

George E. Pataki
Governor



Judith A. Calogero
Commissioner

New York State Division of Housing and Community Renewal
25 Beaver Street
New York, NY 10004

HOUSING MANAGEMENT BUREAU MEMORANDUM #2006-B-07

To: All Federally Assisted Housing Companies
Owners, Managing Agents and Site Managers

From: Jane I. Berrie, Director
Housing Management Bureau

Date: October 18, 2006

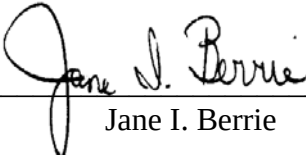
Subject: Revised Lease Agreement HM-78.4 - Federal Programs (7/05)

Attached is a copy of DHCR's revised federal programs lease to be used for the Section 236, Rent Supplement, RAP and Section 8 New Construction/Substantial Rehabilitation Programs.

This new lease changes the amount of the monthly increase in tenant's household income which must be reported to the housing company from \$40 to \$200 to conform to HUD Handbook 4350.3 Revision 1. (See Page 9, paragraph 33, a [3], REPORTING CHANGES BETWEEN REGULARLY SCHEDULED RECERTIFICATIONS.)

This revised lease must be used going forward for all new tenants. In addition, any existing tenants who never executed the prior version of this lease, which was issued to all federally assisted developments in 2003, must execute this lease at the time of their annual recertification.

If you have any questions please contact Linda Kedzierski at (212) 480-2021.


Jane I. Berrie

LEASE AGREEMENT ("AGREEMENT"), made this

_____ day of _____, 20____

1. PARTIES AND DWELLING UNIT:

The parties to this Agreement are _____, (hereinafter referred to as Landlord), a limited-profit housing company, organized and existing under the PRIVATE HOUSING FINANCE LAW, and _____ (herein after referred to as Tenant). Landlord leases to Tenant presently residing at _____ the apartment known as number _____, located at _____ in the project known as _____.

2. LENGTH OF TIME (TERM):

The initial term of this Agreement shall begin on _____ and end on _____. After the initial term ends, the Agreement will continue for successive terms of _____ each, unless automatically terminated as permitted by paragraph 38 of this Agreement.

3. RENT:

Tenant agrees to pay \$_____ for the partial month ending on _____. After that, Tenant agrees to pay a rent of \$_____ per month. This amount is due on the _____ day of the month at _____.

Tenant understands that this monthly rent is less than the market (unsubsidized) rent due on this unit. This lower rent is available either because the mortgage on this project is subsidized by the Department of Housing and Urban Development (HUD) and/or because HUD makes monthly payments to Landlord on behalf of Tenant. The amount, if any, that HUD makes available monthly on behalf of Tenant is called Tenant assistance payment and is shown on the "Assistance Payment" line of the Certification and Recertification of Tenant Eligibility form which is Attachment No. 1 to this Agreement.*

4. CHANGES IN TENANT'S SHARE OF THE RENT:

- a. Tenant agrees that the amount of rent Tenant pays and/or the amount of assistance that HUD pays on behalf of Tenant may be changed during the term of this Agreement, if:
- (1) HUD or the Contract Administrator (such as a Public Housing Agency) determines, in accordance with HUD procedures, that an increase in rent is needed;
 - (2) HUD or the Contract Administrator changes any allowance for utilities or services considered in computing Tenant's share of the rent;
 - (3) the income, the number of persons in Tenant's household or other factors considered in calculating Tenant's rent change and HUD procedures provides that Tenant's rent or assistance payment be adjusted to reflect the change;
 - (4) changes in Tenant's rent or assistance payment are required by HUD's recertification or subsidy termination procedures;
 - (5) HUD's procedures for computing Tenant's assistance payment or rent change; or
 - (6) Tenant fails to provide information on his/her income, family composition, or other factors as required by Landlord.

* This paragraph does not apply to families who are required to pay market rent. In such case, State law shall apply.

- b. Landlord and Tenant agree that, if upon recertification 30% of Tenant's adjusted income is sufficient to pay the HUD approved market rent for the unit, Tenant shall no longer be required to submit income recertification as required by HUD but shall be subject to the State income review procedure. Based on Tenant's household income, a surcharge may be imposed above the HUD approved market rent as required by State law.
- c. Landlord agrees to implement changes in Tenant's Rent or Tenant assistance payment only in accordance with the time frames and administrative procedures set forth in HUD's handbooks, instructions and regulations related to administration of multifamily subsidy programs. Landlord agrees to give Tenant at least 30 days advance written notice of any increase in Tenant's rent except as noted in paragraphs 9, 32 or 34. The notice will state the new amount Tenant is required to pay, the date the new amount is effective, and the reasons for the change in rent. The notice will also advise Tenant that he/she may meet with Landlord to discuss the rent change.

5. SECURITY DEPOSIT:

Tenant has delivered to Landlord the sum of \$_____ (not to exceed one month's Tenant's rent) as security for the performance by Tenant of the terms of this Agreement. Such security will be deposited by Landlord in an interest bearing account at _____ located at_____.

