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FILED
CLERK, U.S. DISTRICT COURT
APR 18 2006
CENTRAL DISTRICT OF CALIFORNIA
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CLERK, U.S. DISTRICT COURT
APR 19 2006
CENTRAL DISTRICT OF CALIFORNIA
BY

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

12 UNITED STATES OF AMERICA,
13 Plaintiff,

14 DELPHINE CRUSE, et al.,
15 Plaintiff-Intervenors,

17 v.

18 PLAZA MOBILE ESTATES, et al.,
19 Defendants.

No. CV-91-6255-RMT-(Ex),
Cons. with No. 95-2673-RMT-(Ex)

Hon. Robert M. Takasugi

**[PROPOSED] CONSENT
ORDER RE SCOPE OF
INJUNCTIVE RELIEF AND
PROCEDURE FOR AWARDED
ATTORNEYS' FEES AND
COSTS**

27

DATE: February 20, 2006
TIME: 9:30 a.m.
PLACE: Courtroom 22

22 THIS CONSTITUTES NOTICE OF ENTRY
23 AS REQUIRED BY FRCP, RULE 77(d)

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CENTRAL DISTRICT OF CALIFORNIA
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BY

I. INTRODUCTION

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1. This combined class action and “pattern or practice” case involves claims of housing discrimination on the basis of familial status in violation of the Fair Housing Act, 42 U.S.C. §§ 3601 et seq., Title VIII of the Civil Rights Act of 1968 (“the FHA”), at mobile home parks that were at one time or are still owned and managed, in whole or in part, by defendant Joseph Sherman. The complaints by the United States and plaintiff-intervenors (collectively “plaintiffs”) allege generally that defendants, including Joseph Sherman, Mike and Darla Morton, and George Briggs engaged in familial status discrimination in the operation of mobile home parks they owned or managed by, inter alia, (1) discouraging families with children from applying for residency; (2) enforcing rules and regulations indicating a preference, limitation, or discrimination on the basis of familial status; and (3) harassing resident families with children. Plaintiffs’ complaints specifically allege that the above-named defendants discriminated and harassed the families of Delphine Cruse, Karen Eberhardt and Doris Tice during their residence at Walnut Hills Mobilehome Community (“Walnut Hills”) on the basis of familial status and, with respect to the Cruse family, on the basis of national origin, as well. Each of those allegations is denied by defendants who contend that they relied upon directives from the Department of Housing and Urban Development in adopting rules, policies and procedures at their mobile home parks.

2. Nothing contained in this Consent Order, nor the facts of its negotiation or execution, is deemed to be, nor shall it be construed to be or said to be, an admission by way of any of defendants of discrimination against plaintiff-intervenors or any other person because of such person’s national origin, familial status, or any other characteristic. Defendants deny having improperly engaged in any discriminatory conduct.

3. By Order of May 14, 2002, this Court certified a class represented by plaintiff-intervenors Delphine Cruse, Doris Tice, and Deborah Victoria for

1 purposes of injunctive and declaratory relief. The Court defined the class as
 2 follows: "For the period from March 12, 1989 through to the present, all
 3 applicants who were deterred or discouraged from living at any mobile home
 4 park owned or managed by defendant Joseph Sherman, George Briggs, Mike
 5 Morton or Darla Morton as a result of age-restrictive rules and/or their
 6 enforcement at that park, which illegally discriminated based on familial status,
 7 and all residents who lived at any mobile home park owned or managed by said
 8 defendants, who were denied equal housing opportunities, or otherwise injured,
 9 as a result of such age-restrictive rules or their enforcement." In the same Order,
 10 the Court denied certification for purposes of damages.

11 4. By Order of July 1, 2003, this Court granted plaintiffs' Joint Motion for
 12 Partial Summary Judgment with Respect to Park Rules. In that Order, the Court
 13 found that the rules and regulations at six of defendant Sherman's mobile home
 14 parks which restricted or denied access to park facilities and/or areas on the basis
 15 of age violated the FHA's prohibition against discrimination on the basis of
 16 familial status. The six parks are Walnut Hills, Rancho La Seda, Sierra Pines,
 17 Rancho La Puente, Rancho Hermoso, and Park Santa Anita. Accordingly, the
 18 Court concluded that plaintiffs were entitled to declaratory relief with respect to
 19 the rules at these parks. The Court also ruled that plaintiffs were entitled to
 20 injunctive relief prohibiting the enforcement of such rules at defendant
 21 Sherman's currently-owned parks -- Walnut Hills, Rancho La Seda, Sierra Pines.

22 5. All parties now desire to conclude this protracted and costly litigation
 23 without the uncertainties and expenses of a lengthy trial or any appeals following
 24 such a trial. In light of the Court's denial of certification of a damages class, the
 25 following individuals have agreed to a monetary settlement and to resolve all
 26 claims against all defendants: Delphine Cruse, Alfonso Moreno, Ernesto
 27 Moreno; Orlando Moreno, Doris Tice, Karen Eberhardt, Jeff Solgat, Kevin
 28 Eberhardt, Sandra Eberhardt, Allison Eberhardt, and Deborah Victoria. Aside
 from fees and costs sought by plaintiff-intervenors' counsel, which shall be dealt

1 with as set forth below, the monetary relief will be in the amount indicated in the
2 confidential Monetary Settlement Agreement (“Monetary Settlement
3 Agreement”) entered into between plaintiff-intervenors and defendants, filed
4 under seal with the Court, and subject to the terms set forth therein. The United
5 States has executed a separate settlement agreement with defendants dated
6 March 23, 2005 (“the U.S. Settlement Agreement”) and has agreed that the
7 monetary relief specified in the Monetary Settlement Agreement fully satisfies
8 the United States’ monetary claims, including civil penalties, in this litigation.
9 The parties have agreed to the entry of this Consent Order, as indicated by the
10 signatures immediately following this Order.

11 **II. DEFINITIONS**

12 6. “Age-restrictive rules” refers to rules which contain provisions that
13 either restrict or deny access to, or use of, facilities and/or areas of residential
14 properties, including mobile home parks, to persons under the age of 18 years.

15 7. For purposes of the injunctive relief ordered by this Consent Order,
16 “Defendants” refers to Joseph Sherman, Mike Morton, Darla Morton, and
17 George Briggs.

18 8. “Defendants’ Properties” refers to the mobile home parks that
19 defendant Sherman, alone or in combination with others, currently owns and/or
20 manages, including Walnut Hills, Rancho La Seda, and Sierra Pines, as well as
21 any property in which any Defendant acquires an ownership interest or at which
22 any Defendant becomes a manager during the term of this Order. “Defendants’
23 Properties” does not include Monterey Vista Mobile Home Park or Upland
24 Eldorado. “Defendants’ Properties” also do not include, as to each particular
25 defendant, any property in which such defendant ceases to have any interest,
26 whether that interest is one of ownership, management, or both.

27 9. “Agent” refers to any person involved in the operation of Defendants’
28 Properties and, in the event of a dispute regarding whether a person is an agent

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1 for purposes of this Order, said dispute shall be resolved by reference to "agent"
2 as defined in the case law construing "agent" under the FHA as of the date of
3 entry of this Order by the Court.

4 **III. PURPOSES, SCOPE, AND TERM OF ORDER**

5 10. The parties have entered into this Order for the following purposes:

6 a. To ensure, by means set forth in this Order, that all households,
7 particularly families with children¹, whether potential or actual applicants or
8 residents, are accorded equal treatment at Defendants' Properties; and

9 b. To provide injunctive relief in furtherance of the public interest and in
10 accordance with the Court's July 1, 2003, Order with respect to Defendants'
11 Properties.

12 11. The parties stipulate and the Court finds that this Court has personal
13 jurisdiction over Defendants for purposes of this action and jurisdiction over this
14 action pursuant to 28 U.S.C. §§ 1331, 1343, and 1345 and 42 U.S.C. §§3612(o),
15 3613, and 3614.

16 12. All provisions of this Order apply to Defendants, their subsidiaries,
17 officers, employees, agents, and anyone acting in whole or in part under the
18 direction of Defendants at Defendants' Properties.

19 13. The provisions of this Order are effective immediately upon the entry
20 of the Order by the Court. The provisions in Paragraph 17.A. of Section IV
21 ("General Nondiscrimination Provisions") are permanent. The remaining
22 provisions shall remain in effect for a period of three (3) years after the effective
23 date of this Order, subject to extension by the Court as set forth in this
24 Paragraph. Aside from the provisions in Paragraph 17.A. of Section IV, the

25 _____
26 ¹ "Families with children" or "familial status" shall be defined pursuant to the
27 FHA as one or more individuals under the age of 18 years being domiciled with (a) a
28 parent or other person having legal custody or (b) the designee of such parent or other
person with legal custody, with the written permission of such parent or other person; and
as any person who is pregnant or is in the process of securing legal custody of any person
under 18 years of age. 42 U.S.C. §3602(k).

1 Court shall retain jurisdiction of this action and over Defendants for a period of
2 three years after the date of entry of this Order in order to ensure compliance
3 with its terms. If no action is taken by the United States or Class Counsel within
4 three years of the date of entry of the Order, the Order shall terminate upon the
5 expiration of the three-year period, aside from the provisions in Paragraph 17.A.
6 of Section IV, which are permanent. In order to stay termination of this Order
7 and extend its term, the United States or Class Counsel must serve and file a
8 written objection, which shall be grounded upon a violation or breach by
9 Defendants of some provision of this Order, no later than thirty (30) days prior to
10 the expiration of the three-year period. The written objection may be served and
11 filed less than 30 days prior to the expiration of the three-year period only upon a
12 showing of good cause. If an objection is served and filed, the Court shall hold a
13 hearing on the motion to stay termination, and the burden shall be on plaintiffs to
14 demonstrate why this Order should not be terminated. If plaintiffs fail to meet
15 their burden, or if no objection is timely filed, this Order shall terminate
16 forthwith.

16 14. The Court shall have continuing jurisdiction over the parties hereto to:
17 (a) enforce the Order, effectuate its purposes, and grant supplemental or
18 corrective relief, including sanctions, damages and reasonable costs and
19 attorneys' fees to the prevailing parties, as may be appropriate; and (b) determine
20 the amount of attorneys' fees and costs to be paid by Defendants to plaintiff-
21 intervenors' counsel for prosecution of this action. The Court's determination
22 with respect to the award of attorneys' fees and costs shall be final and binding
23 on the affected parties; the parties have agreed that no party may appeal this
24 Court's ruling.

25 15. No party to this action may seek court relief under this Consent Order
26 unless the party first complies with the provisions set forth in Section VIII
27 ("Remedies for Non-Performance").

28 16. Upon final entry of this Order, Defendants are hereby dismissed with

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1 prejudice. Defendants, however, remain subject to this Order for a period of
 2 three (3) years (subject to any extensions as set out above) – aside from
 3 Paragraph 17.A. of Section IV, provisions which are permanent – including the
 4 Court’s continuing jurisdiction for purposes of ensuring compliance with this
 5 Order. Defendants also remain subject to the Court’s jurisdiction with respect to
 6 the award of attorneys’ fees and costs. The plaintiff-intervenors and defendants
 7 are further subject to the terms of the Monetary Settlement Agreement filed
 8 under seal with the Court. Similarly, the United States and Defendants are
 9 further subject to the terms of the U.S. Settlement Agreement.

