

STATEMENT OF POLICY OF DRIFTWOOD GARDENS MOBILE HOME PARK

LOCATION AND SIZE OF SPACE:

- 1. The location and approximate size of your space is:**
 - As described on the attached map of the park (Exhibit A).
- 2. Our policy on reserving spaces is as follows:**
 - A space may be reserved upon payment of ONE-MONTH'S RENT deposit. This will be applied to the first month's rent if your home is sited on the space within thirty (30) days.
 - If you do not occupy the space within thirty (30) days, you may either:
 - Renew the reservation for a period of thirty (30) additional days by paying the designated monthly space rent or,
 - Forfeit the deposit
 - In order to extend the reservation, tenant agrees to notify the park manager in writing.

FACILITY CLASSIFICATION:

- 1. The federal fair-housing age classification of this park is:**

Family Park
- 2. Our policy in applying this classification includes the following terms and conditions:**

We do apply occupancy limits in accordance with HUD and/or State established guidelines which change from time to time. Currently our occupancy guidelines are two people per bedroom.

CURRENT ZONING:

- 1. The current zoning affecting the use of the rented space is:**

MR-1, MEDIUM DENSITY RESIDENTIAL - Permitted uses include Mobile Home Parks, apartments, etc.
- 2. The zoning authority for this park is:** Clackamas County
- 3. Pending zoning action which could impact the park's zoning of which owner is aware:**
 - None
 - Zoning may change through no control of park owner.

RENT ADJUSTMENT POLICY:

Under current state law the landlord may increase your rent with 90 days notice. State law does not limit the amount or the frequency of rent increases, but you must be given the opportunity to meet with management to discuss any increase. Your rental agreement may give you more protection than state law.

1. Our policy is to give you no less than 90 days notice of a rent increase. It is also our policy to adjust rents:

We try to limit rent adjustments as much as possible, but we do reserve the right to make changes whenever we deem it necessary.

2. How rent increases are determined:

Rent increases shall be determined by landlord by reference to increased costs, prevailing market rents, prevailing economic conditions and repair or improvement costs or any other costs related to the operation of the park, accounting, administration, legal and management fees, increased taxes, assessments and annual cost of living adjustment and a fair return on the owner's investment.

Space Rental Amount:

The tenant will be responsible for payment of rent, special use fees, pass-through charges, user fees and other financial obligations, as follows:

1. Rent:

- The base rent for your space is \$_____ per month.

2. Special Use Fees:

| <u>Type of fee</u> | <u>Amount</u> |
|--------------------------------|-----------------|
| 1. Late Rent Charge | \$ <u>50.00</u> |
| 2. Returned Check Charge (NSF) | \$ <u>25.00</u> |
| 3. OTHER | \$ _____ |

3. Pass-through Charges:

The tenant will be responsible for payment of pass-through charges which are the tenant's proportionate share of the direct costs and impact or hookup fees for any governmentally mandated capital improvement or program. This may include the direct costs and impact or hookup fees incurred for capital improvements or programs required by or for public or private regulated utilities. The charges may be assessed more often than annually and will be assessed to tenant on a pro rata basis. The pro rata share will be determined by dividing the number of mobile home spaces leased by a tenant by the total number of leased mobile home spaces in the park. We will give 90 days notice of an increase for this reason, but we don't have to wait for your anniversary date to do this.

4. Generally:

The costs of all other services required by tenant are solely tenant's responsibility.

The dollar amounts set above represent only the amounts charged for each rental category on the date hereof, such amounts are subject to increase.

Wherever "0" appears above a blank for the amount charged for any category described above, it means that charges for that category are not imposed by landlord on the date hereof. The amount of those charges may be increased upon 90 days written notice.

Nothing in this Statement of Policy shall be deemed a waiver of the landlord's right to collect from tenant any damages caused by tenant, tenant's family or tenant's guests.

We reserve the right to make changes in this rent adjustment policy.

5. User Fees:

The tenant is responsible for the payment of user fees if tenant agrees to the provision of services for such fees by the landlord.

"User fees" are defined as those amounts charged in addition to the space rental amount for non-essential optional services provided by or through landlord to tenant under a separate written agreement between tenant and the person furnishing the optional service or services.

User fees are subject to increase. Notice of an increase in user fee changes will be provided to tenant ninety (90) days prior to the increase. There are currently no user fees in the park.

