

Sovereign Park Estates Cooperative Apartments, Inc.

Community Rules and General Information

Effective April 14, 2015

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1. ADDITIONS AND ALTERATIONS

All additions or alterations must obtain written approval from the Board prior to the commencement of the work. Any addition or alteration started without written approval will be stopped and subject to immediate removal. Any addition or alteration completed without written approval will be subject to immediate removal at shareholder's expense.

All additions and alterations must have a building permit as required by the City of Long Beach.

All additions and alterations that are attached to the structure become the property of the Cooperative, and the use of said alterations and additions is transferred to subsequent shareholders approved for occupancy.

Shareholders selling their apartments are responsible for disclosing to prospective purchasers and real estate agents those additions and alterations that were not a part of the original structure. Shareholders also have an obligation to disclose the fact that the Cooperative is not responsible to maintain, repair, or replace alterations and additions, including new appliances and plumbing fixtures. The shareholder is responsible for keeping these items in good repair and condition and is responsible for any damage caused by the installation, alteration, addition and/or removal. See Section #24-A entitled "Items Paid for by the Cooperative".

Air Conditioners

Applications for Central air conditioning must be made in writing and approved in writing by the Board of Directors before installation. Information must be provided as to the proposed location, size and type of air conditioning prior to the commencement of the work.

Central air conditioners must be installed by a licensed, bonded and insured contractor.

No window air conditioners or replacement of existing installations will be approved for windows facing the courtyards.

Shareholders are responsible for maintaining their air conditioners, in addition to taking responsibility for any repairs to the roof or windows where leaks occur as a result of the air conditioner installation. Air conditioners should be periodically serviced and painted as needed. The paint color must match area adjacent to air conditioner, except roof installations. Depending on the type of installation, they may also need to be caulked and sealed.

Appliances

Since the Cooperative was built, many of the shareholders have installed dishwashers, microwave ovens, and ice makers. These were not included in the appliances installed by the Cooperative. Shareholders are responsible for the maintenance, repair, and replacement of their dishwashers, microwave ovens, and ice makers.

Some shareholders have replaced their stoves and ovens. The Cooperative is responsible for maintaining and replacing the elements of the originally installed GE stoves and ovens only and is not responsible for repairs to the replacements.

Awnings

The awnings over some of the balconies and windows were approved by the Cooperative and installed at the expense of the shareholder. While many of the shareholders have had them installed, there are some shareholders who do not have them. Shareholders desiring to have a new awning installed must obtain permission from the Board of Directors prior to awnings being ordered. New awnings must be the same design as the awnings that have been approved in the past.

It is the policy of the Cooperative to paint the awnings at such time as contracted to paint the metal trim on the buildings. However, as the awnings are shareholder's additions, and not part of the original structure, the shareholders are responsible for the repair and replacement of the awnings and damages.

Shareholders are cautioned regarding hanging plants and other objects on their awnings, as this weight can cause stress to the awning structures.

Windows

A shareholder may install multi-pane, energy-efficient windows upon written approval by the Board. This work must be done by a licensed contractor. Shareholders are responsible for the maintenance and repair of these windows to include any leaks that result from the installation. Windows must be of the same configurations as existing windows with the exception of the louvered bathroom windows.

2. CARRYING CHARGES — MONTHLY PAYMENTS

All monthly charges are due and payable in advance on the first day of each month. Payment coupons are issued by the Management Company. Please make your checks payable to Sovereign Park Estates and mail it along with the monthly coupon. A late charge of ten (10) percent will be assessed on the 16th day of the month for any payments that are not received by 5:00 p.m. on the 15th of the month unless the 15th falls on a weekend or holiday; in which case payment is due by 5:00 p.m. on the next business day. Collection of unpaid

carrying charges, late charges and interest will be in accordance with the Corporation's then applicable Collection Policy and applicable provisions of the California Civil Code. Interest will accrue from the due date of each charge, at the maximum rate permitted by law.

3. DAMAGES TO THE PROPERTY

Each Shareholder shall be liable to the Cooperative for the costs and expenses of repairing any damage to buildings, equipment and/or other real or personal property of the Cooperative incurred by reason of the negligence and/or willful misconduct of said Shareholder, his family, guests, invitees (including, without limitation, workers and delivery persons), and co-residents, if any, and their guests and invitees.

4. DISPOSAL OF TRASH

The premises must be kept clean at all times. Metal trash bins are provided in various areas throughout the Cooperative. It is recommended that all trash be wrapped or put in bags and placed in the metal bins so as not to be scattered by the wind. Trash is picked up twice weekly. Please keep lids closed at all times. Items that do not fit inside the bin with the lid closed must not be left in the trash area as they will not be picked up by our disposal contractor. It is the shareholder's responsibility to arrange for disposal of oversized items. All debris and trash generated as a result of construction or remodeling of individual units must be removed by the contractor or shareholder and not placed in our trash bins. The foregoing also applies to carpet removal. Gates to the trash areas must be kept closed at all times. All cardboard boxes must be broken down before placing in the trash bins. Do not leave discarded appliances or furniture in trash bins, disposal areas or any other location on the property.

5. EMERGENCIES

Shareholder/resident must provide the management office with current contact information and emergency contacts. This is required in case of illness, fire or other emergency situations. This information is not shared or published without shareholder/resident consent.

Emergencies concerning the buildings or grounds, such as leaks in the water lines, power failures, fires, etc., should be reported to the management office as soon as possible. Water Company (562) 570-2300 Long Beach Gas and Electric (562) 570-2000 Southern California Edison Company (800) 655-4555.

