

OCCUPANCY AGREEMENT FOR LEASING PROGRAMS

- 1. Parties and Dwelling Unit:** The parties to the Agreement are _____, referred to as the Landlord, and _____, referred to as the Tenant. The Landlord subleases to the Tenant(s) unit number _____, located at _____ in the complex known as _____.
- 2. Length of Time (Term):** The initial term of this Agreement shall begin on _____ and end on _____. After the initial term ends, this Agreement may continue for successive terms of one year unless terminated as permitted by paragraph twenty-three (23) of this Agreement.
- 3. Rent:** The Tenant agrees to pay \$_____ for the partial month ending on _____. After that, Tenant agrees to pay a rent of \$_____ per month. This amount is due on the first (1st) day of the month at _____. The Tenant understands that this monthly rent is less than the market (unsubsidized) rent due on this unit. The lower rent is available because the rent on this project is subsidized by the Department of Housing and Urban Development (HUD), administered by ADOH through _____.
- 4. Changes in the Tenant's Share of the Rent:** The Tenant agrees that the amount of rent the Tenant pays may be changed during the term of this Agreement if:
- a. HUD or the Contract Administrator changes any allowance for utilities or services considered in computing the Tenant's share of the rent;
 - b. the income, the number of persons in the Tenant's household or other factors considered in calculating the Tenant's rent change and HUD procedures provide that the Tenant's rent or assistance payment be adjusted to reflect the change;
 - c. changes in the Tenant's rent or assistance payment are required by HUD's recertification or subsidy termination procedures;
 - d. HUD's procedures for computing the Tenant's assistance payment or rent change; or
 - e. the Tenant fails to provide information on his/her income, family composition or other factors as required by the program.

The Landlord agrees to implement changes in the Tenant's rent or Tenant assistance payment in accordance with the time frames and administrative procedures set forth in instructions and regulations related to administration of CoC subsidy programs. The Landlord agrees to give the Tenant at least thirty (30) days advance written notice of any increase in the Tenant's rent except as noted in paragraphs eleven (11), fourteen (14) or sixteen (16). The Notice will state the amount of the rent the Tenant is required to pay, the date the new amount is effective, and the reason(s) for the change in rent. The Notice will also advise the Tenant that he/she may meet with the Landlord to discuss the rent change.

5. Charges for Late Payments and Returned Checks:

If the Tenant does not pay the full amount of the rent shown in paragraph three (3) by the end of the fifth (5th) day of the month, the Landlord may collect a fee of five dollars (\$5.00) on the sixth (6th) day of the month. Thereafter that Landlord may collect one dollar (\$1.00) for each additional day the rent remains unpaid during the month it is due. The Landlord may not terminate this Agreement for failure to pay late charges, but may terminate this Agreement for non-payment of rent, as explained in paragraph twenty-two (22). The Landlord may collect a fee any time a check is not honored for payment (bounces) not to exceed what is charged by the banking institution where the Landlord has this account. The charges discussed in this paragraph are in addition to the regular monthly rent payable to the Tenant.

6. Condition of Dwelling Unit:

By signing this Agreement, the Tenant acknowledges that the unit is safe, clean and in good condition. The Tenant agrees that all appliances and equipment in the unit are in good working order, except as described on the Unit Inspection Report which is Attachment #2 on this Agreement. The Tenant also agrees that the Landlord has made no promises to decorate, alter, repair or improve the unit, except as listed on the Unit Inspection Report.

7. Charges for Utilities and Services:

The following charts describe how the cost of the utilities and services related to occupancy of the unit will be paid. The Tenant agrees that these charges accurately describe the utilities and services paid by the Landlord and those paid by the Tenant.

- a. The Tenant must pay for utilities in column one (1). Payments should be made directly to the appropriate utility company. The items in column two (2) are included in the Tenant's rent.

| (1) | | (2) |
|---|--------------------|--|
| Put "x" by any Utility Tenant Pays directly | Type of Utility | Put "x" by any Utility Included in Tenant Rent |
| _____ | Heat | _____ |
| _____ | Lights, Electric | _____ |
| _____ | Cooking | _____ |
| _____ | Water | _____ |
| _____ | Other (specify) | _____ |
| _____ | Trash | _____ |
| _____ | Sewer | _____ |

8. Security Deposits:

The Landlord will pay the initial security deposit to the owner of the property the Tenant is leasing. Upon subsequent units that the Tenant may move into, the Tenant is responsible for the security deposit. The following is for when the Tenant pays the security deposit.

The Tenant has deposited \$_____ with the Landlord. The Landlord will hold this security deposit for the period the Tenant occupies the unit. After the Tenant has moved from the unit, the Landlord 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.

