loan Documents, Borrower's sole remedy shall be to obtain declaratory relief determining such withholding to have been improper, and for itself and all of its Members, Borrower hereby waives all claims for damages or set-off against Lender resulting from any withholding of consent or approval by Lender.

9.14 Jurisdiction and Venue. With respect to any suit, action or proceedings relating to this Agreement, the Property, or any of the other Sale and Loan Documents ("**Proceedings**") each party irrevocably (i) submits to the jurisdiction of the courts of the State of California, County of San Mateo, and (ii) waives any objection which it may have at any time to the laying of venue of any proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such party. Nothing in this Agreement shall preclude Lender from bringing nonjudicial foreclosure proceedings in the County of Santa Cruz, California.

9.15 Severability. The parties hereto intend and believe that each provision in this Agreement comports with all applicable local, state and federal Laws. However, if any provision or provisions, or if any portion of any provision or provisions, in this Agreement is found by a court of law to be in violation of any applicable Laws, and if such court declares such portion, provision, or provisions of this Agreement to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision, or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, and that the remainder of this Agreement shall be construed as if such illegal, invalid, unlawful, void, or unenforceable portion, provision, or provisions were not contained herein, and that the rights, obligations, and interests of Borrower and Lender under the remainder of this Agreement shall continue in full force and effect.

9.16 Incorporation of Recitals and Exhibits. The Recitals set forth herein and the Exhibits attached hereto are incorporated herein and expressly made a part hereof.

9.17 WAIVER OF JURY TRIAL. BORROWER AND LENDER EACH HEREBY WAIVE (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN, THIS AGREEMENT, THE OTHER SALE AND LOAN DOCUMENTS OR ANY ACTS OR OMISSIONS OF NOTEHOLDER, ITS MORTGAGE CORRESPONDENT, AND EACH OF THEIR OFFICERS, EMPLOYEES, DIRECTORS, AGENTS AND REPRESENTATIVES IN CONNECTION THEREWITH; AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. BORROWER


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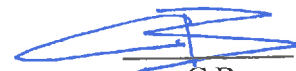

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WARRANTS THAT IT HAS BEEN REPRESENTED BY COUNSEL OF ITS OWN CHOOSING, HAS BEEN FULLY ADVISED OF ITS RIGHTS TO TRIAL BY JURY, AND KNOWINGLY AND VOLUNTARILY GIVES UP THOSE RIGHTS.

9.18 Other Recourse Events. Borrower shall be liable for and SHALL INDEMNIFY AND DEFEND LENDER AGAINST, AND HOLD LENDER HARMLESS FROM AND REIMBURSE LENDER FOR, ANY AND ALL LOSSES, CLAIMS, DEMANDS, JUDGMENTS, PENALTIES, LIABILITIES, COSTS, DAMAGES AND EXPENSES DIRECTLY OR INDIRECTLY INCURRED BY LENDER, INCLUDING COURT COSTS DIRECTLY OR INDIRECTLY CAUSED BY, RESULTING FROM, OR ARISING OUT OF ANY OF THE FOLLOWING ACTS OR OMISSIONS (COLLECTIVELY, THE "RECOURSE EVENTS") committed, permitted or omitted by Borrower or any of its Members, or their respective officers, directors, agents, employees and/or contractors: (i) waste to or of the Property, and/or any failure to maintain the Property in a manner similar to comparable properties located in the same geographic area; (ii) fraud or material misrepresentation by Borrower; (iii) failure to pay (unless separately escrowed for under Section 3.1 above) insurance premiums, taxes, assessments, or any other lienable impositions, (iv) a. failure to deliver all insurance proceeds (including Business Income Coverage as defined in Exhibit D attached hereto and made a part hereof) received in connection with a casualty or other peril to Lender, b. failure to furnish sums toward restoration of the Property in an amount equal to the deductible referenced in Exhibit D attached hereto, c. failure to apply insurance proceeds that are not deposited with Lender, if Lender determines such sums are not necessary to be deposited, to the restoration of the Property, or d. misapplication of the insurance proceeds; (v) misapplication of member or tenant escrows, prepaid rents, security deposits, booking deposits, insurance proceeds or condemnation proceeds; (vi) failure, while an Event of Default exists, to pay to Lender all rents, deposits, income and profits of and from the Property; (vii) destruction or removal from the Property of fixtures or personal property securing the Loan, unless replaced by items of equal value; (viii) terminating, settling, amending or entering into a rental agreement or lease of the Property in violation of the Sale and Loan Documents or in violation of any restrictive covenant or any restrictive use provision in any other lease at the Property; (ix) failure of the Property to comply with any Building Laws after any governmental authority has notified Borrower, its agents, employees and/or contractors of such noncompliance; (x) breaches of representations or covenants contained in the Sale and Loan Documents relating to compliance with the Executive Order or the Patriot Act and/or any similar laws which may be enacted in the future; (xi) failure to pay to Lender any rent, income, lease termination fees, income or profits of and from the Property which have been prepaid more than thirty (30) days in advance; and (xii) willful or grossly negligent violation of applicable laws.

Borrower agrees that upon the occurrence of either of the following events, Borrower will immediately become liable for the payment of all amounts payable under the Note and the remaining Sale and Loan Documents in full, together with costs of collection: (A) if any interest in the Property or Borrower is transferred or encumbered in contravention of the Sale and Loan Documents, or (B) if Borrower files a voluntary petition under Chapter 11 of the United States Bankruptcy Code prior to the two (2)-year anniversary of the transfer of title to the Property to Lender by Foreclosure Conveyance.


P.G.

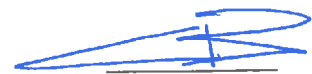

C.B.

Authorization to Slipsheet. Borrower's legal counsel is authorized and directed to authorize Lender or its legal counsel to do any or all of the following: (i) to insert the effective date of the Sale and Loan Documents into each such document, (ii) to attach exhibits to the Sale and Loan Documents or other documents furnished to Lender or Lender's legal counsel in connection with the sale of the Property and the Loan, (iii) to substitute pages to the Sale and Loan Documents (as approved by Borrower's legal counsel), and (iv) insert executed signature pages into the final Sale and Loan Documents. In no event shall Borrower's consent be required with respect to any matter set forth in this Section 9.19.

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IN WITNESS WHEREOF, Borrower and Lender have executed this Agreement as of the day and year first set forth above.

BORROWER:

ALIMUR PARK HOMEOWNERS
ASSOCIATION

By 
Clay Butler, President

LENDER:


PAUL JOEL GOLDSTONE, TRUSTEE OF
PAUL'S TRUST, established pursuant to, and in
accordance with, an Order of the San Mateo
Superior court, Case No. 66015, dated April 2, 2001

Exhibits:

- Exhibit A - Legal Description
- Exhibit B - Form of Borrower Annual Certification to Lender
- Exhibit C - Rent Roll
- Exhibit D - Insurance Requirements
- Exhibit E - Inventory of Personal Property and Equipment


P.G.


C.B.

EXHIBIT A

LEGAL DESCRIPTION

Real property in the Unincorporated Area, of the County of Santa Cruz, State of California, described as follows:

PARCEL I

SITUATED IN THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

BEING A PART OF THE LAND CONVEYED TO THOMAS P. HORN, ET UX, BY DEED RECORDED JANUARY 28, 1944 IN VOLUME 454 OF OFFICIAL RECORDS AT PAGE 379, SANTA CRUZ COUNTY RECORDS, AND FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LAND CONVEYED TO M. R. GIVENS BY DEED RECORDED AUGUST 22, 1956 IN VOLUME 1090 OF OFFICIAL RECORDS AT PAGE 210, SANTA CRUZ COUNTY RECORDS; THENCE ALONG THE SOUTHERLY LINE OF SAID LAND OF GIVENS, NORTH 89° 53' EAST 367 FEET TO A POINT; THENCE AT A RIGHT ANGLE, SOUTH 0° 07' EAST 200 FEET, MORE OR LESS TO A POINT ON THE SOUTHERLY LINE OF SAID LAND OF HORN; THENCE SOUTH 78° 15' WEST ALONG THE SOUTHERLY LINE OF SAID LAND OF HORN, 372 FEET, MORE OR LESS, TO THE SOUTHERN CORNER THEREOF; THENCE NORTH 0° 07' EAST ALONG THE WESTERLY LINE OF SAID LAND OF HORN, 273.74 FEET TO THE POINT OF BEGINNING.

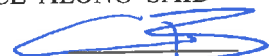
PARCEL II:

SITUATED IN THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTH SIDE OF THE COUNTY ROAD LEADING FROM SANTA CRUZ TO THE VILLAGE OF SOQUEL AT THE NORTHEAST CORNER OF LANDS NOW OR FORMERLY OF NORA BASSETT; THENCE EASTERLY ALONG THE SOUTH SIDE OF SAID COUNTY ROAD 560 FEET, A LITTLE MORE OR LESS, TO ITS INTERSECTION WITH THE WEST SIDE OF ROBERTSON STREET; THENCE SOUTHERLY ALONG SAID SIDE OF SAID ROBERTSON STREET 645 FEET, A LITTLE MORE OR LESS, TO THE NORTHEASTERLY CORNER OF THE LANDS CONVEYED BY SARAH A. ANDREAS TO JOHN M. HUNT BY DEED DATED FEBRUARY 21, 1923 AND RECORDED IN VOLUME 4 OF OFFICIAL RECORDS AT PAGE 130, SANTA CRUZ COUNTY RECORDS; THENCE ALONG THE NORTHERLY BOUNDARY OF SAID LAST MENTIONED LANDS SOUTH 89° 53' WEST 634.92 FEET TO A STATION ON THE EASTERLY BOUNDARY OF THE SAID LANDS NOW OR FORMERLY OF NORA BASSETT; AND THENCE ALONG SAID


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C.B.

LAST MENTIONED BOUNDARY NORTH 0° 07' WEST 648.76 FEET TO THE PLACE OF BEGINNING.

EXCEPTING FROM THE ABOVE DESCRIBED PROPERTY THAT PART CONVEYED TO THOMAS P. HORN, ET UX, BY DEED RECORDED IN VOLUME 493 OF OFFICIAL RECORDS AT PAGE 359, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING FROM THE ABOVE DESCRIBED PROPERTY THAT PART CONVEYED TO THE COUNTY OF SANTA CRUZ BY DEED DATED FEBRUARY 20, 1956 AND RECORDED MARCH 1, 1956 IN VOLUME 1062 OF OFFICIAL RECORDS AT PAGE 44, SANTA CRUZ COUNTY RECORDS, AND DESCRIBED AS FOLLOWS:

BEING A PART OF RANCHO ARROYO DEL RODEO IN SECTION 10, TOWNSHIP LL SOUTH, RANGE 1 WEST, MOUNT DIABLO BASE AND MERIDIAN, PROJECTED, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LANDS OF CHARLES W. THARP, ET UX, RECORDED NOVEMBER 21, 1951 IN VOLUME 846 OF OFFICIAL RECORDS AT PAGE 410, SANTA CRUZ COUNTY RECORDS, SAID NORTHEAST CORNER IS THE INTERSECTION OF THE SOUTH LINE OF SOQUEL DRIVE AND THE WESTERLY LINE OF ROBERTSON ROAD; THENCE ALONG THE WESTERLY LINE OF ROBERTSON ROAD SOUTH 26° 52' EAST 104.34 FEET TO A POINT; THENCE SOUTH 19° 43' EAST 95.38 FEET TO A POINT; THENCE SOUTH 0° 36' EAST 248.90 FEET TO A POINT; THENCE SOUTH 3° 36' WEST 99.27 FEET TO A POINT FROM WHICH THE CENTERLINE OF ROBERTSON ROAD AND WALNUT STREET BEARS SOUTH 7° 12' 55" EAST 105.91 FEET DISTANT; THENCE LEAVING SAID ROBERTSON ROAD SOUTH 40° 13' WEST 50.00 FEET TO A POINT; THENCE NORTH 5° 0' 10" EAST 285.45 FEET TO A POINT; THENCE NORTH 0° 36' EAST 100.00 FEET TO A POINT; THENCE NORTH 19° 43' WEST 93.07 FEET TO A POINT; THENCE NORTH 21° 22' 10" WEST 104.20 FEET TO THE POINT OF BEGINNING.

ALSO, EXCEPTING FROM THE ABOVE DESCRIBED PROPERTY THAT PART CONVEYED TO THE COUNTY OF SANTA CRUZ BY DEED DATED NOVEMBER 3, 1955 AND RECORDED MAY 11, 1956 IN VOLUME 1074 OF OFFICIAL RECORDS AT PAGE 154, SANTA CRUZ COUNTY RECORDS, AND DESCRIBED AS FOLLOWS:

THAT PORTION OF MY LANDS THAT LIES WITHIN THE EXTERIOR BOUNDARIES OF THE FOLLOWING DESCRIBED LANDS:

BEING A PORTION OF RANCHO ARROYO DEL RODEO IN THE WEST 1/2 OF SECTION 10, TOWNSHIP II SOUTH, RANGE 1 WEST, MOUNT DIABLO BASE AND MERIDIAN, PROJECTED, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:


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C.B.

BEGINNING AT A POINT ON THE NORTHERLY LINE OF THE PRESENT RIGHT OF WAY OF SOQUEL DRIVE FROM WHICH A ½ INCH IRON PIPE AT THE SOUTHEAST CORNER OF LAND DEEDED TO THOMAS E. POLLARD, ET UX, BY DEED DATED DECEMBER 31, 1953 AND RECORDED JANUARY 6, 1954 IN VOLUME 948 OF OFFICIAL RECORDS AT PAGE 298, SANTA CRUZ COUNTY RECORDS, BEARS SOUTH 74° 31' 30" WEST 37.40 FEET DISTANT; THENCE FROM SAID POINT OF BEGINNING SOUTH 14° 15' EAST 70.00 FEET TO THE SOUTHERLY LINE OF SAID SOQUEL DRIVE; THENCE NORTH 75° 45' EAST ALONG THE SOUTHERLY LINE OF SAID SOQUEL DRIVE 517.91 FEET TO A STATION AT THE NORTHWEST CORNER OF LANDS DEEDED TO CHARLES W. THARP, ET UX, BY DEED RECORDED NOVEMBER 21, 1951, IN VOLUME 846 OF OFFICIAL RECORDS AT PAGE 410, SANTA CRUZ COUNTY RECORDS; THENCE NORTH 86° 28' 42" EAST 75.95 FEET TO A POINT ON A CURVE, THE RADIAL POINT OF SAID CURVE BEARS SOUTH 70° 57' 55" EAST; THENCE ON A CURVE TO THE RIGHT WITH A RADIUS OF 955.00 FEET, THROUGH AN ANGLE OF 19° 12' 55" FOR A DISTANCE OF 320.28 FEET TO THE END OF CURVE, FROM WHICH ENGINEERS STATION 106+35.37 BEARS NORTH 11° 15' EAST 45.00 FEET DISTANT; THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH 78° 45' EAST 164.63 FEET TO A STATION; THENCE SOUTH 89° 56' 24" EAST 50.99 FEET TO A STATION FROM WHICH ENGINEERS STATION 108+50.00 BEARS NORTH 11° 15' EAST 35.00 FEET DISTANT; THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH 78° 45' EAST 33.64 FEET TO THE BEGINNING OF A CURVE; THENCE ON A CURVE TO THE LEFT WITH A RADIUS OF 1235.00 FEET THROUGH AN ANGLE OF 7° 56' FOR A DISTANCE OF 171.00 FEET TO THE END OF A CURVE; THENCE SOUTH 86° 41' EAST 50.20 FEET TO A STATION; THENCE SOUTH 82° 52' 09" EAST 75.17 FEET TO A STATION; THENCE SOUTH 86° 41' EAST 100.00 FEET TO A STATION; THENCE SOUTH 71° 57' 17" EAST 19.67 FEET TO A STATION FROM WHICH ENGINEERS STATION B.C. 112+94.02 BEARS NORTH 3° 19' EAST 45.00 FEET DISTANT; THENCE CONTINUING ALONG SAID SOUTHERLY LINE SOUTH 86° 26' 11" EAST 63.21 FEET TO A POINT ON A CURVE, THE RADIAL POINT OF SAID CURVE BEARS NORTH 5° 14' 12" WEST; THENCE ON A CURVE TO THE LEFT WITH A RADIUS OF 425.00 FEET THROUGH AN ANGLE OF 17° 56' 48" FOR A DISTANCE OF 133.12 FEET TO THE END OF A CURVE; THENCE NORTH 66° 49' EAST 30.31 FEET TO A STATION FROM WHICH ENGINEERS STATION 115+00.00 BEARS NORTH 23° 11' WEST 50.00 FEET DISTANT; THENCE NORTH 0° 23' 30" EAST 54.35 FEET TO ENGINEERS STATION 115+20.03 SAID STATION BEARS SOUTH 66° 49' WEST 300.65 FEET FROM A BOLT FOUND AT THE INTERSECTION OF SOQUEL DRIVE AND PORTER STREET; THENCE SOUTH 66° 49' WEST 52.13 FEET TO ENGINEERS STATION 144 +67.46; THENCE NORTH 23° 11' WEST 35.00 FEET TO THE BEGINNING OF A CURVE ON THE NORTHERLY LINE OF THE PROPOSED NEW RIGHT OF WAY, THE RADIAL POINT OF SAID CURVE BEARS NORTH 23° 11' WEST; THENCE ON A CURVE TO THE RIGHT WITH A RADIUS OF 340.00 FEET THROUGH AN ANGLE OF 10° 18' 26" FOR A DISTANCE OF 61.16 FEET TO A POINT ON CURVE; THENCE NORTH 88° 47' 25"


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C.B.

