

**RULES AND REGULATIONS
VILLA SANTA CRUZ
COOPERATIVE INC.**

Adopted on February 23, 2010

VILLA SANTA CRUZ COOPERATIVE, INC.
RULES AND REGULATIONS

TABLE OF CONTENTS

	Page
1) GENERAL.....	1
2) PERSONAL CONDUCT AND NOISE.....	2
3) PETS AND ANIMALS.....	3
4) USE OF PARK FACILITIES.....	4
5) GUEST RESTRICTIONS.....	6
6) USE AND MAINTENANCE.....	6
7) VEHICLES AND PARKING.....	8
8) INSTALLATION AND ALTERATIONS.....	10
9) CONTRACTORS.....	12
10) TRANSFER OF SPACE.....	13
11) NOMINATION AND PRE-ELECTION PROCEDURES.....	13
12) VOTING AND ELECTION RULES.....	14
13) POLICY CONCERNING FINES, PENALTIES AND SUSPENSION OF PRIVILEGES.....	18
14) ENFORCEMENT AND MISCELLANEOUS.....	19

VILLA SANTA CRUZ COOPERATIVE, INC.
RULES AND REGULATIONS

A. The Board of the Villa Santa Cruz Cooperative, Inc. (“Cooperative”) has adopted these rules and regulations to promote each Shareholder’s peaceful enjoyment of the Villa Santa Cruz lifestyle and to make each Shareholder aware of his/her responsibilities as a Shareholder of this community. The Cooperative reserves the right to amend, revoke or supplement these rules and regulations, at any time, consistent with the Governing Documents and applicable laws and regulations. As used herein, the term “Shareholders” applies to Shareholders, Resident Renters and Residents, unless the context indicates otherwise. These Rules apply to Shareholders, Resident Renters, Residents and, where applicable, their Guests.

B. Definitions. The Definitions set forth in the Bylaws of the Cooperative are incorporated by reference herein.

C. Fair Housing. The Park and the Cooperative are open to qualified Shareholders without regard to race, national origin, marital status, sexual orientation, religion, gender, or disability.

D. Senior Mobilehome Park. Villa Santa Cruz is a senior mobilehome park and all Shareholders must be fifty-five (55) years or older except as set forth in the Bylaws.

1) GENERAL

- a) Governing Documents. Shareholders shall comply with the terms and conditions of the Governing Documents.
- b) Shareholder Requirements. A prospective Shareholder must fill out an Application form, be accepted and approved by the Board, and sign an Occupancy Agreement. A prospective Shareholder who has already purchased a mobilehome from a previous Shareholder is not authorized to reside in the Park unless and until the Board has approved that person as a Shareholder, a Share has been issued to the Shareholder and an Occupancy Agreement has been signed by the Shareholder.
- c) Single Family Residences. Shareholders shall occupy and use their Spaces only as private single-family residences. Accordingly, no trade or business may be conducted by Shareholders within Park. With Board approval, incidental business activity may be conducted within the Park as long as: (a) the Space continues to be used primarily for residential purposes; (b) the business activity does not involve any advertising which includes the address of the Space or the Park; (c) the business activity does not involve any employees, clients, customers, vendors, contractors, subcontractors, business associates, etc. visiting the Space or the Park; (d) the business activity does not involve excessive deliveries or pick-ups of mail or packages; (e) no manufacturing of any kind shall take place in the Space or the Park; and (f) the business activity is not illegal, does

not violate any local ordinances, and complies with all applicable business license requirements.

- d) Security. The Board does not assume responsibility for providing security within the Park. Shareholders assume full responsibility for the security of his/her own mobilehome and property located on his/her Space.
- e) Compliance with Law. Shareholders shall abide by applicable governmental laws and regulations.
- f) Citations. In the event that a citation is issued by any governmental agency in connection with a Shareholder's mobilehome, that Shareholder shall correct the violation within the period of time allowed by law. Shareholders shall be responsible for fines or similar charges incurred due to the Shareholder's violation of any governmental law or regulation.
- g) Insurance. Shareholders shall obtain insurance as set forth in the Bylaws.
- h) Emergencies. The primary contact for emergencies is 911. A Shareholder should notify the office, as soon as it is conveniently possible, after calling 911.
- i) Notifications. Each home shall have a clip on the stair post or side of the house to facilitate written notifications. These clips are for Park-related notices and mail. No anonymous solicitations are to be put in the mailboxes in the clubhouse or on the clips.

