

Iverson Court

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6.1

HOME AND COMMUNITY OPTIONS, INC.

IVERSON COURT

TENANT - MANAGEMENT RELATIONS

POLICY STATEMENT:

Iverson Court promotes a secure and healthy living environment through open and regular communications with the tenants. At the time of initial occupancy, tenants are given a thorough orientation regarding all aspects of their tenancy. Regular tenant meetings are held with the manager to review building rules, policies and procedures and to provide opportunities for discussion of issues of general interest of concern. The manager will also promote and assist the development of tenant activities, instructional programs and social events within the complex. Tenants are encouraged to participate in community activities outside of the complex and are given information regarding such opportunities. Management will strive to make all reasonable accommodations needed to insure tenant safety, security and well being.

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HOME AND COMMUNITY OPTIONS, INC.

IVERSON COURT

EQUAL OPPORTUNITY HOUSING

POLICY STATEMENT:

It is the intent of Iverson Court to provide low-income housing opportunities for individuals who have developmental disabilities. Applications for occupancy are considered and accepted without regard to race, color, creed, age, gender, sexual orientation, disability, marital status, ethnic or national origin, or any other class protected by law. Priority is given to individuals who have developmental disabilities and whose income level meets the "very low" income guidelines of the U.S. Department of Housing and Urban Development. A waiting list of all applicants is maintained. Selection is made according to the Tenant Selection Criteria and HUD regulations. The process of advertising rental of units and tenant selection is conducted in accordance with the Federal Fair Housing Law, Title VIII of the Civil Rights Act of 1968, as amended by the Housing and Community Development Act of 1974 and The Fair Housing Amendment Act of 1988.

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HOME AND COMMUNITY OPTIONS, INC.

IVERSON COURT

ORIENTATION

POLICY STATEMENT

All tenants receive a thorough orientation at the time of admission. This orientation includes:

1. Review of the lease;
2. Review of the building rules;
3. Building policies and procedures;
4. Instructions regarding maintenance needs;
5. Instructions regarding use of appliances and security systems;
6. Introduction to other building tenants;
7. Emergency procedures;
8. and other information as deemed appropriate.

At the completion of the orientation, the tenant and building manager sign the orientation checklist which is kept in the tenant file.

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HOME AND COMMUNITY OPTIONS, INC.

IVERSON COURT

ACCOUNTING

POLICY STATEMENT

All accounting procedures are carried out in accordance with the U.S. Department of Urban Development handbook (4370.2), Financial Operations and Accounting Procedures for Insured Multi-Family Projects and IG 4372.1, Audit Guide for Mortgagors Having HUD Insured or Secretary Held Multi-Family Mortgages. Monthly financial statements are prepared by the Financial Accountant. All transactions are recorded on a daily basis, and deposits into federally insured accounts are made daily during regular business hours. An annual audit is conducted by an independent CPA according to IG 4372.1 guidelines. Auditor recommendations are reported to the Board of Directors of the Corporation and corrective actions are taken to continually assure solid financial management of the project.

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HOME AND COMMUNITY OPTIONS, INC.

IVERSON COURT

TENANT ELIGIBILITY

POLICY STATEMENT

Tenant eligibility is determined by the criteria set forth in the Tenant Selection Plan. All applicants must qualify as adults with developmental disabilities or as families with one qualifying adult member. In addition, the applicant must meet the financial eligibility as set forth in HUD, Section 8 standards. Applicants' eligibility will also be determined according to the guidelines for health, safety, and capacity for independent living.

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HOME AND COMMUNITY OPTIONS, INC.

IVERSON COURT

TENANT SELECTION PLAN

Project Eligibility Requirements

Project specific requirements

The applicant must qualify as an adult with developmental disabilities or a family with one qualifying adult member with a developmental disability.

A person with a developmental disability is one who has an inability to engage in any substantial gainful activity and by reason of any medically determined physical or mental impairment which can be expected to last for a continuous period of not less than twelve months.

A developmental disability is a severe chronic disability of a person which:

- a. Is attributable to a mental or physical impairment or combination of mental/physical impairments.
- b. Is manifested before the person attains age 22.
- c. Is likely to continue indefinitely.
- d. Results in substantial functional limitations in three or more of the following areas of major life activity; (i) self-care, (ii) receptive and expressive language, (iii) learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, and (vii) economic self-sufficiency.
- e. Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.

Citizenship/immigration status requirements (10/17)

Assistance in subsidized housing is restricted to U.S. citizens or nationals and Noncitizens who have eligible immigration status.

1. All applicants for assistance must be given notice of the requirement to submit evidence of citizenship or eligible immigration status at the time of

- application. Iverson Court, where possible will arrange to provide the notice in a language that is understood by the individual if the person is not proficient in English.
2. All family members, regardless of age, must declare their citizenship or immigration status.
 - a. Noncitizens must sign a Verification Consent Form and submit documentation of their status or sign a declaration that they do not claim to have eligible status.
 - b. Noncitizens age 62 and older must sign a declaration of eligible immigration status and provide a proof of age document.
 - c. U.S. Citizens must sign a declaration of citizenship.
 3. A mixed family- a family with one or more ineligible family members and one or more eligible family members- may receive prorated assistance, continued assistance, or temporary deferral of termination of assistance. See handbook 4350.3 REV 1 for the requirement that must be met for a mixed family to be eligible for assistance.
 4. Applicants who hold a noncitizen student visa are ineligible for assistance, as are any noncitizen family members living with the student. For noncitizen students with a citizen spouse or citizen children, see handbook 4350.3 REV 1 for the requirements that must be met to be eligible for assistance.

Social Security Number (SSN) requirements (10/17)

A. Key Requirements

1. Applicants and tenants must disclose and provide verification of the complete and accurate SSN assigned to each household member. Failure to disclose and provide documentation and verification of SSNs will result in an applicant not being admitted or a tenant's household's tenancy being terminated.
2. Exceptions to disclosure of SSN:
 - a. Individuals who do not contend eligible immigration status. These individuals must sign a certification, containing the penalty of perjury clause, certifying to that effect. The certification will support the individual not being subject to the requirements to disclose or provide verification of a SSN. The certification must be retained in the tenant file.
 - b. Individuals age 62 or older as of January 31, 2010, whose initial determination of eligibility was begun before January 31, 2010. The exception status for these individuals is retained even if there is a break in his or her participation in a HUD assisted program. When determining the eligibility of an individual who meets the exception requirements for SSN disclosure and verification, documentation must be obtained that verifies the applicant's exemption status. A certification from the tenant is not an acceptable verification of the exemption status. The documentation must be retained in the tenant file.

- B. Required Documentation-** Applicants and tenants must provide adequate documentation to verify the complete and accurate SSNs assigned to all household members. Adequate documentation means a social security card issued by the Social Security Administration (SSA), an original document issued by a federal or state government agency, which contains the name and SSN of the

individual along with identifying information of the individual, or other acceptable evidence of the SSN listed in Appendix 3 of HUD Handbook 4350.3

C. Provisions for Applicant Disclosure and/or Documentation of Social Security Numbers

1. In most instances, an applicant may not be admitted until SSNs for all household members have been disclosed and verification provided (exception covered in point 5 listed below.) If all household members have not disclosed and/or provided verification of their SSNs at the time a unit becomes available, the next eligible applicant must be offered the available unit.
2. The applicant who has not disclosed and provided verification of SSNs for all household members must disclose and provide verification of SSNs for all household members to the owner within 90 days from the date they are first offered an available unit.
3. If the owner has determined that the applicant is otherwise eligible for admission onto the property, and the only outstanding verification is that of disclosing and providing verification of the SSN, the applicant may retain his or her place on the waiting list for the 90-day period during which the applicant is trying to obtain documentation.
4. After 90 days, if the applicant has been unable to supply the required SSN and verification documentation, the applicant should be determined ineligible and removed from the waiting list.
5. If the owner has determined that the applicant is otherwise eligible for admission onto the property, and the only applicant family member who cannot provide a Social Security number is a child under the age of 6 who does not yet have a SSN assigned to them, O/A must admit the household and give them 90 days from the effective date of their move-in certification to provide documentation of the SSN for the child. An additional 90-day period must be granted by the O/A if the failure to provide documentation of a SSN is due to circumstances that are outside the control of the household. Examples of such incidents include, but are not limited to: delayed processing of the SSN application by the SSA, natural disaster, death in family, etc. During this time period, the child is to be included as part of the household and will receive all of the benefits of the program in which the child is involved, including the dependent deduction. An interim recertification must be processed once the household discloses and provides verification of the SSN for this individual. If, upon expiration of the provided time period, the tenant fails to provide verification of the SSN, the tenant and the tenant's household are subject to termination of tenancy.

D. Circumstances when Tenants Must Provide SSNs

1. SSN Not Previously Disclosed and/or Verified SSNs must be disclosed and verification provided for any household member(s) who do not have previously disclosed a SSN as of January 31, 2010, at the time of the next interim or annual recertification except for those individuals who do not contend eligible immigration status or tenants who are 62 years or older as of January 31, 2010 and whose initial determination of eligibility was begun before January 31, 2010.
2. Invalid SSN Disclosed The head of household must be notified when the EIV Pre-screening Report or the Failed Verification Report (Failed the SSA Identity

Test) in EIV identifies that a household member has provided an invalid SSN. Discrepancies identified in the SSN disclosed must be resolved and the correct SSN disclosed, verified, and transmitted to TRACS.