WEST 94.88 FEET TO A STATION; THENCE NORTH 82° 15' 45" WEST 194.60 FEET TO A STATION; THENCE SOUTH 66° 50' 35" WEST 56.08 FEET TO THE BEGINNING OF A CURVE, THE RADIAL POINT OF SAID CURVE BEARS NORTH 3° 19' EAST; THENCE ON A CURVE TO THE RIGHT WITH A RADIUS OF 1165.00 FEET THROUGH AN ANGLE OF 7° 56' FOR A DISTANCE OF 161.31 FEET TO THE END OF CURVE; THENCE NORTH 77° 35' 47" WEST 248.32 FEET TO A STATION FROM WHICH ENGINEERS STATION 106+35.37 BEARS SOUTH 11° 15' WEST 40.00 FEET DISTANT; THENCE CONTINUING ALONG SAID NORTHERLY LINE NORTH 78° 32' 41" WEST 69.08 FEET TO THE BEGINNING OF A CURVE, THE RADIAL POINT OF SAID CURVE BEARS SOUTH 12° 42' WEST; THENCE ON A CURVE TO THE LEFT WITH A RADIUS OF 505.00 FEET THROUGH AN ANGLE OF 23° 51' 43" FOR A DISTANCE OF 210.32 FEET TO THE END OF CURVE; THENCE SOUTH 81° 27' 10" WEST 129.24 FEET TO A STATION; THENCE SOUTH 75° 13' 24" WEST 229.46 FEET TO THE SOUTHWEST CORNER OF LANDS DEEDED TO LOLA G. MCINTOSH, ET VIR , BY DEED DATED FEBRUARY 16, 1942 AND RECORDED FEBRUARY 17, 1942 IN VOLUME 427 OF OFFICIAL RECORDS AT PAGE 434, SANTA CRUZ COUNTY RECORDS; THENCE SOUTH 75° 45' WEST 313.72 FEET TO THE POINT OF BEGINNING.

PARCEL III:

SITUATED IN THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

BEING A PORTION OF RANCHO ARROYO DEL RODEO AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF THE LANDS CONVEYED TO THOMAS P. HORN, ET UX BY DEED RECORDED IN VOLUME 493 OF OFFICIAL RECORDS AT PAGE 359, SANTA CRUZ COUNTY RECORDS, ON THE WESTERLY LINE OF ROBERTSON STREET; THENCE FROM SAID POINT OF BEGINNING ALONG THE NORTHWESTERLY LINE OF SAID LANDS OF HORN SOUTH 40° 13' WEST 126 FEET MORE OR LESS TO A POINT ON THE NORTHERLY LINE OF THE LANDS CONVEYED TO THOMAS P. HORN, ET UX BY DEED RECORDED IN VOLUME 454 OF OFFICIAL RECORDS AT PAGE 379, SANTA CRUZ COUNTY RECORDS; THENCE ALONG SAID NORTHERLY LINE SOUTH 39° 53' WEST 102.42 FEET TO THE NORTHEASTERLY CORNER OF THE LANDS CONVEYED TO M. R. GIVENS BY DEED RECORDED IN VOLUME 1245 OF OFFICIAL RECORDS AT PAGE 494, SANTA CRUZ COUNTY RECORDS; THENCE ALONG THE EASTERLY LINE OF SAID LANDS OF GIVENS SOUTH 0° 07' EAST 200 FEET, MORE OR LESS, TO THE SOUTHEASTERLY CORNER THEREOF ON THE SOUTHERLY LINE OF SAID LAST MENTIONED LANDS OF HORN; THENCE ALONG THE SOUTHERLY LINE OF SAID LAST MENTIONED LANDS OF HORN NORTH 78° 15' EAST 251.5 FEET MORE OR LESS TO THE SOUTHEASTERLY CORNER


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C.B.

THEREOF ON THE WESTERLY LINE OF ROBERTSON STREET; THENCE ALONG SAID WESTERLY LINE

OF ROBERTSON STREET NORTH 9° 47' EAST 135.32 FEET TO AN ANGLE AND NORTH 3° 36' EAST 105 FEET MORE OR LESS TO THE POINT OF BEGINNING.

APN: 030-131-26 (Parcel I); 030-131-05 (portion of Parcel II); 030-131-22 (portion of Parcel II); 030-131-23 (portion of Parcel II); 030-131-27 (Parcel III)


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C.B.

EXHIBIT B of the Loan Agreement

FORM OF BORROWER ANNUAL CERTIFICATION TO LENDER

On behalf of the Borrower of that certain Loan, pursuant to the Loan Documents therefor and described below, I certify that the following are true and correct to the best of my knowledge from the date of the original Loan Closing, through today's date noted below:

Other than changes or modifications for which Borrower has previously notified Lender pursuant to the Loan Documents,

(1) There has been no change in the ownership structure of the Borrower and all officers and members of the Borrower are still acting in their original capacities;

(2) There has been no secured or unsecured subordinate financing placed against the property;

(3) There has not been a termination of the Management Agreement or any other agreement for which Lender consent was required pursuant to the Loan Documents;

(4) There have not been any material alterations to the Property that required Lender's consent. Borrower has not received notice of any Building Law violation or any other material notice in connection with the Property including, but not limited to, violation of any Hazardous Materials Laws from any municipality or government agency having jurisdiction over such matters;

(5) To the best of Borrower's knowledge, there have been no acts or omissions by Borrower that would lead to or constitute a default under the Loan Documents; and

(6) The Borrower and property information listed below for year ending December 31, _____ has been delivered to Lender or Mortgage Correspondent and is certified as true and correct in all material respects:


- Balance sheet(s)
- Detailed income and expense statement(s)
- Aged Delinquency Report(s)
- Rent roll(s) including tenant sales info for those tenants required to report

(7) The Borrower and "with a copy to" address(es) for notice as described in the Loan Agreement remain unchanged. If not, please provide updated information in the below "Comments" section.

Comments/Clarifications to Questions 1-7 above: _____



Borrower: ALIMUR PARK HOMEOWNERS ASSOCIATION

By: 
Authorized Signatory

Its: PRESIDENT

Date: 10-9-15



EXHIBIT C
RENT ROLL

ALIMUR PARK
HOMEOWNERS
ASSOCIATION
RENT ROLL

<u>Apartment No.</u>	<u>Tenants</u>	<u>Monthly Rent</u>
1		
2		
3		

<u>Mobilehome Space No.</u>	<u>Residents Names</u>	<u>Record Owners</u>	<u>Member (Y/N)</u>	<u>Member Subscription Paid (Y/N)</u>	<u>Member Subscription Paid (Y/N)</u>	<u>Monthly Rent</u>
1						
2						
3						

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EXHIBIT D to the Loan Agreement

PROPERTY AND LIABILITY INSURANCE REQUIREMENTS

Insureds: Borrower (per loan documents) must be the *Named Insured* on all policies.

Additional Interests: Lender must be *endorsed as Mortgagee* for building(s) and boiler and machinery/equipment breakdown, and *Loss Payee* for business income (when permitted by insurer), business personal property, and boiler and machinery/equipment breakdown coverage forms; and *Additional Insured* for the general liability coverages. The Additional Insured – Mortgagee, Assignee or Receiver endorsement # CG2018 should be used.

The Additional Interest, Certificate Holder, and Endorsement wording should read:

Paul Joel Goldstone, Trustee of Paul's Trust,
its successors, assigns, and/or affiliates (ISAAOA is acceptable),
as their interests may appear (ATIMA is acceptable).
c/o Mortgage Correspondent's address.

Evidence of Property Insurance: Any of the following options are acceptable at closing and renewal:

- A Copy of the Policy
- Acord 28 Evidence of Commercial Property Insurance
- Acord 27 Evidence of Property Insurance showing the following Coverages, Limits, Deductibles, and Forms:
 - Building

PG Time



- Rents
 - Equipment Breakdown/Boiler & Machinery
 - Ordinance and Law Coverage A
 - Agreed Amount/Waiver of Coinsurance
 - Replacement Cost Valuation
 - Special/All Risk Cause of Loss
- Proprietary Carrier Forms identifying the prescribed Coverages, Limits, Deductibles, and Forms

Policy Copies or Endorsements: A *Copy of the Policy* must be received **not later than 30 days after closing or renewal.**

Evidence of Liability Insurance: Any of the following options are acceptable at closing and renewal:

- A Copy of the Policy
- An Acor 25 Certificate of Liability showing the Coverages, Limits, and SIR
- Proprietary Carrier forms referencing the required information

Policy Copies or Endorsements: A *Copy of the Policy* must be received **not later than 30 days after closing or renewal.**

Both the **Evidence of Commercial Property Insurance** and the **Certificate of Liability** must reference the *Collateral Property Address and the Borrowing Entity.*

Notice of Cancellation: **Evidence of Commercial Property Insurance** and **Certificate of Liability** forms with wording stating “*cancellation notices will be delivered in accordance with the policy provisions*” are compliant.

Acceptable Carriers: All insurance carriers providing primary coverages and/or participating in layers evidencing coverage must carry an A.M. Best Financial Strength Rating (FSR) of **A-** and a Financial Size Category (FSC) of **IX** during the entire life of the loan. Carriers with lesser Strength or Size, or carriers not rated by A.M. Best, are not acceptable. Carriers must be licensed to conduct business in the State of California.

Risk Retention Groups (RRG's) and Risk Purchasing Groups (RPG's) will not be accepted.

PROPERTY INSURANCE REQUIREMENTS:

Building and Business Personal Property Coverage must be written on an “*All Risk*” or “*Special Causes of Loss*” form (as defined by the insurance contracts) on a **Replacement Cost valuation** basis. Coverage is to include **Wind and Hail; Ordinance or Law** - coverage for loss to undamaged portion of the building for full replacement value of the building; and an **Agreed Amount Endorsement or Waiver of Coinsurance Clause**. The policy should be written on ISO form CP0010 and include CP1030 special form causes of loss.

Because the property has multiple buildings and/or locations, if the policy is written on a **Blanket Basis** it must not contain a *Margin Clause; an Occurrence Limit of Liability Endorsement; or any other form designed to dilute or delete the benefit of Blanket Coverage.*

Business Income Coverage With Extra Expense is required for the loss of **gross income** including **loss of rents and reimbursements** for an amount not less than 12 months gross income; or on an **Actual Loss Sustained** form of coverage. Coverage must provide a **period of restoration of not less than 12 months**. Lender shall be a named Loss Payee. Even if Lender is not or cannot be named Loss Payee for the Business Income Coverage provided by Borrower, **any and all Business Income Coverage proceeds received by Borrower shall be delivered to Lender and held along with any and all other insurance proceeds received due to any casualty or other peril.**

Boiler and Machinery/Equipment Breakdown coverage is to include property damage, business income, and extra expense. If the **Building and Boiler and Machinery/Equipment Breakdown** coverages are provided by separate policies, a **Joint Loss Agreement Endorsement** should be obtained on each policy.

Coastal Property: Borrowers with coastal property in "**Tier 1 and Tier 2**" counties must carry **Named Windstorm** coverage at full Replacement Cost.

The Borrower may use multiple policies/layers to satisfy the Property requirements as long as each carrier used is rated **A- IX** or better by A.M. Best and the insurance program as a whole satisfies all the requirements herein. No gaps of coverage between policy layers are acceptable.

Vacant Property: If a building's vacancy rate is greater than **69%** of the total **net rentable** square footage for **60 consecutive days** or more; Lender is to receive a **Vacancy Permit** (ISO form CP 04 50 or a form containing equivalent language).

If any buildings are constructed, have additions added, or are significantly altered by 10% or more of the property value; a **Builder's Risk Insurance Policy** is required on a **completed value form** in an amount equal to 100% of hard costs. There must be delayed income insurance covering not less than 12 months anticipated loss of gross income. All builder's risk coverage terms and conditions are subject to PPM approval. Once the project has been completed; the property in its entirety must comply with all PPM insurance requirements stated herein.

Acceptable maximum per occurrence Deductibles:

Property	\$5,000 per occurrence
Boiler & Machinery/ Equipment Breakdown	\$5,000 per occurrence
Business Income	72 hours waiting period



Named Windstorm

5% of insured value

LIABILITY INSURANCE REQUIREMENTS:

General Liability: *General Liability* coverage must be written on an **Occurrence** form. *Hired/Non-Owned Auto Liability* must be included. *Contractual Liability* covering "Insured Contracts" must be included. If the Borrower sells or serves liquor, ***Dram Shop or Liquor Liability*** must be purchased.

Minimum Acceptable Primary limits:

Bodily Injury and Property Damage	\$1,000,000 per occurrence; \$2,000,000 aggregate
Personal and Advertising Injury	\$1,000,000 per occurrence
Dram Shop or Liquor Liability	\$1,000,000 per occurrence

No deductible is acceptable on *General Liability* coverages.

Umbrella/Excess Liability: Borrowers must provide *Umbrella and/or Excess Liability* coverage evidencing a minimum limit of **\$5,000,000 per occurrence** and **aggregate** with a *Self-Insured Retention (SIR)* not greater than \$10,000.

Limits provided by the *Umbrella/Excess Liability* policies must be excess over all underlying liability coverages, including Liquor Liability.

Mold, Fungus, Asbestos and Lead Exposures: Coverage must be provided for damage to owned property as well as bodily injury and property damage to residents, Members and other third parties caused by mold, fungus, asbestos, lead and/or other environmental exposures.

The Borrower may use multiple policies/layers to satisfy the Liability requirements as long as each carrier used is rated **A- IX** or better by A.M. Best and the insurance program as a whole satisfies all the requirements herein. No gaps of coverage between policy layers are acceptable.

Lender reserves the right to modify any and all of the requirements above from time to time as it deems reasonable.

These Insurance Requirements are designed to protect the lender.

Neither compliance with Lender's Insurance Requirements nor the acceptance of Borrower's insurance is intended to provide an opinion as to the adequacy of Borrower's insurance coverages to protect the Borrower.



EXHIBIT E

INVENTORY OF PERSONAL PROPERTY AND EQUIPMENT

[THIS IS THE SAME AS EXHIBIT A TO THE PSA]

A handwritten signature in blue ink, consisting of several overlapping loops and a vertical line, located in the bottom right corner of the page.

SECURED PROMISSORY NOTE

THIS PROMISSORY NOTE HAS A BALLOON PAYMENT DUE IN FIFTEEN (15) YEARS. LENDER AND NOTEHOLDER HAVE NO OBLIGATION TO EXTEND THE TIME FOR PAYMENT OR TO REFINANCE THIS LOAN.

Date: [date to be inserted], 2015

The following terms or provisions are used in this Note and are incorporated by reference herein.

Maker: ALIMUR PARK HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation

Maker's Mailing Address: 4300 Soquel Drive
Soquel, CA 95010

Noteholder: PAUL JOEL GOLDSTONE, TRUSTEE OF PAUL'S TRUST, established pursuant to, and in accordance with, an Order of the San Mateo Superior Court, Case No. 66015, dated April 2, 2001

Place for Payment: All payments shall be made to Paul Joel Goldstone, Trustee, or Successor Trustee, of Paul's Trust by wire transfer according to the Wire Transfer Instruction below, or to such other person and at such other place as from time to time may be designated in writing by Noteholder.

Wire Transfer Instructions:

Wells Fargo Private Banking
2001 N. Main Ste, Ste. 410
Walnut Creek, CA 94596
Telephone: (925) 296 3679
Automated Clearing House
ABA/Routing No. 121000248
Account Number: 16007141234
Account Name: Paul Goldstone Trust Checking Account

Principal Amount: \$10,000,000.00

Initial Interest Rate: Five and 3/10ths percent (5.3%) per annum for the first ten (10) years

Future Interest Rate: Commencing on [date to be inserted], 2025, and on [date to be inserted} of each year thereafter, the interest rate shall be adjusted


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by adding three and three-tenths percent (3.3%) to the then current yield on 10-year U.S. Treasury Notes as published by the U.S. Department of the Treasury of Daily Treasury Yield Curve Rates for [date one month earlier], 2025, or if none, for the next day thereafter for which the rate is published; provided, however, that the interest rate will not increase more than one percent (1%) at any one time and in no event will the interest rate be lower than 5.3% at any time.

Prepaid Interest Period: the period commencing on the date of this Note through and including [date to be inserted] 1, 2015

First Monthly Payment Date: [date to be inserted] 1, 2015

Monthly Payment: equal monthly payments of Fifty-Five Thousand Five Hundred Thirty and 47/100th (\$55,530.47) each (consisting of principal and interest based upon an amortization schedule of 30 years) commencing on the First Monthly Payment Date and continuing thereafter for 120 consecutive equal monthly payments (including the first payment); commencing with the 121st payment, and each year thereafter, the monthly payment shall be determined by fully amortizing the principal and interest amount due over the balance of the term remaining as if the original term were 30 years (eg., the 121st through 132nd payments will be amortized over 30 years).

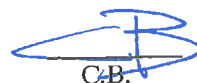
Lockout Period Expiration Date: [date to be inserted], 2028

Maturity Date: [date to be inserted], 2030

1. Promise to Pay. **FOR VALUE RECEIVED**, the Maker hereby promises to pay to the order of Noteholder, the Principal Amount (the "Loan"), with interest on the outstanding principal balance thereof from the date hereof until Maturity Date at the Interest Rate or the Default Rate (as applicable), both principal and interest being payable as hereinafter provided in lawful money of the United States of America at the Place for Payment.

2. Payments. A payment of interest only, based on a 365-day year, on the outstanding principal balance of this Note shall be due and payable in advance on the date hereof in an amount equal to interest accrued during the Prepaid Interest Period. Maker agrees to pay Noteholder the Monthly Payments commencing on the First Monthly Payment Date and continuing thereafter on the same day of each succeeding month through and including the Maturity Date, on which date all unpaid principal and interest, together with any other sums due under the terms of this Note, shall be due and payable.

