

**LEASE AGREEMENT FOR USE WITH
USDA, RURAL HOUSING SERVICES 515 PROPERTIES**

Project Name: _____

Unit Number: _____

Address of Unit: _____

City/Town: _____

OWNER (Landlord): _____

MANAGING AGENT (if applicable): _____

ADDRESS: _____

*The above address should be used for notices and/or filing complaints
to the Owner and/or Managing Agent.*

Bedroom Size: _____

Tenant: _____ **Co-Tenant:** _____

Others who will live in this unit: _____

I. This Agreement has been prepared as a contract between the Tenant and Owner in accordance with Rural Housing Services (RHS) regulations and State of Maine law. It has been reviewed and approved by RHS.

These units have been financed through the Rural Development (RD) Section 515 Program and are subject to the nondiscrimination provisions of civil rights and fair housing laws, i.e., Title VI of the Civil Rights Act of 1964, Title VIII of the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, and the Age Discrimination Act of 1975. Complaints are to be directed to the Administrator, Rural Development, USDA, Washington, DC 20250. However, complaints of Fair Housing violations may be sent directly to the Secretary of Housing and Urban Development, Washington, DC 20410.

II. TERM OF LEASE: This Lease Agreement is for a one year term commencing _____, 20____. After the initial term ends, this Lease Agreement will continue for successive terms of one year each, by written agreement of the parties, unless terminated pursuant to Paragraph XII of this Lease.

III. OCCUPANCY: After the first year of tenancy, should the unit become over housed or under housed, or should the Tenant no longer meet the eligibility requirements of the project's Occupancy Rules or do not meet the criteria set forth in §3560.155(c) and (e) during the term of the lease agreement, he/she will be required to vacate the unit, within 30 days, or at the end of the lease term, whichever is greater, unless eligibility can be established following specified steps,

such as moving to an appropriate size unit, or an exception is granted by the Owner, with RD approval.

After the first year of tenancy, should the Tenant occupy an apartment for which the Tenant does not qualify, such as an apartment with specific handicap accessibility features, and a household that does qualify has applied and been approved for occupancy, then the Tenant agrees that he/she will move to the first appropriate apartment available. Borrower will provide tenants written notification of the date by which they must move to another unit in the project.

If the Tenant occupies an apartment for which (size or type) they are not eligible, as a result of a Letter of Priority Entitlement (LOPE), the Tenant agrees that he/she will move to the first appropriate apartment available.

Surviving and remaining household members:

(1) Members of a household may continue to reside in the housing project after the departure or death of the Tenant or co-Tenant provided that:

- (i) They are eligible with respect to adjusted income;
- (ii) They occupied a rental unit in the housing project at the time of the departure or death of the Tenant or co-Tenant;
- (iii) They execute a Tenant certification form establishing their own tenancy; and
- (iv) They have the legal ability to sign a lease for the rental unit, except where a legal guardian may sign when the Tenant or member is otherwise eligible.

(2) Surviving or remaining members of the household may remain in the housing project, taking into consideration the conditions of paragraph (1) of this section, but must move to a suitably sized rental unit within 30 days of its availability.

(3) After the death of a Tenant or co-Tenant in elderly housing, the surviving members of the household, regardless of age but taking into consideration the conditions of paragraph (1) of this section, may remain in the rental unit in which they were residing at the time of the Tenant's or co-Tenant's death, even if the household is over housed according to the housing project's occupancy rules as follows:

- (i) Continued occupancy of the rental unit will not be allowed when in either situation of paragraph (1) or (3) of this section, the rental unit has accessibility features for individuals with disabilities, the household no longer has a need for such accessibility features, and the housing project has a tenant application from an individual with a need for the accessibility features;
- (ii) If the housing project does not have a tenant application from an individual with a need for the accessibility features, the household may remain in the rental unit with such features until the housing project receives an application from an individual with a need for accessibility features. The household in the unit with accessibility features will be required to move within 30 days of the housing project's receipt of a tenant application requiring accessibility features if another suitably sized unit

without accessibility features is available in the project. If a suitably sized unit is not available in the project within 30 days, the Tenant may remain in the unit with accessibility features until the first available unit in the project becomes available and then must move within 30 days.

(iii) They have the legal ability to sign a lease for the rental unit, except where a legal guardian may sign when the Tenant or member is otherwise eligible.

If there are no surviving household members, this Lease Agreement will terminate on the last day of the month in which the death of the Tenant occurs.

IV. ELIGIBILITY REQUIREMENTS/RD REQUIRED LEASE CLAUSES: Prior to execution of this Lease, Tenant must provide the Owner verifications of income and complete an application for housing. All eligibility and rental rate requirements are determined through the Form RD 3560-8, Tenant Certification. The Tenant understands that rental rates in this Agreement are based on the Form RD 3560-8, and agrees to submit to recertification of income and eligibility at least on an annual basis. Signature on a Tenant Income Certification establishes eligibility but does not assume lease compliance or lease renewal. Tenant agrees to fulfill the tenant income verification and recertification requirements established under §3560.152. The Tenant agrees to cooperate with this process by providing all required income and asset information and further agrees to comply with the following RD requirements:

a) I understand that I will no longer be eligible for occupancy in this project if my income exceeds the maximum allowable adjusted income as defined periodically by the RD for the State of Maine and _____ County unless an exception is granted by RD or unless the conditions cited in 7 CFR3560.152 (a)(3) exist. These conditions include the eligibility of the Tenant under the requirements established to qualify for housing benefits provided by sources other than Rural Development, such as U.S. Department of Housing and Urban Development (HUD), Section 8 assistance or Low Income Tax Credit (LIHTC) when a Tenant receives such housing benefits.