3. Assignment of a New SSN If a tenant or any member of a tenant's household is or has been assigned a new SSN, the SSN must be disclosed and verification provided to the owner at:

- a. The time of receipt of the new SSN; or
- b. The next interim or regularly scheduled recertification; or
- c. Such earlier time as specified by the owner.

4. Adding a New Household Member

a. Age Six or Older or Under the Age of Six With an Assigned SSN

When adding a new household member who is age six or older, or is under the age of six and has a SSN, the tenant must disclose and provide verification of the SSN of the individual to be added to the household. This SSN must be provided to the owner at the time of the request or at the time the recertification that includes the new household member is processed.

b. Under the Age of Six Without an Assigned SSN

- (1) The tenant must disclose and provide verification of the new household member's SSN within 90 calendar days of the child being added to the household.
- (2) The owner must grant an extension of one additional 90-day period, if the owner, in its discretion, determines that the tenant's failure to comply is due to circumstances that could not have been foreseen and were outside the control of the tenant (delay in processing by SSA, natural disaster, fire, death in family, etc)
- (3) During the period that the owner is awaiting disclosure and verification of the SSN, the child is included as part of the household and shall be entitled to all of the benefits of being a household member, including the dependent deduction.
- (4) A TRACS ID will be assigned to the child until the time the SSN is provided. At the time of the disclosure of the SSN, an interim recertification must be processed changing the child's TRACS ID to the child's verified SSN.
- (5) If, upon expiration of the provided time period, the tenant fails to disclose and provide verification of the SSN, the tenant and the tenant's household are subject to termination of tenancy.

Income limits (including economic mix for Section 8 properties) and Income Targeting

To be financially eligible the applicant or applicant family must provide adequate evidence showing that their income for the twelve-month period following occupancy is not anticipated to exceed the Income Limits for Eligibility as

established by HUD Section 8 subsidy "very low income" requirements.

Furthermore, HUD requires the project lease not less than 40% of available Section 8 units to families/individuals that meet the "extremely low-income" level in each fiscal year. In order to meet this criteria, Iverson Court will alternate between selecting the first applicant on the waiting list that meets the "extremely low-income" level and selecting the applicant at the top of the waiting list.

Exceptions to income targeting requirements will be allowed only under the exceptions outlined in handbook 4350.3 REV-1 Section 1 Program Eligibility Chapter 3, Exceptions to Section 8 Income Targeting Requirements.

Procedures for taking applications and selecting from the waiting list

Taking applications.

Applications will be accepted when completed and selected by the standard waiting list order.

Preferences.

Applications are considered for occupancy in the order they were received subject to the guidelines for occupancy based upon the criteria for developmental disability and very low income.

Applicant screening criteria.

Any applicant or household member who was evicted in the last three years from federally assisted housing for drug related criminal activity with the following two exceptions is not eligible for housing.

- a. The person has successfully completed an approved, supervised drug rehabilitation program and may supply appropriate documentation of the completion of the program.
- b. The person whose actions lead to the family eviction is no longer a part of the household.

Any applicant that the owner/manager has reasonable cause to believe is currently engaged in illegal use of drugs may interfere with the other residents health safety, and right to peaceful enjoyment of the property.

Any applicant or household member if there is a reasonable cause to believe that person's behavior from abuse or pattern of abuse of alcohol, may interfere with the health, safety and right to peaceful enjoyment by other residents based upon their behavior and not the condition of alcoholism or alcohol abuse.

Whether the conduct of the applicant in present or prior housing has been such that admission to the program would adversely affect the health, safety or welfare of other tenants, or the physical environment, or the financial stability of the project.

A record of any of the following may be cause to deny eligibility:

- A. A record of non-payment of rightful obligations including rent and utilities.

If this problem exists, an applicant may be eligible, if it is shown that his/her funds will be handled by a financial manager.

- B. A record of disturbing neighbors.
- C. A record of destruction of property.
- D. A record of poor living or housekeeping habits.
If this problem exists, an applicant may be eligible if it can be shown that he/she is currently and will continue to receive training to upgrade skills and habits regarding housekeeping.
- E. A history of criminal activity involving crimes of physical violence to persons or property or a record of other criminal acts which would adversely affect the health, safety or welfare of other tenants. Applicants involved in any pending criminal case may not be considered for an available unit, however, they may remain on the waiting list. Final determination would be dependent on the outcome of the case and the approval of the Iverson Court Committee.
- f. A convicted sex offender. Individuals who are registered sex offenders are ineligible for tenancy at Iverson Court. A screening will be run prior to move-in.
- g. Evicted from another federally assisted site because of drug related criminal activity.
- h. Evidence of use of illegal drugs or alcohol abuse.

The applicant must be capable of living independently under the following guidelines:

- a. Evidence that the individual is able to:
 - 1. Respond to a fire alarm or to hearing someone shout "fire" by moving from the building without special assistance.
 - 2. Gesture or state the meaning of the following signs of danger; smoke, flame, audible fire alarm or hearing someone shout "fire" or a gesture or visual alarm system.
 - 3. Leave the building by the main and alternate routes of exit.
 - 4. Follow directions and take appropriate action for self-preservation under emergency conditions.
 - 5. Is ambulatory or can ambulate self by use of a wheelchair or other prosthetic device.
- b. Can communicate, either verbally or with gestures, to adequately express needs.
- c. Can care for own self-care needs including toileting, bathing, grooming and dressing. Exception may be made for a physically impaired individual who may require an attendant for assistance on a daily basis and who does have his/her own provisions for such assistance.
- d. Can shop for and prepare own meals using basic kitchen appliances and safety.
- e. Participates in daily employment or other regular out of house productive activity. Although not required, this is highly recommended.
- f. Can recognize a condition that requires medical attention and can take care of minor injuries applying basic first aid.
- g. Understands the use of money and basic budgeting. May need money management assistance or control of funds for bill paying but must be

- responsible for daily money usage.
- i. Can tell time or is able to keep a regular daily routine independently.
- j. Can care for personal laundry.
- k. Can move about in the community independently. In the case of physical impairment, can arrange for own community mobility.
- l. Will accept assistance to develop a specific skill area if it is determined the person cannot accomplish it independently but is capable of independent living so as to not be a safety risk to themselves or other residents.

Procedures for rejecting ineligible applicants

Applicants who do not qualify for occupancy will be notified in writing outlining the specific reason for the rejection and that the applicant has 14 days to respond to the owner in writing or request a meeting to dispute the rejection.

Meetings with applicants who dispute the rejection must be conducted by a staff member who was not involved in the initial decision to deny admission. The owner must advise the applicant in writing within 5 business days of the final decision on eligibility.

Occupancy Standards

Single bedroom apartments may be occupied by one or two persons. Persons may request to share a one-bedroom apartment but are not required to accept a second person.

Two bedroom apartments may be occupied by up to three people.

Unit Transfer Policy

Guidelines For Tenant Moves Between Apartments Within The Project:

1. The tenant must notify the building manager of the apartment that they are interested in and show that he/she has a (1) medical need, (2) change in family size, or (3) is claiming protection under VAWA and is in imminent harm remaining in the same unit.
2. If an appropriate unit is not available the tenant's name and date of request will be listed on an Apartment Transfer List.
3. AT the time of the move, the tenant's apartment will be inspected and charged for any repairs that need to be made above and beyond normal wear.
4. The tenant's security deposit will be transferred to the new unit. No additional deposit will be required.
5. The tenant must sign a new lease at the time of the move to the new unit. A recertification will also be completed at this time.
6. Management may deny a request if it is deemed unreasonable or detrimental to the project. The denial of request will be given in writing to the tenant stating the reason for denial and the tenant's right to appeal.
7. A person presently in residence at Iverson Court Apartments, who for either medical reasons or change of family size, has need of a

more suitable unit, has preference over an applicant for the vacated unit.

Violence Against Women Act (10/17)

The Violence Against Women Act provides that criminal activity directly relating to domestic violence, dating violence, stalking, or sexual assault, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse. The law also provides that an incident or incidents of actual or threatened domestic violence, dating violence, stalking or sexual assault will not be construed as serious or repeated violations of the lease by the victim or threatened victim of that violence and will not be "good cause" for termination of the assistance, tenancy, or occupancy rights of a victim of such violence. Under VAWA, an owner can only evict an individual based on the domestic violence against him/her if it can prove there is an "actual and eminent threat" to other tenants or staff if he/she is not evicted.

Tenants/applicants wishing to be protected under VAWA must certify themselves as a victim by either:

1. Filling out the Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation form provided by owner.
2. Providing official documentation (court order, tribal record, etc)
3. Professional statement signed by the professional and the resident/applicant.