3. Treatment of Payments. All payments of principal, interest, late charges (as described below), if any, due under this Note shall be paid to Noteholder by wire transfer



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pursuant to Noteholder's written wire transfer instructions or by check of immediately available funds delivered to the place for payment set forth in the Terms section above and in such other manner, as Noteholder may from time to time designate in writing. If such payment is received by 2:00 p.m., Pacific time, such payment will be credited to Maker's account as of the date on which received. If such payment is received after 2:00 p.m., Pacific time, such payment will be credited to Maker's account on the business day next following the date on which received. Each installment payment under this Note shall be applied first to the payment of any cost or expense for which Maker is liable hereunder or under the other Loan Documents, including any unpaid late charge, then to accrued interest and the remainder to the reduction of unpaid principal. Time is of the essence as to all payments hereunder.

4. Late Charges. If any monthly installment of principal and/or interest is not paid in full on or before the tenth day of the month in which such payment is due, then a charge for late payment ("Late Charge") in the amount of five percent (5%) of the amount of such installment shall be immediately assessed and shall be immediately due and payable by Maker. The parties hereby recognize that the Late Charge is a reasonable approximation of an actual loss difficult to estimate. Noteholder's failure to collect such Late Charge shall not constitute a waiver of Noteholder's right to require such payment of such Late Charge for past or future defaults. The Late Charge shall be in addition to all other rights and remedies available to Noteholder upon the occurrence of an Event of Default, as hereinafter defined.

5. Default Interest. Upon the occurrence of (a) an Event of Default or (b) the Maturity Date, interest shall accrue hereunder at an annual rate (the "Default Rate") equal to the lesser of (i) ten percent (10%) and (ii) the maximum rate allowed by law. The Default Rate shall accrue on the entire outstanding balance hereof, including, without limitation, delinquent interest and any and all costs and expenses incurred by Noteholder in connection therewith. The parties hereby recognize that the Default Rate is a reasonable approximation of an actual loss difficult to estimate, such that it is a liquidated damage and not a penalty.

6. Security; Definitions.

a. This Note is made pursuant to a Purchase and Sale Agreement between Noteholder and Maker (the "PSA") and a Loan Agreement between Noteholder and Maker (the "Loan Agreement") and other documents made pursuant to the PSA and the Loan Agreement, including but not limited to the Security Instruments (the PSA, Loan Agreement and such other documents are, collectively, the "Sale and Loan Documents") and is secured by, among other things, the Deed of Trust and Assignment of Rents and UCC Financing Statement of even date herewith in favor of Noteholder granting a first lien on certain real property described therein, and granting a security interest in certain personal property, fixtures and equipment described therein (the "Security Instruments").

b. Capitalized terms not otherwise defined in the preamble or in other provisions of this Note shall have the meanings ascribed to such terms in the PSA and the Loan Agreement.


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c. The terms and provisions of the Sale and Loan Documents are incorporated herein by reference (as if such terms and provisions were set forth in this Note).

7. Events of Default.

Time is of the essence of this Note and the payment of all sums due hereunder. The occurrence of any of the following will, without notice, demand or opportunity to cure, constitute an Event of Default under this Note.

- a. Maker's failure to make any payment when due or within ten (10) days thereafter pursuant to this Note.
- b. Maker's failure to make any payment when due or perform any obligation when due under the Sale and Loan Documents.
- c. Maker makes or has made previously or in the future makes any false or misleading statement to Noteholder.
- d. The insolvency of Maker or the failure of Maker to pay its debts as they come due.
- e. Maker's making any arrangement for the payment of debts.
- f. The commencement of any voluntary or involuntary proceeding under any laws relating to the bankruptcy, insolvency, reorganization, debt adjustment or debt relief.
- g. The voluntary or involuntary dissolution of Maker, the commencement of voluntary or involuntary proceedings related to the dissolution of Maker, or the suspension of Maker's corporate status for any reason by the California Secretary of State and/or the Franchise Tax Board.
- h. Any other Event of Default as defined in the Loan Agreement.

8. Prepayment. Interest accruing during the calendar month of any prepayment shall be calculated and paid on the basis of a 365-day year and shall include the day such prepayment is received by Lender. No prepayment of the principal balance of this Note shall be allowed until after the Lockout Period Expiration Date.

After the Lockout Period Expiration Date prepayment is permitted, in full but not in part, upon six months' written notice.

No involuntary partial prepayment shall suspend or reduce any required monthly payments. If the Loan has been accelerated after an Event of Default and Maker wishes to pay

the Loan in full, the payment tendered must include a prepayment premium equal to four percent (4%) of the outstanding principal balance if the payment is tendered on or before the Lockout Period Expiration Date. Notwithstanding the foregoing, no prepayment premium will be required to any prepayment made, in full or in part, in connection with any condemnation or casualty where Lender applies proceeds to pay down the Loan.

Maker acknowledges that, in establishing the Interest Rate, Noteholder has assumed and taken into account the fact that the loan evidenced hereby will not be prepaid (other than at the time and on the terms provided herein) and that there will be no prohibited transfer of the Property or any other event which would cause Noteholder to accelerate the Maturity Date. The provisions hereof relating to Maker's payment of a premium in the event of an acceleration are intended to compensate Noteholder in the event that this assumption proves to be incorrect. Maker hereby acknowledges that: (a) the inclusion of this waiver of prepayment rights and agreement to pay the prepayment charge for the right to prepay this Note was separately negotiated with Noteholder; (b) the economic value of the various elements of this waiver and agreement was discussed; (c) the consideration given by Maker for the loan was adjusted to reflect the specific waiver and agreement negotiated between Maker and Noteholder and contained herein; and (d) this waiver is intended to comply with California Civil Code Section 2954.10.

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9. Remedies Upon Event of Default. Upon the occurrence of an Event of Default (as defined above and in the Loan Agreement), Noteholder shall have the option of declaring the indebtedness evidenced hereby to be immediately due and payable (the "Loan Acceleration"). After the Loan Acceleration, Noteholder shall have the option of applying any payments received to principal or interest or any other costs and amounts due or credits which may be applied pursuant to the terms of this Note and the other Sale and Loan Documents. Interest at the Default Rate shall continue to accrue on any judgment Noteholder may obtain against Maker on this Note or the Security Instrument until Noteholder acquires record title to the Property or the judgment and interest and costs have been paid in full. Noteholder may include any and all amounts due under this Note and the other Sale and Loan Documents and costs of suit in any complaint, judgment or assessment of damages filed or entered pursuant to this Note and the other Sale and Loan Documents. Noteholder's remedies are cumulative. Noteholder shall also have all Remedies provided in the Loan Agreement and the other Sale and Loan Documents. Nothing contained herein shall limit Noteholder's rights to foreclose in accordance with the terms of the Security Instrument and applicable law.

10. Non-Usurious Loan. It is the intent of Noteholder and Maker in this Note and the other Loan Documents now or hereafter securing this Note to contract in strict compliance with applicable usury law. In furtherance thereof, Noteholder and Maker stipulate and agree that none of the terms and provisions contained in this Note, or in any other instrument executed in connection herewith, including the other Sale and Loan Documents, shall ever be construed to create a contract to pay for the use, forbearance or detention of money, or interest at a rate in



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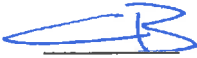


excess of the maximum interest rate permitted to be charged by applicable law. Neither Maker nor any guarantors, endorsers or other parties now or hereafter becoming liable for payment of this Note shall ever be required to pay interest on this Note at a rate in excess of the maximum interest that may be lawfully charged under applicable law, and the provisions of this paragraph shall control over all other provisions of this Note and the other Sale and Loan Documents and any other instruments now or hereafter executed in connection herewith which may be in apparent conflict herewith. Noteholder expressly disavows any intention to charge or collect excessive unearned interest or finance charges in the event the maturity of this Note is accelerated. If the maturity of this Note is accelerated for any reason or if the principal of this Note is paid prior to the Maturity Date, and as a result thereof the interest received for the actual period of existence of this Note exceeds the applicable maximum lawful rate, Noteholder shall, at its option, either refund the amount of such excess or credit the amount of such excess against the principal balance of this Note then outstanding or other obligations due under the Sale and Loan Documents and thereby shall render inapplicable any and all penalties of any kind provided by applicable law as a result of such excess interest. In the event that Noteholder collects monies which are deemed to constitute interest which would increase the effective interest rate on this Note to a rate in excess of that permitted to be charged by applicable law, all such sums deemed to constitute interest in excess of the lawful rate shall, upon such determination, at the option of Noteholder, be either immediately returned or credited against the principal balance of this Note then outstanding or other obligations due under the Sale and Loan Documents, in which event any and all penalties of any kind under applicable law as a result of such excess interest shall be inapplicable. By execution of this Note Maker acknowledges that it believes this Note and all interest and fees paid in connection with the loan represented by this Note, to be non-usurious. Maker agrees that if, at any time, Maker should believe that this Note or the loan represented by this Note is in fact usurious, Maker will give Noteholder notice of such condition and Maker agrees that Noteholder shall have ninety (90) days in which to make appropriate refund or other adjustment in order to correct such condition if in fact such condition exists. The term "applicable law" as used in this Note shall mean the laws of the State of California or the laws of the United States, whichever allows the greater rate of interest, as such laws now exist or may be changed or amended or come into effect in the future.

11. Maker's Waivers. Maker and all endorsers, guarantors and sureties of this Note and all other persons liable or to become liable on this Note severally waive presentment for payment, demand, notice of demand and of dishonor and nonpayment of this Note, notice of intention to accelerate the maturity of this Note, notice of acceleration, protest and notice of protest, diligence in collecting, and the bringing of suit against any other party, and agree to all renewals, extensions, modifications, partial payments, releases or substitutions of security, in whole or in part, with or without notice, before or after maturity.

12. Payment of Taxes and Fees. Maker agrees to pay the cost of any revenue, tax or other documentary fee or stamps now or hereafter required by law to be affixed to this Note or the Security Instrument.

13. Governing Law. This Note and the rights, duties and liabilities of the parties


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hereunder and/or arising from or relating in any way to the indebtedness evidenced by this Note or the transaction of which such indebtedness is a part shall be governed and construed for all purposes by the law of the State of California. Venue for any action brought under this Note shall be in San Mateo County, California. Nothing contained herein shall prohibit Noteholder from bringing nonjudicial foreclosure proceedings in Santa Cruz County, California.

14. Replacement or Bifurcation of Note. If this Note is lost or destroyed, the Maker shall, at the Noteholder's request, execute and return to the Noteholder a replacement promissory note identical to this Note, provided the Noteholder delivers to the Maker an affidavit to the foregoing effect. Upon delivery of the executed replacement Note, the Noteholder shall indemnify the Maker from and against its actual damages suffered as a result of the existence of two Notes evidencing the same obligation. No replacement of this Note under this Section shall result in a novation of the Maker's obligations under this Note. In addition, the Noteholder may at its sole and absolute discretion require that the Maker execute and deliver two separate promissory notes, which shall replace this Note as evidence of the Maker's obligations. The two replacement notes shall, taken together, evidence the exact obligations set forth in this Note. The replacement notes shall be independently transferable. If this Note is so replaced, the Noteholder shall return this Note to the Maker marked to evidence its cancellation. Noteholder shall pay all costs incurred by it with respect to documenting such replacement notes. Maker acknowledges the need to act promptly upon its receipt of the documentation evidencing any request by Noteholder that the Note be replaced pursuant to this Section and agrees that Maker will meet the reasonable deadlines of Noteholder provided that Maker has received the applicable documents at least fifteen (15) business days prior to such deadline. Furthermore, Maker agrees to reasonably cooperate with Noteholder to effectuate the obtainment of such title policy endorsements, or new title evidence and other assurances and documents as Noteholder shall reasonably require.


15. Inurement. This Note will bind and inure to the benefit of the heirs, successors and assigns of each of the parties.

16. Interpretation. Maker has been represented by counsel in the negotiation and drafting of this Note. The provisions of Civil Code section 1654, and any similar provision of statutory or common law, to the effect that an ambiguity in an agreement should be construed against the person who drafted it, shall not apply to this Note.

IN WITNESS WHEREOF, Maker has caused this Note to be duly executed as of the day and year first above written.

ALIMUR PARK HOMEOWNER'S
ASSOCIATION, a California nonprofit mutual
benefit corporation

by


Clay Butler, President

10-9-15

Patric

RECORDING REQUESTED BY:

PAUL JOEL GOLDSTONE, TRUSTEE

AND WHEN RECORDED MAIL TO:

S. Robert Diener
Attorney at Law
3050 Shattuck Avenue
Berkeley, CA 94705

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST AND ASSIGNMENT OF RENTS

**(This Deed of Trust contains an acceleration clause.)
(The Note secured by this Deed of Trust contains a balloon payment.)**

This DEED OF TRUST is made this ____ day of _____, 2015, between **ALIMUR PARK HOMEOWNERS ASSOCIATION** (herein called "Trustor"), whose address is 4300 Soquel Drive, Soquel, California 95010, **OLD REPUBLIC TITLE INSURANCE COMPANY** (herein called "Trustee"), and **PAUL JOEL GOLDSTONE, TRUSTEE OF PAUL'S TRUST**, established pursuant to, and in accordance with, an Order of the San Mateo Superior court, Case No. 66015, dated April 2, 2001, whose address is 82 Shattuck Square, Berkeley, CA 94704 (herein called "Beneficiary").

WHEREAS: Trustor is purchasing the Property described below from Beneficiary pursuant to a Purchase and Sale Agreement, Loan Agreement, and other documents identified in and executed pursuant to those agreements (collectively, the "Sale and Loan Documents"); and Beneficiary agreed to finance the sale on the terms and conditions contained in the Sale and Loan Documents.

WITNESSETH: That Trustor hereby irrevocably grants, transfers and assigns to Trustee in Trust, with POWER OF SALE, all the real property and improvements thereon in the City of Soquel, County of Santa Cruz, State of California, commonly known as the Alimur Park Mobilehome Park, 4300 Soquel Drive, Soquel, California, and more particularly described on Exhibit A attached hereto and by this reference incorporated herein (the "Property").

Assessor's Parcel Numbers: 30-131-5; 30-131-22; 30-131-23; 30-131-27; 30-131-26



Together with all rental agreements, leases, and occupancy agreements existing now or in the future (collectively, "Rental Agreements"), and all rents, issues, income, revenues, royalties, profits and other amounts now or in the future payable under any of the Rental Agreements, including those past due and unpaid (collectively, "Rents"), subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits; and

Together with the Escrow Account (defined in section 3.1 of the Loan Agreement between Trustor as Borrower and Beneficiary as Lender, the "Loan Agreement"), the Cash Collateral Account (defined in section 8.3 of the Loan Agreement), the proceeds from any insurance claim or condemnation proceeding, all rights to receive the payment of money, all trade names and trademarks, and all service and property management agreements pertaining to the operation of the property;

For the Purpose of Securing (1) payment of the principal sum of Ten Million Dollars (\$10,000,000.00), with interest thereon according to the terms of a Promissory Note of even date herewith made by Trustor as Maker payable to the order of Beneficiary as Noteholder, and any extensions or renewals thereof (the "Note"); (2) the performance of each agreement of Trustor secured hereby, incorporated by reference or contained herein, specifically including, but not limited to, all of the provisions contained in the Sale and Loan Documents; (3) payment of any sums which Beneficiary may pay on account of Trustor's failure to perform its obligations due pursuant to the Sale and Loan Documents; and (4) payment of such additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a Promissory Note or Notes or other agreement reciting that they are secured by this Deed of Trust.

DUE ON TRANSFER

If the Trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the Beneficiary being first had and obtained, Beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

- (1) To faithfully and timely perform all obligations of Trustor to be performed pursuant to the Sale and Loan Documents, and each of them (collectively, the "Obligations").
- (2) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to

commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(3) To provide, maintain and deliver to Beneficiary insurance satisfactory to and with loss payable to Beneficiary, as specifically provided in the Loan Agreement. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor, as further provided in Section 5 of the Loan Agreement. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(4) To appear in and defend any action or proceeding brought by any third party purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

(5) To pay, at least ten days before delinquency, all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(6) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the rate called for in the note secured hereby, or at the amount allowed by law at date of expenditure, whichever is greater, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(7) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in this same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.



(8) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(9) That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(10) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of the Deed of Trust and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said Note and this Deed of Trust (unless directed in such request to retain them.)

(11) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, excluding attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act pursuant to such notice.

(12) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said Property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, said Note(s) and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time



and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(13) Beneficiary, or any successor in ownership of any indebtedness secured hereby may, from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties, must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

(14) That this Deed of Trust applies to, insures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the Note secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so required, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(15) That Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be party unless brought by Trustee.

(16) If any federal, state or local tax is due or becomes due in respect of the issuance of the note or the recording of this Deed of Trust, Trustor covenants and agrees to pay such tax in the manner required by law.

(17) That Beneficiary may enforce any and all other rights and remedies that it has under the the Sale and Loan Documents.

(18) If any action is brought in any court to enforce this Agreement, each party shall bear its own attorney's fees.

ASSIGNMENT OF RENTS

(1) Assignment. Trustor hereby absolutely and unconditionally grants, bargains, sells, conveys, transfers, sets over and assigns to Beneficiary all present and future right, title and interest of Trustor in, to and under the Rents, together with all advance payments, security deposits and other amounts paid or payable to or deposited with Trustor under any of the Rental Agreements, subject only to the License (herein defined), it being the intention of Trustor and Beneficiary that this conveyance be presently and immediately effective; to HAVE AND TO HOLD the Rents unto Beneficiary, forever, and Trustor does hereby bind itself, its successors and assigns to warrant and forever defend the title to the Rents unto Beneficiary against every person whomsoever lawfully claiming or to claim the same or any part hereof; provided, however, that upon payment and performance of each and all of the Obligations on or before the date same are to be paid, performed and discharged, then this Assignment shall terminate and be of no further force and effect, and all rights, titles, and interests conveyed pursuant to this Assignment shall become vested in Trustor without the necessity of any further act or requirement by Trustor. This Assignment is intended to be and is an absolute present assignment from Trustor to Beneficiary and not the mere passage of a security, interest or a provision of additional security it being intended hereby to establish a complete and present transfer of all Rents with the right, but without the obligation, to collect all Rents.

