



U.S. Department of Housing and Urban Development
Grand Rapids Area Office
Trade Center Building
50 Louis Street, NW
Grand Rapids, Michigan 49503-2648
<http://www.hud.gov/>

July 6, 2004

Ingrid Weaver
Vice President of Operations
Porter Hills Presbyterian Village Inc
4450 Cascade Road SE
Suit 200
Grand Rapids MI 49546

Dear Ms. Weaver:

SUBJECT: Modification to the RPAC Model Lease

HUD Project # 047-EE017 - Walker Meadow Retirement Community
HUD Project # 047-EE027 - Oak Ridge Retirement Community
HUD Project # 047-EE051 - Harvest Way Retirement Community
HUD Project # 047-EE032 - River Grove Retirement Community
HUD Project # 047-EE039 - Bailey's Grove Retirement Community

Our Legal Department has reviewed the modified PRAC Lease you requested to use at the above captioned projects. The no-smoking modification to the lease is not approved. The Model Lease should not be changed unless it is necessary to comply with state law or to address an issue that is customary in the real estate industry. The smoking restriction proposed in this lease is not a requirement of state law, and to our knowledge is not customary in the industry at this time. There is no Michigan statute that deals with a non-smoking rule in private developments except in homes for the aged, nursing homes, county medical care facilities, hospice or hospital long-term care units. This statute does not apply to privately owned housing that does not fall within the Michigan Public Health Code; nor has HUD established a policy, statute, regulation, or handbook that restrict landlords from adopting a smoking policy in their facility. Therefore, the owners of privately owned developments may have a reasonable non-smoking policy as part of the house rules, but it cannot be made a part of the PRAC Lease.

If you have additional questions regarding this matter, you should contact Carol Alcox at (616) 456-2100 extension 2188.

Sincerely,

A handwritten signature in cursive script that reads "Susie Sapilewski".

Susie Sapilewski
Supervisory Project Manager