Eligibility of Students for Assisted Housing under Section 8 Programs (10/17):

1. O/A must determine a student's eligibility for Section 8 assistance at move-in, annual recertification, and initial certification (when an in-place tenant begins receiving Section 8), and at the time of an interim recertification if one of the family composition changes reported is that a household member is enrolled as a student.
2. Section 8 assistance shall not be provided to any individual who:
 - a. Is enrolled as either a part-time or full-time student at an institution of higher education for the purpose of obtaining a degree, certificate, or other program leading to a recognized educational credential; *and*
 - b. Is under the age of 24; *and*
 - c. Is not married; *and*
 - d. Is not a veteran of the United States Military; *and*
 - e. Does not have a dependent child; *and*
 - f. Is not a person with disabilities, as such term is defined in 3(b)(3)(E) of the United States Housing Act of 1937 (42 U.S.C 1437a(b)(3)(E)) and was not receiving section 8 assistance as of November 30, 2005; *and*
 - g. Is not living with his or her parents who are receiving Section 8 assistance; *and*

- h. Is not individually eligible to receive Section 8 assistance *or* has parents (the parents individually or jointly) who are not income eligible to receive Section 8 assistance.
- *NOTE: Unless the student can demonstrate his or her independence from parents, the student must be eligible to receive Section 8 assistance and the parents (individually or jointly) must be eligible to receive Section 8 assistance in order for the tenant to receive Section 8 assistance.*
- 3. For a student to be eligible independent of his or her parents (where the income of the parents is not relevant), the student must demonstrate the absence of, or his or her independence from, parents. While owners may use additional criteria for determining the student's independence from parents, owners must use, and the student must meet, at a minimum all of the following criteria to be eligible for Section 8 assistance. The student must:
 - a. Be of legal contract age under state law;
 - b. Have established a household separate from parents or legal guardians for at least one year prior to application for occupancy, or, meet the U.S. Department of Education's definition of an independent student (see below for definition of an independent student);
 - c. Not be claimed as a dependent by parents or legal guardians pursuant to IRS regulations; and
 - d. Obtain a certification of the amount of financial assistance that will be provided by the parents, signed by the individual providing support. This certification is required even if no assistance will be provided.
 - 4. Any financial assistance a student receives (1) under the Higher Education Act of 1965, (2) from private sources, or (3) from an institution of higher education that is in excess of amounts received for tuition is included in annual income, except if the student is over the age of 23 with dependent children or if the student is living with his or her parents who are receiving Section 8 assistance.
 - 5. If an ineligible student is a member of an existing household receiving Section 8 assistance, the assistance for the household will not be prorated but will be terminated according with the guidance of paragraph 8-6 A of HUD Handbook 4350.3 Rev 1.

Under section 3-b above, the Department of Education's definition of an "independent student", which now applies is:

- a. The individual is 24 years of age or older by December 31 of the award year;
- b. The individual is an orphan, in foster care, or a ward of the court or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;
- c. The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence;
- d. The individual is a veteran of the Armed Forces of the United States (as defined in subsection (c)(1) of HEA) or is currently service on active duty in the Armed Forces for other than training purposes;
- e. The individual is a graduate or professional student;
- f. The individual is a married individual;

- g. The individual has legal dependents other than a spouse;
- h. The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Bento Homeless Assistance Act) (42 U.S.C. 11431 et seq.), or as unaccompanied, at risk of homelessness, and self-supporting by-
 - i. A local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act;
 - ii. The director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;
 - iii. The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or
 - iv. A financial aid administrator; or
- i. The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

Policies to comply with Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act and other relevant civil right laws and Statues

Reasonable structural modification to and units and/or common areas will be made if needed by applicants or tenants with disabilities unless the modifications would change the fundamental nature of the project or result in undue financial and administrative burdens.

Auxiliary aids and services necessary for effective communication with persons with disabilities.

Perform self – evaluations of the program and its policies to ensure that discrimination based upon disability doesn't occur.

Operate the program in the most integrated setting appropriate to the needs of qualified individual with disabilities.

Other acts are covered under the Iverson Court Equal Housing Policy.

Policy for opening and closing the waiting list

Applications will continue and prospective applicants will be informed of the number of applications that are on the waiting list as of their date of application. The management will review the waiting list on a regular basis and prior to any apartment vacancy. After reviewing the present and past waiting list history there are no plans to close the waiting list in the foreseeable future.

Implementation of the Enterprise Income Verification System (EIV)

To ensure that the correct assistance is provided to each person (tenant) living at Iverson Court Apartments, The Department of Housing and Urban Development (HUD) has provided management with access to a new verification database called Enterprise Income Verification System or EIV.

Iverson Court is a project-based HUD assistance program. EIV provides information regarding the income of persons receiving Section 8 assistance. This database is used to verify certain types of reported income with the records maintained in:

1. The Social Security Administration Files
2. The Dept. of Health and Human Services/National Database of New Hires

The latter provides information regarding current and past employment and unemployment insurance information.

At move-in and at each annual certification the tenant's signature on the HUD Forms #9887 and 9887A allows management to review the income reports in the EIV system. If a discrepancy in reported income is determined the tenant will be contacted and reviewed so that the tenant receives the proper assistance for which they are eligible.

In addition each tenant will receive a copy of the handout "EIV and You" which outlines:

1. What EIV information is used for.
2. Who has access to EIV information.
3. Tenant responsibilities.
4. Disputed information held in the EIV files.
5. Who to contact if assistance is not calculated correctly.

An EIV "Existing Tenant Search" will be run on all applicants prior to admission to determine if any member of the applicants household is receiving assistance under another HUD Rental Assistance Program. An applicant or member of an applicants family who is receiving assistance at another program may still be admitted provided they can show that this assistance will be terminated upon moving into Iverson Court.

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6.07

HOME AND COMMUNITY OPTIONS, INC.

IVERSON COURT

SECURITY DEPOSITS

POLICY STATEMENT:

A security deposit is collected from each new tenant according to the terms of the lease. The deposit is used as a means of securing the property against loss in cases of property damage or uncollected rent. All security deposit funds are held in an interest bearing account. An accounting of each tenant's deposits will be kept. When a tenant vacates the property, the security deposit plus interest earned is returned on a timely basis. Any damages or uncollected rents are subtracted from the security deposit before payment to the tenant.

The security deposit must be paid on or before the day the tenant moves into the assigned unit. The security deposit is one month's rent or \$50.00 whichever is more. Arrangements may be made to pay the security deposit in up to three monthly installments. These arrangements must be made with the manager before the security deposit is due.

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6.8

HOME AND COMMUNITY OPTIONS, INC.

IVERSON COURT

RENT COLLECTION

POLICY STATEMENT:

1. Rent should be paid on the first day of each month at the manager's office
273 Orrin St.
2. Tenants will be given a receipt showing the rent has been paid.

Any tenant who has difficulty budgeting for the payment of rent will be referred to an appropriate social service agency for assistance with money management. Based on the awareness that tenants will experience unusual difficulty in paying delinquent rents, it is in their best interest that delinquent rents will not be allowed.

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6.9

HOME AND COMMUNITY OPTIONS, INC.

IVERSON COURT

LEASE AGREEMENT

POLICY STATEMENT:

The lease clarifies the legal relationship between the landlord and tenant and is a contract for the use of space over a specified period of time for a fixed payment. All initial leases are established for a one-year period and continued on a month-by-month basis. The HUD approved lease is used for all tenants. It must be executed prior to or on the date of occupancy. The initial month's rent is paid at the time of the execution of the lease.

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6.10

HOME AND COMMUNITY OPTIONS, INC.

IVERSON COURT

EVICCTIONS

POLICY STATEMENT:

Eviction is a legal process whereby a tenant who is in violation of the rental agreement has tenancy legally terminated. No eviction decision will be made arbitrarily. In cases of lease violation or violation of the building rules and regulations, every effort will be made to resolve the situation informally prior to seeking eviction. Tenants are to be given written infraction notices for every violation. The receipt of three infraction notices during a one-year period may be cause for eviction. If the violation is of a severe nature, an eviction for material noncompliance or cause is justifiable according to the terms of the lease. The Iverson Court advisory team makes all decisions regarding eviction actions and the organization's attorney is consulted prior to any final eviction decision.

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6.11

HOME AND COMMUNITY OPTIONS, INC.

IVERSON COURT

MAINTENANCE AND REPAIR

POLICY STATEMENT:

Proper maintenance and repair of the building, equipment and grounds is a key element to the success of the project. Keeping the property clean and painted, keeping the equipment in good working order and the grounds attractively groomed set a standard for tenants to achieve in their living areas. Scheduled maintenance and preventative maintenance is carried out by the manager and other maintenance personnel. Tenants are instructed at orientation and periodically throughout their stay to report all needed repairs and maintenance. Requests for repairs are attended to as soon as possible. Apartments are inspected every six months to assure that they are being kept clean and to note any needed replacements or repairs. Repairs for damages incurred due to tenant destruction are to be reimbursed by the tenant responsible for the damage. All apartments are thoroughly inspected, cleaned, repainted and repaired at the time of any occupancy change.

9-03

6.12

HOME AND COMMUNITY OPTIONS, INC.

IVERSON COURT

SOCIAL SERVICES

POLICY STATEMENT:

In the event that a tenant is in need of assistance, a referral will be made to an appropriate social service agency. It is the manager's responsibility to assist the tenant in the acquisition of services through the referral process. The manager will work in coordination with the social services agency in order to insure that appropriate services are provided.

