

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

MODEL FORM OF LEASE

(For use under the Section 202 program of Housing for the Elderly or Handicapped in conjunction with the Section 8 Housing Assistance Payments Program.)

This agreement made and entered into this _____ day of _____, 19____, between _____, as LANDLORD, and _____, as TENANT.

WITNESSETH

WHEREAS, the LANDLORD is the Mortgagor under a Mortgage covering the project in which the hereinafter described unit is situated, which secures a loan made by the Secretary of Housing and Urban Development pursuant to Section 202 of the Housing Act of 1959, as amended, and

WHEREAS, the LANDLORD has entered into a Housing Assistance Payments (HAP) Contract with the Secretary of Housing and Urban Development (HUD), providing that the Secretary will make or cause to be made Housing Assistance Payments to the LANDLORD for units under lease in accordance with the HAP Contract, in amounts equal to the difference between the Contract Rents for such units and that portion of said rent payable by the TENANT in accordance with HUD-established regulations and criteria, and

WHEREAS, pursuant to a Regulatory Agreement entered into between the LANDLORD and the Secretary of Housing and Urban Development, the LANDLORD has agreed to limit public occupancy of the project to elderly or handicapped families and individuals as defined in Section 202 of the Housing Act of 1959, as amended, and applicable HUD regulations under criteria for eligibility of TENANTS for admission to Section 8 assisted units and conditions of continued occupancy in accordance with the terms and provisions of the Housing Assistance Payments Contract, and

WHEREAS, the LANDLORD has determined that the TENANT is eligible to pay less than the fair market rental for the described unit,

NOW THEREFORE,

1. The LANDLORD leases to the TENANT, and the TENANT leases from the LANDLORD dwelling unit _____ in the project known as _____ for a term of one year commencing on the _____ day of _____, 19____, and ending on the _____ day of _____, 19____.

2. The total rent (Contract Rent) shall be \$ _____ per month.

3. The total rent specified in Paragraph 2, above, shall include the following utilities:

(If the total rent includes all utilities, enter "ALL"; where TENANTS pay some or all utilities, enter the following additional paragraph as 3a.)

The total rent stipulated herein does not include the cost of the following utility service(s), for which the Utility Allowance is \$ _____:

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Charges for such service(s) is/are to be paid directly by the TENANT to the utility company/companies providing such service(s). If the Utility Allowance exceeds the required TENANT's share of the total housing expense per HUD-approved schedule and criteria, the LANDLORD shall pay the TENANT the amount of such excess on behalf of the Government upon receipt of funds from HUD for that purpose. (Note: Utility Allowance is not applicable to non-Section 8 tenants.)

4. Where meal service is a condition of occupancy, the charge for such meals shall be \$ _____ per month.

5. Of the total rent, \$ _____ shall be payable by or at the direction of the Department of Housing and Urban Development (HUD) as housing assistance payments on behalf of the TENANT, and \$ _____ shall be payable by the TENANT. These amounts shall be subject to change by reason of changes in HUD requirements, changes in the TENANT's family income, family composition, or extent of exceptional medical or other unusual expenses in accordance with HUD-established schedules and criteria; or by reason of adjustment by HUD of any applicable Utility Allowance. Any such change shall be effective as of the date stated in a Notice to the TENANT. (Note: This paragraph is not applicable to non-Section 8 tenants.)

6. The TENANT's share of the rent shall be due and payable on or before the first day of each month at _____ to the LANDLORD, or to such other person or persons or at such places as the LANDLORD may from time to time designate in writing.

7. The LANDLORD shall not discriminate against the TENANT in the provision of services or in any other manner on the grounds of race, color, creed, religion, sex, national origin, or handicap.

8. Unless terminated or modified as provided herein, this Agreement shall be automatically renewed for successive terms of one month each at the aforesaid rental, subject to adjustment as herein provided.

(a) The TENANT may terminate this Agreement at the end of the initial term or any successive term by giving 30 days written notice in advance to the LANDLORD. Whenever the LANDLORD has been in material noncompliance with this Agreement, the TENANT may in accordance with State law terminate this Agreement by so advising the LANDLORD in writing.

(b) The LANDLORD's right to terminate this Agreement is governed by the regulation of the Secretary at 24 Code of Federal Regulations, Part 450 (herein referred to as the HUD Regulation). The HUD Regulation provides that the LANDLORD may terminate this Agreement only under the following circumstances:

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(1) The LANDLORD may terminate, effective at the end of the initial term or any successive term, by giving the TENANT at least 30 days advance notification in the manner prescribed in paragraph (g) below that the term of this Agreement is not renewed and this Agreement accordingly terminated. This termination must be based upon either material noncompliance with this Agreement or other good cause.

(2) Notwithstanding subparagraph (1), whenever the TENANT has been in material noncompliance with this Agreement, the LANDLORD may, in accordance with State law and the HUD Regulation, terminate this Agreement by notifying the TENANT in the manner prescribed in paragraph (g) below.

(3) In any locality where a State statute or local ordinance is in effect which imposes obligations on landlords and tenants and provides that a violation of such obligation by a tenant constitutes grounds for eviction, the LANDLORD may terminate in accordance with such statute or ordinance.

(c) If the TENANT does not vacate the premises on the effective date of the termination of this Agreement, the LANDLORD may pursue all judicial remedies under State law for the eviction of the TENANT.

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(d) The term "material noncompliance with this Agreement" shall, in the case of the TENANT, include (1) one or more substantial violations of this Agreement, or (2) repeated minor violations of this Agreement which disrupt the livability of the project, adversely affect the health or

safety of any person or the right of any tenant to the quiet enjoyment of the leased premises and related project facilities, interfere with the management of the project or have an adverse financial effect on the project. Nonpayment of rent or any other financial obligation due under this Agreement (including any portion thereof) beyond any grace period permitted under State law shall constitute a substantial violation. The payment of rent or any other financial obligation due under this Agreement after the due date but within any grace period permitted under State law shall constitute a minor violation.

(e) The conduct of the TENANT cannot be deemed other good cause unless the LANDLORD has given the TENANT prior notice that said conduct shall henceforth constitute a basis for termination of this Agreement. Said notice shall be served on the tenant in the manner prescribed in paragraph (g) below.

(f) The LANDLORD's determination to terminate this Agreement shall be in writing and shall (1) state that the Agreement is terminated on a date specified therein, (2) state the reasons for the LANDLORD's action with enough specificity so as to enable the TENANT to prepare a defense, (3) advise the TENANT that if a Judicial proceeding for eviction is instituted the TENANT may present a defense, and (4) be served on the TENANT in the manner prescribed by paragraph (g) below.

(g) The LANDLORD's termination notice shall be accomplished by (1) sending a letter by first class mail, properly stamped and addressed, to the TENANT at his/her address at the project, with a proper return address, and (2) by serving a copy of said notice on any adult answering the door at the leased dwelling unit, or if no adult responds, by placing said notice under or through the door. Service shall not be deemed effective until both notices provided for herein have been accomplished. The date on which the notice shall be deemed to be received by the TENANT shall be the date on which the first class letter provided for in clause (1) herein is mailed, or the date on which the notice provided for in clause (2) is properly served, whichever is later.

(h) The LANDLORD may, with the prior approval of HUD, modify the terms and conditions of the Agreement other than changes in the rental, effective at the end of the initial term or a successive term, by serving an appropriate notice on the TENANT, together with the tender of a revised Agreement or an addendum revising the existing Agreement. This notice and tender shall be served on the TENANT in the manner prescribed in paragraph (g) and must be received by the TENANT (as defined in paragraph (g)) at least 60 days prior to its proposed effective date. The TENANT may accept it by executing the tendered revised Agreement or addendum; or may reject it by giving the LANDLORD written notice at least 30 days prior to its effective date that he/she intends to terminate the tenancy.

(i) Increases in rent shall be governed by the HUD Regulation in 24 CFR Part 401 and shall be put into effect by giving the TENANT at least 30 days advance written notice. Any such increase shall be effective at

the end of the term of the existing Agreement.

9. TENANT agrees that the family income, family composition and other eligibility requirements shall be deemed substantial and material obligations of his/her tenancy with respect to the amount of rental he/she will be obligated to pay and his/her right of occupancy, and that a recertification of income shall be made to the LANDLORD biennially from the date of this lease in accordance with HUD regulations and requirements. (Note: This paragraph is not applicable to non-Section 8 tenants.)

10. TENANT agrees that the TENANT's share of the monthly rental payment is subject to adjustment by the LANDLORD to reflect income changes which are disclosed on any of TENANT's recertification of income and TENANT agrees to be bound by such adjustment. LANDLORD agrees to give thirty days written notice of any such adjustment to the TENANT, by an addendum to be made a part of this lease, stating the amount of the adjusted monthly rental which the TENANT will be required to pay. (Note: This paragraph is not applicable to non-Section 8 tenants.)

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11. LANDLORD and TENANT agree that if, upon recertification, TENANT's income is found to be sufficient to pay the Contract Rent plus any Utility Allowance, the TENANT shall then be required to bear the cost of all such housing expense, but he/she will no longer be required to make income certifications under this lease.

12. The TENANT shall not assign this lease, sublet the premises, give accommodation to any roomers or lodgers, or permit the use of the premises for any purpose other than as a private dwelling solely for the TENANT and his/her family.

13. TENANT agrees to pay to the LANDLORD any rental which should have been paid but for (a) TENANT's misrepresentation in his/her initial income certification or recertification, or in any other information furnished to the LANDLORD; or (b) TENANT'S failure to supply income recertifications when required or to supply information requested by the LANDLORD.

14. TENANT for himself/herself and his/her heirs, executors and administrators agrees as follows:

(a) To pay the rent herein stated promptly when due, without any deductions whatsoever, and without any obligation on the part of the Landlord to make any demand for the same;

(b) To keep the premises in a clean and sanitary condition, and to comply with all obligations imposed upon TENANTS under applicable provisions of building and housing codes materially affecting health and safety with respect to said premises and appurtenances, and to save the LANDLORD harmless from all fines, penalties and costs for violations or noncompliances by TENANT with any of said laws, requirements or

regulations, and from all liability arising out of any such violations or noncompliance.

(c) Not to use premises for any purpose deemed hazardous by insurance companies carrying insurance thereon;

(d) That if any damage to the property shall be caused by his/her acts or neglect, the TENANT shall forthwith repair such damage at his/her own expense, and should the TENANT fail or refuse to make such repairs within a reasonable time after the occurrence of such damage, the LANDLORD may, at his/her option, make such repairs and charge the cost thereof to the TENANT, and the TENANT shall thereupon reimburse the LANDLORD for the total cost of the damages so caused;

(e) To permit the LANDLORD, or his/her agents, or any representative of any holder of a mortgage on the property, or when authorized by the LANDLORD; the employees of any contractor, utility company, municipal agency or others, to enter the premises for the purpose of making reasonable inspections and repairs and replacements;

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(f) Not to install a washing machine, dryer, or air conditioning unit in the apartment without the prior approval of the LANDLORD.

(g) To have no animals or pets of any kind on the premises, other than those expressly permitted in writing by the LANDLORD;

(h) To permit the LANDLORD or his/her agents to bring appropriate legal action in the event of a breach or threatened breach by the TENANT of any of the covenants or provisions of this lease;

15. The LANDLORD agrees to comply with the requirement of all applicable Federal, State and local laws, including health, housing and building codes and to deliver and maintain the premises in safe, sanitary and decent condition.

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16. The TENANT, by the execution of this Agreement, admits that the dwelling unit described herein has been inspected by him/her and meets with his/her approval. The TENANT acknowledges hereby that said premises have been satisfactorily completed and that the LANDLORD will not be required to repaint, replaster, or otherwise perform any other work, labor, or service which it has already performed for the TENANT. The TENANT admits that he/she has inspected the unit and found it to be in good and tenantable condition, and agrees that at the end of the occupancy hereunder to deliver

up and surrender said premises to the LANDLORD in as good condition as when received, reasonable wear and tear excepted.

17. No alteration, addition, or improvements shall be made in or to the premises without the prior consent of the LANDLORD in writing.

18. TENANT agrees not to waste utilities furnished by the LANDLORD; not to use utilities or equipment for any improper or unauthorized purpose; and not to place fixtures, signs, or fences in or about the premises without the prior permission of the LANDLORD in writing. If such permission is obtained, TENANT agrees, upon termination of the lease, to remove any fixtures, signs or fences, at the option of the LANDLORD, without damage to the premises.

19. A security deposit in an amount equal to one month's rent payable by TENANT or \$50, whichever is greater, shall be required at the time of execution of this Agreement. Accordingly, TENANT hereby makes a deposit of \$_____ against any damage except reasonable wear done to the premises by the TENANT, his/her family, guests, or agents; and agrees to pay when billed the full amount of any such damage in order that the deposit will remain intact. Upon termination of this Lease, the deposit is to be refunded to the TENANT or to be applied to any such damage or any rent delinquency. The LANDLORD shall comply with all State and local laws regarding interest payments on security deposits.

20. This Agreement shall be subordinate in respect to any mortgages that are now on or that hereafter may be placed against said premises, and the recording of such mortgage or mortgages shall have preference and precedence and be superior and prior in lien to this Agreement and the TENANT agrees to execute any such instrument without cost, which may be deemed necessary or desirable to further effect the subordination of this Agreement to any such mortgage or mortgages and a refusal to execute such instruments shall entitle the LANDLORD, or the LANDLORD's assigns and legal representatives to the option of cancelling this Agreement without incurring any expense or damage and the term hereby granted is expressly limited accordingly.

21. Failure of the LANDLORD to insist upon the strict performance of the terms, covenants, agreements and conditions herein contained, or any of them, shall not constitute or be construed as a waiver or relinquishment of the LANDLORD's right thereafter to enforce any such term, covenant, agreement, or condition, but the same shall continue in full force and effect.

22. In return for the TENANT's continued fulfillment of the terms and conditions of this Agreement, the LANDLORD covenants that the TENANT may at all times, while this Agreement remains in effect, have and enjoy for his/her sole use and benefit the property hereinabove described.

WITNESS:

LANDLORD

By: _____

TENANT

Husband

Wife