b) I agree to immediately notify the Owner when there is a change in my gross income or adjustment to income, or assets, change in citizenship or when there is a change in the number of persons living in the household. I understand my rent or benefits may be affected as a result of this information. I also understand that failure to report such changes may result in my losing benefits to which I may be entitled or may result in the Owner taking corrective actions if benefits were mistakenly received. I understand the corrective actions the Owner may take includes the initiation of a demand for repayment of any benefits or rental subsidies improperly received, initiation of a notice to cancel any rental assistance or Section 8 assistance being received for the balance of my certification period, initiation of a notice to increase my monthly rent to \$_____ per month (note rate rent for Plan II projects or 125 percent of rent in Plan I projects), or initiation of a notice of termination. I understand that one or more of these remedies may be initiated at the option of the Owner.

c) I understand that I must promptly notify the Owner of any extended absences and that if I do not personally reside in the unit for a period exceeding 60 consecutive days, for reasons other than health or emergency, my net monthly tenant contribution shall be raised to \$_____/per month (note rate for Plan II projects or 125 percent of rent in Plan I projects) for the period of my absence exceeding 60 consecutive days. I also understand that should any rental assistance be suspended or reassigned to other eligible tenants, I am not assured that it will still be available to

me upon my return. I also understand that if my absence continues, that as Owner, you may take the appropriate steps to terminate my tenancy.

d) I understand that should I receive occupancy benefits to which I am not entitled due to my/our failure to provide information or due to incorrect information provided by me or on my behalf by others, or for any other household member, I may be required to make restitution and I agree to pay any amount of benefits to which I was not entitled. I understand that I must make restitution when unauthorized assistance is received due to applicant or tenant fraud or misrepresentation. Submission of false information could result in legal action.

e) I understand that income (including assets) certification is a requirement of occupancy and I agree to promptly provide any certifications and income verifications required by the Owner to permit determination of eligibility and, when applicable, the monthly tenant contribution to be charged. I understand that this housing project is financed by Rural Development, and that Rural Development has the right to further verify any information I provide.

f) My/Our household's tenancy still exists during the time that my/our household's personal possessions remain in the apartment unit after my/our household has personally ceased occupancy with the intent to vacate and leave the project, until such time the personal possessions have been removed voluntarily or by legal means, subject to the provision of State or local law in such matters. Should Rental Assistance be terminated during this period of time Tenant agrees to pay Basic Rent.

V. RENTAL AND UTILITY RATES: RENT CHANGE PROVISIONS (RENTAL ASSISTANCE)

a) I understand and agree that as long as I receive Rental Assistance, my gross monthly tenant contribution (as determined on the latest Form RD 3560-8, which must be attached to this Lease) for rent and utilities will be \$_____. If I pay any or all utilities directly (not including telephone or cable T.V.), a utility allowance of \$_____ will be deducted from my gross monthly contribution and my resulting net monthly contribution will be \$_____. If my net monthly contribution would be less than zero, the Owner will pay me \$_____.

I also understand and agree that my monthly contribution under this Lease may be raised or lowered based on changes in the household income, or adjustments to income, failure to submit information necessary to certify income, changes in the number and age of persons living in the household, and on the escalation clause in this Lease. Should I no longer receive Rental Assistance as a result of these changes, or the Rental Assistance Agreement executed by the owner and RD expires, I understand and agree that my monthly contribution may be adjusted to no less than \$_____ (Basic Rent) nor more than \$_____ (Note Rate Rent) during the remaining term of this Lease, except that based on the escalation clause in this Lease, these rates may be changed by a RD approved rent change. I understand that every effort will be made to provide Rental Assistance so long as I remain eligible and the Rental Assistance Agreement between the owner and RD remains in effect. However, should this assistance be terminated, I may arrange to terminate this Lease, giving proper notice as set forth elsewhere in this Lease.

-OR-

VI. RENTAL AND UTILITY RATES: RENT CHANGE PROVISIONS (PLAN II)

a) I understand and agree that my gross monthly tenant contribution as determined on the latest Form RD 3560-8, which must be attached to this Lease, for rent and utilities will be \$_____. If I pay any or all utilities directly (not including telephone or cable T.V.) a utility allowance of \$_____ will be deducted from my gross monthly tenant contribution except that I will pay not less than the basic rent nor more than the note rate rent stated below. My net monthly tenant contribution will be \$_____. I understand that should I receive rental subsidy benefits (interest credit) to which I am not entitled, I may be required to make restitution and I agree to pay any amount of benefit to which I was not entitled. I also understand and agree that my monthly tenant rent under this Lease may be raised or lowered based on changes in the household income, failure to submit information necessary to certify income, changes in the number and age of persons living in the household, and on the escalation clause in this Lease. My tenant rent will not, however, be less than \$_____ (Basic Rent) nor more than \$_____ (Note Rate Rent) during the term of this Lease, except that based on the escalation clause in this Lease, these rental rates may be changed by an RD approved rent change.

	<u>Column (2)</u>	<u>Column (3)</u>	<u>Column (4)</u>
	<u>Put "X" by any</u>	<u>Put "X" by any</u>	<u>Show Amount</u>
	<u>Utility or Service</u>	<u>Utility Paid by</u>	<u>Tenant Pays to</u>
<u>Column (1)</u>	<u>Tenant</u>	<u>Owner and Included</u>	<u>Owner in</u>
<u>Type of Utility</u>	<u>Pays Directly</u>	<u>In Tenant Rent</u>	<u>Addition to Rent</u>
Heat (type) _____	_____	_____	_____
Gas _____	_____	_____	_____
Electricity _____	_____	_____	_____
Snow Removal _____	_____	_____	_____
a. Common Area _____	_____	_____	_____
b. Other _____	_____	_____	_____
Trash Removal _____	_____	_____	_____
Water and Sewer _____	_____	_____	_____
Cable TV _____	_____	_____	_____
Grounds keeping _____	_____	_____	_____
a. Common Area _____	_____	_____	_____
Other _____	_____	_____	_____
Other _____	_____	_____	_____

To the extent to which heat and/or hot water is to be provided by the Owner, Tenant shall take all reasonable measures to conserve the heat and hot water by not opening the windows and door when the heat is on, not excessively heating the premises, not unnecessarily wasting or running the hot water and by observing all reasonable rules and regulations of the Owner regarding this issue. Tenant's non-compliance with this provision or reasonable rules of the Owner shall be cause for termination of this Lease.

