

TRI-HARBOR LANDING APARTMENTS

LEASE AGREEMENT, Oregon

In accordance with Federal law and U.S. Department of Agriculture policy; this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington D.C. 20250-9410 or call 202-720-5964 (Voice and TDD) USDA is an equal opportunity employer.

IMPORTANT! PLEASE READ CAREFULLY

This lease is for the rental of apartments that have been constructed with assistance from the USDA Rural Development, Section 42 Low Income Housing Tax Credits, Federal Home Loan Bank funds and Housing Trust Funds from Oregon Housing and Community Services. This lease is subject to instruction RD 3560, other USDA Rural Development and IRS Section 42 regulations, the provisions of which are incorporated herein. It contains special provisions concerning your income, the basis for determining your rent and other factors that may be different from leases that you as a Tenant have previously signed. Your signature indicates that you have read these provisions. Please read it carefully before signing, and ask questions if there are any parts that you do not understand.

Note: Wherever "Farmers Home Administration", "FmHA", "Rural Development Administration", "RDA", "Rural Development", "RD", or "RHS" ap the United States of America acting through the Rural Housing Service or successor agency, United States Department of Agriculture, is substituted.

1. PARTIES. This lease is between the following parties:

LANDLORD

Landlord Name Tri-Harbor Landing Apts. Limited Partnership

C/O: Umatilla County Housing Authority

Project Name Tri-Harbor Landing Apartments

Address 155 SW 10th Street, P.O. Box 107

City, State, Zip Hermiston, OR 97838

Phone (541)567-3241

TDD Number (800)545-1833

TENANT

Tenant Name _____

Address _____

City, State, Zip _____

Phone (____) _____

Whose PROJECT MANAGER is:

Property Manager Name _____

Project Address 210 Klickitat, Umatilla, Oregon

Project Office _____

City, State, Zip _____

Phone Number _____

The term "TENANT" refers to the person(s) signing this agreement and "LANDLORD" refers to the Owner and/or the Project Manager, identified above. The Project Manager, as agent for the Owner, has been authorized by its contract with the Owner to execute leases and to otherwise act in the place and stead of the Owner with regard to the leasing and management of the complex.

2. APARTMENT UNIT. The parties have agreed to lease the following apartment:

Project Name Tri-Harbor Landing Apartments

Apartment No. _____

Address _____

3. TERM. Subject to the conditions set out in this Paragraph 3, the term of this lease shall be twelve (12) calendar months beginning on _____ . TENANT'S right to occupy the premises is automatically renewed after the initial term for successive terms of twelve (12) calendar months, subject to the following conditions:

- that TENANT is not in breach of the lease;
- that TENANT has not been served with four (4) or more 72 hour notices of non-payment and/or Thirty-Day Notices for any cause within the past twelve (12) months;
- that TENANT continues to be eligible for tenancy under USDA, Rural Development regulations;
- that TENANT continues to be income eligible for tenancy under IRS Section 42 Tax Credit regulations; and
- that TENANT signs a new lease if the standard lease form or any applicable addendum has been amended since TENANT signed the last lease.

If TENANT meets these conditions, TENANT'S right to occupy the premises can be terminated only if TENANT or LANDLORD use the methods in Paragraphs 16 or 17, respectively. If TENANT fails to meet these conditions, TENANT acknowledges and agrees TENANT must vacate TENANT'S unit at the end of the term of the lease.

4. OCCUPANTS. The person or people approved for occupying the apartment as TENANT(S) and/or household members is/are:

Occupant 1 _____

Occupant 4 _____

Occupant 2 _____

Occupant 5 _____

Occupant 3 _____

Occupant 6 _____

Any change in the occupancy of TENANT'S household must have LANDLORD'S prior written approval.

- Eligibility.** Determination of the eligibility of the above person/people to be occupant(s) of the apartment is based on the information provided by TENANT to LANDLORD regarding age, income and household size in accordance with USDA, Rural Development regulations.
- Maximum Income.** USDA, Rural Development and IRS section 42 regulations require that should TENANT'S adjusted household income exceed qualifying limits, TENANT will no longer be eligible for occupancy in this Project. USDA, Rural Development and IRS Section 42 regulations require that once an eligible TENANT'S income is in excess of qualifying limits, TENANT is no longer eligible for occupancy in this project and will be required to vacate within thirty (30) days after service of notice that TENANT is ineligible for tenancy, or when TENANT'S current lease term ends, whichever is sooner, unless an exception is authorized by the State Director.
- Guests.** Anyone who stays in TENANT'S apartment and is not listed on the Tenant Certification will be treated as a guest. TENANT'S apartment is to be used only as TENANT'S private dwelling, and TENANT may not sublease or take in any lodgers. If TENANT'S guest stays more than seven (7) consecutive days, TENANT will provide LANDLORD the name and address of each guest. If TENANT'S guests make reoccurring visits or one continuous visit of more than fourteen (14)

days and/or nights in a forty-five (45) day period without prior written approval by LANDLORD, the income of such person will be considered in recalculating the Tenant Contribution (RENT) for the following month. Any arrangements for live-in caretakers must have the prior written permission of the LANDLORD. LANDLORD has the right to require proof of domicile of TENANT'S guest if LANDLORD suspects TENANT'S guest is an unauthorized occupant. The Tenant Contribution (RENT) will not be recalculated if TENANT'S guest is there to assist TENANT due to TENANT'S being incapacitated during a time of sickness or recovery. Written verification by a medical doctor of the need for such assistance is required for any such guest. If TENANT wishes to add someone to TENANT'S existing lease, TENANT must consult with LANDLORD prior to making any changes in the current household composition. Any person who desires to be added to the lease must complete the application process for tenancy, meet all eligibility requirements, and be approved by the LANDLORD prior to moving in.