6. ENTRANCES AND SIDEWALKS

Obstructions are not to be left at entrances, landings, or on sidewalks at any time. Solicitations are not to be placed on apartment doors. Occupants sharing a landing and entrance should reach agreement on plants or other items of decor placed in those areas. Unsightly items, such as newspapers, shoes, bags, and

boxes left outside an entrance should be removed as quickly as possible, in consideration of neighbors sharing the landing. Potted plants, flowers or trees are not permitted on any stairs or entrances to units.

7. GARAGE AND GARAGE DOORS

Cars must be headed into all garages and centered within the assigned space. Storage in garages and other uses that restrict the parking of a vehicle, encroach on adjacent garage spaces, or create a fire hazard, are not permitted. The storage of hazardous materials is prohibited. This includes the storage of boats, trailers, off-road vehicles and recreational vehicles. Garage doors and garage openers are the sole responsibility of the shareholder.

Garage doors should be closed at all times when not in use.

Garage door openers were not included in the original installation of the garage doors. The installation, maintenance, repair and removal of garage door openers are the responsibility of the shareholders. If the garage door opener causes stress and damage to the garage door, requiring repair or replacement, this will be at the expense of the shareholder.

If you do not have a button inside your garage that will close the door, it is recommended that one be installed. This will make it possible for someone else to close the door if you forget to close it. In the event of a power failure, there is a device that can be installed so the garage door can be opened manually.

Any modifications to the electrical system in the garage to accommodate an electric car or cross over car must be approved in writing by the Board of Directors before any installation is made to avoid removal at shareholder expense. The shareholder will be responsible for the costs of installation, maintenance, repair, removal and electricity usage.

Garages should be cleaned periodically as needed. Oil dripping from vehicles on garage surfaces should be contained in a drip pan. Oil on garage surface or in drip pans should be cleaned as necessary.

Shareholders that do not have a vehicle may rent their garages to shareholders that have more than one vehicle.

In the event that an apartment is sold, the shareholder selling the apartment is required to pay the cost of garage repairs and the cost of repair or replacement of the garage door and opener, if needed, along with the participation of the shareholder who shares the garage door.

Whenever possible, courtesy should be shown to other shareholders when warming up car engines. Persons leaving garages on motorcycles should leave quietly without revving the motor.

8. GATES

There are self-locking gates in the perimeter areas of each section in the Cooperative. Due to the aggravating noise caused by these gates, everyone is requested to be considerate in the early and late hours in closing the gates quietly.

Locks have been installed in some of the perimeter gates. Shareholders are requested to keep these gates closed and locked at all times.

9. GUESTS

Shareholders are responsible for notifying their family and guests of the rules of the Cooperative. All rules apply to family and guests as well as to shareholders.

10. HOBBY ROOMS

There is one hobby room in the Cooperative located at 5110 Atherton. This is for the use of the shareholders during hours posted in the hobby room. Pool keys provide access to the Hobby Room. No personal equipment is to be used in the hobby rooms that would create a fire hazard or disturb neighbors.

11. INSURANCE

The Cooperative maintains insurance for fire and other risks to the structures. In addition, the Cooperative has liability insurance for the common areas, and Directors liability insurance. For their own protection, shareholders should carry personal liability and property insurance. It is suggested you contact your insurance agent regarding earthquake insurance. Shareholders should consult with their personal insurance agent.

12. KEYS, LOCKS, AND DOORS

If management needs to access an apartment or garage in an emergency situation, it may be necessary to call a locksmith at the shareholder's expense. Should this be necessary, the vendor would be accompanied by a board member or management employee.

13. LANDSCAPING

No change in exterior landscaping in the common area is to be made. If any gardening expense is required due to the changes made by a shareholder, the expense will be charged to the shareholder.

Special requests for planting and landscape modifications are to be submitted to the Board. There is a walk-through by management and the landscape maintenance company to inspect the grounds and evaluate and consider changes requests monthly.

The Board of Directors reserves the right to request removal of any plants or decor put in the common area that are deemed to be offensive or not appropriate for the area.

14. LAUNDRY ROOMS

The laundry facilities are available for use only by shareholders, their care providers and guests.

Articles in the washers and dryers must be removed upon completion of the cycle. If left unattended in machines, articles may be removed from the machines by others at the shareholder's sole risk.

Rules and hours for use of the various laundry rooms are posted and must be adhered to at all times. Pets are not permitted in laundry rooms.

Dead-bolt locks on the laundry room doors must be locked when exiting.

The laundry rooms at 5200 and 5140 hours are 7AM to 10PM.

Report promptly any malfunction of the equipment or drains to the contract service company. Leave a sign on the machine that is out of order and has been phoned in.

15. MAILBOXES

Mailboxes for the community are located at the following areas: 5110, 5140, 5160, 5180, 5200, 5260 and 5280 Atherton Street. Any mail left for post office employees is done at shareholder's own risk.

Clipboards are provided at mailbox areas for the Cooperative's notices. Bulletin boards are provided in each laundry room for posting notices.

16. MANAGEMENT

The Property Management Company is responsible for administrative duties for the Cooperative, under the direction of the Board. Non-emergency maintenance requests are to be in writing and may be e-mailed, or faxed to the property management office.

17. PARKING

A. By order of the Long Beach Fire Department, Circle Drive is a red zone and parking is not permitted, except for two-minute parking in the white zone.