-AND-

ESCALATION CLAUSE

- b) During the term of this Lease and with RD approval, the Basic and Note Rate Rents may be increased. The Tenant understands that should the Basic Rent be increased, then a rental payment will not be lower than the new Basic Rent. Tenants will always receive a notice of proposed increases at least 60 days prior to the intended changes to rental rate of a 30 day notice of the final rents as approved by RD.
- c) Should a change in income occur which results in a rent increase, the Tenant will receive a 30 day notice of the increase. In the same manner, at annual recertification, a 30 day notice will be given of rent change. This 30 day notice will not occur if the Tenant has withheld income change information from the Owner or is delinquent in providing income information for annual recertification. Should the Tenant not cooperate with the recertification procedure, upon expiration of the current certification, the Tenant will be charged the Note Rate Rent and eviction proceedings will be instituted.
- d) The Tenant may request a rent redetermination at any time if income or allowances have changed by \$50.00 or more per month. In the case where the Tenant has requested a change due to income or allowance changes, the Owner will verify the information and make a determination of the effective date of the change, per RHS regulations.
- e) Should the Tenant's income exceed the maximum allowable amount as set by RD, the Tenant is no longer eligible for occupancy in this project and must vacate the unit in 30 days or at the term of the Lease (whichever is longer) unless an exception is granted by RD or unless the conditions cited in 7 CFR 3560.152 (a) (3) exist. These conditions include the eligibility of the Tenant under the requirements established to qualify for housing benefits provided by sources other than Rural Development, such as U.S. Department of Housing and Urban Development (HUD), Section 8 assistance or Low Income Tax Credit (LIHTC) when a Tenant receives such housing benefits.

VII. RENTAL PAYMENTS/UTILITY PAYMENTS

- a) \$_____, the monthly rental payment, is due on the 1st of each month and considered late if not received by the 5th. Payments may be made at the office during designated hours or mailed to _____, so long as payment is received on or before the 5th of the month. If rent payments are not received by the 5th, Owner may terminate this Lease. Personal checks are accepted and should be made payable to _____. Should a check be returned for insufficient funds ("bounce"), the Tenant will be responsible for any and all charges to project accounts. After one "bounced" check, only cash or a money order will be accepted for payment. Additionally, the Parties agree that the Owner may apply payments from the Tenant in the order of priority determined by Owner, regardless of when the obligation arose, unless the Tenant specifically, and in writing, designates the payment is for a particular charge.

Tenant shall make all rental payments in full. Payment or receipt of a rental payment of less than the amount stated in the lease shall be deemed to be nothing more than partial payment on that month's account. Any and all partial payments accepted by the Owner shall be applied to the rent arrearage (or any other monetary obligation under the lease) which first became due and no partial payment shall be applied to the current month's rent until all outstanding arrearages have been paid in full unless the Tenant specifically, and in writing, designates the payment is for a

particular charge. Under no circumstances shall the Owner's acceptance of a partial payment constitute accord and satisfaction. The Owner's acceptance of a partial payment will not forfeit the Owner's right to collect the balance due on the account, despite any endorsement, stipulation, or other statement on any check or money order.

b) Unless prior accepted arrangements have been made, payments not made by the 15th of the month shall be charged a late fee. The Owner may charge the Tenant a late fee equal to 4% of the monthly rental due. Repeated late rental payment is a Lease violation and can lead to Lease termination.

c) Water, sewer and trash collection payments are the responsibility of the Owner.

d) Tenant has the responsibility for payment of all telephone and cable TV (inclusive of hook-up/installation) charges and all electric utilities not paid for by the Owner/Property. At move-in, Tenant must notify _____ (Utility Company) to place the apartment meter in Tenant's name and sign a utility release for the Owner. Tenant receives a utility allowance, if applicable, under this Lease. Failure to pay electric utilities is a Lease violation. Should the meter be turned off or be removed, this could lead to Lease termination.

e) Should the Tenant be permitted to have an air conditioner, freezer, or other large appliance, they may be assessed a charge for the excess utility costs unless utilities are paid by the Tenant.

VIII. SECURITY DEPOSIT

a) Tenant understands that a security deposit is required under this Lease and agrees to deposit one month's Basic Rent (\$ _____). This may be paid in full upon occupancy or in installments with a first payment of no less than \$ _____ required at Lease signing and the remainder of payments on a regular basis as approved by the Owner. **See Attachment #3 Security Deposit Form.** The Owner will hold this security deposit, in an interest bearing account, for the period the Tenant occupies the apartment. After the Tenant has moved from the apartment, the Owner will determine whether the Tenant is eligible for a refund of any or all of the security deposit. The amount of the refund will be determined in accordance with the following conditions and procedures:

1) If the Tenant vacates the premises, but has failed to give the required 30 day written notice of his/her intent to move as required by Paragraph XI (a), then the Owner may withhold from Tenant's security deposit any lost rental which has been caused by Tenant's failure to give the written notice.

2) After the Tenant has moved from the apartment, the Owner will inspect the unit. The Owner will permit the Tenant to participate in the inspection, if the Tenant so requests. The Tenant is encouraged to participate in this inspection.

3) The Owner will refund to the Tenant the amount of the security deposit, plus accrued interest, less any amount needed to pay the cost of:

(a) Unpaid rent;

(b) Damages that are not due to normal wear and tear;

(c) Charges for late payment of rent and returned checks as described in Paragraph VII; or

(d) Any other charges due pursuant to the terms of the lease.

