

Aspen Meadows

STATEMENT OF POLICY

Lot _____

I. **Straight Talk About Manufactured Housing Park Living**

Manufactured housing park living has many advantages, including lower up-front capital costs, lower maintenance, a sense of security and generally better control of your neighborhood. However, there are important economic and legal consequences to a decision to locate your manufactured home on rented land. You are advised to study carefully the following disclosures before buying a manufactured home to place on a rented site. This document does not address all the issues you face in manufactured home park living. It is intended to help you reach an informed decision. **You have the right consult a lawyer before reaching a decision and right to shop around for the best deal.**

- A. This Statement Of Policy is only summary in nature. You should read carefully all references and all exhibits to the Statement Of Policy, Lease Agreement, the Rules and Regulations of the Park and the Landscaping Standards.
- B. Oral representations should not be relied upon as correctly stating the representations of the park owner or manager. Refer to the documents said in section I.A. above for correct representation.
- C. If you sign a rental or lease agreement prior to occupancy in a manufactured home park, the agreement may or may not allow you to change your mind and cancel it during a "cooling off" period.
- D. Rents can and do go up. The site rent could increase faster than your ability to pay, especially if your income is fixed. When parks are sold, rents may increase. Remember that you, not the Owner, are responsible for your ability to pay rent.
- E. Your tenancy may legally terminate:
 - 1. If you fail to pay rent or you violate a law, an ordinance, any rule or regulation or other conditions of the tenancy of the park;
 - 2. If the park closes; or
 - 3. When your rental term expires.
- F. Occasionally, rising rents or termination of tenancy or park closures may cause homeowners to bear moving costs. Manufactured homes are not easily moved and you could have difficulty finding a new place to put your home.
- G. The Owner is free to close all or a portion of the park with twelve (12) months prior notice without obligation to you. The Park may require you to remove your home on termination of your tenancy as allowed by Oregon law. This might occur, if, for instance, the park closed or you were evicted (after due notice and court process) for failing to abide by your rental agreement, rules and regulations, or state law. Removal of your home may impact its market value.
- H. The law does not require you to sell your home to the landlord. It also does not obligate the landlord to sell the park or your lot to you.
- I. The law allows reasonable restrictions on who lives in your home and to whom you may sell your home, if your home is to remain in the park after you leave. Read the lease agreement.
- J. Some manufactured home parks offer you more security in the form of long term rental agreements (Leases) rather than month to month tenancy, which may provide some protection against park closure or park sale and which may provide for limited or more predictable rent increases. You have the right to negotiate for terms that meet your needs.

II. **Specifically About This Park ("Aspen Meadows")**

Aspen Meadows has set forth certain conditions, rules, restrictions and procedures based upon our experience, business practices and the law. We try to use our best judgment and to equally enforce these while being as least intrusive as possible. We believe that it is in everyone's best interest to set forth not only contractual documents but mutual expectations too. Please read the Lease Agreement, Rules and Regulations and the Landscape Standards, but you may view this as a general summary:

A. **Total Rent, Utilities and Other Costs.**

- 1. We usually offer a 3-year lease. Unlike apartments, the total rent does not include garbage collection or any other utility such as water or sewer. Under the terms of the Lease Agreement, the base rent is cannot be raised more than once annually. Generally, increases are limited to the actual increase in the Consumer Price Index ("CPI") and each residents' proportionate monthly share of any operating costs in excess of the prior years operating costs. You will be given at least 90 days notice prior to any increase. See section 6 of the Lease Agreement.
- 2. Please review section O. below for a listing of total rent charged for this lot as of January 1, for the past 5 years.
- 3. Late charges, non-sufficient funds charges and fines for certain traffic and pet violations may also be imposed. These charges and fines can be increased with 90 days prior notice. Please review the following:
 - Late charges for rents received after the 5th day of the month: \$40.00
 - NSF charges: \$25.00
 - Speeding and/or reckless driving: \$25.00
 - Running stop sign: \$10.00
 - Application Fee: \$50.00 (per adult)

4. Water is purchased in bulk from the City of Portland through a master water meter. Each home has a separate meter ("sub-meter") that is read on about the 22nd of each month. You will be billed for your consumption at the cost incurred by the Park for water service. The common area irrigation is separately metered. Sewer charges are assessed similarly determined by your water consumption or, more typically, billed on the "winter average" water consumption for the low water consumption months of February, March and April. The City of Portland also assesses a monthly "storm water charge", based upon impervious area that is also passed through to you at cost, as well as a proportionate share of base charges and other charges the City imposes on the utility billing statement such as the "Harbor Superfund". The Park bills utilities in arrears (meaning after you have consumed them). Passed through City imposed rate changes or other City imposed charges require no advance notice.