9-16

6.13

HOME AND COMMUNITY OPTIONS, INC. IVERSON COURT

PETS

POLICY STATEMENT:

It is recognized that a pet can be beneficial to a person's well being. However, it is also recognized that the care and maintenance of a pet requires a considerable amount of responsibility and sufficient resources in order to maintain its health and safety.

Management must first approve all pets. Management reserves the right to remove any pet which causes a health, safety, and property damage problem or causes noise complaints from other tenants.

All pets must be kept in a suitable environment in the tenant's apartment (i.e. cage, tank). Iverson Court management reserves the right to check the condition of a pet and the apartment on a periodic basis to determine that there is no health, safety, or apartment damage related to the keeping of the pet.

Guide dogs and other service animals are allowed and not considered pets. However, owners of such animals must follow the rules and regulations relating to pet ownership in the apartment house.

Management requires a pet deposit of \$300.00 be made prior to any pet being brought into an apartment.

* Please see additional requirements "Pet Procedures".

Iverson Court

Pet Procedures

1. INOCULATIONS:

The tenant must provide management with veterinarian's statement that all recommended treatments (vaccinations, sterilizations, declawing and treatment of fleas and worm, etc.) have been given and are up to date. Proof of subsequent recommended treatments must be given to management.

2. SANITARY STANDARDS:

- a. Pets requiring outside exercise must use the area at the rear of the building (West).
- b. Any pet waste must be picked up immediately and disposed of in the dumpster.
A
separate pet waste removal charge of up to \$5.00 per occurrence on pet owners who fail to remove pet waste in accordance with the prescribed rules may be charged.
- c. Litter from letter boxes must be changed twice weekly.
- d. Tenants are expected to separate waste from the litter daily in order to prevent odor.

3. PET RESTRAINT

Pets must be kept inside the tenant's unit except when it is necessary to use the common areas, hallways or other public areas to go to and from the unit. Pets must be effectively restrained and under control while in common areas of the project.

4. REGISTRATION

- a. Registration is required prior to the pet being brought onto the premises and should be updated annually.
- b. Registration includes:
 1. Certificate signed by a licensed veterinarian.
 2. Information sufficient to identify the pet as a **common household pet**.
 3. Name and phone number of one or more persons who will care for the pet if the tenant is unable.

5. DISCRETIONARY RULES

- a. Iverson Court management will determine the number of pets that any one tenant may keep. Each unit may house only one pet at a time, or any pair (set) of pets that reside in the same cage or tank.
- b. Management reserves the right to place reasonable limitations on the type, size and weight of pets allowed in the project. The size limit for pets at Iverson Court is 35 pounds.
- c. Tenants are required to provide a plan for the care and feeding of the pet and the approximate cost per month/year.
- d. Visitors (guests) are not allowed to bring their pet into the building.
- e. Tenants are not allowed to have another tenant's pet in their apartment.
- f. Tenants may contract with another "responsible" tenant to care for their pet when necessary for no more than one week (7 days). Otherwise, the pet should be boarded or cared for by a pet service (Ex. Critter Sitter). Only the person caring for the pet is allowed to have a key to the unit and only that person is allowed in the unit. Any agreement between two individuals or a "service" to care for a pet must be approved by management.
- g. Management reserves the right to bill tenant for damages caused by a pet that exceeds the cost of the security deposit and pet deposit.

IVERSON COURT APARTMENTS SECTION 504 GRIEVANCE PROCEDURE

It is the policy of *Home and Community Options (Iverson Court Apartments)* not to discriminate on the basis of disability. *Home and Community Options (Iverson Court Apartments)* has adopted an internal grievance procedure providing for prompt and equitable resolution of complaints alleging any action prohibited by Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) of the U.S. Department of Health and Human Services regulations implementing the Act. Section 504 prohibits discrimination on the basis of disability in any program or activity receiving Federal financial assistance. The Law and Regulations may be examined in the office of **Suzanne Horstman, Executive Director, (507) 452-1021**, who has been designated to coordinate the efforts of *Home and Community Options (Iverson Court Apartments)* to comply with Section 504.

Any person who believes she or he has been subjected to discrimination on the basis of disability may file a grievance under this procedure. It is against the law for *Home and Community Options (Iverson Court Apartments)* to retaliate against anyone who files a grievance or cooperates in the investigation of a grievance.

Procedure:

- Grievances must be submitted to the Section 504 Coordinator within **15 days** of the date the person filing the grievance becomes aware of the alleged discriminatory action.
- A complaint must be in writing, containing the name and address of the person filing it. The complaint must state the problem or action alleged to be discriminatory and the remedy or relief sought.
- The Section 504 Coordinator (or her/his designee) shall conduct an investigation of the complaint. This investigation may be informal, but it must be thorough, affording all interested persons an opportunity to submit evidence relevant to the complaint. The Section 504 Coordinator will maintain the files and records of *Home and Community Options (Iverson Court Apartments)* relating to such grievances.
- The Section 504 Coordinator will issue a written decision on the grievance no later than 30 days after its filing.
- The person filing the grievance may appeal the decision of the Section 504 Coordinator by writing to the **Board of Directors** within 15 days of receiving the Section 504 Coordinator's decision. The **Board of Directors** shall issue a written decision in response to the appeal no later than 30 days after its filing.
- The availability and use of this grievance procedure does not prevent a person from filing a complaint of discrimination on the basis of disability with the U. S. Department of Health and Human Services, Office for Civil Rights.

Home and Community Options will make appropriate arrangements to ensure that disabled persons are provided other accommodations, if needed, to participate in this grievance process. Such arrangements may include, but are not limited to, providing interpreters for the deaf, providing taped cassettes of material for the blind, or assuring a barrier-free location for the proceedings. The Section 504 Coordinator will be responsible for such arrangements.

HOUSE RULES

This Agreement is made and entered into this _____ day of _____, _____, between Home & Community Options as LANDLORD, and _____, as TENANT.

This Agreement dated _____ between the parties for the lease of dwelling unit _____.

In the project known as Iverson Court _____ is hereby amended with the addition of Disclaimer of Personal Property Liability, Security Deposit Forfeiture, Rules and regulations, Maintenance and Emergency Instructions, Vacating and Cleaning Instructions, and Schedule of Charges for Tenant Caused Damage.

TERMINATION AND RENEWAL. Unless terminated or modified as provided herein, this Agreement shall be automatically renewed for successive terms of one month each at the foresaid rental rate.

DISCLAIMER OF PERSONAL PROPERTY LIABILITY

The management and owners of this apartment complex hereby notify all residents that we are not responsible for the loss or damage to any personal possessions and property. Such items are not covered by the apartment communities insurance, and insurance of your personal property is solely your responsibility.

The following examples of incidents for which the management has no responsibility:

Burglary - Should your apartment be burglarized and all of your possessions stolen, management has no liability.

Water Damage - If a water line broke in your building, ruining your apartment and your possessions, management insurance would cover damage to the building, but not to your property.

Flood - In case of flood, our insurance coverage will not repair or replace your personal property.

Fire - In the instance of a fire, again the management maintains the insurance coverage for the building, but not your personal property.

With this information in mind, management would like to STRONGLY recommend your purchase of a renter's insurance policy to provide coverage for your personal property.

SECURITY DEPOSIT FORFEITURE. On the back of this form you will find Vacating and Cleaning instructions along with a Schedule of Charges for Tenant Caused Damage. Please read this information.

You are required to clean your dwelling unit when you vacate under the terms of your lease. The instructions on the reverse side of this form clarify what must be done to meet this requirement.

RULES AND REGULATIONS

- 1.)HOUSEHOLD PETS - Only upon entering our pet policy agreement and approval of the Iverson Court Committee.
- 2.)NOISE - Residents, family and guests shall have due regard to the peace, comfort and enjoyment of other residents.
Musical instruments, radios, television sets, record players, etc., shall be played at a reasonable volume.
- 3.)ANTENNAS - No wires, aerial, antennas for radio or television, or wires, ropes, etc. for clothes drying, etc. shall be installed on the roof, decks, or other parts of the building without written permission from the management.
- 4.)MOVING - No moving will take place between the hours of 8:00 p.m. and 9:00 a.m.
- 5.)BREAKAGE - Residents will be required to pay for all breakages, and for all damage and cleaning beyond normal wear and tear to property.
- 6.)RESPONSIBILITY FOR DAMAGE - Residents must keep their dwellings clean, dispose of rubbish, garbage, and all personal belongings, properly use all appliances (stove, refrigerator, toilet, etc.), prevent infestation, and not damage or destroy anything on the premises or cause a nuisance. Owner will take care of all minor and major repairs not caused by resident. Resident is responsible for cost of fumigation when infestation is created by resident's negligence.
- 7.)WINDOWS & BALCONY - Dust mops, rugs, tablecloths and clothing shall not be shaken, cleaned or left in any of the public areas or any window, door, deck or landing. Exterior window sills and ledges shall not be used for storage of bottles, food, etc. Personal property will not be stored on balconies.
- 8.)CHANGING APARTMENTS - Apartment transfers will be handled on a case-by-case basis and only for good reason, primarily medical.
- 9.)ALTERATIONS - No Changes in any fixture or wiring or alteration to apartment, including entry door lock, will be permitted without written permission by management. No credit will be given for repairs, painting, etc. made by resident. Approval must be obtained from management prior to beginning work.
- 10.)WATER RUNNING - Water shall not be left running in the kitchen, bathroom, laundry room or elsewhere.
Immediately report all plumbing defects to the manager. Residents will be required to pay for damage and plugging of plumbing due to their neglect. Do not place tablets (colored or clear) in toilet tanks. Do not place toilet tank covers around the tank. Do not place small objects on the tank lid. These can fall into the toilet bowl and damage the unit.
- 11.)GARBAGE - All garbage, papers, boxes or refuse are to be deposited in garbage containers that are provided and are located near each apartment building. All wet garbage must be wrapped and the lids replaced when the garbage has been placed in the container. Persons are not permitted in the garbage dumpsters. Recycling is mandated by law. Appropriate containers must be used. Only Iverson Court tenants are allowed to dispose of

items in the dumpster.