10 **IV. GENERAL NONDISCRIMINATION PROVISIONS**

11 17.A. Defendants are hereby PERMANENTLY ENJOINED at
 12 Defendants’ Properties from:

- 13 a. Imposing different terms, conditions, or privileges or otherwise
 14 discriminating in the rental or sale of dwellings or in the provision of services or
 15 facilities in connection therewith on the basis of familial status.
- 16 b. Harassing any person in the terms, conditions, or privileges of rental or
 17 sale of a dwelling, or in the provision of services or facilities in connection
 18 therewith, on the basis of familial status.
- 19 c. Making, printing, or publishing, or causing to be made, printed, or
 20 published, any notice, statement, or advertisement with respect to the rental or
 21 sale of a dwelling that indicates any preference, limitation, or discrimination
 22 based on familial status, or an intention to make any such preference, limitation,
 23 or discrimination.
- 24 d. Publishing or enforcing any age-restrictive rules or regulations at any
 25 of Defendants’ Properties except as otherwise provided in this Consent Order or
 26 required by law.
- 27 e. Refusing to rent or sell or refusing to negotiate for the rental or sale to,
 28 or otherwise making dwellings unavailable to, persons because of familial status.
- f. Engaging in any conduct which has the intent or effect of deterring,

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1 discouraging, intimidating, coercing, threatening, and/or interfering with any
2 person on the basis of familial status who (a) lives at any of Defendants'
3 Properties; (b) inquires about residency in any such property, and/or (c) applies
4 for residency in any such property.

5 17.B. Defendants are hereby enjoined for three (3) years at Defendants'
6 Properties from:

7 a. Imposing different terms, conditions, or privileges or otherwise
8 discriminating in the rental or sale of dwellings or in the provision of services or
9 facilities in connection therewith on the basis of national origin.

10 b. Harassing any person in the terms, conditions, or privileges of rental or
11 sale of a dwelling, or in the provision of services or facilities in connection
12 therewith, on the basis of national origin.

13 c. Making, printing, or publishing, or causing to be made, printed, or
14 published, any notice, statement, or advertisement with respect to the rental or
15 sale of a dwelling that indicates any preference, limitation, or discrimination
16 based on national origin, or an intention to make any such preference, limitation,
17 or discrimination.

18 d. Refusing to rent or sell or refusing to negotiate for the rental or sale to,
19 or otherwise making dwellings unavailable to, persons because of national
20 origin.

21 e. Engaging in any conduct which has the intent or effect of deterring,
22 discouraging, intimidating, coercing, threatening, and/or interfering with any
23 person on the basis of national origin who (a) lives at any of Defendants'
24 Properties; (b) inquires about residency in any such property, and/or (c) applies
25 for residency in any such property.

26 **V. COMPLIANCE PROVISIONS**

27 18. Defendants shall adopt and implement policies and procedures to
28 ensure compliance with federal fair housing laws and ensure that Defendants'
Properties will be made available for rental or sale on an equal basis and under

1 the same terms and conditions to all persons, without regard to familial status.
2 Defendants' policies and procedures shall include at least the following steps:

3 **A. Policies, Rules and Regulations**

4 19. In order to ensure that Defendants' Properties are rented and sold on a
5 nondiscriminatory basis, Defendants shall apply objective, uniform, and
6 nondiscriminatory standards and occupancy requirements and shall follow a
7 uniform procedure in the processing of applications at those properties.

8 20. Defendants shall also:

9 a. Implement Rules and Regulations which (1) do not restrict access to, or
10 use of, park facilities and/or areas on the basis of a person being under the age of
11 18 years and (2) do not limit any recreational activities primarily engaged in by
12 persons under 18 years old in the mobile home park streets, including, but not
13 limited to, the following: bicycle riding, tricycle riding, scooter riding,
14 skateboarding, rollerskating, use of radio-controlled toys, jumping rope, football,
15 baseball, or soccer. Examples of permissible Rules and Regulations are attached
16 as Exhibit 1. These Rules and Regulations have been approved by plaintiffs and
17 the Court for the purpose of confirming the absence of age-restrictive rules
18 regarding access to or use of park facilities and/or areas; all other rules, which
19 are unrelated to the legal protections afforded by the FHA, are neither approved
20 nor disapproved by plaintiffs and the Court.

21 b. Distribute to all current residents at Defendants' Properties a copy of
22 the Rules and Regulations, along with a letter explaining that all age-restrictive
23 rules have been eliminated and are no longer enforceable.

24 c. Provide a copy of the Rules and Regulations to all persons inquiring in
25 person about the rental or sale of mobile homes located in Defendants'
26 Properties.

27 d. Inform all persons inquiring in person, by telephone, or otherwise that
28 families are welcome as residents.

21. The following steps must be taken if, during the term of this Order,

1 Defendants propose to change the Rules and Regulations in Exhibit 1 to either
2 restrict access to, or use of, park facilities and/or areas on the basis of a person's
3 being under the age of 18 or to limit any recreational activities primarily engaged
4 in by persons under 18 years old in the mobile home park streets, including, but
5 not limited to, those identified in ¶20(a). Before making any changes,
6 Defendants shall first notify the United States and Class Counsel. The United
7 States and Class Counsel shall have thirty (30) days from the date that they
8 receive the proposed revised Rules and Regulations in which to write a letter to
9 Sherman's Counsel Ralph M. Weiss objecting to any proposed changes. If
10 neither the United States nor Class Counsel objects to Defendants' proposal
11 within this 30-day period, the changes may be effected. If an objection is made
12 to Defendants' proposal, then the changes shall not be effected until the parties
13 have conferred to resolve their differences pursuant to Section VIII (Remedies
14 for Non-Performance). If the parties are unable to resolve their differences, then
15 the dispute may be submitted to the Court for resolution. If modification is
16 required by state law, no such advance notification and approval shall be
17 mandated by state law in their next periodic report.

18 **B. Notice to Employees and Agents**

19 22. Within twenty (20) days of the date of entry of this Order, Defendants
20 shall provide a copy of this Order, including the attached Rules and Regulations,
21 to each agent and employee who is involved in the rental or sale and/or
22 management of any of Defendants' Properties, specifically including all
23 managers, assistant managers, office personnel, and any persons who have
24 routine contact with applicants or residents, whether in person, by telephone, or
25 otherwise. Within twenty (20) days of receipt of the Order, each person
26 receiving a copy of the Order shall execute a Fair Housing Acknowledgment
27 Form, attached hereto as Exhibit 2, acknowledging that he or she has received
28 and read the Order and has had an opportunity to have questions about the Order

1 answered.

2 23. Each agent and employee who is hired or retained, or otherwise
3 becomes involved in, the rental or sale and/or management of any of Defendants'
4 Properties subsequent to the entry of this Order but during its term, shall receive
5 a copy of this Order and shall execute the Acknowledgment Form, Exhibit 2.
6 Such written acknowledgment shall be made within ten (10) days after the
7 commencement of such agency or employment.

8 24. Copies of the Acknowledgment Forms shall be submitted to the
9 United States and Class Counsel as required under Section VII ("Reporting
10 Provisions").

11 **C. Training**

12 25. Within ninety (90) days of the entry of this Consent Order,
13 Defendants shall utilize a fair housing organization approved by the United
14 States and Class Counsel as described in ¶27 to provide one fair housing training
15 session for current resident managers. Attendance shall be a condition of the
16 agency or employment of such persons. The training shall include at least the
17 following items: (a) instruction on the requirements of all applicable federal fair
18 housing laws; (b) a review of Defendants' nondiscrimination policies and of the
19 specific requirements of this Order; (c) instruction in procedures designed to
20 ensure that familial status does not enter into the process of providing
21 information to applicants or making decisions on applications; (d) instruction in
22 how certain statements and/or rules are likely to discourage persons and/or state
23 a preference on the basis of familial status and how to avoid these situations; (e)
24 discussion of general management issues which impact on families with
25 children; and (f) a question and answer session to review each of the foregoing
26 areas.

26 26. Defendants shall bear the expense of the training session specified in
27 paragraph 25. Defendants shall ensure the participation of all resident managers
28 employed at Defendant's Properties as of the date of the training session required

1 by paragraph 25 above.

2 27. Within twenty (20) days of the date of entry of this Order, Defendants
3 shall propose an experienced fair housing organization which will organize and
4 provide the training outlined in this section. The United States and Class
5 Counsel shall approve or disapprove that proposal within ten (10) days. In the
6 event either disapproves, Defendants shall propose another experienced fair
7 housing organization within ten (10) days. The United States and Class Counsel
8 shall approve or disapprove that second proposal within ten (10) days. In the
9 event either disapproves, the training shall be conducted by an experienced fair
10 housing organization proposed by Class Counsel and approved by the United
11 States.

12 28. Once the training organization has been selected and approved,
13 Defendants will arrange with the organization to set the training for mutually
14 convenient dates, times, and places. Defendants shall notify the United States
15 and Class Counsel of the date, time and location of the training session no less
16 than ten (10) days before the session is conducted. The United States and Class
17 Counsel or their designees may, at their discretion, attend the training session to
18 monitor that the training session is in compliance with the provisions of this
19 Order.

20 **D. Notice to the Public and Advertising**

21 29. Defendants shall apprise the public that Defendants' Properties, and
22 the facilities and services associated therewith, have policies that prohibit
23 discrimination on the basis of familial status. Defendants shall accomplish this
24 by:

25 a. Informing all persons inquiring in person, by telephone, or otherwise
26 that families are welcome as residents.

27 b. Notwithstanding anything to the contrary set forth in this Consent
28 Order, Defendants are not required to engage in any form of advertising but if
they choose to do so, they must include in the advertising the statement

1 "Families are Welcome." Any telephone directory listing containing only the
2 name, address and telephone number of Defendants' Properties need not comply
3 with the requirements of this paragraph 29.

4 c. Prominently displaying in all rental or sales offices a sign no smaller
5 than 11 inches by 14 inches which indicates that all dwellings are available for
6 rent or sale to families with children and to all other households on a
7 nondiscriminatory basis. The sign shall also include the Equal Housing
8 Opportunity logo (published at 24 C.F.R. Part 110.25(a)), the words "Equal
9 Housing Opportunity," and the capitalized words "FAMILIES ARE
10 WELCOME." In addition, the sign shall state that if any person believes they
11 have been denied housing or treated unfairly in violation of any state or federal
12 fair housing law, then he or she may contact the Housing Rights Center
13 (currently located at 520 S. Virgil Ave., Suite 400, Los Angeles, California
14 90020, 800/477-5977), the United States Department of Housing and Urban
15 Development ("HUD"), the United States Department of Justice (800/896-7743
16 or TDD, 888/305-3228), or the California Department of Fair Employment and
17 Housing. The address and phone number of these agencies shall be listed on the
18 sign. (A poster which comports with HUD regulations published at 24 C.F.R.
19 Part 110.25(a) will satisfy this requirement.)

20 d. Conducting any print advertising for Defendants' Properties in
21 accordance with HUD regulations promulgated at 24 C.F.R. Parts 110.1-110.25.
22 The Equal Housing Opportunity logo (published at 24 C.F.R. Part 110.25(a)), the
23 words "Equal Housing Opportunity," and the capitalized words "FAMILIES
24 ARE WELCOME," prominently placed and legible, shall appear in any print
25 advertising by Defendants and on the following documents: (i) all promotional
26 materials (such as brochures or fliers); (ii) application forms; (iii) lease forms
27 (unless pre-printed standardized commercially available forms are used); (iv)
28 other writings routinely used to communicate with prospective tenants or
applicants concerning any aspect of the rental or sale of mobile homes or other

1 properties. In addition, any written rules and regulations at Defendants'
2 Properties shall include the capitalized words "FAMILIES ARE WELCOME" in
3 the introduction.

4 e. Including in any broadcast advertising for Defendants' Properties a
5 statement to the effect that Defendants adhere to the principle of equal housing
6 opportunity. Any such advertising shall specifically include a statement that
7 "Families Are Welcome."