5. Utility Responsibility:

<u>Utility</u>	<u>Payment Responsibility</u>	<u>Supplied/Provided By</u>	<u>Who Contacts Supplier/Provider</u>	<u>Telephone Number</u>
Sewer	Resident	City Of Portland	Park	503/ 823-7770
Water	Resident	City of Portland	Park	503/ 823-7770
Cable TV	Resident	Comcast	Resident	503/ 230-2000
Telephone	Resident	Qwest	Resident	800/ 603-6000
Electricity	Resident	PGE	Resident	503/ 228-6322
Garbage	Resident	Heiberg Garbage	Resident	503/ 794-8212

6. Monthly statements are sent to each resident as a "courtesy" with regard to the total rental due, any charges, fees and fines which may have been assessed (such as a late fee), an itemization of any utility pass-through charges. Payments received by park from the resident are applied in this priority: charges, fees, fines, utility pass-through's and lastly to the most remote (tardy) amount due (typically rent).

7. **Can you afford to live here?** Many financial consultants and mortgage lenders advise consumers to keep the total of rent, utility and manufactured home mortgage payments below 36% of your take home pay or income. This can be important if your income is fixed but your rent increases overtime. Also some savings should be set aside for periodic home maintenance. **Please understand that we want you as a Resident if you can afford to live here. We don't want to create financial problems for you, so we share these facts with you.**

B. Application Approval

1. Although the law provides that we have 7 days, we will try to process any application for approval within three business days of its receipt provided it has the first months rent (or prorated portion thereof if the Lease is to start mid-month) and application fee attached. The application fee is \$50.00 per adult and is non-refundable. This fee is expended toward obtaining a credit report and a public records check. We reserve the right to deny any application, without reason or cause, other than as prohibited by law.
2. Prospective purchaser must fill out an application, be approved by the Park and complete all Park documents and agreements, prior to their occupancy, if the home is to remain in the Park.
3. Oregon and federal law permit the Park to impose conditions upon approval of the Resident relating but not limited to, pets, the number of occupants, the number of vehicles, the type of vehicles, credit references, character references and criminal records. Our policy is the same as these laws.
4. Should a prospective purchaser be approved by the Park as said above, the Park will excuse Resident from its existing Lease Agreement upon entering into a new Lease Agreement with the prospective purchaser. The Park may require those certain improvements or maintenance items, if any, that Park has advised Resident of prior to Park receiving an application from prospective purchaser, be completed prior to and as a condition of the sale. Further, Park reserves the right to impose additional physical upgrade conditions to the home and or lot, upon the prospective purchaser's resale of the home.
5. The Park has the right to reject a prospective purchaser as a resident if the Park is unsatisfied with ability to pay rent and other expenses arising under this agreement, credit history, criminal convictions, adverse information contained in the public record, absence of a positive rental history, the number of potential occupants of the manufactured dwelling, the presence of pets, the availability of the required information from the prospective purchaser, or if the prospective purchaser is unwilling to enter into a new Lease Agreement or make such improvements to the home or lot as the Park deems appropriate. In the event the Park rejects the prospective purchaser as a resident, Park shall furnish to Resident and the prospective purchaser a written statement of reasons for the rejection.

C. Facility Classification

The Federal Fair-Housing age classification of this park is "FAMILY", allowing all ages. This prevents the segregation of areas by age or number of dependents.

D. Current Zoning & Permit Cost

1. The current land use zoning affecting the use of the park is R-7 and R-2a.
2. The permitted use is residential.
3. The zoning authority for this park is the City of Portland (503) 823-7700.
4. The cost of obtaining a building permit to site a new home is approximately \$684.00. There may be additional SDC and permit expenses imposed.

