

Lease

THIS AGREEMENT made and entered into on this _____ day of _____, _____, by and between _____, hereinafter referred to as "LESSOR", and _____, and _____, hereinafter collectively referred to as "LESSEE".
WITNESSETH:

1. Term

1.1 LESSOR leases to LESSEE and LESSEE leases from LESSOR the dwelling unit # _____ in the apartment community known as _____, for a term of one year commencing on the _____ day of _____, _____, and ending on the _____ day of _____, _____.

This Lease is for one year, and shall renew on an annual basis thereafter by the execution of an annual Addendum, subject however to the modification of Lease provisions contained in paragraph 29.1. The parties agree that in the event that LESSOR shall sell said apartment development to a Rural Housing Service ("RHS") approved buyer, then said Lease shall transfer to said buyer and be binding upon him, thereupon fully releasing the LESSOR from any further obligation thereon. The Lease may be terminated by the tenant with 30 days notice, prior to expiration of its term for "good cause" such as moving to another location for employment, loss of job, severe illness, death of spouse, or other reasons customary or mandatory in the community, or after notification by LESSOR of intent of prepay its mortgage.

1.2 The right to possession of the dwelling unit shall return to the LESSOR upon the date of termination of this Lease. Any termination by LESSOR must be for material-compliance with this Lease or other good cause and in accordance with the provisions set out in Section VII of this Lease.

1.3 It is agreed that the LESSEE household's tenancy still exists during the time that the LESSEE household's personal possessions remain in the apartment unit after the LESSEE household has personally ceased occupancy with the intent to vacate and leave the project, until such time the personal possessions have been removed voluntarily or by legal means, subject to the provisions of State or local law in such matters.

2. Rent

2.1.1 Rent is due and payable monthly in advance on or before the first calendar day of each month, in the amount of: _____ (\$ _____) per month, subject to provisions herein regarding permissible increases or decreases thereof. Rent shall be paid directly to the site manager at the apartment community office, during stated business hours, or be sent by u.s. mail, first class postage paid, to:

Lessee will not be credited for any rental payments not made in this manner, even if delivered to an employee or agent of lessor.

2.2 Rent may be paid by check or money order made payable to: _____. LESSOR shall have the right, at its sole option, to decline third-party checks. Rent paid by check or money order shall not be deemed to have been received and accepted by LESSOR until honored by the institution upon which it is drawn. In the event any check or money order tendered by LESSEE in payment of rent is not honored, LESSOR shall retain, and be entitled to enforce, all of its rights under this Lease, including, but not limited to, a \$20.00 fee, termination of tenancy for non-payment of rent, and LESSOR'S prior receipt of said instrument and attempt to negotiate same shall not be deemed a waiver of those rights. Neither rent, nor any other LESSEE obligation due hereunder, may be paid in cash. LESSEE will not be credited, and LESSOR will not be obligated or responsible, for any rental or other payment alleged to have been rendered in cash to any employee or agent of LESSOR.

2.3 Rent shall be accepted by LESSOR without regard to other charges owed by LESSEE. LESSOR reserves the right to hold LESSEE separately accountable for payment of other charges, for which LESSOR may seek payment by separate legal remedy. Should it become necessary for LESSOR to file a civil action for collection of rent and/or other charges, and should the Court find in favor of LESSOR, then, where and to the extent permitted by law, LESSEE agrees to pay LESSOR's reasonable attorney's fees and costs associated with said civil action.

2.4 LESSEE shall pay the rent herein stated when due and without any deductions whatever, and without any obligation on the part of the LESSOR to make any demand for same. LESSEE shall pay a late charge for each rental payment not paid in full by the 10th day of any month for which rent is due. **The late charge shall be \$10.00, plus \$2.00 per day for each day after the 11th day of the month until the rent and late charge are fully paid.** However, in no event shall the late charge for any month exceed the higher of (a) \$10.00, or (b) an amount equal to 5% of the LESSEE's gross tenant contribution (GTC) as reflected on line 31 of Form RD 3560-8. Under no circumstances will late charges be waived by LESSOR.

3. Payment Of Utilities

3.1 If initialed by LESSOR, monthly rent includes the costs of electricity _____ water _____ sewer _____ garbage collection _____ and routine maintenance service _____ (all of which LESSOR agrees to furnish to LESSEE at reasonable times and in reasonable amounts). LESSOR shall not collect any charges for the above-initialed utilities in addition to monthly rental. It is the sole responsibility of LESSEE to arrange (apply for) and pay all other utility services directly to the utility company supplying such services. LESSEE understands that LESSEE is solely responsible for the establishment of telephone service, cable T.V. service (if available), and all other services not initialed above. A copy of the "House Allowances for Utilities and other Public Services," is an attachment to the Lease.

3.2 LESSEE shall place all utility services not set forth in Paragraph 3.1 herein in LESSEE's name at the Lease inception and shall furnish LESSOR with proof of same and keep all such bills paid at all times. LESSEE will be subject to eviction and/or damages for failure to pay utility bills when due or for failure to put services in LESSEE's name at the inception of this Lease, or if any interruption in said utility service occurs as a result of any actions or failures on the part of LESSEE.

4. Adjustment Of Monthly Rental Payments

4.1 LESSEE agrees that the monthly rental obligation of LESSEE is subject to adjustment by LESSOR to reflect income and/or household composition changes (See Section IX) which are disclosed on any LESSEE recertification and LESSEE agrees to be bound by the adjustment. LESSOR agrees to provide LESSEE written notice of any such adjustment, which shall become effective upon the next periodic rental due date immediately after the date of the written notice, and which notice will state the amount of adjusted monthly rental which LESSEE will be required to pay. Recertification is required to be completed on or before 45 days prior to the date upon which the expiration of the most recent recertification is to occur. Any failure of LESSEE to comply with the recertification requirement, or any part thereof, shall be considered a material noncompliance with the terms of this Lease.