2) PERSONAL CONDUCT AND NOISE

- a) Quiet Enjoyment. Each Shareholder is entitled to the quiet enjoyment of his/her Space.
- b) Noise. Radios, televisions, record players, musical instruments, and other sound-making devices must be used so that they do not disturb others, especially between the hours of 10 p.m. and 8 a.m. Abusive language, intoxication, dangerous activities or activities which may create a nuisance or health and safety problem in the Park are strictly prohibited. Disturbing or excessive noises, quarreling, threatening, fighting, or disorderly conduct are prohibited.
- c) Weapons and Fireworks. The use or display of any weapon or fireworks within the Park is prohibited.
- d) Nuisance. No noxious or offensive activity shall be carried on nor shall anything be done or placed on a Space that may be or become a nuisance or cause unreasonable embarrassment, disturbance or annoyance to other Shareholders in the enjoyment of their Spaces.
- e) Playing in Streets. Skateboarding, roller skating, frisbee throwing or playing in the Park streets is prohibited.

- f) Bicycles. Guests shall not be permitted to ride bicycles within the Park except to enter and exit the Park to visit a Shareholder or to accompany a Shareholder.
 - g) Moving Sales. Estate/Moving/Garage sales are not allowed in the Park without the prior approval of the Board. Upon the Cooperative's receipt of a notice of a Shareholder's intention to sell or transfer its Share, a Shareholder may conduct a one-time estate/moving sale to last no more than two (2) days, subject to prior approval of the Board. If an Estate/Moving/Garage sale is authorized by the Board, parking for such sale is ONLY allowed in guest parking or on the street outside the Park.
 - h) Signs. Commercial signs are prohibited. Except as expressly allowed by Civil Code Section 1353.6, signs are prohibited within the Park. If allowed by Civil Code Section 1353.6, only one sign is allowed. No obscenity, inappropriate or fighting words are allowed in signs.
 - i) American Flag. Shareholders are allowed to display an American flag made of fabric, cloth or paper as permitted by Civil Code Section 1353.5.
- 3) PETS AND ANIMALS. One domestic pet per mobilehome is allowed pursuant to Civil Code Section 1360.5, subject to the following rules:
- a) Size. Pets shall not exceed twenty-eight (28) pounds at maturity.
 - b) Alteration. Cats and dogs shall be spayed or neutered.
 - c) Compliance with Laws. Pets shall be kept in conformity with state and local laws.
 - d) Confinement. Pets shall not be allowed to roam at large in the Park. Pets shall not be left unattended outside of the Space. Dogs shall be kept in a fenced-in area, the construction of which shall be approved by the Board. Cats, if outdoors, shall have a cage or be confined in the Shareholder's yard.
 - e) Leash. Pets shall be kept on a leash when exercised within the Park, and pet owners shall immediately clean up after their pets.
 - f) Waste Removal. All Spaces shall be kept clean of droppings.
 - g) Common Areas. Pets are not allowed on the lawn area at the clubhouse or the lawn area behind the pool. Pets are not allowed in the recreation/clubhouse areas.
 - h) Visitor's Pets. Visitors are discouraged from bringing pets to the Park, but, if unavoidable, the rules are the same as those for Shareholders' pets.
 - i) Pet Food. Pet food shall not be left outside in uncovered or unsealed containers or left in feed bowls for long periods of time.

- j) Pet-Sitting. Pet sitting by individuals who do not reside in the Park is allowed only with prior approval of the Board.
- k) Aggressive Pets. Shareholders shall not be allowed to keep aggressive pets.
- l) Barking Pets. Shareholders shall not be allowed to keep any dog, cat or other animal, whether licensed or not, which by habitual howling, yelping, barking or other noise unreasonably disturbs or annoys any person in the Park.
- m) Indemnification. Shareholders shall indemnify, defend and hold the Cooperative and other Shareholders harmless from and against any loss or damage caused by their pets.
- n) Penalties. The Board reserves the right to impose a fine, suspend privileges or require the removal of any pet that is a nuisance or is left unattended or whose owner violates these Rules and Regulations, after notice and hearing.

