**RESIDENTIAL LEASE OF TRIBAL OWNED LAND**

Compliant with [Name of Tribe] Leasing Law

January 1, 2021

Lease No.

THIS Lease is made and entered into by and between the XXX Tribe, a Federally recognized Tribe of Indians, hereinafter designated as “Lessor,” and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, an enrolled member of the XXX Tribe and residing upon the XXX Indian Reservation, hereinafter designated as “Lessee.”

WITNESSETH

1. SECRETARIAL APPROVAL; FEDERAL AGENCY APPROVAL; DEFINITIONS OF FEDERAL AGENCY, TRIBE, and LENDER. As used in this Lease, the term “Secretary” means the Secretary of the Interior or his or her duly authorized representative. This Lease is not subject to the approval of the Secretary pursuant to the Helping Expedite and Advance Responsible Tribal Homeownership Act of 2012 (HEARTH Act) and approval by the Secretary of the XXX Tribe Leasing Law on [Date BIA approved leasing law}. The form of this Lease has been accepted by the Secretary of Housing and Urban Development (HUD) pursuant to 24 C.F.R. § 203.43h(c), which implements Section 248 of the National Housing Act, 12 U.S.C. § 1715z-13, for use in connection with Federal Housing Administration (FHA) insurance of a mortgage on the interest created by this Lease, and pursuant to 24 C.F.R. § 1005.107, which implements Section 184 of the Housing and Community Development Act of 1992 (Pub. L.102-550) for use in connection with HUD’s issuance of a loan guarantee of a mortgage on the interest created by this Lease. The form of this Lease has also been accepted by the Secretary of the United States Department of Agriculture (USDA) for use in connection with the issuance by USDA or its Rural Housing Service (RHS) of a direct or guaranteed loan pursuant to section 502 of the Housing Act of 1949 as amended, 42 U.S.C. § 1472, secured by the interest created by this Lease. As used in the context of this Lease, the term “Tribe” or Tribal” refers to the XXX Tribe. For future reference, “Federal Agency refers to HUD, and USDA. When used in this Lease, the “lender” is any mortgagee that the Lessor or a Federal Agency has approved or a Federal Agency which makes a direct loan. With respect to mortgages which are insured under Section 248 of the National Housing Act, the lender must be approved by the Federal Housing Administration. The term “lender” also includes any of the lender’s successors or assigns of the lender’s right, title to, or interest in, the Mortgage and any subsequent note holder secured by the Mortgage. The assignment of the mortgage or any interest therein to a Federal Agency does not require the consent of the XXX Tribe.

2. PREMISES. Lessor hereby Leases to the Lessee all that tract or parcel of land situated on the XXX Tribe Indian Reservation, County of \_\_\_\_\_\_\_, State of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and described as follows (the Leased Premises):

“See attached legal description and survey plat exhibit “A””

3. USE OF PREMISES/ENCUMBRANCE. The purpose of this Lease is to enable the Lessee to construct, improve, and maintain a residential dwelling and related structures on the Leased Premises, and otherwise to use said premises as a principal residence. The Lessee agrees to not use any part of the Leased Premises for any unlawful conduct or purposes, creation of a nuisance, illegal activity, or negligent use or waste of the Leased Premises, and will comply with all applicable Federal and Tribal Laws, ordinances, rules, and regulations. Nothing in this Lease shall prevent the Lessee, with the approval of the Secretary of HUD (for Section 248 insured loans), and without further approval from Lessor, from executing and recording a mortgage, declaration of trust and/or other security instrument as may be necessary to obtain financing for the purchase of a residential dwelling, refinancing of an existing home mortgage, construction and/or improvement of a residential dwelling and related structures, or shall prevent the mortgagee or other lender from foreclosing or instituting other appropriate proceedings under law in the event of default of any mortgage or other loan agreement by the Lessee or assigns. Except as provided in the preceding sentence, where no such consent or approval of Lessor shall be required, Lessee may not execute a mortgage, declaration of trust or other security instrument pledging their interest in this Lease or any improvements on the Leased Premises without the prior written consent of Lessor.

