

LEASE AGREEMENT

THIS IS A LEGAL DOCUMENT. PLEASE REVIEW IT THOROUGHLY PRIOR TO EXECUTION.

I. GENERAL LEASE INFORMATION:

This section of the Lease Agreement is to inform you of general policies related to your tenancy, and to establish the relationship between you as a tenant and the owner. Conditions for your occupancy are outlined in this Lease Agreement. "Lessee" may be referred to as "Tenant", and "Landlord" may be referred to as "Owner" or "Landlord" and includes its authorized agent throughout this Lease Agreement. You are advised that all conditions of this Lease Agreement are applicable to all members of your household, including any pets. No one may join your household without the prior written consent of management.

This Lease Agreement covers a one-year period from the date of execution, and must be executed prior to the initial date of move-in. Renewals or extensions of this Lease Agreement will also cover a one year period. After the initial term ends, this Agreement will continue for successive terms of one year each unless option III. 8. is selected which would cause it to become a month to month lease, or it is terminated in accordance with the terms of this lease. If the lease is continued after the initial term ends, then the amount of tenant rent will be determined in accordance with a current Form RD 3560-8, Tenant Certification. The terms and conditions of this lease may only be modified in accordance with Section VI. This project was financed by USDA's Rural Development and Rural Development has the right to further verify any information pertinent to this lease agreement.

Eligibility requirements must be determined prior to the effective date of this Lease Agreement. Tenant must complete an Application for Housing, and provide information concerning income, assets, medical, child care, and disabled assistance expenses and all household member information. The tenant understands that rental rates are established on Form RD 3560-8, which is an attachment to this Lease. The tenant agrees to submit to annual recertification of income and eligibility, or as requested. An advance written notice will be issued by the Landlord 75-90 days prior to the annual recertification. The tenant agrees to cooperate with the above process. For tenants receiving HUD Section 8 Assistance, HUD Form 50059 will be completed instead of Form RD 3560-8.

If the tenant's household composition changes and is no longer eligible to remain in the unit per the Occupancy Standard established for this property, tenant must vacate the unit within 30 days of written notification from Landlord, or at the expiration of the Lease, whichever is greater. However, tenant may remain in the unit until a suitable size unit becomes available and the Landlord issues a 30 day written notice to relocate. Tenant agrees to move at tenant's own expense, unless otherwise agreed by Landlord in writing. Any other exceptions concerning temporary continuation of occupancy must be approved by Landlord and Rural Development.

This Lease is available in both English and non-English language as needed.

Rent Changes: Rent rate changes must be approved by Rural Development prior to implementation. You will receive an initial 60-day advance notice before implementation of any rent rate change.

Escalation Clause: If a rent rate change to Basic or Note Rate Rent is approved by Rural Development prior to the expiration of your lease, due to changes in project operating costs, your net contribution may be adjusted. Your tenant contribution may also be changed prior to the expiration of the lease due to changes in tenant status or failure to properly recertify. Form RD 3560-8, Tenant Certification, will be completed to document the changes in Net Tenant Contribution. The following conditions would **not** cause a change in the tenant's Net Tenant Contribution: 1) Monetary or non-monetary default of the Owner. 2) Suspension, Cancellation, or Termination of Federal subsidies (Rental Assistance or Interest Credit) paid to the owner or management agent on behalf of the tenant. 3) Prepayment of the Agency loan by the Owner. 4) Foreclosure, liquidation, or acceleration of the Owner's Promissory Note.

Designated Owner Contact: Questions, concerns or changes with your residency should be directed to the following:

Complete borrower and
maintenance contact

(Phone Number)

Maintenance Requests: Requests for maintenance in your unit should be directed to the contact listed below. If no timely response is received (2 weeks), contact the Designated Owner Contact at the above address and phone number.

(Phone Number)

Non-Discrimination Provisions: This housing complex is financed by USDA Rural Development, and the owner is subject to the following nondiscrimination provisions:

1. Title VI of the Civil Rights Act of 1964
2. Title VIII of the Fair Housing Act
3. Section 504 of the Rehabilitation Act of 1973
4. The Age Discrimination Act of 1975
5. The Americans with Disabilities Act

All complaints of discrimination should be directed to: USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW., Washington, DC 20250-9410. Complaints of Fair Housing violations may be sent directly to the Office of Fair Housing and Equal Opportunity, U.S. Department of Housing and Urban Development (HUD), Housing and Urban Development, Washington, DC 20410.

In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.)

THE FOLLOWING terms, conditions, and covenants shall apply to this Lease, and each Tenant is jointly and severally liable for each provision:

II. BASIC AGREEMENT:

1. LEASE: THIS LEASE AGREEMENT is made and entered into between {Enter Tenant & Co-Tenant's name} hereinafter called the Tenant, and {Enter Name of Borrower} hereinafter called the Landlord, for the lease of Apartment No. {Enter Apt. No.} at the rental property known as {Enter Name of Apartment Complex} located at {Enter Address} in {Enter Town}, Missouri.

