

**LEASE AGREEMENT**  
(Low-Income Housing Tax Credit)

1. PARTIES AND DWELLING UNIT: The parties to this Agreement are Mercy Housing Management Group, managing agent for \_\_\_\_\_, (referred to as the "Landlord"), and \_\_\_\_\_ (referred to as the "Resident"). The Landlord leases to the Resident the dwelling unit # \_\_\_\_\_ in the project known as \_\_\_\_\_ located at \_\_\_\_\_. The following are approved as occupants (in addition to the Head of Household):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Resident must inform Management in writing and receive written approval from Management prior to allowing another person to reside in the unit.

2. LENGTH OF TIME/TERM: The initial term of this Agreement shall begin on \_\_\_\_\_ and end at midnight on \_\_\_\_\_. After the initial term ends, this agreement will continue for successive terms of 30 days, unless automatically terminated as permitted by paragraph 18 of this Agreement.

3. RENT: The Resident agrees to pay \$ \_\_\_\_\_ for the partial month ending on \_\_\_\_\_. After that, the Resident agrees to pay a rent of \$ \_\_\_\_\_ per month. This amount is due on or before the 1st day of the month at the property office. To make rent payments personally, the usual days and hours are Monday through Friday, \_\_\_a.m. to \_\_\_p.m.

4. INCOME CERTIFICATION AND RECERTIFICATION:

A. Resident eligibility for this rent is based on information that Resident has provided to Management regarding Resident household income and assets. Each year, prior to renewal of the Rental Agreement, within thirty (30) days after receiving notice from Management, Resident agrees to provide updated information on a form Management provides Resident. Resident agrees that all such information regarding household income and assets provided to Management is true, complete and correct to the best of Resident's knowledge. Resident further agrees that failure to provide such information, or providing false or misleading information, may result in the termination of Resident's occupancy and eviction from the premises. If Resident fails to provide the required information on time, Resident will be liable for any rent adjustment pursuant to Subsection B below from the effective date of the Rental Agreement or Rental Agreement amendment. Resident agrees that all information supplied by Resident shall be subject to verification by Management.

B. Management may adjust the rent described in Section 3 annually, except that the first year adjustment may occur within less than 12 months so that the Rental Agreement period will coincide with the project fiscal year. Management will give Resident 30 days written notice prior to the effective date of any rent adjustment and will execute a new Rental Agreement or Rental Agreement amendment providing for the rent adjustment

5. CHARGES FOR LATE PAYMENTS AND RETURNED CHECKS: If the Resident does not pay the full amount of the rent shown in paragraph 3 by the end of the 5<sup>th</sup> day of the month, the Resident shall pay a fee of \$ \_\_\_\_\_ on the 6<sup>th</sup> day of the month and \$ \_\_\_\_\_ per day until paid in full **or** a one-time late fee of \$ \_\_\_\_\_ on the 6<sup>th</sup> day of the month. The Landlord may terminate this Agreement for non-payment of rent, as explained in paragraph 19. The Landlord may collect a fee of \$35 on any non-sufficient check presented. The charges discussed in this paragraph are in addition to the regular monthly rent payable by the Resident.

6. CONDITION OF THE DWELLING UNIT. By signing this agreement, the Resident acknowledges that the unit is safe, clean and in good condition. The Resident agrees that all appliances and equipment in the unit are in good working order, except as described in a Unit Inspection Report which may be attached to this Agreement. The Resident also agrees that the Landlord has made no promise to decorate, alter or improve the unit, except as listed on any Unit Inspection Report.

7. CHARGES FOR UTILITIES. The following chart describes how the cost of utilities and services related to occupancy of the unit will be paid. The Resident agrees that this chart accurately describes the utilities and services paid by the Landlord and those paid by the Resident.