4. TERM. Lessee shall have and hold the Leased Premises for a term of seventy-five (75) years beginning on the effective date of this Lease. This Lease may not be terminated by either or both parties during its term if, and as long as, the Lease and/or any improvements on the premises, or any interest therein, is mortgaged or otherwise pledged as security for any loan in accordance with the provisions hereof, unless consent in writing to such termination is given by the lender and, if the loan is guaranteed, insured, or made by a Federal Agency, a written consent of that agency is also required. This Lease shall not be subject to any forfeiture or reversion and shall not be otherwise terminable, if such event would adversely affect any interest in the Leased Premises, including improvements thereon, acquired in accordance with the provisions hereof by the holder of any mortgage or other lien, or of any purchaser at a foreclosure sale under such mortgage (or lien) or under any conveyance given in lieu of foreclosure, or of any holder subsequent to such purchase. In the event a Federal Agency acquires a mortgage on the interest created by this Lease by assignment from a lender, the Lessor shall not terminate the Lease without the written consent of the respective Federal Agency, as long as the mortgage is in force.

5. RENT. The improvement of housing for Tribal families is a public purpose of the Lessor. The consideration for this Lease is (1) the obligation of Lessee to further said purpose, (2) the promise hereby given by Lessee to pay the Lessor rent at the rate of One Dollar $1.00 per each 50 year term, (3) the extinguishment, hereby agreed to by Lessee, of any and all use rights heretofore held by Lessee in the Leased Premises, so that Lessee shall hereafter hold rights only by virtue of this Lease, and (4) other good and valuable considerations, the receipt of which is hereby acknowledged by Lessor.

6. IMPROVEMENTS. All buildings or other improvements now existing or hereafter constructed on the Leased Premises shall be the leasehold property of the Lessee during the term of this Lease, including any extension or renewal thereof. During the term of this Lease, Lessee shall obtain any necessary governmental permits, approvals or authorization required for the construction and use of all improvements he or she (they) places or cause(s) to be placed on the Leased Premises, and shall comply with all laws applicable to the construction and use of improvements. Lessee shall be responsible for maintaining in satisfactory condition all improvements on the Leased Premises. If historic properties, archeological resources, human remains, or other cultural items not previously reported are encountered during the course of any activity on the Leased Premises, all activity in the immediate vicinity of the properties, resources, remains, or items shall cease and the Lessee shall contact the Leasing Officer and any other Pueblo official with jurisdiction to determine how to proceed and appropriate disposition.

7. USE RIGHT. Upon expiration of this Lease, or upon its termination in accordance with the terms hereof, unless such termination is due to default upon the part of Lessee, Lessee or any successors in interest shall be entitled to use rights in the Leased Premises if qualified under the laws of the XXX Tribe. If not so eligible, Lessee, his or her (their) sublessee and any successors in interest shall, upon demand, surrender to Lessor upon expiration or other termination of this Lease complete and peaceable possession of the Leased Premises and all improvements thereon which have not been relocated as permitted under Paragraph 23 of this Lease, which shall be the property of the XXX Tribe.

8. FEDERAL SUPERVISION.

(a) Nothing contained in this Lease shall operate to delay or prevent a termination of Federal responsibilities with respect to the Leased Premises by the issuance of a fee patent, the lifting of restrictions on alienation, or otherwise during the term of the Lease; such termination, however, shall not serve to abrogate the Lease.

(b) No member of Congress or any delegate thereto or any Resident Commissioner shall be admitted to any share or part of this Lease or to any benefit that may arise here from.

9. QUIET ENJOYMENT. Lessor agrees to defend the title to the Leased Premises and also agrees that Lessee and any successors in interest shall peaceably and quietly hold, enjoy and occupy the Leased Premises for the duration of this Lease without any hindrance, interruption, ejection or molestation by Lessor or by any other persons whomsoever, except if the requirements of any part of this Lease are not kept by the Lessee. Notwithstanding the foregoing, Lessee and his or her (their) assigns is (are) subject to all the laws of the XXX Tribe to the same extent as any other Tribal member or resident.