5. **TENANT CONTRIBUTION (RENT).** Tenant Contribution (RENT) is that portion of the rent that is paid by TENANT. It will be determined in accordance with USDA, Rural Development regulations. The monthly Tenant Contribution (RENT) is \$ _____. The Tenant Contribution (RENT) is due on the first day of each month. Payment should be made directly to the LANDLORD at the address listed in Paragraph 1. If TENANT'S payment is made by check or money order, it should be made payable to project named in Paragraph 1. LANDLORD will accept the Tenant Contribution (RENT) even if TENANT owes LANDLORD other charges. LANDLORD may, however, take other action to collect these charges, including terminating the tenancy of TENANT under Paragraph 17, below.
- a. **Tenant Contribution (RENT) Increases and Decreases.** TENANT understands and agrees that the monthly Tenant Contribution (RENT) under this lease may be raised or lowered, based on changes in TENANT'S household income or adjustments to income, failure to submit information necessary to certify income, changes in the number and age of people living in the household, and the Escalation Clause of this lease. Should TENANT no longer receive rental assistance as a result of these changes, or if the rental assistance agreement executed by the Owner and USDA, Rural Development expires, TENANT understands and agrees that the monthly Tenant Contribution (RENT) may be adjusted to no less than \$ _____ (Basic Tenant Rent) nor more than \$ _____ (Note Rate Rent) during the remaining term of this lease, except that, based on the Escalation Clause in this lease rates may be changed by a USDA, Rural Development approved rent change. TENANT may request a re-determination of the monthly Tenant Contribution (RENT) if TENANT'S household income decreases. Any adjustment in the Tenant Contribution (RENT) caused by a change in household income or in the ages of people in TENANT'S apartment will be effective on the next Tenant Contribution (RENT) due date, after proper third party verification is obtained, in such a manner as to allow LANDLORD sufficient time to verify changes. TENANT specifically agrees that the adjusted Tenant Contribution (RENT) will be due on the next Tenant Contribution (RENT) date as required by Paragraph 5(e)(1) below. Notwithstanding any other provision of this section, any increase in Tenant Contribution (RENT) will only be effective after 30 days written notice from LANDLORD.
- b. **Rental Assistance.** TENANT understands and agrees that as long as TENANT receives rental assistance, the gross monthly Tenant Contribution (RENT), as determined on the latest Form 1944-8, which is attached to this lease, for "rent" and "utilities" will be \$ _____. If TENANT pays any or all of the utilities directly (not including telephone or cable TV), a utility allowance of \$ _____ will be deducted from the gross monthly Tenant Contribution (RENT) and Tenant's resulting net monthly contribution will be \$ _____. If Tenant's net monthly contribution would be less than zero, LANDLORD will pay TENANT \$ _____. Should any Federal subsidies paid to the Owner on behalf of the TENANT be suspended or canceled due to monetary or non-monetary default by the Owner, the Tenant Contribution (RENT) will not change from that which would have been required had the subsidy remained in place. TENANT understands that every effort will be made to provide rental assistance so long as TENANT remains eligible and the rental assistance agreement between the Owner and USDA, Rural Development remains in effect. However, should this assistance be terminated, TENANT may arrange to terminate this lease, by giving proper notice as set forth in Paragraph 15, below.
- c. **Reporting Changes.** TENANT agrees to immediately notify LANDLORD when there is a change in TENANT'S gross household income or adjustments to income, or when there is a change in the number of people living in TENANT'S household. TENANT understands that the Tenant Contribution (RENT) or benefits may be affected as a result of this information. TENANT also understands that failure to report such changes may result in TENANT losing benefits to which Tenant may be entitled or result in LANDLORD taking corrective action if benefits were mistakenly received. TENANT understands that the corrective action LANDLORD 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 being received for the balance of TENANT'S certification period, initiation of a notice to increase the monthly Tenant Contribution (RENT) to \$ _____ (Note Rate Rent) or initiation of a notice of termination. TENANT understands that one or more of these remedies may be initiated at LANDLORD'S option. LANDLORD must recertify TENANT households whenever permanent changes to gross household income or permanent adjustments to household income result in an increase of \$40 or more per month or \$480 or more per year. LANDLORD must recertify TENANT households whenever changes to permanent household gross income or permanent adjustments to household income result in a decrease of \$20 or more per month or \$240 or more per year. If the permanent gross income of a TENANT household does not exceed \$20 a month annually, and the TENANT requests certification, LANDLORD will process the recertification. In addition, LANDLORD must recertify changes in household size or composition.
- d. **Recertification of Eligibility and Misrepresentation by TENANT.** LANDLORD will recalculate the Tenant Contribution (RENT) at least once a year, or more often if any of the changes, listed under Section 5(c) above, occur. The standards by which rent and eligibility will be determined will be by USDA, Rural Development regulations. TENANT agrees to provide LANDLORD with certification and income verification information so LANDLORD can complete these recalculations. TENANT understands that income certification is a requirement of occupancy and TENANT agrees to promptly provide any certification and income verifications required by the LANDLORD to permit the determination of eligibility, and where applicable, the monthly Tenant Contribution (RENT). TENANT understands that should TENANT receive occupancy benefits to which TENANT is not entitled due to TENANT'S failure to provide information or due to incorrect information provided by TENANT or on TENANT'S behalf by others, or for any other household member, TENANT may be required to make restitution and TENANT agrees to repay any amount of benefits to which TENANT was not entitled. If there are intentional misrepresentations or falsifications TENANT may also be subject to federal penalties. Intentional misrepresentation of facts used to determine TENANT'S eligibility may also be considered material non-compliance of this lease and may result in the subsequent eviction of TENANT and household occupants in accordance to Paragraph 17.

