

LEASE WITH OPTION TO PURCHASE HUD ACQUIRED
SINGLE FAMILY PROPERTIES FOR USE BY THE HOMELESS

This lease is made on _____, 19____, between the Department of Housing and Urban Development, LESSOR, and BLACK VIETNAM ERA VETERANS of W.P.A LESSEE.

1. LESSOR agrees to lease to the LESSEE and the LESSEE agrees to rent the property known as 6700 McPherson St., Pittsburgh, Pa. 15208, referred to hereafter as "the property."
2. LESSEE shall use the property only for the purposes of providing shelter for homeless persons as defined in 24 CFR § 291.5.
3. LESSEE agrees to pay, as they become due, all charges for utilities and other services. LESSOR shall pay all taxes due on the property and LESSEE shall reimburse LESSOR for such payment. If the lease is terminated, these expenses will be prorated between the LESSOR and the LESSEE.
4. LESSEE agrees to keep the property in a clean and sanitary condition and to comply with all federal, state and local laws and regulations, restrictive covenants, condominium declarations and by laws and homeowners' association rules. LESSEE agrees to obtain an occupancy permit if required and to reimburse LESSOR for any fines, penalties and costs and all liability for violation or noncompliance with any requirements related to the property.
5. LESSEE agrees that if any damage to the property shall be caused by its acts or neglect, or its occupants' acts or neglect, the LESSEE shall repair such damage at its own expense, and should the LESSEE fail or refuse to make such repairs within a reasonable time after the occurrence of such damage, the LESSOR may at its option make such repairs and charge the cost thereof to the LESSEE, and the LESSEE shall reimburse the LESSOR for the total cost of all damages so caused.
6. LESSEE agrees to make all repairs to the property necessary to make the premises tenantable and at the end of the lease term to deliver up and surrender said property to the LESSOR in as good a condition as when received, including boarding up and other security. No alteration, addition, or improvements shall be made to the property without the consent of the LESSOR in writing, and all additions and improvements made by the LESSEE shall belong to the LESSOR.

7. LESSEE agrees to maintain the property free from the illegal use, possession or distribution of drugs or alcohol.

8. LESSEE shall indemnify and save harmless the LESSOR, its officers, agents, servants and employees from all liability for death or injury to any person, or loss or damage to the property of any person resulting from the use of the property by the LESSEE.

9. LESSEE shall maintain general liability insurance on the property in the amount of \$ _____ against loss by reason of death or injury to any person or loss or damage to property of any person resulting from the use of the property. The Secretary of the Department of Housing and Urban Development shall be named as a beneficiary or payee.

10. LESSEE agrees that it will not place or allow to be placed any liens on the property without the express written consent of LESSOR and further agrees to remove and to indemnify the LESSOR for any costs incurred related to the removal of any liens, including mechanic's liens, placed on the property during the period of tenancy without LESSOR'S approval.

11. LESSEE agrees that the LESSOR shall have the right to enter the property at all reasonable hours for the purpose of inspecting the condition of the property.

12. LESSEE shall not assign, sublet, or part with the possession of the whole or any part of the property without first obtaining the written consent of LESSOR. LESSEE may terminate this lease at any time without penalty upon 30-day written notice to LESSOR.

13. LESSEE agrees that if it should fail to comply with any provisions of this lease, it shall be lawful for the LESSOR, at its option, to re-enter and take possession, the LESSEE waiving any notice to vacate the property, and thereupon this lease shall terminate; however, the failure of the LESSOR to insist upon the strict performance of the terms of this lease shall not be construed as a waiver of the LESSOR'S right to later enforce any such provision.

14. LESSEE agrees not to discriminate against any individual on the basis of race, color, religion, sex, national origin, handicap, age or familial status, pursuant to the requirements of the Fair Housing Act, 42 U.S.C. §§3601-20, and to comply with the further nondiscrimination and equal opportunity requirements of 24 C.F.R §291.130.

15. LESSEE agrees that it will submit at any time to such examination of any and all of its records and accounts, including but not limited to those related to this transaction, as the Secretary of Housing and Urban Development or the Comptroller General may require.

16. All goods and chattels placed or stored in or about the property are at the risk of the LESSEE.
17. No member of, or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this lease or to any benefit that may arise therefrom.
18. LESSEE warrants that it has not employed any person to solicit or secure this lease upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give the LESSOR the right to annul this lease or in its discretion to recover from the LESSEE the amount of such commission, percentage, brokerage or contingent fee in addition to the consideration herein set forth.
19. LESSEE agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin.
20. LESSEE shall have an option to purchase said property for a purchase price of \$_____. If conditions outside the control of the LESSEE cause the fair market value of the property to decrease after the initiation of the lease, the property will be offered at the fair market value at the time of sales closing, less 10 percent. Any repairs to or rehabilitation of a property done by LESSEE during the lease term shall not be reflected in the purchase price. LESSEE may exercise this option at any time during the term of this lease, but said option shall expire on _____, 19____. LESSEE may exercise this option only by execution of Form HUD-9548, Sales Contract. The property is being sold on an "as is" "all cash" basis. FHA mortgage insurance may be made available for the purchase of the property at the sole discretion of the LESSOR.
21. The lease shall be for six months, beginning on _____, 19__, at a total rent of \$1. If LESSEE fails to exercise its right to purchase the property, LESSEE may apply to HUD for conversion of the lease-option agreement to a lease with option to purchase as described in 24 CFR § 291.110(c). Approval of such conversion shall be granted at HUD's sole discretion.
22. LESSEE may charge the homeless persons occupying the property a rental or occupancy charge at a rate appropriate to the financial means of the person not to exceed LESSEE's operating costs for the property.
23. LESSOR will inspect the property for defective paint surfaces and will treat any defective surfaces found. If LESSEE knows or has reason to expect that the property will be occupied by families with children under the age of seven years, LESSEE must test for lead-based paint on chewable surfaces before initial occupancy. Where lead-based paint is identified, LESSEE must abate at its own expense as required in 24 CFR § 291.130(d). LESSEE may not permit occupancy until testing and any required abatement is completed.

This lease contains the entire agreement between the parties, and neither party is bound by any representations or agreements of any kind except as herein contained.

Secretary of Housing and Urban Development
LESSOR

WITNESS:

_____ BY _____

_____ LESSEE