4) USE OF PARK FACILITIES

- a) Use of Park Facilities. The Park's recreational facilities are for the use and enjoyment of the Shareholders, subject to the Governing Documents.
- b) Office Telephone/Copy Machine. The office telephone (831-464-2750) and the office fax machine (831-475-0900) are for office use only. Shareholders shall not receive personal telephone calls on the office telephone. The office copy machine is for Cooperative business use only except as may be permitted by a member of the Board.
- c) Posted Rules. Specific rules pertaining to the use of Park facilities are sometimes posted throughout the Park and are incorporated herein by reference.
- d) Compliance. Shareholders shall comply with the Governing Documents and are responsible for ensuring that Shareholders, family members, guests and invitees comply with such Documents.
- e) Shareholder's Risk. The clubhouse and all other Park facilities are used at one's own risk.
- f) Restricted Use. Except as otherwise provided by applicable law, the Board reserves the right to restrict the use of the clubhouse and any other Park facilities as to hours, purpose, and conduct.
- g) Non-Smoking. The clubhouse and the pool areas are designated as "no smoking" areas. The Board may also post "no-smoking" notices in other Common Areas of the Park.
- h) Attire. All persons must wear shirts and shoes when using the clubhouse or any recreational facility (except around the swimming pool area). Persons are not allowed in

the clubhouse wearing only swimming attire -- a robe or other appropriate covering and shoes or sandals are required.

- i) Guests to be Accompanied. Guests shall be accompanied by a Shareholder when using the pool area and the clubhouse.
- j) Use. The pool area, clubhouse and RV park areas shall close at 7:00 p.m. in the summer and 5:00 p.m. in the winter except for approved special events and as otherwise approved by the Board, provided that use of the pool area is not allowed after 10 p.m. Posted pool hours and rules shall be observed.
- k) Private Functions. The clubhouse is available for private functions with prior approval of the Board. The pool area is not available for private functions. Persons attending private events in the clubhouse are not allowed in the pool area, and all guests attending private events shall be supervised to ensure that they do not wander into the pool area.
- l) Reservations. The Board shall act on all requests by Shareholders to use the recreational facilities for private functions. A Shareholder who desires to schedule a private event at a facility within the Park shall submit a signed and dated application to the Board on the appropriate form. Events scheduled by the Social Committee shall have priority over other events, except those events scheduled by the Cooperative Board.
- m) Shareholder Responsibility. A Shareholder who uses a Park facility for a private event shall be responsible for properly setting up, taking down and cleaning the facility and repairing any damages thereto after the event.
- n) Alcoholic Beverages. Alcoholic beverages may only be served at functions sponsored by the Social Committee unless prior approval is obtained from the Board.
- o) Food or Glass. No food or glass shall be allowed in the pool area, except when authorized by the Board and for Park-sponsored events.
- p) Billiards. No guest shall be allowed to play billiards in the clubhouse without the direct supervision of a Shareholder. The supervising Shareholder shall be responsible for any damage caused to the billiard table.
- q) Swimming Pools/Hot Tub/Sauna. Shareholders and their guests should consult with their physician before using the hot tub or saunas. No one under age 14 is allowed to use the hot tub or sauna without the direct supervision of a Shareholder. All persons using the pool, hot tub or saunas do so at their own risk.
- r) Health and Safety. To prevent pool contamination and the spread of gastrointestinal illnesses, children under three (3) years of age shall not be permitted in the pool, hot tub or saunas. All other children shall be accompanied by a Shareholder at all times.

- s) Showering before Swimming and Hairpins. Shareholders and their guests must shower before entering the pool and should re-shower before returning to the pool if suntan oils, lotions or other ointments have been used. All hairpins, clips and ornaments shall be removed prior to entering the pool.
- t) Pool Safety. Running and horseplay shall not be permitted in the pool area.
- u) Courtesy. All persons using the pool area shall extend common courtesy to others who desire to use the pool and other recreational facilities. No yelling or loud noises are allowed in the pool area.
- v) Limit on Number of Guests using Pool. No more than four (4) guests may accompany a Shareholder to the pool at any time except that this number may be exceeded for family members of a Shareholder if the Shareholder obtains advance approval from the Board.

5) GUEST RESTRICTIONS

- a) Guest Conduct. Shareholders are required to acquaint all guests with the Rules of the Park. Shareholders are personally responsible for the action and conduct of their guests and are liable for any damage to the property in the Park caused directly or indirectly by a Shareholder's guest. Any violation of the Governing Documents by a guest of the Shareholder or by any person residing with the Shareholder shall be deemed a breach of the Governing Documents by the Shareholder and shall have the same effect as if the Shareholder had breached the same.
- b) Guest Restrictions. Guests who stay in the Park more than fourteen (14) days in any thirty-day (30) period must be registered by the Shareholder with the Board. No person shall be allowed to remain in the Park as a guest longer than sixty (60) days in a calendar year without written approval of the Board. No guest may remain in the Park without the presence of a host Shareholder occupying the home on an ongoing basis, except for limited periods of time when the guest is house-sitting for the Shareholder or in appropriate circumstances as permitted by the Board.
- c) Guest Documentation. Upon request, a guest must be able to demonstrate to the Board that he/she lives somewhere other than the Park on a permanent basis. A copy of a valid current rental agreement is an example of acceptable proof.