- 12.)BICYCLES - All wheeled apparatus including bicycles, tricycles, baby carriages and motorcycles cannot be ridden across or parked on the sidewalks or grass and planted areas. These items cannot be stored in halls, walkways, stairways, laundry rooms, elevators, porches, or other public areas, except as specified by management. All bikes (tenants and guests) must be locked on the bike rack. Only tenants may have their bike in the apartment.
- 13.)LANDSCAPE - The residents, their children or guests shall not alter, disturb or interfere in any way with the ground treatment without the consent of management.
- 14.)PLAY AREA - The parents are to provide proper supervision of all play areas and recreation rooms while their children are using them.
- 15.)LAUNDRY ROOM - This room is provided for the residents' convenience. All equipment is coin operated and is used by the residents with the understanding that management does not assume responsibility for failure of this equipment to perform properly or for damage to clothes as a result of its use. Management is also not responsible for any injury to a resident when using the equipment. Cooperation with other residents is requested in use of these rooms. The laundry room is open between the hours of 9:00 a.m. to 10:00 p.m. Management is not responsible for any clothing or articles stolen, damaged or left in the room. Rules are posted.
- 16.)PARKING AREA - No automobiles, trailers, boats, motorcycles, campers, or other motorized vehicles shall be stored or repaired on the premises without written permission of management. All inoperative motorized vehicles will be removed from the premises at the residents' expense upon 72 hours posted notice by management on the vehicle.

PARKING REGULATIONS:

- 1.) There are one (1) handicap parking spaces. It is marked by handicap parking signs. Only cars with handicap parking signs are allowed to park in those spaces.
 - 2.) The tenants who have cars are assigned parking spaces whenever possible. No other cars are allowed in those spaces.
 - 3.) Cars should never be parked in front of the bike racks and fire hydrant. This is a FIRE ZONE.
 - 4.) Guests and attendants are to park in "visitor" assigned spaces or on the street. Tenants are responsible for guests parking in proper spaces.
 - 5.) When it snows, tenants are responsible for moving their vehicle out of the lot by 9 am so the lot can be plowed. Tenants are responsible for removing snow on or around their vehicle.
- 17.)ATTIRE – Proper attire must be worn at all times by tenants and their guests when outside of their apartment.

Proper attire shall be defined as a top covering the midriff area, bottoms, and some form of footwear.

- 18.)OVERNIGHT GUESTS - All overnight guests must be registered at the manager's office during regular office hours. A message may be left on the answering machine giving the name of the guest and duration of the visit. Guests may stay a total of 14 nights - either consecutively or spread over the year. A year runs from January to December. Guest visits beyond 14 days may be granted upon review and approval of management.
- 19.)KEYS - Each tenant receives a key to the unit and to the mailbox. Additional keys must be approved by management and a reproduction fee may be charged. If staff is called to open a unit after normal office hours, on a weekend or on a holiday a fee of \$10.00 can be charged.
- 20.)FURNITURE - Dragging or pushing furniture across carpet, vinyl, tile, or any other surface is not allowed. Tenants will be required to pay for repairs or replacement of damage. Community Room furniture is for sitting only. Do not place feet on or recline on community room furniture.
- 21.)PROBLEMS - Management encourages tenants to resolve tenant to tenant or tenant to management conflicts face to face. Problems should be addressed to management first and then to counselors if the issue is not resolved.
- 22.)COMMUNITY ROOM - This room, like the laundry room, is for the convenience and use of all tenants. Please return all chairs, magazines, and TV remotes to their proper location. There is no eating in this room. Normally the room will be open from 9 a.m. to 10:00 p.m. Tenants may reserve this room for private parties of no more than 15 guests (see manager). A refundable fee is charged when food and drinks are served.
- 23.)ACTIONS OF CHILDREN AND GUESTS - Residents are responsible for the action of their children, guests and themselves and agree to reimburse the owner for any vandalism or damages caused by those listed. Guests may not use the tenant's apartment on a regular basis to engage in daily household activities such as cooking, showering, or "hanging out" unless approved by management. Tenants should accompany guests in all common areas of the building.
- 24.)FOUL LANGUAGE - All tenants, including children and guests, will refrain from using foul language while on the premises.
- 25.)COMPLAINTS, REQUESTS, MAINTENANCE - All complaints, requests and maintenance concerns should be made directly to the manager and when asked to do so, in writing.
- 26.)WATERBEDS OR WATER FURNITURE - No waterbeds or water furniture are permitted without prior approval by management and evidence of insurance.
- 27.)WINDOW TREATMENT- When not provided at Move-In must be approved by management. Sheets, blankets and other none conventional materials are not allowed.

- 28.)CHILDREN PLAY AREA - Children shall not play or run in the halls, stairways, elevators, sidewalks, or parking lot.
- 29.)ACTIVITY TABLE – Food and drink will be permitted at the activity table under the assumption that tenants will dispose of trash and/or clean up any spills immediately. Failure to do so will result in a loss of this right for the offending tenant.
- 30.)FLAMMABLES - No paints, oils, gasoline, or any flammable materials will be permitted in the apartments or storage areas. This includes any gas powered equipment or “real” Christmas trees.
- 31.)MAIL BOXES - Federal Law prohibits the use of mail boxes for the distribution of materials except by authorized government employees.
- 32.)TENANT INSURANCE - Again, we strongly suggest that every household purchase and maintain their own insurance on this apartment unit for the period of their occupancy.
- 33.)RESIDENT CONDUCT - Residents are not allowed to behave in a manner that causes harm or interferes with the rights and quiet enjoyment of other residents. Radios, televisions, and music devices of all types may not be played so loud as to be heard in the next unit, down the hall, or outside.
- 34.)RECYCLING - Recycling is required by law in Winona County. Tenants are to follow the apartment house guidelines for recycling.
- 35.)TRESPASSING - Please respect the wishes of our neighbors by not cutting through their property when going to the bus stop or Kwik Trip. Crossing through neighboring property may be considered trespassing and could result in legal actions. Follow the sidewalk as you exit Iverson Court property. Remind your guests of this courtesy.
- 36.)SECURITY SYSTEM- Do Not Under Any Circumstance open the front security door for anyone who is not your guest coming to visit you in your apartment. Do not open the door for anyone selling newspapers, magazines, insurance, foods, etc. If your cell phone operates the auto door to the main building, do not open the door unless you are in the building. Do not open the door from a distant location.
- 37.)EMERGENCY DOORS- These doors are located on the North and South side of the building and are to be used only in emergencies and "fire drills". Do not exit the building or let anyone into the building through these doors.
- 38.)ATTENDANTS - Must vacate the apartment if the tenant needing services does not reside in the unit for a period of sixty (60) days or longer. Management will consider exceptions to this rule on a case-by-case basis.
- 39.) SMOKING POLICY – Iverson Court is a “Smoke Free Site”. There is no smoking by tenants, staff, or guests in the following areas: individual apartments, all indoor areas of both buildings (common areas)

and certain outside areas (patio and benches). There is a designated area for smoking on the property by the dumpster where the smokers outpost is located. Tenants and their guests will also be allowed to smoke in any area of the parking lot or on the sidewalk past the duplex entrance. Tenants and their guests will not be allowed to smoke on any area of the sidewalk that is located between the bench in the front of the building and the duplex entrance.

40) LEASE VIOLATIONS – Lease violations will result in a written warning, infraction, or eviction. Accumulation of multiple written warnings in a 6 month period for a similar offense may result in an infraction. Furthermore, accumulation of multiple infractions in a 6 month period may result in eviction. More egregious violations (failure to pay rent, endangering the health/safety/welfare of another tenant or staff, etc) may result in an immediate infraction or eviction.

41) APARTMENT UPKEEP – Units are to be maintained for the individual who resides there. Tenants are not allowed to store personal items in another tenant's apartment.

MAINTENANCE & EMERGENCY INSTRUCTIONS

Maintenance -- Please contact our resident manager with maintenance requests during office hours. Our telephone number is 507/454-5492. It is our goal to answer emergencies within 24 hours. Your assistance in pointing out problem areas is necessary. Please contact us on problem areas promptly. All other maintenance items will be addressed in a timely manner.

Emergencies -- the following items constitute serious emergencies.

- 1.Fire and natural disasters that damage or threaten damage to life, property, or the apartment development.
- 2.Heating system breakdown in cold weather.
- 3.Broken water pipes or serious water leaks.
- 4.Electrical short or failure.
- 5.Plumbing backup.
- 6.Burglaries or vandalism.