2. AUTHORIZED OCCUPANTS: Only the individuals listed below are authorized to occupy this Apartment.

Tenant: _____
 Co-Tenant: _____
 Member: _____
 Member: _____
 Member: _____

List all members of the household

Occupancy Standards for this complex are as follows, as stated in Agent's Management Plan:		
	Minimum	Maximum
1 Bedroom:	_____	_____
2 Bedroom:	_____	_____
3 Bedroom:	_____	_____

Complete occupancy standards for each unit type

3. RENT ADJUSTMENTS:

(a) **Rent Proration:** If this Lease Agreement is entered into on a date other than the first of the month, Tenant's rent will be prorated based on the remaining days in the month. If a Tenant is receiving Rental Assistance, the rent will be prorated for the first month as if the tenant was receiving RA, in accordance with 7 CFR 3560.257 (c) (2). Tenant's rent for the remaining term of the Lease will be due and payable on the first of each month.

(b) **Rent Adjustment – Tenant Error:** Tenant agrees to an immediate upward adjustment in rent if statements or representations on applications for admission or continued occupancy are subsequently found to be false, and to pay as rent the difference between the rent which would have been assessed if the full, true, and accurate income had been declared on the application for admission or continued occupancy retroactively to the effective date of this Lease. Tenant agrees to make restitution when unauthorized assistance is received due to Tenant's fraud or misrepresentation. Submission of false information by Tenant could result in legal action against Tenant, including legal actions by Rural Development and the Landlord.

(c) **Rent Adjustment – Landlord Error:** Tenant agrees to an upward adjustment in the rent upon thirty (30) days advance notice, if such an adjustment should be necessary because of Landlord's calculation error, to enable the Landlord to comply with Federal, State or local law or regulation of the Department of Housing and Urban Development, Rural Development, or other applicable Federal or State agencies involved.

(d) **Rent Adjustment – Change in Household Members or Composition:** Tenant agrees to immediately notify the Landlord when there is a change to Tenant's household member and/or composition. Failure to report such change may result in the loss of benefits to which Tenant may be entitled or result in Landlord taking corrective action.

4. STATEMENTS OF UNDERSTANDING: The following statements of understanding have been read, understood and agreed to by the Tenant in accordance with Rural Development requirements:

- (a) "I understand that this Lease Agreement is subject to present regulations of Rural Development and to its future regulations and provisions hereof which may affect my eligibility and continued occupancy."
- (b) "I understand that this Lease is subject to compliance with the terms and provisions of all applicable Federal Housing assistance programs covering this complex. I also understand that I will no longer be eligible for occupancy if my income exceeds the established maximum allowable adjusted income, unless a waiver is granted by Rural Development."
- (c) "I agree I must immediately notify the Landlord when there is a change in my gross income or assets, my qualifications for adjustments to income, my citizenship status, or the number of persons living in the rental unit. I understand my rent or benefits may be affected as a result of this information. I also understand that failure to report such changes may result in my losing benefits to which I may be entitled or may result in Landlord taking corrective action if benefits were mistakenly received. I understand the corrective action Landlord may take includes the initiation of a demand for repayment of any benefits or rental subsidies improperly received, initiation of a notice to cancel any rental assistance, including Section 8 assistance being received, for the balance of my certification period, initiation of a notice to increase my monthly rent to \$[line 30a. of Tenant Cert] per month (note rate rent for Plan II projects or 125 percent of rent in Plan I projects), or initiation of a notice of termination. I understand that one or more of these remedies may be initiated at the option of the Landlord."
- (d) "I understand that I must promptly notify the Landlord of any extended absences and that if I do not personally reside in the unit for a period exceeding 60 consecutive days, for reasons other than health or emergency, my net monthly contribution shall be raised to \$[line 30a. of Tenant Cert] per month (note rate rent for Plan II projects or 125 percent of rent in Plan I projects) for the period of my absence exceeding 60 consecutive days. I also understand that should any rental assistance be suspended or reassigned to other eligible tenants, I am not assured that it will still be available to me upon my return. I also understand that if my absence continues for more than 60 days, for reasons other than health or emergency, my tenancy may be terminated."
- (e) "I understand that should I receive occupancy benefits to which I am not entitled due to my failure to provide information or due to incorrect information provided by me or on my behalf by others, or for any other household member, I may be required to make restitution and I agree to repay any amount of benefits to which I was not entitled. I understand that submitting false information could result in legal action against me."
- (f) "I understand that the certification process for determining tenant occupancy eligibility and contribution is set forth in 7 C.F.R. 3560.152, which provisions are incorporated into this Lease by reference. I understand that income certification and verification is a requirement of occupancy and I agree to promptly fulfill and follow the process for the tenant income verification and certification requirements established under 7 C.F.R 3560.152."
- (g) "I understand that if the unit which I occupy becomes over-housed or under-housed under Landlord's occupancy rules, or should I no longer meet the eligibility requirements of the housing complex during the term of the Lease, this Lease may be subject to termination in accordance with Section IV 1 (c) herein, or Tenant may, at Landlord's option, be required to move to Landlord's next available appropriately sized unit."
- (h) "I understand I may request a redetermination of rent under this Lease if there is a substantial change in any of the factors which determine rent."
- (i) "I understand that if I present a Letter of Priority Entitlement (LOPE) that has been issued according to 7 C.F.R. 3560.655 (d) and I temporarily occupy a rental unit for which I am not occupancy eligible, I will be obligated to move when a suitable unit becomes available in Landlord's housing complex."

III. REQUIRED STATEMENTS: Applicable Statements Must Be Initialed and Dated.

1. IF TENANT IS RECEIVING RD RENTAL ASSISTANCE, COMPLETE THIS SECTION:

	Initials:	Date:
Tenant:	_____	_____
Co-Tenant:	_____	_____
Landlord:	_____	_____

Be sure all parties initial and date all applicable boxes.

as long as I receive rental assistance, my gross monthly tenant contribution (as determined on the latest Form RD 3560-8 which must be attached to this Lease) for rent and utilities will be \${line 31 of Tenant Cert}. If I pay any or all utilities directly (not including telephone or cable T.V.) a utility allowance of \${line 32 of Tenant Cert} will be deducted from my gross monthly tenant contribution and my resulting net monthly contribution will be \${line 33 of Tenant Cert}. If my net monthly tenant contribution is less than zero, the Landlord or owner will pay me \${if line 33 is greater than \$0, enter "0"}. If line 33 is a negative number, enter the amount shown, not to exceed the total amount of the utility allowance.”

“I also understand and agree that my monthly tenant contribution under this Lease may be raised or lowered based on changes in household income or adjustments to income, failure to submit information necessary to certify income, changes in the number and age of persons living in my household in the unit, and on the Escalation Clause in this Lease. Should I no longer receive rental assistance as a result of these changes, or the rental assistance agreement executed by the owner of the complex and Rural Development expires, I understand and agree that my monthly tenant contribution may be adjusted to no less than \${line 29a. of Tenant Cert} (“basic rent”), nor more than \${line 30a. of Tenant Cert} (“note rent”), during the remaining term of this Lease, except that based on the Escalation Clause in this Lease these rental rates may be changed by a Rural Development approved rent or occupancy charge change.”

NOTE: Eligible borrowers with LH loans and grants, direct RRH loans, or insured RRH loans approved before August 1, 1968, may omit the words “no less than \${line 29a. of Tenant Cert} (“basic rent”) nor more than” from the last sentence of the above statement.

“I understand that every effort will be made to provide rental assistance so long as I remain eligible and the rental assistance agreement between the owner and Rural Development remains in effect. However, should this assistance be terminated, I may arrange to terminate this Lease, giving proper notice as set forth elsewhere in this Lease. Tenant’s tenant contribution to rent will not change if rental assistance is terminated due to action of Landlord or owner.”

2. IF TENANT DOES NOT RECEIVE RENTAL ASSISTANCE AND COMPLEX IS RECEIVING PLAN II INTEREST CREDIT, COMPLETE THIS SECTION. {NOTE: Complete if Part II, Item 6 on Tenant Cert is coded “0”}

	Initials:	Date:
Tenant:	_____	_____
Co-Tenant:	_____	_____
Landlord:	_____	_____

“I understand and agree that my gross monthly tenant contribution as determined on the latest Form RD 3560-8, which must be attached to this Lease, for rent or occupancy charge and utilities will be \${line 31 of Tenant Cert}.”

“I further understand the following: If I pay any or all utilities directly (not including telephone or cable T.V.), a utility allowance of \${line 32 of Tenant Cert} will be deducted from my gross monthly tenant contribution, except that I will pay not less than the basic rent nor more than the note rate rent stated below. My net monthly tenant contribution will be \${line 33 of Tenant Cert}. I understand that should I receive rental subsidy benefits to which I am not entitled, I may be required to make restitution and I agree to pay any amount of benefit to which I was not entitled. I also understand and agree that my tenant contribution under this Lease may be raised or lowered based on changes in the household income, failure to submit information necessary to certify income, changes in the number and age of persons living in the household in the unit, and on the Escalation Clause in this Lease. My tenant contribution will not, however, be less than \${line 29a. of Tenant Cert} (“basic rent”) nor more than \${line 30a. of Tenant Cert} (“note rent”) during the term of this Lease, except that based on the Escalation Clause in this Lease, these rental rate or occupancy charges may be changed by a Rural Development approved rent or occupancy charge change.”

3. FOR PLAN I DIRECT OR INSURED RRH LOANS APPROVED PRIOR TO AUGUST 1, 1968, COMPLETE THIS SECTION.

	Initials:	Date:
Tenant:	_____	_____
Co-Tenant:	_____	_____
Landlord:	_____	_____

“I understand and further agree that, should I be permitted to occupy the unit when my income exceeds maximum limits, I shall pay a 25 percent rental rate surcharge in addition to my rental rate of \${line 30a. of Tenant Cert}.”

4. FOR PLAN I LOANS APPROVED ON OR AFTER AUGUST 1, 1968, COMPLETE THIS SECTION.

	Initials:	Date:
Tenant:	_____	_____
Co-Tenant:	_____	_____
Landlord:	_____	_____

“I understand that my gross monthly contribution as determined on the latest Form RD 3560-8, (includes) or (excludes) [delete word that does not apply] my cost of utilities. I further understand and agree that, should I be permitted to occupy the unit when my income exceeds maximum limits, I shall pay a 25 percent rental rate surcharge in addition to my rental rate.”

5. IF TENANT IS RECEIVING RENTAL ASSISTANCE FROM MISSOURI HOUSING DEVELOPMENT COMMISSION, COMPLETE THIS SECTION. {NOTE: Complete if Part II, Item 6, of Tenant Cert is coded “4”}

	Initials:	Date:
Tenant:	_____	_____
Co-Tenant:	_____	_____
Landlord:	_____	_____

“I understand that because of the amount of state rental assistance for which I am entitled my rent and utilities will be \${Enter line 20a. and 29b. minus amount of State RA authorized}. The Landlord will receive \${Amount of State RA authorized} from the Missouri Housing Development Commission for this state rental assistance. I further understand and agree that my monthly tenant contribution under this Lease may be raised or lowered based on changes in household income or adjustments to income, failure to submit information necessary to certify income, changes in the number and age of persons living in my household, and on the Escalation Clause in this Lease.

Should I no longer receive state rental assistance as a result of these changes, or the state rental assistance agreement executed by the owner of the complex and the Missouri Housing Development Commission expires, I understand and agree that my monthly tenant contribution may be adjusted to no less than \${line 29a. of Tenant Cert} (“basic rent”), nor more than \${line 30a. of Tenant Cert} (“note rent”), during the remaining term of this Lease, except that based on the Escalation Clause in this Lease these rental rates may be changed by a Rural Development approved rent change or occupancy charge change.”

“I understand that every effort will be made to provide state rental assistance so long as I remain eligible and the state rental assistance agreement between the owner of the complex and the Missouri Housing Development Commission remains in effect. However, should this assistance be terminated, I may arrange to terminate this contract, giving proper notice as set forth elsewhere in the lease.”

6. IF COMPLEX AND UNIT RECEIVE SECTION 8 HUD ASSISTANCE, INITIAL THIS SECTION. {Complete this section if you have a Project Based Section 8 Property and the Tenant Subsidy Code is “2”}

	Initials:	Date:
Tenant:	_____	_____
Co-Tenant:	_____	_____
Landlord:	_____	_____

“I understand that the provisions of the HUD model lease will prevail over the terms of this Lease, unless they conflict with Rural Development requirements in accordance with 7 C.F.R. 3560.156. I understand that if there is conflict between HUD requirements and Rural Development requirements, that the provision that will be enforced will be the one that is most favorable to me.”

7. IF ACCESSIBLE UNIT IS OCCUPIED BY A TENANT NOT NEEDING THE SPECIALLY DESIGNED FEATURES OF THE UNIT, INITIAL THIS SECTION.

	Initials:	Date:
Tenant:	_____	_____
Co-Tenant:	_____	_____
Landlord:	_____	_____

“I acknowledge that I am occupying a specially designed accessible unit for disabled persons, and that I do not need such accessible features. I acknowledge that priority for such accessible unit is given to those disabled persons needing the special design features of this unit. I agree that I will be required to vacate the unit within 30 days of notification from Landlord that an eligible individual requires the special design features of this unit. I further agree to move at my own expense (unless otherwise agreed by Landlord in writing) within 30 calendar days of such written notice. I further understand that, if I move to an appropriate unit within the project, my rental rate will change to the rental rate for the unit I move to and this Lease will be modified accordingly.”

8. IF TENANT IS INELIGIBLE BECAUSE THE HOUSEHOLD ADJUSTED ANNUAL INCOME EXCEEDS THE MAXIMUM INCOME LIMITS ALLOWED BY RURAL DEVELOPMENT, INITIAL THIS SECTION.

	Initials:	Date:
Tenant:	_____	_____
Co-Tenant:	_____	_____
Landlord:	_____	_____

“I understand that I am considered an ineligible occupant of the rental unit because my household income exceeds the maximum income allowance for this housing complex. I understand the Lease is valid only for an initial term of twelve months and thereafter on a month-to-month basis until an eligible applicant is approved for the same unit. I understand that if an eligible applicant is approved for this rental unit after the initial term of this Lease, I will vacate the unit within 30 days of receipt of a written notice from the Landlord that an eligible applicant is available.”

IV. LANDLORD AND TENANT ADDITIONAL MUTUAL COVENANTS:

1. TERMINATION OF LEASE:

(a) **By Tenant:** The Tenant may terminate this Lease for “good cause” effective 30 days following advance written notice to Landlord. “Good cause” as used in this paragraph means a job-related transfer to another location, severe illness or death of Tenant or household member, notification of an authorized rent increase, or failure by Landlord to properly maintain repairs or replacements at the property or leased unit. Tenant shall be liable for all rent payments and other obligations under this Lease until the effective date of the termination. Unless the Tenant validly terminates the Lease as provided in this paragraph, Tenant shall remain liable for all rent payments and other obligations under this Lease through the full Lease term, subject to Landlord’s obligation to mitigate its losses.

(b) **By Landlord:** The Landlord may terminate or refuse to renew this Lease only for material non-compliance with the terms of the Lease, material non-compliance with the Occupancy Rules, or other “good cause”, as defined below. Prior to termination of the Lease, Landlord must provide Tenant with written notice of the lease violation, with specific reference to the provisions of the Lease or Occupancy Rules that have been violated, provide an opportunity to correct the violation, and advise that the Tenant’s conduct is grounds for termination, advise the tenant of their right to respond to the notice within ten (10) calendar days after the date of the notice, and advise the tenant of their right to a hearing in accordance with 7 C.F.R. 3560.160 (f), and contain the information specified at 7 C.F.R. 3560.160 (a) (2). Occupancy termination notices must specify the date the Lease will be terminated, a statement of the basis for the Lease termination with specific reference to the provisions of the Lease or Occupancy Rules that have been violated, and a statement that the Landlord may initiate judicial action to enforce the Lease termination. In accordance with 7 C.F.R. 3560.160 (e), both the Notice of Violation and the Notice of Termination must be delivered to the tenant by certified mail, return receipt requested, or hand delivered with a signed and dated acknowledgement of receipt from the tenant. Any termination of the Lease by the Landlord must be carried out in accordance with 7 C.F.R. 3560.159, State and local law, and the terms of this Lease. Tenant shall remain liable for all rent payments and other obligations under this Lease through the full Lease term, subject to Landlord’s obligation to mitigate its losses. A suit for unpaid rent and possession of the rental unit is not an action to terminate the Lease, and may be pursued by Landlord under State law, without regard to the requirements of this Section.