4) The Owner agrees to refund the amount computed in the above paragraph within 30 days after the Tenant has permanently moved out of the apartment, and returned possession of the apartment to the Owner. The Owner will also give the Tenant a written list of charges that were subtracted from the deposit. If the Tenant disagrees with the Owner concerning the amounts deducted and asks to meet with the Owner, the Owner agrees to meet with the Tenant and informally discuss the disputed charges.

5) If the apartment is rented by more than one person, the Tenants agree that they will work out the details of dividing any refunds among themselves. The Owner may pay the refund to any Tenant identified in Paragraph 1 of this Lease Agreement.

6) Tenant agrees that it is his/her responsibility, prior to vacating the premises, to clean the entire unit including the range, exhaust fans, refrigerator, closets, walls, cabinets and floors, if applicable. All carpets shall be free of dirt and odor and must be cleaned prior to vacating. Refrigerators are to be defrosted, turned off and the door left open. There shall be no scores, stains, or unsightly holes in any wall. No indentations or scratches in wood, tile, or resilient flooring, doors or trim and no damage to carpeting will be accepted by Owner. All burned out light bulbs shall be replaced. Smoke alarms shall be in place and undamaged. All debris and rubbish shall be placed in proper rubbish containers. All personal property shall be removed.

7) Normal wear and tear shall not include the cost of repainting or redecorating the unit or the cost for replacement of carpet or other floor covering, unless the time between the last repainting/redecorating or carpet/floor replacement and the current one exceeds a reasonable period. If the Owner is required to repaint the unit or replace the carpet/flooring prior to the expiration of a reasonable time period then the Tenant shall be responsible for a prorated share of the cost of the repainting or replacement.

8) All costs of labor and materials, for cleaning or repairs, and any other expenses incurred pursuant to this section shall be charged to the Tenant. Tenant agrees that he/she is responsible for, and will be charged at, the lease rate for any time that the apartment is not rentable due to damage caused to the premises. In case of Tenant death, these charges will be levied against the estate. After any deductions as listed, the balance, if any, of deposit shall be refunded to the Tenant or the estate. If charges exceed deposit amount, then the Tenant or the estate shall be billed for the amount exceeding the deposit.

IX. ILLEGAL CONTROLLED SUBSTANCE, DOMESTIC VIOLENCE VIOLATIONS, OR OTHER VIOLATIONS OF LAW

It is understood that the use, or possession, manufacture, sale, or distribution of an illegal controlled substance (as defined by local, State, or federal law) while in or on any part of this apartment complex or cooperative is an illegal act. It is further understood that such action is a material lease violation. Such violations (hereafter called a "drug violation") may be evidenced upon the admission to or conviction of the use, possession, manufacture, sale, or distribution of a

controlled substance (as defined by local, state, or Federal law) in any local, state, or Federal court.

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

The Owner may require any Tenant to show evidence that any non-adult member of the tenant household occupying the unit, who committed a drug violation, agrees not to commit a drug violation in the future, and to show evidence that the person is either actively seeking or receiving assistance through a counseling or recovery program, complying with court orders related to a drug violation, or has successfully completed a counseling or recovery program within timeframes specified by the Owner as a condition for continued occupancy in the unit. Should a further drug violation be committed by any non-adult person occupying the unit the Owner may require the person to be severed from tenancy as a condition for continued occupancy by the Tenant.

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

Should any of the above provisions governing a drug violation be found to violate any of the laws of the land the remaining enforceable provisions shall remain in effect. The provisions set out above do not supplant any rights of tenants afforded by law."controlled substance (as defined by local, State, or federal law) while in or on any part of this apartment complex or cooperative is an illegal act. It is further understood that such action is a material lease violation. Such violations (hereafter called a "drug violation") may be evidenced upon the admission to or conviction of the use, possession, manufacture, sale, or distribution of a controlled substance (as defined by local, state, or Federal law) in any local, state, or Federal court.

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

The Owner may require any Tenant to show evidence that any non-adult member of the tenant household occupying the unit, who committed a drug violation, agrees not to commit a drug violation in the future, and to show evidence that the person is either actively seeking or receiving assistance through a counseling or recovery program, complying with court orders related to a

drug violation, or has successfully completed a counseling or recovery program within timeframes specified by the Owner as a condition for continued occupancy in the unit. Should a further drug violation be committed by any non-adult person occupying the unit the Owner may require the person to be severed from tenancy as a condition for continued occupancy by the Tenant. If a person vacating the unit, as a result of the above policies, is one of the Tenants, the person shall be severed from the tenancy and the lease shall continue among any other remaining Tenants and the Owner. The Owner may also, at the option of the Owner, permit another adult member of the household to be a Tenant.

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

b) In addition, the Owner may terminate this Lease Agreement for the following reasons:

- 1) determination made by the Owner that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful quiet enjoyment of the premises by other residents;
- 2) criminal activity by a Tenant, any member of the Tenant's household, a guest or other person under the tenant's control 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 that threatens the health, safety, or right to peaceful enjoyment of residences by persons residing in the immediate vicinity of the premises;
- 3) 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, high misdemeanor or considered a serious crime under the laws of the place from which the individual flees;
- 4) determination made by the Owner 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; or
- 5) if the Owner 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.