PERSONAL PROPERTY, SERVICES AND FACILITIES PROVIDED BY LANDLORD:

Buildings:

- 1. Are there any recreational or common facilities available for use by tenants?**
Yes ___ No X
- 2. Are there any buildings which are available for use by tenants?**
Yes ___ No X

Personal Property:

- 1. List all items of personal property, such as shuffleboard equipment, chairs, lawn mowers or other items that are available for use by residents. Tenant is advised that any such park-owned equipment is used by tenant, tenant's family or tenant's guests at their own risk. Tenant waives any and all claims against landlord for any damages suffered as the result of such use:**

Lawn mower - see Manager

More Information:

- 1. All of the facilities, personal property and services provided by landlord are subject to published use rules which can change from time to time with reasonable notice. All facilities**

have been completed except as noted above. The landlord reserves the right from time to time to alter or change any of such facilities, personal property or services by their removal, relocation or alteration. No assurance is given that any of the foregoing facilities, personal property or services will remain available for the residents' use for any specified period after the date hereof, except the landlord agrees that the following facilities, personal property or services will remain available as indicated below:

Some things you should know we do not provide are:

- | | |
|---|--|
| <input checked="" type="checkbox"/> locked gates | <input checked="" type="checkbox"/> first aid services |
| <input checked="" type="checkbox"/> security guards/patrols | <input checked="" type="checkbox"/> emergency utility services |
| <input checked="" type="checkbox"/> a local bus stop * | <input checked="" type="checkbox"/> restricted access to park |
| <input checked="" type="checkbox"/> fire hydrants in park | |

* There is a Tri-Met bus stop on 82nd Avenue within walking distance from the park.

We must ask you to be responsible for the security of your own home and possessions and report any security problems to police and management.

The park has no security services or systems. Tenant assumes the risk of and waives any claim against landlord for damages resulting from the criminal acts of third parties.

2. Our policy on landscape maintenance is as follows:

- Tenant is responsible to maintain and clean their space. This includes mowing, weeding, fertilizing, pruning of shrubs and trees. You maintain your space, we maintain the common areas. Any substantial improvements that you intend to make to your space, including but not limited to landscaping, must first receive written approval of management. Upon termination of your tenancy, the space must be left in substantially the same condition as it was upon commencement. Tenant shall be solely responsible for all damage to the space occasioned upon removal of the dwelling unit. All plantings or other landscaping placed upon the space, whether by the landlord or tenant, shall become the property of the landlord upon termination of the tenancy, unless the parties agree otherwise in writing prior to such termination.
- In general and except as expressly provided to the contrary in the Rental Agreement or Park Rules and Regulations, each tenant is responsible for the maintenance and repair of his or her mobile home, mobile home lot and all improvements thereon (including landscaping).

Our policy on landscape & tree maintenance is as follows:

- Tenant is responsible to maintain and clean their space, including but not limited to, maintenance of all trees, shrubbery and landscaping within the boundaries of their space, whether planted by tenant or others. Maintenance shall include, but not be limited to: watering, spraying (fertilizer, pesticide, herbicide, etc.), mowing, raking, weeding, leaf & needle removal, edging, trimming, limb removal, and diseased or dead tree removal. Tenant is responsible for properly disposing of all landscaping debris, including all trimmings and leaves & pine cones/needles. The cost of said maintenance shall be the sole responsibility of the Tenant. You maintain your space, we maintain the common areas. Any substantial improvements that you intend to make to your space, including but not limited to landscaping, must first receive written approval of management. Upon termination of your tenancy, the space must be left in substantially the same condition as it was upon commencement. Tenant shall be solely responsible for all damage to the space occasioned upon removal of

the dwelling unit. All plantings or other landscaping placed upon the space, whether by the landlord or tenant, shall become the property of the landlord upon termination of the tenancy, unless the parties agree otherwise in writing prior to such termination.

- In general and except as expressly provided to the contrary in the Rental Agreement or the park Rules and Regulations, each tenant is responsible for the maintenance and repair of his or her mobile home, mobile home lot and all improvements thereon (including landscaping).

Tree policy:

- Any tree(s) which is intended to be planted on the Tenant’s space must first have a written request submitted to Landlord outlining the type, species, characteristics, height at maturity and specific location diagramed on a plot plan which must be approved in writing prior to installation of any tree(s).
- Except for trees with aggressive or shallow root systems, trees that reach a height of less than 15 feet at maturity will generally, but not necessarily, be allowed to be planted on Tenant’s space in the community. Trees exceeding this height at maturity will generally not be allowed.
- Trees which, in the sole opinion of Landlord, are anticipated to have root systems which may potentially compromise the utility lines housed underground, curbing, sidewalks, driveways and/or streets will not be allowed to be planted or to otherwise remain on Tenant’s space.
- Failure to receive written approval from Landlord or misrepresentation by the Tenant, whether intentional or unintentional, concerning the type, species, characteristics, height at maturity and specific location of tree(s) to be planted and/or failure to comply with any portion of this Tree Policy shall be grounds for immediate removal of such tree(s) at Tenant’s sole expense and/or termination of tenancy. This applies at any time during the lifespan of said nonconforming tree(s).
- Tenant shall take any and all reasonable steps to properly care for any tree on Tenant’s space, whether planted previously or by Tenant, to ensure it does not grow or deteriorate to the point of presenting a future safety risk to Tenant’s or other’s person or property. The Community may have specific Rules & Regulations regarding maintenance of existing trees. Please refer to the Community Rules and Regulations for details.
- Landlord reserves the right, but is not obligated, to remove any tree which Tenant fails to properly maintain and/or remove or otherwise cease from planting and to charge the Tenant for all costs associated with such trimming or removal except for that which is not permitted according to Oregon Law ORS 90.727.