E. Facilities And Services Provided By The Park

1. The Park has a play area for smaller children, a horseshoe court and a walking trail around the lower pond to offer. There are no other common or recreational facilities or personal property for resident's use. The erection of basketball hoops is limited and only allowed under certain conditions.
2. The Manager is an agent of the Owner who is instructed to use his judgment in enforcing the Rules and Regulations but is not an attendant for the Resident. The managers' duty is to the Park and to the Park Owner, not to serve the needs of the Resident.
3. The Park has no security services or systems. Resident assumes the risk of all loss and damage against Resident, Residents' home, personal property, guests and invitees.

F. Rental Agreement Termination Policy, Sale or Removal of Home

1. Term Of Tenancy Offered:
 - a. The tenancy offered is for a term of approximately three (3) years. It will terminate without notice or cause at the end of that term unless you and the Park both agree to renew it. It may terminate earlier for cause (such as violation of the Rules & Regulations or breach of the Lease Agreement) or upon closure of the Park, as provided in the Lease Agreement, Section 17. When your lease terminates, if you fail to successfully negotiate a new lease, you will be required to peacefully vacate the lot. You may remove the home from the Park when your lease terminates (which may impact its market value) or sell it in the Park, subject to the requirements listed in Section 14 of the Lease Agreement. The ownership of most site improvements made, will revert to the Park, except those specifically stated in Section 11 of the Lease Agreement.
 - b. In the event any change of Oregon or Federal law, the Park reserves the right to require that the Resident sign a new rental agreement to comply therewith.
2. Other Terms and Conditions
 - a. 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 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 the law(s) change, the Park will comply with the revised law(s).
 - b. We cannot commit in advance to renew your tenancy when the term expires, but we will decide when the time comes.
3. Following is a summary of the Park's policy on the sale of your home. See the Lease Agreement, section 14.
 - a. Resident shall give ten days (10) advance written notice to the Park of their intent to sell their home.
 - b. Prospective purchaser must fill out an application, be approved by the Park and complete all Park documents and agreements, prior to their occupancy, if the home is to remain in the Park.
 - c. Oregon and federal law permit the Park to impose conditions upon approval of the Resident relating but not limited to, pets, the number of occupants, the number of vehicles, the type of vehicles, credit references, character references and criminal records. Our policy is the same as these laws.
 - d. Should a prospective purchaser be approved by the Park as said above, the Park will excuse Resident from its existing Lease Agreement upon entering into a new Lease Agreement with the prospective purchaser. The Park may require those certain improvements or maintenance items, if any, that Park has advised Resident of prior to Park receiving an application from prospective purchaser, be completed prior to and as a condition of the sale. Further, Park reserves the right to impose additional physical upgrade conditions to the home and or lot, upon the prospective purchaser's resale of the home.

4. **Improvements** made to the leased lot, ostensibly those site improvements which are not structurally attached to the home, such as driveways, landscaping, free standing electrical pedestals, carports, sheds and garages, are deemed “real property” improvements and revert to the Park upon the home’s removal or if the home has ever been repossessed. Conversely, improvements attached to the home such as skirting, decks and steps should be removed with the home. **All painting must be approved by the Park prior to its application and hopefully prior to its purchase. All paint sheens are restricted to “flat”.** Aspen Meadows is typically looking to approve paints schemes in the earth tone or craftsman palette ranges and which elements are of low contrast to each other (body and trim to be similar colors).
5. It is important to understand that the value of your home can and will likely substantially drop if it is removed from the Park. In addition to tear down, transportation and set up costs, there will be new permits required, landscaping and the construction of those items set forth above. In many instances, the lender of your home may prohibit relocation of the home without notice and their approval.

G. Park Closure Policy

Under State law, all or part of the Park may be closed with 365 days notice and the subsequently, the Park has no future obligation to the Residents. The Park may be closed with notice of 180 to 364 days if the Park finds you another lot and pays your moving expenses as required by Oregon law. Low income Residents may qualify for 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 12 months notice prior to such closure to allow you time to make plans.

Assistance To Resident If Park Closes:

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

H. Policy Regarding Sale Of The Park

We reserve the right to sell the Park at anytime and to any purchaser.