X. TENANT RESPONSIBILITIES: I AGREE TO...

- a) pay the rent each month on or before the 5th without a statement of billing; and to pay electric bills for this unit to _____;
- b) not assign this Lease, sublet the unit, transfer possession of the unit to accommodate boarders or lodgers, and/or not to admit other members to this household without prior Owner written approval. This unit is a dwelling for only those listed on this Agreement, and is to be used only for residential purposes, and I will not conduct any business activity in the unit, or on project grounds;
- c) keep the unit in a safe and sanitary condition and to keep grounds, parking area, walks and common areas in a neat and orderly fashion; not to cause damage to the unit; not to make any

repairs or alterations to the unit without prior written consent from the Owner; not to hang pictures or other articles in a manner disallowed by the Owner; and to notify the Owner of any damage, or needed repairs;

d) follow all maintenance procedures, dispose of trash as directed in the Tenant Handbook/ Occupancy Rules, and not to cause damage to this unit. If damage is caused, I must report this immediately to the Owner and I will receive billing for repair costs. If I fail to pay for these costs within 30 days of billing, a separate legal process may be used to collect the charges due, and I understand that the Owner may also terminate my tenancy for failure to pay. Intentional damage to the unit, grounds and/or common areas is cause for lease termination;

e) allow the Owner or representative to enter the premises during all reasonable hours to inspect the unit, make necessary or agreed repairs, decorations, alterations or improvements; supply necessary or agreed services or exhibit the dwelling unit to prospective or actual purchasers, mortgagees, tenants, workmen or contractors, or to enter to determine if the premises are being used in violation of Lease Agreement terms. Except in the case of an emergency or if it is impracticable to do so, the Owner shall give the Tenant reasonable notice of his intent to enter and shall enter only at reasonable times. Twenty-four hours is considered to be a reasonable notice in the absence of evidence to the contrary, said notice may be verbal, written, or by phone;

f) NOT store any household items outside the unit; NOT install outside antennas; NOT keep any gasoline or dangerously flammable materials in the unit; NOT permit anyone to smoke in the unit when oxygen tank(s) is/are present; NOT park non-operating vehicles in the parking lot; NOT bring in any appliances without prior written Owner approval; NOT create or allow any acts or loud noises so as to disturb others, or to interfere in any way with management personnel, employees, or contractors, in the performance of their duties; NOT engage in any criminal or drug related activity; and NOT allow any guests or visitors to engage in any criminal or drug related activity on the premises;

g) leave the premises in good condition upon Lease termination, surrender the unit (and all keys) in good condition, and pay all damages;

h) be responsible for the conduct of all family members, guests and visitors to my household, both in the unit, and on the property of this project. Notify the Owner if visitors will be staying more than _____ days and receive prior written Owner approval for more than _____ days. An adult person(s) making recurring visits, or one continuous visit, of 14 days and nights in a 45 day period without prior written consent of the Owner will be counted as a household member(s). Notify the Owner of any absence over 14 days in any 60 day period and agree to allow no one to stay in the unit while absent. I agree that the Owner shall have the specific right to limit or bar the presence of any visitor, guest, or individual on the property, who, in the determination of the Owner is a person causing disturbances, other problems, or who is otherwise not in compliance with the terms and conditions of this Lease or of State or local laws or otherwise interfering with the Owner's operation and management of the premises. I specifically acknowledge the Owner's right to bar any such individual or individuals from the premises; I understand that if I allow any individual who has been barred by the Owner to enter the premises, this would be a violation of the Lease, and the Owner may terminate the tenant with a proper notice;

i) move to another suitably sized vacant unit within the complex if I am occupying a unit that is a handicap accessible designated unit, if a priority applicant wishes this unit due to the accessible features. I acknowledge that priority for such units is given to those needing special physical design features. Upon receiving a written notice from the Owner under the provisions of this section, I agree to move at my/our expense within 30 calendar days to the suitable sized vacant unit, if one is available. I agree to pay the appropriate rental rate for the unit I/we occupy, and the lease will be modified accordingly;

j) NOT to interfere with other tenants or neighbors in such a manner as to diminish their right to peaceful enjoyment of the property by adversely affecting their health, safety, or welfare;

k) obey the Occupancy Rules which are reasonably related to the care and cleanliness of the building and/or safety, comfort and convenience of the Tenants. The Occupancy Rules are an attachment to the lease;

l) NOT to violate the civil rights of any person while on the property and will NOT violate the civil rights or threaten the health and safety of any management agent employee, contractor or any other person legally authorized to be on the property. No act of intimidation, retaliation, harassment, verbal abuse, physical threat of violence or social misconduct of, or to, any employee, vendor, or contractor of this apartment community by any person will be tolerated. No act that creates a disturbance, discomfort, or problem that interferes with an employee's, vendor's or contractor's ability to do their job will be tolerated;

m) notify the Owner if I know of, or suspect, an infestation of bedbugs in the dwelling unit. Upon receiving notice of a need for access to the premises for bedbug issues, I must fully cooperate with the Owner and any pest control agent hired by Owner. I am required to comply with all reasonable measures to eliminate or control bedbug infestation. Failure fulfill my obligations hereunder is a breach of this lease and is grounds for termination of tenancy;

As with a possible bedbug infestation, when I notice that I may have any bug problem, it is my responsibility to immediately report the situation to the Owner. The Owner will schedule an inspection and/or extermination and provide me with a list of tasks to be completed pre and post treatment. I acknowledge that these instructions are to be followed exactly as they are written by the pest company providing the service. If I have circumstances wherein I am unable to follow all instructions as prescribed, it is my responsibility to notify the Owner at least 24 hours prior to the scheduled treatment.;

Additionally, any instructions regarding animals shall be followed exactly. In the event where I am required to take my animal to a veterinarian for treatment, I must take the animal to the veterinarian within 72 hours previous or prior to the extermination time and provide the Owner with documentation from the veterinarian that the treatment has been completed.;

If I fail to follow the instructions provided by the pest company providing the service and re-infestation occurs within the next two months, I will be charged the full amount of the extermination to the apartment and any common arrears affected by my negligence;

n) Tenant further agrees to follow rules regarding:

- 1) Office hours
- 2) Community lounge and laundry use

- 3) Assigned parking
- 4) Animals
- 5) Rubbish/Garbage Disposal
- 6) Smoking policy

The regulations are posted on the community bulletin board and distributed to Tenants.