No parking is permitted that would block garages or parking spaces. Parking in the two (2) spaces located closest to the main entrance of 5140 is limited to the time specified on the posted signage.

- B. Except for brief periods of time during the day, the shareholder's primary vehicle is to be parked in his/her assigned garage, and not in an outside parking space.

Any vehicles parked in an outside space must be operational and have a current vehicle registration. Shareholders having a second vehicle are required to obtain a permit in order to park overnight in an outside parking space. Persons parking in outside spaces do so at their own risk. An authorized permit for outside parking is not interchangeable and cannot be transferred to another vehicle registered to that same unit.

Motorcycles must be parked in garages or on Atherton Street, not in parking spaces. Care must be taken when starting motorcycle to not disturb residents and driven quietly through Circle Drive and the parking areas.

- C. Automotive repairing or changing oil is not permitted on the premises. Oil cans are not to be put into disposal bins. Car washing is permitted provided a shut-off nozzle is used as required by the City of Long Beach.
- D. Vehicles that are dripping oil are not permitted to be parked in any exterior parking spaces. These vehicles must be parked off the property. Shareholders are responsible for payment for repairs to the asphalt caused by excess oil leakage, or any other damage to the parking area caused by the occupants of their apartment.
- E. Outside parking spaces are not to be used by motorcycles, boats, trailers, and over-sized vehicles that do not fit within the confines of the parking space. This includes recreational vehicles, large vans and large trucks, as well as commercial vehicles, unless they are on a service call within the Cooperative. Small vans and trucks are encouraged to park in the spaces located at the north-west end of Circle Drive in the parking spaces facing the wall of 5110 where there are no windows.
- F. Shareholders/residents are responsible for notifying their guests of the parking rules.
- G. Head in parking only is allowed. Vehicles backed in can damage walls and emit exhaust fumes towards apartments.
- H. Additional temporary parking permits for shareholders/residents are available at the property management office or by mail or from a board member in an emergency situation.

To apply for a permanent parking permit, the shareholder/resident must fill out a vehicle registration form for each vehicle and include copies of each vehicle's registration showing Sovereign Park Estates address. Forms are available through the management office. Permits are to be displayed on vehicles at all times. Application for a permanent parking permit does not guarantee a parking permit will be issued.

- I. One permit may be provided for each apartment having more than one vehicle identified that meets the following criteria:
- It must be registered to a Sovereign Park Estate address.
 - It must be insured and in drivable condition.

There is a charge of \$50.00 to replace a lost or destroyed permit.

- J. When a shareholder/resident who already has a permit obtains a new vehicle they need to register the new vehicle by filling out a registration form with the management office. If a vehicle is sold, the parking permit must be returned to the management office so a new one can be issued after proper criteria is verified.
- K. Any vehicle parked in exterior parking areas on Sovereign Park Estates property, not displaying an authorized parking permit or guest permit between the hours of 10:00 p.m. and 6:00 a.m. will be towed without further notice as permitted by current legislation.
- L. Parking permits will not be issued to shareholders who do not permanently reside at Sovereign Park Estates.
- M. Shareholders shall not utilize their garage for storage, preventing them from parking a vehicle in their garage. See Section 26-C for penalties.
- N. Any vehicle parked in outside spaces must comply with posted hours of restricted parking.
- O. Signage required by Vehicle Code section 22658.2 is posted at each entrance to Sovereign Park Estates stating that PUBLIC PARKING IS PROHIBITED AND VIOLATORS WILL BE TOWED AT OWNER'S EXPENSE. This towing notice will also apply to violations of our other parking rules where towing is a penalty. The sign also gives the phone number of the Long Beach Police Department, currently 562-435-6711, and states that a citation will be issued.
- P. No pods or large moving containers are permitted to be parked in any space without prior permission from the Board. Pods are not to exceed one parking space. The board will decide on the time limit as requested in writing from the Shareholder.

18. PATIOS, BALCONIES, ENTRIES, AND COMMON AREAS

- A. No article of clothing, towels, or other items may be hung in balcony, patio areas or over walls at any time.
- B. Interior walls of patios are not to be painted.
- C. Any alteration or installation of decking material or coating on the surface of a balcony, patio, entryway or stairs to patio must be approved in writing by the Board of Directors. Astroturf and any kind of carpeting are not allowed.
- D. Screening material for patio/balcony inserts and gates must be approved in writing by the Board of Directors.
- E. Patio cabinets or other items may be placed against the building wall and are to be no higher than walls. Cabinets must be painted to match the color of the stucco.
- F. Hooks for plants or other items may only be installed on the bottom of the overhang and not on the front of the trim board.
- G. No plants are to be placed on any stair step or landing to a main entrance.
- H. No more than four plastic or sphagnum moss pots of hanging plants or other items are allowed to be installed from awnings, fascia boards or overhangs.
- I. For safety reasons, no plants, pots or other items are to be placed on balcony walls and railings. The height of trees, shrubs or plants must not reach the balcony overhang or awning.
- J. Potted plants on top of the lower patio walls must have at least 3 feet between them. Balcony plants are not to exceed a 12" pot and a limit of 4 per balcony to prevent structural damage and general safety. Drip trays placed under each plant to lessen damage and stains.
- K. No wooden planters are permitted on top of the patio walls.
- L. Seasonal decorations are to be removed within 15 days after the holiday.
- M. Cracks on balconies and patios should be reported to the property manager to schedule repair.
- N. No items of any kind, decorative or otherwise, are to be placed or displayed in the common area of the complex without the written permission of the Board of Directors.