It is agreed that if Tenant fails to obey any part of this Agreement, Landlord may apply or keep all or any part of said security which shall also include any interest earned on such sum, to the extent necessary for the payment of any rent or damage of Landlord resulting from the breach of this Agreement by Tenant. Such security, minus any part thereof kept by Landlord based upon any breach of Tenant of this agreement, and minus any amount permitted by law to be kept by Landlord, as administrative expenses, shall be returned by Landlord to Tenant, after the end of this Agreement and within 30 days after Tenant has vacated the apartment.

6. TENANT'S REPRESENTATION:

- a. Tenant represents that the apartment shall be occupied only by Tenant and such other persons listed and approved on the application submitted in connection with this Agreement, for living purposes only.
- b. Tenant represents and warrants the accuracy of all statements made in the application submitted in connection with this Agreement and in any report of income made by or on behalf of Tenant or any statement of family income or family composition and it shall be a default under this Agreement if any statement contained therein shall prove inaccurate at any time. Tenant shall notify Landlord immediately of any change in family composition and shall comply promptly with all requests for information thereof, a breach of which obligation shall be deemed a default hereunder.
- c. Tenant agrees that the family income and composition and other eligibility requirements are substantial and material obligations of his tenancy and that he will comply promptly with all requests by Landlord, HUD or the Commissioner of the Division of Housing and Community Renewal ("Commissioner") for information and certifications concerning the total current family income and family composition of the Tenant and other requirements for continued occupancy.

7. FAILURE TO GIVE POSSESSION:

If Landlord is unable to give possession of the apartment on the date of the commencement of term because the occupant refuses to give up possession, or because construction has not been sufficiently completed to make it ready for occupancy, or because a certificate of occupancy has not been procured, or for any other cause beyond the Landlord's reasonable control, Landlord shall not be subject to any liability for failure to give possession on said date. The validity of this Agreement shall not be impaired by reason of Landlord's failure to give possession, nor shall the

same extend the term of this Agreement, but the rent payable hereunder shall be suspended (provided Tenant is not responsible for the inability to obtain possession) until after Landlord shall have given Tenant written notice that the apartment is substantially ready for Tenant's occupancy. After the lapse of a reasonable period to give the Landlord adequate opportunity to give possession, Tenant may notify Landlord in writing that in Tenant's opinion a reasonable period will have elapsed as of the date set forth in Tenant's notification, which will not be less than 30 days from the date of giving such notice, and this Agreement shall terminate as of the date set forth in Tenant's written notice without other or further liability as between Landlord and Tenant unless Landlord shall give possession prior to such termination. The parties agree to submit any dispute arising out of the interpretation of this provision to the Commissioner or his designee.

8. RESTRICTIONS ON ALTERATIONS:

- a. No alteration, addition, or improvements shall be made in or to the premises without the prior consent of the Landlord in writing. The Landlord agrees to provide reasonable accommodation to the disability of an otherwise eligible Tenant, including making changes to rules, policies, or procedures, and making and paying for structural alterations to a unit or common areas. The Landlord is not required to provide accommodations that constitute a fundamental alteration to the Landlord's program or which would pose a substantial financial and administrative hardship. See the regulations at 24 CFR Part 8. In addition, if a requested structural modification does pose a substantial financial and administrative hardship, the Landlord must then allow the Tenant to make and pay for the modification in accordance with the Fair Housing Act.
- b. Tenant shall make no alterations, additions or improvements to the balconies or terraces, including but not limited to the painting thereof, the installation of screens or other enclosures, without Landlord's prior written consent.
- c. Tenant shall not deface any part of the apartment, nor shall the Tenant deface the inside or the outside of the building.
- d. Tenant shall not install any dish washing, clothes washing or drying machines, electric stoves, freezer or garbage disposal unit or heating equipment, nor place in the apartment any water-filled furniture without written permission of the Landlord.
- e. Tenant shall not install individual air conditioning equipment without the written permission of the Landlord and the execution of an Air Conditioning Agreement. Any charges required pursuant to such Agreement are hereby deemed to be additional rent hereunder.
- f. Prior to the expiration or cancellation of this Agreement, Tenant will, at his own cost and expense, remove any wall covering, bookcases, bookshelves, cabinets, mirrors, painted murals, or any attachments Tenant may have installed. This Agreement shall continue in effect and survive after the end, renewal, or extension of this Agreement.

9. REPAIRS:

Tenant shall take good care of the apartment and shall neither permit nor do any damage to the apartment, ordinary wear and tear excepted. Any repairs to the apartment or building resulting from the misuse or negligence of Tenant, employees, visitors, guests or members of Tenant's family, may be made by Landlord at the expense of Tenant. The cost of such repairs shall be paid by Tenant to Landlord as additional rent within 30 days after Tenant's receipt of Landlord's bill or statement concerning such costs. Except as agreed in this Agreement there shall be no allowance to Tenant and no liability on the part of Landlord to Tenant because of any inconvenience or annoyance arising from Landlord making repairs, changes or additions to the apartment or to the building.