4.2 LESSEE must promptly notify LESSOR of changes in household income (gross income) or adjustments to household income. In addition, any change in household size must be promptly reported to LESSOR. Changes to household income may result from changes in hours worked, salary rates, social security, pensions, public assistance payments, the sale of assets, interest income, the amount of net family assets exceeding \$5,000, imputed income, or other sources of income. Changes in adjustments to income may result from changes in household members other than the LESSEE (e.g., changes in the number of minors, disabled, handicapped or full-time students 18 or older), changes in the LESSEE (e.g., changes in the elderly, disabled, or handicapped status), changes in medical care expenses, and changes in child care expenses.

4.3 LESSOR will recertify LESSEE households whenever permanent changes to gross household income or permanent adjustments to household income result in an increase of \$40 or more per month or \$480 or more per year. LESSOR will recertify LESSEE households whenever changes to permanent household income or permanent adjustments to household income result in a decrease of \$20 or more per month or \$240 or more per year. If the decrease in permanent gross income of a LESSEE household does not exceed \$20 a month or \$240 annually, and the LESSEE requests certification, LESSOR will process the recertification. In addition, LESSOR will recertify changes in household size or composition. In the event, the recertification results in a change in the monthly rent, LESSOR shall verify LESSEE's information, and adjust the monthly rent effective on the first day of the month following such verification.

4.4 The amount of monthly rent to be paid by the LESSEE may be increased by the LESSOR based on a rent change approved by RHS for the complex. In the event of any such approved rent increase, LESSOR must mail LESSEE written notice of same at least thirty (30) days prior to its effective date.

4.5 No increases in LESSEE monthly rent will take place due to prepayment of the RHS loan during the term of the Lease. Should any Federal subsidy paid to the LESSOR on behalf of the LESSEE be suspended or cancelled due to a monetary or non-monetary default by the LESSOR, the monthly rental obligation of LESSEE will not change over that which would have been required had the subsidy remained in place.

5. Notices And Requests For Maintenance

5.1 All notices hereunder must be in writing to be effective. The addresses to be used by the parties to provide notice to one another are:

a) LESSOR: _____

b) LESSEE: _____

5.2 Requests for repairs or maintenance and notices of malfunction should be directed to the on-site manager at the above address for LESSOR. LESSOR's written notes on LESSEE's oral requests and notices do not constitute a written request from LESSEE. Should LESSOR comply with or respond to any oral request or notice, such compliance or response does not waive the strict requirement for written notice under this LEASE.

5.3 LESSOR shall be deemed to have notice as that term is used in this Lease when it is reduced to writing and received in person by LESSOR's on-site manager during normal business hours.

5.4 LESSEE shall be deemed to have notice from LESSOR of all facts or actions, excluding Lease violation and/or termination, when said notice is reduced to writing, addressed to LESSEE at the address above and placed in a U.S. mail box first class postage paid or hand-delivered to the LESSEE or any adult person answering the door at the dwelling unit. LESSEE shall be deemed to have notice of Lease violation and/or notice of Lease termination when said notice is sent by letter first class mail to the LESSEE at LESSEE's address above, or by serving a copy of the notice on any adult person answering the door at the dwelling unit, or if no adult responds, by placing the notice under or through the door, if possible, or by affixing the notice to the door. Service shall not be deemed effective until either method of notice as described herein has been accomplished. The date on which the notice shall be deemed to be received by LESSEE shall be the date on which the required first class letter is mailed, or the date on which the notice provided for in this paragraph is properly given, whichever method of service is used.

6. Personal Security And Property Loss

6.1 It is the sole obligation of LESSEE, LESSEE's household members and LESSEE's visitors to exercise due care for their own safety and security, especially in the use of all door locks, window latches, smoke detectors and all other security or safety devices. LESSEE understands that any security measures or equipment provided by LESSOR is not an express or implied warranty of security or a guaranty against crime or of reduced risk of crime. Unless otherwise provided by law, LESSOR is not liable to LESSEE, LESSEE's household members or LESSEE's visitors for injury, damage or loss to any person or property caused by the criminal conduct of other persons, including theft, burglary, assault, vandalism, or other crimes. LESSOR is not obliged to furnish security personnel, security lighting, security fences or gates, or other forms of security, but LESSOR will comply with all applicable laws. LESSOR shall not be obligated to obtain any criminal-history checks on any resident, occupant, visitor or contractor in the apartment community. LESSOR assumes no responsibility for packages left at doorways or at any other location in the apartment complex.

6.2 LESSOR shall not be liable to LESSEE, LESSEE's household members or LESSEE's visitors for any personal injury, or for any damage to or loss of personal property, from fire, smoke, rain, flood, water leaks, hail, ice, snow, lighting, wind, explosion, interruption of utilities, mechanical breakdown in any appliance or in any HVAC, electrical, plumbing and/or other equipment and systems, theft or vandalism, unless that injury or damage is caused by LESSOR's negligence or a failure to perform a duty imposed by law. LESSOR has no duty to remove any ice, sleet or snow from any part of the apartment complex, but may remove any amount with or without notice. It is the sole obligation of LESSEE, LESSEE's household members and LESSEE's visitors to exercise due care for their own safety and to secure their own property in the event of any of the above-described events or conditions.

6.3 It is recommended that LESSEE obtain his/her own insurance coverage to protect his/her own personal property against fire, theft and other casualties (Renter's Policy.) LESSOR has insurance coverage only on its building, not on LESSEE's personal property.