UTILITIES AND SERVICES AND PAYMENT RESPONSIBILITY:

| | PAYMENT BY: | | FURNISHED BY: | WHO CONTACTS PROVIDER: | NOTICE NEEDED: |
|----------|-------------|----------|----------------------|------------------------|----------------|
| | TENANT | LANDLORD | | | |
| Water | _____ | <u>X</u> | <u>Clackamas Co.</u> | <u>Landlord</u> | <u>2 weeks</u> |
| Sewer | _____ | <u>X</u> | <u>Clackamas Co.</u> | <u>Landlord</u> | <u>2 weeks</u> |
| Garbage | _____ | <u>X</u> | <u>Waste Mgmt</u> | <u>Landlord</u> | <u>2 weeks</u> |
| Electric | <u>X</u> | _____ | <u>PGE</u> | <u>Tenant</u> | <u>2 weeks</u> |

- Awnings, decks, and storage shed must be installed within ninety (90) days after move-in.
 - Basic landscaping must be installed within ninety (90) days after move-in.
- If this box is checked, you have applied to buy a home in the park and as a condition of leaving the home in the park you or the present owner will be required to do certain things to the home and/or space.

Bring home up to park standards in compliance with Re-Sale Compliance Notice (**Form #39**)

This may include the following if needed at the time of the sale:

- Wash and/or paint mobile home
 - Remove the tongue from the home if needed
 - Install gutters and downspouts if needed
 - Landscaping improvements required by the Landlord
- If this box is checked, the following improvements are not required of existing tenants on the date of this Statement of Policy but are required of new tenants:

Other information:

RENTAL AGREEMENT TERMINATION POLICY:

Under current state law, your tenancy may terminate for cause as specified by law, which includes among other causes the failure to pay rent and violation of park rules or your rental agreement. It may also terminate upon closure of the park or upon expiration of your rental agreement term.

1. Term of the tenancy offered:

- THE TENANCY OFFERED IS MONTH TO MONTH AND MAY TERMINATE FOR CAUSE OR UPON CLOSURE OF THE PARK, AS PROVIDED IN THE RENTAL AGREEMENT, SECTION 16B.
- In the event of any change of Oregon or federal law, landlord reserves the right to require that the tenant sign a new rental agreement to comply therewith.

2. Other terms and conditions:

- If this box is checked, the **tenancy offered is month to month** and the landlord reserves the following rights to amend the rules and regulations. **Note: These reserved rights do not and cannot include the right to modify the term of the tenancy:**
- Oregon Law states "the landlord may propose changes in rules and regulations including changes that make a substantial modification of the landlord's bargain with a tenant, and unless tenants of fifty-one percent (51%) of the affected units in the facility object in writing within thirty (30) days of receiving the proposed change, the change shall be effective for all tenants on a date not less than sixty (60) days after the date that the notice was served by the landlord".

- In the event this law changes, landlord will comply with revised law.

3. Following is a summary of the park policy on sale of your home, and on assumption (if allowed) of your rental agreement by the buyer. Please see the Rental Agreement, Section 13, for details.

- **If the home may remain in the park on resale, the following applies:**
- Tenant must give written thirty (30) day notice to landlord of intent to sell mobile home.
- Prospective purchaser must fill out an application and be approved by the landlord.
- Purchaser shall not move into the mobile home until purchaser has been approved by the landlord and signed a new Rental Agreement.
- Oregon and federal law permit the landlord to deny tenancy on the basis of, but not limited to:
pets; number of occupants; credit references; character references; criminal records; tenant history of eviction or property damage; rental history; unverifiable or insufficient income; or incorrect, incomplete, or unverifiable application information. Our policy is the same as these laws.

4. Following is a summary of the park policy on conditions, if any, which may require your home to be removed from the park. You may replace it with another home during the term of your tenancy. For details see the Park Rules and Regulations, Section 16.B.6.

Failure to Maintain the Home

PARK CLOSURE POLICY:

Under current state law, all or part of the park may be closed with 365 days notice and the landlord has no further obligation to tenants. The park may be closed with notice of 180 to 364 days if the landlord finds you another space and pays your moving expenses. Low income tenants can get a tax credit for moving costs.

