

Town of Jerome 621 Main Street Upper Unit and Garage

**EMPLOYEE RENTAL AGREEMENT for RESIDENTIAL
PROPERTY of TOWN-OWNED HOUSE**

The Town of Jerome, herein referred to as LESSOR, does hereby authorize the Town employee Zachary MacGregor as LESSEE, to occupy 621 Main Street, Upper Unit (Subject Property) and Garage in the Town of Jerome.

THIS AGREEMENT IS SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1) Term of the Agreement

That the term of this agreement will be for a period of Two **(2) years**, commencing January 1, 2025. Either party may terminate this lease by sending written notice of such action at least one (1) month prior to the intended effective date of cancellation. Following the initial two (2) year period, the lease agreement will be month-to-month with either party able to terminate with a 2-week written notice.

2) Rental Rate

The rental rate is established by the Town of Jerome at \$1,000.00 month, payable by check or money order made payable to **The Town of Jerome**. The rent will become due and payable commencing January 1, 2025, and be due by the first day of each month thereafter. The Town may adjust the rental rate no more than once annually.

3) Rental Rate Adjustment

Both parties agree that there is a mutual benefit to updating and providing general maintenance on the home at 621 Main Street, Upper Unit. In recognition of such, the amount of monthly rent will be adjusted based on the amount of updating and general maintenance provided by the Lessee. The Lessee will track and record hours of work and type of work performed in accordance with the attached maintenance list (Exhibit A). Reconciliation of the monthly rent will occur by the last business day of the preceding month between the Lessee and the Town Manager with the adjusted rental amount due by the first day of the following month for which work was performed. Upon satisfaction of a particular maintenance / update item as expressed by the Town Manager in writing, or whatever comes first if the not-to-exceed maximum cost item is reached, there will be no further rent adjustments for that particular item.

4) Cancellation Clause

That this agreement is subject to cancellation based on the terms outlined in this agreement and within 60-days upon separation of employment by the lessee with the Town of Jerome.

5) Use of Subject Property

That the Upper Unit of the property is for the sole use of Lessee, and shall only be used for the purpose of in-Town housing for the lessee and immediate family. Lessee shall make no alterations, addition or improvement or demolition without first obtaining written permission from

the Lessor. Lessee also agrees to use said property without creating or causing to be created, nuisances or hazards to the public health or safety and also not to use or permit any use of property for any illegal or immoral purposes and to comply with all State laws or local ordinances concerning said property and the use thereof. Lessee agrees that use of subject property shall be conducted in such manner so as to insure the quiet enjoyment of the neighboring properties and other units of the building. Lessee understands and agrees to the parking regulations and will only use the designated parking area provided by the lessor.

6) Improvements to Subject Property

If Lessee desires to construct improvements on the subject property outside of Exhibit A, lessee shall first submit a request in writing to Lessor. Moreover, all new permanent / semi-permanent fixtures purchased and installed in the home in accordance with Exhibit B or outside of Exhibit B, must be approved by the Town Manager, including but not limited to: plumbing fixtures, electrical fixtures, flooring, doors, windows, counters, vanities, cabinets and doors. Upon approval, the Town will pay directly for said fixtures. Lessee shall have written permission from Lessor prior to the start of any said construction that is not in accordance with Exhibit A and the provisions of this agreement. On or before termination of this Rental Agreement, if directed by the Lessor, Lessee at Lessee's expense shall remove any and all improvements placed on said parcel by Lessee. If removal of said improvements defaces the subject property, Lessee at Lessee's expense, shall be responsible for replacing or repairing any damage caused by such removal prior to termination of this agreement. Should it be the Lessee's desire to allow said improvements to remain on the lease property and the Lessor does not object to said improvements remaining on the leased property, the improvements shall become the sole and separate property of the Lessor at no cost to Lessor.