- O. The cost of installation and materials for the entry/landing downstairs and upstairs area should be shared by the shareholders whose apartments are on that entry/landing or signed off by shareholders who shares the entry/landing.

19. PEST CONTROL

The pest control service for Sovereign Park provides for the interior extermination of ants, roaches, rats and mice. There is a special charge to the shareholder for the extermination of fleas, silverfish and other pests not listed.

The Cooperative provides for extermination and local treatment of termites inside the apartments, as well as to the exterior of the buildings.

20. PETS

- A. Only one small dog, with a full grown weight of 35 pounds or less, two cats, or one dog and one cat. Pit Bulls, Rottweiler's, German Shepherds and Doberman Pinchers that are determined by insurance carriers to be aggressive will not be approved for occupancy. Please refer to Appendix A for a list of these breeds. The Board of Directors reserves the right to request the removal of pets if they deem the pet is a nuisance by excessive noise, debris, or running loose, or if they are creating a health hazard, or damaging the structure and/or grounds.
- B. Any existing shareholder/resident must have prior board approval before acquiring a new pet.
- C. All pets (dogs, cats and birds) must be confined to the shareholder's apartment, patio and balcony. Pets are not permitted outside unless under restraint on a leash or carried. Pets are not permitted to run loose in the Cooperative's common areas.
- D. Be considerate and walk your dog off the premises. Pets must be walked only off the premises of the complex. Pets are not permitted to relieve themselves on any balcony or patio at any time as this creates a health hazard.
- E. Each person is responsible for cleaning up after his/her own pet(s), which includes the parkway along Atherton Street in front of Sovereign Park Estates.
- F. Pets are not permitted in recreation rooms, swimming pool areas, or laundry rooms. This ruling is to be strictly observed and a fine will be imposed on any violators. This is also a City of Long Beach Health Department requirement.
- G. Resident must furnish the Board of Directors with evidence of a comprehensive personal liability insurance policy to cover any loss or personal injury to any resident, guest, or employee in common areas, caused by ownership of pets.

H. All pets are to be licensed and registered by any Long Beach requirements.

21. REAL ESTATE SALES

Prior to listing an apartment for sale, the Cooperative has the first right to purchase. If the Cooperative waives its right to purchase at the asking price, the shareholder may list the apartment with his/her choice of Realtors. Shareholders should make certain the Realtor handling the listing is aware of the Community Rules and General Information regarding the Cooperative. The Cooperative has many special requirements and restrictions that are unlike condominiums with which most real estate salespersons are familiar. It is suggested that any salesperson handling the listing or selling of an apartment be provided with a copy of the Community Rules and General Information for the Cooperative.

When an offer is presented and accepted any pets the potential buyer might have must be physically presented to the board for approval.

When first right of refusal is submitted to the management company, a letter is to be sent to seller for the listing broker listing financial requirements and pet limitations to purchase in Sovereign Park Estates.

Documentation of credit score is required for all sales, cash or financed.

The area underneath the "Sovereign Park Estates" sign that is mounted on two posts behind the retaining wall on Atherton Street close to the western entrance of Circle Drive is designated as the location for the placement of real estate signs for the sale of units at Sovereign Park Estates. One "For Sale" sign may also be placed in a window of the unit for sale. No "For Sale" sign may be placed on balconies, patios, entrances to units or anywhere in the common area except as noted below.

There are four eye bolts on the bottom of the sign that are to be used to attach real estate signs. The four eye bolts will accommodate two columns of the following sign size and configuration. Realtors will need to supply "S" hooks to attach their sign to the eye bolts or to the sign above theirs. These signs are to be removed at close of escrow.

- Size: 12 inches high by 18 inches wide
- Background: White
- Lettering: Black
- Materials: Durable and weather resistant
- Other: Holes drilled at top and bottom 4 inches in from either side

These signs must be specific to the sale of a particular type of unit (2 bedroom, 2 baths, den, etc.) and may not be general or generic real estate signs. "Open House" signs may be placed on the parkway along Atherton Street, an additional "Open House" sign may be placed at the outside entrances of 5110, 5140, and

5260 Atherton Street (these entrances are actually on Circle Drive), while an open house is in progress. One "Open House" sign may also be placed at the entrance of the unit having the open house. All "Open House" signs must indicate the proper address and unit number. Additionally, other directional signs may be placed as necessary to direct people to the proper unit.

All other signs placed without written consent of the Board of Directors will be removed.

22. RECREATION ROOMS

- A. There are three recreation rooms with kitchens and restrooms that may be reserved for private functions as long as there is a shareholder in attendance that sponsors the event. These rooms are located at 5110, 5200 and 5280 Atherton Street. No charge will be made for an event for shareholders only, provided they clean up the room to the standard of its original condition. The sponsoring shareholder is responsible for seeing that the recreation room is clean and in its original condition following its use.
- B. All requests for the use of the recreation rooms must be made with a Board Member or Management.
- C. There is a \$250.00 refundable security deposit to be paid at the time of the reservation to take care of any damages or special cleaning required as a result of the function.
- D. No person is permitted to enter the recreation rooms at any time while wearing a wet bathing suit.
- E. The Board has the authority to allocate permission to use the recreation rooms and requests must be made at least two (2) days in advance of the contemplated use. In the event of conflict, the shareholder will either have to reschedule or reserve a different recreation room.
- F. Loud singing, amplified music, or other noises that will disturb residents are strictly prohibited.
- G. Rental of the recreation room for a function does not include private or exclusive use of the pool.
- H. The recreation rooms may not be used for commercial purposes, which would include sales of products and services.
- I. Fund raising social events for charitable purposes sponsored by a shareholder may be submitted to the Board of Directors in writing for approval.