6) USE AND MAINTENANCE

- a) Maintenance. Shareholders are advised that the Cooperative does not assume responsibility for maintaining Shareholders' mobilehomes or their Spaces. Each Shareholder assumes full responsibility for the maintenance and repair of his/her own mobilehome and Space.
- b) Mobilehome Maintenance. Each Shareholder shall maintain his/her mobilehome in good condition with a clean and neat appearance on the exterior. Painting, replacing roofs,

additions of air conditioners or water softeners and remodeling shall require written approval of the Board before commencement of the work.

- c) Space Maintenance. Shareholders shall maintain their Spaces in a clean, well-kept and attractive manner including the front, side and back yards. All trash, debris, boxes, barrels, brooms, ladders, tools and other maintenance items shall be stored out of sight. When a Space is vacated, the Shareholder shall be responsible for filling and leveling all holes on the Space. Shareholders shall discourage pests and rodents (including skunks) that come onto their Spaces. To avoid fire hazards, Shareholders are required to prune dead shrubs and tree branches and keep weeds trimmed. Hedges between Spaces shall be trimmed to six (6) feet in height unless the neighbors mutually agree to taller hedges.
- d) Walls. The uppermost Shareholders shall maintain and repair any retaining wall under thirty (30) inches in height that is located on the Shareholder's Space provided, however, that the Cooperative will perform a one-time maintenance or repair of any retaining wall that is under thirty (30) inches in height as of September 1, 1994. The Cooperative will maintain and repair retaining walls that are thirty (30) inches or more in height. To maintain the integrity of Space lines, the Board shall approve all replacement or repair of retaining walls. Shareholders shall not install solid walls around carports; however, lattice partitions and/or planted shrubs may be installed with the prior written approval of the Board. If lattice partitions are added to the carport cover supports, they must be of noncombustible material.
- e) Drainage. Shareholders are responsible for ensuring that all roof drainage is directed into the street gutter or to the greenbelt area, by adequately sized gutters, downspouts and collecting pipes. Normal Space drainage must also be directed to the street or greenbelt area. Landscaping must not interfere with drainage of a Shareholder's Space.
- f) Street Lighting. The Park lighting is designed to provide adequate illumination for nighttime and must not be blocked. Shrubs and trees must be trimmed and pruned by the Shareholder to maintain adequate lighting. Light panels may not be blocked or replaced with colored panels.
- g) Ownership of Alterations to Space. All alterations, improvements and changes to a Space shall be approved by the Board. The Shareholder shall be responsible for the cost of such alterations, improvements or changes. If a mobilehome is removed, and the Shareholder vacates the Space, all alterations, improvements and changes to the Space shall become the property of the Cooperative unless the Cooperative elects to have the Shareholder remove the alterations, improvements or changes. If the Cooperative elects to have the Shareholder remove the alterations, improvements or changes, the Shareholder shall do so at his/her own expense and shall repair any damage to the Park caused by the removal.
- h) Garbage. Trash shall be kept within covered containers on each Shareholder's Space. Shareholders shall use designated containers approved by the Board for the disposal of trash. Trash containers shall be placed on the curbside on designated pickup days or late

in the afternoon of the day before pickup and shall be returned promptly to the appropriate place on the Shareholder's Space after pickup. Items of trash which are not accepted for normal pickup shall be disposed of by the Shareholder.

- i) Clotheslines, etc. No towels, rugs, clothing or laundry of any kind may be hung outside a mobilehome at any time. Shareholders shall use the clothesline in the designated Common Area for clothes drying.
- j) Storage. Each Space may have up to a total of 120 square feet of exterior storage space approved by the Board. The storage cabinet may be located on the Space line if it is built of noncombustible material, otherwise the cabinet must be three (3) feet from the Space line. Shareholders are responsible for the costs of their storage cabinets and for ensuring that their storage cabinets comply with all applicable laws including necessary permits. No storage except removed tow bars shall be permitted under a mobilehome. The only items that are permitted to be maintained outside of the mobilehome are patio furniture and barbecue equipment, which may be kept on a Shareholder's deck or patio. No appliances shall be stored outside of the mobilehome.

