

Great River

August 30, 2004

Le Sueur Apartments
411 North Third Street
Le Sueur, MN 56058

Dear Resident:

The Department of Housing and Urban Development subsidizes the rent of your apartment through the project-based Section 8 program. Federal law requires that owners provide tenants with a one-year notification before the expiration of a Section 8 contract. The Section 8 contract that pays the government's share of your apartment rent at Le Sueur Apartments expires on August 31, 2005.

Although there will be no immediate change in your rental assistance, we are required to inform you of our intended actions when the contract expires one year from now.

This letter is to notify you that we do not intend to renew the current Section 8 contract when it expires.

Since we do not intend to renew this project-based contract upon its expiration, it is our understanding that, if Congress makes funds available (which it has in the past and is expected to in the future), the Department of Housing and Urban Development will provide all eligible tenants currently residing in a Section 8 project-based assisted unit with tenant-based assistance. Unlike the current project-based Section 8 contract, Section 8 vouchers are issued to the tenants and allows them to choose the place they wish to rent. The Section 8 voucher program is administered by local Public Housing Authorities. Federal law allows you to elect to continue living at this property provided that the unit, the rent, and we, the owners, meet the requirements of the Section 8 tenant-based assistance program. As an Owner, we will honor your right as a tenant to remain at the property on this basis as long as it continues to be offered as rental housing, provided that there is no cause for eviction under Federal, State or local law.

You will also have the opportunity to choose another development or single family house in which to move provided that the new landlord will accept the voucher and the owner and the unit meet Section 8 tenant-based program requirements.

Please remember that project-based Section 8 rental assistance will continue to be provided on your behalf for one year. In addition, we may agree to a renewal of the project-based contract with HUD, thus avoiding contract termination altogether.

Approximately four months (120 days) before the expiration of the Section 8 contract, HUD requires that we confirm our final decision to not renew this contract. Following this confirmation, you will be contacted by the local Public Housing Authority (PHA) to determine your household's eligibility for tenant-based assistance. If you intend to apply for

August 30, 2004

Page 2

Section 8 tenant-based rental assistance you should not move from your current unit until you have consulted with the local PHA about your eligibility for tenant-based assistance.

If you have any questions or would like information on the Section 8 Program, the following sources may be of assistance:

Minnesota Housing Finance Agency

Name: Steve O'Brien

Telephone Number: 651-297-4065 or 1-800-657-3647

HUD Field Office

Name: Rita Nunweiler

Telephone Number: 612-370-3051 ext. 2276

HUD Web

<http://hud.gov> - click on "rental help."

Sincerely,

Le Sueur Apartments



James M. Kelley
Housing Director

cc: MHFA/ Steve O'Brien

HUD/Rita Nunweiler

Great River

September 10, 2004

Dear Resident:

We the Owners of the Le Sueur Apartments have decided to pay back the loan for this property which we received with the help of the Federal Government. Section 219(1) (b) (3) of the Fiscal Year 1999 Appropriations Act requires that owners provide at least 150-day (but not more than 270 days) notice to the Department of Housing and Urban Development (HUD), the State or Local government, and to each tenant of their intent to prepay or terminate their mortgage. This letter meets that requirement by notifying you that we intend to prepay or terminate our mortgage held or insured by HUD effective on February 15, 2005.

Prepayment of the mortgage could result in an increase in rent. It does not necessarily mean that your portion of the rent will go up. If you are living in your unit on the date which we prepay, and are income eligible, you may be eligible to receive an enhanced rental voucher. The enhanced voucher may enable you to continue living here paying only the greater of your same gross rent or 30% of your monthly adjusted income for rent, or you may use the housing voucher to move to another eligible unit of your choosing. In order to stay in your current unit with enhanced voucher assistance, the PHA must determine that 1) the rent for the unit is reasonable, 2) you are in the appropriate size unit, and 3) the unit meets the housing quality standard of the housing voucher program.

We have notified HUD of our intent to prepay or terminate our mortgage. Within the next two months you shall receive an information packet from HUD detailing tenant protection and the options available to you.

If you have any questions, please call Rita Nunweiler at HUD, 612-370-3051 ext. 2276.

Sincerely,



James Kelley
Housing Director

Cc: Rita Nunweiler, HUD
Steve O'Brien, MHFA