- J. Decorations are permitted in the recreation rooms and deck areas if they do not cause damage and are removed when the function is finished. No nails, tape, staples, etc. are permitted.
- K. Furniture and furnishings are not to be removed from the recreation rooms. Only folding and/or plastic chairs may be moved from the recreation room and placed on the pool deck. The sofas must remain inside the recreation rooms. Additional furniture or furnishings cannot be added to the recreation rooms without approval of the representative.
- L. Use is limited to 10:00 p.m. Sunday through Thursday and 11:00 p.m. Friday and Saturday.
- M. Sleepovers are not allowed in the recreation rooms or common area.
- N. Smoking is not allowed in any community area.

23. RENTAL POLICY

The Occupancy Agreement that is signed by each shareholder when purchasing an apartment states:

"ARTICLE VII NO SUBLETTING WITHOUT CONSENT OF CORPORATION"

"The Stockholder hereby agrees not to assign this agreement or sublet his/her dwelling unit without the written consent of the Corporation."

"The liability of the Stockholder under this agreement shall continue notwithstanding the fact that he may have sublet the dwelling unit with the written approval of the Corporation. The Stockholder shall continue to be liable for all obligations hereunder, and shall be responsible to the Corporation for the conduct of his sub lessee; any unauthorized subleasing shall, at the option of the Corporation, result in a termination and forfeiture of the Stockholder's rights under this agreement."

The Occupancy Agreement provides that apartments cannot be purchased for speculation and rented. This requirement has been perpetuated by the Cooperative since it was built and sold. "Shareholder" is intended to mean the owner(s) of record. Residency may also include immediate family members. Immediate family is defined as and includes spouse, including domestic partners whether registered as such or not (if not on title as shareholder), children (including adopted, natural, or by marriage), parents of shareholder(s) and shareholder(s) spouse, grandparents, grandchildren, and full-time caregivers (immediate issue and those in line of succession), as well as medically necessary caregivers (substantiated by a letter from the primary physician). The Board reserves the right, under exceptional circumstances proven by credible evidence, to permit other blood relatives of a shareholder to reside in the shareholder's apartment for a specified period of time.

Notwithstanding the previous paragraph due to special circumstances which may require a shareholder to leave the apartment for a period of time with the intention of returning and occupying the apartment, the Board of Directors may approve a rental on a month to month basis, for a period of six months, following an interview and written approval of the prospective tenant by the Association Manager and at least one Board Member.

If an apartment is vacated by the shareholder, listed for sale at a fair market price, and actively marketed while it is vacant for a minimum period of three months, under extreme circumstances, the Board of Directors may approve a rental on a month to month basis for a period of six months.

In all cases, prior to a shareholder advertising or searching for a tenant to occupy the shareholder's apartment, the shareholder must first get permission from the Board of Directors to rent the apartment. If permission is given to shareholder to rent the apartment, shareholder must inform prospective tenant that the Board of Directors must interview and approve prospective tenant prior to the rental agreement being finalized, and prior to occupancy of the apartment by the tenant. Tenants must agree to cooperate by making the apartment available for showing to prospective buyers, and agree to keep the apartment in clean and presentable condition.

Under extreme circumstances, should an apartment not be reoccupied by the shareholder, or sold prior to the end of the six-month period. Shareholders must apply in writing, and justify to the Board of Directors the need for an extension.

24. REPAIRS AND MAINTENANCE

The Cooperative is not responsible for repairs itemized in Article XI-A of your Occupancy Agreement. The items include repairs necessitated by shareholder's misuse of apartment or equipment; painting, decorating, cleaning of apartment interiors; washing inside and outside of windows; repairing, maintaining, and replacing any equipment and appliances built into the apartment, that were not originally included in the plans filed with the FHA. The Cooperative will restore property damaged by fire or flood to original standards if damage is not caused by shareholder negligence or shareholder personal property.

All requests for non-emergency repairs or maintenance provided by the Cooperative in Article XI-B in your Occupancy Agreement **must be** in writing to Management. **Emergencies should be called in and the repairs will be handled as soon as possible.** Repairs and replacements taken care of by Cooperative are listed below. Plumbing stoppages are taken care of by the Cooperative if they are believed to be in the main line and caused by tree roots or other common problems. **If stoppage is due to shareholder's negligence, shareholder will be required to reimburse Cooperative for this expense.** The Board of Directors strongly advises that each shareholder carry a homeowner

insurance policy to protect themselves for damage and liability resulting from their appliance failures.

A. Items Paid for by the Cooperative

Prior to replacement or repair of any item that would be paid for by the Cooperative, it must be approved in writing by the Board of Directors. If not preapproved, no reimbursement will be made. The approval of replacement or repair to any item is authorized by the Cooperative for originally installed items only.

1. Original General Electric Ranges: Repair and replacement of elements to range and oven; repair and replacement of fan over stove; repair and calibration of oven temperature. If total wiring goes bad, the Cooperative will pay per the reimbursement schedule available in the management office. The cooperative will split the cost of a time clock replacement.
2. Water Heaters: Repair and replacement. However, if the heater is leaking and the owner doesn't report it to the property management office, then Sovereign Park Estates will not pay for carpet or flooring repairs to the unit in which the water heater resides.