7) VEHICLES AND PARKING

- a) Registration. All Shareholders and Residents shall register their vehicles with the Board.
- b) Compliance. All vehicles shall be operable, and kept and maintained in compliance with applicable laws and regulations.
- c) License. Every person operating a motorized vehicle in the Park shall possess a valid driver's license.
- d) Speed. All persons shall drive slowly and safely within the Park. The maximum speed limit shall be ten (10) miles per hour at all times within the Park.
- e) Right of Way. Pedestrians shall have the right of way at all times.
- f) Noisy Vehicles. All motor vehicles, including motorcycles shall be operated, constructed and adjusted to prevent unnecessary and unusual noise. Where applicable, noisy motorcycles shall be walked in and out of the Park and may not be operated within the Park at any time except for Shareholder-owned or operated vehicles that are registered with the Board.
- g) Use of Vehicles. "Larks," motorized scooters and similar vehicles are not to be used by guests within the Park except where needed due to injury, handicap or disability.
- h) Washing of Vehicles. Vehicles may not be washed on a Space or street in the Park except within a carport by use of a pail and sponge and without the use of soap or detergent. A limited use of spray from a hose shall be allowed provided that runoff does not adversely affect the neighbor's space. Shareholders are encouraged to wash vehicles

in the recreational vehicle storage area. In all circumstances local water restrictions shall be observed by all Residents.

- i) Servicing or Repairs. The servicing or repairing of vehicles shall not be permitted on any Space or on any street within the Park except that this shall not preclude Shareholders from performing work of a relatively minor nature that does not have a significant impact on the peace, quiet and visual atmosphere of the neighborhood (e.g., checking tire pressure, spraying door hinges, etc.). For the security of the property in the recreational vehicle area, Guests may work on a Shareholder's vehicle in the recreational vehicle area only when the Shareholder is present. Guests may not work on their own vehicles in the recreational vehicle area.
- j) Hazardous Materials. The use of toxic or hazardous materials is not permitted in the Park.
- k) Changing Oil. The changing of oil and other automotive fluids is permitted, however all Shareholders shall strictly comply with applicable laws concerning the disposal of oil.
- l) Clean-Up. Shareholders are responsible for any costs of clean-up arising from the malfunction or repair of their own vehicles or the vehicles of their guests.
- m) Driveways. Shareholders shall keep their driveways clean and must ensure that vehicles do not drip oil or gasoline on the pavement. Drip pans may be used and shall be kept clean.
- n) Inoperable Vehicles. No inoperable vehicle shall be parked or stored on a Space or within the Park.
- o) Habitation. No vehicle parked on a Space or within the Park shall be used for sleeping or habitation while so parked.
- p) Recreational Vehicles. No camper (including a standard size camper attached to a regular pickup truck), travel trailer, motor home, recreational vehicle, boat or commercial truck (excluding a standard size vehicle used for both business and personal use) may be parked or stored on any Space or on any street within the Park at any time except that a recreational vehicle may be parked on a Shareholder's Space for short periods while loading or unloading. For purposes of this provision, a vehicle that is a person's regular vehicle for personal use shall not be deemed a camper or recreational vehicle simply because it has sleeping facilities.
- q) Parking on Streets. No parking is permitted on any street within the Park except for temporary loading and unloading.
- r) Guest Parking. Guest parking areas are reserved for guests except that Shareholders may use the guest parking areas when their driveways are being used by a contractor or

visitor. Guests who have permission from the Board to stay beyond fourteen-day (14) periods of time must register their vehicles with the Board.

- s) Clubhouse Parking. Shareholders and guests may use guest parking spaces in front of the clubhouse for up to one hour, but only when visiting the office or clubhouse.
- t) Towing. Improperly parked vehicles may be towed at the owner's expense subject to the requirements of Vehicle Code Section 22658.
- u) Violations. The Board has authority to determine parking violations.
- v) Vehicle Storage. Shareholders may, by special arrangement and subject to an additional storage charge, store vehicles belonging to the Shareholder in the Park storage area.