(2) License. Except as hereinafter set forth, Trustor shall have a license to collect the Rents accruing under the Rental Agreements as they become due ("License"), but not more than one (1) month in advance, and to enforce the Rental Agreements. Trustor covenants and agrees that in exercising its License it shall hold all Rents in trust and shall apply the same first to the payment of the Note, next to the performance and discharge of the other Obligations, and next to the payment of the expenses of owning, maintaining, repairing, operating and renting the Property ("Operating Expenses"). Thereafter, Trustor may use the balance of the Rents collected in any manner not inconsistent with the Sale and Loan Documents. Neither the above Assignment nor the receipt of Rents by Beneficiary shall effect a pro tanto payment of the indebtedness evidenced by, or arising under the Obligations, and such Rents shall be applied as provided above. Furthermore, and notwithstanding the provisions of this Section 2, no credit shall be given by Beneficiary for any Rents until the money collected is actually received by Beneficiary or its Mortgage Correspondent as set forth in and/or pursuant to the Note, and no such credit shall be given for any Rents after foreclosure or other transfer of the Property (or any portion thereof from which Rents are derived pursuant to the Assignment) to Beneficiary or any other third party.

(3) Bankruptcy of Lessee. In the event there is an Event of Default (as defined in the Loan Agreement) and if a Member of Trustor or a tenant under a Rental Agreement (collectively, "Lessee") files or has filed against it any petition in bankruptcy or for reorganization or undertakes or is subject to similar action, Beneficiary shall have, and is hereby assigned by Trustor, all of the rights which would otherwise inure to the benefit of Trustor in such proceedings, including, without limitation, the right to seek "adequate protection" of its interests, to compel rejection of any Rental Agreement, and to seek such claims and awards as



may be sought or granted in connection with the rejection of such Rental Agreement. Unless otherwise consented to by Beneficiary in writing, Beneficiary's exercise of any of the rights provided in this section shall preclude Trustor from the pursuit and benefit thereof without any further action or proceeding of any nature. Beneficiary, however, shall not be obligated to make timely filings of claims in any bankruptcy, reorganization or similar action, or to otherwise pursue creditor's rights therein.

(4) Representations and Warranties. Trustor hereby represents and warrants to Beneficiary that: (a) Trustor is the absolute owner of the entire lessor's interest in each of the Rental Agreements, with absolute right and title to assign the Rents; (b) the Rental Agreements are valid, enforceable and in full force and effect and have not been modified, amended or terminated, or any of the terms and conditions thereof waived, except as stated herein; (c) there are no outstanding assignments or pledges of the Rental Agreements or of the Rents and no other party has any right, title or interest in the Rental Agreements or the Rents; (d) there are no existing defaults or any state of facts which, with notice or lapse of time, or both, would constitute a default under the provisions of the Rental Agreements on the part of either party; (e) no Lessee has any defense, set-off or counterclaim against Trustor; (f) except as otherwise reflected in the Rent Roll (as defined in the Loan Agreement) each Lessee is in possession and paying rent and other charges under its Rental Agreement and as provided therein; (g) there are no unextinguished rent concessions, abatements and/or other amendments relating to the Lessees and/or the Rental Agreements, and no Lessee has any purchase option or first refusal right or any right or option for additional space with respect to the Property, except as reflected in the Rent Roll; (h) Trustor has not accepted prepayments of installments of rent or any other charges under any Rental Agreement for a period of more than one (1) month in advance; and (i) all work required to be performed by Trustor, as landlord, as of the date hereof under any Rental Agreement has been completed in accordance with the provisions of the Rental Agreement.

(5) New Rental Agreements and Rental Agreement Terminations and Modifications. Except as expressly permitted in the Sale and Loan Documents, Trustor shall not enter into, cancel, surrender or terminate, amend or modify any Rental Agreement, or make any subsequent assignment or pledge of a Rental Agreement, or consent to subordination of the interest of any Lessee in any Rental Agreement, without the prior written consent of Beneficiary. Any attempt to do so without the prior written consent of Beneficiary shall be null and void. Except as expressly permitted in the Sale and Loan Documents, Trustor shall not, without Beneficiary's prior written consent, (a) consent to any Rental Agreement assignment or subletting; (b) execute any other assignment or pledge of the Rental Agreements, of any interest therein, or of any Rents, or agree to a subordination of any Rental Agreement to any mortgage or other encumbrance now or hereafter affecting the Property; or (c) permit a material alteration of or addition to the Property by any Lessee, unless the right to alter or enlarge is expressly reserved by Lessee in the Rental Agreement. Trustor hereby covenants not to accept Rents more than one month in advance of its due date. In addition, Trustor hereby covenants to promptly deliver to Beneficiary a copy of each and every fully executed Rental Agreement (and each amendment or modification thereof).

(6) Cancellation of Rental Agreement. In the event that any Rental Agreement permits cancellation thereof on payment of consideration and the privilege of cancellation is exercised, the payments made or to be made by reason thereof are hereby

assigned to Beneficiary to be applied, at the election of Beneficiary, to the Obligations in whatever order Beneficiary shall choose in its discretion or to be held in trust by Beneficiary as further security, without interest, for the payment of the Obligations.

(7) Trustor to Ensure Continued Performance under Rental Agreements. Trustor shall perform all of its covenants as Lessor under the Rental Agreements, shall enforce the terms of the Rental Agreements, and shall not permit any release of liability of any Lessee or any withholding of rent payments by any Lessee.

(8) Default of Trustor

8.1 Remedies. If an Event of Default as defined in the Loan Agreement occurs, Trustor's License to collect Rents shall immediately cease and terminate. Beneficiary shall thereupon be authorized at its option to enter and take possession of all or part of the Property, in person or by agent, employee or court appointed receiver, and to perform all acts necessary for the operation and maintenance of the Property in the same manner and to the same extent that Trustor might reasonably so act. In furtherance thereof, Beneficiary shall be authorized, but under no obligation, to collect the Rents arising from the Rental Agreements, and to enforce performance of any other terms of the Rental Agreements including, but not limited to, Trustor's rights to fix or modify rents, sue for possession of the leased premises, relet all or part of the leased premises, and collect all Rents under such new Rental Agreements. Trustor shall also pay to Beneficiary, promptly upon any Event of Default: (a) all rent prepayments and security or other deposits paid to Trustor pursuant to any Rental Agreement assigned hereunder; and (b) all charges for services or facilities or for escalations which have theretofore been paid pursuant to any such Rental Agreement to the extent allocable to any period from and after such Event of Default. All Rents received by Beneficiary shall be applied by it as set forth in Section 8.2 below. Beneficiary shall have sole discretion as to the manner in which such Rents are to be applied, the reasonableness of the costs to which they are applied, and the items that will be credited thereby.

8.2 Notice to Lessee. Trustor hereby irrevocably authorizes each Lessee, upon demand and notice from Beneficiary of the occurrence of an Event of Default, to pay all Rents under the Rental Agreements to Beneficiary. Trustor agrees that each Lessee shall have the right to rely upon any notice from Beneficiary directing such Lessee to pay all Rents to Beneficiary, without any obligation to inquire as to the actual existence of an Event of Default, notwithstanding any notice from or claim of Trustor to the contrary. Trustor shall have no claim against any Lessee for any Rents paid by Lessee to Beneficiary. At such time as no Event of Default exists, Beneficiary shall give each Lessee written notice of such cure and, thereafter, until further notice from Beneficiary, each such Lessee shall pay the Rents to Trustor. Rents so received by Beneficiary for any period prior to foreclosure under this Deed of Trust and/or the UCC Financing Statement (collectively, "Security Instrument") or acceptance of a deed in lieu of such foreclosure shall be applied by Beneficiary to the payment of the following (in such order and priority as Beneficiary shall determine in its sole discretion): (a) all Operating Expenses, and all expenses incident to taking and retaining possession of the Property and/or collecting Rent as it becomes due and payable; and (b) the Obligations and sums payable pursuant to Section 9 below. In no event will this Assignment reduce the Obligations except to the extent,

if any, that Rents are actually received by Beneficiary and applied upon or after said receipt to the Obligations in accordance with the preceding sentence. Without impairing its rights hereunder, Beneficiary may, at its option, at any time and from time to time, release to Trustor Rents so received by Beneficiary or any part thereof. As between Trustor and Beneficiary, and any person claiming through or under Trustor (other than any Lessee under the Rental Agreements who has not received the foregoing notice to Lessee), this Assignment is intended to be absolute, unconditional and presently effective (and not an assignment for additional security), and such notice is intended solely for the benefit of each such Lessee and shall never inure to the benefit of Trustor or any person claiming through or under Trustor, other than a Lessee who has not received such notice. It shall never be necessary for Beneficiary to institute legal proceedings of any kind whatsoever to enforce the provisions of this Assignment with respect to Rents.

8.3 Trustor's Possession After Default. Following the occurrence of an Event of Default, if Trustor is in possession of the Property and is required to surrender such possession hereunder, Trustor shall pay monthly in advance to Beneficiary, on Beneficiary's entry into possession pursuant to Section 8.1 hereof, or to any receiver appointed to collect the Rents, the fair and reasonable value for the use and occupancy of the Property or such part thereof as may be in the possession of Trustor. Upon default in any such payment, Trustor shall forthwith vacate and surrender such possession to Beneficiary or such receiver and, in default thereof, Trustor may be evicted by summary or any other available proceedings or actions.

8.4 Assignment of Defaulting Trustor's Interest in Rental Agreement. Beneficiary shall have the right to assign Trustor's right, title and interest in and to the Rental Agreements to any person acquiring title to the Property through foreclosure or otherwise. Such Beneficiary shall not be liable to account to Trustor for the Rents thereafter accruing.

8.5 No Waiver. Beneficiary's failure to avail itself of any of its rights under this Assignment for any period of time, or at any time or times, shall not constitute a waiver thereof. Beneficiary's rights and remedies hereunder are cumulative, and not in lieu of, but in addition to, any other rights and remedies Beneficiary has under the Sale and Loan Documents. Beneficiary's rights and remedies hereunder may be exercised as often as Beneficiary deems expedient.

8.6 Costs and Expenses. The cost and expenses (including any receiver's fees and fees) incurred by Beneficiary pursuant to the powers contained in this Assignment shall be immediately reimbursed by Trustor to Beneficiary on demand, shall be secured hereby and shall bear interest from the date incurred at the Default Rate. Beneficiary shall not be liable to account to Trustor for any action taken pursuant hereto, other than to account for any Rents actually received by Beneficiary.

(9) Indemnification of Beneficiary. TRUSTOR HEREBY AGREES TO INDEMNIFY, DEFEND, PROTECT AND HOLD BENEFICIARY HARMLESS FROM AND AGAINST ANY AND ALL LIABILITY, LOSS, COST, EXPENSE OR DAMAGE (INCLUDING REASONABLE ATTORNEY FEES) THAT BENEFICIARY MAY OR MIGHT INCUR UNDER THE RENTAL AGREEMENTS OR BY REASON OF THIS ASSIGNMENT. Any loss or liability incurred by Beneficiary by reason of actual entry and taking possession under any Rental Agreement or this Assignment or in



the defense of any claims shall, at Beneficiary's request, be reimbursed by Trustor. Any and all indemnification under this section shall also cover any and all claims and demands that may be asserted against Beneficiary under the Rental Agreements or this Assignment (including without limitation claims arising from negligence of Beneficiary). Nothing in this section shall be construed to bind Beneficiary to the performance of any Rental Agreement provisions, or to otherwise impose any liability upon Beneficiary, including, without limitation, any liability under covenants of quiet enjoyment in the Rental Agreements in the event that any Lessee shall have been joined as party defendant in any action to foreclose the Security Instrument and shall have been barred thereby of all right, title, interest, and equity of redemption in the Property. This Assignment imposes no liability upon Beneficiary for the operation and maintenance of the Property or for carrying out the terms of any Rental Agreement before Beneficiary has entered and taken possession of the Property. Such reimbursement shall include interest at the Default Rate provided in the Note, costs, expenses and reasonable attorney fees. Beneficiary may, upon entry and taking of possession, collect the Rents and apply them to reimbursement for any such loss or liability. Notwithstanding anything in this Section 9 to the contrary, the indemnity provided under this section will not apply to any liability, loss, cost, expense or damage (including reasonable attorney fees) to the extent that they solely result from the gross negligence, willful misconduct or bad faith of Beneficiary. The provisions of this Section 9 shall survive repayment of the Obligations and any termination or satisfaction of this Assignment.

(10) Additions to, Changes in and Replacement of Obligations. Beneficiary may take security in addition to the security already given Beneficiary for the payment of the Obligations or release such other security, and may release any party primarily or secondarily liable on the Obligations, may grant or make extensions, renewals, modifications or indulgences with respect to the Obligations or the Security Instrument and replacements thereof, which replacements of the Obligations or the Security Instrument may be on the same terms as, or on terms different from, the present terms of the Obligations or the Security Instrument, and may apply any other security held by it to the satisfaction of the Obligations, without prejudice to any of its rights hereunder.

(11) Power of Attorney. In furtherance of the purposes of this Assignment, Trustor hereby appoints Beneficiary as Trustor's attorney-in-fact, with full authority in the place of Trustor, at the option of Beneficiary at any time after the occurrence and during the continuance of an Event of Default, and in the name of Trustor or Beneficiary, to (a) collect, demand and receive the Rents and other amounts payable under any Rental Agreement, (b) bring suit and take other action to enforce the Rental Agreements, (c) enforce, supplement, modify, amend, renew, extend, terminate and otherwise administer the Rental Agreements and deal with Lessees in relation to the Rental Agreements, (d) give notices, receipts, releases and satisfactions with respect to the Rental Agreements and the Rents and other amounts payable under any Rental Agreement, and (e) take such other action as Beneficiary may reasonably deem necessary or advisable in connection with the exercise of any right or remedy or any other action taken by Beneficiary under this Assignment.

(12) No Mortgagee in Possession; No Other Liability. The acceptance by Beneficiary of this Assignment, with all of the rights, power, privileges and authority so created, shall not, prior to entry upon and taking of possession of the Property by



Beneficiary, be deemed or construed to: (a) constitute Beneficiary as a mortgagee in possession nor thereafter or at any time or in any event obligate Beneficiary to appear in or defend any action or proceeding relating to the Rental Agreements or to the Property; (b) require Beneficiary to take any action hereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Rental Agreements; or (c) require Beneficiary to assume any obligation or responsibility for any security deposits or other deposits delivered to Trustor by Lessees and not assigned and delivered to Beneficiary. Beneficiary shall not be liable in any way for any injury or damage to person or property sustained by any person in or about the Property.

(13) Termination of Assignment. When Trustor pays Beneficiary the full amount of the Obligations, and such payment is evidenced by a recorded satisfaction or release of the Security Instrument, this Assignment shall terminate.

(14) Miscellaneous.

Severability. If any term of this Assignment or the application hereof to any person or set of circumstances, shall to any extent be invalid or unenforceable, the remainder of this Assignment, or the application of such provision or part thereof to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Assignment shall be valid and enforceable to the fullest extent consistent with applicable law.

Captions. The captions or headings at the beginning of each section hereof are for the convenience of the parties only and are not part of this Assignment.

Notices. All notices or other written communications hereunder shall be given in the manner set forth in the Loan Agreement, except as otherwise provided by law.

Modification. No amendment, modification or cancellation of this Assignment or any part hereof shall be enforceable without Trustor and Beneficiary's prior written consent.

Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

Successors and Assigns; Gender. The terms, covenants, conditions and warranties contained herein and the powers granted hereby shall run with the land, shall inure to the benefit of and bind all parties hereto and their respective heirs, executors, administrators, successors and assigns, and all subsequent owners of the Property, and all subsequent holders of the Note and the Security Instrument, subject in all events to the provisions of the Security Instrument and the Sale and Loan Documents regarding transfers of the Property by Assignor. In this Assignment, whenever the context so requires, the



masculine gender shall include the feminine and/or neuter and the singular number shall include the plural and conversely in each case. If there is more than one party constituting Assignor, all obligations of each Assignor hereunder shall be joint and several.

Expenses. Assignor shall pay on demand all costs and expenses incurred by Beneficiary in connection with the review of Rental Agreements, including reasonable fees and expenses of Beneficiary's outside counsel.

Independent Counsel. Trustor and Beneficiary have been represented by independent counsel who have participated in the negotiation and drafting of this Deed of Trust and Assignment of Rents. The provisions of Civil Code section 1654, to the effect that an ambiguity in a document should be construed against the party who drafted it, and any similar provision of statutory or common law, shall not apply to this Deed of Trust and Assignment.

(15) **WAIVER OF TRIAL BY JURY. TRUSTOR HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM FILED BY EITHER PARTY, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THIS ASSIGNMENT, OR ANY ACTS OR OMISSIONS OF BENEFICIARY IN CONNECTION THEREWITH. NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT THE RIGHT OF NONJUDICIAL FORECLOSURE.**

NOTICE OF INDEMNIFICATION: TRUSTOR/BORROWER HEREBY ACKNOWLEDGES AND AGREES THAT THIS ASSIGNMENT CONTAINS CERTAIN INDEMNIFICATION PROVISIONS PURSUANT TO SECTION 9 HEREOF.