“Material non-compliance”, for the purpose of Lease Termination, includes Tenant’s substantial and/or repeated violations of the Lease or Occupancy Rules, including but not limited to non-payment or repeated late payment of rent or other financial obligations due under the Lease or Occupancy Rules, or a Drug Violation (as defined below).

“Good Cause”, for the purpose of Lease Termination, includes Non-Eligibility (as defined below); actions by Tenant or a member of Tenant’s household or by Tenant’s guests which interfere with the rights and quiet enjoyment of other tenants; actions which threaten the health and safety of other persons, or are abusive, harassing or threatening to the Landlord’s Manager or to other tenants; actions by a Tenant or a member of Tenant’s household or by Tenant’s guests which result in physical damage to the rental unit, common areas or the property of other tenants, except when such threat can be removed with a reasonable accommodation; any actions prohibited by State and local laws; failure to reimburse the landlord within 30 days for repairs made or any other charges authorized under this Lease; permitting unauthorized persons to live in the rental unit; creating physical hazards; failure to repay unauthorized assistance payments; failure to accept and observe Landlord’s authorized modifications to the Lease; unauthorized pets; failure to provide accurate and timely income certification or re-certification information; failure to maintain required utilities to the rental unit; failure to maintain rental unit in clean condition; failure to pay security deposit; criminal activity or alcohol abuse, in accordance with the provisions of 24 C.F.R. 5.858 through 5.861; where the Tenant has been mistakenly placed in rental unit in which the Tenant is not eligible under applicable tenant eligibility requirements; and giving the Landlord false information regarding income or other factors considered in determining the Tenant’s rent.

(c) **Non-Eligibility:** The Landlord may terminate this Lease if the Tenant, although initially eligible, no longer meets the occupancy eligibility requirements as to number of tenants under the housing project’s or rental unit’s applicable restrictions, including the criteria set forth in 7 C.F.R 3560.155 (c) and (e). Tenant agrees to vacate the rental unit within 30 days of Landlord’s notice that Tenant is no longer eligible for occupancy, or at the expiration of the Lease, whichever is greater, unless the conditions cited in 7 C.F.R. 3560.158 (c) exist.

(d) **Drug Violation:** It is understood that the use, or possession, manufacture, sale, or distribution of an illegal controlled substance (as defined by local, State, or federal law) while in or on any part of this housing project or rental unit is an illegal act. It is further understood that such action constitutes material non-compliance with the Lease. Such violations (hereinafter call a “Drug Violation”) may be evidenced upon the admission to or conviction of a drug violation in any local, State or Federal court.

The landlord may require any tenant or other adult member of the tenant household occupying the unit (or other adult or non-adult person outside the tenant household who is using the unit) who commits a drug violation to vacate the leased unit permanently, within timeframes set by the landlord, and not thereafter to enter upon the landlord’s premises or the lessee’s unit without the landlord’s prior

consent as a condition for continued occupancy by the remaining members of the tenant's household. The landlord may deny consent for entry unless the person agrees to not commit a drug violation in the future and is either actively participating in a counseling or recovery program, complying with court orders related to a drug violation, or has successfully completed a counseling or recovery program.

The landlord may require any tenant to show evidence that any non-adult member of the tenant household occupying the unit, who committed a drug violation, agrees not to commit a drug violation in the future, and to show evidence that the person is either actively seeking or receiving assistance through a counseling or recovery program, complying with court orders related to a drug violation, or has successfully completed a counseling or recovery program within timeframes specified by the landlord as a condition for continued occupancy in the unit. Should a further drug violation be committed by any non-adult person occupying the unit the landlord may require the person to be severed from tenancy as a condition for continued occupancy by the tenant.

If a person vacating the unit, as a result of the above policies, is one of the tenants, the person shall be severed from the tenancy and the lease shall continue among any other remaining tenants and the landlord. The landlord may also, at the option of the landlord, permit another adult member of the household to be a tenant.

Should any of the above provisions governing a drug violation be found to violate any of the laws of the land, the remaining enforceable provisions shall remain in effect. The provisions set out above do not supplant any rights of tenants afforded by law.

Notwithstanding anything in this section, Tenant acknowledges Landlord's right to initiate eviction proceedings pursuant to Mo. Rev. Stat. 441.710 *et seq.*, upon evidence of drug-related activity enumerated within that chapter.

(e) **Domestic Violence:** It is further understood that domestic violence will not be tolerated and that such action is a material lease violation. All perpetrators will be evicted, while the victim and other household occupants may remain in the unit in accordance with eligibility requirements.