The Tenant understands that HUD will not make assistance payments for any period in which the unit is not habitable. For any such period, the Tenant agrees to pay the HUD approved market rent rather than the Tenant rent shown in paragraph 3 of this Agreement.

10. GENERAL RESTRICTIONS:

Tenant must live in the apartment and the apartment must be Tenant's only place of residence. Tenant shall use the premises only as a private dwelling for himself/herself and the individuals listed on the Certification and Recertification of Tenant Eligibility. Tenant agrees to permit other individuals to reside in the apartment only after obtaining the prior written approval of Landlord. Tenant agrees not to:

- a. sublet or assign the apartment, or any part of the apartment;
- b. use the unit for unlawful purposes;
- c. engage in or permit unlawful activities in the unit, in the common areas or on the project grounds;
- d. have pets or animals of any kind in the apartment without the prior written permission of the Landlord, but the Landlord will allow the Tenant to keep an animal needed as a reasonable accommodation to the Tenant's disability, and will allow animals to accompany visitors with disabilities who need such animals as an accommodation to their disabilities; or
- e. make or permit noises or acts that will disturb the rights or comfort of neighbors. The Tenant agrees to keep the volume of any radio, phonograph, television or musical instrument at a level which will not disturb neighbors.

11. TENANT'S DUTY TO OBEY LAWS:

Tenant shall obey all present and future City, State and Federal laws, and orders and regulations of the New York Board of Fire Underwriters, which affect the apartment and building, and shall comply at Tenant's expense with all such notices given to Landlord or Tenant which arise from Tenant's improper use of the apartment or the building.

12. TENANT'S CONDUCT:

Conduct which violates applicable laws or statutes, orders or regulations, or the rules and regulations of this Agreement, or which renders or tends to render the apartment or the building unfit for human habitation, or which results in conditions which are dangerous, hazardous, or detrimental to the proper enjoyment of their apartment by other tenants, constitutes objectionable conduct, which actions by Tenant shall give Landlord the right to terminate this Agreement.

13. RULES AND REGULATIONS:

Tenant shall comply with all of the Rules and Regulations set forth at the end of this Agreement and such other and further rules and regulations as Landlord may hereafter from time to time deem necessary or desirable and may prescribe for the safety, care, cleanliness and reputation of the apartment or all or any part of the building or for the comfort and convenience of Tenant or other tenants of the building. Notice of any additional rules or regulations shall be given in writing in such manner as Landlord may choose. Failure on the part of Tenant to observe any such requirements as provided in this paragraph shall be grounds for the termination of this Agreement. Said Rules and Regulations shall be deemed to be a part of this Agreement and substantial and material obligations of this tenancy any breach of which shall be deemed to be a default hereunder. Landlord shall not be liable to Tenant or any other person for any violation of the said Rules and Regulations or any covenant or condition of this or any other lease by Tenant or any other person or by reason of Landlord's failure to enforce the same.

14. PROPERTY LOSS, DAMAGE:

Landlord or Landlord's Agent shall not be responsible to Tenant for any loss of property or injury to Tenant or any other person resulting from theft and/or any other crime in the apartment or elsewhere in the building, nor for the loss of, or damage to, property delivered to employees of the building, nor for any loss or damage for any reason, unless caused by or due to the negligence or fault of Landlord, its agents or employees. Landlord shall not be responsible to Tenant for any damage caused by any other tenants or persons in the building. If Landlord shall give Tenant use of any storeroom, laundry or any facility located in the building but outside the apartment and such room or facility be furnished without charge to Tenant, permission to use such room or facility may be cancelled and ended by Landlord at any time without changing Tenant's responsibility for rent under this Agreement.

15. SERVICES:

As long as Tenant obeys all of the provisions of this Agreement, Landlord agrees to provide to Tenant, only insofar as the existing building equipment and facilities allow, the following services: (1) elevator service, (2) hot and cold water in reasonable amounts at all times, (3) heat as required by law.

If un-metered electricity and/or gas is furnished by Landlord, Landlord may, with the approval of the Commissioner, and the Secretary of HUD, discontinue such service(s) to the apartment, in which event the rent for the apartment shall be reduced by the portion thereof allocated to the cost of such service(s) on the books of Landlord. In the event such condition occurs and:

- (i) if such service(s) by supplied by Landlord through a meter, Tenant agrees to purchase the same from Landlord or Landlord's designated agent at terms, classifications and rates not in excess of those authorized by the Public Utilities Commission to be charged to such consumers of the appropriate public utility corporation, and bills therefore shall be rendered at such times as Landlord may elect, and the amount, as computed from a meter, shall be deemed to be and be paid, as additional rent; or
- (ii) if such service(s) are discontinued by Landlord, Landlord shall permit Tenant to receive such service(s) direct from the appropriate public utility corporation and shall permit Landlord's pipes, wires and conduits to be used for such purpose to the extent available, suitable and safely capable of handling such services.

Stoppage or reduction of any of the above services shall not entitle Tenant to any allowance or reduction of rent unless provided by law.

16. NO REPRESENTATIONS BY LANDLORD:

Tenant admits that neither Landlord nor Landlord's agents have made any representations or promises concerning the physical condition of the building, the land upon which it is erected, or the apartment, or any other matter or thing concerning the apartment, except as mentioned in this Agreement, or in Landlord's floor plans, if such plans were shown to Tenant.

17. SPACE RENTED "AS IS":

Tenant has inspected the apartment, has full knowledge of its condition, and agrees to take the apartment in its present condition. The taking of occupancy of the apartment by Tenant shall be conclusive and final evidence that the apartment was in good and satisfactory condition at the time such occupancy was taken by Tenant, except as to any hidden defects. A copy of the Unit Inspection Report is Attachment 2 to this Agreement.

18. ORAL AGREEMENTS:

This Agreement contains the entire agreement between the parties and any change or termination shall not be effective unless it is in writing and signed by both Landlord and Tenant.

19. SUBORDINATION CERTIFICATE:

This agreement is and shall be subject and subordinate to all ground and underlying leases and to all mortgages which may now or hereafter affect such leases or the real property of which the apartment forms a part and to all renewals, modifications, consolidations, replacements and extensions thereof. This clause shall be self-operative and no further instrument of subordination shall be required by any mortgagee. Tenant shall execute promptly any certificates that Landlord may request in confirmation of such subordination.

20. TENANT'S RIGHT TO POSSESSION:

If and so long as Tenant pays the rent, additional rent and other charges and performs and observes all of the provisions hereof, Tenant's rights under this Agreement cannot be cut off or ended before the expiration date, except as provided in the terms of this Agreement and to the ground and underlying leases and mortgages herein above mentioned.

21. ENTRY TO APARTMENT AND REPAIRS:

During the four (4) months prior to the expiration of the term hereby granted, applicants shall be admitted at all reasonable hours of the day to view the apartment until rented. Landlord and Landlord's agent shall be permitted at any time during the term to visit and examine the apartment at any reasonable hour during the day. Workers, when authorized by Landlord or Landlord's agent, shall be admitted to the apartment to install and maintain pipes and conduits in and throughout the apartment and to make decorations, repairs, alterations, improvements or additions in any part of the apartment or the building whenever deemed necessary or desirable by Landlord. If Tenant shall not be personally present to permit such entry into the apartment, Landlord or Landlord's agent may enter same by master key or by force without in any manner affecting the obligations of Tenant under this agreement. If, during the last month of the term, Tenant shall have removed all or substantially all of Tenant's property from the apartment, Landlord shall have the right to enter the apartment for the purpose of cleaning and redecorating same, and the exercise of such right by the Landlord shall in no way affect or modify the obligations of Tenant under this Agreement for the remainder of the Term hereof.

22. ADDITIONAL REMEDIES:

Landlord shall have the right to injunction, and the right to invoke any remedy allowed in law or in equity, as if reentry, summary proceedings and other remedies were not herein provided for. The mention in this Agreement of any particular remedy shall not preclude Landlord from any other remedy, in law or in equity.

23. FIRE CASUALTY:

Tenant shall give immediate notice to Landlord in case of fire or accident or other damage or defects in or to the apartment or the building and to any of the fixtures or equipment therein. If the apartment or the building shall be partially damaged by fire, the damages shall be repaired by and at the expense of Landlord as soon as it can reasonably be done under the circumstances, due allowance to be taken into consideration for any delays which may arise by reason of labor troubles, inability to obtain labor or materials, governmental orders, regulations and restrictions, delays in adjusting the insurance loss or other causes beyond Landlord's reasonable control. In the event the apartment is damaged to such an extent that it is untenable in whole or in part, rent shall be paid up to time of such damage and shall thereafter abate in proportion to the part of the apartment which may not be usable until such time as the premises shall have been put into repair. If the apartment or the building shall be damaged or destroyed by fire or other cause resulting from any negligent act or omission or breach of any provision of this Agreement by Tenant, Tenant shall nevertheless be liable to Landlord for any damage sustained by Landlord as a result thereof, and the making of any necessary repairs or rebuilding by the Landlord shall not constitute a waiver of the claim of Landlord, or of its insurer by subrogation, against Tenant for such damages. Landlord and Tenant agree that the agreement contained in this paragraph is an agreement made in place of the provisions of Section 227 of the Real Property Law of New York.

24. PUBLIC TAKING:

If the whole or any part of the apartment be taken or condemned for any public or quasi-public use or purpose, then and in that event, the term of this Agreement shall cease and terminate from the date when the possession of the part so taken shall be required for such use or purpose and without apportionment of the award. If a substantial part of the building shall be so taken or condemned as to make it uneconomical for Landlord, as determined in Landlord's sole option and upon notice to Tenant from Landlord, the term of this Agreement shall cease and terminate on the date when possession of the part so taken shall be required for such use or purpose and without apportionment of the award. The current rental, however, shall in any such case be apportioned.

25. NO WAIVER OF LEASE TERMS:

No act or thing done by Landlord or Landlord's agent during the term of this agreement shall be deemed an acceptance of a surrender of the apartment, and no agreement to accept such surrender shall be valid unless in writing and signed by Landlord. No employee of Landlord or Landlord's agent shall have any power to accept the keys to the apartment prior to the termination of this Agreement. The delivery of keys to any employee of Landlord or to Landlord's agents shall not operate as a termination of this Agreement or a surrender of the apartment. The failure of Landlord to seek redress of violation of, or to insist upon the strict performance of any condition of this Lease, or any of the Rules and Regulation set forth or hereafter adopted by Landlord, shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt by Landlord of rent with knowledge of the breach of this Agreement shall not be deemed a waiver of such breach. No provision of this Agreement shall be deemed to have been waived by Landlord, unless such waiver is in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Agreement.

26. INABILITY TO PERFORM:

This Agreement shall not be ended or in any way affected because Landlord is unable to carry out any of Landlord's agreements or is unable to supply or is delayed in supplying any services to be supplied or is unable to make or is delayed in making any repair, additions, changes or decorations in the apartment or building, or is unable to supply or is delayed in supplying any equipment or fixtures, if Landlord is prevented or delayed from doing so by reason of strike or labor troubles, including strikes by Landlord's employees, or any other cause beyond Landlord's reasonable control.

27. BILLS AND NOTICE:

Except as is otherwise herein provided, a bill, statement, notice or communication which Landlord may desire or be required to give to Tenant, including any notice of termination or expiration, shall be deemed sufficiently given or rendered if in writing, delivered to Tenant personally, or sent by mail addressed to Tenant at the building, or left at the Apartment addressed to Tenant. The time of the rendition of such bill or statement and the giving of such notice or communication shall be deemed to be the time when the same is so delivered, mailed or left at the apartment. Any notice by Tenant to Landlord must be served by mail, addressed to Landlord at the address first herein above set forth or such other address as Landlord shall designate in the manner herein provided for giving notice to Tenant.

28. END OF LEASE, ABANDONED PROPERTY:

At the end of this Agreement, Tenant shall vacate and surrender to Landlord the apartment, broom clean, in good order and in the same condition as it was at the time when Tenant first occupied the apartment under this Agreement or a prior Agreement, except for ordinary wear and tear, and Tenant shall remove all of Tenant's property. If the last day of the Term of this Agreement or any renewal thereof, falls on Sunday, this Agreement shall end at noon the

preceding Saturday unless it is a legal holiday in which case it shall expire at noon on the preceding business day. All property, installations and additions required to be removed by Tenant at the end of this Agreement which remain in the apartment after Tenant's removal, shall be considered abandoned by Tenant and at the option of Landlord may either be retained as Landlord's property or may be removed by Landlord for all costs and expenses in either removing Tenant's property or in restoring the damage caused to the apartment by the removal of the changes or additions made by Tenant in the apartment. The provisions of this paragraph shall survive the expiration this Agreement.

29. DEFINITIONS:

The term "Landlord" as used in this Agreement means only the owner or the mortgagee in possession for the time being of the land and building (or the owner of the lease of the building or of land and building) of which the apartment forms a part, so that in the event of any sale or sales of said land and building or of said lease, or in the event a lease of said building or of the land and building, the said Landlord shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder. The word "reentry" as used in this Agreement is not restricted to its technical legal meaning.

If Landlord is the General Partner of a New York Limited Partnership, no present or future General Partner or Limited Partner of such Partnership shall have any personal liability with respect to this Agreement or other obligation entered into by such Partnership. No attempt shall be made to impose any such personal liability pursuant to this Agreement, or other obligation upon any such Partner, and no recourse shall be had against the capital contribution due to the Partnership from any Limited Partner.

30. SUCCESSOR INTERESTS:

The covenants, conditions and agreements contained in this Agreement shall bind and inure to the benefit of Landlord and Tenant and, except as otherwise provided in this Agreement, their respective heirs, distributees, executors, administrators, successors and assigns.

31. PRIOR DEFAULT:

If Tenant shall, before the date above fixed for the commencement of the Term hereof, default in the performance of any agreement by Tenant contained in any other lease or letting by Landlord to Tenant, then, at the option of Landlord, this agreement shall not go into effect, and Tenant shall not be entitled to possession hereunder.

32. REGULARLY SCHEDULED RECERTIFICATIONS:

Every 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 DHCR for the purposes of determining Tenant's rent and 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 compute the amount of Tenant's rent and assistance payment, if any.

- a. If Tenant does not submit the required recertification information by the date specified in Landlord's request, Landlord may impose the following penalties. Landlord may implement these penalties only in accordance with the administrative procedures and time frames specified in HUD's regulations, handbooks and instructions related to the administration of multifamily subsidy programs.

- (1) Require Tenant to pay the higher, HUD-approved market rent for the unit.

- (2) Implement any increase in rent resulting from the recertification processing without providing the 30-day notice otherwise required by paragraph 4 of this agreement.

- b. Tenant may request to meet with Landlord to discuss any change in rent or assistance payment resulting from the recertification processing. If Tenant requests such a meeting, Landlord agrees to meet with Tenant and discuss how Tenant's rent and assistance payment, if any, were computed.