- e. **Notice of Tenant Contribution (RENT) Increase and Decrease (Escalation Clause).**
 - (1) Any adjustment in Tenant Contribution (RENT) caused by a change in household income, or changes in the number or ages of the people in TENANT'S apartment, will be effective on the next Tenant Contribution (RENT) due date.
 - (2) USDA, Rural Development may allow LANDLORD to increase all Tenant Contribution (RENT) due to increasing costs. LANDLORD will notify TENANT if a Tenant Contribution (RENT) increase is approved thirty (30) days before it goes into effect.
- f. **Permanent Occupancy.** TENANT understands that TENANT must promptly notify the LANDLORD of any extended absences in excess of fourteen (14) days and that if TENANT does not personally reside in the unit for a period exceeding 60 consecutive days for reasons other than health or emergency, the monthly Tenant Contribution (RENT) shall be raised \$_____ per month (Note Rent Rate) for the period of TENANT'S absence exceeding 60 consecutive days. TENANT also understands that if TENANT'S absence continues, then the LANDLORD may take appropriate steps to terminate the tenancy and this lease.

6. **LATE CHARGES AND NSF CHARGES.** TENANT will have to pay a \$30 late charge, if the Tenant Contribution (RENT) is received after the seventh (7th) of the month. If TENANT pays the Tenant Contribution (RENT) with a NSF (Non-sufficient funds) check, TENANT will be charged a \$25 fee in addition to any late fees, which may be due. On the second occurrence of a NSF check received from TENANT, the bank charges will again be passed on to TENANT, and thereafter all Tenant Contribution (RENT) shall be paid by cash or by money order.

7. **UTILITIES. TENANT and LANDLORD** agree to pay for the following utilities as indicated:

<u>UTILITY</u>	<u>TENANT</u>	<u>LANDLORD</u>
Electricity	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Gas	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Water & Sewer	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Garbage	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

It is TENANT'S responsibility to pay TENANT'S utility charges promptly when due.

8. **SIZE OF APARTMENT.** The size of TENANT's apartment is determined by the number of people or occupants as follows:

1 – 2	1 bedroom
2 – 4	2 bedroom
3 – 6	3 bedroom

Should the unit become overcrowded or under-utilized, or should TENANT no longer meet the eligibility requirements of the Project during the term of the lease agreement, TENANT will be required to vacate the unit at the end of the lease term unless eligibility can be established by moving to an appropriate unit or a written exception is granted by LANDLORD. TENANT agrees to move to an appropriate sized unit upon LANDLORD'S written request to TENANT. Upon receiving this notice, TENANT agrees to move at TENANT'S own expense within 30 calendar days to another suitably sized vacant unit in the Project. TENANT further understands that TENANT'S rental rate may change, when appropriate, to the rental rate for the unit TENANT moves into and that this lease will be modified accordingly.

9. **TENANT DUTIES.** TENANT is obligated to comply with all of the terms of this lease, the Rules and Regulations and with the following duties. Failure to comply with these duties is a breach of this lease and may result in a termination of the tenancy and of this lease.

- a. **Cleaning.** TENANT must keep the apartment clean at all times. If LANDLORD is fined for TENANT'S violation of any health safety code, TENANT will reimburse LANDLORD. If TENANT obstructs or fails to cooperate with any pest control efforts, TENANT will be required to reimburse LANDLORD for the cost of treating TENANT'S unit.
- b. **Safety.** TENANT must not use the apartment for any purpose considered dangerous to health, safety, property or other people.
- c. **Garbage.** TENANT must regularly dispose of TENANT'S garbage in a sanitary manner. If TENANT fails to do so, TENANT will pay all costs of pest extermination and/or clean up.
- d. **Use of Property.** TENANT must properly use LANDLORD'S property, including heaters, plumbing, appliances and any other item.
- e. **Damages to the Apartment and/or the Common Areas.** TENANT must not damage or remove any of LANDLORD'S property or permit any household member or guests to do so. TENANT will pay for any damages caused by TENANT, TENANT'S members or guests onto LANDLORD'S property within 30 days of LANDLORD'S presentation to TENANT of a written bill for the damages.
- f. **Nuisance.** TENANT must not do anything which interferes with the rights of LANDLORD'S other TENANTS to have a safe, healthy and comfortable place to live or which disturbs the quiet enjoyment of their apartment. TENANT must not do anything that interferes with the ability of the LANDLORD or employees to manage the property. TENANT agrees not to permit a nuisance or common waste with respect to the Apartment Unit or to release or discharge any "hazardous materials" onto or from the Apartment Unit. For purposes of this Agreement, "hazardous materials" shall be those items commonly referred to in Federal and State environmental laws. TENANT agrees to indemnify LANDLORD in connection with the clean up or remediation of any "hazardous materials" discharged or released by TENANT.
- g. **Utilities.** TENANT must not waste the utilities paid by LANDLORD.
- h. **TENANT'S Appliances.** TENANT must not install or use a dishwasher, washing machine, dryer, air conditioner, etc. without LANDLORD'S prior written approval.
- i. **Fire Safety.** TENANT is responsible for testing and maintaining TENANT'S smoke detector(s) within TENANT'S unit in accordance with the manufacturer's recommendations, including replacement of batteries where required, to ensure that it is working properly at all times. If TENANT fails to maintain the smoke detector device(s) in proper operating condition, TENANT may be subject to fine(s) levied by the local Fire Department and/or appropriate government agency, as provided under ORS 479.990(6). TENANT is also responsible for notifying LANDLORD immediately if TENANT believes that there is a possibility that the smoke detector is not working properly. TENANT will not tamper with or disconnect the smoke detector in any way. TENANT agrees to ensure that all belongings, including clothes, furniture, etc. will be kept at the recommended distance of twelve inches (12") from all baseboard heaters. Failure to take all necessary precautions to ensure fire safety is grounds for eviction.
- j. **Fixtures.** TENANT must not attach anything to LANDLORD'S building, or construct a fence without LANDLORD'S prior written approval. TENANT must remove the permitted items when TENANT leaves without damage to LANDLORD'S property unless LANDLORD wants it to remain.