8 f. At either the entrance or exit of Defendants' Properties, Defendants
9 shall maintain a sign saying "Families Are Welcome." The lettering on the
10 aforementioned sign shall be at least 4.25" in height.

11 **VI. RECORD-KEEPING**

12 30. Plaintiffs and Defendants acknowledge that certain information
13 provided pursuant to this Order is required for the sole purpose of investigating,
14 monitoring and enforcing Defendants' compliance with state and federal fair
15 housing laws and the provisions of this Order. The records, information and
16 reports maintained and prepared pursuant to this Order shall be held in the
17 strictest confidence by Defendants and shall not be disseminated in any fashion
18 among Defendants' agents or employees, except as necessary to comply with the
19 provisions of this Order. The maintenance of records reflecting familial status
20 for the purpose of complying with this Order shall not be considered
21 discriminatory or unlawful; however, those records and the information
22 contained therein may not be used by Defendants for any purpose other than
23 compliance with this Order. Such records, information and/or reports may be
24 used to evaluate compliance with this Order, to seek relief for an alleged breach
25 of this Order, and to further monitoring and enforcement efforts against
26 Defendants.

26 Beginning with the date of entry of this Order and continuing for its
27 duration, Defendants shall preserve and maintain the following records with
28 respect to the operation of Defendants' Properties:

1 a. An Inquiry Log of all persons making inquiries in person about
 2 residency or the availability of dwellings at any of Defendants' Properties. The
 3 log shall reflect, for each such inquiry, the person's name, current address, age of
 4 minor children and number of prospective occupants, date of inquiry, date of
 5 application (if appropriate), whether accepted for residency (if appropriate), lease
 6 date (if appropriate), and reason and date of rejection (if appropriate). The form
 7 set forth on Exhibit 3 will satisfy this requirement. Defendants shall request that
 8 all persons making inquiries in person at the office provide the information
 9 contained on the Inquiry Log. If any person requests an explanation of the
 10 necessity for providing this information, Defendants will advise that the
 11 information is being collected to demonstrate that the properties are following
 12 equal housing opportunity requirements under federal law. If the inquirer fails to
 13 provide the information requested, Defendants shall, where possible, note on the
 14 basis of whatever information is available to them whether the inquirer has
 15 minor children. If Defendants are unable, in good faith, to obtain the
 16 information requested, then Defendants shall record the date of inquiry and place
 17 an asterisk (*) in the Inquiry Log to so indicate.

18 b. An Occupancy Change Report, which shall conform to Exhibit 4, that
 19 specifies for each dwelling vacated or occupied by a new resident in the subject
 20 month: its lot number, the date the departing resident moved out, the number of
 21 occupants and ages of minor children of the departing resident, the date a new
 22 resident moved in, and the number of occupants and ages of minor children of
 23 the new resident. One Occupancy Change Report shall be completed per month.

24 c. All application forms completed by prospective or actual residents and
 25 all other documents relating to the application or residency approval process,
 26 including credit check records if utilized, correspondence, and receipts.

27 d. All vacancy lists, if utilized, and all waiting lists, if utilized.

28 e. Copies of all advertisements, brochures and any other promotional
 material and the dates of their publication.

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1 f. Records relating to any written, video or oral fair housing training
2 materials, including but not limited to, any training program materials,
3 instructions, directives, guidelines, policy statements, and other materials
4 provided to Defendants' agents and employees.

5 g. Records setting forth the dates and/or times and form of media where
6 advertisements or promotional materials appeared.

7 h. All records relating to implementation of any provision of this Consent
8 Order.

9 31. Defendants shall make available to the United States and Class
10 Counsel for inspection and copying the records described in this section upon
11 reasonable notice and at a mutually convenient date, time, and place. For the
12 purpose of clarification, Joseph Sherman shall have record keeping obligations
13 under this Consent Order only with respect to any of Defendants' Properties in
14 which he has an ownership interest or management responsibility. Similarly,
15 George Briggs shall have record keeping obligations under this Consent Order
16 only with respect to any of Defendants' Properties which he manages or
17 supervises others who manage or in which he acquires an ownership interest.
18 Similarly, Mike Morton shall have record keeping obligations under this Consent
19 Order only with respect to any of Defendants' Properties in which he manages or
20 supervises others who manage or in which he acquires an ownership interest.
21 Similarly, Darla Morton shall have record keeping obligations under this
22 Consent Order only with respect to any of Defendants' Properties in which she
23 manages or supervises others who manage or in which she acquires an
24 ownership interest.

VII. REPORTING PROVISIONS

25 32. Defendants shall serve the United States and Class Counsel² with the

26 _____
27 ² All notifications, mailings, or submissions under the terms of this Order should
28 be sent to the following addresses: (for the United States) Chief, Housing and Civil
Enforcement Section, Civil Rights Division – 1800 G Street, U.S. Department of Justice,

1 following reports no later than ten (10) days after the close of each specified time
2 period (For the purpose of clarification, no defendant shall have any reporting
3 obligation for any other defendant who is not their agent or employee.)

4 a. Ninety (90) days from the date of entry of this Order, Defendants shall
5 submit a report indicating the steps taken to date to comply with Paragraphs 18-
6 20, 22-25, 29, and 30 of this Order. This report shall also include representative
7 copies of advertising, brochures and other promotional material, if any.

8 b. Every six (6) months for a period of three (3) years from the date of
9 entry of this Order (subject to any extension pursuant Paragraph 13 of this
10 Order), Defendants shall provide copies of the Inquiry Logs and Occupancy
11 Change Reports compiled during the period and all Fair Housing
12 Acknowledgment Forms executed during that reporting period.

13 33. Defendants shall notify the United States and Class Counsel in writing
14 within thirty (30) days of the receipt by any Defendant (or his agent or
15 employee) of any oral or written complaint alleging housing discrimination.
16 This notification shall include full details of the complaint, Defendants'
17 response, and any action taken by Defendants to resolve it, and shall be
18 accompanied by all pertinent documents.

19 34. For the purpose of clarification, Joseph Sherman shall have reporting
20 obligations under this Consent Order only with respect to any of Defendants'
21 Properties in which he has an ownership interest or management responsibility.
22 Similarly, George Briggs shall have reporting obligations under this Consent
23 Order only with respect any of Defendants' Properties which he manages or
24 supervises others who manage or in which he acquires an ownership interest.
25 Similarly, Mike Morton shall have reporting obligations under this Consent
26 Order only with respect to any of Defendants' Properties in which he manages or
27 supervise others who manage or in which hey acquires an ownership interest.

28 950 Pennsylvania Avenue, N.W., Washington, D.C. 20530; (for Class Counsel) Traber &
Voorhees, 128 North Fair Oaks Avenue, Suite 204, Pasadena, California 91103.

1 Similarly, Darla Morton shall have reporting obligations under this Consent
2 Order only with respect to any of Defendants' Properties in which she manages
3 or supervise others who manage or in which she acquires an ownership interest.

4 Any defendant may, at his or her option, satisfy his or her reporting
5 requirements under this Consent Order through the submission of a joint report
6 with other defendants.

7 **VIII. REMEDIES FOR NON-PERFORMANCE**

8 35. The parties shall endeavor in good faith to resolve informally any
9 differences regarding interpretations of and compliance with this Order prior to
10 bringing such matters to the Court for resolution. However, in the event of a
11 failure by Defendants, whether willful or otherwise, to perform in a timely
12 manner any act required by this Order or otherwise to act in violation of any
13 provision thereof, the United States or Class Counsel may move this Court to
14 impose any remedy authorized by law or equity, including but not limited to, an
15 order requiring performance of such act. The Court shall award damages, costs,
16 and attorneys' fees to the prevailing party pursuant to the standards set forth in
17 the FHA in any action brought to enforce or interpret the provisions of this
18 Consent Order.

19 **IX. ENTIRE AGREEMENT; MODIFICATION AND SEVERABILITY**

20 36. This Order constitutes the entire agreement among the parties and
21 supersedes all prior agreements, written or oral, between the United States,
22 Plaintiff-Intervenors and Defendants, with the exception of the Monetary
23 Settlement Agreement between Plaintiff-Intervenors and Defendants and the
24 U.S. Settlement Agreement. In the event that any provision or term of this Order
25 is determined to be or is rendered invalid or unenforceable, all other provisions
26 and terms of this Order shall remain unaffected to the extent permitted by law.

27 37. Any time limits for performance imposed by this Order may be

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extended by mutual written agreement of the parties.

ORDERED this 18th day of April, 2006.



ROBERT M. TAKASUGI
UNITED STATES DISTRICT JUDGE

SCANNED

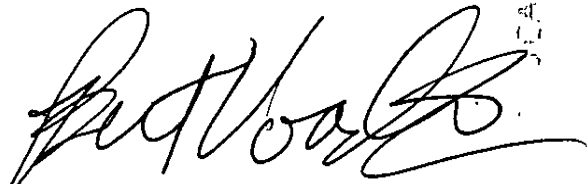
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1 The undersigned apply for and consent to the entry of this Order.

2 For the United States:

3 BRADLEY J. SCHLOZMAN
4 Acting Assistant Attorney General
5 Civil Rights Division

For Plaintiff-Intervenors:



SCANNED

6 Steven H. Rosenbaum, Chief
7 Michael S. Maurer
8 Deputy Chief
9 Avery Johnson
10 Attorneys
11 Housing and Civil
12 Enforcement Section
13 950 Pennsylvania Ave., NW - G Street
14 Washington, DC 20530

Theresa M. Traber, Esq.
Bert Voorhees, Esq.
Traber & Voorhees
128 North Fair Oaks Avenue
Suite 204
Pasadena, CA 91103

15 Debra W. Yang
16 United States Attorney
17 Michele C. Marchand
18 Assistant United States Attorney
19 7516 Federal Building
20 300 N. Los Angeles Street
21 Los Angeles, CA 90012

For defendant Joseph Sherman:

Ralph M. Weiss, Esq.
Ralph M. Weiss & Associates
23975 Park Sorrento, Suite 200
Calabasas, CA 91302-4001

For defendant George Briggs:

Douglas S. Draper, Esq.
Warner Center Plaza, Suite 1840
21700 Oxnard Street
Woodland Hills, CA 91367-7326

For defendants Mike & Darla Morton:

Terry R. Dowdall, Esq.
Dowdall Law Offices
284 North Glassell Street
Orange, CA 92866-1409

28

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The undersigned apply for and consent to the entry of this Order.

For the United States:

For Plaintiff-Intervenors:

BRADLEY J. SCHLOZMAN
Acting Assistant Attorney General
Civil Rights Division

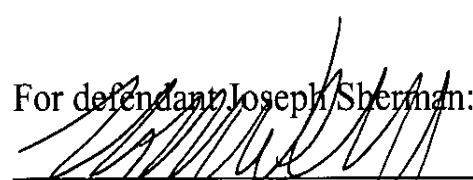


Steven H. Rosenbaum, Chief
Michael S. Maurer
Deputy Chief
Avery Johnson
Attorneys
Housing and Civil
Enforcement Section
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For Plaintiff-Intervenors:

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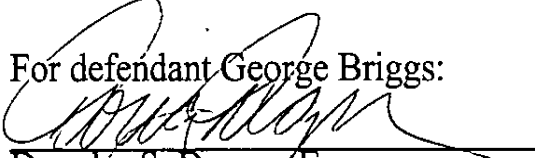
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Orange, CA 92866-1409

SCANNED

1 The undersigned apply for and consent to the entry of this Order.

2
3 For the United States:

For Plaintiff-Intervenors:

4 BRADLEY J. SCHLOZMAN
Acting Assistant Attorney General
5 Civil Rights Division

6 Steven H. Rosenbaum, Chief
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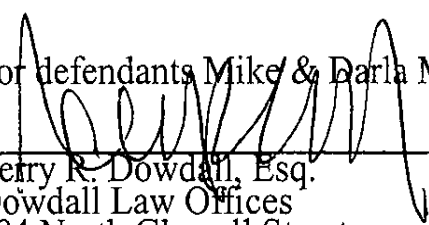
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23 For defendants Mike & Darla Morton:

24 
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26 284 North Glassell Street
Orange, CA 92866-1409

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EXHIBIT NO. 1
RULES AND REGULATIONS

SCANNED

SCANNED

**WALNUT HILLS
MOBILEHOME COMMUNITY**
("the Park")
Mobilehome Rules and Regulations
3745 W. Valley Blvd.
Walnut, CA 91789

Tenant _____
Space _____

1. INTRODUCTION:

These rules and regulations have been designed to help protect all residents and management of Walnut Hills Mobilehome Community and to allow for a clean and peaceful environment in which to live. Management encourages cooperation from everyone in complying with the duties and obligations of their tenancy.