XI. OWNER/MANAGER RESPONSIBILITIES

- a) Maintain the buildings and common grounds in a decent, safe and sanitary condition in accordance with RD regulations, local and State housing codes, and Federal fair housing requirements. Provide snow removal, trash removal, grounds maintenance, cleaning and upkeep of common areas and hallways at no cost to the Tenant. Repairs to individual units are to be done at no cost to the Tenant, unless resulting from damage by Tenant or special projects at the Tenant's request, such as installation of additional shelves. In those cases, Tenant is to be billed, and the charges are due within 30 days, unless a mutually agreeable written payment plan is entered into by the parties.
- b) Furnish the Tenant with a unit, appliances installed (range, refrigerator) curtain rods and shades or blinds as applicable to RD plans and specifications. Give the Tenant a written statement of the condition of the unit based upon an inspection of the unit, to be done with written notification, prior to move-in and at move-out. The Tenant may participate in this inspection. Give Tenant copies of all documents and forms signed by both parties, or by the Tenant, along with any other pertinent data (orientation booklet, maintenance procedures, and emergency numbers).
- c) Not to seize and hold the property of the Tenant for rent or other financial obligations of the Tenant, except in cases of abandonment. The tenancy shall remain in place as long as the tenant's possessions remain in the unit, even after the Tenant has left. This is the case until the possessions are removed voluntarily or by legal means, subject to state and local law.
- d) In accordance with RD regulations (7 CFR 3560.160), we follow an established process for tenant grievances and appeals. The purpose is to ensure that Tenants or prospective Tenants (herein Tenants) have a fair and equitable process for addressing concerns and to ensure fair treatment in the event of adverse actions or inactions taken by the Owner or Management. After the occurrence of an adverse action or receipt of notice of an adverse action, Tenants have 10 days to communicate to the Owner or Management in writing any grievance or response to the notice. The Owner or Management must offer to meet with the tenant to discuss the grievance within 10 calendar days of receiving the grievance. Please request a copy of the grievance procedure for more details regarding the grievance process.
- e) Accept rental payments specifically designated as such, without regard to any other charges owed by the Tenant to the Owner and Owner may seek separate legal remedy for the collection of such charges.

XII. LEASE TERMINATION

a) BY TENANT:

1) Tenant has agreed to execute a Lease for one (1) year. Should Tenant not wish to renew the Lease Agreement, notice in writing must be given to the Owner/Agent office thirty (30) days prior to Lease expiration. In the event of death or necessary transfer of Tenant to hospital or nursing home, or under other "good cause" (including, but not limited to: moving to another location for employment, loss of job, severe illness, death of spouse, or after notification by the borrower of intent to prepay the RD loan) Owner agrees to accept a 30 day written notice of Lease termination prior to the term of this Lease. In such cases, should the unit not be re-rented immediately, security deposit money may be used to cover the loss of rent. After the first term (12 months) of the Lease, Tenant may give Owner a 30-day notice, in writing, of intention to vacate on the last day of the month. Tenant will be responsible for payment of rent and all utilities for the 30-day period. Tenant agrees that the security deposit money shall not be used for the last month's rent.

b) BY OWNER:

1) Owner may terminate this Lease Agreement or refuse to renew a tenant's lease if there is good cause, material non-compliance with the lease provisions or material non-compliance with the occupancy rules. Owner may also terminate due to any misrepresentation by the Tenant upon which rent, income or eligibility determinations have been based (including information provided in any application for tenancy) with a written notice to the Tenant of such termination together with reasons due to misrepresentation or by reason of failure to provide requested information.

2) Prior to termination of a lease, the Owner must give the Tenant written notice of the violation and give the Tenant an opportunity to correct the violation. The only exceptions to this notice requirement are outlined under paragraph 6) "other terminations."

3) Material non-compliance with this Lease Agreement includes, but is not limited to, violations of lease provisions or occupancy rules that are substantial and/or repeated; non-payment or repeated late payment of rent or other financial obligations due under the lease or occupancy rules; admission to or conviction for use, attempted use, possession, manufacture, selling or distribution of an illegal controlled substance when such activity occurred on the housing project's premises by the tenant, a member of the tenant's household, a guest of the tenant, or any other person under the tenant's control at the time of the activity; failure to pay electric bills, resulting in removal or turn-off of meter; intentional damage being done to the unit, grounds, facilities or common areas; and other criminal activity.

4) Good cause, includes actions such as: actions by the tenant or a member of the tenant's household which disrupt the livability of the housing by threatening the health and safety of other persons or the right of other persons to enjoyment of the premises and related facilities; actions by the tenant or a member of the tenant's household which result in substantial physical damage causing an adverse financial effect on the housing or the property of other persons; or actions prohibited by state and local laws.

5) At a minimum, the occupancy termination notice must include the following information:

- a. a specific date by which lease termination will occur;
- b. a statement of the basis for lease termination with specific reference to the provisions of the lease or occupancy rules that, in the borrower's judgment, have been violated by the tenant in a manner constituting material non-compliance or good cause; and
- c. a statement explaining the conditions under which the borrower may initiate judicial action to enforce the lease termination notice.

6) Other Terminations.

- a. Non-payment of rent. In order to enforce a forfeiture for non-payment of rent, it shall not be necessary to make a demand on the same day the rent shall become due, but a demand and refusal or failure to pay at any time on the same day or at any time on a subsequent day shall be sufficient.
- b. Destruction of premises. If occupancy is terminated due to conditions which are beyond the control of the tenant, such as a condition related to required repair or rehabilitation of the building, or a natural disaster, the tenants who are affected by such a circumstance are entitled to benefits under the Uniform Relocation Act and may request a Letter of Priority Entitlement (LOPE) from the Agency. If tenants need additional time to secure replacement housing, the Agency may, at the tenant's request, extend the LOPE entitlement period.
- c. Criminal activity. Borrowers may terminate tenancy for criminal activity or alcohol abuse by household members in accordance with the provisions of 24 CFR 5.858, 5.859, 5.860, and 5.861.

