

**STATEMENT OF POLICY
OF
SOUTHWEST MOBILE TERRACE**

LOCATION AND SIZE OF SPACE:

1. The location and approximate size of your space is:

- * Space # _____
- * Approximate _____ square feet

2. Our policy on reserving spaces is as follows:

- * A space may be reserved upon payment of a deposit equal to the first months rent.
- * 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 on the 31st day following receipt of 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:

- * Age 55 or older, one member of the unit must be at least 55 or older

2. Our policy in applying this classification includes the following terms and conditions:

- * We do apply occupancy limits as follows:
 - Oregon Law is two (2) persons per bedroom depending upon size of the bedroom and overall size of the dwelling unit.
- * We reserve the right to apply different age or occupancy limits to subsequent buyers of your home.
- * We cannot promise to keep this age classification forever. It could change without your consent.

CURRENT ZONING:

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

- * Phase I - C-3
- * Phase II and III - R-4

2. Permitted uses include:

- * Phase I - General commercial
- * Phase II and III - Multi-family dwelling, retail stores, churches, clubs, automobile sales and service, electrical appliance or equipment sales and service.

3. The zoning authority for this park is:

- * City of McMinnville Building Division - 434-7314

4. Pending zoning action which could impact the park's zoning of which owner is aware:

- * None

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.

1. Our policy is to give you no less than ninety (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:

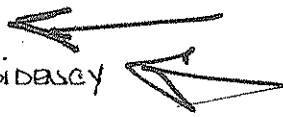
- * Rent increases shall be determined by landlord by reference to increased costs, prevailing market rents, prevailing economic conditions and repair or improvement costs or any other costs related to the operation of the park, accounting, administration, legal and management fees, increases in taxes,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

Space Rental Amount:

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

1. Special Use Fees

<u>Type of fee</u>	<u>Amount</u>
1. Late rent charge	<u>\$15.00</u>
2. Returned Check Charge	<u>\$15.00</u>
3. Additional Occupant (over 2)	<u>\$10.00 per person, per month</u>
4. APPLICANT SCREENING FEE	<u>BASED ON STATES OF PREVIOUS RESIDENCY</u>



2. 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.

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, tenant's pet or tenant's guests.

3. User Fees

The tenant is responsible for the payment of user fees if tenant agrees that the services will be provided 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 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.

RV Storage	<u>\$-0-</u>
Extra Parking	<u>\$-0-</u>
Rec Room Reservations	<u>\$-0-</u>

4. More information

Many financial consultants and mortgage lenders advise consumers to keep the total of rent, utility and mobile home mortgage payments below 30% of take-home pay or income. This can be important if your income is fixed but your rent increases over time. **Please understand that we want you as a tenant if you can afford to live here. We don't want to create financial problems**

for you or us, so we share these facts with you.

PERSONAL PROPERTY, SERVICES AND FACILITIES PROVIDED BY LANDLORD

Buildings:

1. Are there any recreational or common facilities available for use by tenants?

Yes X

* Clubhouse (includes tables/chairs, refrigerator and stove)

Personal Property:

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.

1. Our policy on landscape maintenance is as follows:

* Tenant is responsible to maintain their space. This includes mowing, weeding, fertilizing and pruning of shrubs and trees.

* Our policy on landscape maintenance is as follows: 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 Rules, each tenant is responsible for the maintenance and repair of his or her mobile home, mobile home lot and all improvements thereon (including landscaping).

UTILITIES AND SERVICES AND PAYMENT RESPONSIBILITY:

	PAYMENT BY		FURNISHED
	TENANT	LANDLORD	BY
Sewer	X	_____	<u>McMinnville Water & Light</u>
Garbage/*	_____	_____X_____	<u>City Sanitary</u>
Compactor	_____	_____	
Water	X	_____	<u>McMinnville Water & Light</u>
Electric	X	_____	<u>McMinnville Water & Light</u>
Phone	X	_____	<u>Verizon NW</u>
Cable TV	X	_____	<u>Comcast</u>
Individual	X	_____	
garbage containers			
recycling			<u>Western Oregon Waste (W.O.W.)</u>

* Grass clippings, pruning and branch removal responsibility of tenant. Landlord reserves the right to pass the monthly utility costs to the tenants that are not currently paying for them.