Head of Household ("Resident") Initials \_\_\_\_\_

- a. The Resident must pay for the utilities in column (1). Payments should be made directly to the appropriate utility company. The items in column (2) are included in the Resident's rent:

(1)	Type of Utility	(2)
Put an "x" by any utility that RESIDENT PAYS DIRECTLY		Put an "x" by any utility INCLUDED IN THE RESIDENT'S RENT
	Heat	
	Lights (Electric)	
	Cooking (Electric ___ or ___ Gas)	
	Water	
	Sewer	
	Trash	
	Other (specify)	

8. SECURITY DEPOSITS. The Resident has deposited \$ \_\_\_\_\_ (the "security deposit") with the Landlord, for the purposes set forth in Civil Code Section 1950.5. The Landlord will hold this security deposit for the period the Resident occupies the unit. After the Resident has moved from the unit, the Landlord will determine whether the Resident is eligible for a refund of any or all of the security deposit. The amount of the refund will be determined in accordance with the following conditions and procedures:

- a. Prior to move-out, the Resident has the right to request a preliminary inspection of the unit and to be present during that inspection, which will occur no earlier than two weeks before the move-out and during normal business hours;
- b. At the conclusion of this initial inspection, the Landlord will provide an itemized statement specifying repairs or cleaning that are proposed to be the basis for the deductions from the security deposit. This may not be a final accounting of deductions from the security deposit;
- c. The Resident retains this right for preliminary inspection up to the date of move-out;
- d. Resident shall not be deemed to have vacated the Premises for purposes of this Paragraph until a) Resident returns to Owner all keys to the Premises, and b) Resident has surrendered the Premises to Owner free and empty of all persons claiming any right to possess the Premises;
- e. After the Resident has vacated the unit, the Landlord will complete a final unit inspection report. The Landlord will permit the Resident to participate in the final inspection, if the Resident so requests.
- f. The Landlord will refund to the Resident the amount of the security deposit less any amount needed to pay the cost of:
  - (1) Unpaid rent;
  - (2) Damages that are not due to normal wear and tear and are not listed on the original Unit Inspection Report;
  - (3) Charges for late payment of rent and returned checks, as described in paragraph 5;
  - (4) Charges for unreturned keys, as described in paragraph 9; and
  - (5) Excessive cleaning costs, such as removing trash and cleaning appliances and carpets abused beyond normal wear and tear.
- g. The Landlord agrees to refund the amount computed in paragraph 8b within 21 days or the current period required by law, after the Resident has permanently vacated the unit, and returned possession of the unit to the Landlord. Any balance of the security deposit and an accounting of any deductions therefrom will be mailed to Resident at the Premises unless Resident provides, in writing to Owner, a mailing address to which the balance, if any, of the security deposit and the accounting should be sent.
- h. The Resident understands that the Landlord will not count the Security Deposit toward the last month's rent or toward repair charges owed by the Resident in accordance with paragraph 11.