Residents and guests have the right to use the space and the Park facilities only if they comply with all the state and local laws and any other provisions of the Park's residency documents. Management will promptly, equally, and impartially attempt to obtain the cooperation and compliance of all residents with the rules and regulations and other conditions of residency. The management reserves the right to change, modify, or alter any of the rules and regulations in the best interest of the Park and its residents.

Except as set forth explicitly below, no person can be denied access to or use of any park facility based on age. FAMILIES ARE WELCOME.

2. PARK OFFICE AND COMPLAINTS:

The normal business hours for the Park office are posted. If you need to meet with management after office hours, please call for an appointment. Except in an emergency, please do not telephone or contact the Park management after normal business hours. Except for emergencies, all complaints must be in writing and signed by the person who initiates the complaint.

3. GUESTS:

A. All residents must notify the management if they have guests that stay in excess of twenty (20) consecutive days or in excess of a total of thirty (30) days in a calendar year. Residents are subject to a guest charge of \$75.00 per person per month, except as otherwise provided by Civil Code Section 798.34(b) and 798.35.

B. Resident agrees to acquaint all guests with the rules and regulations of the Park. Resident is fully responsible for the conduct of his/her/their guests.

SCANNED

C. Residents are required to accompany their guest(s) whenever they are using any of the Park's recreational facilities. Guests, when accompanied by resident host, may attend clubhouse activities.

D. No one may reside in the home in the absence of the homeowner. This rule is required to protect the Park against subleasing of spaces or mobilehomes in the Park, which is prohibited. The rental of Park-owned mobilehomes is not subleasing and is not subject to this rule and regulation.

E. Guests may not cause the coach to exceed federal and/or state guidelines for occupancy limits.

F. When no guest parking space is available, guest vehicles must be parked outside the Park. Guests cannot be parked in the RV parking unless permission has been granted by management. Guest vehicles parked in the RV parking will be towed without notice at the vehicle owner's expense. If a guest vehicle is to be parked in guest parking for more than two (2) consecutive days, management must be notified or the car will be towed away.

4. LANDSCAPING:

A. Residents shall be responsible for any damage or repair caused by a tree or plant on their space or any adjacent property. Resident shall be exclusively responsible at all times for the care, maintenance, trimming, pruning, cleaning and well-being of all landscaping, including all trees located on the resident's space. Accordingly, the resident agrees to defend owner and hold owner free and harmless from any cost, expense, claim, damage, loss or suit resulting from landscaping, including trees on resident's space.

B. A resident shall bear the cost of repairs to any utilities or Park property damaged by such resident. To avoid damages to underground facilities, residents must have consent from management before digging or driving stakes in the ground.

C. The Park's general landscaping standards are: (1) Grass (decorative rock gardens are acceptable.) (2) Management must approve the type of trees planted on the space. No plants or trees may be planted that will create a "blind corner", or other traffic hazard. (3) No fences or walls may be installed without management's consent. (4) small vegetable gardens are permitted at the back of the space.

D. All landscaping shall be kept mowed, trimmed, watered, fertilized and all weeds and debris removed.

5. ACCESSORY EQUIPMENT, STRUCTURES AND APPLIANCES:

A. The installation of all required appliances, accessory equipment and structures on new incoming homes by resident shall be completed within ninety (90) days of the date the rental agreement was signed or the date the home was installed, whichever is earlier.

B. No TV or any other antenna shall be installed without prior approval from management. Specifications are available in Park office.

SCANNED

C. The Park's general standards for accessory equipment are: (1) All such equipment, structures and appliances installed by residents must comply with applicable federal, state and local statutes, ordinances and regulations. (2) Management requires resident to maintain in good condition and repair all existing accessory equipment, structures and appliances which are presently installed on the space. This obligation includes the replacement of any such items which are damaged to the point that they cannot be reasonably repaired.

D. Management may require the removal of existing trees and/or fences and the repair of railings, porches, roofs, awning, skirting and standards if necessary.

6. LOT AND HOME MAINTENANCE AND APPEARANCE:

A. Residents shall maintain their space and home (including their patios) plus all landscaping, structure and improvements in good condition and repair and in a neat, clean, attractive and well-kept fashion. All concrete and other surfaces must be kept clean and free of sticky or oily substances and maintained in good condition. In his or her absence, it is resident's responsibility to have someone to maintain his or her home and space.

B. Trash receptacles for pickup must be put either within the three (3) foot strip on the carport side or in the driveway. They are not to be put in the street. After trash pickup, trash cans are to be removed from the front of your coach. Storage of trash cans must be out of sight where they are not visible from the street.

C. No appliances, brooms, mops, ironing boards, gardening equipment, overstuffed furniture, tools, litter, firewood, workbenches, cabinets, freezers, laundry equipment, newspapers, boxes, recyclable items or any other related items may be stored outside the coach. Outdoor furniture only is permitted on patio and/or porch. Nothing is to be hung outside to air or dry. Extension cords for outside lights (excluding Christmas lights) or sheds are not permitted.

D. Nothing shall be permitted on the space that creates a threat to health and safety, i.e., no flammable, combustible or explosive material, chemicals or substances (except those household products for normal use).

E. Utility pedestals shall be accessible at all times. If one of the Park's water shutoff valves is located on any space, it must be left uncovered at all times.

F. If a resident fails to maintain his or her space in accordance with the rules, after written notification (14 day notice), management may charge a reasonable fee for services relating to the maintenance of the space.

G. To ensure architectural compatibility, construction and installation standards, all incoming mobilehomes must be manufactured in 1976 or later, and be comparable to other mobilehomes in the Park in condition and appearance before entering the Park. Management will have sole and personal discretion to determine approval of entry into the Park.

H. Any air conditioner or evaporative cooler installed in a mobilehome must be in good operating condition and must not make excessive noise that will be disturbing to any other Resident.

SCANNED

7. RECREATIONAL FACILITIES:

Recreation Hall and Swimming Pool hours will be 9:00 A.M. to 9:00 P.M. daily. So long as these facilities are open, the clubhouse and all other recreational facilities, including the pool and billiard room, may be used by people of all ages.

A. The facilities will normally be available at the times set forth above, except during special scheduled occasions or when the facilities are closed for cleaning or repair or to prevent unlawful use or as necessary to protect the safety of persons and property.

B. Persons in swimsuits or trunks, wet or dry, will not be allowed in the clubhouse except in the restroom area. Persons must wear a shirt or blouse in the clubhouse. Footwear must be worn at all times except in pool area.

C. Billiard Room Rules: hours are the same as clubhouse. NO FOOD OR ANY DRINK IS ALLOWED. Players are limited to two (2) games when others are waiting to play. Tables must be brushed clean and cues returned to the rack when finished playing. For further billiard room rules, please refer to all posted signs in billiard room.

D. Residents wishing to reserve rooms in the clubhouse for private parties or meetings, may apply by completing the reservation form that is available in the office. If the date does not conflict with other activities, upon management approval, the request will be granted. Private parties must be confined to the main hall and kitchen. Other facilities will remain open to residents and their guests. A security deposit will be required and be returned if the facilities are left in a clean and orderly condition. Manager has the right to limit the number of guests at a private party.

E. NO ALCOHOLIC BEVERAGE WILL BE CONSUMED IN ANY AREA OF THE PARK WHICH IS OPEN TO ALL RESIDENTS AND GUESTS. SMOKING WILL NOT BE ALLOWED IN ANY AREA OF THE CLUBHOUSE.

F. If overcrowding or any other condition interferes with the use and/or enjoyment by resident(s), the number of guests per mobilehome using the recreation area may be temporarily limited or use may be temporarily restricted to residents only. All guests must be accompanied by a registered resident at all times. So long as it is otherwise safe and does not reasonably interfere with ingress and egress to the Park or create a nuisance, nothing contained in these rules is intended to restrict recreational activities in the roadways within the Park.

G. Hours for the use of the pool and jacuzzi are 9:00 A.M. to 9:00 P.M. daily. Proper swimming attire must be worn. No food is allowed in the pool area. Do not swim alone. NO LIFEGUARD IS ON DUTY.. CHILDREN UNDER THE AGE OF 14 SHOULD NOT USE THE POOL WITHOUT AN ADULT IN ATTENDANCE. Persons who are incontinent are not allowed to use either the pool or jacuzzi without a protective rubber outer garment.

H. No screaming, running, horse play, excessive splashing or loud noise is permitted. Small pool rings for floating are the only toys allowed in the pool. For further pool rules, please refer

SCANNED

to the posted signs in the pool area.

8. CONDUCT

A. Actions by any person of any nature which may be dangerous to others or create a health and safety problem or which involve excessive noise, intoxication, quarreling, fighting, threatening or illegal conduct, are prohibited. Persons under the influence of alcohol or drugs shall not be permitted in any area of the Park which is generally open to residents and their guests.

B. Management reserves the right to evict anyone who causes a disturbance, creates a nuisance, breaches or fails to observe any and all of the rules and regulations of the Park, or any applicable municipal, state, or federal laws, or who interferes with the manager's performance of duties.

C. A restful quiet shall prevail during the hours of 10:00 p.m. to 7:00 a.m. Loud talking, noisy radios, TV's, record players, stereos, musical instruments or other devices must not create a nuisance at any time, day or night, disturb others or cause grounds for complaints.

D. Residents or their guests shall not enter or pass through any other resident's space, or any area not open for general use. All Park property not open for general use including, but not limited to electric, gas, water and sewer connections, shall not be used, tampered with or interfered with any manner.

E. No business or commercial activity shall be conducted in or on any space within the Park.

F. The following activities are prohibited in the clubhouse, pool area, lawn area, and tennis court: Riding bicycles, scooters or tricycles, roller skating, roller blading and skate boarding. The foot path is for walking only.

G. Homeowners are responsible (i) for the conduct of all members of their household in the Park and (ii) for the conduct and supervision of all residents and guests when they are using the Park's recreational facilities and clubhouse. Should the conduct of any resident, guest or invitee result in the damage of Park property, including recreational equipment, or in the creation of a substantial annoyance to other Park residents, the Homeowner shall be financially responsible for the cost of any repairs and such conduct shall be considered that of the Homeowner for purposes of the enforcement of violations of these Park Rules and Regulations.

9. VEHICLES/PARKING:

A. The building or repair and/or servicing of cars, trailers, boats or any item not part of the mobilehome site is prohibited within the Park including but not limited to oil or other fluid changes, tune-ups or any other related items.

B. All resident vehicles must be registered and have the red and white parking sticker on the left rear window or left rear bumper.