Changes to Utilities and Other Services: We must reserve the right to change these utility arrangements, including the billing procedure, with reasonable notice to you. Nonessential utilities, such as cable TV, could be discontinued if no provider were available. Please see section marked "Services" of your Rental Agreement.

Unless your rental agreement provides otherwise, we reserve the right to bill the tenant separately for utility service fees and charges assessed by the utility for services provided to or for spaces in the park. Any separately billed utility fees and charges shall not be considered to be included in the rent charged for those spaces under the rental agreement and shall not be considered to be rent or a rent increase. Utility services to which this applies are natural or liquid propane gas, electricity, water, cable television, garbage or refuse service and sewer service. However, nothing contained herein shall be construed to require our rental agreement to provide for separate billing to tenants of fees and charges.

REFUNDABLE DEPOSITS, NON-REFUNDABLE FEES, AND INSTALLATION CHARGES IMPOSED BY LANDLORD OR GOVERNMENT:

1. All costs of moving a home into (and out of) the park and any damage to the park resulting from this process are your sole responsibility. Your costs to get into the park are shown below:

* The following non-refundable fees and installation charges are imposed by landlord:

Application Fee \$325.00

2. The following fees and charges are imposed by government to move into the park. Amounts are Southwest Mobile Terrace Statement of Policy - Page 5 of 9

approximate and are subject to change and landlord does not warrant the list to be complete.

Note: Homes now in the park and up to code will not need government permits:

- * Mobile Home Placement - \$135.00
- * Awning Fee - \$47.50

If 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
- * Wash and/or paint mobile home
- * Landscape improvements required by Landlord
- * Any improvements required by Landlord

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.
- * 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:

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 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. For details see Rental Agreement.

* Tenant must submit a thirty (30) day written notice to the landlord of intent to sell home.

* Prospective purchaser must fill out an application and be approved by the landlord.

* Purchaser shall not move into home until accepted by landlord and a new Rental Agreement has been signed.

* Any money owing the Landlord including but not limited to; rent, late fees, returned check fees, etc. are to be paid in full prior to Landlord approving application.

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 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.

POLICY REGARDING SALE OF THE PARK:

The landlord reserves the right to sell the park at anytime and to any purchaser.

Pursuant to Oregon Law, if requested by a tenant association or facility purchase association ("the association") to do so, the owner is obliged to notify them of the listing for sale of the park or of written offers of purchases which the owner intends to consider. Thereafter, the owner may be required to negotiate in good faith with the association for the sale of the park to them. This does not apply to tax deferred exchanges of the park. Our policy is the same.

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 give a fair hearing within 30 days of receipt of a formal written complaint. Park management will meet and confer with the complainant and attempt to resolve the problem.

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

- * Informal meeting
- * Mediation and/or arbitration
- * Court

The second step, after the informal in-park hearing discussed above, is mediation and arbitration. Our procedure is described in our Rules and Regulations. See section for Dispute Resolution.

In accordance with Oregon Law, we must respectfully decline to mediate or arbitrate disputes relating to: (a) Park closure; (b) Park sale, or (c) Rent, including the amount of rent, rent increases, and nonpayment of rent and (d) matters for which a non-curable notice of termination may be given to the Tenant under Oregon law.

THE FOLLOWING ATTACHMENTS ARE EXHIBITS TO THIS DOCUMENT:

	Exhibit
<input checked="" type="checkbox"/> Rental Agreement	A
<input checked="" type="checkbox"/> Rules and Regulations	B
<input checked="" type="checkbox"/> Pet Agreement	C

OTHER IMPORTANT INFORMATION:

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. After you sign the Rental Agreement, it is a legal and binding agreement.

Amendments:

This Statement of Policy contains in summary from the landlord's representations of park policies in effect as of this date.

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, (c) to comply with changes in federal, state and local law; and (d) revision in park rules and regulations.

THE STATEMENT OF POLICY IS NOT A BINDING AGREEMENT. THE STATEMENT OF POLICY IS A DISCLOSURE DOCUMENT REQUIRED BY LAW. THE STATEMENT OF POLICY IS NOT PART OF THE RENTAL AGREEMENT.

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

Date: