

MICHIGAN LEASE AGREEMENT

(Development Name)

THIS LEASE AGREEMENT is entered into on the ____ day of _____, _____, between _____, LANDLORD, and _____, TENANT, for a dwelling unit identified as _____, located at the following address: _____, in the apartment project known as _____.

The development of which the dwelling unit is a part has been financed by the Michigan State Housing Development Authority (the "Authority") and is subject to a Mortgage made by LANDLORD to the Authority.

LANDLORD and the Authority have entered into a Housing Assistance Payments Contract (the "Contract") under the Section 8 Housing Assistance Program (the "Program"), which Contract has been approved by the United States Department of Housing and Urban Development ("HUD"), and provides that Housing Assistance Payments shall be made to LANDLORD on behalf of TENANT on the basis of family income, family composition and certain exceptional medical or other unusual expenses.

The Contract contains a rent schedule establishing the rent for the dwelling unit to be occupied by TENANT, known as the Contract Rent. In addition, a Utility Allowance has been established by HUD for the unit. The Contract Rent and the Utility Allowance make up the total housing cost for the dwelling unit, which is known as the Gross Rent.

That portion of the total housing cost for the dwelling unit, or the Gross Rent, to be contributed by TENANT will not exceed 30% of TENANT's adjusted household income. This is known as the "Total Tenant Payment." A recertification of TENANT's income and family composition will be obtained at least once a year, and whenever else required by HUD, and TENANT's Total Tenant Payment will be adjusted by LANDLORD to reflect income and family composition changes shown by any recertification.

The rent payable by TENANT to LANDLORD under this Lease will be determined by subtracting the Utility Allowance for the dwelling unit from the Total Tenant Payment that TENANT must contribute.

Because LANDLORD has determined that TENANT is eligible to occupy the dwelling unit and will contribute a Total Tenant Payment that is less than the Gross Rent specified for the dwelling unit, IT IS AGREED THAT:

1. **Term.** The initial term of this Lease is one year, beginning on _____, and ending on _____, _____, with automatic renewals as specified in Section 21, or until terminated in accordance with Section 24.

Use the following if any utilities (in addition to telephone, cable TV and/or satellite dish service) are to be paid separately by the tenant:

2. **Rent and Other Charges.**

a. The Gross Rent established for the dwelling unit is \$_____ per month, and the Contract Rent is \$_____ per month.



b. The total amount to be contributed by TENANT toward rent and utilities is \$ per month (the "Total Tenant Payment"). Because TENANT is required to pay separately for some utilities (see Section 3 below), a Utility Allowance of \$_____ per month has been established by HUD for the dwelling unit. After deducting the Utility Allowance, the amount of rent TENANT must pay to LANDLORD every month is \$_____ (the "Tenant Rent"). The difference between the Contract Rent for the dwelling unit and the Tenant Rent payable by Tenant is \$_____, which will be paid by the Authority as a Housing Assistance Payment on behalf of TENANT. TENANT must pay the Tenant Rent in advance, on or before the first calendar day of each month to LANDLORD at: _____ or to any other person or at any other address if LANDLORD requests TENANT to do so in writing. Any payment of Tenant Rent due from TENANT that is received after the 5th calendar day of the month in which it is due shall be subject to a late charge of \$_____ for administrative costs. *[late charge cannot exceed \$30 for the month]* LANDLORD may also collect a fee of \$_____ on the second and any additional time a rent check is bounced or returned "NSF".

c. The amount of the Gross Rent, the Contract Rent, the Tenant Rent, the Utility Allowance and the Housing Assistance Payment will be subject to change by reason of changes in TENANT's family income, family composition or to the extent of exceptional medical or other unusual expenses, in accordance with HUD's established schedules and criteria; or by reason of changes in Program rules. TENANT will be notified in writing of any change in the Contract Rent, the Utility Allowance or the Housing Assistance Payment that results in an increase or decrease in the Tenant Rent in accordance with Section 4 below. LANDLORD will notify TENANT of any other changes in the Contract Rent or the Housing Assistance Payment by sending TENANT a copy of the revised HUD-50059. All such changes will be effective as of the date stated in the notice to TENANT.

Use the following if all utilities (except telephone, cable TV and/or satellite dish service) are included in the monthly Contract Rent:

2. **Rent and Other Charges.**

a. The Contract Rent established for the dwelling unit is \$_____ per month. The Contract Rent is equal to the Gross Rent.

b. The total amount to be contributed by TENANT toward rent and utilities is \$ per month (the "Total Tenant Payment"). Because all utilities (except telephone and cable TV) are included in the rent payable for the dwelling unit, there is no Utility Allowance and the amount of rent TENANT must pay to LANDLORD every month is equal to the Total Tenant Payment (the "Tenant Rent"). The difference between the Contract Rent for the dwelling unit and the Tenant Rent payable by Tenant is \$_____, which will be paid by the Authority as a Housing Assistance Payment on behalf of TENANT. TENANT must pay the Tenant Rent in advance on or before the first calendar day of each month to LANDLORD at: _____ or to any other person or at any other address if LANDLORD requests TENANT to do so in writing. Any payment of Tenant Rent due from TENANT that is received after the 5th calendar day of the month in which it is due shall be subject to a late charge of \$_____ for administrative costs. *[late charge cannot exceed \$30 for the month]* LANDLORD may also collect a fee of \$_____ on the second and any additional time a rent check is bounced or returned "NSF".

c. The amount of the Contract Rent, the Tenant Rent and the Housing Assistance Payment will be subject to change by reason of changes in TENANT's family income, family composition or to the extent of exceptional medical or other unusual expenses, in accordance with HUD's established schedules and criteria; or by reason of changes in Program rules. TENANT will be notified in writing of any change in the Contract Rent or the Housing Assistance Payment that results in an increase or decrease in the Tenant Rent in accordance with Section 4 below. LANDLORD will notify TENANT of any other changes in the Contract Rent or the Housing Assistance Payment by sending TENANT a copy of the revised HUD-50059. All such changes will be effective as of the date stated in the notice to TENANT.

Use the following if any utilities (in addition to telephone, cable TV and/or satellite dish service) are to be paid separately by the tenant:

3. **Utilities.** The Contract Rent for the dwelling unit includes the cost of the following



utilities: _____.

LANDLORD agrees to make these utilities continuously available to TENANT and in reasonable amounts at no additional charge to TENANT. TENANT shall be responsible for the payment of all other utilities and services to the dwelling unit, including telephone, cable, satellite dish, _____. TENANT acknowledges that interruptions in the delivery of utilities does occur, and agrees that LANDLORD will not be liable to TENANT for any loss or inconvenience resulting from the temporary interruption of any utility due to reasons outside the control of LANDLORD.

Use the following if all utilities (except telephone, cable TV and/or satellite dish service) are included in the monthly Contract Rent:

3. **Utilities.** The Contract Rent for the dwelling unit includes the cost of all utilities (except telephone, cable TV and/or satellite dish), including gas, electric, water and sewer. LANDLORD agrees to make these utilities continuously available to TENANT and in reasonable amounts at no additional charge to TENANT. Telephone, cable TV and satellite dish service are not considered utilities by HUD, and TENANT shall be responsible for the payment of telephone service to the dwelling unit and cable, if any. TENANT acknowledges that interruptions in the delivery of utilities does occur, and agrees that LANDLORD will not be liable to TENANT for any loss or inconvenience resulting from the temporary interruption of any utility due to reasons outside the control of LANDLORD.

4. **Changes in Tenant Rent.** TENANT agrees that the Tenant Rent to be paid by TENANT and/or the amount of the monthly Housing Assistance Payment paid on behalf of TENANT may be changed during the term of this Lease if:

a. HUD or the Authority determines, in accordance with HUD procedures, that an increase in the Contract Rent is needed;

b. HUD or the Authority changes the Utility Allowance or any services considered in computing TENANT's Tenant Rent for the unit;

c. the income, the number of persons in TENANT's household, or exceptional medical or other unusual expenses considered in the TENANT's Tenant Rent change, and HUD procedures provide that the Tenant Rent or Housing Assistance Payment be adjusted to reflect the change;

d. changes in the Tenant Rent or Housing Assistance Payment are required by HUD recertification or subsidy termination procedures;

e. HUD procedures for computing the Tenant Rent or Housing Assistance Payment change;

f. TENANT fails to provide LANDLORD with:

- (1) information on his or her income,
- (2) information on the income of any household member,
- (3) information on family composition, or
- (4) other information required by LANDLORD for purposes of this Lease; or

g. the Contract between the LANDLORD and the Authority is terminated for any reason.

If TENANT's Tenant Rent is increased because of failure to provide information to LANDLORD as required by subsection 4.f, then the increase shall be retroactive to the date TENANT was required to report the information to LANDLORD and TENANT agrees to repay any overpayment of Housing Assistance Payment that resulted from TENANT's failure to provide the information within the required time frame. If TENANT's Tenant Rent is increased for any other reason, LANDLORD must give TENANT thirty (30) days advance written notice before the increase will be effective. If TENANT's



Tenant Rent decreases for any reason, the decrease will be effective on the first day of the month following the action that resulted in a decrease.

LANDLORD agrees to implement changes in TENANT's Tenant Rent or the Housing Assistance Payment only in accordance with the time frames and administrative procedures set forth in HUD handbooks, instructions and regulations. LANDLORD agrees to give TENANT at least thirty (30) days= advance written Notice of any increase in the Tenant Rent payable by TENANT except as noted in Sections 5, 6 or 16. The Notice will state the new amount of Tenant Rent that TENANT is required to pay, the date the new amount is effective, and the reasons for the change. The Notice will also advise TENANT that he/she may meet with LANDLORD to discuss the rent change. In the event that the Contract is terminated for any reason, the change in Tenant Rent shall be effective at the end of the last month for which a Housing Assistance Payment was received on TENANT's behalf.

5. **Income and Family Composition Certification and Recertification.** Each year around the _____ day of _____, LANDLORD will request TENANT to report the income and composition of TENANT's household and to supply any other information required by HUD or LANDLORD for the purposes of determining the Tenant Rent to be paid by TENANT and the Housing Assistance Payment, if any. TENANT agrees to provide accurate statements of this information and to do so by the date specified in LANDLORD's request. LANDLORD will verify the information supplied by TENANT and use the verified information to recompute the amounts of the Tenant Rent and Housing Assistance Payment, if any. This obligation is in addition to TENANT=s obligation to report other changes in the income or composition of TENANT=s household as required by Section 7 below. TENANT agrees to sign a new lease for the purpose of incorporating the new Tenant Rent, changes permitted under Section 20 below or other changes approved by the Authority.

TENANT may request a meeting with LANDLORD to discuss any change in the Total Tenant Payment, Tenant Rent or Housing Assistance Payment resulting from the recertification processing. If TENANT requests such a meeting, LANDLORD agrees to meet with TENANT and discuss how TENANT's Total Tenant Payment, Tenant Rent and Housing Assistance Payments, if any, were computed.

TENANT will promptly provide LANDLORD with any letter or other notice from HUD to a member TENANT's household that provides information relating to the amount of household income or verification of household income in accordance with HUD requirements. Failure to do so may constitute material non-compliance with the terms of this Lease and result in a termination of this Lease by LANDLORD as permitted in Section 23 below.

6. **Failure to Submit Recertification Information/Removal of Subsidy.** If TENANT does not submit the required recertification information by the date specified in LANDLORD's request, LANDLORD may impose the penalties described in this section. LANDLORD may implement the penalties only in accordance with the administrative procedures and time frames specified in HUD regulations, handbooks and instructions related to the administration of subsidized multifamily housing programs.

LANDLORD may, if TENANT fails to submit recertification information:

- a. Stop making the Housing Assistance Payment and require the TENANT to pay the entire Contract Rent for the dwelling unit; or
- b. Implement any increase in Tenant Rent resulting from the recertification process without providing the 30-day notice otherwise required by Section 4 of this Lease.

LANDLORD agrees to give TENANT written notice of the proposed termination. The notice will advise TENANT that, during the ten (10) calendar days following the date of the notice, he/she may request to meet with LANDLORD to discuss the proposed termination of assistance. If TENANT requests a discussion of the proposed termination, LANDLORD agrees to meet with TENANT.



Termination of assistance shall not affect TENANT's other rights under this Lease, including the right to occupy the unit. Assistance may be subsequently reinstated if TENANT submits the income or other data required by HUD procedures, LANDLORD determines that TENANT is eligible for assistance and assistance is available.

7. **Reporting Changes in Household Income or Family Composition.** If any of the following changes occur, TENANT agrees to advise LANDLORD immediately:

- a. Any household member moves out of the dwelling unit.
- b. An adult member of the household who was reported as unemployed or as having no income on the most recent certification or recertification obtains employment or receives income from any source.
- c. TENANT's household income cumulatively increases by \$200 or more per month.

If TENANT does not advise LANDLORD of any of these changes between recertifications, LANDLORD may increase the Tenant Rent to the Contract Rent, but only in accordance with the time frames and administrative procedures set forth in HUD regulations, handbooks and instructions. Failure to advise LANDLORD of changes immediately will be considered material noncompliance with this Lease and may be grounds for termination and eviction. If TENANT does not report interim changes in household income or other factors as required by this Section 7, and as a result TENANT pays a lower Tenant Rent than the amount required by HUD formulas, TENANT agrees to reimburse LANDLORD for the difference between the Tenant Rent he/she should have paid and the rent he/she was charged. TENANT is not required to reimburse the LANDLORD for undercharges caused solely by LANDLORD's failure to follow HUD procedures for computing rent or Housing Assistance Payments.

TENANT is not required to but may report any decrease in income or any change in other factors considered in calculating TENANT's rent that might decrease the amount of Tenant Rent paid by TENANT. Unless LANDLORD has confirmation that the decrease in income or change in other factors will last less than one month, LANDLORD will verify the information and make the appropriate reduction in Tenant Rent. If, however, TENANT's income will be partially or fully restored within two months, LANDLORD may delay the certification process until the new income is known, but the rent reduction will be retroactive and LANDLORD may not evict TENANT for nonpayment of any portion of the Tenant Rent due during the period between the date the decrease was reported and the completion of the certification process. Failure to pay within thirty (30) days of receiving written notice of any Tenant Rent past due for that time period is grounds for termination of this Lease.

TENANT may request a meeting with LANDLORD to discuss any change in the Total Tenant Payment, Tenant Rent or Housing Assistance Payment resulting from the recertification processing. If TENANT requests such a meeting, LANDLORD agrees to meet with TENANT and discuss how TENANT's Total Tenant Payment, Tenant Rent and Housing Assistance Payments, if any, were computed.

8. **Members of Household and Occupancy.** TENANT must live in the dwelling unit and the dwelling unit must be TENANT's only place of residence. TENANT shall use the unit only as a private dwelling for himself/herself and the household members listed below. As of the date of this Lease, TENANT agrees that only the following household members may live in the unit:

| <u>Name</u> | <u>Relationship</u> |
|-------------|---------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |



TENANT agrees that except for family members who are the legal dependents of TENANT, no other persons, including a spouse of TENANT or any other family member, will be permitted to join TENANT=s household without the prior written approval of LANDLORD. Before moving in, any proposed new member of TENANT=s household who is 18 years of age or older must meet the same tenant screening criteria as other new applicants.

Upon any change in the members of TENANT=s household, TENANT will advise LANDLORD immediately and will recertify as to household income and family composition. TENANT agrees to enter into a new lease or an addendum to this Lease to reflect the change in TENANT=s household.

9. Termination of Housing Assistance Payments. TENANT understands that the Housing Assistance Payment paid on behalf of TENANT will be terminated if events described in either (a) or (b) below occur. Termination of Housing Assistance Payments to TENANT means that LANDLORD may make the Housing Assistance Payments available to another tenant of the development and the amount of rent that must be paid by TENANT will increase to the HUD-approved Contract Rent for the dwelling unit.

a. TENANT does not provide LANDLORD with the information or reports required by Sections 4, 5 or 6 within ten (10) calendar days after receipt of LANDLORD's notice of intent to terminate TENANT's Housing Assistance Payments.

b. The Total Tenant Payment that TENANT would be required to pay towards rent and utilities under HUD rules and regulations equals the Gross Rent for the dwelling unit.

LANDLORD agrees to give TENANT written notice of the proposed termination. The notice will advise the TENANT that, during the ten (10) calendar days following the date of the notice, he/she may request to meet with LANDLORD to discuss the proposed termination of Housing Assistance Payments. If TENANT requests a discussion of the proposed termination, LANDLORD agrees to meet with TENANT within ____ days prior to termination.

Termination of Housing Assistance Payments under this Section will not affect TENANT's other rights under this Agreement, including the right to occupy the dwelling unit, unless TENANT=s occupancy is also being terminated under Section 23 of this Lease. Housing Assistance Payments may subsequently be reinstated if TENANT submits income information or reports or other data required by HUD procedures indicating that TENANT is eligible for Housing Assistance Payments, and such assistance is available.

10. False Information. TENANT agrees that statements concerning household income, family composition and other TENANT eligibility requirements are substantial and material with respect to the amount of rent that TENANT is obligated to pay, and TENANT's right to occupy the unit. If TENANT submits false information on any application, certification or request for interim adjustment, or does not report interim changes in household income or other facts as required by Section 7 of this Lease, and as a result TENANT pays a lower Tenant Rent than the amount required by HUD formulas, TENANT agrees to reimburse LANDLORD for the difference between the Tenant Rent he/she should have paid and the rent he/she was charged. TENANT is not required to reimburse the LANDLORD for undercharges caused solely by LANDLORD's failure to follow HUD procedures for computing rent or Housing Assistance Payments.

11. Penalties for Submitting False Information. Knowingly giving LANDLORD false information regarding TENANT's income, the income of other household members or other factors considered in determining TENANT's eligibility and the Tenant Rent for the dwelling unit is material noncompliance with this Lease and constitutes grounds for termination of tenancy. In addition, TENANT may become subject to penalties available under Federal law, which include fines up to \$10,000 and imprisonment for up to five years. Additionally, LANDLORD may initiate proceedings to invoke any



applicable statutory penalty for false or incorrect statements.

12. **Tenant's Agreements with Landlord.** On TENANT's behalf, and on behalf of the members of TENANT's household, TENANT agrees to:

a. pay TENANT's monthly Tenant Rent promptly when due, without any obligation on the part of LANDLORD to demand it;

b. keep the dwelling unit and all common areas inside and outside the building in a clean and sanitary condition, and comply with all applicable health laws and the Housing Quality Standards established by HUD with respect to the dwelling unit and common areas, and to save LANDLORD harmless from all fines, penalties, and costs for violations or noncompliance. All litter containers must be kept clean and the areas surrounding such containers kept free of litter, and all garbage and other refuse must be wrapped or placed in bags. All garbage and refuse shall be stored and disposed of in the ways and at the times specified by LANDLORD;

c. permit LANDLORD, or LANDLORD's agents, or any representative or any holder of a mortgage on the property, or when authorized by LANDLORD, the employees of any contractor, or utility company, to enter the dwelling unit for the purpose of making reasonable inspections, needed repairs, extermination of insects and pests, elimination of mold, mildew, water leakage or excessive moisture, changing of furnace filters, and other like purposes, which shall be made only during reasonable hours at reasonable times and, except in cases of emergency (which are defined as danger to life or serious danger to property), with reasonable advance notice to TENANT. In no case shall an entry intrude into TENANT's personal property;

d. comply with the house rules and regulations governing the use of community facilities (community building and swimming pool) and to give up the privilege of using the facilities for failure to comply with such rules and regulations; and be responsible for damage to the structure or interiors of the facilities due to the lack of proper supervision of TENANT's dependents or guests;

e. not use the dwelling unit for any purpose deemed hazardous by an insurance company carrying insurance on the development;

f. not install a washing machine, dryer, or air-conditioning unit in the dwelling unit without the prior approval of LANDLORD;

g. make no changes in any fixture or wiring within the dwelling unit;

h. not make alterations, additions or improvements to the dwelling unit such as painting, decorating, changing locks, installing wall coverings; nor place fixtures, signs or fences in or about the dwelling unit without the prior written permission of LANDLORD. If permission is obtained, TENANT also agrees to remove any decorations, fixtures, signs or fences **without damage to the dwelling unit** upon moving out, if requested to do so by LANDLORD. Tacks or nails may be put on the walls for decorative purposes only as long as they do not cause structural damage and TENANT removes them and repairs any holes before moving out of the dwelling unit;

i. not keep animals or pets of any kind in the dwelling unit other than those expressly permitted in writing by LANDLORD, or, if the Development has been designated as an elderly project, as permitted in Section 29, or, if TENANT is disabled, as a reasonable accommodation to TENANT's disability or TENANT's visitors with disabilities as permitted in Section 30. LANDLORD will allow animals to accompany visitors with disabilities who need such animals as an accommodation to their disabilities;

j. not occupy more than ____ parking spaces, nor park or drive any vehicle or trailer on landscaped surfaces;

k. not create or permit an unreasonable amount of noise in the dwelling unit;



l. not waste utilities furnished by LANDLORD nor use utilities or equipment for any improper or unauthorized purpose;

m. not assign this Lease, sublet the dwelling unit, give accommodations to any roomers or lodgers, or allow other family members or visitors to stay in the unit for more than two (2) weeks in any calendar year without the written consent of LANDLORD, or permit the use of the dwelling unit for any purpose other than as a private dwelling solely for TENANT and TENANT's household;

n. not permit any person other than the household members listed in Section 8 to live in the dwelling unit. For purposes of this Lease, any person spending more than three (3) nights per week in the unit on a regular or repeated basis will be considered to live in the dwelling unit;

o. after TENANT has given notice of intent to move, or has moved from the unit, allow LANDLORD or LANDLORD's agents to enter the unit for purposes of showing the unit or preparing the unit for re-occupancy; and

p. pay LANDLORD a lock-out charge of \$_____ any time LANDLORD is required to respond to a lock-out call by TENANT and a lost key charge of \$_____ any time LANDLORD is required to replace TENANT's key to the dwelling unit.

13. **Size of Dwelling.** TENANT understands that HUD requires LANDLORD to assign units at the development in accordance with LANDLORD's written occupancy standards. These standards include consideration of unit size, relationship of family members, age and sex of family members and family preference. If TENANT is or becomes eligible for a different size unit and the required size unit becomes available, TENANT agrees to either:

a. move within thirty (30) days after LANDLORD notifies TENANT that a unit of the required size is available; or

b. stay in the same unit and pay the HUD-approved Contract Rent for that unit.

14. **Landlord Not Responsible.** LANDLORD shall not be responsible for fire, theft, or damage to TENANT's personal effects or property in the dwelling unit, laundry, storage lockers, or any portion of the development unless caused by LANDLORD's fault or neglect. It is recommended that TENANT consider and purchase renter's insurance for TENANT's personal property.

15. **Condition of Dwelling Unit.** TENANT, by signing the Inventory Checklist, acknowledges that the dwelling unit is in safe, clean and satisfactory condition, and that all appliances in the unit are in good working order, except as noted in the Inventory Checklist. LANDLORD will not be required to clean, recarpet, repaint, replaster, or otherwise perform any other work unless specifically noted on the Inventory Checklist and agreed to by LANDLORD, or unless required by Michigan or local law.

16. **Reasonable Wear and Tear.** TENANT agrees that when he/she moves out of the dwelling unit, he/she will turn the dwelling unit over to LANDLORD in as good condition as when TENANT moved in, reasonable wear and tear excepted. TENANT will not be responsible for damage resulting from reasonable wear and tear. TENANT agrees to pay for the cost of any cleanup, repairs, or replacements needed due to the carelessness, misuse or neglect of the dwelling unit by TENANT or TENANT's family members or visitors. If TENANT fails to pay LANDLORD for any such costs within thirty (30) days of notice from LANDLORD, TENANT's failure to pay will be considered material noncompliance with the Lease and may be grounds for termination and eviction. TENANT understands that Housing Assistance Payments will not be made for any month in which the unit cannot be lived in due to damage by TENANT, TENANT's family or visitors, and agrees to pay the Contract Rent during this period rather than the Tenant Rent specified in Section 2.b. above.

NOTICE TO TENANT: YOU MUST NOTIFY YOUR LANDLORD IN WRITING



WITHIN 4 DAYS AFTER YOU MOVE OF A FORWARDING ADDRESS WHERE YOU CAN BE REACHED AND WHERE YOU WILL RECEIVE MAIL; OTHERWISE YOUR LANDLORD SHALL BE RELIEVED OF SENDING YOU AN ITEMIZED LIST OF DAMAGES AND THE PENALTIES ADHERENT TO THAT FAILURE.

(This Notice must be in bold-faced type at least 4 points larger than the type used for the body of the lease. It is shown in 14 point bold type.)

17. a. **Security Deposit.** TENANT makes a security deposit of \$_____, which is equal to TENANT's monthly Total Tenant Payment or \$50, whichever is more, to be held by LANDLORD in an interest-bearing account and used for the repair of any damage to the dwelling unit caused by TENANT or TENANT's family or visitors (other than normal wear and tear), or for unpaid Tenant Rent or other amounts owed under this Lease. LANDLORD MAY NOT REQUIRE A SECURITY DEPOSIT THAT EXCEEDS THIS AMOUNT. LANDLORD will refund any balance of TENANT's security deposit according to Michigan law on security deposits, plus accrued interest, if any. It TENANT disagrees with LANDLORD concerning the amounts deducted and asks to meet with LANDLORD, LANDLORD agrees to meet with TENANT and informally discuss the disputed charges. TENANT understands that the security deposit may not be used to pay any part of the Tenant Rent due for the last month.

(Delete this paragraph if the Agreement to Enter Into the HAP Contract for the development was executed on or before February 29, 1980.)

17. b. **Security Deposit.** TENANT makes a security deposit of \$_____, which is equal to TENANT's monthly Total Tenant Payment, to be held by LANDLORD in an interest-bearing account and used for the repair of any damage to the dwelling unit caused by TENANT or TENANT's family or visitors (other than normal wear and tear), or for unpaid Tenant Rent or other amounts owed under this Lease. LANDLORD MAY NOT REQUIRE A SECURITY DEPOSIT THAT EXCEEDS THIS AMOUNT. LANDLORD will refund any balance of TENANT's security deposit according to Michigan law on security deposits, plus accrued interest, if any. It TENANT disagrees with LANDLORD concerning the amounts deducted and asks to meet with LANDLORD, LANDLORD agrees to meet with TENANT and informally discuss the disputed charges. TENANT understands that the security deposit may not be used to pay any part of the Tenant Rent due for the last month.

(Delete this paragraph if the Agreement to Enter Into the HAP Contract for the development was executed after February 29, 1980.)

18. **Location of Security Deposit.** The security deposit required of you will be deposited in the following regulated financial institution: _____

19. **Landlord's Agreements with Tenant.** LANDLORD, on behalf of LANDLORD and LANDLORD's successors, agrees as follows:

a. the dwelling unit and all common areas are fit for the use intended by the parties to this Lease;

b. the dwelling unit will be kept in reasonable repair during the term of this Lease to provide decent, safe and sanitary housing and to comply with applicable Michigan and local health and safety laws EXCEPT when the disrepair or violation of health and safety laws has been caused by the willful or irresponsible conduct or failure to act of TENANT or TENANT's family members or visitors;

c. not to discriminate against TENANT in the provision of housing or services, or in any other manner, on the grounds of race, age (unless with respect to a senior citizen housing program), color, religion, creed, sex, marital status, familial status, national origin or disability;

d. during the term of this Lease, TENANT shall have and enjoy the sole use of the dwelling unit covered by this Lease;



e. not to impose additional house rules and regulations after the effective date of this Lease unless (1) the rules are reasonably related to the safety, care and cleanliness of the building and the safety, comfort and convenience of the tenants of the Development, and (2) TENANT receives written notice of the proposed rule or regulation at least thirty (30) days before it is enforced; and

f. to provide the following services and maintenance: (describe)

20. Changes to Lease.

a. LANDLORD may change a provision of this Lease after its commencement without the written consent of TENANT for the following types of adjustments, to be effective upon sixty (60) days= advance written notice to TENANT:

- (1) changes required by federal, state or local law, rule or regulation; and
- (2) changes in rules relating to the property which are required to protect the physical health, safety, or peaceful enjoyment of tenants and guests of the Development.

b. LANDLORD may, with the prior approval of the Authority, make other changes to the terms and conditions of this Lease. Any changes other than those described in Section 20.a will become effective only at the end of the initial lease term or a successive term. LANDLORD must notify TENANT of any change and must offer TENANT a new Lease or an amendment to the existing Lease. TENANT must receive the notice at least sixty (60) days before the proposed effective date of the change. TENANT may accept the changed terms and conditions by signing the new Lease or the amendment to the existing Lease and returning it to LANDLORD. TENANT may, in the alternative, reject the changed terms and conditions by giving LANDLORD written notice that he or she intends to terminate the tenancy. TENANT must give such notice at least thirty (30) days before the proposed change will go into effect. If TENANT does not accept the changed terms and conditions, LANDLORD may terminate the Lease and require TENANT to move from the Development, as provided in Section 23.

c. If requested by LANDLORD, TENANT agrees to sign a new lease with each recertification for the purpose of incorporating changes permitted by this Section or other lease changes approved by the Authority.

21. Automatic Renewal of Lease. Unless terminated as provided in this Lease, this Lease shall be automatically renewed for successive terms of one month. The Total Tenant Payment, which will affect the amount of Tenant Rent, is subject to adjustment as provided in this Lease. Tenant Rent will continue to be payable in advance, without demand, on the first day of each successive month. At LANDLORD=s option, TENANT may be required to sign a new one-year lease prior to the beginning of any new lease term rather than TENANT=s tenancy becoming month-to-month.

22. Termination of the Lease By Tenant.

a. At any time after the end of the initial lease term or any automatic renewal term, TENANT may terminate this Lease by giving LANDLORD at least thirty (30) days= written notice before moving from the unit. If TENANT does not give the full thirty (30) days= notice, TENANT shall be liable for rent for the whole thirty (30) days following notice to LANDLORD, or for every day until the unit is re-rented, whichever is less.

b. After TENANT has occupied a rental unit in the Development for more than 13 months, TENANT may terminate this Lease upon sixty (60) days' written notice to LANDLORD if either of the following occurs:

- (1) TENANT becomes eligible during the Lease term to take possession of a



subsidized rental unit in senior citizen housing (defined as housing for individuals 62 years of age or older that is subsidized in whole or in part under any local, state or federal program) and provides LANDLORD with written proof of that eligibility; or

(2) TENANT becomes incapable during the Lease term of living independently, as certified by a physician in a notarized statement.

c. If TENANT has a reasonable apprehension of present danger to TENANT or his or her child from domestic violence, sexual assault, or stalking while that person is a tenant, TENANT may have special rights under Michigan law to seek a release of rental obligation under MCL 554.601b.

23. Termination of the Lease By Landlord.

a. LANDLORD may terminate this Lease only for:

(1) TENANT's **material noncompliance** with the terms of this Lease;

(2) TENANT's material failure to carry out obligations under Michigan's Landlord-Tenant laws;

(3) **drug-related criminal activity** (as defined below) engaged in on or near the Development property (or any of its dwelling units) by TENANT, any member of TENANT=s household or a guest, or any **drug-related criminal activity** engaged in on the Development property (or its dwelling units) by any other person under TENANT=s control;

(4) a determination by LANDLORD that TENANT or a member of TENANT=s household is illegally using a controlled substance (as defined in Section 102 of the Controlled Substances Act, 21 USC 802);

(5) a determination by LANDLORD that a pattern of illegal use of a controlled substance by TENANT or a member of TENANT=s household interferes with the health, safety or right to peaceful enjoyment of the Development property (or any of its dwelling units) by other residents;

(6) a determination by LANDLORD that the abuse or pattern of abuse of alcohol by TENANT or a member of TENANT=s household threatens the health, safety or right to peaceful enjoyment of the Development property (or any of its dwelling units) by other residents;

(7) **criminal activity** by TENANT, any member of TENANT=s household, a guest or another person under TENANT=s control that threatens the health, safety, or right to peaceful enjoyment of the Development property (or any of its dwelling units) by other residents (including property management staff residing at the Development);

(8) **criminal activity** by TENANT, any member of TENANT=s household, a guest or another person under TENANT=s control that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the Development;

(9) TENANT=s flight to avoid prosecution, or custody or confinement after conviction for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which TENANT is fleeing, or if from the state of New Jersey, is a high misdemeanor;

(10) TENANT=s violation of a condition of probation or parole imposed under federal or state law;

(11) **other good cause**, which includes, but is not limited to, TENANT's refusal to accept changes to the Lease as described in Section 20. Terminations for **other good**



cause may only be effective as of the end of any initial or successive term; or

(12) termination of the Housing Assistance Payments Contract between the Authority and the Owner of the Development.

b. A termination of tenancy for any **criminal activity** by TENANT, a member of TENANT=s household, a guest or another person under TENANT=s control, may be based solely on a determination by LANDLORD that the person has engaged in the criminal activity, regardless of whether the person has been arrested or convicted for such activity, and without satisfying a criminal conviction standard of proof of the activity.

c. The term **drug-related criminal activity** is defined at 24 CFR 5.100 as "the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug;"

d. The term **material noncompliance** shall include but is not limited to:

(1) the nonpayment of rent or other amounts owed by TENANT to LANDLORD beyond any grace period available under Michigan law;

(2) one or more substantial violations of the Lease;

(3) repeated minor violations of the Lease that:

(a) disrupt the livability of the Development,

(b) adversely affect the health or safety of any person or the right of any tenant to the quiet enjoyment of the Development, the unit occupied by TENANT or related Development facilities,

(c) interfere with the management of the Development, or

(d) have an adverse financial effect on the Development.

If TENANT pays rent or any other amounts owed under the Lease after the due date but within the grace period permitted under Michigan law, this late payment constitutes a minor violation;

(4) failure of TENANT or any member of TENANT=s household to supply in a timely fashion all required information on the income, composition or eligibility factors of TENANT=s household (including, but not limited to, failure to meet the disclosure and verification requirements for Social Security Numbers, or failure to sign and submit consent forms for the obtaining of wage and claim information from Wage Information Agencies), or TENANT or any member of TENANT=s household knowingly providing incomplete or inaccurate information;

(5) permitting persons other than those listed in Section 8, including their spouses and children who are not legal dependents of TENANT, to live in the dwelling unit, or allowing other family members or visitors to stay in the dwelling unit for more than two (2) weeks in any calendar year without the written consent of LANDLORD;

(6) use of the unit for any purpose other than a private dwelling;

(7) serious or repeated damage to the dwelling unit or common areas of the Development;

(8) the creation of hazardous conditions or the undertaking of hazardous acts;



(9) serious or repeated interference with the rights and quiet enjoyment of other tenants;

(10) the failure to repay unauthorized Housing Assistance Payments or other amounts owed to the Authority; and

(11) the violation of any of TENANT'S responsibilities under the Program, as determined by the Authority.

d. Incidents of domestic violence, dating violence, sexual assault or stalking shall not be considered as serious or repeated violations of the Lease or other "good cause" for termination of assistance, tenancy or occupancy rights of the victim of abuse. Criminal activity directly relating to abuse, engaged in by a member of TENANT's household or any guest or other person under TENANT's control, shall not be cause for termination of assistance, tenancy, or occupancy rights if TENANT or an affiliated individual of TENANT is the victim or threatened victim of that abuse.

24. **Termination Procedures.** Any termination of this Lease by LANDLORD must be carried out in accordance with HUD regulations, state and local laws and the terms of this Lease. In order to terminate this Lease, LANDLORD must deliver a written termination notice to TENANT that contains the following:

a. a specific date for the termination of this Lease;

b. the grounds for the proposed termination stated with enough detail for TENANT to prepare a defense;

c. a statement advising TENANT that he/she shall have ten (10) days in which, if he/she so desires, to discuss the proposed termination of this Lease with LANDLORD in advance of the date set for the termination of this Lease. The 10-day period will begin on the earlier of the date the notice was hand-delivered to the unit or the next business day after the date the notice is mailed. If TENANT requests a meeting in order to discuss the proposed termination, LANDLORD agrees to meet with TENANT for that purpose; and

d. a statement advising TENANT that he/she has the right to present a defense in court against LANDLORD's action to terminate this Lease. In the event that LANDLORD ultimately pursues a legal action to terminate the Lease and evict TENANT, LANDLORD agrees to rely only on those grounds listed in the notice of termination sent to TENANT.

When TENANT's tenancy is terminated for **other good cause** [Section 23.a(11)], the notice of termination must be mailed to TENANT and hand-delivered to the dwelling unit in the manner required by HUD at least thirty (30) days before the date that TENANT will be required to move from the unit, and in accordance with Michigan and applicable local laws. Notices of proposed termination for other reasons must be given in accordance with Michigan law. Any HUD-required notice may run concurrently with any notice required by Michigan or local law.

The foregoing does *not* apply to an automatic termination of this Lease due to termination of the Contract between the Authority and LANDLORD. In that event, termination shall be effective at the end of the last month for which a Housing Assistance Payment was received on TENANT's behalf.

25. **Continued Occupancy.** TENANT must continue to occupy the dwelling unit to remain eligible for Housing Assistance Payments received on TENANT's behalf. If TENANT (a) wishes to move out of the dwelling unit at the end of the lease term (or prior to the end of lease term, but in accordance with the provisions of this Lease), or (b) is required to move for reasons other than TENANT's violation of this Lease, and if TENANT wishes to receive the benefit of Housing Assistance Payments in another approved dwelling unit, TENANT shall give at least thirty (30) days= notice of the circumstances to the Authority so that the Authority may have the opportunity to consider TENANT's request.



26. **Contents of this Agreement.** This Lease and all attachments make up the entire agreement between LANDLORD and TENANT regarding the dwelling unit. If any Court declares a particular provision of this Lease to be invalid or illegal, all other terms of this Lease will remain in effect and both LANDLORD and TENANT will continue to be bound by them.

27. **Subordination of Lease.** This Lease is and shall be subordinate to any mortgage of the development, whether now existing or granted in the future. The lien of any recorded mortgage shall be superior and prior to this Lease or any rights created by this Lease, regardless of the date of recording. TENANT agrees to execute any instrument deemed necessary or desirable to further effect the subordination of this Lease to any such mortgage without charge, and refusal to execute a subordination shall entitle LANDLORD or LANDLORD's successors, assignees, or legal representatives to terminate this Lease in accordance with Section 24, without incurring any expense or damage. The term of this Lease is expressly limited by this requirement.

28. **No Waiver.** Failure of LANDLORD to enforce or demand strict performance of the terms, covenants, agreements and conditions contained in this Lease, or any of them, shall not constitute or be construed as a waiver or relinquishment of LANDLORD's right to enforce such term, covenant, agreement or condition which shall remain in full force and effect, whether or not enforced.

29. **Notices.** The name and address at which notice required under the Truth In Renting Act, the Security Deposit Act or other notices shall be given to LANDLORD is:

Any written notices required to be given under this Lease or by HUD or the Authority will be considered effective as of the date of actual delivery, if hand delivered, or if by mail, on the third day following deposit into the U.S. Mail with proper postage affixed.

30. **Tenants' Right to Organize.** LANDLORD agrees to allow TENANT or other tenant organizers to conduct activities related to the establishment or operation of a tenant organization at the Development, set out in accordance with HUD requirements.

31. **Pets Rules for Elderly Projects.** If the Development is specifically designated for the elderly, and TENANT is occupying the dwelling unit as an elderly tenant, TENANT may keep common household pets in TENANT's dwelling units, subject to the mandatory pet rules under 24 CFR 5.350, and any other pet rules promulgated by LANDLORD, which are attached hereto and incorporated herein by reference. TENANT agrees to register the pet with LANDLORD, to sign a Pet Addendum and to comply with the requirements of 24 CFR 5.350, the Pet Addendum and any pet rules of LANDLORD, and understands that a violation of the Pet Addendum or the pet rules may be grounds for removal of TENANT's pet or termination of TENANT's tenancy, or both, in accordance with Section 22 of this Lease. The owning and keeping of pets by TENANT will be further subject to any applicable state or local law or regulation governing the owning or keeping of pets in dwelling accommodations. TENANT agrees that LANDLORD may charge a reasonable pet security deposit, to be paid on TENANT's initial registration of the pet, and to be held by LANDLORD in accordance with Michigan law regarding security deposits and applicable HUD regulations.

In the event that TENANT's pet becomes vicious, displays symptoms of severe illness, or demonstrates other behavior that constitutes an immediate threat to the tenancy of the Development as a whole, then LANDLORD may cause the emergency removal of TENANT's pet. If TENANT refuses to remove the pet, or cannot be contacted, and there is no appropriate state or local authority to carry out the removal, then LANDLORD may do so. LANDLORD may also cause the removal of TENANT's pet if (a) LANDLORD receives a signed, written complaint alleging, or (b) if LANDLORD has reasonable grounds to believe, that the conduct or condition of a pet in the dwelling unit constitutes a nuisance or threat to the health or safety of the occupants of the Development or other persons in the community, AND, after reasonable notice to TENANT, LANDLORD enters and inspects the dwelling unit (during



reasonable hours) and determines that the allegation or belief is true. LANDLORD will have no right to enter TENANT's dwelling unit and remove TENANT's pet unless TENANT first refuses to remove the pet, or TENANT cannot be contacted, and no state or local authority will remove the pet. Upon any removal of TENANT's pet by LANDLORD, LANDLORD will place the pet in a facility that will provide care and shelter until TENANT or TENANT's representative is able to assume responsibility for the pet, for a period not exceeding thirty (30) days. The cost of such care and shelter shall be paid by TENANT. If TENANT fails to pay this cost, it may be deducted by LANDLORD from TENANT's pet security deposit and used to reimburse LANDLORD. After 30 days, LANDLORD may dispose of the pet.

If the health or safety of a pet kept in TENANT's dwelling unit is threatened by the death or incapacity of TENANT, or by other factors that render the pet owner unable to care for the pet, then LANDLORD may contact a responsible party listed in the pet's registration as required by 24 CFR 5.350.

32. Reasonable Accommodation. If TENANT (including a member of TENANT's household) is disabled or an "individual with handicaps" as defined by 24 CFR 8.3, then Landlord agrees not to discriminate against TENANT on the basis of handicap or disability, and will not impose upon TENANT any policy, rule or procedure that has the effect of limiting TENANT's participation in any activity or program. Further, LANDLORD will endeavor, to the maximum extent feasible, to make the Development and the dwelling unit accessible to and usable by TENANT and any member of TENANT's household with handicaps, unless such an endeavor would impose an undue financial and administrative burden on the operation of the Development or constitute a fundamental alteration of an activity or program of LANDLORD. If reasonable modifications to the dwelling unit or the Development that have been requested by TENANT would impose an undue financial and administrative burden on LANDLORD, then LANDLORD must allow TENANT to make the requested modifications at TENANT's own expense, as provided in Section 804 of the Fair Housing Act [42 USC 3601, *et seq.*]. If it is reasonable to do so, LANDLORD may require TENANT to restore the affected portion of the dwelling unit or the Development to the condition that existed before the modification, reasonable wear and tear excepted.

