RESOLUTION 2019-05-22 (1)

Date: May 22, 2019

To: THA Board of Commissioners

From: Michael Mirra

Executive Director

Re: Extension of Project Based Voucher Contract: Salishan Six

This resolution would extend the Project Based Voucher Housing Assistance Payments (PBV HAP) contract for Salishan Six, LLC's property Salishan Six for fifteen (15) years.

Background

Tacoma Housing Authority (THA) has subsidized Salishan Six, LLC's property Salishan Six through PBV assistance since August 17, 2009. The project currently provides PBV housing assistance to 45 units at this property. The original PBV HAP contract will expire on July 31, 2019.

Recommendation

Authorize an extension of THA's PBV HAP Contract with Salishan Six, LLC for fifteen (15) years. With this extension, THA will provide project-based housing assistance for 45 units at Salishan Six. All other terms of the original HAP Contract will remain in effect.



TACOMA HOUSING AUTHORITY

RESOLUTION 2019-05-22 (1) (Extension of Project Based Voucher Contract: Salishan Six)

WHEREAS, THA has provided project based voucher assistance to Salishan Six, LLC's property Salishan Six since 2009; and

WHEREAS, Salishan Six provides housing for low-income families in the community; and

WHEREAS, A fifteen year extension will allow THA and Salishan Six to continue to provide housing assistance to low-income families in the community; and

WHEREAS, Failure to extend this contract would lead to a loss of affordable housing units; now, therefore, be it

Resolved by the Board of Commissioners of the Housing Authority of the City Of Tacoma, Washington, that:

The Board authorizes an extension of THA's PBV HAP Contract with Salishan Six, LLC for fifteen (15) years.

Approved: May 22, 2019

Dr. Minh-Anh Hodge, Chair

TACOMA HOUSING AUTHORITY

HOUSING CHOICE VOUCHER PROGRAM PROJECT-BASED ASSISTANCE NEW CONSTRUCTION OR REHABILITATION

HOUSING ASSISTANCE PAYMENT CONTRACT between

TACOMA HOUSING AUTHORITY

and

SALISHAN SIX, LLC

A Washington Limited Liability Company

for

SALISHAN SIX

Tacoma, WA

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The Tacoma Housing Authority ("PHA") and SALISHAN SIX, LLC, a Washington Limited Liability Company ("Owner") agree as follows:

PART 1

CONTRACT INFORMATION

A. Contents of Contract

This is a housing assistance payments contract (HAP Contract) between the PHA and the Owner. The HAP Contract consists of Part 1 and Part 2 and the contract exhibits listed in paragraph B.

B. Contract Exhibits

| Exhibit A | Description of Contract Units and Initial Rents |
|-----------|---|
| Exhibit B | Services, Maintenance and Utilities that Owner Shall Provide |
| Exhibit C | Assignment of Vouchers and Occupancy of Units Voucher Holder Mobility Use of Lease Addendum Termination of Tenancy HAP Contract Extension Discrimination Prohibition HAP Contract Application to Successors |
| Exhibit D | Lease Addendum |
| Exhibit E | Memorandum of Contract [for recording] |

C. Effective Date and Term of HAP Contract
Paragraph (i) below only applies for single-stage project.
Paragraph (ii) below only applies for a multi-stage project.
If no box is checked, this is a single-stage project.

(i) Single-Stage Project

This is a single-stage project.

Effective date of HAP Contract: For all contract units, the effective date of the HAP Contract is the date this agreement is signed unless a different date is indicated here: August 1, 2019
[PHA enters the effective date, and executes the HAP Contract, after completion and PHA acceptance of all units in the single-stage project.]

- (ii) Multi-Stage Project
 - (1) <u>Designation of Units.</u>
 This is a multi-stage project. The units in each completed stage are designated in Exhibit A.
 - (2) Effective date of HAP Contract: The PHA enters the effective date for each stage after completion and PHA acceptance of all units in that stage. The PHA enters the effective date for each stage on the signature page for that stage.
 - (3) Anniversary date of HAP Contract for Multi-Stage Project

The anniversary date of the HAP contract for all contract units in this multi-stage project is the anniversary of the effective date of the HAP contract for the contract units included in the first stage.

- D. Term of HAP Contract
 - (i) <u>Beginning of Term</u>: The term of the HAP Contract for any unit begins on the effective date of the HAP contract for that unit.
 - (ii) Length of Term
 - (1) Subject to paragraph (2) of this section, the length of the term of the HAP Contract for all contract units is: 15 years.
 - (2) Notwithstanding paragraph (1), the length of the term of the HAP Contract may not be less than one year, nor more than fifteen years.
 - (3) The length of the term shall be subject to availability, as determined by HUD, or by the PHA in accordance with HUD requirements, of sufficient appropriated funds (budget authority), as provided in appropriations acts and in the PHA's Annual Contributions Contract (ACC) with HUD, to make housing assistance payments in accordance with the HAP Contract.

(4) If sufficient appropriated funds are not available, the PHA may terminate the HAP Contract upon notice to the Owner.

E. Occupancy and Payment

(i) Payment for Occupied Unit

The PHA makes housing assistance payments to the owner for the months during which a contract unit is leased and occupied by an eligible family during the term of the HAP contract.

[Except for vacancy payments if any as provided in paragraph E(ii) of this section] If an assisted family moves out of the contract unit occupied by the family, the PHA will not make any housing assistance payments to the owner for any month after the month when the family moves out.

- (ii) Vacancy Payment
 Check one. If no box is checked, PHA will not make vacancy
 payments.
 - PHA will not make any vacancy payments.
 - PHA will make vacancy payments as follows: If an assisted family vacates the contract unit leased and occupied by the family, the PHA agrees to continue housing assistance payments to the owner for a vacancy period of up to thirty (30) days from commencement of the vacancy, if:
 - (1) The owner gives the PHA prompt notice of the vacancy;
 - (2) The vacancy is not the fault of the owner, and
 - (3) The owner has taken every reasonable action to minimize the likelihood and length of vacancy.

PHA in its sole discretion shall determine the length of the vacancy payment in any instance subject to the maximum period set forth above.

(iii) PHA is Not Responsible for Family Damage or Debt to Owner

Except as provided in this paragraph E (Occupancy and Payment), the PHA will not make any other payment to the Owner under the HAP Contract. The PHA will not make any payment to Owner for any damages to the unit, or for any other amounts owed by a Family under the Family's lease.