IF WE SHOULD DECIDE IN THE FUTURE TO CLOSE ALL OR PART OF THE PARK, WE WILL GIVE YOU NO LESS THAN 180 DAYS NOTICE (MINIMUM 180 DAYS) PRIOR TO SUCH CLOSURE TO ALLOW YOU TIME TO MAKE PLANS.

1. Contractual Protection Against Closure:

- Landlord offers no contractual protection against future closure of the park and reserves the right to close the park at any time with notice to tenant as stated above.

2. Assistance to tenant if park closes:

- In the event of closure, we can not offer you any assistance in excess of that required by law as of the date of our Rental Agreement with you. This means that you could have to find another place for your mobile home and pay the moving costs yourself.

3. Landlord has no current plans for closure of the park or for changes in the use of the land under the park, but you will appreciate that we cannot predict the future. For this reason, we

cannot offer any assurances on this point.

POLICY REGARDING SALE OF THE PARK:

Under current state law, the owner may sell the park to anyone and you have no special priority ("right of first refusal") to buy it. A buyer may raise the rent with 90 days notice unless your rental agreement provides otherwise. The owner may be obliged to notify a tenant association of a possible sale.

1. Park Policy:

- We have no definite present plans for sale of the park but you will appreciate that we cannot predict the future. For this reason, we cannot offer any assurances on this point.
- We cannot offer our tenants any special priority ("right of first refusal") if we sell the park, but we will notify you and comply with valid state law in effect on the date of our Rental Agreement with you.
- In the event of sale of the park, we can offer no protection against rent increases and must reserve the right for a buyer to raise rents as provided in the Rental Agreement.

DISPUTE RESOLUTION POLICY:

To encourage park residents and the owner/manager to settle disputes, it is the policy of this park that each issue with merit shall be given a fair hearing within 30 days of receipt of a formal complaint. Park management will meet and confer with the complainant and attempt to resolve the problem.

Disputes not resolved under the above procedure shall be resolved as follows:

The second step, after the informal in-park hearing discussed above, is mediation arbitration both mediation and arbitration. Our procedure is described in our Rules, section 15 or below:

In accordance with Oregon Law, we must respectfully decline to mediate or arbitrate disputes relating to:

(a) park closure; (b) park sale; (c) rent, including the amount of rent, rent increases, and nonpayment of rent; (d) any dispute for which a 24 hour notice of termination may be issued; (e) any violation of the rental agreement or rules and regulations for which a second notice has been issued by the owner or park management within the preceding six months.

Other information:

THE FOLLOWING ATTACHMENTS ARE EXHIBITS TO THIS DOCUMENT:

| | Exhibit |
|---|---------|
| <input type="checkbox"/> Park Layout | A |
| <input type="checkbox"/> Rental Agreement | B |
| <input type="checkbox"/> Rules and Regulations | C |
| <input type="checkbox"/> Pet Agreement | D |
| <input type="checkbox"/> Re-Sale Compliance Notice (Form #39) | E |

OTHER IMPORTANT INFORMATION:

Amendment of Park Rules:

Please read Rental Agreement, Section 24, on amendment of park rules. Our rules can be amended without your consent in compliance with Oregon law.

Legal Advice and Cancellation by You of Rental Agreement:

You have the right to seek legal advice. We recommend you show this Statement of Policy and all Exhibits to an attorney and get advice on your rights and responsibilities under these documents, as well as the risks you are assuming, before you sign a rental agreement with us. Once you sign the agreement, we will allow you to cancel it by written notice to us for a period of 5 days or until occupancy in the park, whichever first occurs. After that, it is binding on you.

Amendments:

This Statement of Policy contains in summary form the landlord's representations of park policies in effect as of this date. It is subject to landlord's reserved rights to amend or change these policies, as stated herein. This Statement of Policy is not itself a contract.

We reserve the right to amend this Statement of Policy and its exhibits from time to time: (a) for future tenants, (b) for all tenants to exercise the rights reserved herein, and (c) to comply with changes in federal, state and local law.

If you are a prospective new tenant or an existing tenant being offered a new Rental Agreement, the policies in this document will be incorporated in the Rental Agreement you sign, which is a binding legal contract for the term thereof and any renewals.

If you are an existing tenant in this park not being offered a new Rental Agreement, then the following applies:

- This Statement of Policy contains a summary of parts of your present Rental Agreement.
- This Statement of Policy cannot change your present agreement without your consent. Anything in this document that conflicts with your Rental Agreement is not binding on you, unless a change in the law has had the effect of changing your Rental Agreement.
- This document may also contain policies which are not part of your present agreement. You can make these policies part of your contract with the landlord by signing a new Rental Agreement. Unless you sign a new Rental Agreement, certain policies may be subject to change.

Effective Date of Legislation: July 1, 1992 until Superseded

Applicant or tenant acknowledges receipt of this Statement of Policy and exhibits by signing here or by signing a separate receipt.

TENANT

TENANT

LANDLORD

DATE