33. REPORTING CHANGES BETWEEN REGULARLY SCHEDULED RECERTIFICATIONS:

- a. If any of the following changes occur, Tenant agrees to advise Landlord immediately:
 - (1) Any household member moves out of the unit.
 - (2) An adult member of the household who was reported as unemployed on the most recent certification or recertification obtains employment.
 - (3) The household's income cumulatively increases by \$200 or more per month.
- b. Tenant may report any decrease in income or any change in other factors considered in calculating Tenant's rent. 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 rent reduction if applicable. However, if 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 rent due during the period of the reported decrease and the completion of the certification process. Tenant has 30 days after receiving written notice of any rent due for the above described time period to pay or Landlord can evict for nonpayment of rent.
- c. If Tenant does not advise Landlord of these interim changes, Landlord may increase Tenant's rent to the HUD-approved market rent. Landlord may do so only in accordance with the time frames and administrative procedures set forth in HUD's regulations, handbooks and instructions on the administration of multifamily subsidy programs.
- d. Tenant may request to meet with Landlord to discuss how any change in income or other factors affected his/her rent or assistance payment, if any. If Tenant requests such a meeting, Landlord agrees to meet with Tenant and explain how the Tenant's rent or assistance payment, if any, was computed.

34. REMOVAL OF SUBSIDY (RENT SUPPLEMENT, RAP, SECTION 8 TENANTS ONLY):

- a. Tenant understands that assistance made available on his/her behalf may be terminated if events in either items 1 or 2 below occur. Termination of assistance means that Landlord may make the assistance available to another Tenant and the Tenant's rent will be recomputed. In addition, if the Tenant's assistance is terminated because of criterion 1 or 2 below, Tenant will be required to pay the HUD approved market rent for the unit.
 - (1) The Tenant does not provide Landlord with the information or reports required by Paragraph 32 or 33 within 10 calendar days after receipt of Landlord's notice of intent to terminate Tenant's assistance payment.
 - (2) The amount the Tenant would be required to pay towards rent and utilities under HUD rules and regulations equals the Family Gross Rent shown on Attachment No 1.
- b. Landlord agrees to give Tenant written notice of the proposed termination. The notice will advise Tenant that, during the 10 calendar days following the date of the notice, he/she may request to meet with the Landlord to discuss the proposed termination of assistance. If the Tenant requests a discussion of the proposed termination, the Landlord agrees to meet with the Tenant.

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

35. TENANT OBLIGATION TO REPAY:

If Tenant submits false information on any application, certification or request for interim adjustment or does not report interim changes in family income or other factors as required by paragraph 33 of this Agreement, and as a result is charged a rent less than the amount required by HUD's rent formulas, Tenant agrees to reimburse Landlord for the difference between the rent he/she should have paid and the rent he/she was charged. Tenant is not required to reimburse Landlord for undercharges caused solely by Landlord's failure to follow up HUD's procedures for computing rent or assistance payments.

36. DISCRIMINATION PROHIBITED:

Landlord agrees not to discriminate based upon race, color, religion, creed, national origin, sex, sexual orientation, age, familial status, or disability.

37. CHANGES IN RENTAL AGREEMENT:

Landlord may, with prior approval of HUD, change the terms and conditions of this Agreement. Any changes will become effective only at the end of the initial term or a successive term. Landlord must notify Tenant of any change and must offer Tenant a new Agreement or an amendment to the existing Agreement. Tenant must receive the notice at least 60 days before the proposed effective date of the change. Tenant may accept the changed terms and conditions by signing the new Agreement and returning it to Landlord. Tenant may reject the changed terms and conditions by giving Landlord written notice that he/she intends to terminate the tenancy. Tenant must give such notice at least 30 days before the proposed change will go into effect. If Tenant does not accept the amended agreement, Landlord may require Tenant to move from the project, as provided in paragraph 38.

38. TERMINATION OF TENANCY:

- a. To terminate this Agreement, Tenant must give Landlord 30 days written notice before moving from the unit. If Tenant does not give the full 30-day notice, Tenant shall be liable for rent up to the end of the 30 days for which notice was required or to the date the unit is re-rented, whichever date comes first.
- b. Any termination of this Agreement by Landlord must be carried out in accordance with HUD regulations, State and local law, and the terms of this Agreement.
- c. Landlord may terminate this Agreement for the following reasons:
 - (1) the Tenant's material noncompliance with the terms of this Agreement;
 - (2) the Tenant's material failure to carry out obligations under any state Landlord and Tenant Act;
 - (3) drug related criminal activity engaged in on or near the premises, by any Tenant, household member, or guest, and any such activity engaged in on or near the premises by any other person under the Tenant's control;
 - (4) determination made by the Landlord that a household member is illegally using a drug;
 - (5) determination made by the Landlord that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents;