7. Termination Of Lease

7.1 LESSOR may not terminate or refuse to renew any tenancy except upon the following grounds: material non-compliance with the Lease or other good cause such as:

- a. Non-eligibility for tenancy; or
- b. Action or conduct of the LESSEE which disrupts the livability of the project by being a direct threat to the health or safety of any person, or the right of any tenant to the quiet enjoyment of the premises and related project facilities, or that results in substantial physical damage causing an adverse financial effect on the project, or the property of others, EXCEPT when such threat can be removed by applying a reasonable accommodation.

7.2 The term "material non-compliance" with the Lease includes, but is not limited to, (i) one or more substantial violations of the Lease, or (ii) nonpayment of rent or repeated late payment of rent or any other financial obligation due under the Lease (including any portion thereof), or (iii) admission to or conviction for use, attempted use, possession, manufacture, selling, or distribution of an illegal controlled substance that (a.) is conducted in or on the premises by the LESSEE or someone under LESSEE's control, (b.) is allowed to happen by a household member or guest because LESSEE has not taken reasonable steps to prevent or control such activity or because the LESSEE has not taken steps to remove the household member or guest who is conducting the illegal activity. The refusal of the LESSEE to accept a RHS approved Lease form shall be a material non-compliance with the Lease.

7.3 The term "other good cause" includes, but is not limited to, repeated minor violations of the Lease which disrupt the livability and harmony of the project by adversely affecting the health or safety of any person, or the right of any tenant to the quiet enjoyment of the leased premises and the related project, or that have an adverse financial effect on the project.

7.4 No termination by a LESSOR will be valid to the extent it is based upon a Lease provision or provision of state law permitting termination of a tenancy solely because of expiration of an initial or subsequent renewal term. All terminations must also be in accordance with the provisions of any state and local landlord-tenant law.

7.5 The conduct of the LESSEE cannot be deemed "other good cause" unless LESSOR has given LESSEE prior notice that the listed grounds constitute a basis for termination of this Lease.

7.6 LESSOR shall give LESSEE a written notice of any Lease violation which may result in the termination of LESSEE's tenancy, which notice shall refer to the relevant provisions in the Lease and state the grounds upon which the tenancy may be terminated and give a specified date by which the Lease violation must be corrected. The notice shall further advise LESSEE that LESSEE has an opportunity to informally meet with LESSOR to attempt to resolve the stated violation before the specified date of correction. Except as may otherwise be provided herein, this notice shall provide LESSEE at least seven (7) days to correct the violation in the case of non-payment of rent, and fifteen (15) days to correct the Lease violation(s) in the case of any other type of Lease violation.

7.7 Upon the failure of the LESSEE to meet the condition(s) or correct the violation(s) stated in the notice of Lease violation by the date specified, the LESSOR shall notify the LESSEE that LESSEE's right to the occupancy is terminated and that eviction is being sought through the appropriate judicial process according to Kentucky and/or local law.

8. Lessor's Covenant Of Lessee's Quiet Enjoyment

8.1 In return for LESSEE's continued fulfillment of the terms and conditions of the Agreement, LESSOR covenants that LESSEE may at all times while this Lease remains in effect, have and enjoy for LESSEE's sole use and benefit the property hereinabove described.

8.2 LESSOR agrees to maintain the building and common areas in a decent, safe and sanitary condition in accordance with the local housing codes and RHS regulations, and LESSOR shall have imposed upon it only those liabilities specifically enumerated in the local housing codes and RHS regulations for any failure on its part to comply. LESSOR may reasonably turn off equipment and interrupt utilities as needed to avoid property damage or perform necessary maintenance work.

8.3 It is agreed that any grievance of the LESSEE or appeal from a LESSOR's decision, shall be resolved in accordance with procedures consistent with RHS regulations covering such procedures which are listed in the rental office.

9. Lessee Eligibility

9.1 Rents and eligibility for occupancy of LESSEE within these units are to be determined in the first instance, and redetermined periodically, in accordance with the standards set out below. LESSEE must promptly notify LESSOR if changes in household income, currently:

_____ (\$ _____)

occur or adjustments to household income occur. In addition, any change in household size must be promptly reported to the LESSOR. Changes to household income may result from changes in hours worked, salary rates, social security, pensions, public assistance payments, the sale of assets, interest income, the amount of net family assets exceeding \$5,000, imputed income, or other sources of income. Changes in adjustments to income may result from changes in household members other than the LESSEE (e.g., changes in the number of minors, disabled, handicapped or full-time students 18 or older), changes in the LESSEE (e.g., changes in the elderly, disabled, or handicapped status), changes in medical care expenses, and changes in child care expenses. LESSOR will recertify LESSEE households after notification of such change in accordance with Paragraph 4.2 of this Lease. If such change will result in an alteration of any term and/or condition of this Lease, LESSOR agrees to give LESSEE notice thereof, and such change shall become effective beginning on the first day of the next month of occupancy.

9.2 LESSEE agrees to provide the following information for certification or recertification to LESSOR as required hereunder, or when LESSEE's income or the number of members of the household changes as above, or upon request by LESSOR, and LESSEE agrees and understands that any information so provided is to be used as the lawful basis of LESSEE's certification, and errors therein, whether intentional or negligent misrepresentations by LESSEE, shall constitute a substantial or material non-compliance or violation of this Lease and shall entitle LESSOR to any and all remedies at law or otherwise as mentioned elsewhere in this Lease:

1. Income and asset verification.
2. Names and ages of household members.
3. The information which may be required by any Addendum hereto.

A copy of a completed and signed Form, RHS---1944-8 or HUD Form---50058 will be an attachment to the Lease.