The Landlord may require any Tenant or other adult member of the tenant household (or other adult or non-adult person outside the Tenant's household who is using the unit) who commits an act of domestic violence to vacate the leased unit permanently, within time frames set by the Landlord, and not thereafter enter upon the housing project or rental unit without the Landlord's prior written consent as a condition for continued occupancy by the remaining members of the Tenant's authorized household. The Landlord may deny consent or entry unless the person agrees to not commit an act of domestic violence in the future and is either actively participating in a counseling or recovery program, complying with court orders related to domestic violence, or has successfully completed a counseling program.

The Landlord may require any Tenant to show evidence that any non-adult member of the Tenant household occupying the unit, who committed an act of domestic violence, agrees to not commit an act of domestic violence in the future, and to show evidence that the person is either actively seeking or receiving assistance through a counseling program, complying with court orders related to domestic violence, or has successfully completed a counseling program within timeframes specified by the Landlord as a condition for continued occupancy in the unit. Should a further act of domestic violence be committed by any non-adult person occupying the unit, the Landlord may require the person to be severed from tenancy as a condition for continued occupancy by the Tenant.

If a person vacating the unit as a result of the above policies is one of the Tenants, the person shall be severed from the tenancy and the Lease shall continue among any other remaining Tenants and Landlord. The Landlord may also, at the option of the Landlord, permit another adult member of the household to be a Tenant.

Should any of the above provisions governing an act of domestic violence be found to violate any applicable laws of the land, the remaining enforceable provisions shall remain in effect. The provisions set out above do not supplant any rights of Tenants afforded by law.

2. SECURITY DEPOSIT: (THIS SECTION MUST BE INITIALED AND DATED)

	Initials:	Date:
Tenant:	_____	_____
Co-Tenant:	_____	_____
Landlord:	_____	_____

Security Deposit: The Tenant agrees to deposit the sum of \$ {Should be either line 29a. or 33 of Tenant Cert form as specified in Management Plan} (this sum may not be in excess of the Tenant's net contribution for one month's rent at the time of initial occupancy, or basic rent, whichever is greater) as security deposit with the Landlord to assure the surrender of the rental unit in a condition of cleanliness and good repair, reasonable wear and tear excepted. Tenants **eligible** for rental assistance or Section 8 assistance have the option of paying said amount in full on occupying the premises, or {Enter prorated amount per policy stated in Management Plan} dollars (\$ {Enter amount}) per month for the first {Enter # of months per Management Plan} months of occupancy until the full sum of \$ {Enter same amount as specified above} has been deposited. Should Tenant fail to meet required installments the total charge will become due and payable in full and may result in

termination of this Lease by Landlord. The security deposit will be returned to Tenant within 30 days after Tenant vacates the unit, provided that the Tenant had paid all rent and damages rightfully due the Landlord under the Lease, has returned all rental unit keys and has left the rental unit and all appliances, fixtures and appurtenances clean and in good condition, reasonable wear and tear excepted, consistent with the Missouri Security Deposit Law, Section 535.300 R.S.Mo. If documentation has been provided to Landlord that an assistance animal is necessary for the normal functioning of a household member with a disability, an additional security deposit for the assistance animal will not be charged.

3. WRITTEN STATEMENT OF UNIT CONDITION: (THIS SECTION MUST BE INITIALED AND DATED)

	Initials:	Date:
Tenant:	_____	_____
Co-Tenant:	_____	_____
Landlord:	_____	_____

The Landlord must conduct a move-in inspection with the Tenant documenting the condition of the unit at the time of initial move-in. The inspection must identify items needing to be repaired or replaced, including agreed-upon timeframes for completion of any repairs or replacements. This written inspection must be signed and dated by both Tenant and Landlord, and a copy provided to Tenant. Upon notice by Tenant of vacating unit, a move-out inspection must be completed jointly by Tenant and

Landlord, for the determination of unit condition and damages, if any, to be deducted from the security deposit. A notice for inspection shall be given by Landlord so Tenant has a reasonable opportunity to be present during the move-out inspection, consistent with Section 535.300 R.S.Mo.

4. LATE RENT/REMEDIES: Tenant agrees to pay rent and all charges on time. Rent is due on the 1st day of each month, and no further statement or notice will be provided. Landlord may pursue immediate action for rent and possession under State law, without notice, for late rent. If rent is not paid in full by the 10th day of the month, a late payment penalty not exceeding the higher of \$10.00 or 5 percent of the Tenant’s gross tenant contribution will apply. Tenants receiving housing benefits from sources other than Rural Development may be subject to the late rent fee requirements of the other funding sources.

5. OTHER CHARGES OWED BY TENANT: Landlord agrees to accept the tenant contribution toward rent charges prior to payment of other charges that the tenant owes. Landlord may seek legal remedy for collecting other charges accrued by the tenant.

6. CASUALTY: If the rental unit becomes uninhabitable due to fire or other disaster, the Landlord has the right to repair the unit/building or terminate the Lease as of the date the rental unit becomes uninhabitable. Tenant may be eligible for a Letter of Priority Entitlement. A prorated portion of any pre-paid rent shall be refunded to the Tenant.

7. OCCUPANCY RULES: The Occupancy Rules attached hereto shall be treated and observed by Landlord and Tenant as part of this Lease. Proposed changes of any Occupancy Rules must be made available to Tenant at least 30 days in advance of implementation.