Contact the telephone shown above immediately for these emergencies. If you lock yourself out of your apartment after 10:00 p.m., an employee is allowed to charge up to \$10.00 for unlocking your door. This charge is to compensate our employees for their time and inconvenience.

VACATING & CLEANING INSTRUCTIONS:

Vacating instructions

When circumstances require you to move from the dwelling unit, you are required to do the following:

- 1.) Give a 30-day written notice to our Manager
- 2.) Notify all the utilities that you pay of your moving date.
- 3.) Notify the postal service as they require
- 4.) Set a convenient date for the move-out inspection of your dwelling unit with our Manager.
- 5.) Give our Manager your forwarding address so that your security deposit balance may be forwarded.
- 6.) Return all keys to the Manager on the day you move out.

CLEANING INSTRUCTIONS:

Under the terms of your lease, you are required to clean your dwelling unit when you vacate. The following are guidelines for you to follow in cleaning.

GENERAL

- * Walls should be washed and/or marks removed.
- * Carpeting should be vacuumed and shampooed if needed.
- * Windows should be washed on the inside; Iverson Court will wash the outside of the windows.
- * Floors in kitchen and bath should be washed and waxed.
- * Dust on light fixtures, sills, shelves, etc. should be removed.
- * Closets should be cleaned of all materials. Remove all coat hangers.

House Rules, Page 5

KITCHEN

- * Refrigerator should be defrosted, cleaned and turned off, leaving door open.
- * Range should have the oven, pans, broiler grills, and shelves completely cleaned.
- * Cabinets should have all paper and utensils removed and shelves cleaned.
- * Exhaust fan area should be cleaned.

BATHROOM

- * Tile should be washed and grout cleaned.
- * Medicine chest should be cleaned, including shelves and mirror.
- * Tub, basin, showers, and toilet should be washed.

SCHEDULE OF CHARGES FOR TENANT CAUSED DAMAGES:

The following is a suggested schedule of charges to be used in determining the deductions to be made for damages or

loss from a resident's Security Deposit. This suggested schedule will also be used for charges during the period of occupancy for which the tenant agrees to pay for separately from rent or security deposit funds. The following schedule is a guide. The final charges will be determined by the cost in the local area at the time the work or items are completed.

	<u>LABOR</u>	<u>MATERIAL</u>
Cleaning Range	\$ 15.00	\$ 8.00
Cleaning Refrigerator	\$ 10.00	\$ 5.00
Cleaning Bathroom	\$ 10.00	\$ 5.00
Cleaning Whole Apartment - 1 BR	\$ 85.00	
- 2 BR	\$100.00	
Re-key Locks	\$ 35.00	
Mailbox Locks		\$ 20.00
Lost Keys		\$ 2.00
Missing or Damaged Screens (each)	\$ 10.00	\$ 20.00
Missing Broiler Pans		\$ 15.00
Missing Ice Cube Trays		\$ 5.00
Missing Butter Dish		\$ 5.00
Damaged Counter Top	\$ 25.00	Material Costs
Damaged Doors	\$ 25.00	Material Costs
Damaged Cabinets	Costs to be determined by repair estimates	
Holes in Wall or Ceiling	\$ 10.00	
Large Nail Holes	\$ 1.00 each	
Carpet Repair	\$ 10.00 sq. ft.	Material Costs
Broken Windows	\$ 10.00	Material Costs
Light Fixture Glass	\$ 10.00	Material Costs
Painting (each room) Resident Damage	\$ 20.00	Material Costs
Light Bulbs Missing		\$ 2.00

House Rules, Page 6

	<u>LABOR</u>	<u>MATERIAL</u>
Shampoo Carpet (if worse than normal wear)	\$ 75.00 per apt.	\$ 5.00

Steam Clean (Pets or if not vacuumed regularly)

Cost

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Project Name

HUD Project Number

Model Lease For Use Under:

(1) The Section 202 Program of Housing for the Elderly or Handicapped in conjunction with the Section 8 Housing Assistance Payments Program; and (2) the Section 202 Program for Nonelderly Handicapped Families and Individuals in conjunction with Section 162 assistance and Project Assistance Contracts.

This agreement made and entered into this (A) _____ day of _____, 20____, between
(B) _____, as LANDLORD, and
(C) _____, 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 (HUD)(hereinafter "Secretary") 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, or the LANDLORD has entered into a Project Assistance Contract (PAC) with the Secretary, (STRIKE INAPPLICABLE CONTRACT), and

WHEREAS, pursuant to a Regulatory Agreement entered into between the LANDLORD and the Secretary, the LANDLORD has agreed to limit 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 HAP Contract, or applicable HUD regulations under criteria for eligibility of TENANTS for admission to Section 162 assisted units and conditions of continued occupancy in accordance with the terms and provisions of the PAC, (STRIKE INAPPLICABLE REGULATIONS); and

WHEREAS, the LANDLORD has determined that the TENANT is eligible to pay less than the contract rent 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

(D) _____

for a term of one year commencing on the _____ day of (E) _____,
20____,

and ending on the _____ day of (F) _____, 20____.

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

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

(H) _____

(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 \$(I)_____:

(J) _____

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 \$(K)_____ per month, and a mandatory meals agreement will be made a part of this lease.

5. Of the total rent, \$(L)_____ shall be payable by or at the direction of HUD as housing assistance payments, or project assistance payments (STRIKE INAPPLICABLE PAYMENTS) on behalf of the TENANT, and \$(M)_____ 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 (N)_____ 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. A security deposit equal to one month's total tenant payment or \$50, whichever is greater, shall be required at the time of execution of this Agreement. Accordingly, TENANT hereby makes a deposit of \$(O)_____ 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.

8. 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, familial status, national origin, or disability.

9. 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 at 24 CFR Part 247. The HUD Regulation provides that the LANDLORD may terminate this Agreement only under the following circumstances:

(1) The LANDLORD may terminate, effective at the end of the initial term or any successive term, by giving the TENANT notification in the manner prescribed in paragraph (g) below that the term of this Agreement is not renewed and this Agreement is accordingly terminated. This termination must be based upon either material noncompliance with this Agreement, material failure to carry out obligations under any State landlord or tenant act, or other good cause. When the termination of the tenancy is based on other good cause, the termination notice shall so state, at the end of a term and in accordance with the termination provisions of this Agreement, but in no case earlier than 30 days after receipt by the TENANT of the notice. Where the termination notice is based on material noncompliance with this Agreement or material failure to carry out obligations under a State landlord and tenant act, the time of service shall be in accordance with the previous sentence or State law, whichever is later.

(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.

(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 or local law for the eviction of the TENANT, and in accordance with the requirements in the HUD Regulation.

(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, (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, or (3) failure of the TENANT to timely supply all required information on the income and composition, or eligibility factors of the TENANT household (including failure to meet the disclosure and verification requirements for Social Security Numbers, as provided by 24 CFR Part 5, or knowingly providing incomplete or inaccurate information). 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 he or she remains in the leased unit on the date specified for termination, the LANDLORD may seek to enforce the termination only by bringing a judicial action at which time 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) serving a copy of said notice on any adult person answering the door at the leased dwelling unit, or if no adult responds, by placing the notice under or through the door, if possible, or else by affixing the notice to 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 given, whichever is later.

(h) The LANDLORD may, with the prior approval of HUD, modify the terms and conditions of the Agreement, 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. Any increase in rent shall in all cases be governed by 24 CFR Part 245 and other applicable HUD regulations. 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 30 days prior to the last date on which the TENANT has the right to terminate the tenancy without being bound by the codified terms and conditions. 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. The TENANT's termination notice shall be accomplished by sending a letter by first class mail, properly stamped and addressed to the LANDLORD at his/her address.

(i) The Landlord may terminate this Agreement for the following reasons:

1. drug related criminal activity engaged in on or near the premises, by any tenant, household member, or guest, and any such activity engaged in on the premises by any other person under the tenant's control;

2. determination made by the Landlord that a household member is illegally using a drug;

3. determination made by the Landlord that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents;

4. criminal activity by a tenant, any member of the tenant's household, a guest or another person under the tenant's control:

(a) that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises); or

(b) that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises;

5. 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 of the place from which the individual flees, or that in the case of the State of New Jersey, is a high misdemeanor; or

6. if the tenant is violating a condition of probation or parole under Federal or State law;

7. determination made by the Landlord that a household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents;

8. if the Landlord determines that the tenant, any member of the tenant's household, a guest or another person under the tenant's control has engaged in criminal activity, regardless of whether the tenant, any member of the tenant's household, a guest or another person under the tenant's control has been arrested or convicted for such activity.

10. 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 annually from the date of this lease in accordance with HUD regulations and requirements. (Note: This paragraph is not applicable to non-Section 8 tenants.)

11. 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 30 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.)

12. 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.

13. 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. The TENANT agrees to reside in this unit and agrees that this unit shall be the TENANT's and his/her family's only place of residence.

14. 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 recertification when required or to supply information requested by the LANDLORD.

15. 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 noncompliance 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;

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

(g) 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.

16. The TENANT is permitted to keep common household pets in his/her dwelling unit (subject to the provisions in 24 CFR Part 5 and the pet rules promulgated under 24 CFR Part 5). Any pet rules promulgated by the LANDLORD are attached hereto and incorporated hereby. The TENANT agrees to comply with these rules. A violation of these rules may be grounds for removal of the pet or termination of the TENANT's (pet owner's) tenancy (or both), in accordance with the provisions of 24 CFR Part 5 and applicable regulations and State or local law. These regulations include 24 CFR Part 5 (Evictions From Certain Subsidized and HUD-Owned Projects) and provisions governing the termination of tenancy under the Section 8 housing assistance payments and project assistance payments programs.

Note: The Part 5 Pet Rules do not apply to an animal used by a Tenant or visitor that is needed as a reasonable accommodation for the Tenant or visitor's disability. Optional: The LANDLORD may after reasonable notice to the TENANT and during reasonable hours, enter and inspect the premises. Entry and inspection is permitted only if the LANDLORD has received a signed, written complaint alleging (or the LANDLORD has reasonable grounds to believe) that the conduct or condition of a pet in the dwelling unit constitutes, under applicable State or local law, a nuisance or a threat to the health or safety of the occupants of the project or other persons in the community where the project is located.

If there is no State or local authority (or designated agent of such an authority) authorized under applicable State or local law to remove a pet that becomes vicious, displays symptoms of severe illness, or demonstrates other behavior that constitutes an immediate threat to the health or safety of the tenancy as a whole, the LANDLORD may enter the premises (if necessary), remove the pet, and take such action with respect to the pet as may be permissible under State and local law, which may include placing it in a facility that will provide care and shelter for a period not to exceed 30 days. The LANDLORD shall enter the premises and remove the pet or take such other permissible action only if the LANDLORD requests the TENANT (pet owner) to remove the pet from the project immediately, and the TENANT (pet owner) refuses to do so, or if the LANDLORD is unable to contact the TENANT (pet owner) to

make a removal request. The cost of the animal care facility shall be paid as provided in 24 CFR Part 5.

17. 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.

18. The TENANT, by the execution of this Agreement, agrees 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.

19. No alteration, addition, or improvements shall be made in or to the premises without the prior consent of the LANDLORD in writing. The LANDLORD agrees to provide reasonable accommodation to an otherwise eligible tenant's disability, including making changes to rules, policies, or procedures, and making and paying for structural alterations to a unit or common areas. The Landlord is not required to provide accommodations that constitute a fundamental alteration to the Landlord's program or which would pose a substantial financial and administrative hardship. See the regulations at 24 CFR Part 8. In addition, if a requested structural modification does pose a substantial financial and administrative hardship, the Landlord must then allow the tenant to make and pay for the modification in accordance with the Fair Housing Act.

20. 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.

21. 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.

22. Tenant Income Verification: The Tenant must promptly provide the Landlord with any letter or other notice by HUD to a member of the family that provides information concerning the amount or verification of family income, in accordance with HUD requirements.

23. Tenants' rights to organize: Landlord agrees to allow tenant and tenant organizers to conduct on the property the activities related to the establishment or operation of a tenant organization set out in accordance with HUD requirements.

24. Interim recertifications.

(a) The TENANT agrees to advise the Landlord immediately if any of the following changes occur

1. Any household member moves out of the unit.
2. Any adult member of the household who was reported as unemployed on the most recent certification or recertification obtains employment.
3. The household's income cumulatively increases by \$200 or more a month.

(b) The Tenant may report any decrease in income or any change in other factors considered in calculating the Tenant's rent. Unless the Landlord has confirmation that the decrease in income or change in other factors will last less than one month, the Landlord will verify the information and make the appropriate rent reduction. However, if the Tenant's income will be partially or fully restored within two months, the Landlord may delay the certification process until the new income is known, but the rent reduction will be retroactive and Landlord may not evict the Tenant for nonpayment of rent due during the period of the reported decrease and the completion of the certification process. The Tenant has thirty days after receiving written notice of any rent due for the above described time period to pay or the Landlord can evict for nonpayment of rent.

(c) If the Tenant does not advise the Landlord of the interim changes concerning household members or increase in income, the Landlord may increase the Tenant's rent to the HUD-approved market rent. The Landlord may do so only in accordance with the time frames and administrative procedures set forth in HUD's regulations, handbooks and instructions on the administration of multifamily subsidy programs.

(d) The Tenant may request to meet with the Landlord to discuss how any change in income or other factors affected his/her rent or assistance payment, if any. If the Tenant requests such a meeting, the Landlord agrees to meet with the Tenant and explain how the Tenant's rent or assistance payment, if any, was computed.

25. Removal of Subsidy:

(a) The Tenant understands that assistance made available on his/her behalf may be terminated if events in either item 1 or 2 below occur. Termination of assistance means that the Landlord may make the assistance available to another Tenant and the Tenant's rent will be recomputed. In addition, if the Tenant's assistance is terminated because of criterion (1) below, the Tenant will be required to pay the HUD-approved market rent for the unit.

(1) The Tenant does not provide the Landlord with the information or reports required by paragraph 10 or 24 within 10 calendar days after receipt of the Landlord's notice of intent to terminate the Tenant's assistance payment.

(2) The amount the Tenant would be required to pay towards rent and utilities under HUD rules and regulations equals the Family Gross Rent shown on Attachment 1.

(b) The Landlord agrees to give the Tenant written notice of the proposed termination. The notice will advise the Tenant that, during the ten calendar days following the date of the notice, he/she may request to meet with the Landlord to discuss the proposed termination of assistance.

If the Tenant requests a discussion of the proposed termination, the Landlord agrees to meet with the Tenant.

(c) Termination of assistance shall not affect the Tenant's other rights under this Agreement including the right to occupy the unit. Assistance may subsequently be reinstated if the Tenant submits the income or other data required by HUD procedures, the Landlord determines the Tenant is eligible for assistance, and assistance is available.

26. 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.

27. 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 above described property.

28. The lease agreement will terminate automatically, if the Section 8 Housing Assistance contract terminates for any reason.

29. Attachments to the Agreement: The Tenant certifies that he/she has received a copy of the Agreement and the following attachments to the Agreement and understands that these attachments are part of the Agreement.

- a. Attachment No. 1 – Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures, form HUD-50059
- b. Attachment No. 2 – Unit Inspection Report.
- c. Attachment No. 3 – House Rules (if any).
- d. Attachment No. 4 – Pet Rules.

WITNESS:

(P) _____ LANDLORD

Date By: _____

Date (Q) _____ TENANT

Date _____

Public reporting burden - HUD is not requesting approval of any burden hours for the model leases since use of leases are a standard business practice in the housing rental industry. This information is required to obtain benefits. The request and required supporting documentation are sent to HUD or the Contract Administrator (CA) for approval. The lease is a contract between the owner of the project and the tenant(s) that explains the terms for residing in the unit. Leases are a standard business practice in the housing rental industry. Owners are required to use the HUD model lease which includes terms normally covered by leases used in the housing rental industry plus terms required by HUD for the program under which the project was built and/or the program providing rental assistance to the tenants.

This information is authorized by 24 CFR 5.360, 236.750, 880.606, 883.701, 884.215, 886.127, 891.425, 891.625 and 891.765 cover lease requirements and provisions. This information is considered non-sensitive and does not require any special protection.

811 PRAC LEASE

SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES

This agreement made and entered into this _____ day of _____, 20____, between Home and Community Options, Inc. 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 capital advance made by the Secretary of Housing and Urban Development (HUD) (hereinafter "Secretary") pursuant to Section 811 of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 and

WHEREAS, the LANDLORD has entered into a Project Rental Assistance Contract (PRAC) with the Secretary.

WHEREAS, pursuant to a Regulatory Agreement entered into between the LANDLORD and the Secretary, the LANDLORD has agreed to limit occupancy of the project to persons with disabilities as defined in Section 811 of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 and applicable HUD regulations under criteria for eligibility of TENANTS for admission to assisted units and conditions of continued occupancy in accordance with the terms and provisions of the PRAC Contract, and

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 1st day of _____, 20____, and ending on the _____ day of _____, 2016.

2. The total rent (Contract Rent) shall be \$ 460 per month.

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

All utilities are provided by landlord

(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 \$ N/A.

N/A

charges for such service(s) 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.

4. Of the total rent, \$_____ shall be payable by or at the direction of HUD as project rental 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 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.

5. The TENANT's share of the rent shall be due and payable on or before the first day of each month at 66 East 3rd Street, Winona, MN 55987 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.

6. A security deposit in an amount equal to one month's total TENANT payment or \$50, whichever is greater, shall be required at the time of execution of this Agreement. Accordingly, TENANT hereby makes a deposit of \$ N/A 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.

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, familial status, national origin, or disability.

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 CFR 891.430 and Part 247 (herein referred to as the HUD Regulation). The HUD Regulation provides that the LANDLORD may terminate this Agreement only under the following circumstances:

(1) The LANDLORD may terminate, effective at the end of the initial term or any successive term, by giving the TENANT notification in the manner prescribed in paragraph (g) below that the term of this Agreement is not renewed and this Agreement is accordingly terminated. This termination must be based upon either material noncompliance with this Agreement, material failure to carry out obligations under any State landlord or tenant act, or criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises; any criminal activity that threatens the health or safety of any on-site project management staff responsible for managing the premises, or any drug-related criminal activity on or near such premises, engaged in by a resident, any member of the resident's household or other person under the resident's control; or other good cause. When the termination of the tenancy is based on other good cause, the termination notice shall so state, at the end of a term and in accordance with the termination provisions of this Agreement, but in no case earlier than 30 days after receipt by the TENANT of the notice. Where the termination notice is based on material noncompliance with this Agreement or material failure to carry out obligations under a State landlord and tenant act, the time of service shall be in accordance with the previous sentence or State law, whichever is later.

(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.

(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 or local law for the eviction of the TENANT, and in accordance with the requirements in the HUD Regulation.

(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, (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, (3) failure of the TENANT to timely supply all required information on the income and composition, or eligibility factors of the TENANT household (including failure to meet the disclosure and verification requirements for Social Security Numbers, as provided by 24 CFR Part 5, Subpart B or knowingly providing incomplete or inaccurate information). 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 is he or she remains in the leased unit on the date specified for termination, the LANDLORD may seek to enforce the termination only by bringing a judicial action at which time 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) serving a copy of said notice on any adult person answering the door at the leased dwelling unit, or if no adult responds, by placing the notice under or through the door, if possible, or else by affixing the notice to 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 given, whichever is later.

(h) The LANDLORD may, with the prior approval of HUD, modify the terms and conditions of the Agreement, 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. Any increase in rent shall, in all cases, be governed by **24 CFR Part 245, and other applicable HUD regulations**. This notice and tender shall be served on the TENANT (as defined in paragraph (g)) at least 30 days prior to the last date on which the TENANT has the right to terminate the tenancy without being bound by the codified terms and conditions. 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. The TENANT's termination notice shall be accomplished by sending a letter by first class mail, properly stamped and addressed to the LANDLORD at his/her address.

(i) The LANDLORD may terminate this Agreement for the following reasons:

1. drug related criminal activity engaged in on or near the premises, by any TENANT, household member, or guest, and any such activity engaged in on the premises by any other person under the tenant's control;

2. determination made by the LANDLORD that a household member is illegally using a drug;

3. determination made by the LANDLORD that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents;

4. criminal activity by a tenant, any member of the TENANT'S household, a guest or another person under the TENANT'S control;

(a) that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises); or

(b) that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises;

5. 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 of the place from which the individual flees, or that in the case of the State of New Jersey, is a high misdemeanor; or

6. if the TENANT is violating a condition of probation or parole under Federal or State law;

7. determination made by the LANDLORD that a household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents;

8. if the LANDLORD determines that the tenant, any member of the TENANT'S household, a guest or another person under the TENANT'S control has engaged in criminal activity, regardless of whether the tenant, any member of the tenant's household, a guest or another person under the tenant's control has been arrested or convicted for such activity.

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 annually from the date of this lease in accordance with HUD regulations and requirements.

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 30 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.

11. 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. The TENANT agrees to reside in this unit and agrees that this unit shall be the TENANT's and his/her family's only place of residence.

12. TENANT agrees to pay 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 recertification when required or to supply information requested by the LANDLORD.

13. 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 noncompliance 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,

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

(g) 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.

14. The TENANT is permitted to keep common household pets in his/her dwelling unit or in an independent living facility (subject to the provisions in 24 CFR Part 5, Subpart C) and the pet rules promulgated under 24 CFR 5.315). Project owners may limit the number of common household pets to one pet in each group home. (24 CFR 5.318(b)(ii)). Any pet rules promulgated by the LANDLORD are attached hereto and incorporated hereby. The TENANT agrees to comply with these rules. A violation of these rules may be grounds for removal of the pet or termination of the TENANT's (pet owner's) tenancy (or both), in accordance with the provisions of 24 CFR Part 5, Subpart C, and applicable regulations and State or local law. These regulations include 24 CFR Part 247 (Evictions From Certain Subsidized and HUD-Owned Projects) and provisions governing the termination of tenancy under the Project Rental Assistance Contract.

Note: The Part 5 Pet Rules do not apply to an animal used by a Tenant or visitor that is needed as a reasonable accommodation for the Tenant's or visitor's disability.

[Optional] The LANDLORD may after reasonable notice to the TENANT and during reasonable hours, enter and inspect the premises. Entry and inspection is permitted only if the LANDLORD has received a signed, written complaint alleging (or the LANDLORD has reasonable grounds to believe) that the conduct or condition of a pet in the dwelling unit constitutes, under applicable State or local law, a nuisance or a threat to the health or safety of the occupants of the project or other persons in the community where the project is located.

If there is not State or local authority (or designated agent of such an authority) authorized under applicable State or local law to remove a pet that becomes vicious, displays symptoms of severe illness, or demonstrates other behavior that constitutes an immediate threat to the health or safety of the tenancy as a whole, the LANDLORD may enter the premises (if necessary), remove the pet, and take such action with respect to the pet as may be permissible under State and local law, which may include placing it in a facility that will provide care and shelter for a period not to exceed 30 days. The LANDLORD shall enter the premises and remove the pet or take such other permissible action only if the LANDLORD requests the TENANT (pet owner) to remove the pet from the project immediately, and the TENANT (pet owner) refuses to do so, or if the LANDLORD is unable to contact the TENANT (pet owner) to make a removal request. The cost of the animal care facility shall be paid as provided in 24 CFR 5.363. (NOTE: Paragraph 14 does not apply to individual residents of 811 Group Homes.

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 decent condition.

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. The LANDLORD agrees to provide reasonable accommodation to an otherwise eligible tenant's disability, including making changes to rules, policies, or procedures, and making and paying for structural alterations to a unit or common areas. The Landlord is not required to provide accommodations that constitute a fundamental alteration to the Landlord's program or which would pose a substantial financial and administrative hardship. See the regulations at 24 CFR Part 8. In addition, if a requested structural modification does pose a substantial financial and administrative hardship, the Landlord must then allow the tenant to make and pay for the modification in accordance with the Fair Housing Act.

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. 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 canceling this Agreement without incurring any expense or damage, and the term hereby granted is expressly limited accordingly.

20. 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.

21. 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 above described property.

22. Tenant Income Verification: The TENANT must promptly provide the LANDLORD with any letter or other notice by HUD to a member of the family that provides information concerning the amount or verification of family income in accordance with HUD requirements.

23. Tenants' rights to organize: LANDLORD agrees to allow TENANT organizers to conduct on the property the activities related to the establishment or operation of a TENANT organization set out in accordance with HUD requirements.

24. Interim recertifications:

a. The TENANT agrees to advise the LANDLORD immediately if any of the following changes occur.

1. Any household member moves out of the unit.
2. Any adult member of the household who was reported as unemployed on the most recent certification or recertification obtains employment.
3. The household's income cumulatively increases by \$200 or more a month.

b. The TENANT may report any decrease in income or any change in other factors considered in calculating the Tenant's rent. Unless the LANDLORD has confirmation that the decrease in income or change in other factors will last less than one month, the LANDLORD will verify the information and make the appropriate rent reduction. However, if the TENANT'S income will be partially or fully restored within two months, the LANDLORD may delay the certification process until the new income is known, but the rent reduction will be retroactive and LANDLORD may not evict the TENANT for nonpayment of rent due during the period of the reported decrease and the completion of the certification process. The TENANT has thirty days after receiving written notice of any rent due for the above described time period to pay or the LANDLORD can evict for nonpayment of rent.

c. If the TENANT does not advise the LANDLORD of the interim changes concerning household members or increase in income, the TENANT may be subject to eviction. The LANDLORD may evict TENANT only in accordance with the time frames and administrative procedures set forth in HUD's regulations, handbooks and instructions on the administration of multifamily subsidy programs.

d. The TENANT may request to meet with the LANDLORD to discuss how any change in income or other factors affected his/her rent or assistance payment, if any. If the TENANT requests such a meeting, the LANDLORD agrees to meet with the TENANT and explain how the TENTANT'S rent or assistance payment, if any, was computed.

25. Attachments to the Agreement: The Tenant certifies that he/she has received a copy of the Agreement and the following attachments to the Agreement and understands that these attachments are part of the Agreement.

- a. Attachment No. 1 - Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures, form HUD-50059
- b. Attachment No. 2 - Unit Inspection Report.

c. Attachment No. 3 - House Rules (if any) N/A

d. Attachment No. 4 - Pet Rules N/A

WITNESS:

LANDLORD

Date

By: _____

TENANT

Date

Public reporting burden - HUD is not requesting approval of any burden hours for the model leases since use of leases are a standard business practice in the housing rental industry. This information is required to obtain benefits. The request and required supporting documentation are sent to HUD or the Contract Administrator (CA) for approval. The lease is a contract between the owner of the project and the tenant(s) that explains the terms for residing in the unit. Leases are a standard business practice in the housing rental industry. Owners are required to use the HUD model lease which includes terms normally covered by leases used in the housing rental industry plus terms required by HUD for the program under which the project was built and/or the program providing rental assistance to the tenants.

This information is authorized by 24 CFR 5.360, 236.750, 880.606, 883.701, 884.215, 886.127, 891.425, 891.625 and 891.765 cover lease requirements and provisions. This information is considered non-sensitive and does not require any special protection.