- a. The Tenant will be eligible for a refund of the security deposit only if the Tenant provided the Landlord with a thirty (30) day written notice of the intent to move required by paragraph twenty-two (22), unless the Tenant was unable to give notice for reasons beyond his/her control.
- b. After the Tenant has moved from the unit, the Landlord will inspect the unit and complete another Unit Inspection Report. The Landlord will permit the Tenant to participate in the inspection, if the Tenant so requests.
- c. The Landlord will refund to the Tenant the amount of the security

deposit, less any amount needed to pay the cost of:

- 1) unpaid rent;
 - 2) damages that are not due to normal wear and tear and are not listed on the Unit Inspection Report;
 - 3) charges for late payment of rent and returned checks, as described in paragraph five (5); charges for unreturned keys as described in paragraph nine (9).
- d. The Landlord agrees to refund the amount computed in paragraph eight c (8c) within fourteen (14) days after the Tenant has permanently moved out of the unit, returned possession of the unit to the Landlord and given his/her new address to the Landlord. The Landlord will also give the Tenant a written list of charges that were subtracted from the deposit. If the Tenant disagrees with the Landlord concerning the amounts deducted and asks to meet with the Landlord, the Landlord agrees to meet with the Tenant and informally discuss the disputed charges.
- e. The Tenant understands that the Landlord will not count the security deposit towards the last month's rent or towards repair charges owed by the Tenant in accordance with paragraph eleven (11).

9. Keys and Locks:

The Tenant agrees not to install additional or different locks or gates on any doors or windows of the unit without the written permission of the Landlord. If the Landlord approves the Tenant's request to install such locks, the Tenant agrees to provide the Landlord with a key for each lock. When this Agreement ends, the Tenant agrees to return all keys to the dwelling unit to the Landlord. The Landlord may charge the Tenant ten dollars (\$10.00) for each key not returned.

10. Maintenance:

- a. The Landlord agrees to:
 - 1) arrange for necessary repairs with reasonable promptness.
- b. The Tenant agrees to:
 - 1) keep the unit clean:
 - 2) use all appliances, fixtures and equipment in a safe manner and only for the purposes for which they were intended;

- 3) not litter the grounds or common areas of the project;
- 4) not destroy, deface, damage or remove any part of the unit, common areas or project grounds;
- 5) give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment or any other part of the unit or related facilities; and
- 6) remove garbage and other waste from the unit in a clean and safe manner.

11. Damages:

Whenever damage is caused by carelessness, misuse or neglect on the part of the Tenant, his/her family or visitors, the Tenant agrees to pay:

- a. the cost of all repairs and do so within thirty (30) days after receipt of the Landlord's demand for the repair charges.

12. Restrictions on Alterations:

No alterations, addition or improvements shall be made in or to the premises without the prior consent of the Landlord in writing.

13. General Restrictions:

The Tenant must live in the unit and the unit must be the Tenant's only place of residence. The Tenant shall use the premises only as a private dwelling for himself/herself and the individuals listed on this lease. The Tenant agrees not to:

- a. sublet or assign the unit or any part of the unit;
- b. use the unit for unlawful purposes;
- c. engage in or permit unlawful activities in the unit, in the common areas or on the project grounds;
- d. have pets or animals of any kind in the unit without the prior written permission of the Landlord; but the Landlord will allow the Tenant to keep an animal needed as a reasonable accommodation for the Tenant's disability with the appropriate paperwork; or
- e. make or permit noises or acts that will disturb the rights or comfort of neighbors. The Tenant agrees to keep the volume of any radio, phonograph, television or musical instrument at a level which will not disturb the neighbors.

**14. Regularly
Scheduled
Recertifications:**

Every year the Landlord will request the Tenant to report the income and composition of the Tenant's household and to supply any other information required by HUD for the purposes of determining the Tenant's rent and assistance payment, if any. The Tenant agrees to provide accurate statements of this information and to do so by the date specified in the Landlord's request. The Landlord will verify the information supplied by the Tenant and use the verified information to recompute the amount of the Tenant's rent and assistance payment, if any.

- a. If the Tenant does not submit the required recertification information by the date specified in the Landlord's request, the Landlord may impose the following penalties. The Landlord may implement these penalties only in accordance with the administrative procedures and time frames specified in HUD's regulations, handbooks and instructions related to the administration of CoC subsidy programs.
 - 1) Require the Tenant to pay the higher, market rent for the unit.
 - 2) Implement any increase in rent resulting from the recertification process without providing the thirty (30) day notice otherwise required in paragraph four (4) of this Agreement.
- b. The Tenant may request to meet with the Landlord to discuss any change in rent or assistance payment resulting from the recertification processing. If the Tenant requests such a meeting, the Landlord agrees to meet with the Tenant and discuss how the Tenant's rent and assistance payment, if any, were computed.

**15. Reporting Changes
Between Regularly
Scheduled
Recertifications:**

- a. If any of the following changes occur, the Tenant agrees to advise the Landlord immediately:
 - 1) Any household member moves out of the unit.
 - 2) An adult member of the household who was reported as unemployed on the most recent certification or recertification obtains employment.
 - 3) The household's income cumulatively increased by one hundred dollars (\$100.00) or more a month.
- b. The Tenant may report any decrease in income or any change in other

factors considered in calculating the Tenant's rent. Unless the Landlord has confirmation that the decrease in income or change in other factors will last less than one (1) month, the Landlord will verify the information and make the appropriate rent reduction. However, if the Tenant's income will be partially or fully restored within two (2) months, the Landlord may delay the certification process until the new income is known, but the rent reduction will be retroactive and the Landlord may not evict the Tenant for non-payment of rent due during the period of the reported decrease and the completion of the certification process. The Tenant has thirty (30) days after receiving writing notice of any rent due for the above described time period to pay or the Landlord can evict for non-payment of rent.

- c. If the Tenant does not advise the Landlord of the interim changes, the Landlord may increase the Tenant's rent to the HUD-approved market rent. The Landlord may do so only in accordance with the time frames and administrative procedures set forth in HUD's regulations, handbooks and instructions on the administration CoC subsidy programs.
- d. The Tenant may request to meet with the Landlord to discuss how any change in income or other factors affecting his/her rent or assistance payment, if any, was computed.

16. Removal of Subsidy:

- a. The Tenant understands that assistance made available on his/her behalf may be terminated if events in either item one (1) or two (2) below occur. In addition, if the Tenant's assistance is terminated because of criterion one (1) below, the Tenant will be required to pay the HUD-approved market rent for the unit.
 - 1) The Tenant does not provide the Landlord with the information or reports required by paragraph fourteen (14) or fifteen (15) within ten (10) calendar days after receipt of the Landlord's notice of intent to terminate the Tenant's assistance payment.
 - 2) The amount the Tenant would be required to pay towards rent and utilities under HUD rules and regulations equals the market rent on the unit.
- b. The Landlord agrees to give the Tenant written notice of the proposed termination. The notice will advise the Tenant that during the ten (10)

calendar days following the date of the notice, he/she may request to meet with the Landlord to discuss the proposed termination of assistance, if the Tenant requests a discussion of the proposed termination, the Landlord agrees to meet with the Tenant.

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

17. Tenant Obligation to Repay:

If the Tenant submits false information on any application, certification or request for interim changes in family income or other factors as required by paragraph fifteen (15) of this Agreement, and as a result, is charged a rent less than the amount required by HUD's rent formulas, the Tenant agrees to reimburse the Landlord for the difference between the rent he/she should have paid and the rent he/she was charged. The Tenant is not required to reimburse the Landlord for the undercharges caused solely by the Landlord's failure to follow HUD's procedures for computing rent and assistance payments.

18. Size of Dwelling:

The Tenant understands that HUD requires the Landlord to assign units in accordance with the Landlord's written occupancy standards. These standards include consideration of unit size, relationship of the family members, age and sex of family members and family preference. If the Tenant is or becomes eligible for a different size unit, and the required size unit becomes available, the Tenant agrees to:

- a. move within thirty (30) days after the Landlord notifies him/her that unit of the required size is available within the project; or
- b. remain in the same unit and pay the HUD-approved market rent.

19. Access by Landlord:

- a. The Landlord agrees to enter the unit only during reasonable hours, to provide reasonable advance notice of his/her intent to enter the unit and to enter the unit only after receiving the Tenant's consent to do so, except when urgency situations make such notices impossible or except under paragraph nineteen c (19c) below.

- b. The Tenant consents in advance to the following entries into the unit:
 - 1) The Tenant agrees to permit the Landlord, his/her agents or other persons, when authorized by the Landlord, to enter the unit for the purpose of making reasonable repairs and periodic inspections.
 - 2) After the Tenant has given a notice of intent to move, the Tenant agrees to permit the Landlord to show the unit to prospective Tenants during reasonable hours.
- c. If the Tenant moves before this Agreement ends, the Landlord may enter the unit to decorate, remodel, alter or otherwise prepare the unit for re-occupancy.

20. Discrimination Prohibited:

The Landlord agrees not to discriminate based upon race, color, religion, creed, National origin, sex, age, familial status and disability.

21. Change in Rental Agreement:

The Landlord may, with the prior approval of ADOH, change the terms and conditions of this Agreement. Any changes will become effective only at the end of the initial term or a successive term. The Landlord must notify the Tenant of any change and must offer the Tenant a new Agreement or an amendment to the existing Agreement. The Tenant must receive the notice at least thirty (30) days before the proposed effective date of the change. The Tenant may accept the changed terms and conditions by signing the new Agreement or the amendment to the existing Agreement and returning it to the Landlord. The Tenant may reject the changed terms and conditions by giving the Landlord written notice that he/she intends to terminate the tenancy. The Tenant must give such notice at thirty (30) days before the proposed change will go into effect. If the Tenant does not accept the amended Agreement, the Landlord may require the Tenant to move from the project, as provided in paragraph twenty-two (22).

22. Termination of Tenancy:

- a. To terminate this Agreement, the Tenant must give the Landlord thirty (30) days written notice before moving from the unit.
- b. Any termination of this Agreement by the Landlord must be carried out in accordance with HUD regulations, State and local law and the terms of this Agreement.

- c. The Landlord may terminate this Agreement for the following reasons:
 - 1) the Tenant's material non-compliance with the terms of this Agreement;
 - 2) the Tenant's material failure to carry out obligations under the State Landlord and Tenant Act;
 - 3) criminal activity by a Tenant, any member of the Tenant's household, a guest or another person under the Tenant's control:
 - i. 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
 - ii. that threatens the health, safety or right to peaceful enjoyment of their residences by person/s residing in the immediate vicinity of the premises.
- d. The Landlord may terminate this Agreement for other good cause, which includes, but is not limited to, the Tenant's refusal to accept change to this Agreement. Terminations for "other good cause" may only be effective as of the end of any initial or successive term.

The term material non-compliance with the lease includes:

- 1. one (1) or more substantial violations of the lease;
- 2. repeated minor violations of the lease that:
 - i. disrupt the livability of the project;
 - ii. adversely affect the health or safety of a person or the right of any Tenant to the quiet enjoyment to the leased premises and related project facilities;
 - iii. interfere with the management of the project; or
 - iv. have an adverse financial effect on the project;
- 3. failure to the Tenant to timely supply all required information on the income and composition, or eligibility factors of the Tenant household (including, but not limited to, failure to meet the disclosure and verification requirements for Social Security numbers or failure to sign and submit consent forms for the obtaining of wage and claim information from State Wage

Information Collection Agencies); and

4. non-payment of rent or any other financial obligation due under the lease beyond any grace period permitted under State law. The payment of rent or any other financial obligation due under the lease after the due date but within the grace period permitted under State law constitutes a minor violation.
- e. If the Landlord proposes to terminate this Agreement, the Landlord agrees to give the Tenant written notice and the grounds for the proposed termination. If the Landlord is terminating this Agreement for "other good cause", the termination notice must be mailed to the Tenant and hand-delivered to the dwelling unit in a manner required by the Arizona Landlord Tenant act at least thirty (30) days before the date the Tenant will be required to move from the unit in accordance with State law requirements. Notices of proposed termination for other reasons must be given in accordance with any time frames set forth in State and local law. Any HUD-required notice period may run concurrently with any notice period required by the State or local law. All termination notices must:
 1. specify the date this Agreement will be terminated;
 2. state the grounds for termination with enough detail for the Tenant to prepare a defense;
 3. advise the Tenant that he/she has ten (10) days within which to discuss the proposed termination of tenancy with the Landlord. The ten (10) day period will begin on the earlier of the date of the notice was hand-delivered to the unit or the day after the date the notice is mailed. If the Tenant requests the meeting, the Landlord agrees to discuss the proposed termination with the Tenant; and
 4. advise the Tenant of his/her right to defend the action in court.
- f. If the eviction is initiated, the Landlord agrees to rely only upon those grounds cited in the termination notice required by paragraph twenty-two e (22e).

23. Contents of This Agreement:

This Agreement and its Attachments make up the entire Agreement between the Landlord and the Tenant regarding the unit. If any Court declares a particular provision of this Agreement to be invalid or illegal,

all other terms of this Agreement will remain in effect and both the Landlord and the Tenant will continue to be bound by them.

24. Attachments to This Agreement:

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

- a. Attachment #2 – Unit Inspection Report

25. Signatures:

**Tenant
By:**

- 1. _____ / _____ / _____
Date Signed
- 2. _____ / _____ / _____
Date Signed
- 3. _____ / _____ / _____
Date Signed

**Landlord
By:**

- 1. _____ / _____ / _____
Date Signed