ALIMUR PARK HOMEOWNERS ASSOCIATION

APPROVED AS TO FORM OCTOBER 2, 2015

By



Clay Butler, President

10-9-15

[NOTARIAL ACKNOWLEDGMENT ON NEXT PAGE]





ALEX PADILLA | SECRETARY OF STATE | STATE OF CALIFORNIA
BUSINESS PROGRAMS | UNIFORM COMMERCIAL CODE
1500 11th Street, 2nd floor | Sacramento, CA 95814 | P.O. Box 942835 | Sacramento, CA 94235-0001 | 916.653-3516 | www.sos.ca.gov

July 1, 2014

REDACTION OF SOCIAL SECURITY NUMBERS

In order to protect personal privacy and in compliance with California Uniform Commercial Code (UCC) section 9526.5, the Secretary of State's office (SOS) removed ("redacted") social security numbers, if provided, from all UCC records filed prior to December 31, 2007. In addition, the SOS commenced redacting any social security number provided on a record filed on paper after January 1, 2008.

For each UCC record that is redacted, the SOS maintains the original un-redacted official filing image and creates a redacted public filing image, which is available for UCC information requests. The un-redacted official filing image only is available to the public pursuant to a subpoena or an order from a court of competent jurisdiction.

In the event that the SOS misses redacting a social security number from a UCC record, any person may notify the SOS and specify the file or document number of the record and the location of the social security number within the record, and the SOS will create a redacted public filing image of the record within 10 business days from the date of notification.

UCC filings are public records. Please do not put people at risk of identity theft by including social security numbers on any documents for filing with the Secretary of State.

For more information on identity theft, you may want to visit the California Attorney General's Privacy and Enforcement website at www.oag.ca.gov/privacy.

SSN Notice (rev. 07/2014)

Instructions for UCC Financing Statement (Form UCC1)

For faster processing and reduced filing fees, UCC financing statements can be filed electronically at <https://uccconnect.sos.ca.gov>.

Fees: If submitting online, the filing fee for a financing statement is \$5. If submitting on paper, the Financing Statement (Form UCC-1) must be accompanied by a \$10 fee if less than 3 pages. If 3 pages or more, the fee is \$20. (Government Code section 12194)

If submitting the statement on paper, please use this fillable form. The information must be legible for digital imaging. Read and follow all Instructions, especially Instruction 1; use of the correct name for the Debtor is crucial. Fill the form very carefully; mistakes may have important legal consequences. If you have questions, consult your legal counsel. The Secretary of State's office cannot give legal advice. Filing statutes can be found in California Uniform Commercial Code sections 9501-9528. Completed forms along with the applicable fees can be mailed to Secretary of State, UCC Section, P.O. Box 942835, Sacramento, CA 94235-0001 or delivered in person (drop off) to the Sacramento office, 1500 11th Street, Sacramento, CA 95814.

Do not insert anything in the open space in the upper portion of this form; it is reserved for filing office use only.

Complete the UCC Financing Statement (Form UCC-1) as follows:

A and B. To assist filing offices that might wish to communicate with filer, filer may provide information in item A and item B. These items are optional.

C. Complete item C if filer desires an acknowledgment sent.

1. Debtor's name. Carefully review applicable statutory guidance about providing the debtor's name. Enter only one Debtor name in item 1, either an organization's name (1a) or an individual's name (1b). If any part of the Individual Debtor's name will not fit in line 1b, check the box in item 1, leave all of item 1 blank, check the box in item 9 of the Financing Statement Addendum (Form UCC1Ad) and enter the Individual Debtor name in item 10 of the Financing Statement Addendum (Form UCC1Ad). Enter Debtor's correct name. Do not abbreviate words that are not already abbreviated in the Debtor's name. If a portion of the Debtor's name consists of only an initial or an abbreviation rather than a full word, enter only the abbreviation or the initial. If the collateral is held in a trust and the Debtor name is the name of the trust, enter trust name in the Organization's Name box in item 1a.

1a. Organization Debtor Name. "Organization Name" means the name of an entity that is not a natural person. A sole proprietorship is not an organization, even if the individual proprietor does business under a trade name. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed public organic records to determine Debtor's correct name. Trade name is insufficient. If a corporate ending (e.g., corporation, limited partnership, limited liability company) is part of the Debtor's name, it must be included. Do not use words that are not part of the Debtor's name.

1b. Individual Debtor Name. "Individual Name" means the name of a natural person; this includes the name of an individual doing business as a sole proprietorship, whether or not operating under a trade name. The term includes the name of a decedent where collateral is being administered by a personal representative of the decedent. The term does not include the name of an entity, even if it contains, as part of the entity's name, the name of an individual. Prefixes (e.g., Mr., Mrs., Ms.) and titles (e.g., M.D.) are generally not part of an individual name. Indications of lineage (e.g., Jr., Sr., III) generally are not part of the individual's name, but may be entered in the Suffix box. Enter individual Debtor's surname (family name) in Individual's Surname box, first personal name in First Personal Name box, and all additional names in Additional Name(s)/Initial(s) box.

If a Debtor's name consists of only a single word, enter that word in Individual's Surname box and leave other boxes blank.

For both organization and individual Debtors. Do not use Debtor's trade name, DBA, AKA, FKA, division name, etc. in place of or combined with Debtor's correct name; filer may add such other names as additional Debtors if desired (but this is neither required nor recommended).

1c. Enter a mailing address for the Debtor named in item 1a or 1b.

2. Additional Debtor's name. If an additional Debtor is included, complete item 2, determined and formatted per Instruction 1. For additional Debtors, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names.

3. Secured Party's name. Enter name and mailing address for Secured Party or Assignee who will be the Secured Party of record. For additional Secured Parties, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP). If there has been a full assignment of the initial Secured Party's right to be Secured Party of record before filing this form, either (1) enter Assignor Secured Party's name and mailing address in item 3 of this form and file an Amendment (Form UCC3) [see item 5 of that form]; or (2) enter Assignee's name and mailing address in item 3 of this form and, if desired, also attach Addendum (Form UCC1Ad) giving Assignor Secured Party's name and mailing address in item 11.

4. Collateral. Use item 4 to indicate the collateral covered by this financing statement. If space in item 4 is insufficient, continue the collateral description in item 12 of the Addendum (Form UCC1Ad) or attach additional page(s) and incorporate by reference in item 12 (e.g., See Exhibit A). Do not include social security numbers or other personally identifiable information.

Note: If this financing statement covers timber to be cut, covers as-extracted collateral, and/or is filed as a fixture filing, attach Addendum (Form UCC1Ad) and complete the required information in items 13, 14, 15, and 16.

5. If collateral is held in a trust or being administered by a decedent's personal representative, check the appropriate box in item 5. If more than one Debtor has an interest in the described collateral and the check box does not apply to the interest of all Debtors, the filer should consider filing a separate Financing Statement (Form UCC1) for each Debtor.

6a. If this financing statement relates to a Public-Finance Transaction, Manufactured-Home Transaction, or a Debtor is a Transmitting Utility, check the appropriate box in item 6a. If a Debtor is a Transmitting Utility and the initial financing statement is filed in connection with a Public-Finance Transaction or Manufactured-Home Transaction, check only that a Debtor is a Transmitting Utility.

6b. If this is an Agricultural Lien (as defined in applicable state's enactment of the Uniform Commercial Code) or if this is not a UCC security interest filing (e.g., a tax lien, judgment lien, etc.), check the appropriate box in item 6b and attach any other items required under other law.

7. Alternative Designation. If filer desires (at filer's option) to use the designations lessee and lessor, consignee and consignor, seller and buyer (such as in the case of the sale of a payment intangible, promissory note, account or chattel paper), bailee and bailor, or licensee and licensor instead of Debtor and Secured Party, check the appropriate box in item 7.

8. Optional Filer Reference Data. This item is optional and is for filer's use only. For filer's convenience of reference, filer may enter in item 8 any identifying information that filer may find useful. Do not include social security numbers or other personally identifiable information.

Instructions for UCC Financing Statement Addendum (Form UCC1Ad)

Please type or laser-print this form. Be sure it is completely legible. Read and follow all instructions; use of the correct name for the Debtor is crucial. Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. The filing office cannot give legal advice.

ITEM INSTRUCTIONS

9. **Name of first Debtor.** Enter name of first Debtor exactly as shown in item 1 of Financing Statement (Form UCC1) to which this Addendum relates. The name will not be indexed as a separate debtor. The Debtor name in this section is intended to cross-reference this Addendum with the related Financing Statement (Form UCC1).

If the box in item 1 of the Financing Statement (Form UCC1) was checked because Individual Debtor name did not fit, the box in item 9 of this Addendum should be checked.
10. **Additional Debtor's name.** If this Addendum adds an additional Debtor, complete item 10 in accordance with Instruction 1 of Financing Statement (Form UCC1). For additional Debtors, attach either an additional Addendum or Additional Party (Form UCC1AP) and follow Instruction 1 of Financing Statement (Form UCC1) for determining and formatting additional names.
11. **Additional Secured Party's name or Assignor Secured Party's name.** If this Addendum adds an additional Secured Party, complete item 11 in accordance with Instruction 3 of Financing Statement (Form UCC1). For additional Secured Parties, attach either an additional Addendum or Additional Party (Form UCC1AP) and complete applicable items in accordance with Instruction 3 of Financing Statement (Form UCC1). In the case of a full assignment of the Secured Party's interest before the filing of this financing statement, if filer has provided the name and mailing address of the Assignee in item 3 of Financing Statement (Form UCC1), filer may enter Assignor Secured Party's name and mailing address in item 11.
12. **Additional Collateral Description.** If space in item 4 of Financing Statement (Form UCC1) is insufficient or additional information must be provided, enter additional information in item 12 or attach additional page(s) and incorporate by reference in item 12 (e.g., See Exhibit A). Do not include social security numbers or other personally identifiable information.
- 13-16. **Real Estate Record Information.** If this Financing Statement is to be filed in the real estate records and covers timber to be cut, covers as-extracted collateral, and/or is filed as a fixture filing, complete items 1-4 of the Financing Statement (Form UCC1), check the box in item 13, check the appropriate box in item 14, and complete the required information in items 15 and 16. If the Debtor does not have an interest of record, enter the name and address of the record owner in item 15. Provide a sufficient description of real estate in accordance with the applicable law of the jurisdiction where the real estate is located in item 16. If space in items 15 or 16 is insufficient, attach additional page(s) and incorporate by reference in items 15 or 16 (e.g., See Exhibit A), and continue the real estate record information. Do not include social security numbers or other personally identifiable information.
17. **Miscellaneous.** Under certain circumstances, additional information not provided on the Financing Statement (Form UCC1) may be required. Also, some states have non-uniform requirements. Use this space or attach additional page(s) and incorporate by reference in item 17 (e.g., See Exhibit A) to provide such additional information or to comply with such requirements; otherwise, leave blank. Do not include social security numbers or other personally identifiable information.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) S. ROBERT DIENER (510) 848 4752 ext. 3
B. E-MAIL CONTACT AT FILER (optional) bob@dienerlaw.com
C. SEND ACKNOWLEDGMENT TO: (Name and Address) S. ROBERT DIENER Attorney at Law 3050 Shattuck Avenue Berkeley, CA 94705

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME ALIMUR PARK HOMEOWNERS ASSOCIATION				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
4300 SOQUEL DRIVE	SOQUEL	CA	95010	USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME PAUL GOLDSTONE, TRUSTEE, PAUL'S TRUST ESTABLISHED PER SAN MATEO COURT ORDER, CASE NO. 66015, 4/2/01				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
82 SHATTUCK SQUARE	BERKELEY	CA	94704	USA

4. COLLATERAL: This financing statement covers the following collateral:

ALL PERSONAL PROPERTY OF DEBTOR OF EVERY KIND, NATURE AND DESCRIPTION, INCLUDING BUT NOT LIMITED TO ALL FIXTURES, FACILITIES, MACHINERY, MATERIALS AND EQUIPMENT OF DEBTOR LOCATED AT THE ALIMUR PARK MOBILEHOME PARK, 4300 SOQUEL DRIVE, SOQUEL, CA (THE "PARK"); ALL RENTAL AGREEMENTS PERTAINING TO THE PARK; ALL RENTS, ISSUES, INCOME, REVENUES AND PROFITS FROM THE OPERATION OF THE PARK; ALL MONIES OF DEBTOR INCLUDING THE PROCEEDS IN ANY AND ALL BANK ACCOUNTS, INCLUDING BUT NOT LIMITED TO MONIES HELD BY ANY PROPERTY MANAGER, MONIES IN THE ESCROW ACCOUNT MAINTAINED PURSUANT TO THE LOAN AGREEMENT BETWEEN THE PARTIES, AND MONIES IN THE CASH COLLATERAL ACCOUNT MAINTAINED PURSUANT TO THE LOAN AGREEMENT BETWEEN THE PARTIES; PROCEEDS FROM ANY INSURANCE CLAIM, PROCEEDS FROM ANY CONDEMNATION CLAIM; PROPERTY MANAGEMENT AGREEMENTS; SERVICE AGREEMENTS; PERFORMANCE BONDS; AND ALL TRADEMARKS AND TRADE NAMES.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box: Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box: Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

10c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

11. ADDITIONAL SECURED PARTY'S NAME *or* ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT: covers timber to be cut covers as-extracted collateral is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

17. MISCELLANEOUS:

ASSIGNMENT OF LEASES

WHEREAS:


1. Alimur Park Homeowners Association, a California nonprofit mutual benefit corporation ("Buyer") is purchasing from Paul Joel Goldstone, Trustee of Paul's Trust established pursuant to, and in accordance with, an Order of the San Mateo Superior Court, Case No. 66015, dated April 2, 2001 ("Seller") all the real property with improvements thereon commonly known as the Alimur Park Mobile Home Park, 4300 Soquel Drive, City of Soquel, County of Santa Cruz, State of California (the "Property") pursuant to a Purchase and Sale Agreement (the "PSA");
2. The Property consists, among other things, of a 3 unit apartment building and 147 mobilehome spaces;
3. Except for the Available Spaces described in the PSA, the apartments and mobilehome spaces in the Property are rented by Seller, as landlord, to the tenants and residents of the Property pursuant to written rental agreements (collectively, the "Rental Agreements");
4. Seller wishes to assign to Buyer, and Buyer wishes to assume, all right, title and interest in the Rental Agreements.

NOW THEREFORE, IT IS HEREBY AGREED by and between Buyer and Seller, in mutual consideration of the PSA, the following terms, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, as follows:

1. Seller hereby assigns and transfers to Buyer all of Seller's right, title and interest in the Rental Agreements, and each of them.
2. Buyer hereby accepts said assignment and expressly assumes and agrees to keep, perform, and fulfill all of the terms, covenants, conditions, and obligations required to be kept, performed, and fulfilled by the landlord under the Rental Agreements, and each of them.
3. This Assignment shall be effective immediately upon close of escrow of the transfer of the Property from Seller to Buyer.


IN WITNESS WHEREOF, the parties have signed this Assignment of Apartment Leases.

SELLER:



PAUL GOLDSTONE
Trustee, Paul's Trust

BUYER:

Alimur Park Homeowners Association

by _____
CLAY BUTLER
President

Dated: 10-9-2015

Dated: 10-9-2015

BYLAWS of ALIMUR PARK HOMEOWNERS ASSOCIATION
A California Nonprofit Mutual Benefit Corporation

ARTICLE I
NAME, PURPOSE and LOCATION

Section 1. Name

The name of this corporation is Alimur Park Homeowners Association, a California nonprofit, mutual benefit corporation (the "Corporation").

Section 2. Purpose

The Corporation's business and purpose shall consist solely of the following:

(a) To engage solely in the ownership, operation and management of the real estate project known as ALIMUR PARK MOBILE HOME PARK located at 4300 Soquel Drive, Soquel, California (the "Park"), in accordance with the Articles of Incorporation and these Bylaws; and

(b) To engage in such other lawful activities permitted to mutual benefit, nonprofit corporations and the management of a mobilehome park by the laws of the State of California as are incidental, necessary or appropriate to the foregoing.

Section 3. Location

The Corporation shall have its principal office at 4300 Soquel Drive, Soquel, California.

ARTICLE II
DEFINITIONS

Section 1. Association; Corporation

"Association" and "Corporation" shall mean and refer to Alimur Park Homeowners Association, a California mutual benefit nonprofit corporation.

Section 2. Board

"Board" refers to the Board of Directors of the Association.



Section 3. Directors

“Directors” refers to the members of the Board of Directors.

Section 4. Foreclosure Conveyance

“Foreclosure Conveyance” means and shall refer to any judicial foreclosure, nonjudicial foreclosure, deed-in-lieu of foreclosure or other voluntary or involuntary transfer of the ownership interest in the Park from the Corporation to Mortgage Lender.

Section 5. Home; Mobilehome.

“Home” and “mobilehome” shall mean a mobilehome as defined by California Civil Code section 798.3.

Section 6. Member

“Member” shall mean and refer to every individual record owner of a home in the Park who occupies that home as his or her primary residence and owns a membership interest in the Association.

Section 7. Member Rental Agreement

“Member Rental Agreement” shall mean and refer to the Member Rental Agreement, in the form attached as Exhibit 1, which shall be entered into between the Association and each member for the rental, use and occupancy of a Space in the Park.

Section 8. Mobilehome Space; Space

“Mobilehome space” and “Space” shall mean and refer to a plot of land within the Park designed for the siting of a mobilehome.

Section 9. Mortgage Lender

“Mortgage Lender” shall mean and refer to Paul Joel Goldstone, Trustee of Paul’s Trust, established pursuant to, and in accordance with, an Order of the San Mateo Superior Court, Case No. 66015, dated April 2, 2001, the maker of the Purchase Money Loan, and its successors or assigns.



Section 10. Notice

“Notice” shall mean written notice. Notices shall be given as required by law. If there is no legal requirement for the manner of giving notice, notice may be given by personal delivery to the member, by posting on the main door of the member’s home in the Park, or by first class mail, postage prepaid.

Section 11. Organizational Meeting

“Organizational Meeting” shall mean the first meeting of members.

Section 12. Owner

“Owner” shall mean and refer to the record owner of a home in the Park, but excluding those having such interest merely as security for the performance of an obligation.