9. KEYS AND LOCKS. The Resident agrees not to install additional or different locks or gates on any doors or windows of the unit without written permission of the Landlord. If the Landlord approves the Resident's request to install such locks, the Resident agrees to provide the Landlord with a key for each lock. When this Agreement ends, the Resident agrees to return all keys to the dwelling unit to the Landlord; the Landlord may charge the Resident \$ \_\_\_\_\_ for each key not returned.
10. MAINTENANCE.
- a. The Landlord agrees to:
- (1) Provide effective waterproofing and weather protection of roof and exterior walls;
  - (2) Maintain all plumbing or gas facilities in good working order;
  - (3) Provide water supply capable of producing hot and cold running water;
  - (4) Provide heating facilities in good working order;
  - (5) Provide electrical lighting, wiring and equipment in good working order;
  - (6) To the extent possible given Resident activity, to keep and maintain all common areas of building clean, sanitary, and free from debris, filth, rubbish and garbage;
  - (7) Provide adequate number of garbage receptacles, in clean condition and good repair for the building;
  - (8) Maintain flooring, stairways, and railings in good repair; and
  - (9) Provide a locking mail receptacle for each residential unit, as required by law.
- b. The Resident agrees to:
- (1) Keep his or her unit clean and sanitary;
  - (2) Properly use and operate all electrical, gas and plumbing appliances, fixtures and equipment in a safe manner and only for the purpose for which they are intended, and to keep such appliances and fixtures as clean and sanitary as their condition permits;
  - (3) Dispose from his or her dwelling unit of all rubbish, garbage and other waste, in a clean and sanitary manner in an appropriate container;
  - (4) Not permit any person on the premises, with his or her permission, to willfully or wantonly destroy, deface, damage, impair or remove any part of the structure or dwelling unit or the facilities, equipment, or appurtenances thereto, nor himself or herself do any such thing;
  - (5) Give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and/or cooling equipment or any other part of the unit or related facilities; and
  - (6) Occupy the premises as his or her abode, utilizing portions thereof for living, sleeping, cooking or dining purposes only which were respectively designed or intended to be used for such occupancies.
11. DAMAGES. Whenever damage is caused by carelessness, misuse, or neglect on the part of the Resident, her/his family or visitors, the Resident agrees to pay:
- a. The cost of all repairs and do so within thirty (30) days after receipt of the Landlord's demand for the repair charges; and
  - b. Rent for the period the unit is damaged, whether or not the unit is habitable.
12. RESTRICTIONS ON ALTERATIONS. The Resident agrees not to do any of the following without first obtaining the Landlord's written permission:
- a. Change or remove any part of the appliances, fixtures or equipment from the unit;
  - b. Paint or install wallpaper or contact paper in the unit;
  - c. Attach awnings or window guards in the unit;
  - d. Attach or place any fixtures or fences on the building(s), the common areas, or the project grounds; and
  - e. Attach any shelves, screen doors, or other permanent improvements in the unit.
13. DAMAGE TO RESIDENT'S PROPERTY. Landlord shall not be liable to Resident or any other person or entity for any damage to their person or property caused by water, rain, snow, frost, fire, storm and accidents, or by breakage, stoppage, or leakage of water, gas, heating and sewer pipes or plumbing, upon, about, or adjacent to said premises. Without limiting the foregoing, Landlord shall not be liable for any damage occasioned by bursting or leaking or running pipes or tanks or receptacles or by leakage through the roof, windows or any doors. Moreover, Landlord shall not be liable for any such damage arising from acts of the occupants of the premises or the owners or occupants of adjoining properties.

14. GENERAL RESTRICTIONS. The Resident must live in the unit and the unit must be the Resident's only place of residence. The Resident shall use the premises only as a private dwelling unit for himself/herself and the individuals listed in this Agreement. The Resident agrees to permit other individuals to reside in the unit only after obtaining the prior written permission of the Landlord. The Resident agrees not to:
- a. Sublet or assign the unit or any part of the unit without express written authorization and consent from the Landlord;
  - b. Use the unit for unlawful purposes;
  - c. Engage in or permit unlawful activities in the unit, the common areas or on the project grounds;
  - d. Have pets or animals of any kind in the unit without the prior written permission of the Landlord; or
  - e. Make or permit noises or acts that will disturb the rights or comfort of neighbors. The Resident agrees to keep the volume of any radio, stereo, television, or any other electronic devices, or musical instrument at a level that will not disturb the neighbors.
15. RULES. The Resident agrees to obey the House Rules which may be an Addendum to this Agreement. The Resident agrees to obey additional rules established after the effective date of this Agreement if:
- a. The rules are reasonably related to the safety, care and cleanliness of the building and the safety, comfort and convenience of the Residents; and
  - b. The Resident receives written notice prior to the proposed rule at least thirty (30) days before the rule is enforced.
16. ACCESS BY LANDLORD. The Landlord agrees to enter the unit only during reasonable hours, and to provide reasonable advance notice of her/his intent to enter the unit, except when emergency situations make such notice impossible, or except under paragraph C below.
- a. The Resident agrees to permit the Landlord, her/his agents or other persons, when authorized by the Landlord, to enter the unit for the purpose of making reasonable repairs and periodic inspections:
  - b. After the Resident has given a notice of intent to move, the Resident agrees to permit the Landlord to show the unit to prospective Residents during reasonable hours; and,
  - c. If the Resident moves before this Agreement ends, the Landlord may enter the unit to decorate, remodel, alter or otherwise prepare the unit for re-occupancy.
17. DISCRIMINATION PROHIBITED. The Landlord agrees not to discriminate based upon race, color, religion, creed, national origin, sex, age, handicap, familial status, marital status, sexual orientation or membership in a class, such as recipients of public assistance.
18. CHANGES IN THE RENTAL AGREEMENT. The Landlord may change the terms and conditions of this Agreement. Any change will become effective only at the end of the initial term or a successive term. The Landlord must notify the Resident of any change and must offer the Resident a new Agreement or an Amendment to the existing Agreement. The Resident must receive the notice at least sixty (60) days before the proposed effective date of the change. The Resident may accept the changed terms and conditions by signing the new Agreement or the Amendment to the existing Agreement and returning it to the Landlord. The Resident may reject the changed terms and conditions by giving the Landlord written notice that she/he intends to terminate the tenancy. The Resident must give such notice at least thirty (30) days before the proposed change will go into effect. If the Resident does not accept the amended Agreement, the Landlord may require the Resident to move from the project, as provided in paragraph 19.
19. TERMINATION OF TENANCY.
- a. To terminate this Agreement, prior to the end of the initial lease term, the Resident must give the Landlord thirty (30) day written notice before moving from the unit or as otherwise noted in paragraph 8a. If the Resident does not give a full 30 day notice, the Resident shall be liable for the rent up to the end of the 30 days for which notice was required or to the date the unit is re-rented, whichever comes first.
  - b. Any termination of this Agreement by the Landlord must be carried out in accordance with State and local law and the terms of this Agreement. The Landlord may terminate this Agreement only for:
    - (1) The Resident's material non-compliance with the terms of this Agreement;
    - (2) The Resident's material failure to carry out obligations under any State Landlord and Resident Act; or
    - (3) Other good cause, which includes but is not limited to, the Resident's refusal to accept the Landlord's proposed change to this Agreement.