- k. Alterations. TENANT must not alter, paint or in any way change LANDLORD'S property, including changing door locks or installing additional locks without LANDLORD'S prior written approval.
- l. **Pets.** TENANT must not have any pets or other animals without LANDLORD'S prior written approval. Assistive animals for handicapped people are not pets.
- m. **Unlawful Activities.** TENANT must not engage in or permit any activity in the unit, in the common areas, or on the property grounds, which: (i) is unlawful; (ii) is imminently hazardous to the physical safety of other persons in the unit, in the common areas or on the property grounds; (iii) entails physical assaults upon another person; or (iv) entails the unlawful use of a firearm or other deadly weapon, including threatening another tenant or the LANDLORD with a firearm or other deadly weapon.

The LANDLORD may terminate this lease with 24 hours written notice if:

- (1) The TENANT, someone in the TENANT'S control or the TENANT'S pet seriously threatens immediately to inflict personal injury, or inflicts any substantial personal injury, upon the LANDLORD or other TENANTS;
 - (2) The TENANT, someone in the TENANT'S control or the TENANT'S pet inflicts any substantial personal injury upon a neighbor living in the immediate vicinity of the premises or upon a person other than the TENANT on the premises with permission of the LANDLORD or another TENANT;
 - (3) The TENANT or someone in the TENANT'S control intentionally inflicts any substantial damage to the premises;
 - (4) The TENANT has vacated the premises, the person in possession is holding contrary to a written rental agreement that prohibits subleasing the premises to another or allowing another person to occupy the premises without the written permission of the LANDLORD, and the LANDLORD has not knowingly accepted rent from the person in possession;
 - (5) The TENANT or someone in the TENANT'S control commits any act which is outrageous in the extreme, on the premises or in the immediate vicinity of the premises. An act that is "outrageous in the extreme" is an act not described in paragraphs (1) to (3) of this subsection, but is similar in degree and is one that a reasonable person in that community would consider to be so offensive as to warrant termination of the tenancy within 24 hours, considering the seriousness of the act or the risk to others. Such an act is more extreme or serious than act that warrants a 30-day termination notice under Paragraph 17(a)(b) of this lease. An act that is "outrageous in the extreme" includes, but is not limited to the following acts: (A) Prostitution or promotion of prostitution, as described in ORS 167.007 and 167.012; (B) Illegal manufacture, delivery or possession of a controlled substance, as described in ORS 475.005, but not including the medical use of marijuana in compliance with ORS 475.300 to 475.346, the possession of, or delivery for no consideration of, less than avoirdupois ounce of marijuana as described in ORS 475.992 (2) (b) or (4) (f); (C) Intimidation, as described in ORS 166.155 and 166.165; or (D) Burglary as described in ORS 164.215 and 164.225.
- n. **Drug and Criminal Activity; Convictions.**
- (1) **TENANT** understands that the use, attempted use possession, manufacture, sale or distribution of an illegal controlled substance (as defined by local, state or federal law) is an illegal act under one or more of said laws, whether or not the act is prosecuted or a conviction is obtained. TENANT has the following obligations, breach of which would be a material violation of the lease entitling the LANDLORD to terminate the tenancy:
 - (i) TENANT shall be obligated to assure that neither TENANT, a member of TENANT'S household, or a guest of TENANT engages in any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents, or engages in any drug-related criminal activity on or off the premises.
 - (ii) TENANT shall be obligated to assure that no other person under the TENANT'S control engages in any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents, or engages in any drug-related criminal activity on the premises.
 - (iii) TENANT shall be obligated to assure that no member of the TENANT'S household engages in abuse or a pattern of abuse of alcohol that affects the health, safety or right to peaceful enjoyment of the premises by any other resident.
 - (2) **LANDLORD** may terminate the tenancy of the TENANT for criminal activity or alcohol abuse as follows:
 - (i) **Methamphetamine Conviction.** Federal regulations require that the LANDLORD shall immediately terminate the tenancy if LANDLORD determines that any member of the TENANT'S household has ever been convicted of a drug-related criminal activity for manufacture or production of methamphetamine on the premises of any federally assisted housing. This requirement is a part of this lease.
 - (ii) **Drug Crime On or Off the premises.** LANDLORD may terminate the tenancy for any drug-related criminal activity engaged in on or off the premises by the TENANT, a member of the TENANT'S household, or a guest of the TENANT, or for any such activity engaged in on the premises by any other person under the TENANT'S control. In addition, LANDLORD determines that a household member is illegally using a drug or when LANDLORD determines that a pattern of illegal use of drugs interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents occurs.
 - (iii) **Evicting Other Criminals.** LANDLORD may terminate the tenancy of TENANT for any criminal activity by TENANT, a member of TENANT'S household, or a guest of TENANT that threatens the health, safety, or right to peaceful enjoyment of the property by other residents (including LANDLORD'S management staff residing on the premises) or threatens the health, safety, or right to peaceful enjoyment of the residence or residences by a person or persons residing in the immediate vicinity of the premises.
 - (iv) LANDLORD may terminate the tenancy if the TENANT is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws from which individual flees, or that, is a high misdemeanor, or for violating a condition of probation or parole imposed under federal or state law.
 - (3) **Evidence and Procedure.**
 - (i) LANDLORD may evict the TENANT by judicial action for criminal activity, whether drug related or otherwise, in accordance with these provisions if the LANDLORD determines that the covered person has engaged in the activity, regardless of whether the covered person has been arrested or convicted for such activity and without satisfying the standard of proof used for a criminal conviction. If LANDLORD seeks to terminate the tenancy for criminal activity as shown by a criminal record, the LANDLORD must notify the household of the proposed action to be based on the information and must provide the subject of the record and the TENANT with a copy of the criminal record before a LANDLORD grievance hearing or court trial concerning the termination of tenancy. The TENANT must be given the opportunity to dispute the accuracy and relevancy of that record in a grievance hearing or court trial. However, a criminal record is not required for a termination of the tenancy under this section.