1. ASSIGNMENT AND SUBLEASE.

(a) Lessee, without further tribal approval, may assign or sublease this Lease. However, if this Lease and/or any improvements on the Leased Premises are mortgaged or pledged as security for a loan, Lessee must obtain the written approval of the lender and the respective Federal Agency, if any, prior to any assignment or sublease. Lessee may also, without further approval of the Lessor, assign the Lease and deliver possession of the Leased Premises, including any improvements thereon, to the lender or its successors, or Federal Agency guaranteeing or insuring the loan, if Lessee default(s) in any mortgage or other loan agreement for which the Lease and/or improvements on the Leased Premises are pledged as security, and, in such event, the lender or its successors in interest may transfer this Lease or possession of the Leased Premises to a successor Lessee; provided, however, that the Lease may only be transferred to another enrolled member of the XXX Tribe or tribal entity.

(b) Notwithstanding the provisions contained above, the following additional requirements shall be applicable to a Lease, which secures a mortgage insured, guaranteed or held by a Federal Agency:

(1) Notwithstanding that the term sublease is used herein, the Lessee shall not sublease the premises if the Lease is the security for a mortgage insured under Section 248. The lessee may assign the lease in accordance with the terms hereunder.

(c ) In the event a lender, including a Federal Agency, acquires the mortgage secured by this Lease, and subsequently acquires said Lease by foreclosure, or by the assignment of said Lease by Lessee, his or her (their) Lessees or assigns (for which the approval of the XXX Tribe is not required), then:

(1) The appropriate lender, (the lender or Federal Agency involved in this transaction) will notify the XXX Tribe of the availability of the Lease for sale, the sales price of the home and other terms of sale.

(2) The Lease may only be assigned to another enrolled tribal member or tribal entity or enterprise. Any such sublease or assignment shall be executed consistent with tribal law and Federal law.

(3) If a purchaser is found, the Lease will be transferred by the lender, to the purchaser who must be an enrolled tribal member or tribal entity or enterprise.

(4) If a purchaser cannot be found, the lender, including a Federal Agency, shall be entitled to sublease the Leased Premises and improvements without the prior written approval of the XXX Tribe. Such sublease shall be to an enrolled tribal member, entity or enterprise of the XXX Tribe. If an enrolled tribal member or tribal entity or enterprise sublessee cannot be found by the lender within ninety days after making diligent efforts, the lender may require the XXX Tribe to assume a sublease. The term of the initial Lease period and any succeeding period shall not exceed one year each. Any purchase of the Lease shall be subject to any sublease by the lender pursuant to this subsection.

(5) No mortgagee (except a Federal Agency as mortgagee or assignee of a mortgagee) may obtain title to the interest created by this Lease without the prior written consent of the XXX Tribe.

In the event that the lender is the entity responsible for acquiring the Lease and the leasehold estate by foreclosure, the lender shall have the rights of the Federal Agency who had insured or guaranteed the foreclosed mortgage under subparagraphs (1) through (5) above, provided this sentence does not apply to loans insured under HUD/FHA’s Section 248 program.

11. OPTION. Subsequent to Lessee’s breach of any covenant or agreement under a mortgage or other security instrument for which the Lease or any improvements on the Leased Premises are pledged as security, and upon the expiration of any applicable cure period, the Lessor shall have an option (the “option” herein) to acquire the Lessee’s Leasehold interest, (subject to all valid liens and encumbrances) upon either payment in full of all sums secured by the mortgage or assumption of the loan with the approval of the lender or the applicable Federal Agency as evidenced by the note and mortgage and execution of an assumption agreement acceptable in all respects to the Lender. Such option is subject to the following conditions:

(a) If the Lessee or any assignee of Lessee fails to cure the default, the lender shall give written notice to the Lessor and any applicable Tribal housing authority of Lessee’s or its assignee’s failure,

(b) If the Lessee fails to cure the default, said notice shall be given before the lender or successor invokes any other remedies provided under the mortgage or by law. Thereafter, the lender may issue an acceleration notice to the Lessee, its Lessees or assigns, under the mortgage or other security instrument, requiring the Lessee, its Lessees or assigns to pay all sums secured by the mortgage or other security instrument. If the Lessee, its Lessees or assigns fail to cure the default in accordance with the terms of the lender’s acceleration notice, the lender shall give the Lessor written notice of said failure to cure. The Lessor may exercise its option at any time within thirty (30) days of the date of the lender’s written notice to the XXX Tribe of said failure to cure. This option shall be exercised by notice in writing from the Lessor to the Lessee and the lender.