9.3 LESSEE understands that the income limits for lawful residency in this dwelling is:

\$ _____ to \$ _____ for _____ persons

\$ _____ to \$ _____ for _____ persons

and the size limitations are:

for _____ 1-2 _____ People, _____ 1 _____ bedroom

for _____ 2-4 _____ People, _____ 2 _____ bedrooms

for _____ 3-6 _____ People, _____ 3 _____ bedrooms

9.4 LESSEE agrees to pay to LESSOR all rents which should have been paid but for: (a) LESSEE's misrepresentation in his initial income certification or subsequent recertification or in any other relevant information furnished by LESSEE to LESSOR, or, (b) LESSEE's failure to timely supply an income recertification when required or to timely supply any other relevant information when requested by LESSOR. Any such misrepresentation and/or failure by LESSEE shall be deemed a substantial violation and a material non-compliance with the terms of this Lease.

9.5 LESSEE understands and agrees that the household income, household composition and any other eligibility requirements are substantial and material conditions under RHS Regulations to LESSEE's right to occupancy of the unit, and should the unit become overcrowded or underutilized, or should the LESSEE no longer meet the eligibility requirements of the project during the term of the Lease agreement, LESSEE will be required to vacate the unit at the end of the Lease term, or in 30 days, whichever is longer, unless eligibility can be established following specified steps, such as moving to an appropriate size unit, or an exception is granted by LESSOR.

9.6 LESSEE acknowledges that the size of the apartment in the Lease is governed by the number of individuals residing with LESSEE. If the number changes, LESSEE agrees to move to a unit of appropriate size, if available, upon notice by LESSOR, or LESSEE's occupancy may be terminated.

10. Condemnation

10.1 In the event the dwelling unit or any part thereof are taken by condemnation by the United States, the State of Kentucky, or other governmental agency or authority, this Lease shall be terminated at the option of LESSOR and LESSEE hereby specifically waives any right to any portion of the award received as damages for the taking of the property.

11. Abandoned Property Of Lessee

11.1. LESSEE shall be deemed to have abandoned personal property when LESSEE has surrendered possession of the dwelling unit, either voluntarily or by operation of law, and failed to remove said property from the dwelling unit. In such event, LESSOR has the right to enter and take possession of the dwelling unit, and remove, store or throw away the personal property left in the dwelling unit, at LESSOR's sole discretion. This paragraph in no way waives LESSOR's right to rent for any period when LESSEE's property remains in the dwelling unit.

12. Fire And Other Casualties

12.1 If the dwelling unit shall be damaged by fire, the elements, accident or other casualty (any of such causes being referred to hereinafter as "Casualty"), but the unit shall not be thereby rendered wholly or partially untenantable, LESSOR shall cause, within a reasonable time frame, such damage to be repaired and there shall be no abatement of Rent. LESSOR may turn off equipment and interrupt utilities as needed to avoid property damage or to perform work. If, as a result of Casualty, the unit shall be rendered wholly or partially untenantable, then LESSOR shall cause, within a reasonable time frame, such damage to be repaired and, provided such damage was not caused with the intent or by the negligence of LESSEE or the members of LESSEE's household or LESSEE's visitors, all Rent shall be abated proportionately during the period of such untenantability. LESSEE's obligation to pay Rent will be reinstated effective the date the dwelling unit is repaired to a tenantable condition. All repairs shall initially be made at the expense of LESSOR, subject to LESSEE's responsibilities set forth in this Lease. Whenever a Casualty causes damage to the dwelling unit such that repairs are necessary, LESSEE shall, at LESSEE's sole expense, temporarily vacate the unit and promptly remove so much of LESSEE's personal property from the unit as LESSOR, in its sole discretion, may require in order to effect the needed repairs. LESSOR will not be liable for interruption in LESSEE's use of the dwelling unit or for damage to, or replacement or repair of, LESSEE's personal property or to any leasehold improvements installed in the unit by LESSEE, all of which damage, replacement or repair shall be the sole responsibility of LESSEE. Should the repair of the dwelling unit not be possible or practicable within a reasonable amount of time, the LESSOR may at its sole and absolute option, elect to not repair or replace the dwelling unit.

12.2 In the event and at the time that the dwelling unit is repaired to tenantable condition, LESSEE shall retake possession and the Lease term shall begin to run from that date to the end of the original term. If LESSOR notifies LESSEE of its election to not repair the premises, this Lease shall terminate.

12.3 If a Casualty occurs, under no circumstances will LESSOR be obligated to supply or to locate substitute housing for LESSEE.

13. Condition Of Premises

13.1 LESSOR agrees to provide LESSEE with a written statement of the condition of the dwelling unit at the beginning and end of the Lease term.

13.2 Unless otherwise noted on said statement in writing by LESSEE, the condition of the apartment and all of the items furnished to LESSEE under this Lease are in good repair and have been fully inspected by LESSEE before signing this Lease. LESSEE may accompany LESSOR on the inspection prior to occupancy, as well as subsequent thereto, provided LESSEE gives prior written notice of LESSEE's desire to do so.

13.3 LESSEE agrees, at LESSEE's sole expense, to keep the dwelling unit and its immediate surroundings and all areas used by LESSEE, the members of LESSEE's household and LESSEE's visitors, in a clean, sightly and sanitary condition at all times. LESSEE further agrees that at the end of the occupancy hereunder, to surrender the dwelling unit in as good condition as received, reasonable wear and tear excepted.

13.4 Upon LESSEE vacating the dwelling unit, the premises will be inspected after all of LESSEE's personal property and household effects have been removed and the keys have been turned into the on-site manager. Inspection of the vacated unit can be made only during normal office hours, by appointment, and LESSEE may accompany the on-site manager on the inspection in accordance with the provisions of this Lease.

13.5 No alterations, improvements, additions, fixtures, fences, etc., are to be placed or constructed in or about the dwelling unit without the prior written permission from LESSOR.