(iv) Income-Mixing Requirement

- (1) Except as provided in paragraph E(iv)(2), the PHA will not make housing assistance payments under the HAP Contract for more than 25 percent of the total number of dwelling units (assisted or unassisted) in any building, except for buildings with four or fewer units.
- (2) In referring eligible families to the Owner for admission to the number of Contract Units in any building exceeding the 25 percent limitation under paragraph E(iv)(1), the PHA shall give preference to elderly or disabled families, or to families receiving supportive services, for the number of Contract Units designated for occupancy by such families.
- (3) The following specifies the number of contract units (if any) designated for occupancy by elderly or disabled families, or designated for occupancy by families receiving supportive services.

| for elderly or disabled families. The following number of Contract Units shall be rented to elderly or disabled families: |
|---|
| Check this box if any Contract Units are designated for families receiving supportive services. The following number of Contract Units shall be rented to families receiving supportive services: |

Check this box if any Contract Units are designated

[Signature Pages Follows]

EXECUTION OF HAP CONTRACT FOR SINGLE STAGE CONTRACT

| The effective date of the Contract is: Au | agust 1, 2019 |
|---|-----------------------------------|
| SALISHAN SIX, LLC | TACOMA HOUSING AUTHORITY |
| Michael Mirra, Executive Director | Michael Mirra, Executive Director |
| Date: | Date: |

| STATE OF WASHINGTON) COUNTY OF) | |
|---|--|
| who appeared before me and acknowled was authorized to execute the instrumen | y evidence thatis the person dged that he signed this instrument, on oath stated that he nt and acknowledged it as[Owner] to be the free and and purposes mentioned in the instrument. |
| IN WITNESS WHEREOF I have hereu | into set my hand and official seal this day of |
| | Notary Public in and for the state of Washington, |
| | Residing at My appointment expires |
| STATE OF WASHINGTON) COUNTY OF PIERCE) | |
| appeared before me and acknowledged authorized to execute the instrument and | isfactory evidence that Michael Mirra is the person who that he signed this instrument, on oath stated that he was d acknowledged it as the Executive Director of the na, to be the free and voluntary act of such party for the rument. |
| IN WITNESS WHEREOF I ha | ve hereunto set my hand and official seal this day of |
| | (Dulat None) |
| | Notary Public in and for the state of Washington, Residing at |
| | My appointment expires |

PART 2

DEFINITIONS

Agreement Agreement to enter into Housing Assistance Payment contract (AHAP) between the Owner and PHA. This HAP contract was entered following new construction or rehabilitation of the contract units by the owner pursuant to an AHAP.

Contract Units. The housing units covered by this HAP Contract. The Contract Units are described in Exhibit A.

Family. The persons approved by the PHA to reside in a contract unit with assistance under the program.

PHA. Tacoma Housing Authority. The agency that had entered into the HAP Contract with the owner. The agency is a public housing agency as defined in the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

HAP Contract. This housing assistance payments contract between the PHA and the Owner. The contract consists of Part 1, Part 2, and the contract exhibits (listed in paragraph 1(B) of the HAP Contract.)

Housing Quality Standards (HQS). The HUD minimum quality standards for dwelling units occupied by families receiving project-based assistance under the housing choice voucher program assisted under the PBA program.

HUD. U.S. Department of Housing and Urban Development.

HUD Requirements. HUD requirements that apply to the housing choice voucher program (42 U.S.C. 1437f(o)). HUD requirements are issued by HUD headquarters, as regulations, Federal register notices or other binding program directives.

Premises. The building or complex in which a contract unit is located, including common areas of grounds.

Principal or Interested party. This term includes a management agent and other persons or entities participating in project management, and the officers and principal members, shareholders, investors, and other parties having a substantial interest in the Agreement or the HAP Contract, or in any proceeds or benefits arising from the HAP Contract.

Program. Project-based assistance under the housing choice voucher program (see authorization for project-based assistance at 42 U.S.C. 1437f(o)(13)).

Rent to Owner. The total monthly rent payable to the owner under the lease for a contract unit. Rent to owner includes payment for any housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

Tenant Rent. The portion of the Rent to Owner payable by the Family, as determined by the PHA in accordance with HUD requirements. The PHA is not responsible for paying any part of the tenant rent.

PURPOSE

- (4) This is a HAP Contract between the PHA and the owner.
- (5) The purpose of the HAP Contract is to provide housing assistance payments for eligible families who lease Contract Units that comply with the HUD HQS from the owner.
- (6) The PHA must make housing assistance payments to the Owner in accordance with the HAP Contract for Contract Units leased and occupied by eligible families during the HAP Contract term. HUD provides funds to the PHA to make housing assistance payments to owners for eligible families.

COMPLETION AND ACCEPTANCE OF CONTRACT UNITS

The Owner certifies that the contract units have been completed in accordance with the Agreement to Enter into Housing Assistance Payments Contract ("Agreement"). Completion and acceptance of the units is subject to the provisions of the Agreement.

RENT TO OWNER; HOUSING ASSISTANCE PAYMENTS

F. Amount of Initial Rent to Owner

The initial Rent to Owner for each contract unit is stated in Exhibit A, which is attached to and made a part of the HAP Contract. At the beginning of the HAP Contract term and until Rent to Owner is adjusted in accordance with section 5 of the HAP Contract, the Rent to Owner for each bedroom size (number of bedrooms) shall be the initial Rent amount listed in Exhibit A.

G. HUD Rent Requirements

- (1) Notwithstanding any other provision of the HAP Contract, the Rent to Owner may in no event exceed the amount authorized in accordance with HUD Requirements.
- (2) The PHA has the right to reduce the Rent to Owner, at any time, to correct any errors in establishing or adjusting the Rent to Owner in accordance with HUD Requirements. The PHA may recover any overpayment from the Owner.

H. PHA Payment to Owner

- (1) Each month the PHA must make a housing assistance payment to the Owner for a unit under lease to and occupied by an eligible Family in accordance with this HAP Contract.
- (2) The monthly housing assistance payment to the Owner for a contract unit is equal to the amount by which the permissible Rent to Owner exceeds the Tenant Rent.
- (3) Payment of the Tenant Rent is the Family's responsibility. The PHA is not responsible for paying any part of the Tenant Rent, or for paying any other claim by the Owner against a Family. The PHA is only responsible for making housing assistance payments to the Owner on behalf of a Family in accordance with the HAP Contract.
- (4) The Owner will be paid the housing assistance payment under the HAP contract on or about the first day of the month for which payment is due, unless the Owner and the PHA agree on a later date.
- (5) To receive housing assistance payments in accordance with the HAP Contract, the Owner must comply with all the provisions of the HAP Contract. Unless the Owner complies with all the provisions of the HAP Contract, the Owner does not have a right to receive housing assistance payments.
- (6) If the PHA determines that the Owner is not entitled to the payment or any part of it, the PHA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due to the Owner, including amounts due under any other housing assistance payment contract.