- (ii) LANDLORD may determine if a household member has engaged in abuse or a pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents by consideration of any and all information that a person of reasonable prudence would rely upon in making the determination. TENANT and TENANT'S household members shall cooperate with LANDLORD'S investigation by providing information reasonably requested. A failure of the TENANT or a household member to cooperate with LANDLORD'S investigation of such matters by either refusing to provide information or by furnishing false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of an illegal drug user or alcohol abuser shall in and of itself be a material violation of the lease terms resulting in a termination of the tenancy.
- (iii) In considering whether the abuse or a pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents is sufficient to warrant termination of the tenancy, LANDLORD shall consider all circumstances relevant to a particular case such as the seriousness of the offending action, the extent of participation by the TENANT in the offending action, the effects that the eviction would have on family members not involved in the offending activity, and the extent to which the TENANT has shown personal responsibility and has taken all reasonable steps to prevent or mitigate the offending action. In lieu of a termination of tenancy, LANDLORD may require a TENANT to exclude a household member in order that TENANT may continue to reside on the premises.
- (iv) In determining whether to terminate a tenancy for illegal drug use or a pattern of a illegal drug use by a household member who is no longer engaging in such use, or for abuse or a pattern of abuse of alcohol by a household member who is no longer engaging in such abuse, LANDLORD may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully. For this purpose, LANDLORD may require the TENANT to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

(4) In the Event LANDLORD proceeds to terminate the tenancy pursuant to this paragraph, the following notices shall be required:

- (i) For all violations of this Paragraph 9 (n) that are also a violation of Paragraph 9 (m) (5), the TENANT shall be entitled to a 24 hour notice only.
- (ii) For all other violations of this Paragraph 9 (n), notice shall be a reasonable period of time considering the seriousness of the situation, but no less than 14 days nor no more than 30 days.

(5) If there are any conflicts between local, state, or federal laws regarding the possession, manufacture, or delivery of drugs, the laws which provide for the most strict prohibition shall be used to determine whether there has been illegal drug activity proscribed by this lease. For example, while Oregon law may provide for the medical use of marijuana, federal law does not. LANDLORD may treat as a violation of this Paragraph 9 (n) the possession of marijuana that violates federal law, though the same possession might comply with Oregon laws relating to the medical use of marijuana.

o. **Prior Approval.** The following items have LANDLORD'S prior written approval (LANDLORD will describe the items, date of approval, and place LANDLORD'S initials below):

PRIOR APPROVAL	DATE	INITIALS
_____	_____	_____
_____	_____	_____
_____	_____	_____

- p. **Exception.** If TENANT has any problems or concerns, please discuss them with LANDLORD.
- q. **Renters Insurance.** To the extent allowed by law, and not including willful misconduct and negligence, LANDLORD is NOT RESPONSIBLE for fire, theft, water or any other type of damage to TENANT'S personal belongings. For TENANT'S security, it is recommended that TENANT keep the apartment doors locked at all times. IT IS TENANT'S RESPONSIBILITY TO CARRY APARTMENT RENTERS INSURANCE ON TENANT'S OWN PERSONAL PROPERTY.
- r. **Exclusion of Persons.** LANDLORD retains control of the common areas for purposes of enforcement of the criminal trespass statutes. TENANT shall not allow any person excluded by the LANDLORD to be or remain on the premises.

10. **LANDLORD DUTIES.** In addition to LANDLORD'S other duties in this lease, LANDLORD agrees to do the following:

- a. **Maintenance.** Maintain the apartment building and the community areas in a habitable condition. In addition, LANDLORD agrees to abide by all local codes and applicable Federal regulations.
- b. **Infestation.** Exterminate all insects, rodents, and other pests, unless TENANT causes the infestation. If TENANT causes the Infestation, TENANT shall reimburse the cost to the LANDLORD of the extermination.
- c. **Locks.** Provide adequate locks and furnish keys to TENANT. Replacement keys will be at a cost of \$1.00 per key. If LANDLORD has to change the locks; the cost for both parts and labor will be TENANT'S responsibility.
- d. **Garbage.** Provide and maintain garbage receptacles in common areas, and arrange for the regular removal of trash.
- e. **Documents.** Give TENANT copies of the lease, LANDLORD'S rules, the grievance procedure, and/or the Tenant Contribution (RENT) calculations upon request.