Material non-compliance includes, but is not limited to:

- non-payment of rent beyond any grace period available under State law;
- failure to reimburse the Landlord within thirty (30) days for repairs made under paragraph 10 of this Agreement;
- repeated late payment of rent;
- permitting unauthorized persons to live in the unit;
- serious or repeated damage to the unit or common areas;
- creation of physical hazards;
- violation of House Rules;
- serious or repeated interference with the rights and quiet enjoyment of other residents;
- creating, maintaining, and/or permitting to exist conditions in the Resident's Unit that constitute a nuisance; and
- giving the Landlord false information regarding income or other factors considered in determining the Resident's eligibility to live in the premises.

c. If the Landlord proposes to terminate this Agreement, the Landlord agrees to give the Resident written notice of the proposed termination. If the Landlord is terminating this Agreement for "other good cause," the Resident must receive the termination at least thirty (30) days before the date the Resident 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. All termination notices must:

- (1) Specify the date this Agreement will be terminated; and
- (2) State the grounds for termination with enough detail for the Resident to prepare a defense.

20. [Reserved.]

21. **HAZARDS.** The Resident shall not undertake, or permit her/his family or guests to undertake, any hazardous acts or do anything that will increase the project's insurance premiums. If the unit is damaged by fire, wind, or rain to the extent that the unit cannot be lived in, and the damage is not caused or made worse by the Resident, the Resident will be responsible for rent only up to the date of the destruction. Additional rent will not accrue until the unit has been repaired to a livable condition.

22. **GOVERNING LAW.** This Lease Agreement and the performance thereof shall be governed, interpreted, construed, and regulated by Federal, State and local law.

**FEDERAL LOW INCOME HOUSING TAX CREDIT:** Resident acknowledges that \_\_\_\_\_ is operated pursuant to the rules and regulations of the Federal Low Income Housing Tax Credit Program (the "Program"). The Program provides for a specific maximum monthly rent, which may be charged for the Premises, which amount is subject to annual adjustment based upon median incomes as determined by HUD.