8) INSTALLATION AND ALTERATIONS

- a) Architectural, Maintenance and Landscaping Standards. Each Shareholder shall install, alter and maintain his/her mobile/manufactured home and Space in a well-kept condition and in compliance with all applicable laws and regulations including, without limitation, the Mobilehome Parks Act (Title 25, paragraph 1000, et seq. of the California Code of Regulations) and applicable sections of Santa Cruz County Zoning Regulations, Chapter 13.10. All corrections of deficiencies shall be made within thirty (30) days of written notification, unless a shorter time period is required by law or noted elsewhere in the Governing Documents.
- b) Alterations. Shareholders shall not install a new mobilehome, or alter or modify the exterior of the mobilehome or any improvements visible from the street or the Common Area without the prior written approval of the Board. Any installations or alterations shall comply with applicable laws and regulations.
- c) Application Processing. The Board may designate a Shareholder or other entity deemed qualified by the Board to assist the Board in the evaluation and processing of applications for Alterations.
- d) Mobile/Manufactured Home Requirements.
 - i) All homes will be new, single-story, double-wide construction with maximum height of seventeen (17) feet or fourteen (14) feet from the top of the tow bar.
 - ii) Materials, siding design and colors will be compatible with existing homes. Standard aluminum vertical corrugated siding will not be allowed.
 - iii) Size of home must be compatible with Space size.
 - iv) Except as otherwise allowed by law, no external antennas or satellite dishes of any kind that are visible from the common areas or the street are permitted in the Park.

- v) Tongues and tow bars will be completely removed and stored out of sight.
- e) Home Placement. Before the placement of a new home, the Board will establish Space boundaries by placing stakes or other markers in the corners and using the existing notches on the street curbs. These corner markers must be agreed upon in writing by the owners of all Spaces affected and approved and accepted by the Board. Using the agreed-upon markers, the Shareholder will provide a drawing showing the location of the mobilehome on the Space.
 - i) Setback. Title 25 of the California Code of Regulations Section 1330 addresses separation and setback requirements of mobilehomes, and Section 1428 addresses the location of accessory buildings and structures. In addition, the Cooperative requires five (5) feet minimum setback from the street including porches, landings, stairs and overhanging bays. Spaces less than seventy (70) feet deep and irregularly shaped Spaces and corner Spaces may have reduced setbacks when approved in writing by the Board.
 - ii) Legal Requirements. All mobilehomes shall comply with all applicable laws and regulations, including ordinances and regulations imposed by the County of Santa Cruz. The County of Santa Cruz requires all structures and mobilehomes be set back twenty (20) feet from Felt Street and the setback area be landscaped and continually maintained. Five-foot setbacks are also required at the north side property line (railroad tracks), the west side property line and the property line of the private residences on Felt Street.
 - iii) Accessibility. Utilities are located on a utility pad and must be accessible. A working space thirty-six (36) inches wide, centered on the Space electrical service equipment, must be maintained when placing the home. Movement of these utilities should be avoided and may only be done with the prior written approval of the Board. Before approval is granted, the Shareholder must submit an engineered estimate of which Park utilities must be turned off and for how long, so that Shareholders may be notified. The Shareholder will bear all costs for movement of utilities including possible damage to other Spaces.
- f) Parking. Placement of the mobilehome on a Space must allow for at least two (2) on-site parking places unless otherwise required by applicable laws and regulations.
- g) Tongues and Tow Bars. All tongues and tow bars shall be completely removed within seven (7) days after the mobilehome is placed on the Space.
- h) Improvements and Additions. Plans and designs for all decks, porches, screened rooms, cabanas, carports, awnings, stairs with landings, and fences shall be submitted to the Board for written approval prior to commencement of any construction or installation and must comply with the California Mobilehome Parks Act. The Shareholder must obtain the appropriate permits and approvals from all regulatory authorities prior to undertaking

any additions, alternations or remodeling. State law requires that all structures cover no more than seventy-five per cent (75%) of the Space.

- i) Fencing and Walls. When existing fences and/or retaining walls are replaced, the Board must verify that Space lines have not been altered. Fences installed between Spaces shall be a maximum of six (6) feet high and shall be set back from the street one foot for every foot of height. Back fences shall be a maximum of six (6) feet.
- j) Skirting. All mobilehomes within the Park shall be completely skirted unless on a full foundation. Skirting shall compliment the exterior of the mobilehome and shall be approved by the Board prior to installation. The skirting must provide a complete seal between the mobilehome and the ground to prevent intrusion of pests; i.e., rodents, skunks, etc. Untreated wood shall not be in contact with the soil.
- k) Landscaping. Each Shareholder shall ensure that the full front-yard setback area on his/her Space and all side yards that are open to a street are planted with living green landscaping. Gravel, fine bark or artificial ground cover of any type will not be permitted except in rear and side yards not open to the street. When large bark and/or rock are used as ground cover in a front yard, it shall not exceed twenty-five percent (25%) and it shall be accompanied by green growing plants. All initial landscaping requires prior written approval of the Board and shall be completed within sixty (60) days of occupancy. Shareholders shall maintain landscaping in a neat and attractive manner at all times. Major changes to existing landscaping shall be submitted to the Board for approval before changes are made.
- l) Excavation. Any landscaping that requires excavation or digging greater than six (6) inches will require prior written approval of the Board to avoid damage to underground cables and pipes. Deeper holes may require the services of a Utility Locator Service before digging. Such services are the responsibility of the Shareholder. Covers for Park utility shutoff valves must be left exposed and visible.
- m) Parking. Each Space has been designed to provide off-street parking for at least two (2) vehicles as required by Santa Cruz County ordinance. When replacing existing mobilehomes with new ones, consideration must be given to the fact that side-by-side parking provides less opportunity for wide mobilehomes while front-to-back parking affords more room for a wider mobilehome.