7) Repairs to Subject Property

That Lessor will perform repairs and maintenance necessary to keep the subject property in a fit and habitable condition. Lessee is expected to perform all repairs and maintenance as may from time to time be required, except those required as a result of Town action. The Town Manager will determine if the maintenance / repair is part of the initial maintenance improvements (Exhibit A), in which case the Town will pay for said repairs, or from general day-to-day wear from the lessee, in which case the lessee will pay for said repair.

8) Zoning and Permits Required

When applicable the Lessee shall obtain zoning clearance and/or building permits from all governmental agencies having jurisdiction over subject property prior to the start of activities as detailed in the paragraph entitled IMPROVEMENT TO SUBJECT PROPERTY. Copies of the documents shall be provided to Lessor by Lessee. Lessee further agrees that said zoning clearance an/or building permits shall be obtained at no cost to Lessor or Lessee.

9) Maintenance of Subject Property

That Lessee will keep property in a neat, clean and orderly condition at all times during occupancy, including the watering, weeding and trimming of shrubs, trees, lawns, planters, and other landscaped areas and not permit debris to accumulate at any time, not to commit, suffer or permit any waste of said property or any acts to be committed in violation of any laws or ordinances.

10) Mechanics Liens

That Lessee shall keep the property free from any liens arising from work performed, materials furnished or obligations incurred by Lessee and shall indemnify, hold harmless and defend Lessor from any liens and encumbrances arising from any work performed or materials furnished by or at the direction of Lessee. Upon completion of any approved construction activity, copies of signed lien waivers shall be supplied to Lessor by Lessee.

11) Untenantable Property Due to Damage

That in the event the property is partially damaged or totally destroyed by flood, accident or acts of God, the Lessor shall have the option to terminate this agreement by delivering written Notice of Immediate Termination to Lessee.

12) Right of Entry by Lessor

The Lessee acknowledges that Lessor's needs and requirements may necessitate survey or preliminary engineering studies to be made from time to time, thereby Lessor specifically reserves a right of entry to occupied lands at any and all reasonable times, with 48-hours notice for such purposes as shall be required by Lessor.

13) Inspections by Lessor

That Lessor reserves the right to inspect the premises periodically to determine the general condition and upkeep of the property. Lessor will give Lessee not less than two-days notice of such inspection. Lessee will not unreasonably withhold permission for such inspection

14) Liability of Lessor

This agreement is made upon the express condition that Lessor does not protect or insure against loss of personal property or improvements owned by Lessee. Lessee waives the right to claim damages from Lessor for any damage resulting to said property in the event that property is damaged or destroyed by fire or any other perils that is not the direct result of negligence by the Lessor. The Lessee assumes full responsibility for any damage to, or loss of, any ADOT property leased hereunder, due to personal negligence or that of individuals whom they are legally responsible.

Lessee shall hold and save harmless Lessor, or any of its departments, agencies, board commissions, agents, or employees from all cost and damages to any person arising out of any injuries or losses caused by Lessee, its agents or employees, licensees, invitees, trespassers or any third parties willful or negligent act during occupancy of the subject property.

The Lessee shall provide evidence of liability insurance by submitting a certificate of insurance that shall name the Town of Jerome as additional insured and shall be provided to the Town Manager along with this signed agreement prior to occupying the assigned housing unit.

Liability - \$300,000.00

Medical Payments to Others - \$10,000.00

And Personal Property Rental Contents insurance suitable to cover lessee's contents and personal property.

The insurance requirements herein are minimum requirements for this lease and in no way limit the indemnity covenants contained in this lease. The Town of Jerome in no way warrants that the minimum limits contained herein are sufficient to protect the Lessee entirely from any

injuries or losses caused by Lessee, its agents or employees, licensees, invitees, trespassers or any third parties willful or negligent act during occupancy of the subject property.

15) Utilities

That the Lessee is responsible for connecting all utilities to the site and paying for all utility costs during the term of this agreement. The utilities to the Upper Unit will be in the name of the Lessee and the Lessee will directly pay for all utilities during the term of this agreement.

