

PROJECT TYPE

- Plan I
 Full Profit

LEASE AGREEMENT

Whereas, _____, the OWNER (lessor), does hereby lease to _____, the TENANT (lessee), Apartment No. _____ in the Rural Rental Housing Project known as _____, located at _____, Nebraska, for a term of one year beginning the First Day of _____, 20____, and renewing automatically for successive one year periods until either party terminates said lease as provided herein. (If the beginning date is other than the than the first day of the month, "Lease Attachment-Partial Month's Lease Agreement" should be attached to this lease.)

A. **RENTAL PAYMENT** The monthly rental payment under this lease is \$_____. The TENANT understands and agrees that the rental payment under this lease may be raised or lowered based on the escalation clause in the lease. The TENANT agrees to pay the monthly rental payment to the OWNER in advance, on the first day of each month.

B. **UTILITIES** The OWNER shall provide the following utilities to the rental units which are included in the rental charges:

- Electricity Gas Water Sewer Trash Pickup Master TV Antenna

TENANT is responsible for maintaining all other utilities provided to the rental unit which the TENANT shall pay to the provider thereof in a timely manner.

C. **SECURITY/DAMAGE DEPOSIT** A security deposit in the amount of \$_____ is required and acknowledged. These funds may be used by the OWNER at the time the unit is vacated by the TENANT toward reimbursement of the cost of repairing any intentional or negligent damages to the premises beyond normal wear and tear caused by the TENANT, household member, or guests, or other charges for cleaning not performed prior to vacating. OWNER agrees the balance, after payment of items are provided for above, if any, shall be returned along with an itemized statement of these costs, to the TENANT within two weeks after the termination of the tenancy and receipt of the TENANT'S mailing address or delivery instructions. The security deposit is not an advance payment of rent and does not relieve the TENANT from obligations to pay rent, including rent for the last month of occupancy.

D. **OCCUPANCY STANDARD** In order to achieve maximum utilization of subsidized space without causing overcrowding or providing more space than needed by the number of people in the project, the following standard is established:

Number of Bedrooms	Occupant Density Range	
	Minimum	Maximum
1 BR	—	—
2 BR	—	—
3 BR	—	—
4 BR	—	—



A larger sized unit may be assigned to a tenant than allowed above so that related (other than spouses) and unrelated adults, children of opposite sex and persons of different generations are not required to share a bedroom.

A smaller sized unit than permitted by the above range may be assigned to a household upon the tenant's request, provided the unit does not become over-crowded.

An apartment complex is considered to be overcrowded when the household size exceeds the number of occupants permitted by the Occupancy Policy defined by Rural Development.

E. **TENANT ELIGIBILITY** The project in which the above mentioned apartment is located has been financed and subsidized by Rural Development, USDA, a Government Agency. Eligibility for tenants to reside in this project are based upon TENANT's income, age, and family composition. The OWNER will determine the TENANT's eligibility based upon RD regulations. Eligibility will be determined upon the execution of this lease agreement and at least annually thereafter. The TENANT has been determined:

- An ELIGIBLE TENANT for the unit.
- An ELIGIBLE TENANT not meeting occupancy standards. TENANT agrees to transfer to the first correctly-sized unit when it becomes available and pay all costs associated with the subsequent move.
- HE/SHE acknowledges that they are occupying a designated handicapped accessible unit. HE/SHE acknowledges that priority for such units is given to those needing special physical design features. HE/SHE acknowledges that they are permitted to occupy the unit until management issues a notice that a priority applicant is on the waiting list and that they must move to another suitably sized vacant unit in the project. Upon receiving this notice, the TENANT agrees to move at their own expenses within 30 calendar days to the suitably sized vacant unit within the project. HE/SHE further understands their rental rate will change, when appropriate, to the rental rate for the unit they move into. This lease will be modified accordingly.
- An INELIGIBLE TENANT due to _____ (I.e. income or age). TENANT agrees that at the end of one year, this lease will convert to a monthly lease and can be terminated by written notice of 30 days when an eligible tenant is found.

F. **OCCUPANTS** The following person(s) are members of the TENANT's household and are approved for occupying the apartment unit:

_____ , Age _____	_____ , Age _____
_____ , Age _____	_____ , Age _____
_____ , Age _____	_____ , Age _____
_____ , Age _____	_____ , Age _____

G. **ESCALATION CLAUSE** The OWNER may raise or lower the rental rates on the apartment unit because of changes in costs incurred by the OWNER in the operation and maintenance of the apartment project. Such changes must be approved by RD. The OWNER will notify the TENANT of any change in the rental rates at least thirty (30) days prior to the effective date of the change.