ORIGINAL
SIGNED

C. Basic rental fee includes the mobilehome space and parking for two (2) automobiles. Three (3) automobiles are allowed if they can be parked on the concrete apron and/or completely covered by the carport. If your space will not accommodate all resident vehicles, a space will be available on a first come first serve basis at a fee. If the RV lot is full, it will be the responsibility of the resident to find parking outside of the Park.

D. All vehicles parked in resident's space or used within the Park must be operable, currently registered and licensed (except RV parking) and operated in a safe manner. Drivers of all vehicles must be licensed. Residents must obey all posted traffic control signs (no parking, stop signs and speed limits). Pedestrians and bicycles shall be granted right-of-way. SPEED LIMIT IN THE PARK IS 15 MILES PER HOUR.

E. Only vehicles that are regularly maintained are permitted in the Park. Excessively noisy vehicles are not allowed. Vehicles dripping gas, oil or other fluids must be repaired before being brought into the Park.

F. NO STREET PARKING IS PERMITTED AT ANY TIME IN ACCORDANCE WITH THE POMONA CITY ORDINANCE. VEHICLES PARKED ON PARK STREETS MAY BE TOWED ACCORDING TO POSTED SIGNS THROUGH OUT THE PARK, WITHOUT FURTHER NOTICE.

G. Passenger cars and other vehicles owned or used by residents of the Park may only be parked in the resident's driveway or RV spot (if available). Residents parking in guest parking may be towed in accordance with posted signs.

H. Motorcycles may be operated if they do not create excessive noise and are driven slowly to and from the space.

10. PETS:

A. Management's permission must be secured for the acquisition of any pets. Such approval is reserved until written permission has been secured.

B. No more than two (2) small domestic pets will be allowed per home. The pet(s) must not exceed twenty-six (26) pounds and not more than ten (10) inches in height at maturity.

C. Management reserves the right to deny a resident a pet if there are an excessive number of pets in the Park.

D. No exotic pets are permitted. No dangerous pets are permitted. No pit bulls are allowed.

E. Pets may be leashed in an area behind the resident's coach, so long as no nuisance is created. If a pet causes a continuous annoyance or harm, such as barking, growling, biting or any other unusual noises which annoy or cause harm to anyone, permission to keep the pet may be revoked.

SCANNED

F. Guests are not allowed to bring their pets into the Park. No pet sitting of any kind is permitted.

G. Pets are not allowed in the clubhouse or any other recreational area at any time.

H. The use of Park streets is prohibited for the purpose of exercising or walking any pet. All walking or exercising of pets must be done off Park property. A resident who loses his pet must obtain written permission from management before acquiring another pet.

I. ALL ANIMAL DROPPINGS MUST BE REMOVED FROM THE RESIDENT'S SITE DAILY.

J. All pets must be confined inside the mobilehome during the night time hours and when the resident is away from the mobilehome.

K. Professionally trained and certified service, guide and signal dogs (or other animal) used by handicapped residents are permitted and are allowed in Park common areas, notwithstanding any provision to the contrary, and the rules and regulations shall not be otherwise construed in order to accommodate the handicap as necessary.

11. CIVIL CODE NOTICE RE SEX OFFENDERS:

The following notice is provided for the information of the homeowner and resident, and is required to be provided for in residential rental agreements. For the convenience of mobilehome owners, this notice is also included herein, The California Department of Justice, sheriffs departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a data base of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of §290.4 of Penal Code. The data base is updated on a quarterly basis and is a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification Line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service." The law further provides that based on this notification, the lessor (owner and management), seller or broker is not required to provide information in addition to that contained in the notice regarding the proximity of registered sex offenders; the information in the notice shall be deemed to be adequate to inform the lessee or transferee about the existence of a statewide data base of the locations of registered sex offenders and information from the data base regarding those locations. The information in the notice shall not give rise to any cause of action against the disclosing party by a registered sex offender. PLEASE NOTE: Owner and management are only permitted to investigate the ability of the prospective homeowner to pay rent and to comply with the rules and regulations of the Community pursuant to Civil Code §798.74. Homeowners and residents are therefore encouraged to further investigate in this regard to the extent deemed necessary and appropriate.

SCANNED

I, (WE) HAVE READ THE RULES AND REGULATIONS AND DO HEREBY AGREE TO ABIDE BY THEM. IT IS UNDERSTOOD AND I, (WE) AGREE THAT FAILURE TO COMPLY WITH THEM CONSTITUTES A BREACH OF THE RENTAL AGREEMENT AND MAY SERVE TO TERMINATE TENANCY. THESE RULES AND REGULATIONS CONSTITUTE A PART OF THE RENTAL AGREEMENT BETWEEN RESIDENT(S) AND WALNUT HILLS MOBILEHOME COMMUNITY AND ARE INCORPORATED BY REFERENCE INTO SAID RENTAL AGREEMENT.

AGREED ON THIS ____ DAY OF _____ 200__

TENANT:

BY: _____

BY: _____

BY: _____

BY: _____

WALNUT HILLS MOBILEHOME COMMUNITY

BY: _____

BY: _____

SCANNED

**RANCHO LA SEDA
MOBILEHOME COMMUNITY
(The "Park")
Mobilehome Rules and Regulations
650 La Seda Road
La Puente, CA 91744**

Tenant _____

Space _____

1. INTRODUCTION:

These rules and regulations have been designed to help protect all residents and management of Rancho La Seda Mobilehome Community and to allow for a clean and peaceful environment in which to live. Management encourages cooperation from everyone in complying with the duties and obligations of their tenancy.

Residents and guests have the right to use the space and the Park facilities only if they comply with all the state and local laws and any other provisions of the Park's residency documents. Management will promptly, equally, and impartially attempt to obtain the cooperation and compliance of all residents with the rules and regulations and other conditions of residency. The management reserves the right to change, modify, or alter any of the rules and regulations in the best interest of the Park and its residents.

Except as set forth explicitly below, no person can be denied access to or use of any park facility based on age. FAMILIES ARE WELCOME.

2. PARK OFFICE AND COMPLAINTS:

The normal business hours for the Park office are posted. If you need to meet with management after office hours, please call for an appointment. Except in an emergency, please do not telephone or contact the Park management after normal business hours. Except for emergencies, all complaints must be in writing and signed by the person who initiates the complaint.

3. GUESTS:

A. All residents must notify the management if they have guests that stay in excess of twenty (20) consecutive days or in excess of a total of thirty (30) days in a calendar year. Residents are subject to a guest charge of \$75.00 per person per month, except as otherwise provided by Civil Code Section 798.34(b) and 798.35.

SCANNED

- B. Resident agrees to acquaint all guests with the rules and regulations of the Park. Resident is fully responsible for the conduct of his/her/their guests.
- C. Residents are required to accompany their guest(s) whenever they are using any of the Park's recreational facilities. Guests, when accompanied by resident host, may attend clubhouse activities.
- D. No one may reside in the home in the absence of the homeowner. This rule is required to protect the Park against subleasing of spaces or mobilehomes in the Park, which is prohibited. The rental of Park-owned mobilehomes is not subleasing and is not subject to this rule and regulation.
- E. Guests may not cause the coach to exceed federal and/or state guidelines for occupancy limits.
- F. When no guest parking space is available, guest vehicles must be parked outside the Park. Guests cannot be parked in the RV parking unless permission has been granted by management. Guest vehicles parked in the RV parking will be towed without notice at the vehicle owner's expense. If a guest vehicle is to be parked in guest parking for more than two (2) consecutive days, management must be notified or the car will be towed away.

4. LANDSCAPING:

- A. Residents shall be responsible for any damage or repair caused by a tree or plant on their space or any adjacent property. Resident shall be exclusively responsible at all times for the care, maintenance, trimming, pruning, cleaning and well-being of all landscaping, including all trees located on the resident's space. Accordingly, the resident agrees to defend owner and hold owner free and harmless from any cost, expense, claim, damage, loss or suit resulting from landscaping, including trees on resident's space.
- B. A resident shall bear the cost of repairs to any utilities or Park property damaged by such resident. To avoid damages to underground facilities, residents must have consent from management before digging or driving stakes in the ground.
- C. The Park's general landscaping standards are: (1) Grass (decorative rock gardens are acceptable.) (2) Management must approve the type of trees planted on the space. No plants or trees may be planted that will create a "blind corner", or other traffic hazard. (3) No fences or walls may be installed without management's consent. (4) small vegetable gardens are permitted at the back of the space.
- D. All landscaping shall be kept mowed, trimmed, watered, fertilized and all weeds and debris removed.

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5. ACCESSORY EQUIPMENT, STRUCTURES AND APPLIANCES:

A. The installation of all required appliances, accessory equipment and structures on new incoming homes by resident shall be completed within ninety (90) days of the date the rental agreement was signed or the date the home was installed, which ever is earlier.

B. No TV or any other antenna shall be installed without prior approval from management. Specifications are available in Park office.

C. The Park's general standards for accessory equipment are: (1) All such equipment, structures and appliances installed by residents must comply with applicable federal, state and local statutes, ordinances and regulations. (2) Management requires resident to maintain in good condition and repair all existing accessory equipment, structures and appliances which are presently installed on the space. This obligation includes the replacement of any such items which are damaged to the point that they cannot be reasonably repaired.

D. Management may require the removal of existing trees and/or fences and the repair of railings, porches, roofs, awning, skirting and standards if necessary.

6. LOT AND HOME MAINTENANCE AND APPEARANCE:

A. Residents shall maintain their space and home (including their patios) plus all landscaping, structure and improvements in good condition and repair and in a neat, clean, attractive and well-kept fashion. All concrete and other surfaces must be kept clean and free of sticky or oily substances and maintained in good condition. In his or her absence, it is resident's responsibility to have someone to maintain his or her home and space.

B. Trash receptacles for pickup must be put either within the three (3) foot strip on the carport side or in the driveway. They are not to be put in the street. After trash pickup, trash cans are to be removed from the front of your coach. Storage of trash cans must be out of sight where they are not visible from the street.

C. No appliances, brooms, mops, ironing boards, gardening equipment, overstuffed furniture, tools, litter, firewood, workbenches, cabinets, freezers, laundry equipment, newspapers, boxes, recyclable items or any other related items may be stored outside the coach. Outdoor furniture only is permitted on patio and/or porch. Nothing is to be hung outside to air or dry. Extension cords for outside lights (excluding Christmas lights) or sheds are not permitted.

D. Nothing shall be permitted on the space that creates a threat to health and safety, i.e., no flammable, combustible or explosive material, chemicals or substances (except those household products for normal use).

E. Utility pedestals shall be accessible at all times. If one of the Park's water shutoff valves is located on any space, it must be left uncovered at all times.

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F. If a resident fails to maintain his or her space in accordance with the rules, after written notification (14 day notice), management may charge a reasonable fee for services relating to the maintenance of the space.

G. To ensure architectural compatibility, construction and installation standards; all incoming mobilehomes must be manufactured in 1976 or later, and be comparable to other mobilehomes in the Park in condition and appearance before entering the Park. Management will have sole and personal discretion to determine approval of entry into the Park.

H. Any air conditioner or evaporative cooler installed in a mobilehome must be in good operating condition and must not make excessive noise that will be disturbing to any other Resident.

7. RECREATIONAL FACILITIES:

Recreation Hall and Swimming Pool hours will be 9:00 A.M. to 9:00 P.M. daily. So long as these facilities are open, the clubhouse and all other recreational facilities, including the pool and billiard room, may be used by people of all ages.

A. The facilities will normally be available at the times set forth above, except during special scheduled occasions or when the facilities are closed for cleaning or repair or to prevent unlawful use or as necessary to protect the safety of persons and property.

B. Persons in swimsuits or trunks, wet or dry, will not be allowed in the clubhouse except in the restroom area. Persons must wear a shirt or blouse in the clubhouse. Footwear must be worn at all times except in pool area.