If TENANT has a disability, LANDLORD will allow TENANT to keep an animal needed to assist TENANT with the disability. Any disabled visitors of TENANT may be accompanied by an animal needed as an accommodation to their disability or disabilities

33. Mold. TENANT and LANDLORD agree that they desire to keep the dwelling unit free from unhealthy conditions, including excess moisture and the growth of mold and mildew. TENANT agrees to undertake the following measures to reduce excess moisture and prevent the growth of mold and mildew:

- a. Report to LANDLORD immediately any evidence of water leakage or odors emanating from the plumbing, appliances or through an interior or exterior surface;
- b. Wipe up and dry any surfaces such as floors and window sills and under sinks that have accumulated water or excess moisture from showers, sinks, etc.
- c. Use pre-installed bathroom fans when showering or bathing and kitchen exhaust fans when cooking;
- d. Regularly clean vinyl, tile and countertop surfaces with common household cleaners;
- e. Keep heating, ventilation and air-conditioning ducts open and free from blockage;
- f. Keep damp or wet materials away from porous surfaces, including carpeting, walls, wood and vinyl flooring;
- g. Report to LANDLORD immediately any signs of mold, mildew or discoloration on wall, floor or ceiling surfaces that do not wipe away with common household cleaner; and



h. Report to LANDLORD immediately any problem with the heating or cooling system, or any bathroom or kitchen fan unit, or any dryer vent, or door or window.

TENANT's failure to properly maintain the unit free of unhealthy conditions, including excess moisture and the growth of mold or mildew, or to report to LANDLORD any evidence of leakage or orders, will be material noncompliance with the terms of this Lease and grounds for termination and eviction. TENANT agrees to allow LANDLORD access to the unit for repairs to eliminate water leakage or excessive moisture or the remediation of any mold or mildew.

TENANT's initials: _____

Date:

34. **Lead-Based Paint.**

LEAD WARNING STATEMENT: "Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally-approved pamphlet on lead poisoning prevention."

TENANT please initial the applicable box:

- TENANT acknowledges that LANDLORD has informed TENANT the housing project was built before January 11, 1978, and therefore the housing project or TENANT's dwelling unit may contain lead-based paint or lead-based paint hazards. TENANT also acknowledges that it has read the foregoing WARNING and that it has received from LANDLORD a copy of the EPA pamphlet entitled "Protect Your Family From Lead in Your Home," dated September 2001. LANDLORD has informed TENANT that LANDLORD has no actual knowledge that lead-based paint was used or that lead-based paint hazards are present, nor is LANDLORD in possession of any reports, records or other information pertaining to the probable use or actual presence of lead-based paint or lead-based paint hazards in the dwelling unit or at the housing project. Based on the age of the housing project, however, LANDLORD reasonably believes that lead-based paint was used and that lead-based paint hazards are present.
- TENANT acknowledges that LANDLORD has informed TENANT the housing project was built before January 11, 1978, and therefore the housing project or TENANT's dwelling unit may contain lead-based paint or lead-based paint hazards. TENANT also acknowledges that it has read the foregoing WARNING and that it has received from LANDLORD a copy of the EPA pamphlet entitled "Protect Your Family From Lead in Your Home," dated September 2001. LANDLORD has informed TENANT that LANDLORD has reason to believe that lead-based paint may have been used and that lead-based paint hazards may be present, based on the reports and other information pertaining to the probable use or actual presence of lead-based paint or lead-based paint hazards in the dwelling unit or at the housing project. TENANT acknowledges the receipt from LANDLORD of a copy of these reports and information, which identify the possible locations of lead-based paint and lead-based paint hazards and the condition of the painted surfaces that may be affected.
- TENANT acknowledges that LANDLORD has informed TENANT that the housing project was constructed AFTER January 11, 1978.

By their signatures below, LANDLORD AND TENANT CERTIFY THAT, to the best of their knowledge, the foregoing statements are accurate.

LANDLORD: _____ Date:



TENANT: _____ Date:

The undersigned Management or Leasing Agent has informed LANDLORD of its obligations as lessor under 42 U.S.C. 4852d, and the undersigned is aware of his/her duty to ensure compliance with the requirements of 24 CFR 35.93. By his or her signature below, AGENT CERTIFIES THAT, to the best of his/her knowledge, the foregoing statements are accurate.

AGENT: _____ Date:

35. **Attachments to Lease.** TENANT acknowledges that he or she has received a copy of this Lease and the following attachments to the Lease, and understands that these attachments are part of this Lease:

- Attachment No. 1 - Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures (HUD 50059)
- Attachment No. 2 - House Rules and Regulations (if any)
- Attachment No. 3 - Inventory Checklist
- Attachment No. 4 - Pet Addendum and Rules (if applicable)
- Attachment No. 5 - VAWA Addendum
- Attachment No. 6 -

NOTICE: MICHIGAN LAW ESTABLISHES RIGHTS AND OBLIGATIONS FOR PARTIES TO RENTAL AGREEMENTS. THIS AGREEMENT IS REQUIRED TO COMPLY WITH THE TRUTH IN RENTING ACT. IF YOU HAVE A QUESTION ABOUT THE INTERPRETATION OR LEGALITY OF A PROVISION OF THIS AGREEMENT, YOU MAY WANT TO SEEK ASSISTANCE FROM A LAWYER OR OTHER QUALIFIED PERSON.

(This Notice must be in at least 12 point type. It is shown in 14 point bold type.)

LANDLORD AND TENANT NOW SIGN THIS LEASE AGREEMENT ON THE DATE GIVEN ABOVE.

TENANT
(Head of Household)

NAME OF LANDLORD

(co-tenant)

By: _____
(Name of Management Agent)

(co-tenant)

By: _____
(signature of Management Agent's
Authorized Employee)

