

**RESIDENTIAL LEASE AGREEMENT
WITH OPTION TO PURCHASE**
(trust land)

This Residential Lease Agreement and Option to Purchase is entered into by and between Karuk Tribe Housing Authority, the tribally designated housing entity for the Karuk Tribe of California, hereinafter referred to as "Lessor", and _____, hereinafter referred to as "Lessee".

For the valuable considerations described below, the sufficiency of which are hereby acknowledged, Lessor and Lessee do hereby covenant, contract and agree as follows:

1. **GRANT OF LEASE:** Lessor does hereby lease unto Lessee and Lessee does hereby rent from Lessor the personal residence located at _____, _____, California (hereinafter the "Home" or "leased premises"). The lessee during the term of the Agreement acquires no equitable interest in the Home until the Option to Purchase is exercised. Until that occurs the Lessee is only a renter and tenant of a Home owned and managed by Lessor.
2. **TERMS OF LEASE:** This Agreement shall commence on the ____ day of _____, 20__, and extend until the _____ day of _____, 20__, unless extended or terminated pursuant to the terms hereof. In the event Lessee has made timely payments (by the due date) during the initial 12 month term of this Agreement this Agreement may be renewed by Lessor for an additional 12 month term. Renewal of this Agreement shall extend the option to purchase for a like term.
3. **RENTAL PAYMENTS:**
 - (a) Lessee agrees to pay unto Lessor as the rent the sum of \$_____ per month for the first month of this Agreement and for each month thereafter during the term of this Agreement, said sum being due on or before the first day of each month. Each monthly rental payment shall be prepaid at the beginning of each month.
 - (b) A price schedule detailing the required monthly payments has been attached hereto.
 - (c) At the time this Agreement is signed Lessor will cap the Lessee's payment at thirty percent (30%) of the Lessee's annual adjusted household income as determined by Lessor. However, if Lessor should choose in the future, and federal funding regulations permit, Lessor has the option to eliminate this cap or ceiling but only after providing written notice to the Lessee.
4. **LESSEES COVENANTS:** It is agreed and understood by Lessee the following:
 - (a) that the leased premises shall be used only as a private dwelling and for no other purposes whatsoever.

- (b) that all the usual electric, gas and water fees shall be paid by Lessee.
- (c) that Lessee shall maintain the premises in good condition during the continuance of this agreement and shall neither cause nor allow any abuse of the facilities therein, and upon the termination or expiration thereof shall redeliver the property in as good condition as at the commencement of the term or as may be put in during the term, reasonable wear and tear from use and obsolescence accepted, in the event the option to purchase is not exercised.
- (d) that Lessee is and shall be responsible and liable for making repairs and or replacements that may be required for injury or damage to the leased premises, equipment or facilities, or kitchen appliances therein.
- (e) that Lessee shall not make or cause to be made any changes, alterations, additions or attach any objects of permanence to portions of the building or do anything that might cause injury or damage to the leased premises without the written consent of Lessor.
- (f) that Lessee, their household members, or any guest or other person under control of Lessee, shall refrain from behavior and/or actions that:
 - (i) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other residents or employees of Lessor and/or management;
 - (ii) threatens the health or safety of, or right to peaceful enjoyment of their premises by persons residing in the immediate vicinity of the immediate vicinity of the premises; or
 - (iii) is criminal activity (including drug-related criminal activity) on or off the premises.
- (g) the Lessee and their household members shall comply with all rules and policies of Lessor regarding occupancy of the premises and participation in Lessor's low-income housing programs.
- (h) that all personal property placed in or upon the leased premises, or in any storage rooms, shall be at the risk of the Lessee, or the parties owning same, and Lessor shall in no event be liable for the loss or damage of any such property.
- (i) that Lessor retains a landlords lien on all personal property placed upon the premises to secure the payment of rent and any damages to the leases premises.
- (j) that Lessee must give Lessor thirty (30) days advance written notice of his intention to vacate the premises prior to the first day of the month at which the Agreement will be terminated. Lessee understands that a termination may only be effective on the first day of a month. Lessee may not terminate on any day other than the first

day of the month. Thus, partial monthly rental payments are not allowed and rent shall not be prorated.

5. **RIGHTS AND PRIVILEGES OF LESSOR:** Lessor shall have the following rights in addition to all other rights given by the law:
- (a) The right to enter the leased premises at all reasonable times for the purpose of inspecting the same and/or showing the same to prospective tenants or purchasers.
 - (b) Lessor shall not be responsible for repairs to the leased premises which shall be the responsibility of Lessee.
 - (c) It is agreed and understood that Lessor, its agents and employees shall not be liable to any person for any damages of any nature which may occur at any time on account of any defect in the leased premises, the building in which the leased premises are situated or the improvements therein, whether said defect exists at the time of execution of this Agreement or arises subsequent hereto and whether such defect was known or unknown at the time of such injury or damage, or for damages from fire, wind, rain or any other cause whatsoever, all claims for such injuries and damages being specifically waived by Lessee.
 - (d) Lessor shall not be responsible or liable for any accident or damage to automobiles, persons, or any other equipment or persons utilizing parking facilities upon the leased premises. The failure of Lessor to insist upon the strict performance of the terms, covenants, and agreements hereto shall not be construed as a waiver or relinquishment of Lessor's right thereafter to enforce any such term, covenant, or condition but the same shall continue in full force and effect.
 - (e) Insurance on the leased premises shall be paid by Lessor.
6. **INSURANCE AND DESTRUCTION OF PREMISES:** Hazard and fire insurance shall be acquired and maintained by Lessor, the proceeds of which shall be payable to Lessor. In the event the leased premises shall be destroyed or rendered totally untenable by fire, windstorm, or other cause beyond the control of Lessor, then this agreement shall cease and terminate as of the date of such destruction, and the rental shall then be accounted for between Lessor and Lessee up to the time of such damage or destruction of said premises is the same as being prorated as of that date. In the event the leased premises are damaged by fire, windstorm or other cause beyond the control of Lessor so as to render the same partially untenable, but repairable within a reasonable time, then this Agreement shall remain in force and effect and the Lessor shall, within a reasonable time, restore said premises to substantially the condition the same were in prior to said damage, and there shall be an abatement in rent in proportion to the relationship the damaged portion of the leased premises bears to the whole of said premises.

7. **TERMINATION OF LEASE:**

- (a) Lessor may not terminate Lessee's tenancy during the term of this agreement except for (i) serious or repeated violation of the terms or conditions of the agreement, (ii) violation of any applicable Federal, State, Tribal, or local law, or (iii) other good cause.
- (b) Lessor shall give adequate written notice of termination to Lessee as required under the laws of the Karuk Tribe of California.
- (c) Any written notice of termination shall inform Lessee that they have the opportunity, prior to any hearing or trial, to examine any documents, records, or regulations that Lessor determines are relevant and directly related to the proposed termination or eviction.
- (d) Notice of termination shall be delivered to Lessee at their last known address, by United States Mail, postage prepaid.
- (e) In the event that Lessor employs an attorney to collect any rents or other charges due hereunder by Lessee or to enforce any of Lessee's covenants herein or to protect the interest of the Lessor hereunder, Lessee agrees to pay a reasonable attorney's fee and all expenses and costs incurred thereby.

8. **OPTION TO PURCHASE HOME:**

- (a) General. Lessee initially is only a lessee and renter of the Home which is owned and managed by Lessor. As such, Lessee's monthly payments are lease and rental payments. However, under the Lessor's program rules and the terms of this Agreement, the Lessee has an Option to Purchase the Home so long as the Lessee is occupying and leasing the Home and is otherwise in compliance with Lessor's program rules. The purchase price of this Home is \$ _____ (_____) and is set forth in the attached Price Schedule.
- (b) Cash Used Alone to Purchase. The Lessee may notify Lessor that he or she has the resources to purchase the Home and that the Lessee is exercising this Option. A closing or transfer of ownership will occur upon the Lessee paying the purchase price.
- (c) Rental Credits Used to Purchase. Credit will be given for rental payments made to Lessor and this can be credited against the purchase price. Lessor will record the rental payments made by the Lessee while the Lessee is renting this or any other home owned and operated by Lessor. When those payments equal the purchase price of the Home the Lessee is leasing from Lessor, the Lessee may exercise his or her Option to Purchase the Home.
- (d) Cash and Rental Credit Used to Purchase. The Lessee may notify Lessor that he or she is exercising the Option to Purchase and that they wish to use the rental credit (Section 8(c)) and have the resources to supplement those credits to purchase the Home.

A closing and transfer of ownership will occur upon the Lessee paying the difference between the rental credit and the purchase price.

(e) Delinquencies. Should the Lessee have incurred delinquencies with Lessor, the Lessee will be required to pay off those delinquencies upon any transfer of ownership.

(f) Lessee Breach. Should the Lessee breach this Agreement for any reason other than nonpayment, at the discretion of Lessor, the Lessee's Option to Purchase may be denied.

(g) Lessor Reporting. So long as Lessee is leasing this Home, Lessor shall provide the Lessee, approximately every year, a written accounting of the rent paid on the Home, any delinquencies owing, and the Homes purchase price. However, except for the above, Lessor is not obligated to advise the Lessee when the rental credit equals or exceeds the purchase price.

(h) Property Sold. If the Home is purchased by the Lessee, the maximum interest that Lessor has in the land and structures will be transferred. The property transferred will be the structure and the land it is placed on and it shall be Lessor's discretion at the time of the transfer to determine what that land shall be.

(i) No Obligation to Purchase the Home. A Lessee is under no obligation to purchase the Home and has the right to continue under the terms of this Agreement as lessee/renter. However, if the Lessee fails to exercise his or her option within twelve (12) months of the rental credit equaling the purchase price, the Option to Purchase shall lapse.

(j) No Lessor Responsibility After Purchase. Upon conveyance of title for the Home to the Lessee, the Lessor shall have no further responsibility for the Home including, but not limited to, insuring the Home, maintaining, rehabilitating, or repairing the Home. Upon sale the Lessee shall become solely responsible for the Home.

9. **ASSIGNMENT OR TRANSFER:** Lessee shall not have the right or power to transfer, assign or sublease this Agreement or any provision thereof without the express written consent of Lessor.

10. **HEIRS AND ASSIGNS:** It is agreed and understood that all covenants of this Agreement shall succeed to and be binding upon the respective heirs, executors, administrators, successors and assigns of the parties hereto, but nothing contained herein shall be construed so as to allow the Lessee to transfer or assign this Agreement in violation of any term hereof.
11. **ENTIRE AGREEMENT:** This agreement contains the entire agreement between the parties hereto and neither party is bound by any representations or agreements of any kind except as contained herein.
12. **GOVERNING LAW:** This agreement shall be governed by the laws of the Karuk Tribe of California.

WITNESS THE SIGNATURE(S) this the _____ day of _____, 20____.

Lessor

Karuk Tribe Housing Authority

By: _____
Title: Executive Director

LESSEE(S)

Attachment: Price/Payment Schedule