- (7) The Owner will notify the PHA promptly of any change of circumstances that would affect the amount of the monthly housing assistance payment, and will return any payment that does not conform to the changed circumstances.
- I. Termination of Assistance to Family

 The PHA may terminate assistance for a Family in accordance with HUD requirements. The PHA must notify the Owner in writing of its termination decision in such a case, and that housing assistance payments for the Family under the HAP Contract will terminate at the end of the calendar month that follows the calendar month in which the PHA gives such notice to the Owner.

ADJUSTMENT OF RENT TO OWNER

J. PHA Determination of Adjusted Rent
At each annual anniversary during the term of the HAP Contract, the PHA
shall adjust the amount of Rent to Owner, upon request to the PHA by the
Owner, in accordance with law and HUD requirements. The amount of
the Rent to Owner may be adjusted up or down, in the amount determined
by the PHA.

- K. Maximum Rent Rent to Owner for each contract unit, as adjusted from time to time by the PHA in accordance with this section, may at no time exceed reasonable rent, as determined by the PHA, charged for comparable units in the private unassisted market.
- L. No Special Adjustments
 The PHA will not make any special adjustments of the Rent to Owner.
- M. Owner Compliance with HAP Contract

 The PHA shall not approve, and the Owner shall not receive, any increase of Rent to Owner unless all Contract Units are in accordance with the HQS, and the Owner has complied with the terms of the assisted lease and this HAP Contract.
- N. Notice of Rent Adjustment
 Rent to Owner shall be adjusted by written notice by the PHA to the
 Owner in accordance with this section. Such notice constitutes an
 amendment of the rents specified in Exhibit A.

OWNER RESPONSIBILITY

The Owner is responsible for:

- (1) Performing all management and rental functions for the Contract Units.
- (2) Enforcing tenant obligations under the lease.
- (3) Paying for utilities and housing services (unless paid by the family under the lease as set forth in Exhibit B).
- (4) Collecting from the tenant:
 - (a) Any security deposit;
 - (b) The tenant rent;
 - (c) Any charge for unit damage by the Family.

OWNER CERTIFICATION

The Owner certifies that at all times during the term of the HAP Contract:

- (1) All Contract Units are in good and tenantable condition. The Owner is maintaining the premises and all Contract Units in accordance with HQS.
- (2) The Owner is providing all the services, maintenance, and utilities as agreed to under the HAP Contract and the leases with assisted families.
- (3) Each Contract Unit for which the Owner is receiving housing assistance payments is leased to an eligible Family referred by the PHA and the lease is in accordance with the HAP Contract and HUD requirements.
- (4) To the best of the Owner's knowledge, the members of the Family reside in each Contract Unit for which the Owner is receiving housing assistance payments, and the unit is the Family's only residence.
- (5) The Owner (including a Principal or other Interested Party) is not the parent, child, grandparent, sister, or brother of any member of a Family residing in a Contract Unit.
- (6) The amount of the housing assistance payment is the correct amount due under the HAP Contract.
- (7) The Rent to Owner for each Contract Unit does not exceed rents charged by the Owner for other comparable unassisted units.
- (8) Except for the housing assistance payment and the Tenant Rent as provided under the HAP contract, the Owner has not received and will not

- receive any payments or other consideration (from the Family, the PHA, HUD, or any other public or private source) for rental of the Contract Unit.
- (9) The Family does not own, or have any interest in the Contract Unit. If the Owner is a cooperative, the Family may be a member of the cooperative.
- (10) The contract units and premises have an automatic sprinkler system or smoke detectors in proper condition in compliance with the Fire Administration Authorization Act of 1992.
- (11) The contract units and premises are in compliance with the Lead-Based Paint regulations at 24 C.F.R. Part 35.

CONDITION OF UNITS

- O. Owner Maintenance and Operation
 - (1) The Owner must maintain and operate the Contract Units and Premises to provide decent, safe, and sanitary housing in accordance with the housing quality standards, including performance of ordinary and extraordinary maintenance.
 - (2) The Owner must provide all the services, maintenance, and utilities set forth in Exhibit B, and in the lease with each Family.
- P. PHA Inspection

The PHA may inspect the Contract Units and the Premises annually, and any time the PHA deems necessary to assure that the Contract Units and Premises are in accordance with the HQS and that the Owner is providing the maintenance, utilities, and other services in accordance with the leases and the HAP Contract. The PHA shall give the Owner reasonable notice of the annual inspection.

- Q. Violation of Housing Quality Standards
 - (1) If the PHA determines a Contract Unit is not in accordance with the HQS, the PHA may exercise any of its remedies under the HAP Contract for all or any Contract Units. Such remedies include termination, suspension or reduction of housing assistance payments. The PHA may exercise any such contractual remedy respecting a Contract Unit even if the Family continues to occupy the unit.

- (2) The PHA shall not make any housing assistance for a dwelling unit that fails to meet the HQS, unless the Owner corrects the defect within the period specified by the PHA and the PHA verifies the correction. If a defect is life threatening, the Owner must correct the defect within no more than twenty-four (24) hours. For other defects, the Owner must correct the defect within no more than thirty (30) calendar days (or any PHA-approved extension.)
- R. Maintenance and Replacement Owner's Standard Practice
 Maintenance and replacement (including redecoration) must be in
 accordance with the standard practice for the building concerned as
 established by the Owner.

LEASING CONTRACT UNITS

- S. Selection of Tenants
 - (1) During the term of the HAP Contract, the Owner may maintain its own waiting list in accordance with PHA policies.
 - (2) The Contract Unit leased to each family must be appropriate for the size of the family under the PHA's subsidy standards.
 - (3) If a Contract Unit was occupied by an eligible family at the time the unit was selected by the PHA, or is so occupied on the effective date of the HAP contract, the owner must offer the family the opportunity to lease the same or another appropriately-sized Contract Unit with assistance under the HAP Contract.
 - (4) The Owner is responsible for screening and selecting tenants.