8. GRIEVANCE PROCEDURE: Any Tenant grievance regarding matters specified by 7 C.F.R 3560.160 shall be processed in accordance with the requirements stated therein (such Section is incorporated herein by reference), which Landlord shall post in its rental office or another conspicuous place. In accordance with 7 C.F.R. 3560.160 (b) (2) (v), lease violations by the Tenant that would result in the termination of tenancy and eviction are not subject to the grievance procedure of that Section.

9. SALE OF PROJECT: **{Complete this section only if borrower has requested to prepay}** In the event the housing project in which the rental unit is located is sold to a third party buyer approved by Rural Development, this Lease will be transferred and assigned to the new third party owner of the project. No increase in tenant contribution to rent will take place due to prepayment of the Rural Development loan during term of this Lease. The following two paragraphs apply only in prepayment cases:

If loan prepayment occurs and the housing project is subject to restrictive use provisions, this Lease and any renewals thereof must be amended to include a clause specifying the tenant protections required under subpart N of 7 C.F.R. 3560. Moreover, as a condition of the Government’s approval of a request to accept early payment on notes owed, the tenant household is protected, to the extent herein disclosed, against involuntary displacement (except for good cause) and against having the tenant household contribution level (rent) materially increased until **{Consult with RD for date or appropriate language to enter}** (insert either restrictive use date **or** insert “the tenant household decides to move” depending on the restrictive-use provision accepted by the owner).

At all times until **{Consult with RD for date or appropriate language to enter}** (insert relevant 20 year term following prepayment or “tenant moves”), the tenant household contribution level (rent) must be consistent with that necessary to maintain the project for low and moderate-income tenants.

10. FORECLOSURE OR LIQUIDATION: In the event of foreclosure, liquidation, or acceleration, the terms of the lease will remain in effect until the date of foreclosure, liquidation, or acceleration is resolved.

11. UTILITIES: Landlord shall provide the following utilities to the rental unit which are included in the rental charge: **{Indicate with an "X" or checkmark all services that are provided with no additional charge}**

Electricity Gas Water Sewer Trash Pickup Cable TV Master TV Antenna

Tenant is responsible for maintaining all other utilities provided to the rental unit, which Tenant shall pay to the provider thereof in a timely manner.

12. NOTICES: All written notices provided by Landlord or Tenant must be delivered in one of the following ways: 1) regular first class mail, 2) personal delivery, or 3) posted on the rental unit or rental office, except for conditions specified in Section IV 1 (b).

V. ADDITIONAL TENANT COVENANTS:

1. NO ASSIGNMENT AND USE LIMITATIONS: Use Limitations: Tenant shall not assign this Lease, nor sublet or transfer possession of the rental unit or any portion thereof, nor sell or give accommodation to roomers, boarders, or lodgers, nor permit the use of the rental unit for any other purpose than a private dwelling solely for the Tenant and the persons named in Section II. (2) of this Lease, and shall not use the premises for illegal activity under Federal, State or local law, or other activity which impairs the physical or social environment of the housing project.

2. MAINTENANCE OF PREMISES: (THIS SECTION MUST BE INITIALED AND DATED)

	Initials:	Date:
Tenant:	_____	_____
Co-Tenant:	_____	_____
Landlord:	_____	_____

Tenant shall keep the rental unit and the appliances, appurtenances and fixtures thereon in a clean and sanitary condition at all times, and shall dispose of all trash and garbage in a sanitary manner, and shall maintain the rental unit in a manner satisfactory to the Landlord. Tenant must promptly complete and submit to Landlord a Work Order Request for unit repairs and replacement. For routine maintenance items, Landlord must initiate action to complete repairs and replacements within 10 days of receipt of a

Work Order. For emergency requests for repairs and replacements, Landlord must initiate action within 24 hours. Work Orders must track date of request, items of repair/replacement, assignment of work, date completed, and signature of Landlord and Tenant. It is the Landlord's responsibility for the proper maintenance of all exterior and interior emergency warning devices, i.e., smoke alarms, fire alarms, and handicap devices for the deaf.

3. REPAIRS TO UNIT: (THIS SECTION MUST BE INITIALED AND DATED)

	Initials:	Date:
Tenant:	_____	_____
Co-Tenant:	_____	_____
Landlord:	_____	_____

Tenant shall not make any repairs or alterations to the rental unit without the written consent of the Landlord, shall not display any signs whatsoever, and shall not use any tacks, nails or screws, cements or other fasteners in any part of the rental unit, except with permission of the Landlord. All alterations, additions or improvements to the rental unit, including, but not limited to all locks, bolts, towel and bar racks, traverse and curtain rods, made by Landlord or Tenant (unless Landlord shall otherwise elect)

shall become property of the Landlord and are to be surrendered with the rental unit at the termination of this Lease. Tenant must obtain prior written consent from Landlord to change locks on the unit. If Landlord approval is obtained, a copy of the key must be provided to the Landlord. Failure to obtain prior written consent and/or provide Landlord a copy of the key shall constitute grounds for lease termination. It is recognized that there may be extreme or emergency situations where a Tenant is required to change locks before Landlord approval can be obtained. In such a situation, lease termination shall not be initiated if Tenant notifies Landlord of the emergency situation within seven (7) days and provides a copy of the key. Tenant shall be liable for all damage that is done to the rental unit or housing project (other than normal wear and tear) as a result of acts of the Tenant, act of members of Tenant's household, or of acts of Tenant's guests. Tenant shall be liable for and pay to Landlord any reasonable expenses thereby incurred by Landlord within 10 days of written notice of demand.

