

U. S. Department of Housing and Urban Development



Community Planning and Development

Region VIII, Denver
1670 Broadway Street
Denver, Colorado 80202-4801

Phone: 303-672-5414
Fax: 303-672-5028
Web: www.hud.gov

March 15, 2012

Mr. Patrick Coyle
Division Director
Department of Local Affairs
State of Colorado
1313 Sherman Street, Rm. 518
Denver, CO 80203

Dear Mr. Coyle:

This letter is information related to a letter that we received from the City of Loveland's Assistant City Attorney, Sunita Sharma. The letter raised questions about the rent structure of the senior housing complex, Mirasol. We were asked to render a determination of whether the Housing Authority of the City of Loveland (HACOL) was in compliance with the applicable affordable housing guidelines as a subrecipient of Community Development Block Grant (CDBG) funds received from the City of Loveland. Specifically, the City indicated that HACOL was charging tenants monthly rent plus what they felt was a mandatory community fee of \$113.00. The City felt that the combination of these two charges was causing tenants to pay more than what the CDBG program defined as "affordable rent."

Based on the City's inquiry, we have completed an assessment of the project and our findings are as follows. The review shows that Mirasol received CDBG funds from the City of Loveland, HOME Investment Partnerships (HOME) funds from the State of Colorado; and Low-Income Housing Tax Credits (LIHTC) through the Colorado Housing and Finance Authority (CHFA). Mirasol also housed several Section 8 tenant-based clients. Given that Mirasol did receive \$694,000 in HOME funds from the State of Colorado for acquisition which resulted in direct assistance to five HOME rental units, we reviewed the project for compliance with the HOME program regulations in general and the HOME rental housing regulations specifically. This letter is, therefore, specific to the HOME program.

The HOME regulations at 24 CFR 92.252 require that HOME-assisted units in a rental housing project be occupied only by households that are eligible as low-income families. It further sets forth specific rent limitations and periods of affordability. Accordingly, HUD annually publishes rent tables that establish the maximum rents that a project can charge. As such, the PJ must ensure that the rents do not exceed the maximum rent limits as published. However, because this is a LIHTC project, the HOME program requires that the rent that must be charged is the lesser of the established LIHTC rent and the published HOME rents all adjusted for family size.

Mirasol is a 50-unit senior housing complex. It consists of 35 one-bedroom units, 14 two-bedroom units, and one unit for a house manager. CHFA's records call for occupancy of the units to be based on tenants' area median income (AMI). Accordingly, 3 units are to be occupied by tenants earning 30 percent AMI, 10 units at 40 percent AMI, 22 units at 50 percent AMI, and 14 units at 60 percent AMI. The HOME regulations require that in rental projects with five or more HOME assisted units, 20 percent of the HOME units must be occupied by persons at or below 50 percent AMI. Mirasol easily met this requirement. However, to better understand who lived at Mirasol and how much they were paying to live there, we reviewed the "Mirasol Senior Community Unit Lease" (copy enclosed). We found that in regards to rent, the lease stated the following: "**RENT:** Resident agrees to pay to Manager the gross rental amount of \$amount, for rent for the full term aforesaid, in equal consecutive monthly payments of \$amount, commencing on (DATE). Gross rent shall be computed as \$amount, unit rent and \$amount, Community Dues, etc." We also reviewed an addendum to the lease (copy enclosed) which in essence redefined the gross rental amount to be an amount minus the \$113.00 community dues. Under the addendum, Community dues were referenced as, "Community Dues, for which additional services to tenant are available will be payable in equal consecutive monthly payments of \$113.00." It further states that, "By signing below the resident acknowledges the correction. This addendum reflects NO CHANGE IN THE AMOUNT charged to resident per the lease agreement."

Our review of the lease and the addendum has lead us to conclude that residents are paying rent based on the LIHTC rent schedule, as well as a mandatory community dues fee in the amount of \$113.00. This conclusion is further supported by our understanding that applicants for Mirasol who did not agree to pay the community fee were referred by management to other HACOL properties where no community fee was charged. Additionally, should a person move into Mirasol and decide later to not pay the community fee, the person is not evicted, but could be pursued legally for non-payment of the fee. In assessing the amount that tenants are paying for rent plus the community fee, we conclude that, however configured, tenants are paying an amount that is in excess of the LIHTC rent limits and, therefore, not in compliance with the HOME program regulations regarding maximum eligible rent. We are, therefore, making the following program Finding:

Condition: The HACOL has been charging residents of the Mirasol Senior Community complex located at 1145 Finch Place, rents that exceed those acceptable under the LIHTC and HOME programs.

Criteria: This finding is based on the HOME regulations found at 24 CFR 92.252.

Cause: The HACOL believed that the amount being charged tenants was distinct in terms of rent and community dues and, therefore, the amount paid for what it defined as "rent" was within the eligible guidelines.

Effect: The charging of rent and the community dues resulted in tenants paying monthly rents in excess of what is considered affordable and permitted under the LIHTC and HOME programs.

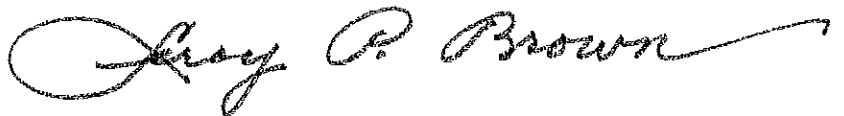
Corrective Action: Because the home assisted units are defined as "floating units," the State of Colorado must review the rent records of all past and present tenants of Mirasol to determine the extent/amount to which tenants have paid monthly rents in excess of the amount permitted under

CFHA's published Rent and Income Limits and as applicable to Mirasol. On a monthly rent role basis, the State must document its review to show the name of the tenant; the unit occupied; the total amount actually charged; the amount of rent chargeable within the eligible rent limits; and the difference/overcharged amount. Using non-federal funds, tenants that have been overcharged must be reimbursed in the amount of the overcharges. For tenants that no longer reside at Mirasol, the State must document its efforts to locate each tenant and make the applicable payment. If a tenant is deceased, the reimbursement should be made to the tenant's estate in accordance with Colorado law. Tenants that currently reside at Mirasol should be given the choice of receiving a lump sum payment or a reduction in rent over a period of time that would equate to the full reimbursement amount. Tenants should document their choice.

Once a determination has been made of who is due a reimbursement and the amount owed, the State must provide HUD with a report by the 25th of each month of its efforts to find tenants and make documented reimbursements until the finding is cleared. The State must also require HACOL to cease its current leasing practices and immediately revise its rental procedures and documents to ensure full program compliance. New leases must be issued to all current tenants. Copies of the revised documents must be provided to HUD.

We thank the State of Colorado for the corporation shown during our review. Should you or your staff have questions related to any aspect of this determination and the resulting finding, please feel free to contact me.

Sincerely,



LeRoy P. Brown
Director

Enclosures:

Cc: Sunita Sharma, City of Loveland Assistant City Attorney
John Duval, City of Loveland City Attorney
✓ Alison Hade, City of Loveland Human Services Administrator
Rick Garcia, HUD Regional Administrator
Ellen Dole, HUD Regional Counsel
Janice Rodriguez, HUD Division Director, Office of Public Housing
Kristi Budish, CHFA Manager, Asset Management
Alison George, Manager of Housing Programs



**Mirasol Senior Community
UNIT LEASE**

1. **PARTIES:** This Agreement is made on 7/1/2011 by and between The Housing Authority of the City of Loveland (HACOL), hereinafter referred to as "Owner" -Mirasol, hereinafter referred to as "Manager", and [REDACTED], hereinafter referred to as "Resident" whether one or more.

WITNESSETH:

2. **DESCRIPTION OF PREMISES/TERMS:** The Manager, in consideration of the rent reserved herein to be paid by said Resident and of other covenants, agreements, and conditions hereinafter contained to be kept, performed, and observed by said Resident, does hereby let and lease unto said Resident, Unit [REDACTED], in Mirasol Senior Community, located at 1145 Finch Place, Loveland, CO, 80537, in the County of Larimer, State of Colorado, to be used and occupied only by the following persons as a private residence and for no other purpose for the term beginning on August 1, 2011 and ending on July 31, 2012.

3. **OCCUPANTS:** The names of such persons including the Resident and hereinafter listed as follows: No other person, except there herein stated may occupy premises without written approval of the Manager.

- A. [REDACTED]
- B.

4. **RENT:** Resident agrees to pay to Manager the gross rental amount of \$8028.00, for rent for the full term aforesaid, in equal consecutive monthly payments of \$669.00 commencing on August 1, 2011. Gross rent shall be computed as \$556.00 unit rent, and \$ N/A parking, and \$ N/A furniture, and \$113.00 Community Dues and it is agreed that if occupancy of the premises occurs prior to the first day of the month, the first rental payment shall be \$0.00.

A. The gross rental amount which may be charged for the Unit is limited by provisions of the Internal Revenue Code. Generally, the gross rental amount may not exceed 30% of the applicable income limitations, adjusted for family size, as determined from time to time by the Secretary of Treasury of the United States. At this time, the determination of these applicable income limitations is determined and published annually at or around February or March.

1) As of the first day of the term of the Lease, the gross rental amount for the Unit is not more than the highest gross rental amount which may be charged for the Unit under applicable provisions of the Internal Revenue Code. If, DURING THE TERM OF THIS LEASE, the gross rental amount which may be charged for the Unit under applicable provisions of the Internal Revenue Code increases, the Manager may increase the gross rental amount payable pursuant to Paragraph 4 of this Lease up to (but not in excess of) the highest gross rental amount which may be charged for the Unit under applicable provisions of the Internal Revenue Code. If, DURING THE TERM OF THIS LEASE, the gross rental amount which may be charged for the Unit under applicable provisions of the Internal

Revenue Code decreases and if at that time the gross rental amount being charged for the Unit is higher than the gross rental amount permitted to be charged for the Unit under applicable provisions of the Internal Revenue Code, the gross rental amount payable pursuant to Paragraph 4 of this Lease shall be decreased to the highest gross rental amount permitted to be charged for the Unit under applicable provisions of the Internal Revenue Code.

- 2) ANY INCREASE IN THE GROSS RENTAL AMOUNT PAYABLE PURSUANT TO PARAGRAPH 4 OF THIS LEASE SHALL BE EFFECTIVE ON THE FIRST DAY OF THE FIRST MONTH FOLLOWING THE DATE ON WHICH SUCH INCREASE IS PERMITTED. Any decrease in the gross rental amount payable pursuant to Paragraph 4 of this Lease shall be effective on the day such decrease is required to be made under the Internal Revenue Code. Corresponding changes in the monthly rent payments required by Paragraph 4 of this Lease shall be effective at the same time as the new gross rental amount. Copies of applicable provisions of the Internal Revenue Code are available upon request.
- B. Resident(s) acknowledge that Mirasol Apartments/Units is operating under Section 42 of the Internal Revenue Code and that the rental benefits are conditioned upon the anticipated gross annual income of the adult household members and the number of bedrooms within the Unit. At the present time, it is a continuing requirement under the Internal Revenue Code to re-verify and re-certify income/asset and student status information for each adult household member eighteen (18) years old or older prior to each anniversary date of a Lease.
- 1) Upon notice from the Manager of the need to re-certify, each adult household member eighteen (18) years old or older shall, within 10 days, provide the Manager with the necessary information and authority to re-verify income/asset/student status information.
 - (a) SHOULD ANY ADULT HOUSEHOLD MEMBER FAIL TO PROVIDE THE REQUESTED INFORMATION/AUTHORIZATIONS AS SPECIFIED ABOVE, THIS LEASE SHALL BE CONSIDERED BREACHED AND THE MANAGER MAY, AT ITS SOLE OPTION, TERMINATE THE LEASE BY DELIVERY OF WRITTEN NOTICE TO AN ADULT HOUSEHOLD MEMBER
 - (b) If any household member is found to have submitted information to the Manager with respect to income or assets or student status which is inaccurate at the time of application or if the Manager determines that the household does not meet the requirements of Section 42 of the Internal Revenue Code, FOR ANY REASON, the Manager may, at its sole option, terminate the Lease by delivery of written notice to the household. In such event, this Lease shall terminate on the date specified in said notice.
5. **UTILITIES:** Utilities shall be used for ordinary household purposes only. Resident shall provide and pay for all utilities except those listed below. All utility services whether provided by Owner or Resident, are subject to interruption or temporary termination for the purpose of repairs, alterations, or improvements to the premises or for emergency reasons. Any such interruption or temporary termination of utility service shall not constitute a default by Owner, nor is Owner liable for interruption or termination. In any event, Resident shall be responsible for its own telephone service, cable service, internet service and any other optional service which may be deemed a utility. Resident must obtain written approval to install a satellite dish through the Satellite Dish policy and sign an addendum to this agreement. It is required that all Residents have both gas and electrical service. Utilities to be paid and established by the Owner are circled:

A. Natural Gas	Owner
B. Electricity	Owner
C. Water/Sewer	Owner
D. Trash Removal	Owner

6. **SECURITY DEPOSIT:** The parties hereto have simultaneously herewith entered into a Security Deposit Agreement which is by reference thereto made a part of this Lease as thoughtfully set forth herein.
- A. Resident has deposited with Manager a sum of \$500.00 as security against damages to property, furniture, appliances, carpet, abandonment of the premises, nonpayment of rent, late charges, attorney's fees, breaking of lease fees (two months' rent), and extraordinary cost of cleaning the Unit.
 - B. **MOLD AND MILDEW:** Resident shall keep the premises free of mold and mildew and shall prevent water at the premises from leaking into other areas of the Owners property. Resident agrees to defend, indemnify and hold harmless Owner against any and all claims, actions, causes of action, demands, liabilities, losses, damages and expenses of any kind, including but not limited to, attorneys fees and court costs that may be made against Owner (its officers, directors, employees, agents, managers, and affiliates) as a result of or arising out of the growth or proliferation of mold or mildew within the premises. Resident further agrees that Owner shall not be liable for any damages caused to resident, resident guests, occupants or any property within the premises resulting from mold or mildew. Resident shall indemnify Owner from any liability relating to mold or mildew resulting from damages to any person or party within resident premises regardless of the source of the mold or mildew. Resident agrees to immediately notify Owner of the existence of any water leak, mold or mildew within the premises.
 - C. Manager agrees that no charge shall be made against the Security Deposit for "normal wear and tear". Resident agrees that said definition of "normal wear and tear", as defined in Exhibit "A", shall be binding on Resident and Manager alike. In the event cleaning and/or repairs as listed are required, a charge will be assessed against the Security Deposit. The pro-ration shall be based upon the ratio of the time resident has occupied the Unit as compared to the normal period of wear or any such cleaning and/or repair. Resident agrees that the charges listed in Exhibit "A" attached here to are reasonable charges for the repairs and/or cleaning in fact be required to be performed in said Unit upon termination of this Lease, Manager shall be entitled to charge said amounts against the Security Deposit. Resident further agrees said charges be considered damages and not a penalty or forfeiture.
 - D. The portion of Security Deposit due Resident, if any, will be refunded by a check mailed to the forwarding address, made payable to all persons signing the Lease, but said refund will not be made earlier than 14 days nor later than 60 days after Resident has vacated premises. Refunds may not be picked up at the Administrative office.
 - E. All N.S.F. checks, late charges, termination fees, uncollected damage charges, cleaning charges, unpaid rent and utility charges, attorney's fees, court costs and similar charges will be automatically deducted from Security Deposit.
 - F. Resident cannot use Security Deposit in lieu of unpaid rent.
 - G. All keys must be returned prior to the release of any remaining portion of the Security Deposit.
- II. If Manager uses or applies all or any portion of Security Deposit due to charges permitted in (a) above before the end of the Lease term, Resident shall within 10 days after written demand

therefore deposit cash with Manager in an amount sufficient to restore the deposit to the full amount herein above stated and Resident's failure to do so shall be a breach of this Lease.

- I. The Manager hereby gives Notice to Resident and Resident acknowledges and agrees that the Owner of real property where the Unit is being leased herein ("Owner") will hold the Security Deposit and the Owner is responsible for its return. In the event of a change in ownership, the Security Deposit may be transferred by the Manager or Owner, as the case may be, to the new Owner. The Owner shall be required neither to keep the Security Deposit separate from its general accounts nor to pay Resident any interest or other increment for its use.
- J. In the event of a dispute over ownership of the Security Deposit between Resident and the Owner, and upon written notice to the Manager of such dispute, the Manager shall inform Resident of the Owner's true name and current mailing address.
- K. In the event Resident makes claim to and for the return of the Security Deposit or portion thereof, it shall do so by written demand to Manager, hand delivered or sent by certified mail, postage prepaid, return receipt requested. Manager will then forthwith forward such demand to Owner for a response.

7. MANAGER PROMISES:

- A. To furnish the following services: (1) hot and cold water in reasonable quantities at all times; (2) to heat the premises during the customary heating season.
- B. To care for the lawn, parking areas and common grounds.
- C. To provide reasonable snow and trash removal.
- D. To maintain the hallways and corridors of the building (where applicable).
- E. To make available such equipment and accessories as shall be reasonably necessary to allow utility providers to provide utility service to the premises. This Agreement shall in no way be affected by or excused by the inability of Manager to promptly supply any service, expressed or implied, or to promptly make any repairs, alterations or additions, unless Manager is prevented from so doing on account of strikes, wars (declared or undeclared) and/or any and all other causes beyond Manager's control.
- F. To provide all utilities to the unit including natural gas, electricity and water/sewer.
- G. To turn community dues to the Mirasol Events Center on a monthly basis to assist with costs of service programming and staff.
- H. To maintain and secure the senior (over 55+) nature of the community by annual verification of age of each resident in the Mirasol community.

8. RESIDENT PROMISES:

- A. Not neither to sublet the premises nor to assign this Lease without prior consent of the Manager.
- B. To keep the premises in a clean and sanitary condition.
- C. To see that the conduct of all guests or visitors will not disturb or interfere with the rights, comforts and convenience of other residents.
- D. To comply with all rules and regulations, the receipt of which is hereby acknowledged, which may be amended from time to time.
- E. Neither to use the premises in an unlawful manner nor to permit any unlawful activity to be carried on therein.
- F. Not to use the premises in any manner nor permit any use hereof which would invalidate or be in conflict with fire insurance policies covering the same.
- G. Resident agrees to permit no portion of the premises to be occupied by a guest for more than 10 days.

- H. To make no alterations or additions to the premises.
 - I. To make no changes in the internal structure of any room herein or make any repairs in or about the premises without first obtaining the written consent of the Manager.
 - J. To drive no nails, tacks, or screws into ceiling, wallpaper or wood work of said premises.
 - K. To replace all glass broken or cracked.
 - L. To repay the Manager the cost of any and all repairs made necessary by negligent or careless use of said premises.
 - M. To place nothing on balconies, patios, front steps, in windows (including shades or draperies) or elsewhere which in the Manager's opinion will adversely affect the exterior appearance of the building of which the premises are a part.
 - N. To permit said Manager to show said premises at any reasonable time to persons wishing to Lease same.
 - O. To make no claim against the Manager for loss or damage suffered because of an act of any co-resident, the leaking or bursting of any plumbing or heating components, the failure of any electrical, gas, or water systems or equipment, the interruption of any utility service or fire, flood, or any other casualty beyond the control of the Manager.
 - P. To surrender the premises at move out in like condition as when taken, reasonable wear and tear, damage by the elements, or loss by fire accepted.
 - Q. To pay the Manager in addition to all other charges hereunder, the sum of \$20.00 for each key which is lost by Resident and replaced by Manager.
 - R. Not to permit any person less than 55 years of age to occupy the Unit demised to Resident unless prior written consent of Manager first has been obtained.
 - S. Never to have in the premises a bed containing water or any other liquid, without Manager Approval.
 - T. Not to change locks on the Residents Unit entrance door.
 - U. Not to permit any pets or animals to be kept or maintained in Residents Units, or on the Unit grounds without written consent of Manager. Manager reserves the right to remove any pet from premises, not covered by written agreement as well as ANY animal deemed to be unsafe.
 - V. To provide annual verification of age due to aged restriction of the Mirasol community and to not allow anyone under the age of 55 to reside/live in the rental unit as addressed on page one.
 - W. To in no way make any alternation or changes to any fire/safety alarms.
9. **DEFAULT:** In the event of any default by a Resident in the full and timely payment of rent herein referred or any part hereof, or other monetary obligation or charge under this Lease, THE RESIDENT SHALL HAVE THREE (3) DAYS IN WHICH TO CURE SAID DEFAULT UPON RECEIPT OF NOTICE, or if Resident shall fail to fully observe or perform any of the conditions, covenants or agreements herein contained, or if the Resident shall abandon or vacate the premises, or should Resident enter into any bankruptcy proceedings, either voluntarily or involuntarily, then and in the event, and as often as the same may happen, it shall be lawful for the Manager, at his election, with or without prior notice, to (a) re-enter and repossess said premises, with legal proceedings, without thereby terminating the Lease, to remove therefore pursuant to law, any personal property belonging to the Resident and later repair or replace appurtenances or fixtures on or about the premises as may be necessary, all at Residents expense, without prejudice to any claims for rent or breach of covenants hereof, provided, however, that in the event Manager is able to relet the premises, Resident shall be liable for a sum equal to the difference between the rentals and other charges agreed herein, plus the costs of necessary alterations, repairs, replacements, and expenses incurred or related thereto reduced by that which Manager realizes from reletting; (b)

Owner will grant a (10) day period to correct any defects which have been noted, except for failure to pay rent, resident shall be given (3) days in order to correct said default after written notice giving the resident three days in which to pay rent. Failure to correct noted defects within the (10) day period would allow Owner to terminate Lease; or (c) terminate this Lease and re-enter and repossess said premises and to remove therefrom any personal property left therein by Resident and to either store or dispose of the same at Manager's sole election, all pursuant to law. In the event any notice to default is given by Manager to Resident, the same is not to be construed to manifest Manager's intent to terminate this Lease and Manager expressly reserves the right to collect the rent due under this Lease for the balance of the term herein whether or not Manager is given the right of possession by a Court of competent jurisdiction.

- A. The right and remedies hereby created are cumulative and the exercise of any remedy should not be taken to exclude or waive the right to the exercise of another right or remedy.
- B. In the event legal action is initiated, the Managers shall be entitled to recover and Resident agrees to pay, a reasonable attorney's fee, court costs and other damages occasioned by Resident's breach.

10. REPAIRS: Manager shall make any repairs, replacements, or restoration in and about the premises or to any fixtures or equipment when such are needed in Manager's sole opinion. If any such repairs, replacements, or restorations so made by Manager are necessitated by the negligence or misconduct of Resident, which shall be determined by Manager and evidenced by statements rendered to Resident, the cost of such items shall be borne by Resident and shall be payable to Manager upon delivery of any such statement. Resident shall not make any repairs, replacements, or restorations without the prior written consent of Manager. All repair charges are due 30 days upon receipt of written statement.

11. EXPIRATION/TERMINATION OF LEASE: This lease is for a full twelve month period. It is understood by all parties that this lease is a legal document which will require resident to pay each month for a full twelve months. Should the resident wish to move during the twelve month period, the full payment remains due to the owner.

- A. Resident further covenants and agrees that upon termination of the Lease for any cause, Resident will at once peacefully surrender and deliver up the whole of the above described premises together with all improvements thereon to the Manager, his agent, and assigns. No payment of money to the Manager by Resident after the giving of notice of termination or demand of possession by the Manager to the Resident shall reinstate, continue or extend the term of this Lease or affect any notice given to the Resident prior to the payment of such money it being agreed that after the service of notice or the commencement of a suit or after final judgment granting the Manager possession of said premises, the Manager may receive and collect any sums of rent due, or any other sums of money due under the terms of this Lease, and the payment of such sums of money, whether as rent or otherwise, shall not waive said notice, or in any manner affect any pending suit or any judgment theretofore obtained. The Resident covenants that his occupancy of the said premises beyond the initial or extended term of this Lease (if a further extension fails to occur) shall not be deemed as a renewal of this Lease for the whole term or any part thereof, but the same shall automatically be deemed to constitute a month to month tenancy. Resident further covenants and agrees that 30 days written notice of intent to vacate must be given prior to the expiration date of this Lease. A Resident on month to month tenancy must give written notice of intent to vacate at least 30 days prior to vacating. Provided that in case any rent shall be due and unpaid or if a default shall be made in any of the covenants herein contained, or if said premises shall be abandoned,

deserted, or vacated, then it shall be lawful for the said Manager, its agents, attorneys, successors, or assigns to re-enter and repossess the said premises and the Manager shall remove and put out the Resident and each and every occupant, and upon re-entry as aforesaid, possession of the premises shall terminate, but this Lease shall remain in full force and effect, at Manager's discretion. In the event of re-entry as aforesaid, possession of the premises and the Manager shall remove and put out the Resident and each and every occupant, and upon re-entry by the Manager as herein provided Resident shall be liable for damages to said Manager for all loss sustained.

- B. Notices may be served upon the Resident in person or by posting a copy on the leased premises. Moreover, (a) in the event of any default hereunder by Resident, or (b) if Resident shall give notice to Manager of Resident's intent to breach this Lease before the end of the initial term hereof, it is agreed by Resident that Manager shall have a valid lien against all of Resident's personal property located in the leased premises; and Manager may have and hold the personal property with such lien as security of all damages Manager may incur on account of such default or anticipatory breach. To enforce its lien and uses its security, therefore, Manager may with or without notice to the resident, take possession of any or all of said personal property by removing same from the leased premises and store same in a warehouse or sell all or any part of same from one or more public or private sales, for cash or upon credit, all at the option and in the complete discretion of the Manager and free from any right of redemption. In case of any sale of any of the personal property on credit or for future delivery, the property so sold may be retained by the Manager until the selling price shall be paid by the purchaser thereof, but the Manager shall incur no liability in case of the failure of such purchaser to take up and pay for the property sold.

12. ATTORNEY FEES: If either the Manager or Resident shall initiate legal action through an attorney to enforce the provisions of this Lease, the party who prevails in such legal action shall, in addition to all other rights and remedies, be entitled to judgment for reasonable attorney's fees and court costs.

13. LATE CHARGES/RETURNED CHECK FEES/PARTIAL PAYMENTS: In the event that the rent provided for herein is not paid by the 6th day of each month, the Manager may collect a late charge of \$25.00. Nothing contained herein shall obligate Manager to accept the rent after the third day of the month, nor does Manager waive any of his legal rights which may be available for default of Resident by inclusion of this provision in the Agreement. In the event Resident pays his rent by check and same is not cashed and paid by the bank when presented, for whatever reason, Resident shall pay, in addition to any late charges and in addition to the rent, a charge for each occurrence in the amount of twenty-five (\$25.00). Acceptance by the Manager of a partial payment of rent or other charges shall not be considered or construed to waive any right of the Manager or affect any notice or legal proceedings, unless both parties shall agree otherwise in writing. Any payment of less than the full amount of rent for a given month, regardless of endorsement to the contrary on a check or money order given by the Resident in payment therefore shall be deemed a partial payment there under. Waiver, by the Manager, of any breach or condition of this agreement shall not be construed as a waiver of subsequent breaches or conditions.

14. STORAGE AND PARKING: The Resident, at his sole risk, and without any liability or responsibility on the part of the Manager, may use reasonable space, if available, without charge

therefore, for parking personal automobiles. Residents are limited to one (1) space on an ongoing basis (not to include temporary guests).

- A. If Manager has provided unassigned parking spaces for which no charge is made by the Manager, such spaces shall be used only by the Resident and guest on a first come, no reservation basis. Cars shall be parked only in spaces designated therefore. Manager reserves the right to make rules for use of said spaces, or place limitations upon use thereof at any time after commencement of the Lease. Manager may institute a reasonable charge for such use and may make changes in said rules and charges from time to time.
- B. No washing or repairing of automobiles will be permitted or allowed on the parking areas except in areas designated therefore. The parking lot is for automobiles only. Automobiles must have current license plates and inspection sticker, where applicable, and be in operating condition. Boats, trailers and trucks will not be permitted on the parking lots or garages. All Residents and guests must observe all parking regulations as posted or indicated by the Manager and/or local authorities and will abide by same. Vehicles in violation of any parking rules and regulations will be towed away at their owner's risk and expense. Manager is not responsible for vehicle damage, theft or loss.

15. ACCESS TO PREMISES: Resident shall permit Manager to access the Unit to make decorations, repairs, alterations, improvements, additions or inspections as Manager may deem necessary or desirable with appropriate notice and at a reasonable time; to provide all materials into and upon said premises that may be required therefore. If Resident shall not be personally present to open and permit an entry into said premises, at any time, when for any reason and entry therein shall be necessary or permissible hereunder, Manager may enter the same by a master key.

16. JOINT AND SEVERAL LIABILITIES: It is understood and agreed that each party signing this Lease as a Resident is liable for the full amount of the rent provided herein. The obligation of the Residents is joint and several.

17. SEVERABILITY: The construction, validity and effect of this Agreement shall be governed by the laws of the State of Colorado. Any provision of this Agreement prohibited by such laws shall be ineffective to the extent of such prohibition without invalidation the remaining provision thereof.

18. HAZARDOUS AND TOXIC MATERIALS: Tenant agrees not to use, store or permit on the demised premises any hazardous or toxic materials except in strict accordance with applicable Federal, State, and local statutes, ordinances, rules and regulations. "Hazardous or toxic materials" shall mean any hazardous substance, hazardous material or toxic substance as defined in any applicable Federal, State or local statutes, ordinances, rules or regulations and any other substance or material which would constitute or cause a health, safety or environmental hazard or require remediation at the behest of any governmental agency, including, without limitation, solvents, hydrocarbons, formaldehyde, radioactive substance, asbestos, flammable or explosive or oil, gas, or other hydrocarbons.

19. GENERAL PROVISIONS: This Agreement, together with any written agreements executed simultaneously herewith, contain the entire Agreement between the parties and shall not be charged, modified or discharged in whole or in part except by an agreement in writing signed by

Manager and by Resident. There are no oral understandings, terms or conditions and neither party has relied upon any representation, expressed or implied, not contained in this Agreement or in written agreements, if any executed simultaneously therewith. All prior understandings, terms or conditions are deemed merged in this Agreement. The promise, agreements, covenants, and conditions contained in this Agreement shall bind and inure to the benefit of Manager and Resident and their respective heirs, executors, administrators, successors, and except as otherwise provided in this Agreement, their assigns.

Resident [Redacted Signature] Date July 1, 2011

Resident _____ Date _____

Resident [Redacted Signature] Date July 1, 2011
Received Community Policies

Manager Donita Lopez Date 7/1/11



SECTION 42 LEASE ADDENDUM

Mirasol Senior Community

The undersigned parties, **Barbara Raines**, do hereby agree to the terms and conditions set forth in this Lease Addendum to that Lease executed August 1, 2011 for those premises commonly identified as Unit Number #151, 1145 Finch Place, at Mirasol Senior Community, Loveland, CO, 80537.


1. The gross rental amount which may be charged for the Unit is limited by provisions of the Internal Revenue Code. Generally, the gross rental amount may not exceed 30% of the applicable income limitations, adjusted for family size, as determined of these applicable income limitations is determined and published annually at or around February or March.

As of the first day of the term of the Lease, the gross rental amount for the Unit is not more than the highest gross rental amount which may be charged for the Unit under applicable provisions of the Internal Revenue Code. If, DURING THE TERM OF THIS LEASE, the gross rental amount which may be charged for the Unit under applicable provisions of the Internal Revenue Code increases, the Manager may increase the gross rental amount payable pursuant to Paragraph 4 of this Lease up to (but not in excess of) the highest gross rental amount which may be charged for the Unit under applicable provisions of the Internal Revenue Code. If, DURING THE TERM OF THIS LEASE, the gross rental amount which may be charged for the Unit under applicable provisions of the Internal Revenue Code decreased and if at that time the gross rental amount being charged for the Unit is higher than the gross rental amount permitted to be charged for the Unit under applicable provisions of the Internal Revenue Code, the gross rental amount payable pursuant to paragraph 4 of this Lease shall be decreased to the highest gross rental amount permitted to be charged for that Unit under applicable provisions of the Internal Revenue Code. ANY INCREASE IN THE GROSS RENTAL AMOUNT PAYABLE PURSUANT TO PARAGRAPH 4 OF THIS LEASE SHALL BE EFFECTIVE ON THE FIRST DAY OF THE FIRST MONTH FOLLOWING THE DATE ON WHICH SUCH INCREASE IS PERMITTED. Any decrease in the gross rental amount payable pursuant to Paragraph 4 of this Lease shall be effective on the day such decrease is required to be made under the Internal Revenue Code. Corresponding changes in the monthly rent payments required by Paragraph 4 of this Lease shall be effective at the same time as the new gross rental amount. Copies of applicable provisions of the Internal Revenue Code are available upon request.

2. Resident(s) acknowledge that Mirasol Senior Community is operating under Section 42 of the Internal Revenue Code and that the rental benefits are conditioned upon the anticipated gross annual income of the adult household members and the number of bedrooms within the Unit. At the present time, it is a continuing requirement under the Internal Revenue Code to re-verify income/asset/student status information for each adult household member eighteen (18) years or older prior to each anniversary date of a Lease. Upon notice from the Manager of the need to re-certify, each adult household member eighteen (18) years old or older shall, within ten (10) days, provide the Manager with the necessary information and authority to re-verify income/asset information.

SHOULD ANY ADULT HOUSEHOLD MEMBER FAIL TO PROVIDE THE REQUESTED INFORMATION/AUTHORIZATIONS AS SPECIFIED ABOVE, THIS LEASE SHALL BE CONSIDERED BREACHED AND THE MANAGER MAY, AT ITS SOLE OPTION, TERMINATE THE LEASE BY DELIVERY OF WRITTEN NOTICE TO AN ADULT HOUSEHOLD MEMBER. If any household member is found to have submitted information to the Manager with respect to income and assets which is inaccurate at the time of application or if the Manager determined that the household does not meet the requirements of Section 42 of the Internal Revenue Code, FOR ANY REASON, the Manager may, at it's sole option, terminate the Lease by delivery of written notice to the household. In such event, this Lease shall terminate on the date specified in said notice.

Owner


Resident

July 1, 2011
Date

Resident

Date

Donald F. Gale
Managing Agent

7-1-11
Date



EXHIBIT "A"

Mirasol Senior Community

Barbara Raines,
1145 Finch Place ##151
Loveland, CO 80537

NORMAL WEAR AND TEAR DEFINED: For the purpose of this Lease, "Normal Wear and Tear" shall mean:

- (1) Provided Resident occupies the Unit for at least 1 year, Manager shall assess NO CHARGES against Security Deposit for any of the following: Shampooing of carpets and cleaning of drapes, spot painting of walls.
- (2) Should Resident occupy the Unit for less than 1 year, a prorated charge will be assessed for any of the listed work required (see examples).

Example #1: If walls require painting after 2 months occupancy: x normal charge
Assessment to Resident = (6 mo. - 2 mo.)

Example #2: If walls require painting after 5 months occupancy: x normal charge
Assessment to Resident = (6 mo. - 5 mo.)

NORMAL CHARGES: Resident understands that subject to provisions of Paragraph 7 a of the lease, and subject to the above, should the listed cleaning and/or repairs in Exhibit "A" be necessary due to his occupancy of the premises, the corresponding charges shall be made against the Security Deposit as damages and not as a penalty or forfeiture.

Nothing herein shall be construed as a limitation upon the Manager's rights to pursue claims for damages not specifically listed herein.

Resident

Date

Resident

Date

Managing Agent

All persons will be treated fairly and equally without regard to race, color, religion, sex, familial status, handicap, or national origin in compliance with the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. The Housing Authority of the City of Loveland does not discriminate on the basis of handicapped status in the admission or access to its facilities, or treatment of or employment in its federally assisted programs or activities. Carolyn Coffelt has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's (HUD) regulations implementing Section 504 (24 CFR Part 8, dated June 2, 1988).

AUTHORIZED PACKAGE ACCEPTANCE FORM

Mirasol Senior Community

Barbara Raines,
1145 Finch Place, #151,
Loveland, CO, 80537

We, as resident(s), have given my/our consent and request the management staff for owner to accept packages on my/our behalf from the services listed below and do further hold the owner or management harmless and agree to indemnify them jointly and severally, from any claims, charges, rights, or causes of action arising from damage to, and/or loss of said packages accepted on behalf of myself/ourselves or any of my/our guests or roommates maintaining a permanent or temporary residence in the Unit.

Initials	Delivery Service
[REDACTED]	U.S. Postal Service
[REDACTED]	Federal Express
[REDACTED]	United Parcel Service (UPS)
[REDACTED]	Floral Delivery
[REDACTED]	Other _____

[REDACTED]
Resident

Date July 1 - 2011

Resident

Date

[REDACTED]

CRIME-FREE AND DRUG-FREE HOUSING ADDENDUM

Mirasol Senior Community

1145 Finch Place Loveland, CO, 80537

In consideration of the execution or renewal of a Rental Agreement of the dwelling unit identified in the Rental Agreement dated August 1, 2011. Owner/Manager and Resident agree as follows:

- 1) Resident and members of the Resident's household, a guest or other person affiliated in any way with the Resident, shall not engage in any criminal activity (as defined in title 18 C.R.S.), including drug-related criminal activity on, or near, the dwelling unit, the surrounding area or the area of the community (hereinafter collectively referred to as the "Premises"). "Drug-related criminal activity" means the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute, or use of a controlled substance (as defined in Article 18 of Title 18, C.R.S.).
- 2) Resident and members of the Resident's household, a guest, or other person affiliated in any way with the Resident, shall not engage in any act which facilitates criminal activity, including drug-related criminal activity, on or near said premises.
- 3) Resident or members of the household will not permit the premises to be used for, or to facilitate, criminal activity, including drug-related criminal activity, regardless of whether the individual engaging in such activity is a member of the household.
- 4) Resident and member of the Resident's household, a guest, or other person affiliated in any way with the Resident, shall not engage in the unlawful manufacturing, selling, using, storing, keeping, or giving of controlled substance as defined in Article 18 of title 18, C.R.S., at any location, whether on or near the premises or otherwise.
- 5) Resident and member of the Resident's household, a guest or other person affiliated in any way with the Resident, shall not engage in any illegal activity, including prostitution (as defined in Article 7 of Title 18, C.R.S.) criminal street gang activity (as set forth in title 16 of 18, C.R.S.), threats or intimidation (as prohibited in Title 18, C.R.S.), assault (as prohibited in Article 3 of Title 18, C.R.S.), including, but not limited to, the unlawful possession or discharge of firearms or illegal weapons (as prohibited in Article 12 of title 18, C.R.S.), on or near the premises, or any other violation of the Criminal Statutes of the State, or any breach of the Rental Agreement that otherwise jeopardizes the health, safety and welfare of the landlord, their agent, other tenant, or guest, or that which involves imminent or actual serious property damage.
- 6) ANY VIOLATION OF THE ABOVE PROVISIONS SHALL BE CONSIDERED A MATERIAL AND IRREPARABLE VIOLATION OF THE RENTAL AGREEMENT AND SUFFICIENT CAUSE FOR IMMEDIATE TERMINATION OF THE RESIDENT'S TENANCY. A single violation of any of the provisions of this addendum shall be deemed a serious violation and a material and irreparable non-compliance. It is understood that a single violation, as outlined above, shall be considered sufficient cause for immediate termination of the Rental Agreement, and notice of such termination shall be given in accordance with Article 40-107.5 of Title 13 C.R.S. Unless otherwise provided by law, proof of violation/breach of this agreement resulting in a termination shall not require a criminal conviction, but shall require only a showing by a preponderance of the evidence.
- 7) In case of conflict between the provisions of this addendum and any other provisions of the Rental Agreement, the provisions of the addendum shall govern. Should any provision of this Rental Addendum be declared invalid by any Court of competent jurisdiction, the remaining provisions hereof shall remain in full force and effect, regardless of such declaration.
- 8) This RENTAL ADDENDUM is incorporated into the Rental Agreement, executed or renewed, on the date as set forth above.

Resident

Date

July 1 - 2011

Resident

Date

7-1-11

Managing Agent

[Handwritten Signature]

SATELLITE DISH ADDENDUM

Mirasol Senior Community

[Redacted] 1755 Finch Place [Redacted] Loveland, CO 80537

Based on a new rule that allows Unit residents to install satellite dishes (Federal Communications Commission (FCC). Over the Air Reception Devices Rule 1/22/99).

The Following rules apply and become a part of your lease agreement:

1. Dish must be installed within the Unit or on a patio or balcony that is part of the Unit. You may not install a satellite dish in a common area or roof. You may not install a satellite dish outside your Unit unless you have a patio or balcony, and you may not install a dish on an exterior wall. You may install a dish entirely inside your apartment.
2. Satellite dish must not be larger than one meter (3 feet, 3 inches) in diameter. You may not install any satellite dish larger than one meter, measured across its widest part.
3. Dish must be securely mounted and may not extend beyond the edge of the Unit. Your dish must be mounted in such a manner that it cannot become dislodged. It must not extend beyond the edge of the patio or balcony railing. You may not hang the dish out the window.
4. Installation must not damage the Unit. You may not drill holes in railings, exterior walls, or any other location where holes might impair the building's weatherproofing or there is a risk of striking electrical or water lines. Residents are financially responsible for any and all damage repair once the satellite dish is removed for any reason.
5. Dish must be professionally installed. You may not install dish yourself. You must hire a professional to install it for you (you are responsible for ALL cost and damage done by this professional). BEFORE any work begins you must submit a written, formal installation plan to the Housing Authority, City of Loveland Maintenance/Construction Department for approval. The Housing Authority will have a minimum of 14 days in which to approve or disapprove this written plan. Written approval of the plan must be received by any resident installing a dish BEFORE work begins. Should any dish be installed without WRITTEN permission from the Maintenance/Construction Department, resident may be fined up to \$500.00 and it shall constitute grounds for having your lease agreement terminated.
6. You are liable for any injury or damage to persons or property caused by your dish, and you must maintain liability insurance concerning any such injury or damage. You install and operate the dish at your own risk. You will be liable for any injury or damage to persons or property caused by your dish. To insure that you are able to pay damages in the event that your dish causes injury or damage, you must purchase and maintain liability insurance for you dish for as long as you have it.

I have read and understand the above stated ruled and regulations regarding the use and installation of satellite dishes.

Resident

[Redacted Signature]

Date

July 1, 2011

Resident

Donna Taylor

Date

7-1-11

Managing Agent



ADDITIONAL ADULT LIVING IN UNIT

LJHTC Apartments Policy states that no adult person(s) other than those listed on the lease and application shall live/stay in the unit on a temporary basis and/or not exceeding 30 days. This is to ensure that the Gross Family Income is accurately based on the total monthly income of that household unit.

I agree to contact the Housing Coordinator or Manager with all additional information prior to any changes being made should this arise during the term of the lease. I realize that failure to do this could result in an eviction, lifetime loss of any housing programs managed by the Housing Authority of the City of Loveland, repayment of the rent and possible theft and fraud charges under State and Federal Law.

I understand the above statement. There is no adult living/staying in the unit other than whose name(s) is on the application and lease. I agree to notify the Housing Coordinator or Property Manager if this should change.

Resident Signature

Date

Co-Resident Signature

Date

Staff Signature

Date





Lease Addendum

The below signed parties, [redacted] residing at 1145 Finch Place [redacted] Loveland, CO 80537 do hereby agree and understand this addendum to the lease is to correct paragraph 4, page One of the Mirasol lease. All other provisions of the lease apply. This addendum covers the correction to paragraph 4, page one only.

4. Resident agrees to pay to Manager the gross rental amount of \$6672.00, for rent for the full term aforesaid, in equal consecutive monthly payments of \$556.00 commencing on August 1, 2011. Community Dues, for which additional services to tenant are available, will be payable in equal consecutive monthly payments of \$113.00. It is agreed that if occupancy of the premises occurs prior to the first day of the month, the first rental payment shall be \$0.

By signing below the resident acknowledges the correction. This addendum reflects NO CHANGE IN THE AMOUNT charged to resident per the lease agreement.

[Redacted Signature]

Resident Signature and Date

Resident Signature and Date

Martin Miller 8/31/11

Owner/Manager Agent and Date