(c) Notwithstanding the Lessor’s option to acquire the Lessee’s interest in the Leased Premises, such option shall be subject to any right the Lessee may have under the mortgage or by law to reinstatement after the acceleration, and the right to bring appropriate court action to assert the non-existence of a default or any other defense to acceleration and sale or foreclosure.

(d) The estate acquired by the Lessor through the exercise of the option shall not merge with any other estate or title held by the Lessor as long as the leasehold interest or any improvements on the Leased Premises, or any interest therein, are mortgaged or otherwise pledged as security for any loan, and the leasehold interest shall remain subject to any valid and subsisting mortgage or other security instrument.

12. RESERVATIONS: Lessee shall use the premises exclusively for residential purposes, except as otherwise agreed to by the parties. Any rights not expressly provided are reserved by the Lessor.

Minerals: The Lessor reserves all rights, as owned by the Lessor, to all mineral rights, including but not limited to oil, gas, or hydrocarbon substances. The Lessor shall not exercise surface entry in connection with reserved mineral rights without prior consent of the Lessee and sureties (as found in 25 CFR 162).

Timber: The Lessor reserves all rights, as owned by the Lessor to timber and forest products on the premises.

Water: The Lessor reserves all rights, as owned by the Lessor, to water on the premises, except that which is needed for residential purposes.

13. EFFECTIVE DATE. This Lease and all its terms and provisions shall be binding upon the successors, and assigns of the Lessee and any successor in interest to the Lessor, and shall take effect on the date of approval by the Pueblo as indicated by the Governor’s signature below.

14. OBLIGATION TO THE UNITED STATES. It is understood and agreed that while the Leased Premises are in trust or restricted status, all of the Lessee’s obligations under this Lease, and the obligation of his, hers (theirs) sureties, are to the United States as well as to the owner of the land, and the Secretary may enforce the obligations of this Lease so long as the land remains in Trust or Restricted status.

15. ASSENT NOT WAIVER OF FUTURE BREACH OF COVENANTS. No assent, express or implied, to any breach of any of the Lessee’s covenants, shall be deemed to be a waiver of any succeeding breach of any covenants.

16. VIOLATIONS OF LEASE. It is understood and agreed that violations of this Lease shall be acted upon in accordance with the Pueblo Leasing Law and any amendments thereto. Violations of tribal or federal law on the Leased Premises shall be treated as violations of the Lease. Upon violations not cured by Lessee or not curable, Lessor or the Secretary (upon reasonable notice from the Lessor) may enforce the provisions of or cancel this Lease. The Lessor’s Leasing Officer may, at his or her discretion, treat as a Lease violation any failure by the Lessee to cooperate with the Leasing Officer’s request to make appropriate records, reports or information available for the Leasing Officer’s inspection and duplication.

17. CARE OF PREMISES. It is understood and agreed that the Lessee is to keep the premises covered by this lease in good repair. Lessee shall not commit or permit to be committed any waste whatever on said premises and shall not remove or tear down any building or other improvements thereto, but shall keep the same in good repair. Lessee shall not destroy or permit to be destroyed any trees, except with the consent of the Lessor, and shall not permit the premises to become unsightly. The Lessee will be held financially responsible for all unrepaired damages to buildings, fences, improvements or appearance, except for the usual wear and decay.

18. FORCE MAJEURE. Whenever under this instrument a time is stated within which or by which original construction, repairs or re-construction of said improvements shall be completed, and if during such period any cause reasonably beyond the Lessee’s power to control occurs, the period of delay so caused shall be added to the period allowed herein for the completion of such work.

19. INSPECTION OF THE PREMISES. The Secretary (upon request of the Lessor), lender, applicable Federal Agency, and the Lessor and their authorized representative shall have the rights, at any reasonable times during the term of this lease, and with reasonable notice, to enter upon the leased premises, or any part thereof, to inspect the same and all buildings and other improvements erected and placed thereon, and to ensure compliance with this Lease.