13.6 LESSEE shall provide LESSOR prompt notice of any malfunctions and/or defects in the electrical, plumbing, heating and cooling, systems, equipment and appliances, and/or any known defects or unsafe conditions in any part of the dwelling unit or related facilities.

13.7 LESSEE agrees to inspect and test the unit's electrical smoke detectors monthly and battery-operated smoke detectors weekly. LESSEE shall notify LESSOR immediately if any smoke detector is not fully operational. It shall be a material lease violation for LESSEE and/or the members of LESSEE's household to cause or permit the unit's smoke detectors to be wholly or partially disabled and/or disconnected by the removal of batteries, disconnection from electrical service or otherwise.

14. Security Deposit And Payment Of Damages

14.1 LESSEE is required to provide LESSOR with a Security Deposit in accordance with the Management Plan of the complex. LESSOR has the sole discretion to permit the payment of the security deposit in installments as prescribed by RHS regulations. LESSEE has deposited: \$ _____ with the LESSOR upon the signing of the LEASE, which represents _____% of the total required Security Deposit of \$ _____. The balance due, if any, is payable as follows: _____

14.2 The security deposit shall be held by LESSOR as security for LESSOR against any loss and/or damage caused or allowed by LESSEE, LESSEE's household members, visitors and/or occupants. LESSEE understands that LESSEE's liability for loss and/or damage is not limited to the amount of the security deposit, and that any amount of loss and/or damage in excess of the security deposit is an obligation of LESSEE. Upon termination of the Lease, the security deposit shall be first applied to the amount of all loss and/or damage owed, caused or allowed by LESSEE, LESSEE's household members, visitors and/or occupants, with the remaining balance to be refunded to LESSEE.

14.3 Except as limited by applicable statute or regulation, "loss" as used herein, includes, but is not limited to, all rent delinquency, late charges, rekeying expenses, loss of use, reasonable attorney fees and court costs incurred in any successful legal proceeding brought by LESSOR to recover possession of the dwelling unit, waste or misuse of utilities and/or services, hauling and storage expenses for LESSEE's personal property, including automobiles, the improper impairment of LESSOR's business operations, expenses involved in hauling and storing the next occupant's furnishings and providing substitute living quarters for same in the event of LESSEE holdover, and any other expense, charge or government fine incurred by LESSOR as a result of any violation of this LEASE, improper use of the dwelling unit or its appurtenances, or negligence on the part of LESSEE, LESSEE's household members, visitors and/or occupants. "Damage," as used herein, includes, but is not limited to, the destruction, damaging, removal, impairment and devaluation of property, reasonable wear and tear excepted, and also includes any remodeling, alternations or changes conducted without the prior written consent of LESSOR.

14.4 When the LESSEE initially enters into occupancy, it is the responsibility of LESSOR to inspect the dwelling unit and to provide LESSEE with a written statement of its condition. At the termination of occupancy, it is the responsibility of LESSOR to again inspect the dwelling unit and to provide the LESSEE with a written statement of its condition at that time. LESSEE has the right as described in this Lease to participate in both inspections to ascertain the accuracy of the written statements provided.

14.5 LESSEE is responsible for, and shall reimburse LESSOR for, any loss to LESSOR and/or any damage to the dwelling unit, its appurtenances and/or the apartment complex, caused or allowed by LESSEE, LESSEE's household members, visitors and/or occupants. LESSEE is obligated to pay to LESSOR the reasonable expenses involved in the remedy and repair of all such loss or damage within 30 days after delivery of written notice of same by LESSOR. In the event LESSEE fails to timely reimburse LESSOR for said loss or damage, LESSOR has the right to terminate this Lease in accordance with Section VII hereof, and to institute a separate legal action to collect the amounts owed, and where and to the extent permitted by law, to also recover its reasonable attorneys fees and costs if the court finds in favor of LESSOR.

14.6 LESSEE shall keep the dwelling unit in a clean and sanitary condition, and comply with all health and safety laws, regulations and policy requirements with respect to the dwelling unit and its appurtenances, and shall indemnify LESSOR for all fines, actions, causes of action, claims, liabilities, expenses, penalties and costs LESSOR incurs as a result of any violation or non-compliance by LESSEE with any of said laws, regulations or requirements, including LESSOR's reasonable attorney fees, where permitted by law, both in defending itself and in successfully pursuing indemnification from LESSEE.

14.7 If the dwelling unit is leased to more than one LESSEE, all obligations hereunder are the joint and several responsibility of each LESSEE who signs the Lease. In addition, the LESSEES agree that they will work out the details of dividing any refund among themselves. LESSOR may pay the refund to any individual identified as "LESSEE" in the initial paragraph of this Lease.

15. Pets

15.1 Except as stated below, LESSEE shall not be allowed to maintain a pet or other animal on or about the dwelling unit. This does not prohibit the use by LESSEE of a certified seeing eye or hearing ear animal where said use is medically necessary as certified by a qualified person who understands the disability. In the event the complex is designated as all elderly by RHS, then pets may be permitted under the rules and regulations set forth by LESSOR.

16. Inspection And Entry By Lessor

16.1 LESSEE agrees to not unreasonably withhold consent to LESSOR to enter into the dwelling unit in order to inspect the premises, make necessary or agreed repairs, decorations, alterations or improvements, supply necessary or agreed services, or to exhibit the dwelling unit to prospective or actual purchasers, mortgagees, tenants, workmen or contractors. Except in emergencies, LESSOR will give at least 24-hour notice of intent to enter LESSEE's apartment unit unless longer notice is required by law or unless LESSEE agrees otherwise. In emergency situations or where there is a reasonable belief that the health and safety of other tenants is threatened or there is an immediate danger of substantial damage to the dwelling unit or the apartment complex, LESSOR may make immediate entry without prior notice. An inspection of the dwelling unit shall be made every three (3) months or sooner in the sole discretion of the LESSOR as part of a preventative maintenance program.