11. **APARTMENT INSPECTION REPORTS.** Before TENANT moves in, TENANT and LANDLORD will inspect TENANT'S Apartment for cleanliness, defects and other damage. LANDLORD and TENANT will then complete and sign the Move-In portion of the Move-In/Move-Out Inspection Report and both LANDLORD and TENANT will get copies. By signing the Move-In/Move-Out Inspection Report, TENANT agrees that TENANT is satisfied with the condition of the apartment and that LANDLORD will not be required to repaint, re-plaster, or perform any other work, except those items specified on the report. When TENANT leaves the apartment, both TENANT and LANDLORD will inspect the apartment and complete and sign the Move-Out portion of the Move-In/Move-Out Inspection Report. It is TENANT'S duty to leave the apartment in as good condition as received, normal wear and tear excepted. The Move-Out Report will assess whether TENANT has damaged or failed to clean TENANT'S apartment and any withholding of money from TENANT'S security deposit will be based on this report. In the event TENANT terminates the lease agreement without an inspection, LANDLORD will make the inspection and will notify TENANT of any charges which are to be deducted from the deposit in accordance with Paragraph 12(d) of this lease.

12. SECURITY/DAMAGE DEPOSIT.

- a. **Amount.** TENANT must pay a Security Deposit of \$_____. If TENANT is eligible for Rental Assistance and TENANT cannot afford to pay all of the Security Deposit; LANDLORD will work out a reasonable (up to three (3) months) payment program in accordance with Instruction 1930-C. All other TENANTS will pay the full Security Deposit prior to moving in.
- b. **Security Deposit Account.** LANDLORD will place TENANT'S Security Deposit in a trust account.
- c. **Deductions.** When TENANT leaves the apartment, LANDLORD may retain a portion or all of TENANT'S deposit for the following expenses:
 - (1) Any Tenant Contribution (RENT) TENANT owes will be deducted.
 - (2) Any key not returned will result in \$1.00 being deducted.
 - (3) TENANT must clean and restore the apartment to its original condition except for normal wear and tear. If the apartment is not cleaned, the cost of cleaning will be deducted. Cleaning includes carpets.
 - (4) TENANT must repair any damage caused by TENANT to the apartment or its furnishings except for normal wear and tear. If damage is not repaired, the cost of repair will be deducted.
 - (5) TENANT must replace any lost or missing items of furnishings or equipment. If the item is not replaced, the cost of replacement will be deducted.
 - (6) TENANT will forfeit their deposit if the TENANT moves before fulfilling the initial twelve-(12) month lease term except for termination with good cause as per Paragraph 16.
- d. **Refunds.** TENANT must provide LANDLORD with TENANT'S forwarding address so that LANDLORD can return TENANT'S Security Deposit. LANDLORD will return TENANT'S deposit within 30 days, or send a full statement specifying LANDLORD'S grounds for retaining any or all of TENANT'S deposit along with a listing of items and their costs. If TENANT does not give LANDLORD a forwarding address, LANDLORD will send TENANT'S deposit and/or LANDLORD'S statement to TENANT'S last known address.
- e. **Additional Costs.** In addition, LANDLORD has the right to file suit against TENANT in State court to recover any Tenant Contribution (RENT) not paid, along with the cost of cleaning, repairs or replacements in excess of TENANT'S Security Deposit. If LANDLORD files suit, and if the court determines LANDLORD is right, TENANT may also be required by the court to pay court costs and the attorney's fees of LANDLORD.

13. REPAIRS.

- a. **Tenant Repairs.** TENANT is responsible for and must pay the cost of repair for anything TENANT, a member of TENANT'S household or a guest of TENANT damages.

If TENANT damages something that substantially affects the health or safety of LANDLORD'S other TENANTS, and fails to repair it, LANDLORD may serve TENANT with a written notice specifying what repairs are necessary. If the repairs are not made within 30 days, or sooner if an emergency exists (example: fire hazard), LANDLORD may enter TENANT'S apartment after giving 24 hours actual notice, make the necessary repairs, and bill TENANT. TENANT must pay this bill on the next Tenant Contribution (RENT) due date, unless both TENANT and LANDLORD enter into a written agreement specifying some other terms of payment. If TENANT fails to comply with the terms of this paragraph, LANDLORD may seek to terminate the tenancy as set forth in Paragraph 17.

If the items TENANT has damaged do not substantially affect the health or safety of LANDLORD'S other tenants, TENANT must nevertheless make necessary repairs. If TENANT fails to do so, LANDLORD can deduct the costs of repairs from TENANT'S Security Deposit, send TENANT a bill payable in 30 days, and/or seek recovery from TENANT in state court.
- b. **Landlord Repairs.** LANDLORD is responsible for all other repairs, including those items that break down due to old age or defect. TENANT agrees to notify LANDLORD in writing of those repairs that TENANT believes are the LANDLORD'S responsibility and that require action by the LANDLORD unless there is an emergency. LANDLORD will commence remedial action as soon as practicable.

14. **ENTERING TENANT'S APARTMENT.** LANDLORD may need to enter TENANT'S apartment, at reasonable times, for inspections, repairs or to show TENANT'S apartment to prospective purchasers, or other authorized people. When entry is necessary, LANDLORD will give TENANT 24 hours' prior actual notice of intent to enter. If TENANT or a friend wishes to be present, please let LANDLORD know. LANDLORD may enter the unit without prior notice and without TENANT consent when an emergency exists. When LANDLORD enters on an emergency basis during TENANT'S absence, LANDLORD will give actual notice stating the fact of the entry, the date and time of entry, the reason for the entry and who was in TENANT'S apartment.