Pursuant to Oregon law, if requested by a Resident association or facility purchase association (“the association”) to do so, the Owner is obligated to notify them of a listing for sale of the park with a real estate broker. Thereafter, the Owner may 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. We have the following plans for sale of the park: NONE. We intent to retain long term ownership of the Park and operate it as a park, accordingly.
2. We cannot offer to Residents any special priority (“right of first refusal”) if we sell the Park, but we will notify you and comply with state law in effect on the date of our Lease Agreement with you. A new owner shall have the right to revise his/her policy regarding the sale of the park at a later date.
3. Any purchasers of the Park must accept it subject to the terms and conditions of your Lease Agreement and the Park’s Rules and Regulations.
4. If we sell, the purchasers cannot raise the rent except as provided in your Lease Agreement.

I. Dispute Resolution Policy

To encourage the Park and residents to settle disputes, it is the policy of this park that each issue with merit shall be given a fair hearing within thirty (30) days of receipt of a formal written complaint.

1. Disputes not resolved under the above procedure shall be resolved as follows:
 - Informal meeting
 - Arbitration
2. In accordance with Oregon law, we must respectfully decline to arbitrate disputes relating to Park closure, Park sale, rent (including amount of rent, rent increases and non-payment of rent).
3. See the Rules and Regulations section 14.

J. The Following Attachments Are Exhibits To This Document

- Lease Agreement
- Rules and Regulations
- Landscaping Standards

K. Other Important Information

1. Legal Advise And Cancellation By You Of The Lease Agreement. You have the right to seek legal advise. We recommend you show this Statement of Policy and all attachments 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 the Lease (rental) Agreement with us. **After you sign the Lease Agreement, it is binding on you.**
2. Amendments. This Statement of Policy contains in summary, the Park’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 Residents;
 - b. for all Residents to exercise the rights reserved herein;

- c. to comply with changes in federal, state and local law; and
- d. for revisions of the Parks' Rules and Regulations.

3. Notices. Where written notice is required, service or delivery of that written notice on the resident may be made by personal delivery, by first class mail to the resident at the residents' address in the Park and/or by attaching a copy of the notice to the main entrance of the resident's home in the Park. Notices sent exclusively by first class mail shall include an additional three (3) days for delivery. Notices to Park must be sent to PO Box 700, Bend, OR 97709 or by attaching a copy manager's home which is located at 4838 SE 134th Drive, Portland, OR 97236.

L. What You Can Expect From US

As landlord, we have the responsibility to:

- 1. maintain the Park in a safe and healthy condition;
- 2. to provide each tenant with a written Statement of Policy, and to attach the Lease (rental) agreement, and the Rules and Regulations;
- 3. to provide a process for informal dispute resolution;
- 4. to furnish the seller and prospective purchaser of a home (that is to remain in the Park) a written statement of the reasons for rejection if tenancy is denied.

M. What We Expect From YOU

As a Resident in the Park, you have the responsibility to:

- 1. Keep your yard and lot well maintained, clean and free from rubbish and clutter. This includes mowing, edging, weeding, fertilizing and pruning of shrubs and trees. Grass clippings, pruning and branch removal responsible of Resident.
- 2. Maintain your home in a good condition. This includes routine painting of the exterior and replacing window blinds, keeping your rain gutters clean and operating properly, keeping your carport free of stored items.
- 3. Obtain our specific written permission prior to making any substantial improvements to your lot or exterior of your home, such as the color of paint or its sheen.
- 4. Understand and abide by the Lease Agreement and all Rules and Regulations;
- 5. Conduct yourselves and control your guests so as not to disturb the neighbor's peaceful enjoyment of the Park;
- 6. Notify the landlord of the listing for sale within 30 days.
- 7. Notify us of any changes in occupancy. We have the right to reject all prospective residents.

N. Location And Size Of Lot (Site)

- 1. The address of lot is _____ Portland, OR 97236.
- 2. It is commonly known as lot number _____.
- 3. Its approximate size is _____ square feet.

O. Site Rental History.

The total rent as of January 1, for the prior five (5) years on this particular lot was: Last January 1 \$_____; one year earlier \$_____; two years earlier \$_____; three years earlier \$_____; four years earlier \$_____.

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

The Effective Date Of This Statement Of Policy is June 1, 2008, until such time as it is superseded.

In acknowledgment hereof:

Resident _____, 200__