T. Vacancies

- (1) The Owner must promptly notify the PHA of any vacancy in a Contract Unit. After receiving such notice, the Owner shall make every reasonable effort fill the vacancy.
- (2) The Owner must rent vacant Contract Units to eligible Families on the waiting list.
- (3) The PHA and the Owner must make reasonable good faith efforts to minimize the likelihood and length of any vacancy.
- (4) If vacancies occur, the PHA may give notice to the Owner amending Exhibit A of the HAP Contract to reduce the number of

Contract Units by subtracting the number of Contract Units (by number of bedrooms) that have been vacant for a period of one hundred and twenty (120) or more days after Owner provides notice of vacancy.

TENANCY

U. Lease

The lease between the Owner and each assisted Family must be in accordance with HUD Requirements. The lease must include word-forword all provisions required by HUD.

V. Termination of Tenancy

- (1) The Owner may only terminate a tenancy in accordance with the lease and HUD Requirements.
- (2) The Owner must give the PHA a copy of any Owner eviction notice to the tenant at the same time that the Owner gives notice to the tenant. Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used to commence an eviction action under State or local law.

W. Family Payment

- (1) The portion of the monthly rent to Owner payable by the Family ("Tenant Rent") will be determined by the PHA in accordance with HUD Requirements. The amount of the Tenant Rent is subject to change during the term of the HAP Contract. Any changes in the amount of the Tenant Rent will be effective on the date stated in a notice by the PHA to the Family and the Owner.
- (2) The amount of the Tenant Rent as determined by the PHA is the maximum amount that the Owner may charge the Family for rent of a Contract Unit, including all housing services, maintenance, and utilities to be provided by the Owner in accordance with this HAP Contract and the lease.
- (3) The Owner may not demand or accept any rent payment from the tenant in excess of the Tenant Rent. The Owner must immediately return any excess rent payment to the tenant.
- (4) The Family is not responsible for payment of the portion of the Contract Rent covered by the housing assistance payment under

this HAP Contract. The Owner may not terminate the tenancy of an assisted Family for nonpayment of the PHA's housing assistance payment.

X. Other Owner Charges

- (1) The lease may not require the Family to pay charges for meals or supportive services. Nonpayment of such charges is not ground for termination of tenancy.
- (2) The Owner may not charge the Family extra amounts for items customarily included in rent in the locality or provided at no additional cost to the unsubsidized tenants in the premises.

Y. Security Deposit

- (1) The Owner may collect a security deposit from the Family.
- (2) The Owner must comply with HUD and PHA requirements, which may change from time to time, regarding security deposits from a Family.
- (3) When the Family moves out of the Contract Unit, the Owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit or other amounts which the Family owes under the lease. The Owner must give the Family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the Owner, the Owner must promptly refund the full amount of the balance of the Family.
- (4) If the security deposit is not sufficient to cover amounts the Family owes under the lease, the Owner may seek to collect the balance from the Family.

OVERCROWDED AND UNDEROCCUPIED UNITS

If the PHA determines that a Contract Unit is not decent, safe and sanitary because of an increase in the Family size which causes the unit to be overcrowded, or that a Contract Unit is larger than appropriate, under the PHA's subsidy standards, for the size of the Family in occupancy, the Owner must offer the Family a suitable unit as soon as one becomes vacant and ready for occupancy, and the Owner must require the Family to move.

PROHIBITION OF DISCRIMINATION

- (5) The Owner may not refuse to lease Contract Units to, or otherwise discriminate against any person or family in leasing of a Contract Unit, because of race, color, creed, religion, sex, national origin, disability or familial status (i.e. because the family includes children).
- (6)The Owner must comply with the following requirements: the Fair Housing Act (42 U.S.C. 3601 et seq) and implementing regulations at 24 CFR parts 100 et seg; Executive Orders 11063, 12259, and 12892 (Equal Opportunity in Housing) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 USC 2000d-2000d-4) (prohibition of discrimination in Federally-assisted programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 USC 6101 -6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 USC 794)(prohibition of discrimination because of disability) and implementing regulations at 24 CFR part 8; Executive Orders 11625, 12138, and 12432 (promoting minority and women's' business enterprise); title II of the Americans with Disabilities Act (42 USC 12101 et seq)(prohibition of employment discrimination because of disability) and the fair housing advertising poster guidelines at 24 CFR part 110.
- (7) The PHA and the Owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

PHA DEFAULT AND HUD REMEDIES

If HUD determines that the PHA has failed to comply with this HAP Contract, or has failed to take appropriate action to HUD's satisfaction or as directed by HUD, for enforcement of the PHA's rights under the HAP Contract, HUD may assume the PHA's rights and obligations under the HAP contract, and may perform the obligations and enforce the rights of the PHA under this HAP Contract.

OWNER DEFAULT AND PHA REMEDIES

- Z. Owner Default Any of the following constitutes the Owner's default under this HAP Contract:
 - (1) The Owner has failed to comply with any obligation under the HAP Contract, including the obligations to maintain all Contract Units in accordance with the HQS.

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- (2) The Owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 USC 1437f).
- (3) The Owner has committed fraud or made any false statement to the PHA or HUD in connection with this HAP Contract.
- (4) The Owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing assistance program.
- (5) If the property where the Contract Units are located is subject to a lien or security interest securing a HUD loan or a mortgage insured by HUD:
 - (a) The owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage note, or with the regulatory agreement, or
 - (b) The Owner has committed fraud, bribery, or any other corrupt or criminal act in connection with the HUD loan or HUD-insured mortgage.
- (6) If the Owner has engaged in any drug-related criminal activity or any violent criminal activity.

AA. PHA Remedies

- (1) If the PHA determines that a breach has occurred, the PHA may exercise any of its rights or remedies under the HAP Contract.
- (2) The PHA must notify the Owner in writing of such determination. The notice by the PHA to the Owner may require the Owner to take corrective action (as verified by the PHA) by a time prescribed in the notice.
- (3) The PHA's rights and remedies also include recovery of over-payments or reduction of housing assistance payments.

BB. PHA Remedy Is Not Waived

The PHA's exercise or non-exercise of any remedy for Owner breach of this HAP Contract is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

TERMINATION OF HAP CONTRACT FOR WRONGFUL SELECTION OF CONTRACT UNITS

The HAP contract may be terminated upon at least 30 days written notice to the Owner by the PHA or HUD if the PHA or HUD determines that the contract units were not eligible for selection in conformity with HUD requirements.

OWNER DUTY TO PROVIDE INFORMATION AND ACCESS REQUIRED BY HUD OR PHA

CC. Required Information

The Owner must prepare and furnish any information pertinent to the HAP Contract as may reasonably be required from time to time by the PHA or HUD. The Owner shall furnish such information in the form and manner required by the PHA or HUD.