15. **CHANGE IN AGREEMENT.** LANDLORD may, with prior approval of USDA, Rural Development, change the terms and conditions of this agreement. LANDLORD will send TENANT a notice of the change either by first class mail or by hand delivering it to an adult member of TENANT'S household at least 30 days before the change becomes effective. TENANT will then have the right to terminate this agreement in accordance with Paragraph 16 or may sign a revised agreement or amendment to this agreement, which includes the change. (Modification of the lease agreement is subject to Paragraph 18, the Tenant Grievance and Appeal Procedure.) Any revisions to this lease will be effective at the end of the initial or subsequent term of this lease.

16. **TERMINATION OF THE LEASE BY TENANT.** TENANT may terminate this lease by giving LANDLORD at least 30 days prior written notice, providing TENANT has fulfilled the original twelve (12) month term of the lease as outlined in Paragraph 3; or TENANT may terminate this lease with 30 days written notice prior to expiration of its term for "good cause" which shall be moving out of the area for employment, loss of TENANT'S job, severe illness, death of TENANT'S spouse, or after notification by borrower of intent to prepay. According to the terms of the agreement, the Tenant Contribution (RENT) has been prorated to the first day of each calendar month.

17. **TERMINATION OF THE LEASE BY LANDLORD.** LANDLORD will not terminate or refuse to renew TENANT'S lease except upon material noncompliance with the lease or other good cause and/or for any other reasons permitted by State and local law or USDA, Rural Development regulations.

- a. **Material Noncompliance.** Material noncompliance includes, but is not limited to, nonpayment of Tenant Contribution (RENT) beyond any grace period available under State law; failure to reimburse the LANDLORD for repairs within the time frames specified above; repeated late payment of Tenant Contribution (RENT); permitting unauthorized people to live in the unit; serious or repeated damage to the unit or common area; creation of physical hazards; serious or repeated interference with the rights and quiet enjoyment of other TENANTS or neighbors; failure to repay unauthorized assistance payments; giving false, or failing to provide, information regarding income or other factors considered in determining rent; and illegal activity of the property or in TENANT'S apartment.