H. **NOTICE TO TENANT** Notice shall be accomplished by: sending a letter by first class mail to the TENANT or MEMBER at his or her address at the project; or by serving a copy of the notice



on any adult person answering the door at the dwelling unit, or if no adult responds, by placing the notice under or through the door, if possible, or by affixing the notice to the door.

- I. **NOTICE TO OWNER** Notice shall be in writing and delivered to the OWNER either by first class mail, properly stamped and addressed or hand delivered to the place of business through which the Rental Agreement was made or at any place held out by the owner as the place for receipt of the communication.
- J. **MODIFICATION OF LEASE** The OWNER may modify the term and conditions of the lease, effective at the end of the initial term or a successive term by serving appropriate notice on the TENANT together with the tender of the revised lease or an addendum revising the existing lease. The notice must be received at least 30 days prior to the last date on which the TENANT has the right to terminate the tenancy without executing the revised lease.
- K. **TERMINATION OF LEASE BY TENANT** The TENANT may terminate this lease agreement by providing the OWNER with a written notice not less than thirty (30) days prior to the end of the rental period established by the lease. The lease may also be terminated by the TENANT with 30 days notice, prior to the end of the calendar month in which the unit is to be vacated for "good cause" such as moving to another location for employment, loss of job, severe illness, death of spouse, or other reasons customary or mandatory in the community or after notification by the owner of intent to prepay the RD loan.
- L. **TERMINATION OF LEASE BY OWNER** **The OWNER** may terminate this lease agreement if the TENANT no longer meets the eligibility requirements defined by RD regulations or if the TENANT is in material noncompliance with the lease or other good cause. Should the OWNER find it necessary to evict the TENANT, such EVICTION WILL BE ACCOMPLISHED ACCORDING TO STATE LAW.
- M. **CATASTROPHE** In the event the premises are damaged by fire or other casualty as to be inhabitable, without fault or negligence of the TENANT, the lease shall automatically terminate as of the destruction and a prorated proportion of the prepaid rent shall be refunded to the TENANT.
- N. **TENANT SUBSIDY** The properly completed Form RD 3560-8 or HUD Form 50059 attached hereto shall be treated and observed as a part of this lease.
- O. **GRIEVANCE PROCEDURE** Any TENANT grievance or appeal from management's decision shall be resolved in accordance with procedures consistent with RD regulations covering such procedures, which are posted in the rental office or posted on the bulletin board.
- P. **NON-DISCRIMINATION** The OWNER shall not discriminate against the TENANT in the provision of services or in any manner on grounds of race, color, creed, religion, sex, national origin, age, handicap, or family status unless the premises to which this lease agreement pertains are specifically designed for elderly or handicapped households.
- Q. **PREPAYMENT OF RURAL DEVELOPMENT LOAN BY OWNER** The OWNER with RD's consent may prepay their loan causing the apartment complex to no longer be regulated by RD procedures. In which case, the TENANT's contribution to rent will not change during the term of the lease.
- R. **CANCELLATION OR SUSPENSION OF FEDERAL SUBSIDIES** Should any Federal subsidies paid to the borrower on behalf of TENANTS be suspended or cancelled, due to a monetary or



non-monetary default by the borrower (or when applicable, the monetary payment received by the TENANT from the borrower) should not change over that which would have been required had the subsidy remained in place.

S. TENANT AGREEMENTS

- *1. The TENANT understands and agrees that HIS/HER household will no longer be eligible for occupancy in this project if their income exceeds the maximum allowable adjusted income as defined periodically by RD for _____ County, Nebraska. I further understand and agree that should I be permitted to occupy the apartment unit when my income exceeds maximum limits, I shall pay a 25 percent rental rate surcharge in addition to my rental rate. (Surcharge applies only to Plan I projects.)
2. The TENANT understands that the size of apartment to which HIS/HER household is entitled is based upon household composition and the occupancy standard previously described in this agreement. Should, during the term of this lease agreement, the TENANT'S household no longer meet the requirements of the occupancy standard, the TENANT will be required to vacate the apartment unit at the end of the lease period unless eligibility can be established following specified steps, such as moving to an appropriate size unit or an exception is granted by management.
3. The TENANT understands and agrees that should HE/SHE no longer meet the eligibility requirements of the project during the term of the lease agreement, HE/SHE will be required to vacate the unit unless an exception is authorized by RD.
- *4. The TENANT agrees to immediately notify the OWNER when there is a change in their gross household income or adjustment to income, or when there is a change in the number of persons living in the household. HE/SHE understands their rent or benefits may be affected as a result of this information. HE/SHE also understands that failure to report such changes may result in their losing benefits to which they may be entitled or may result in the OWNER taking corrective action if benefits were mistakenly received. HE/SHE understands that the corrective action that the OWNER may take includes the initiation of a demand for repayment of any benefits or rental subsidies improperly received, initiation of a notice to cancel any rental assistance or Section 8 assistance being received for the balance of their certification period, initiation of a notice to increase their monthly rent to \$_____ per month (Plan I Projects - 125% of scheduled rent; Profit Projects - not applicable), or initiation of a notice of termination. HE/SHE understands that one or more of these remedies may be initiated at the option of the OWNER.
- *5. I agree to promptly provide any certifications, recertifications, and income verifications required by the OWNER to permit eligibility determinations. I further agree to notify the OWNER of any permanent increase in family income that may occur. Recertifications must be provided at least annually or when there has been a substantial change in projected income.
6. The TENANT agrees to pay the monthly TENANT contribution specified in this agreement when due. If not paid by the 10th day of the month the TENANT agrees to pay a late fee not to exceed the higher of \$10 or an amount equal to 5% of the tenants gross contribution in addition to the monthly TENANT contribution.
7. TENANT's initial Tenant Certification and subsequent recertifications shall set forth the gross family income and the calculations determining the rent.