- (6) criminal activity by a Tenant, any member of the Tenant's household, a guest or another person under the Tenant's control:
 - that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises); or
 - that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises;
 - (7) if Tenant is fleeing 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 the individual flees, or that in the case of the State of New Jersey, is a high misdemeanor;
 - (8) if Tenant is violating a condition of probation or parole under Federal or State law;
 - (9) determination made by the Landlord that a household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents;
 - (10) if the Landlord determines that the Tenant, any member of the Tenant's household, a guest or another person under the Tenant's control has engaged in the criminal activity, regardless of whether the Tenant, any member of the Tenant's household, a guest or another person under the Tenant's control has been arrested or convicted for such activity; or
 - (11) other good cause, which includes but is not limited to Tenant's refusal to accept the Landlord's proposed change to this Agreement. Terminations for "other good cause" may only be effective as of the end of any initial or successive term.
- d. The term material noncompliance with the lease includes: (1) one or more substantial violations of the lease; (2) repeated minor violations of the lease that:
- disrupt the livability of the project,
 - adversely affect the health or safety of any person or the right of any tenant to the quiet enjoyment of the leased premises and related project facilities,
 - interfere with the management of the project, or
 - have an adverse financial effect on the project;
- (3) failure of the Tenant to timely supply all required information on the income and composition, or eligibility factors, of the 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 State Wage Information Collection Agencies), or to knowingly provide incomplete or inaccurate information; and (4) non-payment of rent or other financial obligation due under the lease beyond any grace period permitted under State law. The payment of rent or any other financial obligation due under the lease after the due date but within the grace period permitted under State law. The payment of rent or any other financial obligation due under the lease after the due date but within the grace period permitted under State law constitutes a minor violation.
- e. If Landlord proposes to terminate this Agreement, Landlord agrees to give Tenant written notice of the proposed termination. If Landlord is terminating this agreement for "other good cause", the termination notice must be mailed to the Tenant and hand-delivered to the dwelling unit in the manner required by HUD at least 30 days before the date the

Tenant will be required to move from the unit. Notices of proposed termination for other reasons must be given in accordance with any time frames set forth in State and local law. Any HUD-required notice period may run concurrently with any notice period required by State or local law. All termination notices must:

- specify the date this Agreement will be terminated;
 - state the grounds for termination with enough detail for Tenant to prepare a defense;
 - advise Tenant that he/she has 10 days within which to discuss the proposed termination of tenancy with Landlord. The 10-day period will begin on the earlier of the date the notice was hand-delivered to the unit or the day after the date the notice is mailed. If Tenant requests the meeting, the Landlord agrees to discuss the proposed termination with the Tenant; and
 - advise the Tenant of his/her right to defend the action in court.
- f. If an eviction is initiated, the Landlord agrees to rely only upon those grounds cited in the termination notice required by paragraph 38(e).

39. PENALTIES FOR SUBMITTING FALSE INFORMATION:

Knowingly giving the Landlord false information regarding income or other factors considered in determining Tenant's eligibility and rent is a material noncompliance with the lease subject to termination of tenancy. In addition, the Tenant could become subject to penalties available under Federal law. Those penalties include fines up to \$10,000 and imprisonment for up to five years.

40. SIZE OF DWELLING:

Tenant understands that HUD requires Landlord to assign units according to the size of the household and the age and sex of the household members. If Tenant is or becomes eligible for a different size unit, and the required size unit becomes available, Tenant agrees to:

- a. move within 30 days after Landlord notifies him/her that a unit of the required size is available within the project; or
- b. remain in the same unit and pay the HUD-approved market rent.

41. CHARGES FOR LATE PAYMENTS AND RETURNED CHECKS:

If Tenant does not pay the full amount of the rent shown in paragraph 3 by the end of the 5th day of the month, Landlord may collect a fee of \$5 on the 6th day of the month. Thereafter, Landlord may collect \$1 for each additional day the rent remains unpaid during the month it is due. Landlord may not terminate this Agreement for failure to pay late charges, but may terminate this Agreement for non-payment of rent, as explained in paragraph 38. Landlord may collect a fee of \$_____ on the second or any additional time a check is not honored for payment (bounces). The charges discussed in this paragraph are in addition to the regular monthly rent payable by Tenant.

42. ATTORNEY'S FEES:

Landlord may collect attorney's fees associated with an action or proceeding arising out of the tenancy when a court of competent jurisdiction awards such fees to the Landlord. Landlord may also accept payment of court filing, attorney's fees and sheriff fees from tenants who wish to avoid or settle an eviction suit provided this is permitted under local and State law and these fees are reasonable and do not exceed actual costs incurred. This paragraph is not be implemented for tenants who are participants under the Section 8 Certificate or Voucher Programs.

43. ATTACHMENTS:

Tenant certifies that he/she has received a copy of this Agreement and the following attachments which are hereby incorporated into this Agreement and are annexed hereto:

- a. Attachment No. 1 – Certification and Recertification of Tenant Eligibility (59 Certification).
- b. Attachment No. 2 – Unit Inspection Report.
- c. Attachment No. 3 – House Rules.
- d. Attachment No. 4 – House Pet Rules (Federally Assisted Housing for Elderly or handicapped only).

44. TENANTS’ RIGHTS TO ORGANIZE:

Landlord agrees to allow Tenant and tenant organizers to conduct on the property the activities related to the establishment or operation of a tenant organization set out in accordance with HUD requirements.