7) Should Owner decide to terminate the Lease Agreement, a written seven (7) day Notice of Termination in accordance with RD regulations must be given to the Tenant and served pursuant to Maine State Law. The failure or omission of the Owner to terminate this Lease for any cause shall not destroy the right of Owner to do so later for a similar or other cause.

c) BY EITHER PARTY

If the unit is damaged by fire, wind, or other, to the extent that the unit cannot be lived in and the damage is not caused or made worse by the Tenant, the Tenant will be responsible for rent only up to the date of the destruction. Additional rent will not accrue until the unit has been repaired to a livable condition. In such event, either party may terminate this Agreement upon reasonable written notice.

XIII. MODIFICATION TO LEASE/NOTICE TO TENANTS

a) The Owner may modify the terms and conditions of the Lease with RHS prior consent, by serving an appropriate 60 day notice on the Tenant, together with the tender of a revised lease or an addendum revising the existing Lease. This notice and tender shall be delivered to the Tenant either by first class mail, properly stamped and addressed or hand-delivered to the premises to an adult member of the household.

b) 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 is mailed or the date on which the copy of the notice is

delivered to the premises. The notice must be received at least thirty (30) days prior to the last date on which the Tenant has the right to terminate the tenancy without executing the revised Lease. The notice must advise the Tenants that they may appeal modifications to the Lease in accordance with RD tenant grievance procedure (RD 3560-2-HBChapter 6, Section 8 {7 CFR 3560.160}) if the modification will result in a denial, substantial reduction or termination of benefits being received.

c) The same notification will be applicable to any changes in the rules and regulations for the project.

d) This Lease, together with the attachments and any future amendments approved by RD, evidences the entire Agreement between the Owner and Tenant(s) and no changes shall be made except in writing. Also, this Lease together with attachments and amendments will be completed and executed in duplicate with one copy for the Owner and the other for the Tenant. Notwithstanding anything in this Lease to the contrary, this Lease shall in all aspects comply with all federal and state housing laws applicable to this project and to any relevant RD regulations in effect from time to time.

XIV. ASSIGNMENT OF LEASE/PRE-PAYMENT OF RD LOAN/FORECLOSURE:

a) In the event of a change in ownership and/or Agent of this property, this Lease may be assigned to the new ownership and/or Agent. In the event of pre-payment of the RD loan, the Owner/Agent will give Tenant a six (6) month notice of intent to pre-pay. Tenant contribution to rent may not be increased for the term of the lease. (The escalation clause for rent changes approved by RD for budgetary reasons will continue to be applicable, however.) Any lease signed after notification of intent to pre-pay, but prior to pre-payment, may be for a term which ends on the date of pre-payment. All applicable RD procedures will be complied with in the event of borrower pre-payment.

b) No change in the Tenant contribution will occur due to monetary or non-monetary default of the Owner (RD/RHS foreclosure), or when rental assistance or interest credit, is suspended, canceled, or terminated due to the borrower's fault.

XV. DISCLAIMER:

a) Neither the Owner nor any of its representatives or employees shall be liable for damage or loss to the property of the Tenant, any member of the Tenant's family or visitors, or personal injury including death to any person in or near the unit which results from theft, vandalism, or the elements or any other cause except as a result of intentional acts or negligence on the part of the Owner, or any of its representatives or employees.

b) The Tenant agrees to defend (including payment of attorney's fees and court costs), indemnify and hold the Owner harmless from any losses, damages, claims, demands, suits, judgments or liabilities arising from any injury or resulting from the use of the premises or common areas by the tenant, guests, or invitees which are not the result of any acts or omissions, intentional or negligent, on the part of the Owner or the Owner's representatives or agents.

XVI. LEGAL PROCEEDINGS:

a) If either party commences a lawsuit against the other to enforce any provision of this agreement, the successful party may be awarded reasonable attorney's fees and court costs from the other if there has been a wanton disregard of the terms and conditions. Owner specifically waives the right to recover punitive damages.

XVII. STATEMENT OF NON-DISCRIMINATION, FAIR HOUSING, CIVIL RIGHTS:

a) It is the policy of the Owner to comply fully with existing Federal and State laws, including Civil Rights Laws, protecting the individual rights of applicants, tenants, or staff and any laws subsequently enacted. The Owner does not discriminate in the rental of housing, the provision of services, or in any other matter based on race, color, religion, age, sex, ancestry, national origin, disability, familial status, sexual orientation, or status as a recipient of public assistance.

XVIII. SIGNATORY CLAUSE:

a) This Lease is effective on the Lease date when executed by the Tenant and Owner (or Managing Agent authorized by the Owner to execute the Lease and all other documents on its behalf).

b) By signing this Lease, Tenant agrees that he/she has read the Lease and enters this Agreement of his/her own free will.

TENANT SIGNATURE _____ DATE _____

CO-TENANT SIGNATURE _____ DATE _____

OWNER/AGENT _____ DATE _____

XVIX. ATTACHMENTS:

- 1) Form RD 3560-8 Tenant Certification
- 2) RD Housing Allowance for Utilities
- 3) Security Deposit Payment Form
- 4) Move-in Inspection
- 5) Tenant Utility Release Form
- 6) Occupancy Rules
- 7) Rules on Animals
- 8) Things You Should Know About USDA Rural Rental Housing

HOUSING ALLOWANCES FOR UTILITIES AND OTHER PUBLIC SERVICES

PART II

BLOCK A

BLOCK B

Name of TenantAllowance for utilities
and services billed
directly to and paid by
Tenant per month

Address of Tenant

of bedrooms_____

You will be billed
directly for utilities and
service charges. Block B
sets forth the allowance
credited in your rent for
the payment of utilities.
You may be billed for more
or less than shown in Block
B depending on your use of
utilities.