8. TENANT agrees that the rent shall be subject to change, in accordance with schedules and criteria established by RD, by reason of changes in family income or family composition. A new recertification may be requested at any time there is a change in projected annual income. The revised rental contribution will be effective on the first of the month following the execution of the recertification.
9. The use by the TENANT, or household members, of laundry facilities, common areas, storage rooms, or other facilities in the premises, are at the risk of the person using the same. It is understood that this section is not to be construed to relieve the TENANT of liability for personal injury or damage caused by the TENANT's unlawful or negligent acts or omissions.
10. TENANT agrees to preserve the premises in safety and to keep the same in good condition and to refrain from intentionally or negligently destroying, defacing, impairing, or removing any part of the premises, common areas, or property appurtenant thereto, and to refuse to suffer any other person to do so. TENANT shall notify the OWNER promptly of any known need for repairs of the apartment unit and of any known unsafe conditions which may lead to injury or damage. Except for normal wear and tear, TENANT agrees to pay reasonable charges for repair of intentional or negligent damage to the leased premises caused by TENANT, his family, dependents, or guests.
11. TENANT acknowledges, by completing and signing the attached condition/inventory report, the condition of the unit at the time of occupancy. An Inspection - Move In/Move-Out report will also be provided by the OWNER and signed by the TENANT at the time the unit is vacated. The TENANT is expected to accompany the OWNER on these inspections.
12. TENANT agrees to permit the OWNER to enter the apartment unit at reasonable hours to inspect the premises, make needed repairs or show the apartment to prospective tenants. Except for emergency repairs, the OWNER will provide the TENANT with a 24-hour written notice.
13. The TENANT understands and agrees that the use, attempted use, or possession, manufacture, sale, or distribution of an illegal controlled substance (as defined by local, State, or Federal law) while in or on any part of this apartment complex or cooperative is an illegal act. It is further understood that such action is a material lease violation. Such violations hereafter called a "drug violation") may be evidenced upon the admission to or conviction of a drug violation.

The OWNER may require any lessee or other adult member of the TENANT household occupying the unit (or other adult or non-adult person outside the TENANT household who is using the unit) who commits a drug violation to vacate the leased unit permanently, within timeframes set by the landlord, and not thereafter enter upon the landlord's premises or the lessee unit without the landlord's prior consent as a condition for continued occupancy by members of the TENANT household. The landlord may deny consent for entry unless the person agrees to not commit a drug violation in the future and is either actively participating in a counseling or recovery program, complying with court orders related to a drug violation, or completed a counseling or recovery program.

The landlord may require any lessee to show evidence that any non-adult member of the TENANT household occupying the unit, who committed a drug violation, agrees to not commit a drug violation in the future, and to show evidence that the person is either actively



seeking or receiving assistance through a counseling or recovery program, complying with court orders related to a drug violation, completed a counseling or recovery program within timeframes specified by the landlord as a condition for continued occupancy in the unit. Should a further drug violation be committed by any non-adult person occupying the unit the landlord may require the person to be severed from tenancy as a condition for continued occupancy by the lessee.

If a person vacating the unit, as a result of the above policies, is one of the lessees, the person shall be severed from the tenancy and the lease shall continue among any other remaining lessees and the landlord. The landlord may also, at their option, permit another adult member of the household to be a lessee.

Should any of the above provisions governing a drug violation be found to violate any of the laws of the land, the remaining enforceable provisions shall remain in effect. The provisions set out above do not supplant any rights of TENANTS afforded by law.