DD. PHA and HUD Access to Premises

The Owner must permit the PHA or HUD or any of their authorized representatives to have access to the premises during normal business hours, and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the Owner to the extent necessary to determine compliance with the HAP Contract, including the verification of information pertinent to the housing assistance payments of the HAP Contract.

PHA AND OWNER RELATION TO THIRD PARTIES

EE. Injury Because of Owner Action or Failure to Act

The PHA has no responsibility for or liability to any person injured as a result of the Owner's action or failure to act in connection with the implementation of the HAP Contract, or as a result of any other action or failure to act by the Owner.

FF. Legal Relationship

The Owner is not the agent of the PHA. This HAP Contract does not create or affect any relationship between the PHA and any lender to the Owner or any supplies, employees, contractors or subcontractors used by the Owner in connection with the implementation of this HAP Contract.

- GG. Exclusion of Third Party Claims

 Nothing in the HAP Contract shall be construed as creating any right of a Family or other third party (other than HUD) to enforce any provision of the HAP Contract, or to assert any claim against HUD, the PHA or the Owner under the HAP Contract.
- HH. Exclusion of Owner Claims Against HUD

 Nothing in the HAP Contract shall be construed as creating any right of the Owner to assert any claim against HUD.

CONFLICT OF INTEREST

- II. Interest of Members, Officers, or Employees or PHA, Members of Local Governing Body or Other Public Officials
 - (1) No present of former member or officer of the PHA (except tenant-commissioners), no employee of the PHA who formulates policy or influences decisions with respect to the housing choice voucher program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to the housing choice voucher program, shall have any direct or indirect interest in this HAP Contract, during his or her tenure or for one year thereafter.
 - (2) HUD may waive this provision for good cause.
- JJ. Disclosure

The owner has disclosed to the PHA any interest that would be a violation of this HAP Contract. The Owner must fully and promptly update such disclosures.

KK. Interest of Member of or Delegate to Congress

No member of or delegate to the Congress of the United States of America or resident-commissioner shall be admitted to any share or part of this Contract or to any benefits arising from the HAP Contract.

EXCLUSION FROM FEDERAL PROGRAMS

LL. Federal Requirements

The Owner must comply with and is subject to requirements of 24 CFR
Part 24, concerning debarment, suspension, and limited denial of
participation.

MM. Disclosure

The Owner certifies that:

- (1) The Owner has disclosed to the PHA the identity of the Owner and any Principal or Interested Party.
- (2) Neither the Owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs; and none of such parties are debarred, suspended or subject to a limited denial of participation under 24 CFR part 24.

TRANSFER OF THE CONTRACT OR PROPERTY

NN. When Consent is Required

- (1) The Owner agrees that neither the HAP Contract nor the property may be transferred without the advance written consent of the PHA in accordance with HUD Requirements.
- (2) "Transfer" includes:
 - (a) Any sale or assignment or other transfer of ownership, in any form, of the HAP Contract or the property;
 - (b) The transfer of any right to receive housing assistance payments that may be payable pursuant to the HAP Contract;
 - (c) The creation of a security interest in the HAP Contract or the property;
 - (d) Foreclosure or other execution on a security interest; or
 - (e) A creditor's lien, or transfer in bankruptcy.
- (3) If the Owner is a corporation, partnership, trust, or joint venture, the Owner is not required to obtain advance consent of the PHA pursuant to this subparagraph (A) for a transfer of a passive and non-controlling interest in the ownership entity (such as a stock transfer or transfer of the interest of a limited partnership), if any interests so transferred cumulatively represent less than half the beneficial interest in the HAP Contract or the property. The Owner must obtain advance consent pursuant to this subparagraph (A) for a transfer of any interest of a general partner.

OO. Transferee Assumption of HAP Contract

No transferee (including the holder of a security interest, the security holder's transferee or successor in interest, or the transferee upon exercise of a security interest) shall have any right to receive any payment of housing assistance payments pursuant to the HAP Contract, or to exercise any rights or remedies under the HAP Contract, unless the PHA has consented in advance, in writing to such transfer, and the transferee has agreed in writing, in a form acceptable to the PHA in accordance with HUD requirements, to assume the obligations of the Owner under the HAP Contract, and to comply with all the terms of the HAP Contract.

PP. Effect of Consent to Transfer

- (1) The creation or transfer of any security interest in the HAP Contract is limited to amounts payable under the HAP Contract in accordance with the terms of the HAP Contract.
- (2) The PHA's consent to transfer of the HAP Contract or the property does not change the terms of the HAP Contract in any way, and does not change the rights or obligations of the PHA or the Owner under this HAP Contract.
- (3) The PHA's consent to transfer of the HAP Contract or the property to any transferee does not constitute consent to any further transfers of the HAP Contract or the property, including further transfers to any successors or assigns of an approved transferee.

QQ. When Transfer Is Prohibited

The PHA will not consent to the transfer if any transferee, or any principal or interested party is debarred, suspended or subject to a limited denial of participation under 24 CFR part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or non-procurement programs.

OWNER DISCLOSURE OF OTHER GOVERNMENT ASSISTANCE

RR. Owner Disclosure

The Owner must disclose to the PHA in accordance with HUD Requirements information regarding any related assistance from the Federal Government, a State, or a unit of general local government, or any agency or instrumentality thereof that is made available or is expected to be made available with respect to the Contract Units. Such related assistance includes, but is not limited to, any loan, grant, guarantee,

insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

SS. Limit of Payments

Housing assistance payments under the HAP Contract must not be more than is necessary as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. The PHA will adjust in accordance with HUD requirements the amount of the housing assistance payments to the Owner to compensate in whole or in part for such related assistance.

OWNER LOBBYING CERTIFICATIONS

- (1) The Owner certifies, to the best of Owner's knowledge and belief, that:
 - (a) No Federally appropriated funds have been paid or will be paid, by or on behalf of the Owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee or a Member of Congress in connection with the awarding of the HAP Contract, or its extension, continuation, renewal, amendment, or modification.
 - (b) If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the HAP Contract, the Owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (2) This certification by the Owner is a prerequisite for making or entering into this transaction imposed by 31 USC 1352.

NOTICES AND OWNER CERTIFICATIONS

- (1) Where the Owner is required to give any notice to the PHA pursuant to the HAP contract, such notice must be in writing, and must be given in the form and manner required by the PHA.
- (2) Any certification or warranty by the Owner pursuant to the HAP Contract shall be deemed a material representation of fact upon which reliance was placed when this transaction was made or entered into.

HUD REQUIREMENTS

The HAP Contract must be interpreted and implemented in accordance with all statutory requirements, and with all HUD Requirements, including amendments or changes in HUD Requirements during the term of this HAP Contract. The Owner agrees to comply with all such laws and HUD Requirements.

ENTIRE AGREEMENT

The HAP Contract, including the exhibits, is the entire agreement between the PHA and the Owner. No changes in the HAP Contract may be made except in writing signed by both the Owner and PHA.

HAP Contract: Salishan Six 5-2019

Housing Assistance Payments Contract

Exhibit A Description of Contract Units and Initial Rents

This Contract applies to a total of 45 Contract Units in the project or building(s) known as Salishan Six and described legally in the Memorandum of Contract, Exhibit E.

The Contract Units and addresses are listed below. For each one, the initial Rent (rent and utilities) to Owner shall be as designated (subject to HUD's rent requirements as set forth in Section 4, including the rent reasonable limits set pursuant to 24 C.F.R. §928.507).

If the total Contract Units is fewer than the total number of dwelling units in the Premises, the parties may agree in writing to redesignate the units within the Premises provided that no such redesignation shall interfere with any tenancy, that the total number of Contract Units shall not exceed the total indicated above, and that all Contract Units shall comply with all housing quality standards and inspection requirements set forth in Part 2, Section 8.

HAP Contract: Salishan Six 5-2019 Exhibit A, Page 1

SALISHAN SIX

Project Based Voucher Units by Unit, Bedroom Size and Initial Contract Rents

| Address or Unit Number | Number of Bedrooms | Initial Contract Rent |
|-----------------------------------|--------------------|-----------------------|
| of Contract Unit | | |
| 4118 East T Street | 3 BR | \$1322 |
| 4122 East T Street | 3 BR | \$1322 |
| 4132 East T Street | 3 BR | \$1322 |
| 4142 East T Street | 3 BR | \$1322 |
| 4202 East T Street | 3 BR | \$1322 |
| 4223 Everett Avenue | 3 BR | \$1322 |
| 4302 Everett Avenue | 3 BR | \$1322 |
| 4306 Everett Avenue | 3 BR | \$1322 |
| 2063 East 44 th Street | 2 BR | \$904 |
| 2051 East 44 th Street | 3 BR | \$1322 |
| 2037 East 44 th Street | 2 BR | \$904 |
| 2029 East 44 th Street | 2 BR | \$904 |
| 2021 East 44 th Street | 2 BR | \$904 |
| 2015 East 44 th Street | 3 BR | \$1322 |
| 2011 East 44 th Street | 3 BR | \$1322 |
| 2007 East 44 th Street | 2 BR | \$904 |
| 2002 East 43 rd Street | 3 BR | \$1322 |
| 2008 East 43 rd Street | 3 BR | \$1322 |
| 2014 East 43 rd Street | 3 BR | \$1322 |
| 2020 East 43 rd Street | 4 BR | \$1479 |
| 2022 East 43 rd Street | 4 BR | \$1479 |
| 2028 East 43 rd Street | 3 BR | \$1322 |
| 2038 East 43 rd Street | 3 BR | \$1322 |
| 2044 East 43 rd Street | 2 BR | \$904 |
| 4252 Everett Avenue | 2 BR | \$904 |
| 4258 Everett Avenue | 3 BR | \$1322 |
| 4262 Everett Avenue | 3 BR | \$1322 |
| 4268 Everett Avenue | 4 BR | \$1479 |
| 4270 Everett Avenue | 4 BR | \$1479 |
| 2021 East 42 nd Street | 3 BR | \$1322 |
| 2017 East 42 nd Street | 4 BR | \$1479 |
| 2015 East 42 nd Street | 4 BR | \$1479 |
| 2007 East 42 nd Street | 3 BR | \$1322 |
| 2003 East 42 nd Street | 3 BR | \$1322 |
| 2001 East 42 nd Street | 3 BR | \$1322 |
| 4303 Everett Avenue | 3 BR | \$1322 |
| 4301 Everett Avenue | 3 BR | \$1322 |
| 4271 Everett Avenue | 3 BR | \$1322 |

HAP Contract: Salishan Six 5-2019 Exhibit A, Page 2

| 4255 Everett Avenue | 3 BR | \$1322 |
|-----------------------------------|------|--------|
| 4221 Everett Avenue | 3 BR | \$1322 |
| 4215 Everett Avenue | 5 BR | \$1699 |
| 4209 Everett Avenue | 3 BR | \$1322 |
| 4207 Everett Avenue | 3 BR | \$1322 |
| 4201 Everett Avenue | 2 BR | \$904 |
| 2055 East 44 th Street | 3 BR | \$1322 |

Exhibit B Services, Maintenance and Utilities that Owner Shall Provide

The Owner and Tenant shall pay for the utilities as indicated below. An unmarked box means that the Owner shall pay:

| | Owner | Tenant |
|-------------|--|--------|
| Electricity | NAME OF THE OWNER OWNER OWNER OF THE OWNER OWNE | X |
| Water | X | |
| Sewer | X | |
| Garbage | X | |
| | | |
| | | |
| | | |

Housing Assistance Payments Contract

Exhibit C

Assignment of Vouchers and Occupancy of Units Use of Lease Addendum Termination of Tenancy HAP Contract Extension Discrimination Prohibition

Notwithstanding any other provision of this HAP Contract, the parties agree as follows:

1. Assignment of Vouchers and Occupancy of Units

- 1.1 Owner shall offer all vacancies at Contract Units only to eligible persons
- 1.2 In the event the PHA terminates the Family's assistance, the Owner shall terminate the Family's tenancy at the Contract Unit and replace that Family with an eligible Family from the waiting list pursuant to the terms of this HAP Contract.

2. Use of Lease Addendum

Owner shall use the Lease Addendum set forth in Exhibit D for every tenancy in a Contract Unit.

3. Termination of Tenancy

- 3.1 The Owner may only terminate a tenancy of a Family in accordance with the lease and HUD Requirements.
- 3.2 The Owner may not refuse to renew any Housing Voucher tenancy for a Contract Unit unless it has good cause to do so.
- 3.3 If by separate agreement the Family participates in a meal program or other services, the Family's non-payment of any charges under such agreement shall not be grounds for termination of tenancy. The separate agreement governing such meals or services shall make this clear in prominent type on the front of the agreement. The Owner shall not threaten any Family with eviction for failure to pay such charges.
- 3.4 The Owner will not initiate or cause any involuntary displacement of a tenant (except for cause as set out in the tenant's lease) due to its prepayment of any HUD financed subsidy, any financing, Low Income Housing Tax Credits, or state or local agency requirements.

HAP Contract: Salishan Six 5-2019 Exhibit C, Page 1

4. HAP Contract Extension

PHA shall have up to eight (8) successive options to renew this Contract each for a term of an additional ten (10) years. PROVIDED at no time shall there be more than ten (10) years left on an unexpired term of the contract. PHA may exercise an option to renew by giving Owner written notice of its intent to renew prior to the expiration of an unexpired term.

5. Discrimination Prohibition

The Owner shall not unlawfully refuse to lease Contract Units to, or otherwise discriminate against, any person or family in leasing of a Contract Unit, because of race, color, creed, religion, sex, familial status (i.e. because the family includes children) national original, ancestry, marital status, sexual orientation, gender identity, or the presence of any sensory mental or physical disability in violation of federal, state or local law.

7. Transfer of the Contract or Property; Successors in Interest

Pursuant to Part 2, ¶ 21(A)(3), the Owner must obtain PHA's advance consent for the enumerated transfers of any interest of a general partner, except as otherwise provided in the Amended and Restated Operating Agreement, dated _______, 2005.

This Contract shall be binding on the Owner and its successors, assignees, or transferees, including any purchasers of the Premises.

8. Recording

The parties shall execute and PHA shall record the memorandum of contract set forth in Exhibit E.

9. Termination of HAP Contract for Lack of Funds

If PHA terminates this HAP Contract pursuant to Part 1, ¶ 1(D)(4) for lack of sufficient appropriated funds, the Contract shall resume in a subsequent year within the initial term of this Contract upon written notice by PHA to Owner that appropriated funds have become sufficient to make housing assistance payments in accordance with this HAP Contract.

HAP Contract: Salishan Six 5-2019 Exhibit C, Page 2

Housing Assistance Payments Contract Exhibit D

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HOUSING VOUCHER PROGRAM PROJECT-BASED ASSISTANCE

Lease Addendum

| I nis | is an agi | eement between the following parties: | | | |
|------------|------------------------------------|---|--|--|--|
| | Landl Tenar | | | | |
| This addre | _ | ent is part of the lease between the parties for the dwelling unit at the following | | | |
| 1. | Hous | ing Assistance Payments Contract | | | |
| | a Pub Existi Under assist | andlord has entered into a Housing Assistance Payments contract ("Contract") with lic Housing Agency ("PHA") for project-based assistance under the Section 8 mg Housing Program of the U.S. Department of Housing and Urban Development. In the Contract, the PHA will make housing assistance payments to the Landlord to the Family, of which the Tenant is the representative, to lease the dwelling unit the Landlord. | | | |
| 2. | Confl | Conflict with Other Provisions of Lease | | | |
| | | e of any conflict between the provisions of this section of the Lease and any other sions of the Lease, the provisions of this section shall prevail. | | | |
| 3. | Rent | | | | |
| | 3.1 | The amount of the total monthly rent payable to the Landlord during the term of the Lease (called the "Contract rent") shall be determined in accordance with the Contract between the Landlord and the PHA. | | | |
| | 3.2. | The portion of the contract rent payable by the Tenant ("tenant rent") shall be an amount determined by the PHA in accordance with HUD regulations and requirements. The amount of the tenant rent is subject to change as determined by the PHA during the term of the Lease. Any change in the amount of the tenant | | | |

LEASE ADDENDUM FOR PROJECT BASED HOUSING VOUCHER TENANCY

Housing Assistance Payments Contract Exhibit D

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HOUSING VOUCHER PROGRAM PROJECT-BASED ASSISTANCE

Lease Addendum

This is an agreement between the following parties:

| | · - | |
|--|--------------------------------------|---|
| | Landlo Tenan | |
| This a addres | ~ | nt is part of the lease between the parties for the dwelling unit at the following |
| 1. | Housi | ng Assistance Payments Contract |
| | a Publ Existin Under assist | andlord has entered into a Housing Assistance Payments contract ("Contract") with ic Housing Agency ("PHA") for project-based assistance under the Section 8 and Housing Program of the U.S. Department of Housing and Urban Development. the Contract, the PHA will make housing assistance payments to the Landlord to the Family, of which the Tenant is the representative, to lease the dwelling unit he Landlord. |
| 2. Conflict with Other Provisions of Lease | | ict with Other Provisions of Lease |
| | | e of any conflict between the provisions of this section of the Lease and any other ions of the Lease, the provisions of this section shall prevail. |
| 3. | Rent | |
| | 3.1 | The amount of the total monthly rent payable to the Landlord during the term of the Lease (called the "Contract rent") shall be determined in accordance with the Contract between the Landlord and the PHA. |
| | 3.2. | The portion of the contract rent payable by the Tenant ("tenant rent") shall be an amount determined by the PHA in accordance with HUD regulations and requirements. The amount of the tenant rent is subject to change as determined by the PHA during the term of the Lease. Any change in the amount of the tenant |

LEASE ADDENDUM FOR PROJECT BASED HOUSING VOUCHER TENANCY

rent will be stated in a written notice by the PHA to the Tenant and the Landlord, stating the new amount and the effective date of the change. Initially and until such change the Tenant agrees to pay \$______ per month to the Landlord as the tenant rent.

- 3.3 The tenant rent as determined by the PHA is the maximum amount the Landlord can require the Tenant to pay as rent for the dwelling unit, including all services, maintenance and utilities to be provided by the Landlord in accordance with this Lease.
- 3.4 Each month, the PHA will pay a housing assistance payment to the Landlord on behalf of the Tenant in accordance with the Contract. The monthly housing assistance payment is the difference between the Contract rent and the tenant rent.

4. Term of Lease

| 4.1 | The initial term of the | Lease shall begin on | , and shall | | |
|-----|---|-----------------------------|------------------------|--|--|
| | end on | . The initial term shall be | for at least one year, | | |
| | or the remaining term of the contract if the remaining term of the Contract is less | | | | |
| | than one year, but in no event less than 6 months. | | | | |

4.2 After the initial term ends the Lease shall continue for successive terms of one year each until a termination of the Lease by the Landlord in accordance with paragraph 6 of this section or other terms.

5. Offer of New Lease

- 5.1 The Landlord may offer the Tenant a proposed new Lease for execution on behalf of the Tenant for a term beginning at any time after the first year of the term of the Lease. The Lease must be in the form approved by the PHA, and in accordance with HUD regulations and requirements.
- 5.2 The Landlord shall give the Tenant written notice of the offer, with copy to the PHA, at least sixty days before the proposed commencement date of the new Lease term. The offer may specify a reasonable time limit for acceptance by the Tenant.

6. Termination of Lease by Landlord

- 6.1 Grounds for Termination. The Landlord shall not terminate the Lease except for:
 - (a) Material noncompliance with the Lease.
 - (b) Material failure to carry out obligations under any State landlord and tenant act, or

LEASE ADDENDUM FOR PROJECT BASED HOUSING VOUCHER TENANCY

6.4 Termination Notice.

To terminate the Lease, the Landlord must give written notice to the Tenant (with copy to PHA). The notice of Lease termination must state:

- (a) The date the Lease will terminate;
- (b) The reasons for the termination, specified in enough detail for the Tenant to prepare a defense;
- (c) If the Tenant remains in the dwelling unit on the termination date, the Landlord may seek to evict the Tenant by bringing a court action;
- (d) The Tenant has the right to present defenses in the court action.
- (e) In a termination for other good cause, the notice of lease termination must be received by the Tenant at least 30 days before the date of lease termination.
- (f) The notice of the Lease termination may be combined with, or run concurrently with, any notice required by State law.
- (g) In a termination for nonpayment of rent, a notice of lease termination which states the dollar amount of rent due and the date of this computation will satisfy the requirements of section (b) of this subsection.
- (h) The failure of the tenant to object to a notice of Lease termination does not waive the Tenant's right to contest the termination in any court action.
- (i) In a court action for eviction of the Tenant, the Landlord may only rely on the grounds stated in the notice of Lease termination. However, the Landlord may rely on grounds about which the Landlord had no knowledge at the time the termination notice was served.

7. Service of Notice.

Any notices required by HUD shall be served in accordance with HUD requirements governing the manner of service.

8. Termination of Lease by Tenant.

The Tenant may terminate the Lease without cause at any time after the first year of the term of the Lease, on not more than sixty days written notice by the Tenant to the Landlord (with copy to the PHA). (The provisions of this subsection are not intended to limit any right of the Tenant to terminate the Lease where so provided elsewhere in the Lease.)

9. Termination of Assistance by PHA.

If the PHA decides to terminate housing assistance payments to the Owner for the Family, such decision by the PHA shall be other good cause for termination of this Lease by the Landlord.

10. Prohibited Discrimination.

The Landlord shall not discriminate against the Tenant in the provision of services, or in any other manner, on the grounds of age, race, color, creed, religion, sex, handicap or national origin, sexual orientation or gender identity.

11. Security Deposit.

- 11.1 The Tenant has deposited \$_____ with the Landlord as a security deposit. The Landlord will comply with HUD regulations regarding security deposits from a Tenant, and shall not collect a security deposit with is more than the maximum amount permitted under the regulations.
- 11.2 The Landlord will hold the security deposit during the period the Tenant occupies the dwelling unit under the Lease. The Landlord shall comply with State and local laws regarding interest payments on security deposits.
- 11.3 After the Tenant has moved from the dwelling unit, the Landlord may (subject to State and local law) use the security deposit, including any interest on the deposit, as reimbursement for any unpaid tenant rent or other amounts which the Tenant owes under the Lease. The Landlord will give the Tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the Landlord, the Landlord shall promptly refund the full amount of the balance to the Tenant.

12. Utilities and Appliances

12.1 The Landlord or Tenant shall pay for utilities as checked below. The cost of utilities that Landlord will pay is included in the Contract rent. The utilities that the tenant will pay are not included in Contract rent.

| TYPE OF UTILITY. | LANDLORD WILL PAY [included in rent] | TENANT-WILL PAY Inot included in read |
|------------------|---|---------------------------------------|
| Electricity | | X |
| Water | X | |
| Sewer | X | |
| Garbage | X | |

| 12.2 | The landlord shall provide the range, oven and refrigerator for dwelling unit unless the boxes below are checked that the tenant shall provide them: | | |
|------|--|--|--|
| | Tenant will provide range. | | |
| | Tenant will provide oven. | | |
| | Tenant will provide refrigerator. | | |
| | The Landlord shall provide the following other appliances for the dwelling unit | | |
| | Clothes Washer | | |
| | Clothes Dryer | | |
| | Clothes Dryer Dishwasher (as applicable) | | |

13. Maintenance and Services

The Landlord shall maintain the dwelling unit, equipment and appliances, and common areas and facilities, to provide decent, safe and sanitary housing in accordance with HUD housing quality standards, including the provision of all the services, maintenance and utilities set forth in the Lease.

14. Prohibited Lease Provisions.

Notwithstanding anything to the contrary contained in the Lease, any provision of the Lease which falls within the classifications below shall be inapplicable.

- 14.1. Confession of Judgment. Prior consent by the Tenant to be sued, to admit guilt, or to a judgment in favor of the Landlord in a lawsuit brought in connection with the Lease.
- 14.2. Treatment of Property. Agreement by the Tenant that the Landlord may take or hold the Tenant's property, or may sell such property, without notice to the Tenant and a court decision on the rights of the parties.
- 14.3. Excusing Landlord from Responsibility. Agreement by the Tenant not to hold the Landlord or Landlord's agents legally responsible for any action or failure to act, whether intentional or negligent.
- 14.4. Waiver of Legal Notice. Agreement by the Tenant that the Landlord may institute a lawsuit without notice to the Tenant.
- 14.5 Waiver of Court Proceedings. Agreement by the Tenant that the Landlord may evict the Tenant (a) without instituting a civil court proceeding in which the Tenant has the opportunity to present a defense, or (b) before a decision by the court on the rights of the parties.
- 14.6. Waiver of Jury Trial. Authorization to the Landlord to waive the Tenant's right to trial by jury.
- 14.7 Waiver of Right to Appeal Court Decision. Authorization to the Landlord to waive the Tenant's right to appeal a court decision, or to waive the Tenant's right to sue to prevent a judgment from being put into effect.
- 14.8 Tenant chargeable with Cost of Legal Actions Regardless of Outcome of Lawsuit. Agreement by the tenant to pay lawyer's fees or other legal costs whenever the Landlord decides to sue, whether or not the Tenant wins.

| Landlord: | Tenant: | |
|-------------|-----------------|--|
| Print Name: | Print Name: | |
| Address: | Sign Name: | |
| Date: | Date: | |