- b. **Other Good Cause.** Other good cause includes, but is not limited to, breach of any or all of the terms of this lease and/or its addendum's. LANDLORD will give TENANT advance written notice of such good cause, which will describe the activities LANDLORD finds harmful, and if LANDLORD believes that the continuation of such conduct will result in a termination of the lease. If, after receiving LANDLORD'S notice, TENANT ceases those activities, LANDLORD will not give TENANT notice of intent to evict.
 - c. **Non-payment of Tenant Contribution (RENT).** Non-payment of Tenant Contribution (RENT) by the end of the 7th day of the month will result in a 72 hour Notice being served on TENANT specifying LANDLORD'S intent to terminate TENANT'S tenancy if the Tenant Contribution (RENT) is not fully paid within that period.
 - d. **Notice of Intent to Evict.** This notice will describe LANDLORD'S reasons for terminating TENANT'S lease, with enough grounds for TENANT to prepare a defense. It will refer to the relevant portion of the lease, tell TENANT the date by which TENANT must move out of the apartment, and tell TENANT that if TENANT refuses to move out of the apartment then LANDLORD may seek to force TENANT to move out by filing a forcible entry and detainer action against TENANT in a State court. If LANDLORD brings a forcible entry and detainer action in State court and is successful, the court may order TENANT to pay all court costs and LANDLORD'S expenses, including reasonable attorney fees. TENANT will be given a chance to present a defense during this court action in accordance with State laws.
18. **TENANT'S GRIEVANCE AND APPEAL PROCEDURE.** If TENANT believes that LANDLORD has not acted in accordance with this lease agreement, USDA, Rural Development regulations or State and local ordinances, TENANT should let LANDLORD know within 10 days of the occurrence. This begins the grievance process under the USDA, Rural Development Tenant Grievance and Appeals Procedures. A copy of these procedures will be provided to TENANT if TENANT requests them. A copy is posted in LANDLORD'S office and/or laundry room. If at all possible, LANDLORD will try to informally resolve LANDLORD and TENANT differences.
 19. **ABANDONMENT.** Abandonment is demonstrated by TENANT'S words and/or conduct showing that TENANT does not intend to return. If TENANT abandons TENANT'S apartment and fails to pay the Tenant Contribution (RENT), LANDLORD may enter TENANT'S apartment after posting 24 hours notice and move any property TENANT leaves behind to secure storage, which removal and storage shall be at TENANT'S expense. LANDLORD will promptly send TENANT written notice, to TENANT'S last known address, specifying the location of TENANT'S belongings. LANDLORD shall then dispose of the property in the manner provided by law. TENANT understands that their tenancy exists during the time that the TENANT'S personal possessions remain in the unit, even after the TENANT has personally vacated the unit, until such time that the possessions have been removed by TENANT voluntarily or by legal means, subject to State and local laws.
 20. **RULES AND REGULATIONS.** TENANT will receive a copy of LANDLORD'S Rules and Regulations before TENANT signs this lease. By signing this lease, TENANT agrees to abide by those rules. LANDLORD may change the Rules and Regulations, but only after giving TENANT 30 days written notice and the opportunity for the TENANT to offer comments and suggestions. By Federal regulation, all LANDLORD'S rules must be approved by USDA, Rural Development and may not be changed more than once a year unless there is an emergency.
 21. **DISCRIMINATION PROHIBITED.** This property is financed by USDA, Rural Development and is subject to non-discrimination 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 Americans with Disabilities Act. No person shall be refused tenancy or discriminated against on the basis of race, color, national origin, religion, sex, age, marital status, physical or mental handicap or familial status. All complaints are to be directed to the Administrator, USDA, Rural Development, Washington, DC 20250. Complaints of Fair Housing violations may be sent directly to the Secretary of Housing and Urban Development, Washington, DC 20410.
 22. **PREPAYMENT BY OWNER.** No Tenant Contribution (RENT) may be increased by reason of prepayment for the term of the lease. Owner agrees to abide by Instruction 1965-B and 1965-E.
 23. **SALE OF PROPERTY.** Should this property be sold to a buyer approved by USDA, Rural Development, this lease will be transferred to the new Owners.
 24. **UNTENANTABLE PROPERTY.** Should this property become untenable because of fire or other disaster not caused by or made worse by TENANT, the Owner has the right to repair or rehabilitate the building within a reasonable period of time and/or terminate the lease. If the lease is terminated, TENANT will be responsible for Tenant Contribution (RENT) only up to the date of the destruction.
 25. **MODIFICATION OF UNIT TO ACCOMMODATE HANDICAP NEEDS.** If TENANT'S household includes a handicapped person, TENANT may make reasonable modifications at TENANT'S own expense to an existing apartment occupied or to be occupied by such person, if LANDLORD gives TENANT written permission in advance. Permission for a modification will be conditioned on the following:
 - a. Prior approval by LANDLORD of specific plans and drawings for the changes;
 - b. Prior approval by LANDLORD of the licensed and bonded contractor who will undertake the work;
 - c. TENANT or the contractor obtains any required building permits before the work begins;
 - d. TENANT deposits into LANDLORD'S escrow account all funds necessary to complete the work;
 - e. Subject to LANDLORD'S discretion and to USDA, Rural Development regulations, TENANT deposit into LANDLORD'S escrow account the estimated funds necessary to restore the premises to their original condition when TENANT vacates the apartment; and
 - f. If TENANT makes any modifications, TENANT agrees not to allow any liens to be filed against the property because of the work or restoration of the premises, and TENANT agrees that TENANT will defend and hold LANDLORD harmless from any such liens.
 26. **NON-HANDICAPPED TENANT IN A HANDICAPPED UNIT.** TENANT acknowledges that if TENANT is not handicapped and is occupying a designated handicapped unit that priority for such units is given to those needing special physical design features. TENANT acknowledges that TENANT is permitted to occupy the unit until LANDLORD issues TENANT a notice that TENANT must move to another suitably sized vacant unit in the Project. Upon receiving this notice, TENANT agrees to move at TENANT'S own expense within 30 calendar days to another suitably sized vacant unit in the Project. TENANT further understands that TENANT'S Tenant Contribution (RENT) may change, when appropriate, to the Tenant Contribution (RENT) for the unit TENANT moves into and that this lease will be modified accordingly.
 27. **LETTERS OF PRIORITY ENTITLEMENT.** TENANT acknowledges that if TENANT obtains occupancy as a result of a Letter of Priority Entitlement, issued by USDA, Rural Development, and that the unit occupied is inappropriately sized for TENANT'S household, TENANT may be required to move at the request of management when an appropriate size unit becomes available within the Project. TENANT acknowledges that TENANT is permitted to occupy the unit until LANDLORD issues TENANT a notice that TENANT must move to another suitably sized vacant unit in the Project. Upon receiving this notice, TENANT agrees to move at TENANT'S own expense within thirty (30) calendar days to another suitably sized vacant unit in the Project.

TENANT further understands that TENANT'S rental rate may change, when appropriate, to the rental rate for the unit TENANT moves into and that this lease will be modified accordingly.

28. **ADDENDUMS.** The following addendum's are made a part of the lease:

- Project Ground Rules
- Move-in/Move-out Apartment Inspection Report;
- Tenant Certifications;
- Pet Rules (if applicable);
- Other (Specify): _____

29. **ATTACHMENTS.** The following attachments are hereby made a part of this lease agreement.

- /X/ Attachment I required for all Tenants.
- /X/ Attachment II, required of all Tenants receiving Rental Assistance.
- / / Attachment III, required for Tenants not receiving Rental Assistance.
- /X/ Attachment IV, FmHA 1944-8 Tenant Certification Form.
- /X/ Attachment V, Project Ground Rules.
- /X/ Attachment VI, FmHA 1944-3, Exhibits A-5, Housing Allowance for Utilities and Other Public Services.
- / X/ Attachment VII, Section 42 Certification

30. **CONTENTS OF THIS AGREEMENT.** This agreement, its attachments and addendum's make up the entire agreement between TENANT and LANDLORD regarding the unit. If any court declares a particular provision of this agreement to be invalid or illegal, all other terms of this agreement will remain in effect and both TENANT and LANDLORD will continue to be bound by them. TENANT and LANDLORD agree to comply with the State of Oregon Landlord/Tenant laws, where applicable. Nothing in this agreement shall be construed as waiving any of TENANT'S or LANDLORD'S rights under State law.

31. **SIGNATURE CLAUSE.** Both TENANT and LANDLORD certify that they are legally capable, have read this lease and agree to be bound by its provisions.

Date: _____

Tenant Signature

Date: _____

Co-Tenant Signature

Date: _____

Landlord

Date: _____

Project Manager Signature