17. Authorized Residents

17.1 LESSEE shall not assign this Lease, sublet the dwelling unit, give accommodation to any roomers or lodgers, or permit the use of the premises for any purpose other than as a private dwelling solely for LESSEE and the authorized household members whose names are listed hereinbelow.

17.2 The LESSEE is permitted to have a guest(s) visit their household. However, LESSOR reserves the right to require a written declaration of domicile or proof of domicile from LESSEE's guests, if it is suspected that the guest is an unauthorized household occupant. Such suspicion may arise whenever an adult person(s) is making recurring visits or one continuous visit of 14 days and/or nights in a 45-day period without prior notification to the LESSOR. Should the LESSEE or the person(s) in question not provide the requested information needed to confirm other domicile, or should the facts be sufficient to evidence domicile in the unit, then such person(s) shall be deemed an unauthorized household occupant and LESSEE shall be in material violation of the terms of this Lease.

18. Waste

18.1 LESSEE shall not waste utilities furnished by LESSOR nor use utilities or equipment for any improper or unauthorized purposes.

19. Absence Of Lessee

19.1 LESSEE shall notify LESSOR prior to LESSEE's first day of absence in situations where LESSEE shall be absent from the dwelling unit for fourteen (14) days or longer. Should LESSEE not provide notice, and LESSEE not reside in the dwelling unit for a period of 14 days or longer, LESSEE will be deemed to have abandoned the dwelling unit.

20. Duties Of "Lessor"

20.1 LESSEE agrees that LESSOR must only reasonably provide the services as agreed in this Lease or as required by law. An inability on the part of LESSOR to furnish these services, either temporarily or permanently, which is not due to the willful or negligent acts of LESSOR or its agents, shall not cause LESSOR to be liable for any damages to LESSEE, except as is provided by law.

20.2 Every time the word "LESSOR" is used in this Lease and any activity is required of LESSOR, unless otherwise indicated herein, said activity may be performed in all respects by the on-site manager. However, the on-site manager's authority is expressly limited to the activities as are specified by this Lease.

21. Definition Of "Lessee"

21.1 The term LESSEE shall apply to all authorized adult occupants entitled to reside in the apartment, and, if more than one person has signed this Lease, then full performance of all of the terms, conditions and covenants of this Lease shall be the responsibility of each person who signed. This provision can only be changed in writing by LESSOR.

22. Change In Authorized Residents

22.1 Only LESSEE and the persons enumerated in this paragraph may reside in LESSEE's apartment, and, if LESSEE wishes to change the LESSEE's household by adding others or removing any of the below persons, LESSEE must have an agreement signed by LESSOR to that effect.

22.2 The dwelling unit shall be occupied by LESSEE and only those person(s) listed below:

Name	Age	Sex	Relationship

23. Miscellaneous

23.1 It is hereby understood that this Lease, after being executed by LESSEE, is an offer to rent from LESSOR and that it is not enforceable against LESSOR until executed by LESSOR. LESSOR expressly reserves the right to reject this offer to rent from LESSEE, if, upon evaluating the eligibility of LESSEE, LESSOR determines LESSEE is not eligible. LESSOR has authorized a management agent to evaluate the application of LESSEE and LESSEE hereby agrees to make any and all information available as requested by the management agent. Information contained in this Lease is subject to a 30-day review by any appropriate government agency.

23.2 LESSOR is relying upon the truthfulness and completeness of the statements made on the application signed by LESSEE. Any statements found to be untrue on the application shall be grounds for this Lease to be voided by the LESSOR as a contract based on fraudulent statements.

24. Rules And Regulations

24.1 LESSEE agrees, on behalf of LESSEE, the members of LESSEE's household, LESSEE's family members, and LESSEE's visitors, to comply with the following rules and regulations, and further agrees to comply with such other reasonable rules and regulations which LESSOR may from time to time adopt providing LESSOR has provided 30 days written notice in advance of implementation. LESSEE accepts full responsibility for any violation(s) of these rules and regulations on the part of any of the above-described persons. These rules and regulations are an integral part of this Lease and any violation hereof on the part of any of the above-described persons shall constitute a violation of this Lease by LESSEE and confer upon LESSOR the options and remedies set forth in Section VII of the Lease. LESSOR shall not be responsible to LESSEE for the non-performance or violation of any said rules and regulations by any other tenant or occupant of the apartment complex.

- a. No personal belongings of any type are to be left on lawns, walks, parking areas, stairs, landings, patios, balconies, public halls, or in any common areas.