Heating.....\$_____

Air Cond..... _____

Cooking..... _____

Other elec..... _____

Water heating..... _____

Water..... _____

Sewer..... _____

Trash collec..... _____

Other (specify)..... _____

Signature of owner/agent

TOTAL \$_____

Date_____

SECURITY DEPOSIT FORM

A security deposit is required for all tenants in this project. The required deposit is equal to one month's basic rent or \$_____. This deposit will be placed in a tenant security deposit trust account for the term of occupancy by the Tenant. Interest will be accrued at the passbook rate from the date of payment in full. At the time of move-out, after a unit inspection of the premises has been conducted, a determination of refund will be made. Any charges to the Tenant will be deducted. After these deductions, if any, any or all deposit money remaining will be refunded within 30 days.

TENANT _____ **UNIT #** _____

MOVE-IN DATE _____

REQUIRED SECURITY DEPOSIT \$ _____

PAYMENTS DUE:		MADE:
\$ _____	DATE _____	_____
\$ _____	DATE _____	_____
\$ _____	DATE _____	_____
\$ _____	DATE _____	_____
\$ _____	DATE _____	_____
\$ _____	DATE _____	_____

If the deposit is made in installments, the entire amount must be paid in full within _____ days of move-in, unless Tenant qualifies for Rental Assistance. In such cases, a payment plan for up to 12 months will be allowed, if necessary.

DATE PAID IN FULL _____

ACKNOWLEDGMENT OF SECURITY DEPOSIT POLICY:

TENANT SIGNATURE _____

OWNER/AGENT SIGNATURE _____

UNIT INSPECTION REPORT

PROJECT NAME: _____ LOCATION _____

TENANT _____ UNIT # _____ # OF BEDROOMS _____

DATE OF INSPECTION _____ PERFORMED BY _____

DESCRIPTION	ACCEPTABLE		REPAIRS NEEDED/ COMMENTS
	YES	NO	
KITCHEN			
Ceiling	_____	_____	_____
Walls	_____	_____	_____
Floor	_____	_____	_____
Cabinets	_____	_____	_____
Counters	_____	_____	_____
Range/Stove	_____	_____	_____
Refrigerator	_____	_____	_____
Sink	_____	_____	_____
Electrical	_____	_____	_____
Other	_____	_____	_____
BATHROOM			
Doors	_____	_____	_____
Walls	_____	_____	_____
Ceiling	_____	_____	_____
Floor	_____	_____	_____
Toilet	_____	_____	_____
Sink	_____	_____	_____
Tub/Shower	_____	_____	_____
Electrical	_____	_____	_____
Cabinets	_____	_____	_____
Other	_____	_____	_____
LIVING/DINING AREAS			
Doors	_____	_____	_____
Walls	_____	_____	_____
Floor	_____	_____	_____
Ceiling	_____	_____	_____
Windows	_____	_____	_____
Electrical	_____	_____	_____
Other	_____	_____	_____

UNIT INSPECTION REPORT -- Page 2

DESCRIPTION	ACCEPTABLE		REPAIRS NEEDED/ COMMENTS
	YES	NO	
BEDROOM #1			
Doors	_____	_____	_____
Walls	_____	_____	_____
Floor	_____	_____	_____
Ceiling	_____	_____	_____
Electrical	_____	_____	_____
Closet	_____	_____	_____
Windows	_____	_____	_____
Other	_____	_____	_____
BEDROOM #2			
Doors	_____	_____	_____
Walls	_____	_____	_____
Ceiling	_____	_____	_____
Floor	_____	_____	_____
Electrical	_____	_____	_____
Windows	_____	_____	_____
Closet	_____	_____	_____
Other	_____	_____	_____
BEDROOM #3			
Doors	_____	_____	_____
Walls	_____	_____	_____
Ceiling	_____	_____	_____
Floor	_____	_____	_____
Electrical	_____	_____	_____
Windows	_____	_____	_____
Closet	_____	_____	_____
Other	_____	_____	_____

UNIT INSPECTION REPORT -- Page 3

DESCRIPTION	ACCEPTABLE		REPAIRS NEEDED/ COMMENTS
	YES	NO	
GENERAL			
Thermostats	_____	_____	_____
Stove fan	_____	_____	_____
Bathroom fan	_____	_____	_____
Baseboard heat	_____	_____	_____
Water heater	_____	_____	_____
Hallways	_____	_____	_____
Walk-in closets	_____	_____	_____
Stairs	_____	_____	_____
Unit door	_____	_____	_____
Doorbell	_____	_____	_____
Smoke detector	_____	_____	_____
Unit alarms	_____	_____	_____
Other	_____	_____	_____

CERTIFICATION

I certify that this report correctly represents the conditions of the above identified unit.

TENANT(S) _____

OWNER/AGENT _____

PERMISSION TO OBTAIN UTILITY RECORDS

Tenants of this project are required by the Lease Agreement to pay the electric utility costs. A utility allowance is in effect for this property. Non-subsidized tenants benefit from this allowance so long as giving all or part of the allowance does not bring the rental amount below the required minimum payment. Any subsidized tenant receives the full benefit of the allowance.

At least annually, per program regulations, an analysis of the utility costs must be completed to determine average kilowatt use and whether or not the current allowance figure is sufficient. The easiest way to complete this data is to obtain information directly from the utility company. The release form below is considered a Lease Attachment and gives the utility company approval to release information needed. In addition, it authorizes management to check that all electric utilities are paid as per the Lease Agreement.

RELEASE OF INFORMATION---RESIDENTS OF _____

I/We authorize _____ or any appointed representative of _____ to obtain utility data as needed for my/our apartment at this project.

_____ has my/our permission to release the requested information regarding utility use and/or payments during my/our tenancy in this project.

Tenant signature Unit # Date

Co-Tenant signature Unit # Date