45. TENANT INCOME VERIFICATION:

Tenant must promptly provide the Landlord with any letter or other notice by HUD to a member of the family that provides information concerning the amount or verification of family income in accordance with HUD requirements.

46. FOR SECTION 8 TENANTS ONLY:

The lease agreement will terminate automatically, if the Section 8 Housing Assistance contract terminates for any reason.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE SIGNED THIS AGREEMENT.

BY _____
LANDLORD

WITNESS

TENANT

WITNESS

TENANT

ATTACHMENT NO. 3

RULES AND REGULATIONS ATTACHED TO AND MADE A PART OF LEASE IN ACCORDANCE WITH SECTION 13

1. The sidewalks, entrances, driveways, elevators, stairways, or halls shall not be blocked by any Tenant or used for any purpose other than for entering and leaving from the Apartment and for deliveries in a fast and proper manner using elevators and passageways chosen for such deliveries by Landlord. Neither Tenant, member of Tenant's family guests nor visitors shall loiter in the public halls of the building.
2. The water and wash closets and plumbing fixtures shall not be used for any purpose other than those for which they were designed or built and no sweepings, rubbish bags, acids or other substances shall be placed in them. Tenant shall be responsible to Landlord for any breakage, or stoppage and any damage resulting from the disobedience of this rule by Tenant.
3. No baby carriages, tricycles, bicycles or any other similar articles shall be allowed to stand in the halls, passageways, areas or courts of the building.
4. Children shall not play in the public halls, stairways, elevators or any of the exterior landscape areas.
5. The laundry and drying apparatus of Landlord shall be used in such a manner and at such times as Landlord may direct. Tenant shall not dry or air clothes on the roof, balcony or terrace.
6. No garbage cans, ice, milk bottles, mats or other articles shall be placed in the halls or on the staircase landings, nor shall anything be hung from the windows, terraces or balconies, or placed upon the window sills. Nor shall any linens, cloths, clothing, curtains, rugs or mops be shaken or hung from or on any of the windows, doors, balconies or terraces.
7. No employee of the Landlord shall be sent out of the building by any Tenant at any time for any purpose.
8. The Landlord may retain a pass key to the Apartment. No Tenant may install any lock or knocker on any door or window of the apartment except to the extent and in the manner allowed by law and immediately upon making any such installation, Tenant shall notify Landlord or Landlord's agent thereof and shall give Landlord or Landlord's agent a duplicate key thereto. No change shall subsequently be made to the locks or mechanism thereof without consent of Landlord and delivery of duplicate key thereto. Each Tenant must, upon the termination of the tenancy, return to Landlord all keys, either furnished to, or otherwise obtained by such Tenant from Landlord, and in the event of the loss of any keys so furnished, Tenant shall pay to Landlord the cost of replacing them.
9. No awnings, or other projections shall be attached to the outside walls of the building, or to the balconies or terraces and no blinds, shades, or guards, shall be attached to or hung in, or used in connection with any window or door of the demised premises without the prior written consent of Landlord.
10. *No dogs or animals of any kind shall be kept or harbored in the Apartment, unless in each instance it be expressly permitted in writing by Landlord, and such consent, if given, shall be revocable by Landlord at any time for good cause. In no event shall any dog be permitted on any passenger elevator or in any public portion of the building unless carried or on a leash, nor on any grass or garden plot under any condition. BECAUSE OF THE HEALTH HAZARD AND POSSIBLE DISTURBANCE OF OTHER TENANTS WHICH ARISE FROM THE UNCONTROLLED PRESENCE OF ANIMALS, ESPECIALLY DOGS, IN THE BUILDING, THE STRICT ADHERENCE TO THE PROVISIONS OF THIS RULE BY EACH TENANT IS A MATERIAL REQUIREMENT OF EACH LEASE AGREEMENT. ANY FAILURE OF TENANT TO OBEY THIS RULE AND REGULATION SHALL BE DEEMED A SERIOUS VIOLATION OF AN IMPORTANT OBLIGATION OF TENANT UNDER THIS AGREEMENT, AND LANDLORD MAY ELECT TO END THIS LEASE BASED UPON SUCH VIOLATION.
11. No radio, C.B. or television installation shall be made without the written consent of Landlord. Any aerial erected on the roof, balcony, terrace or exterior walls of the building without the consent of Landlord, in writing, may be removed by Landlord without notice at the expense of Tenant.
12. No Tenant shall make or permit any disturbing noise in the building by himself, his family, guests, employees, or visitors, nor do or permit anything to be done by such persons that will interfere with the rights, comforts or convenience of other Tenants. No Tenant shall play upon, or allow to be played upon, any musical instrument or operate or allowed to be operated a phonograph or radio, television receiver or any instrument in the Apartment if it shall disturb or annoy any other occupant of the building. Tenant shall not give vocal or instrumental instruction in the apartment at any time.

* Rule 10 does not apply in Federally Assisted Projects which are exclusively for the Elderly or Handicapped. In such projects House Pet Rules are in effect and are attached and made a part of this Agreement.