

RESIDENTIAL LEASE

Lease No. _____

Contract No. _____

THIS LEASE, made and entered into between _____
_____, hereafter designated as
"LESSOR," and _____
member(s) of the _____ residing upon the
_____ Indian Reservation,
hereinafter designated as "LESSEE(S)". If the Lessor is not an Indian
Tribe, the term "Tribe" is defined as: _____.

WITNESSETH:

1. SECRETARIAL APPROVAL. As used in this Lease, the term
"Secretary" means the Secretary of the Interior or his duly authorized
representative. This Lease is subject to the approval of the Secretary
pursuant to the Act of August 9, 1955, 69 Stat. 539, as amended; 25 U.S.C.
415. This Lease has been prescribed by the Secretary of Housing and Urban
Development (HUD) pursuant to 24 CFR 203.43h(c), which implements Section
248 of the National Housing Act, 12 U.S.C. 1715z-13, for use in connection
with Federal Housing Administration (FHA) insurance of a mortgage on the
interest created by this Lease.

2. PREMISES. Lessor, as authorized by law and in accordance with a resolution adopted by the _____
_____ on _____, hereby leases to the Lessee(s) all that tract or parcel of land situated on the _____
_____ Indian Reservation, County of _____
_____ State of _____, and described as follows:

3. USE OF PREMISES. The object of this Lease is to enable the Lessee(s) to construct, improve and/or maintain a dwelling and related structures on the leased premises, and otherwise to use said premises as a principal residence.

4. TERM. Lessee shall have and hold the premises for a term of twenty-five (25) years beginning on the effective date of this Lease. This Lease shall automatically and without notice renew for an additional term of twenty-five (25) years on the same terms and conditions contained herein. This Lease may not be terminated by either or both parties during its initial or renewal term if, and as long as, the Lease and/or any improvements on the premises, or any interest therein, are mortgaged or otherwise pledged as security for any loan in accordance with the provisions hereof, unless consent in writing to such termination is given by the Lender and, when HUD/FHA insurance is in force, by HUD. This Lease shall not be subject to any forfeiture or reversion and shall not be otherwise terminable, if such event would adversely affect any interest in

the premises, including improvements thereon, acquired in accordance with the provisions hereof by the holder of any mortgage or other lien, or of any purchaser at a foreclosure sale under such mortgage (or lien) or under any conveyance given in lieu of foreclosure, or of any holder subsequent to such purchase. In the event HUD acquires a mortgage on the interest created by this Lease by assignment from a lender, the Lessor shall not terminate the Lease without the written consent of HUD as long as the mortgage is in force.

5. RENT. The improvement of housing for _____ families is a public purpose of the Lessor. The consideration for this Lease is (1) the said purpose, (2) the promise hereby given of Lessee(s) to pay the Lessor rent at the rate of One Dollar (\$1.00) for each twenty-five (25) year term, payment to be made each term in advance, (3) the extinguishment, hereby agreed to by Lessee(s), of any and all use rights heretofore held by Lessee(s) in the premises, so that Lessee(s) shall hereafter hold rights only by virtue of this lease, and (4) other good and valuable considerations, the receipt of which is hereby acknowledged by Lessor. It is agreed that there shall be no adjustment of the rent if the Lease is terminated before its term otherwise would expire or in the event that any part of the premises is taken by condemnation for highway or other public purposes.

6. IMPROVEMENTS. All buildings or other improvements now existing or hereafter constructed on the premises shall be the leasehold property of

the Lessee(s) during the term of this Lease, including any extension or renewal thereof.

7. USE RIGHT. Upon expiration of this Lease, or upon its termination in accordance with the terms hereof, unless such termination is due to default upon the part of Lessee(s), Lessee(s) or any successors in interest shall be entitled to use rights in the premises if qualified under the laws and customs of the _____. If not so eligible, Lessee(s) and any successors in interest shall, upon demand, surrender to Lessor upon expiration or other termination of this Lease complete and peaceable possession of the premises and all improvements thereon, which shall be the property of the _____.

8. FEDERAL SUPERVISION. (a) Nothing contained in this Lease shall operate to delay or prevent a termination of Federal responsibilities with respect to the premises by the issuance of a fee patent, the lifting of restrictions on alienation, or otherwise during the term of the Lease; such termination, however, shall not serve to abrogate the Lease. (b) No member of Congress or any delegate thereto or any Resident Commissioner shall be admitted to any share or part of this Lease or to any benefit that may arise herefrom. (c) The Lessee(s) agree(s) not to use or cause to be used any part of said premises for any unlawful conduct or purpose.

9. QUIET ENJOYMENT. Lessor agrees to defend the title to the premises and also agrees that Lessee(s) and any successors in interest

shall peaceably and quietly hold, enjoy and occupy the premises for the duration of this Lease without any hindrance, interruption, ejection or molestation by Lessor or by any other persons whomsoever.