- b. No trucks, trailers, campers, boats, recreational vehicles, or similar vehicles are to be stored in the parking areas or on complex grounds. LESSOR may regulate the time, manner and place of parking private passenger cars, trucks and motorcycles. LESSOR may have any illegally-parked vehicles towed at the owner's expense without notice. A vehicle is illegally-parked in the apartment complex when it takes up more than one parking space, belongs to a LESSEE who has surrendered or abandoned the dwelling unit, is parked in a marked handicap space without the legally-required handicap insignia, is parked in a driving lane, a fire lane or a designated "no parking" area, is parked on the grass, a sidewalk or patio, or blocks garbage trucks from access to the dumpster.
- c. No vehicle, machinery or equipment repair or maintenance of any kind is permitted within the apartment complex. No parking or storage is permitted within the apartment complex of unregistered or inoperable vehicles. Inoperable or unregistered vehicles will be removed from the complex at the registered owner's expense if said vehicle is not removed after the LESSOR has given the owner of said vehicle forty-eight (48) hours written notice, by attaching a copy of said notice on said vehicle or by giving notice is otherwise provided in this Lease.
- d. Causing or permitting loud or boisterous noises or any objectionable, disturbing, threatening or offensive activity within the apartment community by any LESSEE, LESSEE household member or LESSEE visitors is not permitted. In consideration of your neighbors, LESSEE, LESSEE's household members and LESSEE's visitors shall not loiter or congregate outside of their apartments after 10:30 p.m. In addition, all televisions, stereos, radios, and other audio and/or noise-generating equipment and/or appliances must be reduced in volume after 10:30 p.m. and noise kept to a minimum.
- e. LESSEE, LESSEE's household members and LESSEE's visitors shall not litter the grounds or common areas of the apartment complex. Garbage containers are provided by the LESSOR. All trash, garbage, and waste of any kind must be placed in trash bags with ties, placed in the container and the lid reclosed.
- f. Soliciting of any type is prohibited within the complex. Please notify the manager if it occurs. Yard or auction sales are prohibited within the complex without the written permission of LESSOR. Neither the dwelling unit nor the complex grounds may be used by LESSEE, LESSEE's household members or LESSEE's visitors to conduct any commercial business.
- g. No objects or materials not specifically designed for sanitary sewer disposal, including, but not limited to, sanitary napkins, tampon applicators, disposable diapers or leftover foods, shall be placed in toilets or drains. LESSEE shall be charged for the time and materials for their removal if they cause plumbing back-ups or other plumbing problems. LESSEE shall be held chargeable for all resultant damages.
- h. No signs, banners, advertising or any other materials or objects shall be placed in windows or on walls (both exterior and interior) so as to be seen from the outside, except with written permission of the LESSOR.
- i. Nothing shall be placed upon the window sills or on any landing or stair. Dust mops, clothing, rugs, etc., shall not be shaken, cleaned or hung to dry in any common halls or from any walls, landings, balconies, windows, doors, stairs or fences.
- j. No LESSEE, LESSEE household member or LESSEE visitor shall engage in or permit any illegal and/or criminal activities within the dwelling unit or on any part of the apartment complex. The brandishing or use, or allowing any LESSEE household member or LESSEE visitor to brandish or use, any firearm, BB gun, or deadly weapon, as defined by applicable state laws, is not permitted.
- k. There shall be no loitering nor raucous nor rowdy behaviors permitted in the common halls, stairways, landings, laundry room, community room or other common areas of the apartment complex. There shall be no smoking in any common area designated as "non-smoking" by LESSOR. There shall be no climbing upon nor gymnastic nor acrobatic-type activities permitted on the stairways, landings, dumpsters, buildings, improvements, fixtures, fences and/or trees of the apartment complex.

- l. No contact paper, adhesive fasteners, or any other object or material utilizing adhesives shall be attached to any surfaces within the dwelling unit. The management wants you to be able to decorate your apartment as you wish, but please contact the manager as to the type of fasteners recommended.
- m. No antenna, aerial or other appurtenance shall be placed on the building so as to be seen from the outside without the written permission of the LESSOR. No alterations, improvements, additions, fixtures, fences, etc., are to be placed or constructed in or about the dwelling unit without the written permission of the LESSOR. No person is permitted on the roof of any apartment complex structure.
- n. LESSEE, LESSEE's household members and LESSEE's visitors shall not engage in any activities which constitute a nuisance or an annoyance to other residents, nor shall they cause or permit sounds, odors or lights which constitute a nuisance or an annoyance to other residents.
- o. No bicycles, motorcycles, including motor bikes and mini-bikes, shall be parked in breezeways, hallways, patios, sidewalks, or on the grass. These will be parked in the parking lot or other areas specified by manager.
- p. No washing machine, dryer, air-conditioner, dishwasher, or any other equipment shall be installed without the LESSOR's written permission.
No waterbeds are to be placed on the premises without the LESSOR's written permission.
- q. The apartment complex speed limit is 10 M.P.H. No LESSEE, LESSEE household member or LESSEE visitor may operate a motor vehicle within the apartment complex in a reckless or unsafe manner.
- r. No alcoholic beverages are to be consumed in any common area of the property.
- s. LESSEE, LESSEE's household members and LESSEE's visitors shall neither engage in nor permit any unsafe, dangerous or hazardous activities in the dwelling unit or on any part of the apartment complex. No dangerous, hazardous, flammable or toxic materials or substances may be stored in the dwelling unit. No equipment or devices which generate fire or arc electricity (e.g., torches for glass blowing, welding equipment, etc.) are allowed on the premises.
- t. The LESSEE shall provide white backed drapes or shears visible from the street if personal drapes are installed in the unit.
- u. LESSEE shall not use any method of heating or air conditioning other than that supplied by LESSOR.
- v. LESSEE, LESSEE's household members and LESSEE's visitors shall use all appliances, fixtures and equipment provided by LESSOR in a safe manner and only for the purposes for which they were intended. Kitchen appliances must be cleaned periodically. LESSEE should contact the site manager if LESSEE is unsure as to proper cleaning methods.
- w. LESSEE must not change or add locks to the leased premises without the prior written consent of the LESSOR. Loss of key and lockouts will subject LESSEE to an administrative charge of \$20.00.
- x. LESSEE, LESSEE's household members and LESSEE's visitors shall not destroy, deface, damage or remove any part of the leased premises, common areas, or complex grounds.
- y. The LESSEE, LESSEE's household members and LESSEE's visitors shall not cause or permit any utility in the unit to be disconnected or service thereof to be discontinued.
- z. The LESSEE, LESSEE's household members and LESSEE's visitors shall not engage in activities that interfere with the management of the apartment complex or adversely affect the ability of the managers, contractors, agents and employees of the LESSOR to perform their assigned duties.