20. INDEMNIFICATION. Neither the Lessor nor the United States, nor their officers, agents, and employees shall be liable for any loss, damage, or injury of any kind whatsoever to the person or property of the Lessee or sublessees or any other person whomsoever, caused by any use of the leased premises, or by any defect in any structure erected thereon, or arising from any accident, fire, or other casualty on said premises or from any other cause whatsoever; and Lessee, as a material part of the consideration for this lease, hereby waives on Lessee’s behalf all claims against Lessor and/or the United States and agrees to hold Lessor and/or the United States free and harmless from liability for all claims for any loss, damage, or injury arising from the use or occupation of the premises by Lessee, together with all costs and expenses in connection therewith, with the exception that Lessee is not required to indemnify the Lessor for liability or cost arising from the Pueblo’s negligence or willful misconduct.

21. UTILITIES. Neither the Lessor nor the United States shall have any obligation to provide utilities as of the commencement of this Lease. In the event that the Lessee requires utilities, the installation and maintenance thereof shall be the Lessee’s sole obligation, provided that such installation shall be subject to the written consent of the Lessor, which the Lessor will not unreasonably withhold. The Lessee shall pay, as they become due, all bills for electricity and other utilities that are furnished to the leased premises.

22. LATE PAYMENT INTEREST. It is understood and agreed between the parties hereto that, if any installment of rental is not paid within 30 days after becoming due, interest will be assessed at the existing prime rate, plus three (3) percent, times the amount owned for the period during which payments are delinquent. Interest will become due and payable from the date such rental becomes due and will run until said rental is paid. The interest rate formula is Interest = (Prime rate + 3%) times (x) amount due.

23. RIGHT OF REMOVAL. Upon the termination of the lease, the Lessee of a one-unit single family dwelling shall be entitled, within 60 days, to remove the dwelling and related structures from the leased premises and relocate such improvements to an alternative site, not located on the leased premises. Any Lessee who exercises such a right shall be required to pay all costs related to the relocation of the dwelling unit. Lessee shall leave the land in good order and condition. All other improvements shall become the property of the Lessor at the expiration of this lease. This paragraph does not apply to property that is mortgaged, unless the Lender’s prior written consent is provided to the XXX Tribe.

24. INSURANCE. The Lessee agrees, so long as a mortgage on this lease is in effect, to keep buildings and improvements on the leased premises insured against loss or damage by fire with extended coverage endorsements in an amount equal to the full insurable value of the buildings and improvements insured. Said policy is to include the Pueblo and the United States as additional insured on liability coverage and cover the Pueblo’s interest in all permanent improvements and other property as they may appear. Lessee shall pay all premiums and other charges payable in respect to such insurance and shall deposit with the Lessor the receipt for each premium or other charge as paid or satisfactory evidence thereof. Except that, during such time that a mortgage is in effect against this Leasehold interest, said policy is to be made jointly payable to the Lessee and the Lender, and premium payments provided for per specific requirements of the Lender.

25. ADDITIONS. Prior to execution of this Lease, provision (s) number (s) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

has (have) been added hereto and by reference is (are) made a part hereof.

ATTEST: LESSOR: XXX TRIBE

 , Tribal Council Secretary xxxx, Governor/Chairperson/President

 DATE APPROVED:

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Pursuant to XXX Tribal Council Resolution No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ authorizing the Governor/Chairperson/President or his designee to sign on behalf of the XXX Tribal Council.

WITNESS: LESSEE:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Checklist for Tribal Approval for Participation in Mortgage Loan Programs Sponsored by the U.S. Departments of Housing and Urban Development, Agriculture and Veterans Affairs.**

1. Evidence that the tribe has enacted legally binding and effective foreclosure procedures and will enforce those procedures upon notice of default from a lender and/or Agency noted above.

2. Evidence that the tribe has enacted legally binding and effective eviction procedures and will enforce those procedures upon notice of default from a lender and/or an Agency noted above.

3. Evidence that the tribe has adopted procedures ensuring that the Federally guaranteed or insured will always have first lien priority (if applicable) and will be satisfied before all other property debts (excepting tribal taxes) OR has adopted legislation requiring the tribe to follow state or local priority of lien procedures.

4. A copy of the tribe’s lease for use on residential land.

5. Submission of an affirmation signed by the tribe stating that the tribe understands the importance of maintaining and enforcing these procedures.

6. Submission of an affirmation signed by the tribe stating that the tribe agrees that it will permit HUD, USDA and VA and/or the lender or their agents to access mortgaged properties for the purpose of evaluating and servicing loan-related items.