**INCOME CERTIFICATION AND RECERTIFICATION:** Resident's eligibility to occupy the unit is based on information that Resident provides to us regarding their household income and assets. Each year, Resident agrees to provide updated information on a form we provided them. Resident agrees that all such information regarding household income and assets provided to the Program is true, complete, and correct to the best of their knowledge. Resident further agrees that failure to provide such information, or providing false or misleading information, may result in the termination of their tenancy and eviction from the premises. Resident agrees that all information supplied by them shall be subject to inspection by representatives from applicable governmental agencies.

**SECTION 42 OF THE INTERNAL REVENUE CODE:** The Program also requires that the Property be leased to "Qualified Households" as defined by Section 42 of the IRC. At this property, Qualified Households must meet certain student status limitations. Resident agrees to notify Landlord immediately of any material changes in number of persons residing within the Premises or the change in the student status of any occupant residing within the Premises.

**REQUIREMENT TO VACATE:** In the event that Resident is no longer a Qualified Household under the Program, Resident agrees to vacate the Premises upon the earlier of the expiration of their lease or upon 30 days' written notice from the Landlord of non-qualifying status. Notwithstanding the above provision, all other terms of the Lease remain in full force and effect.

23. **CONTENTS OF THIS AGREEMENT.** This Agreement, its Attachments and Addenda, make up the entire Agreement between the Resident and the Landlord regarding the unit. If any Court declares a particular provision of this Agreement to be invalid or illegal, all other terms of this Agreement will remain in effect and both the Landlord and the Resident will continue to be bound by them.
24. **NO SMOKING POLICY** (*Applicable to Non-Smoking Properties*): Smoking is not permitted in the Premises or in any other area of the Building. Notwithstanding any law to the contrary, the growing, cultivation, or sale of marijuana is not permitted in or about the Premises or any of the common areas, at any time, by Resident, or Resident's guests, invitees. The failure to abide by the covenant shall constitute a material breach of this Agreement and is a just cause for eviction. Resident acknowledges that the application of this Non-Smoking Policy at the subject premises does not make the Landlord or its agent's guarantors of each Resident's health related to second hand smoke or other conditions caused by inhaling tobacco smoke. While the Landlord or its agents will take reasonable steps to enforce this policy, the Landlord or its agents cannot guarantee all people in the premises will abide by this policy, and the Landlord or its agents cannot take reasonable steps in response to smoking unless the Landlord or its agents have actual knowledge of the same or have been provided written notice of the same.
25. **PET POLICY:** No pets, dogs, cats, birds, fish, strays, or other animals are allowed in or about the Premises, even temporarily or with a visiting guest, without prior written consent of Owner, except as allowed by law. In the event no written consent is given and Resident or his or her guest violates this provision, Resident agrees that within three days after receiving written notice of said violation, to cure the violation. Failure to abide by this provision will be deemed a material breach of this lease. If written consent is given to Resident to maintain one or more pets, Resident acknowledges and agrees that Landlord may place restrictions on such permission, which must be followed. Such restrictions could include requiring that any dogs be maintained on a leash at all times when on the premises, or that no birds be let out of a cage, or that any fish tanks not exceed 5 gallons, etc. A violation of any restrictions limiting written consent to have a pet herein may be deemed a material breach of this lease.
26. **NO WATERBEDS POLICY:** Under no circumstances may a Resident have a water bed in his or her unit.
27. **STORAGE:** No storage space outside of the Premises is authorized, permitted or provided under this Agreement unless Resident and Landlord completes, signs, and returns a Storage Agreement which the Landlord will supply if need be and which shall become part of this Agreement. Owner reserves the right to remove any unauthorized personal property at any time.
28. **MAINTENANCE AND REPAIRS:** Resident shall, at Resident's expense, at all times maintain the Premises, furnishings and appliances, if any, in a clean and good condition and shall surrender the same upon termination of tenancy in the same condition as received (excepting normal wear and tear). Resident understands that Resident is responsible for the cost of repair of all damages in or about the Premises whether caused by Resident, Resident's guests or invitees.