Section 13. Park

"Park" shall mean and refer to Alimur Park Mobile Home Park, 4300 Soquel Drive, Soquel, CA 95073.

Section 14. Purchase Money Loan.

“Purchase Money Loan” shall mean and refer to the loan made to the Corporation by the Mortgage Lender for the purchase of the Park by the Corporation. The Purchase Money Loan is evidenced by a Promissory Note and is secured by a First Deed of Trust and Assignment of Rents on the Park.

Section 15. Rent; Rental

“Rent” and “rental” shall refer to amounts due pursuant to the Member Rental Agreement. All amounts levied by the Corporation to members, whether designated as assessments, dues, fees or other charges, shall be rent due under the Member Rental Agreement.

Section 16. Rules and Regulations

“Rules and Regulations” shall mean and refer to the Rules and Regulations attached hereto as Exhibit 2.

Section 17. Sale and Loan Documents



“Sale and Loan Documents” shall mean and refer to the Purchase and Sale Agreement and the Loan Agreement, and all documents incorporated therein and executed pursuant thereto, including, but not limited to, the Promissory Note, Deed of Trust and Assignment of Rents, UCC Financing Statement, Indemnity Agreement, Indemnification Agreements included in the Loan Agreement, Assignment of Leases, Assignment of Property Management Agreement, Member Rental Agreement, Rules and Regulations, Space Development and Rental Agreement, and Option Agreement, and all other documents and agreements made by and between the Corporation and Mortgage Lender or the Corporation and any third party concerning the purchase and sale of the Park from Mortgage Lender to the Corporation and the financing thereof by Mortgage Lender.

Section 18. Tenant

“Tenant” shall mean and refer to the record owner of a home in the Park who does not hold membership in the Association.

Section 19. Gender-Neutral Pronouns

As used in these Bylaws, all declensions of the pronoun “He” shall refer to both the male and female genders.

ARTICLE III SEPARATENESS PROVISIONS

The Corporation shall:

- (a) Maintain books and records and bank accounts separate from those of any other person
- (b) Maintain its assets in such a manner that it is not costly or difficult to segregate, identify or ascertain such assets;
- (c) Hold itself out to creditors and the public as a legal entity separate and distinct from any other entity;
- (d) Hold regular Board of Director and member meetings, as appropriate, to conduct the business of the Corporation, and observe all other corporate formalities;
- (e) Prepare separate tax returns and financial statements;
- (f) Allocate and charge fairly and reasonably any common employee or



overhead shared with affiliates;

- (g) Transact all business with affiliates on an arm's-length basis and pursuant to enforceable agreements;
- (h) Conduct business in its own name, and use separate stationery, invoices and checks;
- (i) Not commingle its assets or funds with those of any other person;
- (j) Not assume, guaranty or pay the debts or obligations of any other person.

ARTICLE IV MEMBERSHIP

Section 1. Fair Housing

Approval or rejection of a person for membership cannot be based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, genetic information, age, political affiliation, or military or veteran status. The intent of the Association is to comply with all applicable Federal and State fair housing laws.

Section 2. Qualification for Membership

Every individual who is a record owner of a home in the Park and occupies that home as his or her primary residence qualifies to become a Member of the Association. Lienholders and other persons and entities who hold an interest in a home as security for a loan or other obligation are not qualified to be members.

Section 3. Membership Subscription Fee

To own a membership in the Association and become a member, the record owner(s) of a home in the Park must pay a subscription fee of \$12,000 and all record owners of the home must sign a Member Rental Agreement in the form attached as Exhibit 1 to these Bylaws. The subscription fee is a one-time fee for each membership interest. On a transfer of a membership interest, the new member is not required to pay a subscription fee to the Association.

Section 4. Voting Membership Interest; No Proxy



There is one Membership interest in the Association associated with each home in the Park. The Membership interest may not be separated from ownership and occupancy as principal residence of a home in the Park. Each Membership interest is entitled to one vote. If the home is owned and occupied by more than one individual record owner, all of those record co-owners shall be members of the Association. However, those members who co-own the home shall collectively have only one membership interest and one vote. The one vote of the membership interest associated with a home shall be exercised as the co-owners determine among themselves, but in no event shall more than one vote be cast with respect to any membership interest. Members may not vote by proxy.

Members may vote on the election or removal of Association directors, and on proposed amendments to Association bylaws. All elections will be conducted using secret ballots, following the voting procedure described in California Civil Code §5115. The tabulated results of the election shall be promptly reported to the Board of Directors; recorded in the minutes of the next meeting of the Board; made available for review by the membership and within 15 days of the election, and reported to the membership by general notice as defined California Civil Code 4045.

Section 5. Joint Ownership Disputes

The membership interest associated with each qualifying home may be cast only as one whole unit. Fractional votes shall not be permitted; for example, two co-owners who do not agree cannot each cast one-half (1/2) vote. In the event co-owners are unable to agree as to how their one vote shall be cast, their vote shall be cast as the majority of them decides. If there is no majority (for example if there are two members who disagree), then no vote of their membership shall be counted on the matter in question.

If any member casts a vote representing a certain home and membership interest and the other members who co-own that home and membership interest are not present to vote or object to the manner in which the vote was cast, it shall thereafter be conclusively presumed for all purposes that he or she was acting with the consent and authority of all other co-owners of the same home and membership interest. In the event that more than one vote is cast for a particular home and membership interest, the act of the majority binds all.

Section 6. Transfer of Home and Membership Interest

A home may only be transferred to an individual or individuals who intend to occupy the home as their principal residence and who agree to become a member of the Association



and sign a Member Rental Agreement in the form attached as Exhibit 1. The prospective purchaser shall be given a copy of the Member Rental Agreement more than 30 days prior to the transfer of title to the home. The membership interest associated with the home shall be transferred to the purchaser of the home together with and at the same time as the transfer of title to the home. A membership interest shall not be transferred except upon the sale or other lawful title transfer of the home associated with that interest to an individual or individuals who intend to occupy the home as their principal residence and who agree to become member(s) of the Association and sign a Member Rental Agreement after having been given at least 30 days to review and consider the Member Rental Agreement. Any attempt to make a prohibited transfer is void and shall not be reflected on the Association books.

In the event a member transfers title to the home associated with a membership interest and fails or refuses to transfer the membership interest associated with that home to the purchaser of such home, the Association shall have the right to record the transfer of the membership interest on the Association's books and to issue a new membership certificate to the purchaser. Thereupon, the old membership certificate outstanding in the name of the seller of the home shall be null and void as though the same had been surrendered. Upon approval of the new owner by the Association's Board of Directors and the signing of a Member Rental Agreement (Exhibit 1), transfer of title to a home shall transfer the membership in the Association appurtenant thereto to the new owner.

Section 7. Approval of Applications for Membership

The Board shall consider all applications for membership in the Association. No applicant shall become a member without the approval of the Board; provided, however, that the Board may not refuse the application of any individual(s) who purchase a home from the Mortgage Lender and who intend to occupy that home as their principal residence so long as any money is due on the Purchase Money Loan.

Section 8. Suspension of Membership

A membership may be suspended for failure to pay any rental assessment, dues, fees or other charge when due; for the failure to fully comply at all times with the Member Rental Agreement; and for the failure to fully comply at all times with the Rules and Regulations. If a membership has been suspended for any reason, no member may vote that membership, and the members who own that membership shall not be in good standing as a member of the Association and shall be in violation of the Member Rental Agreement and the Rules and Regulations. During any period in which a member is in default in the payment of any rental assessment, dues, fees or other charge levied by the Association, the membership of such member may be suspended by the Board until all



such amounts have been paid. The owners of the suspended membership shall be afforded a hearing within 15 days after he or she is given notice of said delinquent payment. During any period in which a member is not in full compliance with the Rules and Regulations, the membership of such member may be suspended by the Board until the member cures all deficiencies and comes into compliance with the Rules and Regulations. The owners of the suspended membership shall be afforded a hearing within 15 days after he or she is given notice of any failure to comply with the Rules and Regulations.

Nothing contained herein shall limit the Member Rental Agreement and/or the Rules and Regulations as it applies to the right to evict a member for any reason, including but not limited to failure to pay rent when due, failure to comply with the Rules and Regulations, and failure to remain in good standing as a member of the Association. For example, the fact that a membership has been suspended for nonpayment or for failure to comply with the Rules and Regulations shall be evidence that the member failed to make the payment when due or failed to comply with the Rules and Regulations. However, the fact that a membership has not been suspended will not evidence that any payment was made when due or that the member fully complied at any time with the Rules and Regulations.

Section 9. Class of Membership

The Association shall have one class of membership.

Section 10. Members Rights and Duties

Each member shall have the rights, duties and obligations set forth herein, as the same may be amended from time to time according to these Bylaws.

Section 11. Permitted Encumbrances.

Subject to Article XIV Mortgage Lender Provisions herein below, a member may encumber their membership in the Association with a lien to a lender other than the Mortgage Lender or the Association provided all of the following conditions are satisfied:

Written Notice. The member and/or lender notify the Association in writing, delivered to the Association prior to giving the lien, of member's intent to grant a lien against the membership.

Approval. The granting of a lien against the membership must be approved by the Board of Directors by majority vote and approval.

Section 12. Home Mortgage Lender Protections.

A member may grant a lien on its membership interest to a home mortgage lender who is granted a mortgage on the home associated with that membership interest. Provided the Association receives written notice from the home mortgage lender (“Home Lender”) taking the lien on the membership share, the Home Lender shall be entitled to the following:

Notice. The Association will notify the Home Lender in writing of any default under the encumbered membership at the address of the Home Lender given to the Association in the notice of Home Lender’s lien delivered to the Association, prior to taking any action to terminate the membership of the defaulting member.

Right to Cure. Home Lender may cure and shall have an additional ten (10) business days beyond the time required for member’s performance to cure any monetary default under the membership of the defaulting member.

Rights and Obligations Upon Foreclosure. Upon foreclosure of its lien against the home and/or the membership share, the Home Lender shall be obligated to pay all rent, utilities and reasonable incidental service charges due pursuant to the Bylaws and/or the Member Rental Agreement and to comply with Civil Code section 798.79. Home Lender’s liability for such rent shall terminate upon sale of the subject home and transfer of the membership to individual(s) qualified for membership. If someone other than Home Lender acquires the membership at the foreclosure sale, that person or persons must be qualified for admission to membership and intend to occupy the home as their principal residence.

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**ARTICLE V
MEETINGS OF MEMBERS**

Section 1. Place of meetings

Meetings of the membership will be held at the Association clubhouse, or as close thereto as practicable within the city of Soquel, as may be directed by vote and resolution of the Board of Directors.

Section 2. Annual Meetings

Annual meetings of members of the Association shall be held no less frequently than once each calendar year. Each annual meeting shall be held on the 20th day of February each year, at a time to be determined by the Board. If the date for the annual meeting shall be a legal holiday, the meeting shall be held at the same hour on the first day following which is not legal holiday. At such meeting there shall be elected, by secret written ballot, a Board of Directors ("Board") whose duties shall be as hereinafter provided. The members may also transact such other business as may properly come before them at the annual meeting.

Section 3. Special Meetings

A special meeting of members of the Association shall be promptly called by the Board upon: (a) the vote for such a meeting by a majority of a quorum of the Board, (b) request by the President, or (c) receipt of written request signed by members representing not less than 5% of the total membership of the Association.

Section 4. Action Taken Without a Meeting

All actions by the members must be taken at a properly-noticed meeting of the members. With the exception of matters voted upon by secret ballot election, no action may taken unless at a properly-noticed meeting of the members.

Section 5. Notice of Meetings

Written notice of each meeting of members shall be given according to the provisions of California Corporations Code §7511. Such notice shall specify the date, time and place of meeting and, in the case of a special meeting, the purpose(s) thereof.

Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given not less than 10 nor more than 90 days before the date of the meeting to each member who, on the record date for notice of the meeting, is entitled to vote thereat (California Corporations Code 7511(a)).

Section 6. Waiver of Notice

The presence of a quorum, in person at any meeting, shall render the meeting a valid meeting, unless any member shall, at the opening of the meeting, object to the holding of same for noncompliance with the provisions of Section 4 above. Any meeting so held without objection shall, notwithstanding notice given that it may have been improper, be

valid for all purposes, and at such meeting any general business may be transacted and any action may be taken.

Section 7. Consent to Members' Meetings

Transactions of any meeting of members, however called and noticed, shall be valid as though had at a meeting duly held after regular notice, if a quorum is present, and that either before or after the meeting, each member entitled to vote not present, signs a written waiver of notice or consent to holding of the meeting, or in approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the Association records or made a part of the meeting minutes.

Section 8. No Proxies

Every person entitled to vote shall have the right to do so in person. Voting by proxy is not allowed by these Bylaws.

Section 9. Order of Business

The order of business at all meetings of the members shall be as follows:

1. Roll call
2. Proof of notice of meetings or waiver of notice
3. Reading and minutes of preceding meeting
4. Reports of officers
5. Election of Board (organizational and annual meeting only)
6. Unfinished business
7. New business

Section 10. Parliamentary Procedure

All questions of parliamentary procedure shall be decided in accordance with Robert's Rules of Order.

Section 11. Adjournment

Any Association meeting may be adjourned from time to time, to such time and place as may be determined by the majority vote of members present, whether a quorum is present or not, without notice other than announcement at the meeting. At any adjourned meeting



at which a quorum is present, any business may be transacted which might have been transacted by quorum at the meeting as originally called.

Section 12. Organization

The President, or in his absence the Vice-President, shall call the meeting to order and shall act as chairperson of the meeting. In the absence of the President and Vice-President, members shall appoint a chairperson for such meeting. The Secretary of the Association shall act as secretary at all meetings of members. In the absence of the Secretary at any members' meeting, the presiding officer may appoint any person to act as secretary thereof.

Section 13. Inspection of Election

Prior to any members' meeting, the Board may, if it so desires, appoint inspectors of election to act at such meetings or any adjournment thereof. If inspectors are not so appointed, the chairperson of any meeting may appoint inspectors at the meeting. The number of inspectors shall be either one, three or five.

Section 14. Quorum

A quorum for the transaction of business at an Association meeting shall be established by the presence in person of members representing one-third of the total membership (voting power) of the Association. Members are not allowed to vote by proxy, and proxies shall not be counted to determine if there is a quorum present. In the absence of a quorum at an Association meeting, a majority of those present may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum shall be to a date not less than five (5) nor more than thirty (30) days from the original date, notice shall be given to all members of the new date and place of the meeting, and a quorum for such later meeting shall be 25% of the total membership (voting power) of the Association.

ARTICLE VI OFFICERS

Section 1. Designation

The officers of this Association shall be a President, Vice-President, Secretary, and Treasurer.

Section 2. Election and Tenure of Officers



Officers shall be elected by the Directors. Each officer shall be a Director. Officers shall be elected by majority vote. Directors may vote for themselves. A Director may decline to serve in any particular office, but each Director must be willing to serve as an officer. The election of officers shall be conducted within seven (7) days after the first meeting of members (organizational meeting). Directors and officers shall hold office for one year unless sooner removed.

Section 3. Removal of Officers

On affirmative vote of 51% of the Board present and entitled to vote in any duly constituted meeting, any officer may be removed either with or without cause and his successor elected at any regular or special meeting of the Board called for that purpose. A meeting may be called for the purposes of both removing an officer and electing a new officer. Any person removed from his position as officer may remain on the Board subject to the will of the members pursuant to Article VII.

Section 4. Vacancies

In the event of a vacancy in any office because of death, incapacity, resignation, removal, or any other cause, such vacancy shall be filled as promptly as possible by vote of the Board in the manner prescribed herein for regular election to such office.

Section 5. President

The President shall preside at all meetings and have all powers and duties which are usually vested in the office of President of a nonprofit corporation. He or she shall be the principal executive officer of the Association and, subject to control of the Board, shall supervise all business and affairs of the Association and the officers thereof.

Section 6. Vice-President

The Vice-President shall act in the place of the President in the event of his or her absence, inability or refusal to exercise and discharge such other duties as may be required of him by the Board.

Section 7. Secretary

The Secretary shall keep a record book in which shall be kept the minutes of all regular and special meetings of the members, and an informal summary of all actions taken at the meetings of the Board. The Secretary shall also send out or deliver notices of regular and special meetings of members and of the Board. Further, he or she shall have all powers



and duties vested in the Secretary of a nonprofit corporation or assigned to him or her from time to time by the President or by the Board.

Section 8. Treasurer

The Treasurer shall maintain an accurate record of all receipts and disbursements in connection with the operation of the Park. At such time as a professional management agent is not managing the project, the Treasurer shall collect rent periodically from each member, give proper receipt thereof and promptly deposit same in a bank account of the Association. Additionally, the Treasurer shall cause an annual operating statement to be distributed to each member no later than 90 days after the end of the Association's fiscal year. The Treasurer shall perform such other duties as from time to time are assigned to him by the President or by the Board.

Section 9. Subordinate Officers

The Board may appoint subordinate officers, each of whom shall hold office at the discretion of the Board. Subordinate officer may, but need not be, directors.

Section 10. Signing of Checks

All checks for payment of obligations and expenses of the Association shall be signed by no fewer than two officers. When a management agent is not employed, the Treasurer shall draw and sign all checks and the President shall countersign same, when available. In the absence of the President or Treasurer, the Secretary may sign and/or countersign checks. During such time as a management agent is employed, the Treasurer shall act as the liaison between the Board and the management agent.

Section 11. Non-Liability of Officers and Directors

No officer or director shall be liable for acts or defaults of any other officer or member, or for any loss sustained by the Association, or any member thereof, unless the same has resulted from his own willful and wanton misconduct or negligence. Every officer, director and member of the Association shall be indemnified by the Association against all reasonable costs, expenses and liabilities, including attorney's fees and court costs, actually or necessarily incurred by or imposed upon him in connection with any claim, action, suit, proceeding or inquiry of whatever nature in which he or she may be involved as a part or otherwise by the reason of his having been an officer, director or member of the Association, whether or not he continued to be such at the time of the incurring or imposition of such costs expenses or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceedings, investigation or inquiry to

be liable for willful misconduct or negligence, or in the absence of such final adjudication, in the determination of such liability by opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not a limitation of all rights, and shall inure to the benefit of legal representation of such person.