Note: When a unit is vacated or unoccupied, the water supply must be turned off.

3. Kitchen Sink: Repair and replacement of faucets of standard quality; repair and replacement of fittings and drain pipes; cleaning of drains if stoppage is in main line and not caused by resident's negligence.
4. Lavatories: Replacement of fittings; faucets of standard quality; sink stoppers, drain pipes.
5. Toilets: Replacement of standard toilet; replacement of ballcock assemblies, seals and valves. Shareholders pay additional amount for colored and/or upgraded toilets.
6. Bathtubs and Showers: Faucets, fittings, shower heads of standard type; hot and cold water flow control; overflow and drain lines; cleaning of drains if stoppage is in main line and not caused by resident's negligence. Bathtubs are not a replaceable item by Cooperative.
7. Garbage Disposals: Replacement and repair.
8. Linoleum/Vinyl Tile/Hardwood/Ceramic Tile: Replacement only if floor is damaged by sudden bursting water line with mid-grade like product.
9. Thermostats/Radiant Heat: Repair and replacement of thermostats for radiant heat and ceiling fixture (radiant heat) repair if possible.

10. Electric Outlets/Circuit Breakers: Repair and replacement of electric outlets and circuit breakers.
11. Screens: Replacement of screening material, rollers, and clips. Replacement of frame not covered. Shareholder is responsible for screen doors, which they have had approved in writing by the Board and installed on their front entry door.
12. Garage Doors: Adjustment and replacement of garage door springs and hardware only.
13. Reimbursement: Prior to the replacement or repair of any items to be paid for by the Cooperative, the replacement must be approved in writing by the Board of Directors.

B. Items Paid for by the Shareholder

1. Garage Doors: Repair to the garage door and garage door openers. The replacement of garage door. (Cost shared by shareholders sharing the garage.)
2. Shower Doors/Enclosures: Repair and replacement of shower doors and enclosures.
3. Toilet Seats: Replacement of toilet seats.
4. Sinks/Tubs: Replacement of sinks and tubs.
5. Caulking: Caulking of showers, sinks, and tubs.
6. Bathroom Heaters/Fans: Replacement of bathroom heaters and fans.
7. Counter Tops: Repair and replacement of counter tops in kitchen and bathrooms.
8. Entrance Doors/Door Locks: Repair and replacement of doors and door locks.
9. Kitchen Cabinets: Repair and replacement of kitchen cabinets.
10. Closet Doors/Sliding Doors: Repair and replacement of closet doors and doors between rooms, to include sliding doors.
11. Cracks in Walls, Ceilings, and Countertops: Repair of cracks in walls, ceilings, and counter tops caused by the settlement of the buildings or other reasons.

12. Air Conditioners: Maintenance and repair of air conditioners, in addition to any roof or building damage, interior or exterior, caused by the air conditioner. Maintenance includes painting, caulking, and servicing the air conditioner.
13. New Appliances: Maintenance, repair and replacement of all appliances that are not the originally-installed appliances. This includes all dishwashers, stoves, ovens, microwave ovens, refrigerators and ice makers.
14. Garage Interiors: Repair of all interior damage caused by the use of the garage, to include damage by vehicle or other items.
15. Building Modifications: All modifications approved by the Board of Directors, to include windows, patio additions, and other items are the responsibility of the shareholder to maintain, repair, and replace, as well as any repairs to common areas caused by the modification.
16. Linoleum/Vinyl Tile: Replacement of linoleum, vinyl tile or other floor covering in kitchen and bath. Cooperative will pay to repair any damage to sub-floor caused by toilet seal or water heater.
17. Smoke Detectors: Install and maintain smoke detectors in each bedroom and hallway. INSTALLATION IN THESE AREAS IS REQUIRED BY LAW.

C. Work Orders for Repairs (This does not apply to emergencies)

If shareholders have items of repair that are the responsibility of the Cooperative, they should put a request in writing. Forms for this purpose are available in the white mailbox outside the Maintenance Office. Each request for repair is logged into a spreadsheet for control purposes and a report of open/closed work-orders is provided to the Board of Directors. An appointment will be set up with the shareholder requesting service by a contractor or the onsite maintenance man scheduled to do the repair. Please be sure to include your name, apartment number, phone number, and describe in as much detail as possible, the problem that requires service.

D. Negligence

None of the above will be paid for if damage is due to shareholder negligence which is defined as follows:

1. Pouring Drains or bleach into any plumbing drain.
2. Letting leaking water to go un-reported.
3. Pouring hot cleaning water into the toilet.
4. Damage to flooring due to a continuous water leak from a shower, toilet, sink or water heater.

25. RULE ENFORCEMENT - This does not apply to parking violations. See Section 17 - PARKING.

Rule violations should be reported in writing (text, email, fax or letter) to the property management company. A warning letter will be written by Management notifying the person of the violation. As a means of preventing repeat occurrences of the violation, a penalty will be imposed against the shareholder for each additional occasion that the violation occurs. Please see Section 26 for the Schedule of Penalties.

Before the Board assesses any penalty against a shareholder for violation of these Rules, the Shareholder has the right to attend a hearing, upon at least twenty (20) days written notice, before the Board. If the hearing time set by the Board does not work for the shareholder, he/she has the right to negotiate a mutually-agreed upon time for the hearing.