C. Billiard Room Rules: hours are the same as clubhouse. **NO FOOD OR ANY DRINK IS ALLOWED.** Players are limited to two (2) games when others are waiting to play. Tables must be brushed clean and cues returned to the rack when finished playing. For further billiard room rules, please refer to all posted signs in billiard room.

D. Residents wishing to reserve rooms in the clubhouse for private parties or meetings, may apply by completing the reservation form that is available in the office. If the date does not conflict with other activities, upon management approval, the request will be granted. Private parties must be confined to the main hall and kitchen. Other facilities will remain open to residents and their guests. A security deposit will be required and be returned if the facilities are left in a clean and orderly condition. Manager has the right to limit the number of guests at a private party.

E. NO ALCOHOLIC BEVERAGE WILL BE CONSUMED IN ANY AREA OF THE PARK WHICH IS OPEN TO ALL RESIDENTS AND GUESTS. SMOKING WILL NOT BE ALLOWED IN ANY AREA OF THE CLUBHOUSE.

SCANNED

F. If overcrowding or any other condition interferes with the use and/or enjoyment by resident(s), the number of guests per mobilehome using the recreation area may be temporarily limited or use may be temporarily restricted to residents only. All guests must be accompanied by a registered resident at all times. So long as it is otherwise safe and does not reasonably interfere with ingress and egress to the Park or create a nuisance, nothing contained in these rules is intended to restrict recreational activities in the roadways within the Park.

G. Hours for the use of the pool and jacuzzi are 9:00 A.M. to 9:00 P.M. daily. Proper swimming attire must be worn. No food is allowed in the pool area. Do not swim alone. NO LIFEGUARD IS ON DUTY. CHILDREN UNDER THE AGE OF 14 SHOULD NOT USE THE POOL WITHOUT AN ADULT IN ATTENDANCE. Persons who are incontinent are not allowed to use either the pool or jacuzzi without a protective rubber outer garment.

H. No screaming, running, horse play, excessive splashing or loud noise is permitted. Small pool rings for floating are the only toys allowed in the pool. For further pool rules, please refer to the posted signs in the pool area.

8. CONDUCT

A. Actions by any person of any nature which may be dangerous to others or create a health and safety problem or which involve excessive noise, intoxication, quarreling, fighting, threatening or illegal conduct, are prohibited. Persons under the influence of alcohol or drugs shall not be permitted in any area of the Park which is generally open to residents and their guests.

B. Management reserves the right to evict anyone who causes a disturbance, creates a nuisance, breaches or fails to observe any and all of the rules and regulations of the Park, or any applicable municipal, state, or federal laws, or who interferes with the manager's performance of duties.

C. A restful quiet shall prevail during the hours of 10:00 p.m. to 7:00 a.m. Loud talking, noisy radios, TV's, record players, stereos, musical instruments or other devices must not create a nuisance at any time, day or night, disturb others or cause grounds for complaints.

D. Residents or their guests shall not enter or pass through any other resident's space, or any area not open for general use. All Park property not open for general use including, but not limited to electric, gas, water and sewer connections, shall not be used, tampered with or interfered with in any manner.

E. No business or commercial activity shall be conducted in or on any space within the Park.

F. The following activities are prohibited in the clubhouse, pool area, lawn area, and tennis court: Riding bicycles, scooters or tricycles, roller skating, roller blading and skate boarding. The foot path is for walking only.

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G. Homeowners are responsible (i) for the conduct of all members of their household in the Park and (ii) for the conduct and supervision of all residents and guests when they are using the Park's recreational facilities and clubhouse. Should the conduct of any resident, guest or invitee result in the damage of Park property, including recreational equipment, or in the creation of a substantial annoyance to other Park residents, the Homeowner shall be financially responsible for the cost of any repairs and such conduct shall be considered that of the Homeowner for purposes of the enforcement of violations of these Park Rules and Regulations.

9. VEHICLES/PARKING:

A. The building or repair and/or servicing of cars, trailers, boats or any item not part of the mobilehome site is prohibited within the Park including but not limited to oil or other fluid changes, tune-ups or any other related items.

B. All resident vehicles must be registered and have the red and white parking sticker on the left rear window or left rear bumper.

C. Basic rental fee includes the mobilehome space and parking for two (2) automobiles. Three (3) automobiles are allowed if they can be parked on the concrete apron and/or completely covered by the carport. If your space will not accommodate all resident vehicles, a space will be available on a first come first serve basis at a fee. If the RV lot is full, it will be the responsibility of the resident to find parking outside of the Park.

D. All vehicles parked in resident's space or used within the Park must be operable, currently registered and licensed (except RV parking) and operated in a safe manner. Drivers of all vehicles must be licensed. Residents must obey all posted traffic control signs (no parking, stop signs and speed limits). Pedestrians and bicycles shall be granted right-of-way. **SPEED LIMIT IN THE PARK IS 15 MILES PER HOUR.**

E. Only vehicles that are regularly maintained are permitted in the Park. Excessively noisy vehicles are not allowed. Vehicles dripping gas, oil or other fluids must be repaired before being brought into the Park.

F. NO STREET PARKING IS PERMITTED AT ANY TIME. VEHICLES PARKED ON PARK STREETS MAY BE TOWED ACCORDING TO SIGNS POSTED THROUGH OUT THE PARK, WITHOUT FURTHER NOTICE.

G. Passenger cars and other vehicles owned or used by residents of the Park may only be parked in the resident's driveway or RV spot (if available). Residents parking in guest parking may be towed in accordance with posted signs.

H. Motorcycles may be operated if they do not create excessive noise and are driven slowly to and from the space.

10. PETS:

A. Management's permission must be secured for the acquisition of any pets. Such approval is reserved until written permission has been secured.

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B. No more than two (2) small domestic pets will be allowed per home. The pet(s) must not exceed twenty-six (26) pounds and not more than ten (10) inches in height at maturity.

C. Management reserves the right to deny a resident a pet if there are an excessive number of pets in the Park.

D. No exotic pets are permitted. No dangerous pets are permitted. No pit bulls are allowed.

E. Pets may be leashed in an area behind the resident's coach, so long as no nuisance is created. If a pet causes a continuous annoyance or harm, such as barking, growling, biting or any other unusual noises which annoy or cause harm to anyone, permission to keep the pet may be revoked.

F. Guests are not allowed to bring their pets into the Park. No pet sitting of any kind is permitted.

G. Pets are not allowed in the clubhouse or any other recreational area at any time.

H. The use of Park streets is prohibited for the purpose of exercising or walking any pet. All walking or exercising of pets must be done off Park property. A resident who loses his pet must obtain written permission from management before acquiring another pet.

I. ALL ANIMAL DROPPINGS MUST BE REMOVED FROM THE RESIDENT'S SITE DAILY.

J. All pets must be confined inside the mobilehome during the night time hours and when the resident is away from the mobilehome.

K. Professionally trained and certified service, guide and signal dogs (or other animal) used by handicapped residents are permitted and are allowed in Park common areas, notwithstanding any provision to the contrary, and the rules and regulations shall not be otherwise construed in order to accommodate the handicap as necessary.

11. CIVIL CODE NOTICE RE SEX OFFENDERS:

The following notice is provided for the information of the homeowner and resident, and is required to be provided for in residential rental agreements. For the convenience of mobilehome owners, this notice is also included herein, "Notice: The California Department of Justice, sheriffs departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a data base of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of §290.4 of Penal Code. The data base is updated on a quarterly basis and is a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification Line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service." The law further provides that based on this notification, the lessor (owner and management), seller or broker is not required to provide information in addition to that contained in the notice regarding the proximity of registered sex offenders; the information in the notice shall be deemed to be

SCANNED

adequate to inform the lessee or transferee about the existence of a statewide data base of the locations of registered sex offenders and information from the data base regarding those locations. The information in the notice shall not give rise to any cause of action against the disclosing party by a registered sex offender. PLEASE NOTE: Owner and management are permitted to investigate the ability of the prospective homeowner to pay rent and to comply with the rules and regulations of the Community pursuant to Civil Code §798.74. Homeowners and residents are therefore encouraged to further investigate in this regard to the extent deemed necessary and appropriate.

I, (WE) HAVE READ THE RULES AND REGULATIONS AND DO HEREBY AGREE TO ABIDE BY THEM. IT IS UNDERSTOOD AND I, (WE) AGREE THAT FAILURE TO COMPLY WITH THEM CONSTITUTES A BREACH OF THE RENTAL AGREEMENT AND MAY SERVE TO TERMINATE TENANCY. THESE RULES AND REGULATIONS CONSTITUTE A PART OF THE RENTAL AGREEMENT BETWEEN RESIDENT(S) AND RANCHO LA SEDA WALNUT HILLS MOBILEHOME COMMUNITY AND ARE INCORPORATED BY REFERENCE INTO SAID RENTAL AGREEMENT.

AGREED ON THIS ____ DAY OF _____ 200_

TENANT:

BY: _____

BY: _____

BY: _____

BY: _____

RANCHO LA SEDA MOBILEHOME COMMUNITY

BY: _____

SCANNED

SIERRA PINES MOBILEHOME COMMUNITY
(The "Park")
3883 Buchanan Street
Riverside, CA 92503
(909) 736-9522

INTRODUCTION

These rules and regulations have been designed to help protect all residents and management of Sierra Pines Mobilehome Community and to allow for a clean and peaceful environment in which to live. Management encourages cooperation from everyone in complying with the duties and obligations of their tenancy.

Residents and guests have the right to use the space and the Park facilities only if they comply with all the state and local laws and any other provisions of the Park's residency documents. Management will promptly, equally, and impartially attempt to obtain the cooperation and compliance of all residents with the rules and regulations and other conditions of residency. The management reserves the right to change, modify, or alter any of the rules and regulations in the best interest of the Park and its residents.

Except as set forth explicitly below, no person can be denied access to or use of any park facility based on age. FAMILIES ARE WELCOME.

GENERAL

- 1.1 Registration of all mobilehome coaches and occupants is required prior to entry into the Park. No subleasing is permitted.
- 1.2 Anyone desiring residency must sign and agree to abide by these rules and regulations. Guests must obey all Park rules and regulations during their stay.
- 1.3 All Residents must keep the office informed of their current telephone number and the current telephone number of those the office needs to call in case of emergency. Unlisted numbers will be kept confidential and will not be disclosed to others.
- 1.4 All guests must be registered with management if their stay exceeds 20 days in one month, or 30 days within one year.
- 1.5 The number of persons occupying each mobilehome is limited to two persons per bedroom, plus one. For example, a two-bedroom home may be occupied by no more than five persons (2 bedrooms X 2 persons = 4, plus 1 person = 5).
- 1.6 All residents must notify the management thirty (30) days in advance of removing their

SCANNED

mobilehome from the Park.

1.7 A purchaser of a mobilehome shall not be a resident or entitled to occupy space in the Park without the prior written consent of management.

1.8 Upon the sale of any mobilehome being left in the Park, management may require reasonable maintenance to be done on the mobilehome and reasonable landscaping be completed as permitted by the Civil Code prior to the close of escrow.

1.9 Management requires a yearly verification and/or up-date of basic Park information, such as , names of residents, telephone number, vehicle identification, etc.

REGISTRATION

2.1 All prospective residents must be interviewed and accepted with written management approval before occupying any mobilehome site in the Park.

2.2 All prospective residents must provide management with documentation in regards to employment, income, prior tenancies, credit references and proof of a written agreement to purchase a specific mobilehome in the Park.