16) Prior Lease and Agreements

That in the event there is any prior or existing lease or rental agreement covering the subject property and dwelling, this Rental Agreement shall cancel and terminate said prior lease or rental agreement as of the effective date of this Rental Agreement.

17) Relocation Provisions

That notwithstanding anything to the contrary, this Rental Agreement is not subject to the provisions of A.R.S. §28*-1841, et seq. and rules promulgated there under and 42 U.S.C. 4601-4639 and regulations promulgated there under both as now existing or as may hereafter be amended during the term of this Rental Agreement. This clause shall not extend any right to Lessee or impose any liability or duty upon Lessor provided for the herein referenced statutes and regulations.

18) Sale or Rental of Subject Property by Lessor

Lessee agrees in the event Lessor desires to sell said property, Lessee will make no claim to prevent such sale. Lessee further agrees that in the event the Lessor requires the property to be rented to a Town employee who has a residency requirement and desires use of the home / property that Lessee will make no claim to prevent such lease.

19) Assignment of Agreement of Lessee

That Lessee shall not assign his interest herein, and shall not sublease the aforesaid premises or permit same to be used by unauthorized person or firm.

20) Nondiscrimination Regulations

That Lessee for him/herself, his/her personal representatives, successors in interest and assigns as a part of the consideration hereof, do hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, creed, sex, age, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) in the construction of any improvements on, over or under such land and the furnishings of services thereon, no person on the grounds of race, color, creed, sex, age or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination. (3) Lessee shall use the premises in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation. Subtitle A, Office of the Secretary, Part 21, Nondiscrimination conveyances, Lessor shall have the right to terminate this Rental Agreement and to re-enter and repossess said land and dwelling thereon, and hold the same as if said Rental Agreement had never been made or issued.

21) Default by Lessee

That should Lessee default on any term or condition of this agreement, specifically failure to submit the monthly rental payment as specified, the agreement shall terminate in thirty (30) days. In the event of default by Lessee due to excessive damage to the house or illegal activity being conducted, the agreement shall terminate in seven (7) days. In the event of default by Lessee, Lessor shall have all remedies as provided by law. Unless otherwise provided by statute, Lessor lessee will pay the prevailing party, courts costs and attorney's fees in a reasonable sum in any legal action relating to the lease.

22) Return of Subject Property to Lessor

That upon vacating, Lessee agrees to leave the premises in as good a condition or better than existed upon completion of the maintenance / update items in Exhibit A, allowing for ordinary and normal usage during occupancy, and to reimburse Lessor for any damage done to said property caused by Lessee's occupation or tenancy, other than due to normal use. Nothing herein shall be deemed a waiver of any rights to Lessor to demand and obtain possession of said premises in accordance with the law in the event of a violation on part of Lessee of any of the terms and conditions hereof.

23) Addenda

That any addenda to this Rental Agreement are by this reference made a part hereof as though fully set forth herein.

24) Use of Garage

Lessee desires to utilize the on-site detached garage. In exchange for sole use of the garage during the term of this agreement, the Lessee will provide yard upkeep to include mowing, trimming of shrubs, shoveling snow and laying salt / sand when needed. Lessor will also alert Lessor to any property maintenance issues throughout the entirety of the property. If Lessor deems Lessee was unsatisfactory in carrying out this responsibility, the Lessor can provide two-week's notice to vacate the garage and return it to the condition it was in prior to Lessee utilizing the garage, normal wear and tear excepted.

25) Addresses of Lessor and Lessee

That any notices to or demand upon either party hereto by the other pursuant to this Rental Agreement shall be in writing and shall be delivered to the other party or forwarded by registered mail, postage paid, addressed as follows:

To Lessor at:

**Town of Jerome
Town Manager's Office
P.O. Box 335
Jerome, AZ 86331
(928) 634-7943**

To Lessee at:

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Signature (Lessee)

Signature (Lessor-Town Manager)

Date _____

Date _____