Except in an emergency, maintenance and repair requests must be made in writing and delivered to Owner or Owner's Agent. Such notice shall also be deemed permission to enter the Premises to perform such maintenance or repairs in accordance with Civil Code Section 1954. Resident may not place any unreasonable restrictions upon such access or entry. As a necessary or agreed service Owner may periodically inspect the Premises for defects and habitability issues. The Premises shall be rebuttably presumed to be in a safe and habitable condition unless and until Resident provides written notice to the contrary and said notice is received by Owner.

In the event that Premises is provided with hardwood floors or other non-carpeted floor surfaces, Resident hereby agrees to use floor mats/rugs where necessary to prevent damage. It is also hereby understood that Resident shall not change or replace any window coverings visible from outside the Premises or the Building without the prior written consent of Owner.

Resident acknowledges that the Premises and the Building from time to time may require renovations or repairs to keep them in good condition and repair and that such work may result in temporary loss of use of portions of the Building or the Premises and may inconvenience Resident. Resident agrees that any such loss shall not constitute a reduction in housing services or otherwise warrant a reduction in rent.

29. **SMOKE DETECTOR(S):** Resident shall maintain in proper working order and test monthly all smoke detectors in the Premises, and shall not remove their batteries or disable them, or otherwise interfere with their normal operation.

30. **NUISANCE:** Resident shall not commit, nor permit to be committed, any waste or nuisance upon, in or about the Premises, nor shall Resident create or permit a substantial interference with the comfort, safety, or enjoyment of Owner and other occupants of the property or their agents, guests and/or invitees. Three complaints against Resident, Resident’s guests or invitees in any twelve (12) month period shall be deemed a nuisance, and a substantial violation of a material term of the tenancy and just cause for eviction.
31. **HOLD HARMLESS:** Landlord shall not be liable for any damages or injury to Resident, or any other person, or to any property, occurring on the Premises or any part thereof or in common areas thereof, unless such damage is the proximate result of the intentional or unlawful act of Landlord or its agents. Resident shall indemnify, defend and hold Landlord and its agents harmless from all claims of loss or damage to property and of injury to or death of any person or persons caused by the intentional acts or negligence of Resident, his guests, licensees, or invitees occurring in or about the Premises including other areas of the Building, adjacent sidewalks, streets, etc. Resident hereby expressly releases Landlord and/or agent from any and all liability for loss or damage to Resident’s property or effects whether in the Premises, garage, storage rooms or any other location in or about the Premises, arising out of any cause whatsoever, including but not limited to rain, plumbing leakage, fire or theft, except in the case that such damage is adjudged to be the result of the gross negligence of Landlord or its agents.
32. **INSURANCE:** Landlord’s insurance does not provide for coverage of Resident’s personal belongings or personal liability unless as a direct and proximate result of Landlord’s negligence. Therefore, Landlord strongly urges and recommends to each Resident that Resident secure sufficient insurance to protect against losses such as fire, flood, theft, vandalism, personal injury or other casualty. In the event that Resident elects to place such insurance, Landlord must be named as an “Additional Insured” on the policy.
33. **NO WAIVER:** No failure of Landlord to enforce any term of this Agreement will be deemed a waiver of that term or of any other term of the Agreement. The waiver by Landlord of any term of this Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other term of this Agreement, nor will any custom or practice which may develop between the parties be construed to waive or to lessen the right of Landlord to insist upon performance by Resident of all the provisions of this Agreement, or support a claim of detrimental reliance by Resident. The subsequent acceptance of rent by Landlord will not be deemed to be a waiver of any preceding breach by Resident of any term of this Agreement regardless of Landlord’s knowledge of such preceding breach at the time of acceptance of such rent. Landlord’s acceptance of a partial payment of rent will not constitute a waiver of Landlord’s right to the full amount due nor will Landlord’s acceptance of rent paid late ever constitute a waiver of Landlord’s right to evict Resident for habitual late payment of rent.
34. [Reserved.]

**ADDENDUM TO THE AGREEMENT.** By signing below, the Resident certifies that he and/or she has (or have) received a copy of this Agreement and the GLOBAL ADDENDUM TO MERCY HOUSING LEASE and understands such Addendum is a part of this Agreement:

Resident(s):

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Mercy Housing Management Group Agent: \_\_\_\_\_  
Print Name

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