2.3. The registered owner must occupy the mobilehome. Sub-leasing is not permitted.

2.4 The registration of the mobilehome must be done at the Department of Housing and Community Development, Mobilehome Registration and Title Division, 375 West Hospitality Lane, Suite #251, San Bernardino, California 92408. The copy of the completed registration form marked for the Park operator must be turned in to the Park office as soon as it is received by the registered owner.

CHANGES

3.1 The space rent is on a month-to-month basis, due and payable in advance on the first day of each and every month. The space rent will be adjusted annually according to the consumer price index for the Los Angeles, Long Beach, Anaheim area. Residents will be notified by November 1st what the percent of adjustment will be with the effective date of January first of each and every year. The sewer and trash charge is on a month-to-month basis due and payable in advance on the first day of each and every month. The amount charged will be the current charge according to the City of Riverside.

3.2 The water, gas and electric are sub-metered by the Park and the charges are for the preceding month ending approximately on the twenty-fifth (25th) day of each month. The total utility charges shown on the monthly bill are due and payable on the first day of each and every month. The billing period dates are shown along with the current rates as published by the City of Riverside and the Southern California Gas Company.

3.3 All charges shown on the monthly bill are due and payable on the first day of each and every month. Any and all charges not paid by the fifth (5th) day of the month will be subject to a late charge of ten percent based on the outstanding amount. All monetary obligations of Tenant accruing under its rental agreement is deemed "rent."

3.4 If your check is returned for any reason, your rent will be considered late, a late charge of 10%,

plus a twenty dollar (\$20.00) fee will be charged. You may also be required to pay be certified funds for a period up to six months.

LOT AND HOME MAINTENANCE AND APPEARANCE

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- 4.1 To insure architectural compatibility, construction and installation standards, all incoming mobilehomes must be manufactured in 1976 or later, and be comparable to other mobilehomes in the Park in condition and appearance before entering the park. Management will have sole and personal discretion to determine approval of entry into the Park.
- 4.2 Mobilehomes shall be placed in a manner consistent with the other mobilehomes in the Park. All setups of mobilehomes on site, utilities hook-up, full skirting, carport covers, porch covers, stairs, etc. must be installed and connected within thirty (30) days after the mobilehome is moved into the Park.
- 4.3 There must be access from the rear of your mobilehome to the adjacent mobilehomes to permit easy and ready access to utility meters. Utility meters must be in the open and positioned where they can be easily read, (no boxes, coverings, shrubs, fences, etc. around or adjacent to them).
- 4.4 It is desired that your mobilehome give the appearance of a permanent structure. All mobilehome awnings, supports, and sheds must be kept in good condition, including periodic washing, waxing or painting.
- 4.5 All awnings, skirting, fences, storage sheds, and concrete work must have applicable permits and written management approval prior to being installed at the mobilehome site. Any air conditioner or evaporative cooler installed in a mobilehome must be in good operating condition and must not make excessive noise that will be disturbing to any other resident.
- 4.6 Fences are permitted with written management approval of the plans and must be located at the back, not in the front of the mobilehome, and must be made of wood not exceeding four (4) feet in height measured from the ground.
- 4.7 Storage sheds must be located at the rear of the mobilehome site at the end of the carport unless otherwise approved in writing by the Park management. Only one shed up to 100 sq. ft. or two sheds not to exceed 100 sq. ft. total for both, may be allowed with management approval.
- 4.8 State law prohibits storing anything beneath a mobilehome other than its wheels and hitches.
- 4.9 All landscaping must be completed within sixty (60) days of occupancy of the site and must be landscaped with rock or other decorative materials. All existing plants trees etc. on the space become the responsibility of the resident of that space. (Except for Ponderosa Pines and Excelsior Palms which belong to the Park).
- 4.10 All cement work, around mobilehomes must have prior approval of management as to location, extent, and use. The resident must accept full liability and responsibility for removal and/or replacement of cement in the event of utility repairs (as in a utility easement).
- 4.11 All driveways must be kept free of oil and other stains.

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5.2 STATE LAW PROHIBITS PARKING ON THE STREETS (THEY ARE REALLY FIRE LANES!).

5.3 Guest Parking is for guest vehicles only. When there are no guest Parking spaces available, guest's vehicles must be parked outside the Park. Guests staying overnight must get a guest pass. All areas are posted, violators vehicles will be towed at the owners expense.

5.4 No "junker" vehicles are permitted in the Park. All vehicles need to be kept in good condition and appearance. Vehicles must be free of major dents or damage, have all fenders, hood, trunk lid etc. and have a paint job freed of large primer spots or rust. Any vehicles leaking oil in guest Parking will be subject to towing, if the owner does not heed the warning to remove their vehicle from the Park and to not bring it back into the Park until the necessary repairs have been made.

5.5 The building or repair and/or servicing of cars, trailers, boats or any item not part of the mobilehome site is prohibited within the Park, including, but not limited to oil or other fluid changes, tune-ups or any other related items.

5.6 The speed limit within the Park is ten (10) miles per hour. All pedestrians have the right-of-way. Vehicle drivers must use caution when driving through the Park.

5.7 Any loud vehicle may be banned from the Park until the necessary modifications have been made to keep the noise below objectionable levels.

5.8 No disabled vehicle will be allowed to remain in the Park for more than 3 days, unless written approval has been given by management for an extension of time.

5.9 All mobilehomes and vehicles must be currently licensed as approved by the State.

5.10 The current license number of each tenant's vehicle(s) and a copy of the mobilehome's current registration must be on file in the Park's office.

5.11 Storage space for boats, campers, recreational vehicles, additional vehicles or non-operational vehicles is available to Park residents upon proof of ownership. There is a charge of \$10.00 per month payable in advance per space.

5.12 A motorcycle used by a resident for transportation must have an adequate muffler system, must be inspected by management, and given written approval from management for operation within the Park.

5.13 Motor-driven recreational vehicles such as dirt bikes, three-wheelers, four wheelers, etc. are not permitted to be started or operated within the Park.

5.14 Motor homes are not allowed on the mobilehome site except for loading and un-loading. There is power for recharging in the R.V. Parking area. There is a charge of \$20.00 per month for use of the R.V. Parking facilities. There is no parking in the street at any time.

PETS

6.1 Small pets are permitted upon written approval from management. No more than a total of two (2) small house pets per mobilehome will be permitted. A small dog shall be no more than 15 inches at the shoulder when standing, and no more than 18 pounds.

- 6.2 All pets must be confined inside the owner's home or when taken outside of the mobilehome the pets must be on a leash or in a fenced area in the back yard.
- 6.3 Any pet that becomes a nuisance by causing disturbances which annoy the neighbors will not be permitted to remain in the Park.
- 6.5 Pets are not permitted in the recreation building (clubhouse) or in any recreational areas at any time.
- 6.6 All animal droppings must be cleaned up daily and wrapped in paper and put in your trash can. You can not let your pet (dog or cat) toilet anywhere inside the Park or on the Park green belt at the front of the Park. There will be no exceptions.
- 6.7 Any pet found running loose in the park will be picked up by the local animal shelter.
- 6.8 Guests and visitors are not allowed to bring pets into the Park.
- 6.9 It is understood by all parties concerned that any pet permitted within the Park is done so on a probationary basis subject to the ability of the resident and the pet to follow the above regulations. Failure to comply with these regulations will provide for the removal of the offending pet or the vacating of the mobilehome site by the undersigned resident.
- 6.10 Professionally trained and certified service, guide and signal dogs (or other animal) used by handicapped residents are permitted and are allowed in Park common areas, notwithstanding any provision to the contrary, and the Rules and Regulations shall be construed in order to accommodate the handicap as necessary.

RECREATIONAL FACILITIES

- 7.1 These facilities are provided for the exclusive use of the park residents and their accompanied guests. A resident host must accompany all guests of their mobilehome who use the recreation building (clubhouse) or any of the recreational facilities of the Park. All residents that use the recreation building (clubhouse) or recreation areas are required to clean the area of use and leave it in good order. Failure to do so will result in those residents being prohibited from further use of the facilities. Residents are responsible for advising their guests of the rules and regulations. If overcrowding or any other condition interferes with the use and/or enjoyment by resident(s), the number of guests per mobilehome using the recreation area may be temporarily limited or use may be temporarily restricted to residents only. All guests must be accompanied by a registered resident at all times.
- 7.2 The use or presence of alcoholic beverages is prohibited in the recreation building (clubhouse) recreation area, barbecue area, the laundry room and any other area in or attached to Park property.
- 7.3 **The recreational building (clubhouse), laundry room and pool and spa hours are from 9:00 a.m. to 9:00 p.m. daily. So long as these facilities are open, the clubhouse and all other recreational facilities, including the pool and billiard room, may be used by people of all ages. The facilities will normally be available at the times set forth above, except during special scheduled occasions or when the facilities are closed for cleaning or repair or to prevent unlawful use or as necessary to protect the safety of persons and property.**

SCANNED

7.4 No pets are allowed in or around the recreational facilities, clubhouse, pool or laundry area.

7.5 Barefeet, barechest, and swimwear are not allowed in the clubhouse.

7.6 No food is allowed in the pool area. Do not swim alone. NO LIFEGUARD IS ON DUTY. CHILDREN UNDER THE AGE OF 14 SHOULD NOT USE THE POOL WITHOUT AN ADULT IN ATTENDANCE.

7.7 Glass containers are not permitted.

7.8 Use towels on the deck furniture.

7.9 Clean up your area of use when you are finished.

7.10 No running or diving from the pool deck.

7.11 No balls, toys or other large objects are permitted in the pool. Small float assists are allowed.

7.12 Swim suits and swim trunks must be worn when using the pool or spa.

7.13 Persons who are incontinent are not allowed to use either the pool or spa without a protective rubber outer garment. Neither street clothes nor nudity are permitted in the pool and spa.

7.14 The pool and spa are for the enjoyment of the park residents with the park residents being entitled to the primary use of the recreational facilities over all other persons. A registered resident host must accompany all guests using the pool, spa or the sun deck.

7.15 If overcrowding or any other condition interferes with the use and/or enjoyment by resident(s) of the swimming pool, spa, sun deck or recreation building, the number of guests per mobilehome using those facilities may be temporarily limited or use may be temporarily restricted to residents only. All guests must be accompanied by a registered resident at all times.

7.16 Pog's, bicycle riding, tricycle riding, scooter riding, skateboards, roller skating, radio-controlled toys, jumping rope, football, baseball, soccer, basketball or any other sport activity are **not** permitted in the pool area or in the recreation building (clubhouse). So long as it is otherwise safe and does not reasonably interfere with ingress and egress to the Park or create a nuisance, nothing contained in these rules is intended to restrict recreational activities in the roadways within the Park.

7.17 Smoking is permitted on the deck areas only.

7.18 The laundry facilities are for the use of residents only, and it is mandatory that the facilities be left in a clean and orderly condition. Clothing may not be left in washers or dryers after the required cycles are completed. You may not leave your wash unattended at any time.

7.19 The facilities will normally be available at the times set forth above, except during special scheduled occasions or when the facilities are closed for cleaning or repair or to prevent unlawful use or as necessary to protect the safety of persons and property.

7.20 Anyone failing to follow any of the rules concerning the recreation facilities will first be given a

verbal warning. The second time will result in not being able to use the facilities for a period of two weeks. Flagrant or continued violations will result in further action as allowed by the civil code governing mobilehome residency.

7.21 Homeowners are responsible (i) for the conduct of all members of their household in the Park and (ii) for the conduct and supervision of all residents and guests when they are using the Park's recreational facilities and clubhouse. Should the conduct of any resident, guest or invitee result in the damage of Park property, including recreational equipment, or in the creation of a substantial annoyance to other Park residents, the Homeowner shall be financially responsible for the cost of any repairs and such conduct shall be considered that of the Homeowner for purposes of the enforcement of violations of these Park Rules and Regulations.