If the shareholder does not attend the scheduled hearing or the Board determines after the date of such hearing that the penalty shall be assessed, the shareholder shall receive notice within fifteen (15) days following the action. A shareholder's refusal or failure to attend a scheduled hearing under this section shall constitute a waiver of the right to a hearing.

If there is a dispute between the Cooperative and a shareholder that cannot be resolved between the parties, the issue will be resolved using "Alternative Dispute Resolution Method." The cost is to be shared equally between the Shareholder and Cooperative.

26. SCHEDULE OF PENALTIES - This does not apply to parking violations. See Section 17 - PARKING.

A. General Violations (except B and C below)

The first violation of any rule will cause a written warning notice to be sent to the shareholder/resident from Management or the Board of Directors.

The second violation will result in the notification of a hearing as stated in number 25 above and a possible penalty of \$50.00.

The Board may determine at the hearing on any violation that continuing violations shall incur a penalty of \$100.00 for each month the violation is not remedied. The Board also may institute legal action to enjoin the violating behavior if it is not remedied.

B. Parking Violations – See Section 17- PARKING

Overnight parking from 10:00 p.m. to 6:00 a.m. without a permit may cause a vehicle to be towed at the owner's expense.

C. Garage Usage Violations

A warning letter will be sent to the shareholder on the first violation.

The second violation will generate a penalty of \$200.00 after a hearing with the Board of Directors as stated above. If the shareholder presents extenuating circumstances, the Board may choose to waive the penalty.

The third violation will result in a penalty of \$300.00, which will continue monthly until the violation is remedied to the satisfaction of the Board of Directors.

D. Any exterior modification that has been made by a shareholder, including the installation of doors and windows, which has not been approved in writing by the Board of Directors, is a violation of the Occupancy Agreement and the Rules. The shareholder may be required to remove the item installed, and if not removed by the date requested, the shareholder is subject to a penalty assessment of \$200.00 monthly until the modification is removed, and the structure restored to a condition acceptable to the Board of Directors. This also applies to any interior modification requiring advance written approval of the Board of Directors.

E. Shareholders will be responsible for any legal and/or attorney's fees involved in the collection of assessed penalties.

27. SCREEN DOORS

Standard security screen doors have been approved by the Cooperative. Prior to installation, shareholders requesting screen doors must submit a written request as well as a picture showing the type of screen door to be installed. When there are two doors in an entrance, it is recommended that the shareholders get similar doors. All screen doors must be dark in color.

The shareholder is responsible for removing or replacing screen doors that are unsightly, as well as repairing the door frames where the screen door was installed.

28. SOLICITATIONS

A. Door-to-door soliciting is not permitted, and signs are posted at all the entrances to notify solicitors of this fact. Residents contacted should tell solicitor that they are trespassing and no soliciting is permitted.

B. Non co-op brochures and circulars are not to be left on landings or doors. This rule applies to shareholders and other persons.

29. SPORTS ACTIVITIES

No sports activities are permitted on the grounds and driveways. This includes skate boarding, rollerblading, bicycling and ball playing of any kind.

30. STANDARDS FOR PURCHASE

A. APPLICATION FOR PURCHASE

FINANCIAL

1. Minimum Down Payment Requirements — twenty percent of the selling price or meeting the requirements of the lender or person carrying the financing.
2. A credit report showing good credit history.
3. Completed Financial Statement on a form provided by the Cooperative.
4. Verification of credit reports
5. Verification of employment and/or other income.

PERSONAL

1. Personal References;
 - a. Character references (2).
 - b. Close friend to be contacted in emergency.
 - c. Family — nearest relative and other immediate family.
 - d. Landlord — if prospective shareholder is renting at time of application.
2. Occupancy;
 - a. Applicant must agree to disclose the names of all proposed occupants.
 - b. All persons proposing to occupy the apartment must read and approve the Occupancy Agreement and Rules of the Cooperative, be interviewed by Board Members and be approved in writing by the Board of Directors, which approval will not unreasonably be withheld.

Note: All sales transactions must contain a clause that states that all sales are subject to the written approval of the buyer by the Board of Directors of Sovereign Park Estates Cooperative Apts., Inc., which approval will not unreasonably be withheld.

B. OCCUPANCY

1. Definitions;

Guests: For the purpose of definition, a guest is a person who is visiting a shareholder on a temporary basis for not more than thirty (30) days.

Non-Shareholder Residents: For the purpose of definition, a non-shareholder resident is a person who is permanently residing in the unit, whose name is not on the share of stock appurtenant to that apartment. There are two types of non-shareholder residents. One type of resident is not part of the shareholder's immediate family. This type of resident can reside in the unit if the shareholder simultaneously also permanently resides in the same apartment. The second type of resident is a person who is part of the shareholder's immediate family. Non-shareholder residents of both types will be required to agree to abide by the Occupancy Agreement, Community Rules and Bylaws. The shareholder will be legally responsible for the conduct of his or her non-shareholder residents. Only shareholders are permitted to make HOA dues payment from a shareholder account.

Immediate Family: Includes spouse, including domestic partners (if not on title as shareholder), children (including adopted, natural, or by marriage), parents of shareholder(s) and shareholder ('s) spouse, grandparents, grandchildren, and full-time caregivers (immediate issue and those in line of succession), as well as medically necessary caregivers (substantiated by a letter from the primary physician).

Shareholders: All shareholders, whether they reside at the Cooperative or not must read, agree, execute, and adhere to the Occupancy Agreement, and abide by the Community Rules and Bylaws.