9) CONTRACTORS

- a) Contractors. All Shareholders shall obtain prior written consent of the Board for any work to be done by contractors or other repair persons in the Park except work pertaining exclusively to changes within a Shareholder's mobilehome. Contractor hours shall be from 8 a.m. to 5 p.m. in winter and 8 a.m. to 7 p.m. in summer except in emergency situations. It is recommended that all persons hired to construct, repair or service a Shareholder's home or Space be licensed and carry adequate insurance. Contractors are

either to park in the Shareholder's driveway or unload and park in guest parking. There are no exceptions without the approval of the Board.

- b) Responsibility for Contractors. The Shareholder shall be responsible for enforcing all Rules and Regulations including (without limitation) parking restrictions for all contractors and workers invited to the Park by the Shareholder. The Shareholder is responsible for any damage to another Space or to the Common Area that is caused by acts or omissions of his/her contractor. Additionally, the Shareholder shall be responsible for cleaning up after his/her contractor if the contractor failed to do so.

10) TRANSFER OF SPACE

- a) Transfer of Space. A Shareholder or his/her legal representative must notify the Board in writing of a decision to transfer, sell or assign (referred herein as "Transfer") his/her Space as soon as the decision is made. Prior to the intended date of the Transfer, Shareholders must notify the Board of the intended date of the Transfer and the identity of the proposed transferees and other proposed occupants (collectively, "Transferee").
 - i) Before the Transfer has been completed, each Transferee must be accepted in writing by the Board and an appropriate Occupancy Agreement must be signed. The Board may require the Transferee to undergo, at the Transferee's expense, a tenant screening, rental credit check and background report from a reputable service.
 - ii) The Cooperative reserves the right to reject applications as may be reasonably appropriate to protect the Cooperative, to protect current Shareholders from anyone who may pose a threat to their health and safety or for other appropriate causes.
 - iii) If a Transferee fails to comply with these Rules, or if a Transferee fails to pass the Tenant Screening, the Cooperative will not enter into an Occupancy Agreement with the Transferee, and Transferee shall be denied entry into the Park. A Transferee shall not occupy a Space until an Occupancy Agreement is signed and the Transfer is completed.
 - iv) All prospective Transferees must be approved by the Board prior to the close of escrow.

11) NOMINATION AND PRE-ELECTION PROCEDURES

- a) Candidates for the Board of Directors can be nominated for the Board of Directors by recommendation of the Nominating Committee or by a Shareholder nominating himself or herself.
- b) The Board of Directors shall schedule a "Candidates Night" to give the candidates a forum for a short introductory statement and for answering questions from Shareholders.

- c) The election of Directors shall take place at the annual meeting of Shareholders which will normally be on the third Tuesday of March of each year at 7:00 p.m. in the Park's clubhouse.
- d) Cumulative voting for candidates for the Board of Directors is not permitted. Shareholders may cast only one vote for each candidate, but the total number of votes cast cannot exceed the number of positions to be filled.

12) VOTING AND ELECTION RULES. These Voting and Election Rules are adopted in accordance with Civil Code Section 1357.100 et seq. Notwithstanding any other law or provision of the governing documents, these rules shall apply to all matters set forth in Section 1363.03 of the Civil Code.

a) Inspector of Election.