OTHER

8.1 Excessive noises (i.e., loud parties, loud talking, arguments, laughing, singing, shouting, radios, televisions, stereos, or other sources of noises which annoy other residents are not permitted. Excessive noises are defined as any situation wherein two or more complaints have been registered with management (exempt are normal construction, gardening, or repairing noises during the hours of 7:00 a.m. and 7:00 p.m. daily).

8.2 Any illegal activity (i.e., brandishing or discharge of firearms, illegal use of lethal weapons, use or sale of narcotics) and other activities dangerous to the well-being of other residents is cause for eviction from the park. Eviction will be in addition to any other legal remedies.

8.3 Outdoor clotheslines are not permitted. Laundry may not be dried or aired on the patio, carport, open porch, or any visible area at the mobilehome site.

8.4 Peddling, soliciting, or any related commercial activity is prohibited. No commercial activity shall be conducted in or at a resident's site by any resident.

8.5 Activity within the park that poses a risk of physical injury to residents or guests and/or physical damage to mobilehome coaches, is prohibited.

8.6 The car wash area cannot be used for any other purpose.

8.7 Bicycle riding, roller skating, skateboards, scooter riding, baseball, football, soccer, radio controlled toys, jumping rope, pogs and all other sports activities are not permitted in the street in front of or to the sides of the clubhouse.

8.8 Vandalism is a cause for eviction.

8.9 It is a major violation of the rules and regulations of this park for anyone to interfere with the duties of the resident manager or their designated assistants.

8.10 Residents shall not place signs or advertising, in or about a mobilehome without the consent of management, and then only as permitted by civil code.

8.11 It is required that each resident, after washing or sweeping debris from their site into the gutters,

SCANNED

that they pick-up the mess caused by them and help to maintain the streets and gutters litter free.

8.12 Upon vacating the site the lot is to be returned to its original contour.

8.13 Prospective buyers of a mobilehome in the park must submit an application for residency to management for approval before the mobilehome can be sold. No transfer of occupancy or sale will be allowed until written approval from management is obtained.

8.14 Monthly rent will be increased on January 1st of each year. Using the Bureau of Labor Consumer Price Index for Los Angeles, Long Beach, Anaheim the percent of adjustment will be 80% of the rise of the C.P.I. for the 12 month period ending in October of any given year.

8.15 Sierra Pines Mobilehome Community shall not be responsible for any accident or injury to any resident found in violation of these and all park rules at the time of the accident or injury.

8.16 Conformance to Mobilehome Residency Law: The Rules and Regulations shall be interpreted in a reasonable and fair manner, and in accordance with the mobilehome residency law. From time to time, the Mobilehome Residency Law may be amended. Accordingly, should the Mobilehome Residency Law be changed to invalidate or modify the homeowner's and/or resident's obligations under these rules and regulations, such changes shall be deemed to be automatically applicable to these rules and regulations.

8.17 It is understood that it is the duty of the park manager or their assistants to inform the residents of violations when said violation is observed by management or a complaint is made by another resident. This should be done in a courteous manner and is done with no intent to harass the resident in any way. Like wise the resident should comply with the rules without verbal abuse of said manager or their assistants.

8.18 CIVIL CODE NOTICE RE SEX OFFENDERS:

The following notice is provided for the information of the homeowner and resident, and is required to be provided for in residential rental agreements. For the convenience of mobilehome owners, this notice is also included herein. "Notice: The California Department of Justice, sheriffs departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a data base of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of §290.4 of Penal Code. The data base is updated on a quarterly basis and is a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification Line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service." The law further provides that based on this notification, the lessor (owner and management), seller or broker is not required to provide information in addition to that contained in the notice regarding the proximity of registered sex offenders; the information in the notice shall be deemed to be adequate to inform the lessee or transferee about the existence of a statewide data base of the locations of registered sex offenders and information from the data base regarding those locations. The information in the notice shall not give rise to any cause of action against the disclosing party by a registered sex offender. PLEASE NOTE: Owner and management are permitted to investigate the ability of the prospective homeowner to pay rent and to comply with the rules and regulations of the Community pursuant to Civil Code §798.74. Homeowners and residents are therefore encouraged to further investigate in this regard to the extent deemed necessary and appropriate.

SCANNED

RESPONSIBILITY

9.1 Neither the park owner nor park management are responsible for any loss due to theft, fire, or accident incurred on the premises. No act of misdemeanor shall be committed which would place the park owner in violation of any law or ordinance of the city, county, or state.

9.2 Park management reserves the right to evict any resident or guest who causes disturbances, creates a nuisance, breaches or fails to observe any or all of the rules and policies of Sierra Pines Mobilehome Community, or obstructs the park management's performance of duties.

9.3 Park management reserves the right to change, modify, or alter any of the above rules and policies in the best interest of the park or the park residents in accordance with the laws of the State of California.

CONTRACT AND AGREEMENT

10.1 Failure to comply with the ordinances or regulations of the city, county, state or federal governments may be cause for eviction.

10.2 Residents are responsible for their own actions and the actions of their guests and are responsible for informing their guests of the park rules, as may be applicable.

10.3 Resident agrees to hold the park ownership and management harmless from damages caused by resident's own negligence or the negligence of third-parties who are not agents, employees or contractors of management.

10.4 The park has installed underground water, sewer, gas electricity and telephone cable. Any interruption of said services shall be repaired with due diligence by the park. The residents agree to hold the owners and management harmless from damages for a failure to furnish the foregoing services when such failure is caused by or related to accident or conditions caused by resident's own negligence or the negligence of third parties who are not the agents, employees or contractors of management.

10.5 Management has the right to not enforce any rule or regulation of the Sierra Pines Mobilehome Community in the event of a natural disaster, and emergency situation or some other unforeseen and unknown occurrence. Said rule and regulation suspension shall be limited in time to the actual state of said occurrence(s). In the event that management has prior knowledge of their right to suspend the enforcement of any rule, they will provide the residents with 24 hours notice of the rule that will not be applied during a specified period of time.

10.6 I have read the above rules and regulations and do agree to abide by them. It is further understood and I hereby agree that failure to comply may be cause for eviction. This agreement constitutes a contract between resident and Sierra Pines Mobilehome Community.

IF SIERRA PINES MOBILEHOME COMMUNITY SHOULD BRING SUIT FOR THE POSSESSION OF THE PREMISES, OR FOR THE RECOVERY OF ANY SUMS DUE HEREUNDER, FOR ANY OTHER RELIEF AGAINST RESIDENT, OR SHOULD RESIDENT BRING ANY ACTION FOR ANY RELIEF AGAINST SIERRA PINES MOBILE COMMUNITY SHOULD PREVAIL IN ANY SUCH SUIT, RESIDENT SHALL PAY SIERRA PINES MOBILEHOME COMMUNITY,

REASONABLE ATTORNEY'S FEES, WHICH SHALL BE DEEMED TO HAVE ACCRUED ON THE COMMENCEMENT OF SUCH ACTION.

SCANNED

I, (WE) HAVE READ THE RULES AND REGULATIONS AND DO HEREBY AGREE TO ABIDE BY THEM. IT IS UNDERSTOOD AND I, (WE) AGREE THAT FAILURE TO COMPLY WITH THEM CONSTITUTES A BREACH OF THE RENTAL AGREEMENT AND MAY SERVE TO TERMINATE TENANCY. THESE RULES AND REGULATIONS CONSTITUTE A PART OF THE RENTAL AGREEMENT BETWEEN RESIDENT(S) AND SIERRA PINES MOBILEHOME COMMUNITY AND ARE INCORPORATED BY REFERENCE INTO SAID RENTAL AGREEMENT. RECEIPT OF A COPY OF THESE PARK RULES AND POLICIES IS HEREBY ACKNOWLEDGED.

SPACE NO. _____ INCOMING SPACE RENT \$ _____

SIGNED BY _____ DATE: _____

SIGNED BY _____ DATE: _____

SIGNED BY _____ DATE: _____

SIGNED BY _____ DATE: _____

SIGNED BY _____ DATE: _____

Manager: Sierra Pines Mobilehome Community

SCANNED

EXHIBIT NO. 2

FAIR HOUSING ACKNOWLEDGMENT FORM

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I hereby acknowledge that I have received from the owners or managers of this mobile home park and I have read the Consent Order entered in United States v. Plaza Mobile Estates, United States District Court, Central District of California, Case Nos. CV-91-6255-RMT-(Ex), 95-2673-RMT-(Ex). All of my questions about the Consent Order have been answered by the owners or managers.

I understand that I am not to discriminate on the basis of familial status (having children under the age of 18) or national origin.

Signature of employee/agent

Date

Name of employee/agent

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EXHIBIT NO. 3

INQUIRY LOG

All information collected regarding familial status is being done pursuant to a Consent Order entered to resolve claims of familial status discrimination. Please print clearly.

To be Completed by Management Personnel:

Today's Date: _____

Name of Prospective Resident:

Current Address:

City / State / Zip Code:

Home Telephone Number:

Alternate Telephone Number:

Number of Children in Household Less Than 18 Years of Age: _____

Age of Children: _____

Number of Total Persons in Household: _____

Date of Application (if applicable): _____

Was Applicant Accepted for Residency? YES / NO

If Yes, Date Lease Will Begin: _____ If No, Reason for Rejection:

Notes:

EXHIBIT NO. 4

OCCUPANCY CHANGE REPORT

FILED

All information collected regarding familial status is being done pursuant to a Consent Order entered to resolve claims of familial status discrimination. Please print clearly.

To be Completed by Management Personnel:

Today's Date: _____

Dwelling Number: _____

Name of Departing Residents: _____

Date of Departure of Departing Residents: _____

Number of Children in Departing Residents' Household Less Than 18 Years of Age: _____

Age of Departing Residents' Children: _____

Number of Total Persons in Household: _____

Name of New Residents: _____

Date of Move in of New Residents: _____

Number of Children in New Residents' Household Less Than 18 Years of Age: _____

Age of New Residents' Children: _____

Number of Total Persons in Household: _____

Notes:

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

CONFIDENTIAL

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 128 North Fair Oaks Avenue, Suite 204, Pasadena, California 91103.

On January 24, 2006, I served the foregoing document described as:

[PROPOSED] CONSENT ORDER RE SCOPE OF INJUNCTIVE RELIEF AND PROCEDURE FOR AWARDING ATTORNEYS' FEES AND COSTS

upon the interested parties in this action by causing a true copy thereof to be placed in sealed envelopes addressed as stated below:

**Michael Maurer
Avery Johnson
Housing & Civil Enforcement Section - NWB
Civil Rights Division
U.S. Dept. of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530**

**Douglas S. Draper
Warner Center Plaza
21700 Oxnard St., Suite 1640
Woodland Hills, CA 91367**

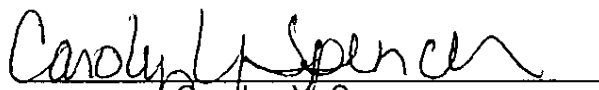
**Ralph M. Weiss
Ralph M. Weiss & Associates
23975 Park Sorrento, Suite 200
Calabasas, CA 91302-4001**

**Terry R. Dowdall
Dowdall Law Offices
284 North Glassell Street
Orange, CA 92866**

I caused such envelopes to be deposited in the mail at Pasadena, California. The envelopes were mailed with postage thereon fully paid.

I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. postal on that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after the date of deposit for mailing in affidavit.

I declare under penalty of perjury that the foregoing is true and correct, and that this was executed on January 24, 2006, at Pasadena, California.



Carolyn Y. Spencer