Section 12. Fidelity Bonds

All officers of the Association handling or responsible for any funds received or collected by the Association shall furnish adequate fidelity bonds. The premium of said bonds shall be paid by the Association as a common expense.

Section 13. No Compensation

No compensation of any kind shall be given to any officer for serving as an officer of the Association.

ARTICLE VII BOARD OF DIRECTORS

Section 1. Board Members

The Board of Directors ("Board") shall consist of five (5) directors, all of whom shall be members of the Association.

Section 2. Powers of Board.

The powers of the Board shall be as follows:

a. **Adoption of Rules.** To adopt and publish rules and regulations governing the use of the common areas and facilities, the maintenance of all mobilehomes and mobilehome spaces in the Park, and the personal conduct of home owners, residents, tenants and their guests, subject to Article XIV Mortgage Lender Provisions herein below. The initial Rules and Regulations adopted by the Board shall be in the form attached hereto as Exhibit 2.

b. **Exercise of Association Powers.** To exercise for the Association all powers, duties and authority vested in or delegated to this Association, not reserved to the membership by other provisions of these Bylaws.



c. **Declare Office of Director Vacant.** To declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board.

d. **Establish and Collect Rental Assessments.** To establish, levy, assess and collect rental assessments, as further provided in these Bylaws, subject to Article XIV Mortgage Lender Provisions herein below.

e. **Enforce Agreements and Restrictions.** To enforce the applicable provisions of these Bylaws and other instruments for the management and control of the Park, including Member Rental Agreements, non-member rental agreements, and the Rules and Regulations.

f. **Delegate Powers.** To delegate powers to committees, officers, employees or a professional property management agent, provided, however, that the delegation to a property management agent is subject to Article XIV Mortgage Lender Provisions.

g. **Contract for Materials and Services.** To contract for materials and/or services for the Park common area, with the term of any service contract limited to a duration of one year, except with approval of a majority of members of the Association.

h. **Contract for Insurance.** To contract for fire, casualty, liability and other insurance on behalf of the Association, subject to Article XIV Mortgage Lender Provisions.

i. **Contracts – Execution - Limitations.** The Board, except as may be otherwise provided in these Bylaws, may authorize any officer or agent to enter into any contract or execute any instrument of any kind in the name and on behalf of the Association, specifically including but not limited to the Sale and Loan Documents. Such authority to contract may be general or confined to specific instances. Unless authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Association by a contract or engagement or render it liable for any purpose or for any amount. The Board shall not enter into any contract which binds the Association for a period in excess of one year, unless the contract is approved by the majority of the Association members and the Mortgage Lender, with the following exceptions:

(i) The Sale and Loan Documents, and all other documents required by the Seller and the Mortgage Lender for the Association to purchase the Park.

(ii) Member Rental Agreements.



(iii) A property management contract, the terms of which have been approved by the Mortgage Lender.

(iv) A contract with a public utility company if the rates charged for materials and services are regulated by the Public Utilities Commission, provided that the terms of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(v) A prepaid casualty/and or liability insurance policy of not to exceed three years duration, provided that the policy permits for short rate cancellation by the insured.

Section 3. Duties of Board

a. **Records.** To keep a complete record of all Board acts and to present a statement thereof to members at the annual meeting of members, or at any special meeting when such statement is requested by 1/5 of the membership | entitled to vote.

b. **Supervise.** To supervise all officers, agents and employees of the Association and to see their duties are properly performed.

c. **Fixing Rental Assessments.** To fix the amount of regular and special rental assessments of members at least 90 days in advance of each increase in the amount of the regular rental assessment.

d. **Notice of Rental Assessment.** To send written notice of rental assessment increases to every member subject hereto at least 90 days in advance of each increase in the rental assessment.

e. **Collect Rental Assessments.** To collect all rental assessments and other amounts due to the Association.

f. **Certificate of Assessment.** To issue or cause to be issued, upon demand by any person, a certificate setting forth whether any rental assessment has been paid. A reasonable charge may be made for the issuance of such certificate by the Board. Such certificate shall be conclusive evidence of any rental assessment therein stated to have been paid.

g. **Insurance.** To procure and maintain adequate fire, with extended coverage, liability and hazard insurance on all Park buildings, facilities and other property under the control of the Association, in compliance with Article XIV Mortgage Lender Provisions.



h. **Bonds.** To cause all officers or employees having fiscal responsibility to be bonded as it may deem appropriate.

i. **Maintenance of Common Area.** To cause the common area to be maintained in a first-class condition.

j. **Maintenance of Exteriors.** To cause the exterior of all Association owned buildings to be maintained in first-class condition.

k. **Employment of Managing Agent.** To employ an independent contractor or such other employees as it deems necessary and to prescribe their duties. A service contract shall not be for a term in excess of one year after the organizational meeting, except with approval of a majority of the Association members. The Property Manager shall be a Qualified Property Manager as defined in the Loan Agreement and subject to the terms of section 3.24 of the Loan Agreement and Article XIV, Section 13 of these bylaws.

l. **Enforce Rental Agreements and Rules.** To enforce all Member Rental Agreements, tenant rental agreements and the Rules and Regulations, including exercising the right to maintain homes and spaces in a clean and attractive condition when a member or tenant fails to do so.

m. **Performance of Obligations.** To timely perform and ensure the timely performance all obligations to be performed by the Association pursuant to any and all contracts and agreements made by or on behalf of the Association.

n. **Compliance With All Laws.** To comply with all laws and ensure that at all times the Association, its members and tenants comply with all applicable laws, including, but not limited to, all federal and state fair housing laws, the Mobilehome Residency Law (Civil Code section 798 and following), the Nonprofit Mutual Benefit Corporations Law (Corporations Code section 7110 and following), and Title 25 of the California Code of Regulations.

o. **Membership Records.** To maintain accurate records of all members and register of membership, and to issue certificates of membership.

Section 4. Election of Directors



Election of Directors shall be by the Association members by secret ballot, according to the procedures found in California Civil Code §5115. To establish staggered terms, at the first election meeting after the close of escrow of the Park purchase, there shall be a drawing in order to determine the initial terms of directors. After the drawing, one board member shall have an initial term of one (1) year, two board members shall have a term of two (2) years, and two board members shall have a term of three (3) years. The minutes of this meeting shall show the results of the drawing. For each annual election of directors thereafter, the members shall elect the same number of directors as there are directors whose terms are expiring at the time of each election, those directors elected to serve a term of two years.

Section 5. Removal of Board of Directors

Any and all directors may be removed from office at any time by majority vote of the membership present at any meeting called and duly noticed for such purpose, provided that a quorum is present.

Section 6. Meetings

The Board shall meet not less than every month, but shall also meet at the call of the President or, if he is absent or unable or refuses to act, by any two directors.

The Secretary shall keep summarized written minutes of meetings of the Board. Regular meetings of the Board shall be held at a time and place within the Park fixed by the Board.

Notice of the time and place of all meetings shall be posted in a prominent place within the Park common area.

A special meeting of the Board may be called by written notice signed by the President of the Association or by any two members of the Board other than the President. The notice shall specify the time, date and place of meeting and nature of the special business to be considered. The notice shall be sent to all Board members and posted in a manner similar to that for regular meetings, not less than 72 hours prior to the scheduled time of a special meeting. Notice may be given by personal delivery or by a messaging system such as electronic mail.

Regular and special meetings of the Board shall be open to all members of the

Association. Association members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of the majority of a quorum of Board members. The Board may adjourn the meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 5. Voting

Each director shall have one vote. A director must attend a meeting in order to vote. Directors cannot vote by proxy. A majority of the directors on the Board shall constitute a quorum for the transaction of business. No question shall be decided upon by the vote of fewer than two of the directors.

Section 6. Vacancies

In the event of death, resignation or removal of director, the successor shall be selected by the remaining directors on the Board and shall serve for the unexpired term of his predecessor or until such time as a new director is elected by the membership.

Section 7. Compensation

No director shall receive compensation for any service rendered to the Association. However, a director may be reimbursed for actual expenses incurred in the performance of his duties. Nothing contained herein shall preclude a director from serving the Association in a capacity other than director and receiving compensation therefor, if authorized and approved by the Board. Any director receiving compensation for services in another capacity shall be excluded from Board deliberations and voting regarding authorization and compensation for such services.

ARTICLE VIII ASSOCIATION RECORDS & REPORTS

The register of membership, books of account and minutes of meetings of members of the Board and committees of the Board or of the Association shall be made available for



inspection and copying by any member of the Association or by his duly appointed representative, at any reasonable time and for any purpose reasonably related to his interest as a member, at the office of the Association. The Board shall establish reasonable rules with respect to (a) notice to be given the custodian of the records by the member desiring to make the inspection; (b) hours and days of the week when such inspection may be made; and (c) payment of costs for reproducing copies of documents required by the member. Every director shall have the absolute right, at any reasonable time, to inspect all books, records and documents of the Association and physical properties owned or controlled by the Association. The right of inspection by directors shall include the right to make extracts and copies of documents for no charge.

ARTICLE IX COMMITTEES

The Board may appoint committees as deemed appropriate in carrying out its purpose, including but not limited to:

An **Architectural Control/Park Maintenance Committee**, which shall consist of not less than three (3) nor more than five (5) members, which shall advise the Board on matters pertaining to the exterior remodeling of homes in the Park, and the replacement of homes in the Park with new manufactured homes. This committee will also advise the Board on matters pertaining to the maintenance and repair of common area improvements in the Park, and shall perform such other functions as the Board, in its discretion, determines.

A **Landscape Committee** which shall advise the Board on matters pertaining to the design and maintenance of landscaping in the Park common areas and all home sites in the Park, and shall perform such other functions as the Board, in its discretion, determines.

A **Finance/Audit Committee** which shall supervise the annual audit or review of the Association's books, and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting. The Association Treasurer shall be an ex officio member of this committee.

A **Social Committee** which shall advise the Board on all matters pertaining to the recreational programs and activities of the Association, and shall perform such other



functions as the Board in its discretion determines.

Each director may appoint a person to each committee. All persons appointed to serve on a committee shall be members of the Association.

ARTICLE X ASSESSMENTS

Section 1. Personal Obligation of Rental Assessments - Creation of Lien

Subject to the provisions of these Bylaws, each member is deemed to covenant and agrees to pay the Association:

- a. Regular monthly assessments as rent for the Space on which the member's home is located pursuant to the member's Member Rental Agreement;
- b. Special assessments for capital improvements as rent for the Space on which the member's home is located pursuant to the member's Member Rental Agreement; and
- c. Emergency rental assessments, as determined by the Board, as rent for the Space on which the member's home is located pursuant to the Member's Rental Agreement.

All dues, assessments and fees levied upon members by the Association, including, but not limited to, the regular, special and emergency assessments, and all late charges and interest thereon, shall be due as rent pursuant to the member's Member Rental Agreement and shall also be a charge on the membership share, and shall be a continuing lien on the share against which each such assessment is made.

Section 2. Purpose of Assessments

Assessments levied by the Association shall be used exclusively for the purposes of (a) paying the Mortgage Lender the Association's obligations, including, but not limited to, all obligations owing to the Mortgage Lender pursuant to the Sale and Loan Documents; (b) paying the Association's expenses for operation of the Park; and (c) contribution to Association reserves.



Section 3. Basis of Regular Rental Assessments

The initial monthly rental assessment for each member shall be \$555.00. At least 90 days before the beginning of each calendar quarter, the Board shall estimate the income to be received from rents and assessments and the charges required to be paid by the Association in performing its functions during the next calendar quarter, including reasonable provisions for contingencies and reserves and less any surplus from the prior year's funds. If the estimated income proves inadequate for any reason, including nonpayment of owners' assessments, to pay the estimated charges as they come due, the Board may at any time levy a further assessment which shall be assessed to the members as rent. Each member shall be obligated, and, by signing the subscription agreement and Member Rental Agreement, agrees to pay all assessments levied pursuant to this Article as rent.

Section 4. Special Rental Assessments for Capital Improvements

In addition to the regular rental assessments authorized above, the Association may levy, in any calendar year, a special rental assessment applicable only to a specified number of months or years for the purpose of paying or defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repairs or replacement of the capital improvements belonging to the Association, including all necessary fixtures and personal property related thereto. However, the amount of any special rental assessment payable in any one year (12 consecutive months) may not exceed ten percent (10%) of the budgeted gross expenses of the Association for that year or create a rental increase to members greater than ten percent (10%) without the vote of a majority of the membership.

Section 5. Emergency Rental Assessments

In case the regular and special rental assessments described in Sections 3 and 4 are insufficient for any reason, the Board shall have authority to levy an emergency rental assessment to make up the deficiency.

| Section 6. Date of Commencement of Rental Assessments

All dues, assessments and fees provided herein shall be payable as rent in advance on the first day of each month commencing on the first day of the month following the close of the Park purchase escrow; provided, however, that if escrow closes on the first day of the



month, the rental assessments shall be due and payable immediately. Ninety (90) days' notice shall be given prior to the commencement of any increase in the aggregate rental assessments.

Section 7. Certificate of Payment

The Association shall, on demand, furnish to any member liable for assessments a certificate in writing, signed by an officer of the Association, setting forth whether the rental assessments on the member's membership have been paid and, if not, detailing the assessments which have not been paid and the amount of delinquency.

Section 9. Effect of Non-Payment of Rental Assessments - Remedies

Any rent, including any dues, assessment or fee provided for herein, which is not paid on the due date as established by the Board shall be delinquent. With respect to each assessment not paid within 15 days after its due date, the Board may, at its election, require the delinquent member to pay a late charge of six percent (6%) of the amount of the delinquent assessment, together with interest at the maximum rate permitted by law on the delinquent sums, calculated from the date of delinquency to and including the date full payment is received by the Association. If any assessment is not paid within 30 days after the delinquency date, the Association may, at its option, bring an action at law against the member personally obligated to pay the same, or upon compliance with the notice provisions of these Bylaws, foreclose the lien against the membership share. There shall be added to the assessment amount costs of preparing and filing the complaint in any action, and in the event a judgment is obtained, the judgment shall include interest, together with the costs of the action. Each member vests in the Association or its assigns the right and power to bring actions at law or lien foreclosure against the member for collection of delinquent assessments. No member may waive or otherwise escape liability for assessments provided for herein by non-use of Park facilities or by abandonment of his or her home. The remedies provided in this Section 9 are in addition to the remedies available pursuant to the Member Rental Agreement, including the power to evict the member from the Park for non-payment. Nothing contained in this Section 9 shall affect the interpretation of the Member Rental Agreement, except that a member who is delinquent in paying any assessment and a member whose membership has been foreclosed is not a member in good standing of the Association and will be deemed to be in violation of the Rules and Regulations.

ARTICLE XI



MAINTENANCE & REPAIR - OBLIGATION OF OWNERS

(a) Every owner must promptly perform all maintenance and repair work within his own home, which if omitted would affect the Park or the Association as a whole, and is expressly responsible for damages and liabilities that his failure to do so may cause.

(b) All repairs of internal systems of the home, such as water, power, sewage, telephone, sanitary installations, doors, windows, lamps and all other accessories belonging to the home area shall be maintained at the owner's expense.

(c) Every owner must comply with the Rules and Regulations, and all local, municipal, county and state ordinances, codes, laws and permit procedures when maintaining, repairing or remodeling their home, appurtenances, space and other structures, specifically including, but not limited to, Title 25 of the California Code of Regulations.

(d) Every owner must comply with the Association's Rules and Regulations and Title 25 of the California Code of Regulations regarding removal and replacement of homes in the Park.

ARTICLE XII FISCAL YEAR

The fiscal year for the Association shall be the calendar year, unless and until changed by action of the Board at a duly constituted meeting.

ARTICLE XIII MISCELLANEOUS PROVISIONS

Section 1. Successors

Each successive owner of each home in the Park shall become a member of the Association and shall be furnished with a copy of these Bylaws and sign a Member | Rental Agreement.



Section 2. Amendment or Repeal of Bylaws

These Bylaws or any provisions hereof may be amended by the vote or written consent of not less than a majority of the voting power of the membership, subject to approval of the Mortgage Lender as provided in Article XIV Mortgage Lender Provisions.

Section 3. Property Rights - Rights of Enjoyment

Each owner shall be entitled to use and enjoy the Park common area and facilities. Any owner may delegate his rights of enjoyment in the common area and facilities to his family. Such owner shall notify the Secretary of the Association in writing of any such delegate. The rights and privileges of such delegates are subject to the suspension to the same extent as those of the owner.

Section 4. Applicability

The provisions of these Bylaws are applicable to the Park, its operation, occupancy, ownership, maintenance and use, and to all present and future owners, members of their families, guests, employees or licensees, and to any other person or persons who may use the Park or its facilities in any manner. Occupancy of any home in the Park shall constitute acceptance and ratification of these Bylaws, as they may from time to time be amended and/or supplemented.

Section 5. Financial Review by Board

At least quarterly, the Board of Directors will review the following:

- (a) The current reconciliation of the Association's operating and reserve accounts as well as the current year's actual reserve revenues and expenses compared to the current year's budget;
- (b) An income and expense statement for the Association's operating and reserve accounts; and
- (c) The latest account statement for the operating and reserve accounts.

Section 6. Alternative Dispute Resolution



6.1 It is the general policy of the Association to encourage the use of alternative dispute resolution to resolve disputes between the Association and a member. Alternative dispute resolution (“ADR”) is defined as a procedure for settling a dispute by means other than litigation, such as binding arbitration, nonbinding arbitration or mediation.