14. The TENANT agrees not to assign this lease, nor to sublet or transfer possession of the premises or any portion thereof; nor to sell or give accommodations to roomers, boarders, or lodgers; not to permit the use of the premises for any other purpose than a private dwelling solely for the TENANT and HIS/HER household.
- *15. The TENANT agrees to advise the OWNER of any planned absences from the apartment unit which will exceed two weeks. If HE/SHE does not personally reside in the unit for a period exceeding 60 consecutive days, for reasons other than health or emergency, HIS/HER net monthly tenant contribution shall be raised to \$_____ per month. (Plan I Projects - 125% of scheduled rent; Profit Projects - not applicable) for the period of HIS/HER absence exceeding 60 consecutive days. The TENANT also understands that should any rental assistance be suspended or reassigned to other eligible tenants after this 60 day period, HE/SHE are not assured that such assistance will be restored to them upon their return. HE/SHE also understands that if HIS/HER absence continues, that the landlord may take the appropriate steps to terminate HIS/HER tenancy.
16. The TENANT agrees that should the project be sold to a buyer, approved by RD, the lease will be transferred to the NEW OWNER.
17. The TENANT understands and agrees that should HE/SHE abandon the apartment unit, the disposition of any remaining personal property will be disposed of as provided by State Law.
- *18. The TENANT understands and agrees that should HE/SHE receive occupancy benefits, such as interest credit and/or Rental Assistance, to which they are not entitled due to incorrect information provided by themselves or on their behalf by others, or for any other household member, they may be required to make restitution and HE/SHE agree to pay any amount of benefits to which they were not entitled.
19. TENANT certifies that the apartment they will occupy under this agreement will be their permanent residence and that they do not maintain a separate subsidized rental unit in a different location.
20. TENANT agrees to comply with the Rules and Regulations which are accepted and attached as part of this lease.



T. OWNER AGREEMENTS

1. The OWNER agrees that any TENANT GRIEVANCE OR APPEAL from a management's decision shall be resolved in accordance with procedures consistent with RD regulations covering such procedures which are posted in the rental office.
2. The OWNER agrees to provide heat and light to all enclosed common areas at no cost to TENANT.
3. The OWNER agrees to maintain the buildings and any common areas in a decent, safe and sanitary condition in accordance with RD regulations and applicable building and housing codes materially affecting health and safety. Failure to maintain the buildings and any common areas in a safe and habitable condition shall constitute a breach of an expressed and implied warranty of habitability. In such an event, TENANT may pursue any action or remedy afforded by law. OWNER'S liability shall be limited under this agreement to damages incurred by TENANT from a material breach of a warranty of habitability.
4. The OWNER agrees to furnish:
 Refrigerator Range Oven
 Window Air Conditioner [] _____
Without additional charge to TENANT. The OWNER shall not be held liable for damages in case of failure to furnish any of the above-listed items during any portion of the term of this lease if prevented from doing so by circumstances beyond the OWNER's control.
5. The OWNER agrees to provide and maintain appropriate receptacles and conveniences for the removal of garbage, ashes, rubbish, and other wastes incidental to the occupancy of the premises and to arrange for their removal.
6. OWNER reserves the right to use separate legal process to collect monetary claims for damages if the security deposit is not adequate for damages.
7. The OWNER agrees to accept tenant contribution without regard to any other charges owed by the TENANT to the OWNER and to seek legal remedy for the collection of any other charges which may accrue to the OWNER from the TENANT(S).
8. The OWNER agrees not to 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, age, handicap, or familial status.
9. OWNER agrees that no increase in the tenant's contribution to rent will take place due to prepayment of the RD loan during the term of the lease.



U. **CONTENTS OF THIS AGREEMENT** The TENANT certifies that HE/SHE has received a copy of this agreement and the following attachments to this agreement and understands that these attachments are part of this agreement.

- Lease Attachment - Partial Month's Lease Agreement
- Tenant Certification
- Inspection Report - Move-In/Move-Out
- Rules and Regulations
- Pet Agreement and Policies
- Lease Attachment - Restoration Agreement

This project is financed by Rural Development, U.S. Department of Agriculture, and is subject to the nondiscrimination provisions of Title VI of the Civil Rights Act of 1964, Title VIII of the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975 and the American's with Disabilities Act. All complaints are to be directed to the USDA, Director, OCR, Washington, D.C. 20250-9410. However, complaints of Fair Housing violations may be sent directly to the Secretary of Housing and Urban Development, Washington, D.C. 20410.

This LEASE evidences the entire agreement between the parties herein and no modification thereof shall be made except in writing.

BY _____ BY _____
OWNER/MANAGER/AGENT TENANT

DATE _____ BY _____
TENANT

* Not applicable to elderly, disabled, and handicapped tenants of Full Profit Projects.

"This institution is an equal opportunity provider."