10. ASSIGNMENT. Except as otherwise provided herein, Lessee(s) shall not assign this Lease without the prior written consent of the Lessor and, if this Lease and/or any improvements on the premises are mortgaged or pledged as security for a loan, without the written approval of the lender. Lessee(s) may assign the Lease or deliver possession of the premises, including any improvements thereon, to the lender or its successors in interest if Lessee(s) default(s) in any mortgage or other loan agreement for which the Lease and/or improvements on the premises are pledged as security, and, in such event, the lender or its successors in interest may transfer this Lease or possession of the premises to a successor Lessee. Nothing in this Lease shall prevent the Lessee(s) from executing and recording a mortgage, declaration of trust and/or other security instrument as may be necessary to obtain financing for the construction and/or improvement of a dwelling and related structures, or shall prevent the mortgagee or other lender from foreclosing or instituting other appropriate proceedings under law in the event of default or any mortgage or other loan agreement by the Lessee(s). Except in cases involving loans for home construction or home improvement by a bank or other recognized lending institution, where no such consent or approval of Lessor shall be required, lessee(s) may not execute a mortgage, declaration of trust or other security instrument pledging their interest in this Lease or any

improvements on the premises without the prior consent of Lessor and the approval of the Secretary.

Notwithstanding the provisions contained above, the following additional requirements shall be applicable to a Lease which secures a mortgage insured or held by HUD/FHA:

- (1) Lessee(s) shall not sell or otherwise assign this Lease without the prior written consent of the tribe of which the Lessee(s) is/are member(s), if the Lessor is not such tribe.
- (2) In the event HUD acquires the mortgage secured by this Lease, and subsequently acquires the Lease by foreclosure, or by the assignment of the Lease by Lessee(s) (for which the approval of the tribe is not required), then:
 - (a) HUD will notify the tribe of the availability of the Lease for sale, the sales price and other terms of sale.
 - (b) If a purchaser is found, the Lease will be transferred by HUD to the purchaser, with the written consent and approval of the tribe.
 - (c) If a purchaser cannot be found, HUD shall be entitled

to sublease the leased premises to anyone wishing to sublease the same. The term of the initial sublease period and any succeeding periods shall not exceed one year each. A purchaser approved by the tribe must wait where the leased premises are sublet until the expiration of any current sublease before occupying the premises.

- (d) No mortgagee (except HUD as assignee of a mortgage) may obtain title to the interest created by this Lease without the prior written consent of the tribe.

12. **OPTION.** In the event of default by the Lessee(s) on any mortgage or other loan agreement for which this Lease or any improvements on the premises are pledged as security, Lessor shall have the right of first refusal to acquire the Lessee's interest in the premises (subject to all valid liens and encumbrances) upon (a) payment of all sums then in arrears, and (b) either payment of the balance of the loan or assumption of the mortgage. Said right of first refusal may be exercised at any time within thirty (30) Days after notice in writing from the lender of the Lessee's default, which notice shall be given before the lender invokes any other remedies provided under the mortgage or by law, and shall be exercised by notice in writing from the Lessor to the Lessee(s) and the lender; provided, however, that the Lessee(s) shall have fifteen (15) Days from the date of the latter notice to cure the default. The estate acquired by the

Lessor through exercise of said right of first refusal shall not merge with any other estate or title held by the _____ as long as this Lease and/or any improvements on the premises, or any interest therein, are mortgaged or otherwise pledged as security for any loan, and said estate shall remain subordinate to any valid and subsisting mortgage or other security instrument. Provided: Where the Lessee(s) default(s) on a HUD/FHA insured mortgage, this option shall not be exercised by the Lessor unless: (1) HUD has considered the Lessee(s) for assignment forbearance relief and determined Lessee(s) to be ineligible; (2) after Lessee(s) has/have received assignment forbearance relief, HUD determines Lessee(s) to be ineligible for additional assignment relief, or (3) HUD is not required by appropriate regulation (24 CFR 203.664(b)(2)) to grant assignment forbearance relief to the Lessee(s).

13. EFFECTIVE DATE. This Lease and all its terms and provisions shall be binding upon the heirs, successors, executors, administrators and assigns of the Lessee(s) and any successor in interest to the Lessor, and shall take effect on the _____ day of _____, 19 ____.

14. OBLIGATIONS TO THE UNITED STATES. It is understood and agreed that while the leased premises are in trust or restricted status, all of the Lessee's obligations under this lease, and the obligation of his sureties, are to the United States as well as to the owner of the land.

_____, LESSOR

ATTEST:

By _____

(Authorized Official)

WITNESS:

_____, LESSEE

_____, LESSEE

WITNESS:

APPROVED:

DATE:

Secretary of the Interior