- i) Pursuant to Civil Code Section 1363.03, an Inspector of Election shall preside over an election or vote regarding assessments, selection of members of the Board, amendments to the governing documents, and grant of exclusive use of the common area property pursuant to Civil Code Section 1363.07. For any election or vote described above, the Cooperative shall appoint one (1) person to serve as the Inspector of Election, who shall serve at the discretion of the Cooperative, and who shall have such powers and duties as the Cooperative shall determine, subject to the limitations imposed by these election rules.
- ii) The Inspector of Election shall serve in his or her capacity until he or she resigns or is discharged by the Cooperative.
- iii) The Inspector of Election must be an independent third party who may be a Shareholder of the Cooperative but who may not be any of the following:
 - (1) Currently a member of the Board or a candidate for the Board;
 - (2) Related to a member of the Board or a candidate for the Board;
 - (3) Within the absolute discretion of the Cooperative, an independent third party may be a person who is currently employed or under contract to the Cooperative for any compensable services.
- iv) An Inspector of Election shall preside over an election or vote regarding assessments, election and removal of members of the Board, amendments to the Articles of Incorporation, Bylaws or Declaration, and grant of exclusive use of the common area property pursuant to California Civil Code § 1363.07.
- v) The Inspector of Election shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical.

vi) The Inspector of Election shall do all of the following:

- (1) Determine the number of Shareholder Spaces entitled to vote and the voting power of each.
 - (2) Determine the authenticity, validity, and effect of proxies, if any.
 - (3) Receive ballots.
 - (4) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
 - (5) Count and tabulate all votes.
 - (6) Determine when the polls are closed.
 - (7) Determine the results of the election.
 - (8) Assign election helpers as he/she deems appropriate. Election Helpers must be independent third parties as defined in Section 12) a) herein.
 - (9) Perform any acts as may be proper to conduct the election with fairness to all Shareholders in accordance with this section and all applicable rules of the Cooperative regarding the conduct of the election that are not in conflict with this section.
- b) Access. If any candidate or Shareholder advocating a point of view is provided access to Cooperative media, newsletters, or Internet Web sites during a campaign, for purposes that are reasonably related to that election, equal access shall be provided to all candidates and Shareholders advocating a point of view, including those not endorsed by the Cooperative, for purposes that are reasonably related to the election. The Cooperative shall not edit or redact any content from these communications, but may include a statement specifying that the candidate or Shareholder, and not the Cooperative, is responsible for that content.
- c) Access to Common Area. The Cooperative shall provide access to the clubhouse during a campaign, at no cost, to all candidates, including those who are not incumbents, and to all Shareholders advocating a point of view, including those not endorsed by the Cooperative, for purposes reasonably related to the election.
- d) Voting. For elections where the voting will take place at a meeting, the voting period for elections shall commence at the start of the meeting, whether annual or special, held for the purpose of the election, and shall end when the Cooperative has received all votes from those in the quorum who wish to cast votes in the election. For elections where the voting will take place by written ballot, the voting period shall begin on the date the ballots are distributed and shall close on the date established by the Board, which shall

not be less than 30 days from the date of distribution. For all elections, the opening and closing of the polls shall correspond with the voting period.

e) Proxies.

- i) Proxies are not allowed in all-mail elections. Where allowed, proxies shall be in writing, signed by the Shareholder, filed with the Inspector of Elections, and otherwise comply with the requirements of California law and the Cooperative's Governing Documents.
- ii) The Inspector of Election shall determine the authenticity of any proxies received and may deem a proxy used to vote by secret ballot authentic only if the proxy complies with Civil Code Section 1363.03(d). The Inspector of Election may also take into consideration any reasonable criteria established by the Board to authenticate a proxy when making such a determination.

f) Secret Ballots.

- i) In compliance with Civil Code Section 1363.03(b), an election regarding assessments, election and removal of members of the Board, amendments to the Articles of Incorporation, Bylaws and Declaration, and grant of exclusive use of the common area property pursuant to California Civil Code § 1363.07 shall be held by secret ballot in accordance with the procedures set forth in these Election Rules.
- ii) A ballot and two pre-addressed envelopes, a smaller (inner) envelope and a larger (outer) envelope, along with instructions on how to return the ballot, shall be mailed by first-class mail or delivered by the Cooperative to every Shareholder not less than thirty (30) days prior to the deadline for voting.
- iii) A voter may not be identified on the ballot by name, address, or the Space that entitles him or her to vote.
- iv) The ballot itself should not to be signed by the Shareholder voting, but is to be inserted into the smaller (inner) envelope that is sealed by the Shareholder. This envelope is inserted into the larger (outer) envelope that is sealed by the Shareholder.
- v) The outer envelope is addressed to the Inspector of Election at the address designated on the ballot. In the upper left-hand corner of the outer envelope, the voter prints (if not preprinted) and must sign his or her name and the Space (if not preprinted) that entitles him or her to vote. The Cooperative will attempt to obtain any missing information in the upper left hand corner of outer envelopes.
- vi) The completed ballot may be mailed or delivered by hand to the address designated on the large envelope. The Shareholder may request a receipt for delivery.