6.2 General Policy. In the event of any dispute between the Association and a member, except for those exempted claims defined, the Association and the member shall agree to resolve the dispute using the procedures set forth below prior to filing suit in any court, or initiating proceedings before any administrative tribunal.

6.3 Exempt Claims. The following claims are exempt from the provisions of this policy, and sections 6.4 through 6.9 do not apply to any of them:

- (a) Any action by the Association against a member to collect dues, assessments, fees or other sums due to the Association, including any foreclosure proceeding.
- (b) Any action by the Association brought pursuant to the Member Rental Agreement, including but not limited to, actions to collect rent and/or for eviction.
- (c) Any action by the Association to enforce any provision of the Association's Bylaws or Rules and Regulations.
- (d) Any claim of the Association which if not pursued by the filing of a lawsuit would be deemed barred due to the applicable statute of limitations.
- (e) Any action for injunctive relief.

6.4 Procedure for All Other Claims. All claims other than exempt claims shall be resolved using the following procedures in lieu of litigation:

- (a) The Association or any member having a claim (“Claimant”) against another member or the Association, respectively (“Respondent”), other than an exempt claim, shall notify each Respondent in writing of the claim (“Notice”), stating (1) the nature of the Claim, including the date, time, location, persons involved, and Respondent's role in the Claim, (2) the basis of the Claim (i.e., the provisions of the Bylaws, the Articles, Rules or Regulations or other authority out of which the Claim arises; (3) what Claimant wants Respondent to do or not do to resolve the claim; and (4)



that Claimant wishes to resolve the Claim by mutual agreement with Respondent, and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

(b) Negotiation. The parties shall make every reasonable effort to meet in person to resolve the Claim by good faith negotiation.

(c) Mediation.

(i) If the parties do not resolve the Claim through negotiation within 20 days of the date of the Notice, or within such other period as may be agreed upon by the parties, ("Termination of Negotiations"), Claimant shall have 30 additional days to submit the claim to mediation by an independent mediation service agreed upon by the parties.

(ii) If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of the Claim.

(iii) If the parties do not settle the Claim within 45 days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). Termination of Mediation notice shall set forth when and where the parties met, that the parties are at an impasse, and the date that mediation was terminated.

(iv) Within 10 days of the Termination of Mediation, the parties shall again attempt to resolve the matter informally through negotiation

(d) Arbitration.

(i) If the parties do not resolve the Claim for negotiation, as provided for above, within 20 days of the Termination of Mediation, the Claimant shall then have 15 additional days to submit the Claim to arbitration in accordance with the appropriate rules of the American Arbitration Association, or the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of the Claim. However, nothing herein shall release or discharge



Respondent from any liability to anyone not a party to the proceedings.

(ii) This bylaw constitutes an agreement of the Association and Owners to arbitrate all claims except Exempt Claims, and is specifically enforceable under the applicable arbitration law of the State of California. If specifically agreed to by both parties to the arbitration, the arbitration shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of California.

6.5 Costs. If the Claims are resolved through negotiation or mediation as provided above, each party shall bear all of its own costs incurred in resolving the Claim, including its attorney's fees and mediation expenses, unless the parties agree otherwise. If the Claims are not resolved through negotiation or mediation as provided above, and the Claim goes to arbitration, the prevailing party shall receive as part of its award from the opposing party all of its costs, including attorney fees, costs for the representatives in resolving such Claim, and any expenses incurred as a result of the dispute resolution procedures required by Association Bylaws.

6.6 Failure to comply with settlement. If the parties resolve any Claim through negotiation, mediation, or arbitration as set forth above, and the other party fails to abide by the terms of such agreement or award, then the other party may file suit or initiate administrative proceedings to enforce such agreement or award without need to comply with the provisions of this bylaw. In such event, the party taking action to enforce the agreement or award shall be entitled to recover from a non-complying party all costs incurred in enforcing such agreement or award, including without limitation, attorney's fees and costs.

6.7 Supplement to Law. The provisions of this bylaw shall be in addition to and in supplement of the terms and provisions of the law of the State of California governing the Association.

6.8 Deviations. The Association Board may deviate from the procedures set forth in this bylaw, if in its sole discretion such deviation is reasonable under the circumstances

6.9 Amendment. This bylaw may be amended from time to time by a majority vote of the Board of Directors.



**ARTICLE XIV
MORTGAGE LENDER PROVISIONS**

Section 1. Duration

The following Mortgage Lender Provisions shall be and remain in effect so long as any money is due pursuant to the Purchase Money Loan.

Section 2. No Change In Corporate Status

The Corporation shall not voluntarily be dissolved or converted to another form of entity without the prior written approval of the Mortgage Lender.

Section 3. No Change In Governance Documents

The Articles of Incorporation and these Bylaws may not be amended. Notwithstanding anything to the contrary contained in these Bylaws, no amendment to the Association's governance documents, including but not limited to the Articles of Incorporation and these Bylaws, will have any force or effect without the prior written consent of the Mortgage Lender.

Section 4. Authority To Execute Sale and Loan Documents

The Corporation, its Board and officers are authorized and directed to execute and perform the Sale and Loan Documents, and each of them, and all other documents reasonably necessary or appropriate to purchase the Park and obtain the Purchase Money Loan from Mortgage Lender in accordance with the Sale and Loan Documents. Certain provisions of the Sale and Loan Documents shall survive the purchase of the Park by the Corporation. The Corporation, its Board and officers shall at all times perform all of obligations of the Corporation to be performed according to the Sale and Loan Documents and each of them.

Section 5. Authority of President

The Corporation designates its President, Clay Butler, as its official representative for all matters concerning the execution and performance of the Sale and Loan Documents, and



each of them, and for all matters which require the prior written consent or approval of the Mortgage Lender. The signature of Clay Butler, President, or his successor as President of the Corporation, will bind the Corporation in all such matters.

Section 6. Sale and Loan Documents Control

If any of the provisions of these Bylaws or any resolution made by the Board or the Members conflict with any of the terms of any of the Sale and Loan Documents, the conflicting provision in the Bylaws or resolution shall be void and of no force or effect, and the provisions of the Sale and Loan Documents will control.

Section 7. No Change In Member Rental Agreement

The Corporation shall not make any change in the Member Rental Agreement, Exhibit 1, without the prior written consent of Mortgage Lender, and any purported change will be void and of no force or effect.

Section 8. No Change in Rules and Regulations

The Corporation shall not make any change in the Rules and Regulations, Exhibit 2, without the prior written consent of Mortgage Lender, and any purported change will be void and of no force or effect.

Section 9. Members, Officer and Directors Bound

All members, including the original members and all subsequent members, by becoming a member and receiving a membership interest, agree to each of the terms of and to be bound by the Sale and Loan Documents, these Bylaws, the Member Rental Agreement, and each of them.

Section 10. Individual Liability

The members, officers and directors, including all future members, officers and directors, shall be personally liable in their individual capacity to the Mortgage Lender for:

- a. Funds, money and property of the Corporation coming into their possession, which by the provisions of these Bylaws and/or the Sale and Loan Documents, the member, officer or director is not entitled to retain;



b. Its own acts and deeds, and the acts and deeds of others which it has authorized, in violation of the provisions of these Bylaws and/or the Sale and Loan Documents;

c. The acts and deeds of affiliates, as defined in the Sale and Loan Documents, which the person has authorized in violation of the provisions of these Bylaws and/or the Sale and Loan Documents; and

d. Performance of the Member Rental Agreement and the Indemnity Agreement. As a condition of membership, each member shall sign a Member Rental Agreement and the Indemnity Agreement.

Section 11. Limitation on Indemnity of Officers and Directors

The Corporation shall not indemnify, defend, hold harmless, or pay any judgment or claim asserted against any member, officer or director without the prior written consent of Mortgage Lender, except to the extent mandated by state law and to the extent of any applicable insurance. Any monies paid in violation of this provision shall be deemed an unlawful distribution made jointly and severally to all members, officers and directors who benefitted from the payment.

Section 12. Insurance Requirements

The Corporation shall at all times comply with the Insurance Requirements of the Sale and Loan Documents and maintain and pay for all such insurance policies and coverages with such insurance companies as described therein.

Section 13. Property Management

The Corporation shall at all times hire and maintain an experienced, qualified property management company which is approved by the Mortgage Lender, to its personal satisfaction, as provided in the Sale and Loan Documents.

The Corporation shall not enter into any property management agreement without first obtaining the written consent of Mortgage Lender.



The Corporation shall assign all its rights in and to the property management agreement to Mortgage Lender, so as to take effect in the event of any default in the Sale and Loan Documents, or any of them, or in the event of any Foreclosure Conveyance.

In the event of any default in the Sale and Loan Documents, or any of them, or in the event of any Foreclosure Conveyance, the Corporation shall no longer have the right and power to manage or operate the Park, and all rights to manage and operate the Park shall transfer automatically to Mortgage Lender.

Section 14. Assignment of Rental Agreements

The Corporation shall assign all rental agreements, including Member Rental Agreement and tenant rental agreements, to Mortgage Lender, so as to take effect in the event of any default in the Sale and Loan Documents, or any of them, or in the event of any Foreclosure Conveyance.

Section 15. Assignment of Rents

In the event of any default in the Sale and Loan Documents, or any of them, or in the event of any Foreclosure Conveyance, the Corporation shall no longer have the right to collect any rent, assessments, regular assessments, special assessments, emergency assessments, dues, fees or any other amounts due from the members or non-member tenants of the Park; the right to collect all such sums will automatically transfer to Mortgage Lender; and the Corporation shall inform and instruct all members and tenants to pay to Mortgage Lender all sums which would otherwise be due to the Corporation.

Section 16. Transfer of Assets

In the event of any default in the Sale and Loan Documents, or any of them, or in the event of any Foreclosure Conveyance, the Corporation shall transfer to Mortgage Lender all assets, including, but not limited to, all personal property, files, and monies, including monies held by any bank, financial institution and property manager.

**CERTIFICATE OF SECRETARY OF
ADOPTION OF Bylaws**



THIS IS TO CERTIFY:

That I, _____, am the duly elected, qualified and acting Secretary of ALIMUR PARK HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, that the above and foregoing Bylaws was submitted to the Members at their first meeting and recorded in the minutes thereof, was ratified by the vote of the majority of the membership, and was adopted and approved by the majority vote of the Board of Directors at its first meeting; and that Clay Butler was duly elected a member of the Board of Directors and President.

IN WITNESS WHEREOF, I have hereunto set my hand on this _____ day of _____, 2015

Secretary



ASSIGNMENT OF MANAGEMENT AGREEMENT

THIS ASSIGNMENT OF MANAGEMENT AGREEMENT (this "Assignment") is made and entered into as of the ___ day of _____, 2015 by and among (i) ALIMUR PARK HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation (the "Borrower"), (ii) PAUL GOLDSTONE, Trustee of Paul's Trust ("Lender"), and (iii) EVANS MANAGEMENT SERVICES (the "Manager").

Recitals

A. Borrower is the owner of the Alimur Park Mobile Home Park located in Santa Cruz County, California (the "Mortgaged Property").

B. Manager is the managing agent of the Mortgaged Property pursuant to a Management Agreement dated _____ between Borrower and Manager (the "Management Agreement").

C. Lender is the holder of that certain Secured Promissory Note (the "Note"), dated _____, 2015, in the original principal amount of Ten Million Dollars (\$10,000,000.00) made by Borrower to Lender, which Note evidences a loan ("Loan") made by Lender to Borrower pursuant to a certain Purchase and Sale Agreement and a certain Loan Agreement. To secure the repayment of the Note, Borrower also executed and delivered a Deed of Trust and Assignment of Rents and a UCC Financing Statement (collectively, the "Security Instrument"), dated _____, which were recorded in the Official Records of Santa Cruz County, State of California on _____, as Document No. _____ that grants a lien on the Mortgaged Property. The Loan Agreement, Note, Security Instrument and all other documents executed in connection with the Purchase and Sale Agreement, the Loan Agreement and the Loan (collectively, the "Loan Documents") were made by Borrower in favor of and for the protection of Lender.

D. Borrower is willing to assign its rights under the Management Agreement to Lender as additional security for the Loan.

E. Manager is willing to consent to this Assignment and to attorn to Lender upon a default by Borrower under the Loan Documents, or any of them, including but not limited to the documents evidencing and securing the Loan; and Manager is willing to perform its obligations under the Management Agreement for Lender, or its successors in interest, or to permit Lender to terminate the Management Agreement without liability.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Borrower, Lender and Manager agree as follows:

1. Borrower hereby transfers, assigns and sets over to Lender, its successors and assigns, all right, title and interest of Borrower in and to the Management Agreement. Manager hereby consents to the foregoing assignment. The foregoing assignment is being made by

Borrower to Lender as collateral security for the full payment and performance by Borrower of all of its obligations under the Loan Documents. However, until the occurrence of an Event of Default (as such term is defined in the Loan Documents) Borrower may exercise all rights as owner of the Mortgaged Property under the Management Agreement, except as otherwise provided in this Assignment. The foregoing assignment shall remain in effect as long as the Loan, or any part thereof, remains unpaid, but shall automatically terminate upon the release of the Security Instrument as a lien on the Mortgaged Property.

2. Borrower and Manager represent and warrant to Lender that (i) the Management Agreement is unmodified and is in full force and effect, (ii) the Management Agreement is a valid and binding agreement enforceable against the parties in accordance with its terms, and (iii) neither party is in default in performing any of its obligations under the Management Agreement.

3. Borrower hereby covenants with Lender that during the term of this Assignment: (a) Borrower shall not transfer the responsibility for management of the Mortgaged Property from Manager to any other person or entity without the prior written consent of Lender; (b) Borrower shall not terminate or amend any of the terms or provisions of the Management Agreement without the prior written consent of Lender; and (c) Borrower shall give Lender written notice of any notice or information that Borrower receives which indicates that Manager is terminating the Management Agreement or that Manager is otherwise discontinuing its management of the Mortgaged Property.

4. Upon receipt by Manager of written notice from Lender that an Event of Default (as that term is defined in the Loan Documents) has occurred and is continuing, Lender shall have the right to exercise all rights as owner of the Mortgaged Property under the Management Agreement.

5. After the occurrence of an Event of Default, Lender (or its nominee) shall have the right at any time thereafter to terminate the Management Agreement, without cause and without liability, by giving written notice to Manager of its election to do so. Lender's notice shall specify the date of termination, which shall not be less than 30 days after the date of such notice.

6. On the effective date of termination of the Management Agreement, Manager shall turn over to Lender all books and records relating to the Mortgaged Property (copies of which may be retained by Manager, at Manager's expense), together with such authorizations and letters of direction addressed to tenants, suppliers, employees, banks and other parties as Lender may reasonably require. Manager shall cooperate with Lender in the transfer of management responsibilities to Lender or its designee. A final accounting of unpaid fees (if any) due to Manager under the Management Agreement shall be made within 60 days after the effective date of termination, but Lender shall not have any liability or obligation to Manager for unpaid fees or other amounts payable under the Management Agreement which accrue before Lender (or its nominee) acquires title to the Mortgaged Property, or Lender becomes a mortgagee in possession.

7. Manager's address for notice is _____;
fax number _____; e-mail: _____. All notices to be



given by Lender to Manager shall be given in the same manner as notices to Borrower pursuant to the notice provisions contained in the Security Instrument.

8. Manager agrees that:

(a) Lender has a prior security interest in all monies, including all rents, collected by Manager on behalf of Borrower.

(b) The Management Agreement is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Security Instrument and the other Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the Security Instrument (including all sums advanced for the purposes of (x) protecting or further securing the lien of the Security Instrument, curing defaults by Borrower under the Security Instrument or for any other purposes expressly permitted by the Security Instrument, or (y) constructing, renovating, repairing, furnishing, fixturing or equipping the Mortgaged Property);

(c) Manager will at all times keep Lender fully informed of the operation of the Mortgaged Property, including but not limited to all recommended and/or proposed modifications to the rules and regulations, recommended or proposed modifications to the Mortgaged Property, the condition of the Mortgaged Property, changes in law affecting the Mortgaged Property, the income and expenses of the Mortgaged Property and Borrower and the financial affairs of Borrower.

(d) Manager will promptly inform Lender of any Event of Default under any of the Loan Documents.

(e) Without Lender's prior written consent, Manager shall not be entitled to any fees after it has actual knowledge or received notice of an Event of Default under any of the Loan Documents.

(f) If Manager receives any monies, payment or distribution from or on behalf of Borrower, other than for fees for services rendered and which Manager is entitled to keep pursuant to this Assignment, Manager shall hold such monies in trust for the benefit of Lender and will promptly inform Lender of such receipt and remit, in cash or readily available funds, all of said monies to Lender, or properly endorsed to Lender, to be applied to the principal, interest or other amounts due under the Loan Documents in such order and in such manner as Lender shall determine in its sole and absolute discretion.

(g) During the term of this Assignment Manager will not commence, or join with any other creditor in commencing any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings with respect to Borrower, without Lender's prior written consent.

9. Borrower agrees that after Borrower receives notice (or otherwise has actual knowledge) of an Event of Default, it will not make any payment of fees under or pursuant to the Management Agreement without Lender's prior written consent.



10. This Assignment may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall constitute one and the same instrument.

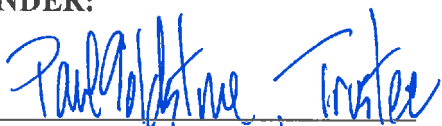
IN WITNESS WHEREOF, Borrower, Lender and Manager have executed this Assignment as of the day and year first above written.

BORROWER:

ALIMUR PARK HOMEOWNERS
ASSOCIATION, a California nonprofit mutual
benefit corporation

By: 
Clay Butler, President

LENDER:

 10-9-2015
Paul Goldstone, Trustee,
Paul's Trust

MANAGER:

Name:
Title: