

APPENDIX 5-1
SAMPLE RESIDENT MOVE IN/OUT AND
UNIT INSPECTION REPORT FORMAT

PROJECT NAME _____ PROJECT NO. _____
APARTMENT NO. _____ BEGINNING LEASE DATE _____

NAME OF RESIDENT _____

NOTE TO RESIDENT: WE URGE THAT YOU INSPECT THE APARTMENT AND
NOTE ANY DEFECTS OR MISSING ITEMS.

MOVE-IN

MOVE-OUT

Project Manager:
Complete this side before resident
moves in. A copy signed by the
Project Manager must be given to
the resident.

Project Manager:
Complete this side when
resident vacates unit.

Keys: Door _____ Mailbox _____
Security Lock: _____
Garage cards/keys: _____

Keys: Door _____ Mailbox _____
Security Lock: _____
Garage cards/keys: _____

KITCHEN:

KITCHEN:

Cleanliness _____
Stove _____
Refrigerator _____
 Defrost Tray _____
 Vegetable Tray _____
 Ice Tray _____
Counter top _____
Sink _____
Cabinets _____
Disposal _____
Dishwasher _____
Light fixture _____
Floor/Walls/Ceiling _____

Cleanliness _____
Stove _____
Refrigerator _____
 Defrost Tray _____
 Vegetable Tray _____
 Ice Tray _____
Counter top _____
Sink _____
Cabinets _____
Disposal _____
Dishwasher _____
Light fixture _____
Floor/Walls/Ceiling _____

Other _____

Other _____

MOVE-IN

BATHROOM:

Cleanliness _____
Tub _____
Sink _____
Commode _____ Seat _____
Vanity _____
Water Saver _____
Medicine Cabinet _____
Light Fixture _____
Tile _____
Floor\Walls\ceiling _____

Other _____

GENERAL:

Walls _____

Floors _____

Ceilings _____

Electric/Lights _____

Windows _____

Doors _____

Screens _____

Heat/AC _____

OTHER REMARKS _____

MOVE-OUT

BATHROOM:

Cleanliness _____
Tub _____
Sink _____
Commode _____ Seat _____
Vanity _____
Water Saver _____
Medicine Cabinet _____
Light Fixture _____
Tile _____
Floor\Walls\Ceiling _____

Other _____

GENERAL:

Walls _____

Floors _____

Ceilings _____

Electric/Lights _____

Windows _____

Doors _____

Screens _____

Heat/AC _____

OTHER REMARKS _____

Resident's Check-In Signature

Date

Property Manager's Check-Out Signature

Date

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APPENDIX 5-2
MFPD MODEL RESIDENTIAL LEASE

1. PARTIES TO THE LEASE.
The Secretary of Housing and Urban Development (HUD), by and through PROJECT MANAGEMENT, and _____, Resident.

2. LEASED UNIT.
UNIT _____ ADDRESS _____

3. LEASE TERM.
The INITIAL TERM of this AGREEMENT begins on _____ and ends on the last day of _____. Thereafter, this AGREEMENT continues for successive terms of one month one year unless terminated as provided in paragraph 22. However, at the option of PROJECT MANAGEMENT, the Resident may occupy the LEASED UNIT in accordance with paragraph 7. Resident occupancy shall be subject to the terms of this AGREEMENT.

4a. MAXIMUM NUMBER OF OCCUPANTS PERMITTED
b. SECURITY DEPOSIT \$_____
c. RETURNED CHECK CHARGE \$_____
d. LATE FEE CHARGE \$_____
e. LOST KEY CHARGE \$_____
f. SECURITY DEPOSIT INTEREST %

6. RENT DUE EACH MONTH
Market Rent \$_____
PLUS FEES:
Parking \$_____
Storage \$_____
Furniture \$_____
Cable TV \$_____
TOTAL FEES + \$_____
GROSS RENT DUE FROM RESIDENT(S) \$_____

5. UTILITY CHARGES paid by:
HUD Resident
Heat
Water & Sewer
Electric
Gas
Fuel Oil

LESS ALLOWANCES
Assistance Payment \$_____
Utility Allowance \$_____
TOTAL ALLOWANCE - \$_____

NET RENT DUE
EACH MONTH \$_____

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7. Payment of NET RENT. If the LEASE TERM commences on other than the first of the month, Resident shall pay \$ _____ for the partial month ending on _____. After that, Resident shall pay the NET RENT set forth above, on or after the first day of the month, by check or Money Order payable to "HUD" and delivered to:

8. NET RENT Changes. The NET RENT may be changed during the term of this AGREEMENT if HUD changes any allowance for utilities or services considered in computing the NET RENT. PROJECT MANAGEMENT shall implement changes in the NET RENT in accordance with the time frames and administrative procedures set forth in HUD handbooks, instructions and regulations related to administration of projects under HUD's Multifamily Property Disposition Program.

9. Charges for Utilities and Services. The Resident agrees that paragraph 5 accurately lists the utilities and services paid by HUD and those paid directly by the Resident.

- A. The Resident must pay for the utilities marked by "X". The Resident agrees to make payments for these utilities promptly to the appropriate utility company(ies). Addresses of these companies are provided in an Attachment to this AGREEMENT.
- B. The items marked by "X" to be paid by HUD are included in the NET RENT.

10. Additional Charges.

- A. The charges discussed in this paragraph are in addition to the NET RENT and are due and payable when assessed. However, payments received from Resident shall first be applied to delinquent NET RENT, then NET RENT currently due, and then to additional charges.
- B. If PROJECT MANAGEMENT does not receive the full amount

of the NET RENT by the end of the 5th day of the month, PROJECT MANAGEMENT shall add the LATE FEE charge, in the amount stated in paragraph 4, on the 6th day of the month. However, if the 5th day of the month falls on a

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Saturday, Sunday or legal holiday, payment must be received by the next business day or the LATE FEE charge will be assessed. *

- C. If PROJECT MANAGEMENT does not receive the full amount of the NET RENT by the end of the 10th day of the month, PROJECT MANAGEMENT shall add an additional LATE FEE charge, in the amount stated in paragraph 4, on the 11th day of the month.
 - D. Resident shall pay the RETURNED CHECK FEE provided in paragraph 4 on any check not honored for payment.
 - E. Payments received from Resident shall first be applied to NET RENT, and then to LATE FEES and other miscellaneous fees.
 - F. PROJECT MANAGEMENT may not terminate this AGREEMENT solely for Resident's failure to pay LATE FEES or other miscellaneous fees, but may terminate this AGREEMENT for non-payment of NET RENT, as explained in paragraph 22.
 - G. Resident shall pay for damage to the premises in accordance with paragraph 15 of the LEASE.
 - H. Resident shall pay costs awarded by the court in a suit, action or proceeding brought by HUD or PROJECT MANAGEMENT.
11. Security Deposits. The Resident has deposited the amount set forth in paragraph 4c as the security deposit for the period the Resident occupies the unit.

After the Resident has permanently moved from the unit, the PROJECT MANAGEMENT shall inspect the unit, complete a Unit Inspection Report, and determine whether the Resident is eligible for a refund of any or all of the security deposit. The Resident is encouraged to participate in the inspection. The amount of the refund shall be determined in accordance with the following:

- A. The Resident shall be eligible for a refund of the

security deposit only if the Resident provided the PROJECT MANAGEMENT with at least the 30-day written notice of intent to move as required in paragraph 22, unless the Resident was unable to give the notice for reasons beyond his/her control.

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- B. The PROJECT MANAGEMENT shall refund to the Resident the amount of the security deposit, plus interest if any, computed at the percentage rate per annum set forth in paragraph 4g, less any amount needed to pay the cost of:
1. NET RENT and sums due in accordance with paragraph 12;
 2. Damages that are not due to normal wear and tear and are not listed on the Unit Inspection Report completed upon move-in or execution of this LEASE AGREEMENT, which is attached hereto;
 3. Charges for late payment of NET RENT and returned checks, as described in paragraph 10;
 4. Charges for unreturned keys, as stated in paragraph 4e.
 5. Damage to the premises in accordance with paragraph 15 of the LEASE; and
 6. Costs awarded by the court in a suit, action or proceeding brought by HUD or PROJECT MANAGEMENT.
 7. Other charges that become due under this AGREEMENT.
- C. The PROJECT MANAGEMENT shall refund the amount computed in paragraph 11b within 30 days after the Resident has permanently moved out of the unit, returned possession of the unit to the PROJECT MANAGEMENT, and given his/her new address to the PROJECT MANAGEMENT. The PROJECT MANAGEMENT shall also give the Resident a written list of charges that were subtracted from the security deposit.
- D. If the LEASED UNIT is rented to more than one individual, it is agreed that the refund of the security deposit, if any, shall be by joint check, i.e., a check in the name of the parties, and the

details of dividing the refund shall be worked out by the parties named on the check.

12. Resident Obligation to Repay. If the Resident submits false information or omits or fails to provide all necessary information on any application, certification or request for interim adjustment or does not report interim changes in

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family income or other factors as required by this AGREEMENT, and as a result is charged a NET RENT less than the amount required by HUD's rent formula, the Resident agrees to reimburse HUD for the difference between the NET RENT he/she should have paid and the NET RENT he/she actually paid. The Resident is not required to reimburse HUD for undercharges caused solely by PROJECT MANAGEMENT'S failure to follow HUD's procedures for computing NET RENT or assistance payments.

13. Condition of Dwelling Unit and Rental Abatement Based Thereon. By signing this AGREEMENT, the Resident acknowledges that, except as described on the Unit Inspection Report which is Attached to this AGREEMENT, the unit is safe, clean and in good condition, and all appliances and equipment in the unit are in good working order. The Resident also agrees that the PROJECT MANAGEMENT has made no promises to decorate, alter, repair or improve the unit, except as listed on the Unit Inspection Report. If a rental abatement based upon deficiencies listed in the Unit Inspection Report has been given to the Resident, such abatement will terminate as follows:
 - a. Once each deficiency is repaired, that portion of the abatement attributable to that deficiency will be withdrawn and the rent will rise.
 - b. After all deficiencies are repaired, the abatement will be totally withdrawn and the rent will rise to the normal level stated in the lease.
14. Maintenance.
 - A. The PROJECT MANAGEMENT shall undertake, arrange for contractors to undertake, or inform HUD of the need for HUD to procure contractors to undertake, the following tasks:
 1. Regularly clean and maintain all common areas of the project;

2. Collect and remove trash and garbage;
3. Provide extermination services, as necessary;
4. Make necessary repairs to the LEASED UNIT and bring the LEASED UNIT, and any common areas into a safe condition within a reasonable time after the Resident notifies the PROJECT MANAGEMENT of

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the need for repairs, or the PROJECT MANAGEMENT otherwise becomes aware of the need for the repairs; and if action has not been taken to address the deficiency noted by Resident within three 3. days of notification from Resident, the PROJECT MANAGEMENT shall notify Resident of actions to be taken to correct deficiencies reported.

B. The Resident shall:

1. Keep the LEASED UNIT clean;
2. Use all appliances, fixtures and equipment in a safe manner and only for the purposes for which they are intended;
3. Give PROJECT MANAGEMENT prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment or any other part of the LEASED UNIT or related facilities, and, after work has been completed in response to such notification, sign a work order to indicate completion of the work.
4. Promptly remove garbage and other waste from the LEASED UNIT in a clean and safe manner.

C. The Resident shall not:

1. Install additional or different locks or gates on any doors or windows of the unit without PROJECT MANAGEMENT's written permission. If the PROJECT MANAGEMENT approves the Resident's request to install such locks, the Resident shall provide PROJECT MANAGEMENT with a key for each lock within 24 hours of its installation.

2. Do any of the following without first obtaining the PROJECT MANAGEMENT'S written permission:
 - a. Change or remove any part of the appliances, fixtures, equipment, in the LEASED UNIT;
 - b. Paint or install wallpaper or contact paper in the unit;
 - c. Attach awnings or window guards in the unit;

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- d. Attach or place any fixtures, signs, or fences on the building(s), the common areas, or the project grounds;
 - e. Install washing machines, clothes dryers, fans, heaters or air conditioners in the LEASED UNIT; or
 - f. Place any aerials, antennas or other electrical connections on the LEASED UNIT.
15. Resident Caused Damages. Whenever damage is caused by carelessness, misuse, or neglect on the part of the Resident, his/her family, visitor(s) or other individuals under the Resident's control, the Resident agrees to pay:
 - A. The cost of all repairs and do so within 30 days after receipt of the PROJECT MANAGEMENT'S written demand for the repair charges; and
 - B. The NET RENT for the period the unit is damaged whether or not the LEASED UNIT is habitable.
16. General Restrictions.
 - A. The Resident must live in the unit and the unit must be the Resident's only place of residence. The Resident shall use the premises only as a private dwelling for himself/herself and the individuals listed on this lease. Other individuals may reside in the unit only after obtaining the PROJECT MANAGEMENT'S prior written approval. The Resident shall not:
 1. Sublet or assign the LEASED UNIT, or any part of the LEASED UNIT;
 2. Have pets or animals of any kind in the LEASED

UNIT without the PROJECT MANAGEMENT'S prior written permission, or

- B. The Resident, any member of the Resident's household, or a guest or other person under the Resident's control, shall not, in the LEASED UNIT, common areas and elsewhere on or near the project:
- * 1. Engage in permit or facilitate criminal activity on or near the project, including but not limited to, violent criminal activity or drug-related criminal activity.

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- * a. "Violent criminal activity" means any felonious criminal activity that has as one of its elements the use, attempted use, or * threatened use of physical force against the person or property of another.
 - b. "Drug-related criminal activity" means the illegal manufacture, sale, distribution or use, of a controlled substance (as defined in Section 102 of the Controlled Substances Act (21 U.S.C.802)
 - c. One or more violations of Section 16, paragraph 1 of this Lease constitutes a substantial violation of the Lease and a material noncompliance with the Lease. Any such violation is grounds for termination of tenancy and eviction from the leased dwelling unit.
 - d. Proof of violation shall be by a preponderance of the evidence. *
- 2. Litter the grounds and common areas of the project.
 - 3. Destroy, deface, damage or remove any part of the LEASED UNIT, common areas, or project grounds;
 - 4. Make or permit noises or acts that shall disturb the rights or comfort of neighbors, and thus agree(s) to keep the volume of any musical instrument, radio, phonograph, cassette player, CD-player, television and other similar device at a level which does not disturb the neighbors.

17. House Rules. The Resident shall comply with the attached House Rules and additional rules established after the effective date of this AGREEMENT which are reasonably related to the safety, care and cleanliness of the building and the safety, comfort and convenience of all residents and their guests. Resident shall receive written notice of any additional rule(s) at least 30 days before the rule(s) is/are enforced, unless a shorter period is necessary on an emergency basis.
18. Size of Dwelling. The Resident understands that HUD requires the PROJECT MANAGEMENT to assign LEASED UNITS

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- according to the size of the household. If the Resident is or becomes eligible for a different size LEASED UNIT, and the required unit becomes available, the Resident shall:
- A. Move within 30 days after the PROJECT MANAGEMENT notifies him/her that a LEASED UNIT of the required size is available within the project; or
- B. Elect to remain in the same LEASED UNIT, pay the market rent, and execute a new lease.
19. Access. The PROJECT MANAGEMENT shall enter the LEASED UNIT only during reasonable hours, shall provide reasonable advance notice of his/her intent to enter the LEASED UNIT, and shall enter the LEASED UNIT only after receiving the Resident's consent to do so, except when emergency situations make such notices impossible or except under paragraph c. below.
- A. The Resident shall permit the PROJECT MANAGEMENT, or other persons authorized by HUD, to enter the LEASED UNIT for the purpose of making reasonable repairs and periodic inspections.
- B. After the Resident has been given a notice of intent to move, the Resident agrees to permit the PROJECT MANAGEMENT to show the LEASED UNIT to prospective residents during reasonable hours.
- C. If the Resident permanently moves, vacates or abandons the LEASED UNIT before the termination date specified in paragraph 3, PROJECT MANAGEMENT may terminate this AGREEMENT and may enter the LEASED UNIT, to decorate, remodel, alter or otherwise prepare the LEASED UNIT for

occupancy by another Resident, and may rent the leased unit.

20. Hazards. The Resident shall not undertake, or permit his/her family or guests to undertake any hazardous acts or do anything that shall jeopardize the health and/or safety of other residents and/or guests and/or the property. If the LEASED UNIT is damaged by fire, wind, or rain to the extent that the LEASED UNIT cannot be lived in and the damage is not caused or made worse by the Resident, the Resident shall be responsible for NET RENT only up to the date of the occurrence. Additional NET RENT shall not accrue until the LEASED UNIT has been repaired to a livable condition, unless the Resident is moved into another suitable unit.

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21. Discrimination Prohibited. HUD shall not discriminate based upon race, color, religion, national origin, sex, age, disability, and familial status.
22. Termination of Tenancy.
- A. Termination of tenancy under this provision by a Resident can occur only on the last day of any month, unless otherwise approved in writing by the PROJECT MANAGEMENT. To terminate this AGREEMENT, the Resident must give the PROJECT MANAGEMENT at least a 30-day written notice before moving from the LEASED UNIT. If Resident vacates the LEASED UNIT before the end of the month, no proration of NET RENT is allowed.
- B. Termination of tenancy by the PROJECT MANAGEMENT shall be carried out in accordance with HUD regulations, State and local law (unless preempted by HUD) and the terms of this AGREEMENT. HUD may terminate this AGREEMENT only for:
1. The Resident's material noncompliance with the terms of this AGREEMENT;
 2. The Resident's material failure to carry out obligations under any State or local Landlord and Resident Act: or
 3. Other good cause which includes but is not limited to the Resident's refusal to accept any HUD proposed change to this AGREEMENT. Termination for "other good cause" may only be effective as of

the end of any initial or successive term.

- C. Material noncompliance includes, but is not limited to:
1. Nonpayment of NET RENT beyond any grace period available under State law;
 2. Failure to reimburse the PROJECT MANAGEMENT within 30 days for repairs made under paragraph 15 of this AGREEMENT;
 3. Repeated late payment of NET RENT;
 4. Permitting unauthorized persons to live in the unit;
 5. Serious or repeated damage to the LEASED UNIT or

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common areas;

6. Creation of physical hazards, serious or repeated interference with the rights and quiet enjoyment of other residents;
 7. Failure to timely repay unauthorized assistance payments;
 8. Resident, guests, or any member of the household engaging in criminal activity, including drug-related criminal activity;
 9. Knowingly giving false information regarding income or other factors considered in determining the NET RENT.
- D. If the PROJECT MANAGEMENT proposes to terminate this AGREEMENT, the PROJECT MANAGEMENT agrees to give the Resident written notice of the proposed termination. If the PROJECT MANAGEMENT is terminating this AGREEMENT for "other good cause," the termination notice must be received by the Resident at least 30 days before the date the Resident shall be required to move from the leased unit. Notices of proposed termination for other reasons must be given in accordance with any time frames set forth in State and local law.
- E. Acceptance of NET RENT with knowledge of good cause for termination of this lease shall not be considered a

waiver of HUD's right to terminate this lease.

- F. All Termination Notices shall:
1. Specify the date this AGREEMENT will be terminated;
 2. State the grounds for termination with enough detail for the Resident to prepare a defense; and
 3. Advise the Resident of his/her right to defend the action in court.
- G. If an eviction is initiated, HUD and the PROJECT MANAGEMENT agree to rely only upon those grounds cited in the termination notice required by paragraph 22c..

23. Death of Resident. In the event of the death of the Resident, if the leased unit is not vacated by the end of

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the month in which the Resident dies, executors, administrators, successors, and assignees of the Resident shall be bound to pay the NET RENT for the unit for all days until the LEASED UNIT is vacated.

24. Contents of this AGREEMENT. This AGREEMENT and its Attachments make up the entire AGREEMENT between the Resident and HUD regarding the LEASED UNIT. If any Court declares a particular provision of this AGREEMENT to be invalid or illegal, all other terms of this AGREEMENT shall remain in effect and both HUD and the Resident shall continue to be bound by them.
25. Change in AGREEMENT.
- A. HUD may change the terms and conditions of this AGREEMENT.
 - B. Any changes shall become effective only at the end of the initial term or a successive term.
 - C. The PROJECT MANAGEMENT must notify the Resident of any change and must furnish the Resident a new AGREEMENT or any amendment to the existing AGREEMENT.
 - D. The Resident must receive such notice at least 30 days before the proposed effective date of the change.
 - E. The Resident may accept the changed terms and

conditions by signing the new AGREEMENT or the amendment to the existing AGREEMENT and returning it to the PROJECT MANAGEMENT.

- F. The Resident may reject the changed terms and conditions by giving the PROJECT MANAGEMENT written notice that he/she intends to terminate the tenancy.
 - G. If the Resident does not accept the amended AGREEMENT HUD may require the Resident to move from the project, as provided herein.
26. Keys. When this AGREEMENT ends, Resident agrees to return all keys to the dwelling unit to the PROJECT MANAGEMENT. The PROJECT MANAGEMENT shall charge the Resident the LOST KEY CHARGE specified in paragraph 4e for each key lost or not returned.
27. Attachments to the AGREEMENT. The Resident(s) has/have received a copy of this AGREEMENT and the following

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Attachments to this AGREEMENT and understand(s) that these Attachments are part of this AGREEMENT.

Unit Inspection Report.
House Rules.
Utility Company Addresses.
Attachment to Lease for Assisted Residents, dated _____

Form HUD-50059, Certification and Recertification of Resident eligibility, dated _____.

28. Penalties for Submitting False Information.

If the resident deliberately submits false information regarding income, family composition or other data on which resident's eligibility or net rent is determined, HUD may require the resident to pay the market rent for as long as the resident remains in the project.

In addition, the resident could be subject to penalties provided under federal law which include fines of up to \$5,000 and imprisonment for up to two years.

29. Privacy Act.

HUD is authorized to collect the information in this AGREEMENT by Section 6311 of Title 5 of the U.S. Code. The

Housing and Community Development Act of 1987, 42 USC 3543 authorized HUD to collect the Social Security Number (SSN). The primary use of this information is to record your use of the unit listed in this lease. HUD may disclose this information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions; to other Federal agencies when conducting an investigation on you for employment or security reasons; and to collection agents or the internal Revenue Service if you fail to pay your NET RENT. It will not be otherwise disclosed or released outside of HUD, except as required or permitted by law. The information requested on this form is mandatory, including the Social Security Number. Failure to provide any of the required information may result in HUD not leasing you this unit.

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Signatures.

Resident(s) Date	Social Security Number(s)	Date	PROJECT MANAGEMENT
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NOTE: Resident(s) are encouraged to purchase Renter's Insurance.

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LEASE AGREEMENT - ADDENDUM FOR ASSISTED RESIDENTS

1. PARTIES TO THE LEASE.
The Secretary of Housing and Urban Development (HUD), by and through _____,
PROJECT MANAGEMENT, and _____,
_____, Resident.
2. LEASED UNIT.
UNIT _____ ADDRESS _____.
3. Assisted Rent. The Resident understands that the NET RENT paid by the Resident is less than the market (unsubsidized) rent due on the LEASED UNIT. This lower NET RENT is available because:
 - A. The mortgage on this project is subsidized by HUD, and/or
 - B. HUD makes assistance payments on behalf of the Resident based on a completed Form HUD-50059.
4. Assistance Payment. The amount, if any, that HUD makes available monthly on behalf of the Resident is called resident assistance and shown on the Assistance Payment line of the Certification and Recertification of Resident Eligibility Form which is attached to this AGREEMENT.
5. Changes to Assistance Payment. The Resident agrees that the amount of assistance given or allowed by HUD on behalf of the Resident may be changed during the term of this AGREEMENT if:
 - A. There are any changes in Resident's income, the number of persons in the Resident's household, or other factors considered in calculating the Resident's ASSISTANCE PAYMENT, and HUD procedures provide that the Resident'S NET RENT or assistance be adjusted to reflect the change;
 - B. Changes in the Resident's contribution to rent or assistance are required by HUD's recertification or subsidy termination procedures;
 - C. HUD's procedures change for computing the Resident's ASSISTANCE PAYMENT;
 - D. The Resident fails to provide accurate, completely, and timely information on Resident income, family composition or other factors, as required by HUD.

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6. Income Recertification. If the Resident is in occupancy on the ____day of _____, the PROJECT MANAGEMENT shall request the Resident to report the income and composition of the Resident's household and to supply any other information required for the purpose of determining the Resident's NET RENT and assistance, if any. The Resident agrees to provide accurate and complete statements of this information and to do so by the date specified in the PROJECT MANAGEMENT's request. The PROJECT MANAGEMENT shall verify the information supplied by the Resident and use the verified information to recompute the amount of the Resident's contribution to rent and assistance, if any. If the Resident does not submit the required recertification information by the date specified in the PROJECT MANAGEMENT's request, HUD shall:
- A. Require the Resident to pay the market rent for the unit, and/or
 - B. Implement any increase in NET RENT resulting from the recertification processing without providing the 30 day notice otherwise required by this AGREEMENT.
7. Decrease in Family Income. The Resident may report any decrease in income or any change in other factors considered in calculating the Resident's contribution to NET RENT.
- A. The PROJECT MANAGEMENT may refuse to process an interim recertification when the Resident reports a decrease in income only if:
 - 1. The decrease was caused by a deliberate action of the Resident to avoid paying NET RENT, or
 - 2. The PROJECT MANAGEMENT receives confirmation that the decrease shall last less than a month.
 - B. The PROJECT MANAGEMENT may DELAY (but not refuse) processing an interim recertification if the PROJECT MANAGEMENT has confirmation that the Resident's income shall be partially or fully restored within two months. Processing may be delayed only until the new income is known. If the PROJECT MANAGEMENT so chooses to delay processing:
 - 1. During the period from the date the Resident reports the decrease in income until the date the processing of the recertification is completed, the PROJECT

MANAGEMENT may not evict the Resident for non-payment of any NET RENT due for that period of delay.

However, this does not constitute a prohibition against eviction for any reason unrelated to the decrease in income which is prompting the interim recertification, or for any reason unrelated to non-payment of NET RENT.

After processing the recertification, PROJECT MANAGEMENT shall notify the Resident in writing of any resident contribution to NET RENT due for the period of delay.

If the Resident fails to pay it within 30 days after the notification is made, the PROJECT MANAGEMENT can pursue eviction for non-payment of NET RENT for that period of time.

2. Once the processing of the recertification is completed, any reduction of rent shall be made retroactive to the first of the decrease.
8. Resident's Requirement to Notify PROJECT MANAGEMENT of Changes. If any of the following changes occur, the Resident agrees to advise the PROJECT MANAGEMENT:
 - A. A new household member moved into or a member of the household moved out of the unit.
 - B. A member of the household who is __ years old or older who was reported as unemployed on the most recent certification or recertification obtains employment.
 - C. The household's income increases by \$40 or more a month during the period of the lease after HUD has reduced the NET RENT because of a decrease in income reported pursuant to paragraph 7 has increased.
 9. Termination of Assistance. The Resident understands that assistance made available on his/her behalf may be terminated and the Resident's NET RENT recomputed if any of the following events happen.

In addition, if the Resident's assistance is terminated because of criteria A. or B. below, the Resident shall be required to pay the market rent for the LEASED UNIT.

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- A. The Resident deliberately submits false information on any application, certification, recertification or request for interim adjustment for the purpose of obtaining a higher assistance or lower NET RENT.
 - B. The Resident does not provide any of the information or reports required herein.
 - C. The amount the Resident would be required to pay toward NET RENT and utilities under HUD rules and regulations equals the Family Gross Rent shown on the attached Form HUD-50059.
10. Notice of Proposed Termination Due to Violations of the Provisions in this Attachment. PROJECT MANAGEMENT shall give the Resident written notice of the proposed termination.
 11. Reinstatement of Assistance. Termination of assistance shall not affect the Resident'S other rights under this AGREEMENT, including the right to occupy the LEASED UNIT. If assistance is terminated pursuant to this AGREEMENT, assistance may subsequently be reinstated if the Resident submits the income or other data required by HUD procedures, HUD determines the Resident is eligible for assistance, and assistance is available.
 12. Assistance Not Available Due to Uninhabitable Conditions Caused by Resident. The Resident understands that assistance shall not be available for any period in which the LEASED UNIT is not habitable, as a result of Resident caused damages, See paragraph 15 of the LEASE AGREEMENT. For any such period, the Resident agrees to pay the Gross Rent Due, rather than the Resident NET RENT shown in paragraph 6.
 13. General Restrictions. The Resident must live in the unit and the unit must be the Resident's only place of residence. The Resident shall use the premises only as a private dwelling for himself/herself and the individuals listed on the Certification and Recertification of Resident Eligibility. The Resident agrees to permit other individuals to reside in the unit only after obtaining the prior written approval of the PROJECT MANAGEMENT.

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Signatures

Resident(s)

Social Security

Date

PROJECT MANAGEMENT

Date

Number(s)

NOTE: Resident(s) are encouraged to purchase Renter's Insurance.

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LEASE AGREEMENT - ADDENDUM FOR RENTAL ABATEMENT

1. PARTIES TO THE LEASE.
The Secretary of Housing and Urban Development (HUD), by and through _____, PROJECT MANAGEMENT, and _____, Resident.
2. LEASED UNIT.
UNIT _____ ADDRESS _____
3. Abatement amount. The aggregate rental abatement subtracted from the NET RENT is comprised of rental abatements based upon the below listed deficiencies, which are more fully described in the Unit Inspection Report.

Deficiency	Monthly Abatement Amount
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

4. Termination of Rental Abatement. The aforementioned rental abatements shall terminate as follows:
 - a. When each deficiency is repaired, that portion of the abatement attributable to that deficiency will be terminated and the NET RENT will rise by the amount of the terminated rental abatement.

b. After all deficiencies are repaired, the abatement will have been terminated in total and the NET RENT will have risen to the NET RENT level stated in Paragraph 6 of the lease.

5. Condition of Dwelling Unit and Rental Abatement Based Thereon. By signing this AGREEMENT, the Resident acknowledges that, except as described herein and listed on the Unit Inspection Report, the unit is safe, clean and in good condition, and all appliances and equipment in the unit are in good working order. The Resident also agrees that the PROJECT MANAGEMENT has made no promises to decorate, alter, repair or improve the unit, except as listed on the Unit Inspection Report.

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Signatures

Resident(s)

Date

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Project Manager

Date

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APPENDIX 5-3
MFPD MODEL COMMERCIAL LEASE

Project Name: _____
Location: _____
Project Number: _____

COMMERCIAL LEASE AGREEMENT

This Lease Agreement entered into by the Secretary of Housing and Urban Development (the "Secretary" or "HUD"), by and through

("Lessor") and _____
("Lessee"), provides as follows:

WHEREAS, Lessor is the owner of _____ (the
"Project"), located in _____; and

WHEREAS, Lessee desires to lease space in the Project and Lessor
is willing to rent Lessee space in the Project upon the terms,
conditions and covenants set forth herein.

NOW, THEREFORE, in consideration of the mutual promises set forth
herein, the parties, intending to be legally bound by this Lease
Agreement, hereby agree as follows:

1. Definitions

a. Parties:

- i. Lessor: Secretary of Housing and Urban
Development, by and through:

- ii. Lessee:

b. Leased Premises:

c. Term of Lease: _____ years

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d. Renewal Term: _____ years

e. Commencement Date: _____

f. Termination Date: _____

2. Lease of Premises. In consideration of the mutual covenants
contained herein, and the payment of Rent as provided in
paragraph 3 of this Lease Agreement, Lessor hereby leases to
Lessee, and Lessee hereby leases from Lessor, the Leased
Premises, described in paragraph 1(b) of this Lease
Agreement, which are part of the Project, for a Term of

Lease running from the Commencement Date to the Termination Date, both as set forth in paragraph 1 of this Lease Agreement.

3. Rent. Lessee covenants and agrees to pay to Lessor during the Term of Lease either a Flat Rent pursuant to paragraph a., or a Base Rent and Percentage Rent pursuant to paragraph b., as agreed by both parties. In no event shall Lessee be obligated to pay rent under both the Flat Rent Schedule and the Percentage Rent Schedule.

- a. Flat Rent Schedule. Applicable
Lessee covenants and agrees to pay to Lessor during the Term of Lease an annual flat rent (the "Flat Rent") in the amount of \$_____, payable in equal monthly installments of \$_____ each, due and payable in advance, on the first day of each and every month during the Term of Lease. If the commencement date of the Term of Lease occurs other than on the first day of a month, then the monthly installment for the first month of the Term of Lease shall be prorated at the rate of one-thirtieth (1/30th) of the monthly installment of rent for each day, payable in advance of the Commencement Date. Lessee shall pay all rent to Lessor at the Lessor's office, or to such other party or other address as Lessor may designate by written notice to Lessee.
- b. Percentage Rent Schedule. Applicable
Lessee covenants and agrees to pay to Lessor during the Term of Lease an annual base rent (the "Base Rent") of \$_____, payable in equal monthly installments of \$_____ each, due and payable in advance on the first day of each and every month during the Term of Lease. In addition to the Base Rent, Lessee shall pay to Lessor rent

based on a percentage of Lessee's monthly Gross Sales for each month during the Term of Lease (the "Percentage Rent"). The Percentage Rent shall be payable to the extent that five percent (5%) of Gross Sales for each month during the Term of Lease exceeds the annual base rent for that particular month. Monthly installment of Percentage Rent shall equal the positive difference, if any, between 5% of Gross Sales for the month which Percentage Rent is being

calculated and the Base Rent payable for that month. Monthly installments of Percentage Rent shall be payable by no later than the last day of the month following the month for which Percentage Rent is being paid. If the commencement date of the Term of Lease occurs other than on the first day of a month, then the monthly installment for the first month of the Term of Lease shall be prorated at the rate of one-thirtieth (1/30th) of the monthly installment of rent for each day, payable in advance of the Commencement Date. Lessee shall pay all rent to Lessor at the Lessor's office, or to such other party or other address as Lessor may designate by written notice to Lessee.

- i. For purposes of calculating the Percentage Rent, Gross Sales means the total amount in dollars of the actual sales price, whether for cash or on credit, of all sales of merchandise and services, and all other receipts of business conducted in, on or from the Leased Premises and all mail or telephone orders received or filled at or from the Leased Premises and all deposits not refunded to purchasers and all orders taken in and from the Leased Premises whether or not said orders are filled elsewhere and receipts or sales by any sublessee doing business in or from the Leased Premises. Each sale upon installment or credit card shall be treated as a sale for the full price in the month during which such sale shall be made, irrespective of the time when Lessee may receive payment for such sale.
- ii. Lessee shall prepare and keep full, complete and proper books, records and accounts of Gross Sales, which shall at all reasonable

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times be open to the inspection of Lessor, Lessor's auditor or other authorized agent at the Leased Premises for a period of at least three (3) years after the expiration of each year in the Term of Lease. Lessee shall furnish Lessor, along with each monthly installment of Percentage Rent, a complete statement, certified by the Lessee, of the

amount of Gross Sales made during the month for which that installment is being paid. Lessee shall furnish Lessor, within ninety (90) days after the expiration of each year during the Term of Lease, a complete statement certified by Lessee showing the Gross Sales for the preceding year and copies of all returns and other information filed with respect to State sales and use taxes.

iii. The acceptance by Lessor of payments of Percentage Rent shall be without prejudice to Lessor's right to an examination of Lessee's books and records of its Gross Sales and inventories at the Leased Premises, in order to verify the amount of Gross Sales made in and from the Leased Premises, and without prejudice to Lessor's right to cause adjustments to be made to Percentage Rent based on such examination as appropriate. In the event Lessee shall fail to timely furnish to Lessor any monthly or annual statement required under this subparagraph, Lessor shall have the right, without notice, to conduct an audit of Lessee's books and records and to prepare such statements at Lessee's expense.

4. Late Payment Fee. In the event that any monthly installment of rent, whether Flat Rent, Base Rent or Percentage Rent, is not paid within ten (10) days after it is due, then Lessee shall also pay to Lessor, as additional rent, a late payment fee equal to five percent (5%) of the delinquent rent for each month or part thereof that such rent remains unpaid.

* However, if the 10th day of the month falls on a Saturday, Sunday or legal holiday, payment must be received by the next business day or the late payment fee will be assessed. *

5. Security Deposit. Upon execution of this Lease Agreement, Lessee shall pay to Lessor a deposit of \$_____ to be held by Lessor as security for Lessee's performance of all

Lessee's covenants and obligations in this Lease Agreement. Lessor shall have the right to apply the security deposit in whole or in part in payment of any unpaid rent or other amount due because of an unperformed covenant or obligation by Lessee. Lessee's liability is not limited to the amount of the security deposit. On termination of the Lease

Agreement and full payment of all amounts due and performance of Lessee's covenants and obligations, including surrender of the premises in accordance with paragraph 13 (a) of this Lease Agreement, the security deposit, or any remaining unapplied portion thereof, shall be returned to Lessee without interest, except as provided by law.

6. Utilities. Lessee shall pay, in addition to the rent specified in paragraph 3(a) or 3(b) of this Lease Agreement, all water rents, gas and electric light and power bills taxed, levied or charged on the Leased Premises. This shall include any security system installed by the Lessee, during the Term of Lease in the Leased Premises. In case these charges are not paid when due, Lessor shall have the right to pay the same, which amounts so paid, are declared additional rent and are payable by the Lessee with the next monthly installment of rent due to the Lessor. It is understood and agreed that no interruption in the supply of any services or utilities to the Leased Premises shall constitute an actual or constructive eviction of Lessee from the Leased Premises or shall entitle Lessee to terminate this Lease Agreement or to an abatement of any rent payable hereunder. Lessor shall have no liability to Lessee on account of any such interruption. The Lessee, shall, at its own expense, obtain separate metering for such utilities.
7. Condition on Possession. Lessee has examined and knows the condition of the Leased Premises and has received the same in good order and repair, and acknowledges that no representations as to the condition and repair of the Leased Premises, and no agreements or promises to decorate, alter, repair or improve the Leased Premises, have been made by the Lessor, except for those executed in writing and made a part of this Agreement.
8. Use of Leased Premises. No use shall be made of the Leased Premises other than as a _____. Any other use shall constitute a default of this Lease Agreement. Lessee shall not permit any use of the Leased Premises which shall be offensive to or interfere with the rights of other tenants in the Project or which shall make voidable any insurance on the Project, the Leased Premises, the building of which the Leased Premises are a part, or the contents

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thereof, or which shall be improper or contrary to any law or regulation. Lessee shall not keep or use or permit to be kept or used in or on the Leased Premises or any place contiguous thereto any flammable fluids or explosives,

without the prior written permission of the Lessor.

9. Hours of Business. Lessee's business in the Leased Premises shall be open to the public during the following hours:

Monday - Friday _____

Saturday: _____

Sunday: _____

During other hours Lessee may conduct the following activities on the Leased Premises: _____

10. Deliveries. Lessee shall receive all deliveries and move all freight, furniture or other bulky matter through such doors, loading docks and corridors, and at such times, as may be reasonably designated by Lessor. Lessee shall not permit vehicles or materials to be parked or to stand in the loading dock area or anywhere on the Project's premises or in the area contiguous to the Project's premises where such vehicles and materials unreasonably interfere with the use of any area of the Project, the common areas, any public alleys, sidewalks or streets. Any damage or injury to the Leased Premises or the building in which the Leased Premises are located caused by the receipt of deliveries or the moving of freight, furniture or other bulky matter by Lessee shall be repaired at the sole cost of Lessee.

11. Maintenance.

- a. The Leased Premises are:

Free standing Not free standing.

Unless the Leased Premises are free standing, Lessor shall, at its cost, maintain the building in which the Leased Premises are located in good condition and make all structural repairs required to the building and the Leased Premises, including foundations, roofs, bearing and exterior walls, and subflooring, and shall also maintain and repair at its cost, the unexposed electrical, plumbing and sewage systems. Lessor shall be responsible for all snow, ice and water removal and

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for the disposal of all debris and waste from and around the building in which the Leased Premises are

located. If the Leased Premises are free standing, the Lessee shall assume the responsibilities of the Lessor under this paragraph.

- b. Lessee shall maintain and keep the Leased Premises in good repair throughout the Term of Lease. Lessee shall not commit waste or cause damage to the Leased Premises or the building of which the Leased Premises are a part; nor shall Lessee permit the appearance of the Leased Premises to deteriorate. If the Lessee does not keep the Leased Premises in good repair, Lessor may enter the same and may make such repairs as required to restore the Leased Premises to the condition they were in upon the date of execution of the Lease Agreement and Lessee agrees to pay Lessor, in addition to the rent set forth in paragraph 3 of this Lease Agreement, the expenses Lessor incurred in repairing the Leased Premises due to the failure of the Lessee to keep the Leased Premises in good repair.
12. Access to Leased Premises. Lessor reserves the right at all reasonable times, for itself and its duly authorized agents, to go upon and inspect the Leased Premises and at its option to make repairs, alterations and additions to the Leased Premises as it deems necessary, provided none of Lessee's rights granted under this Lease Agreement are unreasonably abridged by the Lessor's action under this paragraph. Lessor, during the progress of any work on the Leased Premises, may take all necessary materials and equipment into the Leased Premises without the same constituting an eviction. Lessee shall not be entitled to any abatement of rent while work is in progress nor to any damages by reason of loss or interruption of business or otherwise, provided; however, that Lessor shall use its best efforts not to interfere with Lessee's business Operations. In emergencies, if Lessee is not present to permit entry into the Leased Premises, Lessor or Lessor's agent may enter the Leased Premises to protect or preserve or avoid damage to the Leased Premises, provided, however, reasonable care is exercised to safeguard Lessee's property. Lessor or its agents shall not be rendered liable for any entry into the Leased Premises pursuant to this paragraph, nor shall the obligations of Lessee under this Lease Agreement be affected by Lessor's entry.
13. Quiet Enjoyment. Lessor covenants and agrees that Lessee, paying the rents and observing and keeping the terms,

covenants and conditions of this Lease Agreement, shall lawfully, peaceably and quietly hold, occupy and enjoy the Leased Premises without any let, hindrance, ejection or molestation by the Lessor or any person or persons lawfully claiming under it.

14. Non-liability of Lessor. Except as provided by law, Lessor shall not be liable to Lessee for any damage or injury to Lessee, Lessee's agents, employees, or invitees, or Lessee's property caused by the failure of Lessor to keep the Leased Premises and the building in which the Leased Premises are located, in good repair, and shall not be liable for any injury caused by wind, defective plumbing, electric wiring, insulation, gas pipes, water pipes, or steam pipes, or from broken stairs, porches, railings or walks, or from the backing up of any sewer pipe or down-spout or from the bursting, leaking or running of any tank, tub, washstand, water closet or waste pipe, drain or any other pipe or tank, or from the escape of steam or hot water from any radiator, nor for any such damage or injury occasioned by the falling of any fixture, plaster or stucco, nor for any damage or injury arising from any act, omission or negligence of co-tenants or of other persons, all claims for any such damage or injury being expressly waived by Lessee.
15. Assigning or Subletting: Lessee shall not assign this Lease Agreement or sublet the whole or any part of the Leased Premises without Lessor's prior written consent, which consent shall not be unreasonably withheld or denied. A transfer of fifty percent (50%) or more of the Ownership interests of Lessee within a twelve (12) month period shall be deemed equivalent to an assignment or subletting requiring consent of Lessor. Any attempted assignment or subletting made without Lessor's consent, shall, at the option of the Lessor, be deemed a default of this Lease Agreement. In the event Lessee should assign this Lease Agreement or sublet the Leased Premises with the prior written consent of the Lessor, the assignee or sublessee shall become subject to and perform all the terms, covenants and conditions of this Lease Agreement to be kept and performed by the Lessee. No assignment of this Lease Agreement or subletting of the Leased Premises shall release Lessee from liability under this Lease Agreement and Lessee shall at all times remain liable to Lessor for payment of rent and for performance of all terms, covenants and conditions of this Lease Agreement. Lessor shall give Lessee notice of any default by any assignee or sublessee under this Lease Agreement and Lessee shall have thirty (30) days from the date such notice is given to cure the default.

If Lessee cures the default within the specified period, Lessee shall have the right to re-enter and possess the Leased Premises subject to the terms and conditions of this Lease Agreement.

16. Construction and Improvements.

- a. Lessee's Construction. Lessee shall be solely responsible for the repair, renovation and remodeling of the Leased Premises. Lessee agrees that all repairs, renovation and remodeling shall be completed in accordance with plans and specifications which have been approved in writing by the Lessor prior to the commencement of such repairs, renovations and remodeling. All repairs, renovation and remodeling shall be performed in accordance with all laws, ordinances, regulations and rules of all appropriate governmental authorities and insurance rating agencies. Lessee agrees that it will not permit any mechanics, laborers or other construction liens to be asserted against the Leased Premises. Lessee agrees to indemnify and hold Lessor harmless from any claim or liability for personal injury or property damage sustained by any agent, employee or sub-contractor of Lessee, or such sub-contractor's agents or employees, while on the Leased Premises, or by any third person, including other tenants of the Lessor, or agents, employees or sub-contractors of Lessor, injured in the Leased Premises, or in the Project, as a result of the negligence of, or a condition created by, the Lessee or its agents, employees or sub-contractors or a condition existing on the Leased Premises during the repair, renovation and remodeling of the Leased Premises.
- b. Signs. Lessee shall not erect or install any ground, building or roof signs except as permitted by Lessor, provided that Lessor's permission shall not be unreasonably withheld or denied. All signs installed by Lessee shall comply with all requirements of appropriate governmental authorities and all necessary permits or licenses shall be obtained by Lessee. Lessee shall maintain all signs in good condition and repair at all times and shall save Lessor harmless from injury to person or property arising from the erection, installation and maintenance of said signs. Upon vacating the Leased Premises, Lessee shall remove all signs and repair any damage caused by their removal.
- c. Title to Improvements. The improvements to be

constructed on the Leased Premises by Lessee, and all additions, alterations, modifications and replacements thereto during the Term of Lease, except for those indicated on the attached Rider, shall be the sole property of Lessee at all times during the Term of Lease. Prior to the expiration or earlier termination of the Term of Lease, Lessee shall remove same, and upon the expiration or earlier termination of the Term of Lease, all such improvements not so removed shall be surrendered by Lessee and shall become the property of Lessor. Upon removal of all improvements, the Lessee shall return the Leased Premises to the same, or better, condition as it was in at the commencement of the Term of Lease.

17. Insurance and Indemnification

- a. Insurance: Lessee shall maintain with respect to the Leased Premises comprehensive public liability insurance for personal injuries and property damage, which may be sustained by third parties arising out of the use, occupancy, management or control of the Leased Premises. Such insurance shall be in amounts approved by the HUD field office where the property is located. Lessee shall also obtain insurance on the contents of, and any improvements placed on, the Leased Premises, including alterations, decorations, furnishings, fixtures and equipment, against loss or damage by fire, explosion, sprinkler leakage and/or other casualty in amounts at all times sufficient to rebuild, repair and restore the Leased Premises in the event of such casualty. Lessee shall insure all plate glass on the Leased Premises, at 100% of replacement value. All insurance required pursuant to this paragraph shall name the Lessor as an additional insured, insuring Lessor, as well as Lessee, against injury to persons or damage to property. All insurance required pursuant to this paragraph shall be issued by insurance companies that are licensed to do business in the jurisdiction wherein the Project is located and that have a financial rating satisfactory to the Lessor. Lessee shall deposit with Lessor, upon Lessor's request, certificates for all insurance at, or prior to, the commencement of the Term of Lease, and thereafter within thirty (30) days prior to any cancellation or reduction of coverage. Each policy shall contain an endorsement which provides that no cancellation or reduction of coverage may be made without first giving Lessor and, if named as an additional insured, the

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- holder of any mortgage or deed of trust on the Project, at least thirty (30) days prior written notice of such proposed action.
- b. Indemnification. Lessee agrees to indemnify, defend and hold Lessor harmless from and against any and all claims, causes of action, liabilities and other such loss or expense, of whatever nature, including costs of litigation and reasonable attorney's fees, whether for personal injury or property damage, arising out of, or connected in any way with, the Leased Premises, the conduct of Lessee's business on the Leased Premises or Lessee's use and occupancy of the Leased Premises, whether such injury occurs on the Leased Premises, in any area adjacent to the Leased Premises or in the Project.
18. Liens and Encumbrances. This Lease Agreement shall be subject to and subordinate to any and all mortgages, deed of trust and other instruments in the nature of a mortgage now or at any time hereafter constituting a lien or liens on the Leased Premises or the buildings of which the Leased Premises are a part, and Lessee shall, when requested, promptly execute and deliver such written instruments as shall be necessary to show the subordination of the Lease Agreement to said mortgages, deeds of trust or other such instruments. Lessee hereby covenants and agrees to be bound by all of Lessor's obligations contained in any such mortgages, deeds of trust and other instruments and to do nothing which shall cause Lessor to be in default of said mortgages, deeds of trust or other instruments and to remedy any such default of same within ten (10) days written notice from Lessor. In the event that any lien upon Lessor's title results from any act or neglect of Lessee, and Lessee fails to remove said lien within ten (10) days after Lessor's notice to do so, Lessor may remove the lien by paying the full amount of the lien without any investigation or contest of the validity of such lien, and Lessee shall pay Lessor upon request the amount paid out by Lessor in such behalf, including Lessor's costs, expenses and attorney's fees.
19. Damage and Destruction
- a. If, at any time during the Term of Lease, the Leased Premises, or any part thereof, shall be damaged or destroyed by fire or other casualty of any kind or nature, including any casualty for which insurance was not obtained or obtainable, so as to be unfit for Lessee's carrying on its business in its normal and
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- usual manner, and such destruction or damage can reasonably be restored or repaired within one hundred eighty (180) days after such event, there shall be no abatement of rental or other obligation of Lessee under this Lease Agreement and Lessor, or Lessee, with Lessor's written permission, shall restore or repair the Leased Premises to substantially the same condition as they were in immediately before the destruction with all reasonable speed and shall complete such restoration or repair within one hundred eighty (180) days after such event.
- b. If the Leased Premises, or any part thereof, shall be destroyed or so damaged by any cause as to be unfit for Lessee's carrying on its business in its normal and usual manner, and it is determined by the parties that such destruction or damage cannot reasonably be repaired within one hundred eighty (180) days after the date of destruction or damage, either party shall be entitled to terminate this Lease Agreement by written notice of termination to the other party within thirty (30) days after the date of destruction or damage. If no notice of termination is given by either party, Lessor, or Lessee, with Lessor's written permission, shall immediately after expiration of such thirty (30) day period undertake such restoration or repair as is necessary to restore the Leased Premises to their former condition with all reasonable speed. In such event, the rental shall abate from the date of destruction or damage until the completion of such repairs.
- c. Lessor shall bear the cost of all amounts expended on the repair or restoration of the Leased Premises, including actual and reasonable costs incurred by the Lessee, except that Lessor shall not be required to pay for the cost of repair or restoration of Lessee's alterations or improvements, trade fixtures, equipment or personal property. If the Lessor, during the course of its repair or restoration of the Leased Premises, repairs or restores any alterations or improvements made by the Lessee, or any of Lessee's trade fixtures, equipment or personal property, Lessee shall reimburse Lessor for any cost incurred in repairing or restoring these items which is not reimbursed through insurance. Lessee shall tender such reimbursement to Lessor not later than thirty (30) days after receipt of the invoices from Lessor for the reimbursable items.

- d. If the building in which the Leased Premises are located is so destroyed or damaged SO as to make the building unfit for occupancy as a residential apartment building and Lessor decides not to restore or repair the building, the Lease Agreement shall be terminated.
20. Acquisition of Title By HUD. In the event that the Department of Housing and Urban Development ("HUD"), as mortgagee-in-possession, acquires title to the Leased Premises, this Lease Agreement shall continue in full force and effect, so long as Lessee is not in default on the payment of rent or in the performance of any of the terms, covenants or conditions of this Lease Agreement. Lessee's possession of the Leased Premises shall not be disturbed and Lessee's rights and privileges under this Lease shall not be diminished or interfered with by HUD.
21. Default. If any installment of rent shall remain unpaid for five (5) days after the same becomes due, or if Lessor shall fail to keep or perform any of the terms, covenants or conditions of this Lease Agreement to be kept by it within ten (10) days after notice from Lessor of such failure, or if Lessee's interest in the Leased Premises shall be sold under execution, attachment or other legal process, or if Lessee shall make an assignment for the benefit of creditors or if Lessee shall be subjected to a receivership, then, and without notice, it shall be lawful for the Lessor to re-enter the Leased Premises and have free possession of the same and this Lease Agreement shall be terminated without prejudice to Lessor's right of action for arrears of rent or breach of contract, present and prospective damages or for any other costs or expenses resulting from such breach on the part of the Lessee. In the event of default, Lessor may relet the Leased Premises for the remainder of the Term of Lease, and may recover from Lessee any deficiency between the amount so obtained and the rentals provided by the new tenant. The reletting of the Leased Premises under such circumstances by Lessor shall not be construed under any circumstances as the acceptance of the surrender of the Leased Premises by the Lessee, unless Lessor consents in writing. Lessor's rights and remedies under this paragraph shall be cumulative and nonexclusive of any other rights, remedies at law or in equity.
22. Anticipatory Repudiation. If, prior to the Commencement Date, Lessee notifies Lessor of, or otherwise unequivocally demonstrates, an intention to repudiate this Lease Agreement, Lessor may, at its Option, consider such

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anticipatory repudiation a breach of this Lease Agreement. In addition to any other remedies guaranteed Lessor under this Lease Agreement, Lessor may retain the security deposit and all rent paid by Lessee upon execution of the Lease Agreement. Lessee shall pay in full for all materials ordered for, and for all improvements constructed or installed within, the Leased Premises to the date of the breach.

23. Termination of Lease Agreement.

- a. Surrender of Leased Premises. Lessee shall, at the expiration or earlier termination of this Lease, for whatever reason, remove all Lessee's goods and effects from the Leased Premises, including all trade fixtures, furniture and equipment. Lessee shall deliver to Lessor the Leased Premises, and all keys, alterations and additions thereto. In the event of Lessee's failure to remove any of Lessee's property from the Leased Premises, Lessor is hereby authorized, without liability to Lessee for loss or damage, and at the sole risk of Lessee, to remove and store any of the property at Lessee's expense, or to retain same under Lessor's control, or to sell at public or private sale, without notice, and to apply the net proceeds of such sale to the payment of any sum due hereunder, or to destroy such property without liability or obligation of any nature to Lessee.
- b. Holding Over. At the expiration of Term of Lease, because of lapse of time, or otherwise, Lessee shall yield up immediate possession of the Leased Premises to Lessor in accordance with the conditions of paragraph 8(a) of the Lease Agreement. If Lessee retains possession of the Leased Premises or any part thereof after the termination of the Term of Lease, then Lessor may at its option, within thirty (30) days after termination of the Term of Lease serve written notice upon the Lessee that such holding over constitutes either a renewal of this Lease Agreement for one (1) year, creation of a month to month tenancy, or creation of a tenancy at sufferance. If no written notice is served on the Lessee, then a tenancy at sufferance shall have been created. In the event of a holding over, the terms of this Lease Agreement will continue in effect in accordance with the type of tenancy established as a result of the holding over. Lessee

shall also pay to Lessor all damages sustained by Lessor resulting from retention of possession of the

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Leased Premises by Lessee. This paragraph shall not constitute a waiver by Lessor of any right of re-entry.

- c. Abandonment of Leased Premises. If Lessee shall vacate or abandon the Leased Premises or permit the same to remain vacant or unoccupied for a period of thirty (30) consecutive days, or in case of the non-payment of rent, or of the breach of any covenant of this Lease Agreement, Lessee's right to the possession of the Leased Premises shall terminate without notice and the Lessor may relet the Leased Premises.
- d. Right to Relet. If Lessee's right to the possession of the Leased Premises shall be terminated in any way, the Lessor may relet the Leased Premises for the remainder of the Term of Lease and may recover from Lessee any deficiency between the amount so obtained and the rentals provided by the new tenant.

24. Miscellaneous Provisions.

- a. Modifications in Lease Agreement. The Lease Agreement shall not be modified or terminated without the prior written consent of HUD.
- b. Rules and Regulations. Lessee and Lessee's agents, employees and licensees shall faithfully observe and strictly comply with such reasonable and uniform rules and regulations as Lessor may from time to time adopt. Notice of any rules or regulations shall be given in writing. If there is any inconsistency between this Lease Agreement and the rules and regulations established by the Lessor, this Lease Agreement shall govern.
- c. Notices. Notices may be served on either party, at the respective addresses listed in paragraph 1 of this Lease Agreement, either (1) by delivering or causing to be delivered a written copy of the notice; or (2) by sending a written copy of the notice by certified or registered mail, postage prepaid, addressed to Lessor or Lessee at their respective addresses, in which event, the notice shall be deemed to have been served at the time of mailing.

- d. No Waiver by Lessor. No waiver of any of the terms, covenants, or conditions imposed or required by this Lease Agreement and no waiver of any legal or equitable relief or remedy shall be implied by the failure of

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- Lessor to assert any right to declare any forfeiture or for any other reason. No waiver of any terms, covenants or conditions shall be valid unless it shall be in writing and signed by the Lessor. No waiver of any pledge of this Lease Agreement or the forgiveness or performance of any one or more of the terms, covenants or conditions may be claimed or pleaded by Lessee to excuse a subsequent pledge or failure of performance of any of the terms, covenants or conditions of this Lease Agreement.
- e. Force Majeure. In the event that either party shall be delayed or prevented from the performance of any act required under this Lease Agreement by reason of strikes, lockouts, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, explosion, accident, fire, flood or other catastrophe or any other reason of a like nature not the fault of the party delayed in such performance, then such performance shall be excused for the period of the delay and the period of the performance of any act shall be extended for a period equivalent to the period of such delay. Notwithstanding anything contained herein to the contrary, under no circumstances shall Lessee at any time be excused from the payment of any rent or other sums of money which may become due under the terms of this Lease Agreement.
- f. Criminal Acts of Third Parties. Lessor shall not be liable in any manner to Lessee, its agents, employees, invitees or visitors for any injury caused by the criminal or intentional misconduct of third parties or of Lessee, Lessee's agents, employees, invitees or visitors. All claims against Lessor for any such damage or injury are hereby expressly waived by Lessee, and Lessee agrees to hold harmless and indemnify Lessor from all such damages and the expense of defending all claims made by Lessee's agents, employees, invitees or visitors.
- g. Option to Renew. Lessee, having fully performed all of its covenants and obligations under this Lease

Agreement, has the right and option to renew this Lease Agreement for the term specified in paragraph 1.(d.), upon the same terms, covenants and conditions as provided in this Lease Agreement, provided however, that Rents shall be increased in accordance with the following schedule and that Lessor receives written

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notice from Lessee of Lessee's intent to renew the Lease Agreement at least six (6) months prior to the expiration of the Term of Lease. All of the terms, covenants and conditions of this Lease Agreement shall remain in full force and effect during each entire Renewal Term, with the monthly installment of rents for each Renewal Term as follows:

	Renewal Term	Monthly Rent
1.	From _____ to _____	\$ _____
2.	From _____ to _____	\$ _____
3.	From _____ to _____	\$ _____
4.	From _____ to _____	\$ _____
5.	From _____ to _____	\$ _____

- h. Severability. If any provision of this Lease Agreement shall to any extent be held by a court of law to be invalid or unenforceable, the remainder of this Lease Agreement shall not be affected and each provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.
- i. All covenants, promises, representations, obligations and agreements contained in this Lease Agreement shall be binding upon, apply and inure to the benefit of Lessor and Lessee and their respective heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement and have agreed that it shall be effective as of the _____ day of _____, 19____.

Signed and acknowledged
in the presence of:

LESSOR:

By: _____

LESSEE:

By: _____

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APPENDIX 5-4

NOTIFICATION TO RAD OF HUD ACQUISITION

MEMORANDUM FOR: Director, Regional Accounting Division

FROM: Director, Housing Management

SUBJECT: Abatement of Section 8 Payment for a HUD-Owned
Project

Project Name: _____

Section 8 Project/Contract No(s): _____

FHA Project No: _____

/ / Section 202 / / Section 312 / / All Other Programs

HUD became owner of the subject project on date .
Therefore, beginning month, year , Section 8 payments to the
former owner should be abated. In addition, HUD's Project
Manager (PM) should not bill for project-based Section 8
payments. If Form HUD-52670 bills are received from the PM,
please return them unpaid to me.

Although payments are being abated, Section 8 Contract and
Budget authority remaining on this project must not be
recaptured.

Please notify this Office in writing when the abatement has
been instituted.

If you have any questions, please contact the Director,
Housing Management, at telephone number _____.

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