2. Subject to Section 23, above, friends and relatives of shareholders residing with shareholder for an extended period of time 30 days are required to meet with Management and Board Members to establish a mutual acquaintance and answer any questions pertaining to the Cooperative.
3. Subject to Section 23, above, friends and relatives occupying the apartment in the extended absence of the shareholder will be required to meet with the Board of Directors.
4. The Board of Directors will enforce the terms of the Occupancy Agreement should a shareholder permit or suffer anything to be done or kept upon said premises that will increase the rate of insurance on the building, or on the contents thereof, or obstruct or interfere with the rights of quiet enjoyment of other occupants or annoy them by unreasonable

noises or behavior, or commit or permit any nuisance on the premises, including the common area, or commit or suffer any illegal act on the premises.

5. All shareholders residing alone are encouraged to provide the Cooperative with a written statement designating a person or persons who are authorized to act on the shareholder's behalf for a medical or other emergency in the absence of immediate family.

31. STORAGE AND STORAGE ROOMS

No visible storage of an unsightly nature is permitted on balconies, patios, or in garages.

At 5110 and 5280 Atherton Street, there is a storage room for bicycles. Shareholders owning bicycle will contact the management office to obtain keys.

Due to the limited space available, there is no storage space available to shareholders other than the storage cabinets in the garages.

The storage of any volatile fluids that are out of compliance with current fire regulations in any storage areas, including garages, is strictly prohibited.

32. SWIMMING POOLS

- A. Shower facilities are provided in each pool area and it is recommended that swimmers shower before entering pool.
- B. No breakable glasses, dishes, etc., are permitted in pool area.
- C. Diving is not permitted. Running, pushing, wrestling, ball playing, screaming, hollering or causing undue disturbance in or about the pool area is not permitted.
- D. No persons having sore or inflamed eyes, colds, or any communicable disease are allowed to use the pools. Persons with open sores or bandages will not be permitted in the pools.
- E. Babies and children who are not toilet trained are not permitted in the pools. Any child or adult wearing diapers of any kind or size is absolutely not permitted in the pools.
- F. Children less than 14 years of age are not permitted in the pool without the supervision of a responsible "legal" adult authorized to approve medical treatment if necessary.
- G. The pools are reserved for the exclusive use of the shareholders and their guests. Each shareholder is responsible for the conduct of their guests and is

to make certain they do not monopolize the pool. Adult guests using facilities need not be accompanied by the shareholder. Visiting children must be accompanied by the shareholder or a responsible adult guest.

- H. All use of the swimming pools and patios must be terminated by 10:00 p.m. Sunday through Thursday nights. On Friday and Saturday, this time is extended to 11:00 p.m.
- I. Facilities at the pool may be used only in such manner as not to disturb other residents; boisterous talk or other disturbing noises are strictly prohibited.
- J. Persons using suntan oils must shower prior to entering pools. Suntan oils clog the filtering systems of the pools. In addition, persons using suntan oil should protect the pool furniture by lying on towels rather than directly on the furniture.
- K. No Smoking is allowed in the pool areas, clubhouses, laundry rooms or any common area.
- L. Pool heat may be shut off from November 1st though April 30th due to the high cost of heating pools during those months.
- M. No alcohol is allowed in pool area.
- N. All residents are to obey the rules posted in the exercise room.

33. OTHER AMENITIES

Other amenities provided by the Cooperative are the crafts/hobby room, bicycle storage rooms, exercise room, billiard room, and the "Book Nook" library of books and videos. These are for the use and enjoyment of all shareholders. Please help keep them clean and remember that no smoking is allowed in any of these rooms, the laundry facilities or clubhouses.

34. TELEVISION

The Cooperative has a current bulk-rate cablevision contract. This is included in the monthly payments from shareholders. Shareholders will be billed directly for extra services received from the cable provider.

35. BARBEQUES

NO SMOKERS ARE PERMITTED on any balcony or patio. Because of the smoke from barbeques, please be considerate of your neighbors.

36. ELECTRIC VEHICLES

Any shareholder purchasing an electric vehicle must contact the management office for further information.

37. SUMMARY

While there is a great deal of information provided in this Rules and General Information, not every situation can be covered. Shareholders and their guests should always take care to avoid activities that may disturb their neighbors. Complaints that have been received include playing radios and televisions too loud, starting cars that are noisy in early morning hours, barbecuing and/or smoking on patios and balconies without consideration for the effect of the smoke and odor on close-by neighbors, doing laundry at early morning or late night hours, being let out of a car during late night hours, talking loudly to someone in a driveway near bedroom windows, or not taking care to quietly close gates during late night or early morning. Common courtesy is appreciated by your neighbors, and while only a few shareholders have had to be reminded of this, often it is because they did not realize that they were disturbing their neighbors.

The updated Community Rules and General Information was mailed to all shareholders to ensure that everyone, including family occupants receive a copy. If you have a friend or caregiver living with you, it is important that they also read the Community Rules and General Information, as shareholders are responsible for the actions of their family members, their guests, and caregivers.

Appendix A: Restricted Dog Breeds

No Akita, Bull Mastiff, Bull Terrier, Chow (Chow Chow), Doberman pinscher, Pit Bull (American Pit Bull Terrier), Rottweiler, Staffordshire Terrier (Staffordshire Bull Terrier, American Staffordshire Terrier), Wolf or Wolf breed, or dog being predominantly one or more of these breeds shall be allowed in the Community.

Provided by LaBarre/Oksnee Insurance Agency,
Insurance Carrier for Sovereign Park Estates