4. FIXTURES: (THIS SECTION MUST BE INITIALED AND DATED)

	Initials:	Date:
Tenant:	_____	_____
Co-Tenant:	_____	_____
Landlord:	_____	_____

Tenant shall not use or install any auxiliary freezing unit, dishwasher, washing machine, dryer, air conditioner or other appliance, appurtenance, or fixture in the rental unit without prior approval of the Landlord in writing. No attachments may be affixed to the exterior of the buildings without prior written consent of Landlord.

5. RIGHT OF ENTRY AND INSPECTION: Tenant shall permit the Landlord or its representatives to enter the rental unit during all reasonable hours to conduct periodic inspections. Tenant shall not refuse a reasonable request of the Landlord or its

representatives to enter the rental unit at any reasonable time for the purpose of determining whether the rental unit is being used in violation of any of the terms of this Lease, to inspect the general condition of the rental unit, to make repairs or alterations as deemed necessary, or to show the rental unit to prospective tenants or purchasers.

Tenant shall also acknowledge that the Landlord or its representatives can enter the rental unit at any reasonable time without prior notification to the Tenant as long as Landlord can show just cause that a condition exists endangering the health and safety of the tenant(s), residents, occupants, or facility which requires immediate entry into the unit.

6. GUESTS: In accordance with the Occupancy Rules for this complex, the following terms have been established to determine when a guest must be added to the Tenant Certification as a member of the household. This requirement concerning guests is not applicable to live-in resident assistants.

Enter timeframes according to Borrower Occupancy Rules

A guest residing overnight at the rental unit for at least _____ consecutive nights, or at least _____ times within a year or, in the reasonable judgment of Landlord, is living at the rental unit, will be required to complete an application for eligibility determination. The Lease may be subject to termination in accordance with Section IV 1 herein.

7. ABANDONED PROPERTY: The procedure for handling Tenant's abandoned property at the rental unit is as set forth in Section 441.065 R.S.Mo., and is summarized as follows: If Landlord has a reasonable belief that Tenant has vacated the rental unit and intends not to return, and rent is due and unpaid for at least 30 days, Landlord may post written notice on the rental unit and serve by regular and certified mail a notice of these facts, giving the Tenant 10 days to respond in writing or pay the rent due. If Tenant fails to do so, the rental unit shall be deemed abandoned and Landlord may remove or dispose of any property of Tenant remaining at the rental unit, with no liability to Landlord for such removal or disposition. Tenant's tenancy continues until Tenant's personal possessions are removed from the rental unit either voluntarily or by legal means, subject to the provisions of State and local law in such matters.

8. COOPERATION: Tenant shall cooperate with Landlord as to all requirements related to compliance with any State or Federal programs relating to the housing project and rental unit, and the enforcement of rules and regulations to ensure the peaceful occupancy of all tenants.

9. LEGAL ACTION AND ATTORNEY'S FEES: In the event Landlord takes legal action against Tenant to enforce any of the terms, conditions and covenants of this Lease and the Landlord is successful and prevails against Tenant, then Tenant agrees to pay the Landlord's reasonable attorney's fees and court costs.

VI. ADDITIONAL LANDLORD COVENANTS:

1. MODIFICATION OF LEASE:

- (a) Any modification of this Lease shall conform to any HUD or Rural Development rules and regulations and State law.
- (b) Landlord may modify the terms, conditions and provisions of the Lease, to take effect during a then-current term of the Lease, only as specified herein in Section II. 3 (relating to rent adjustment) and Section IV. 7 (relating to change In Occupancy Rules).
- (c) Landlord may modify the terms, conditions and provisions of the Lease to take effect at the end of the initial term or a successive term, by serving a notice on the Tenant, together with the tender of a revised Lease or an addendum revising the existing Lease.

2. MAINTENANCE BY LANDLORD: Subject to the Tenant's duty for maintenance and repairs set forth in Sections V. 2 and V. 3 of this Lease, the Landlord shall provide routine maintenance and services as set forth below:

- (a) The Landlord shall maintain the rental unit and the appliances, appurtenances and fixtures thereto, as well as common areas and facilities of the housing project provided for the use and benefit of the Tenant, in compliance with Missouri State and local laws, Rural Development regulations and Federal fair housing requirements.
- (b) The Landlord shall provide extermination services for the rental unit as conditions may require.

IN WITNESS WHEREOF, the Landlord and Tenant have executed this Lease on the _____ day of _____, 20____.

LANDLORD:

TENANT:

By:

CO-TENANT:

ATTACHMENTS: Tenant must initial to indicate receipt of the following items:

- _____ Completed Lease Agreement
- _____ Occupancy Rules and Regulations
- _____ Tenant Grievance and Appeals Procedure
- _____ Sample – Maintenance Work Order
- _____ Completed Move-In Inspection Report
- _____ Form RD 3560-8, Tenant Certification
- _____ Other (please describe) _____

Be sure that all parties sign and date the Lease Agreement. Indicate with an "X" or checkmark all attachments to the Lease Agreement.