25. Non-Discrimination

25.1 The LESSOR project is financed by the Rural Housing Service (RHS) and is subject to the nondiscrimination provisions of TITLE VI of the Civil Rights Act of 1964, Title VIII of the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. All complaints are to be directed to the USDA Director, Office of Civil Rights, Washington, DC 20250-9410. However, complaints of Fair Housing violations may be sent directly to the Secretary of Housing and Urban Development, Washington, DC 20410.

25.2 LESSEES who are handicapped or disabled, or who have handicapped or disabled persons in their household, may request LESSOR to make reasonable accommodations to afford an equal opportunity to access, use and enjoy the dwelling unit and all facilities of the apartment complex. LESSOR does not discriminate on the basis of handicapped status in the admission or access to, or treatment or employment in, its federally assisted programs and activities.

25.3 The Management Agent for LESSOR is **Franklin Asset Management Company Inc**, 2509 Plantside Drive, P.O. Box 99564, Louisville, Kentucky 40299, phone (502) 491-2422. The Agent for LESSOR for the service of process in a lawsuit against LESSOR is Jim A. Watkins at this address.

26. Prior Agreements And Addendums

26.1 This Lease contains all the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or by the modification of lease provisions of Section 29.1 hereinafter.

26.2 The LESSEE and LESSOR agree that the Addendums to this Lease, if any, will be separately signed and dated and such Addendums are fully incorporated and form a part of this Lease. Should any court declare any particular provision of this Lease or its incorporated Addendums invalid, illegal and/or unenforceable, all other terms and conditions will remain in effect and LESSEE and LESSOR will continue to be bound by them.

26.3 The Section headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

27. Drug Violations

27.1 LESSEE understands that the use, attempted 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 apartment complex or cooperative in an illegal act. LESSEE further understands that such action is a material lease violation. Such violations (hereinafter called a "drug violation") may be evidenced upon the admission to or conviction of a drug violation.

27.2 LESSOR may require any LESSEE or other adult member of the LESSEE household occupying the unit (or other adult or nonadult person outside the LESSEE household who is using the unit) who commits a drug violation to vacate the leased unit permanently, within timeframes set by the LESSOR, and not thereafter enter upon the LESSOR's premises or the LESSEE unit without the LESSOR's prior consent as a condition for continued occupancy by members of the LESSEE household. The LESSOR 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 completed a counseling or recovery program.

27.3 LESSOR may require any LESSEE to show evidence that any non-adult member of the LESSEE's household occupying the unit, who committed a drug violation, agrees to not 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, completed a counseling or recovery programs within timeframes specified by the LESSOR 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 LESSOR may require the person to be severed from tenancy as a condition for continued occupancy by the LESSEE.

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

27.5 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 LESSEES afforded by law.

28. Waiver

28.1 Any waiver by LESSOR of the breach of any term, condition and/or covenant of the LEASE, must be in writing and signed by a property supervisor of Franklin Asset Management Company to be effective, and any such waiver, even when properly granted, shall not be deemed to waive any subsequent breach of the same or any other term, condition or covenant of the Lease, unless expressly stated in writing. Neither the site manager nor any other site employee of Franklin Asset Management Company is authorized to waive any term, condition or covenant of the Lease. Any failure on the part of LESSOR to insist upon the strict performance of the terms, conditions and covenants contained in this Lease on the part of the LESSEE, shall not constitute, nor be construed as, a waiver or relinquishment of any right of LESSOR thereafter to enforce any such term, condition or covenant in the future, which shall continue in full force and effect. No custom or practice which may have grown up between the LESSOR and LESSEE in the administration of the terms of this Lease shall be deemed a waiver of, or in any way affect, the right of LESSOR to insist upon a performance by LESSEE in strict accordance with said terms.

29. Modification Of Lease

29.1 LESSOR may modify the terms and conditions of the Lease effective at the end of the initial term or successive term, by serving an appropriate notice on LESSEE, together with the offer of a revised Lease or an addendum revising the existing Lease. This notice and offer must be received by LESSEE at least thirty (30) days prior to the last day on which LESSEE has the right to terminate the tenancy without being bound by the modified terms and conditions. LESSEE may reject the modified terms and conditions by giving LESSOR written notice in accordance with the Lease that LESSEE intends to terminate the tenancy.

SIGNED by the parties on the date first above written.

LESSEE

LESSEE

LESSOR

BY: _____
Authorized Representative

TITLE

**Addendum to Lease Agreement
Rural Rental Housing**

(This addendum is to be completed by all residents.)

THIS ADDENDUM being entered into this _____ day of _____, 20____, between the undersigned parties. For good and valuable consideration, acknowledged as received by the parties hereto, this Addendum is entered into under the following terms and conditions:

1. This addendum amends or adds to certain provisions in the above referenced Lease. The word "I", when used herein, means the "LESSEE", as referenced in said Lease. The word "landlord", when used herein, means the "LESSOR", as referenced in said Lease.
 - a. I understand that I will no longer be eligible for occupancy in this project, if my income exceeds the maximum allowable adjusted income as defined periodically by the Rural Housing Services for the State.
 - b. I agree I must immediately notify the landlord when there is a change in gross income or adjustment to income or when there is a change in the number of persons living in the household. 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 the landlord taking corrective action if benefits were mistakenly received. I understand the corrective action the 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 or Section 8 assistance being received for the balance of my certification period, initiation of a notice to increase my monthly rent to: \$ _____ (note rate rent) per month, 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.
 - c. I understand that I must promptly notify the LESSOR 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 tenant contribution shall be raised to \$ _____ (note rate rent) per month, 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, that as landlord, you may take the appropriate steps to terminate my tenancy.
 - d. I understand that should I receive occupancy benefits to which I am not entitled due to my/our 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 am entitled.
 - e. I understand that income certification is a requirement of occupancy and I agree to promptly provide any certifications and income verifications required by the owner or cooperative board (LESSOR) to permit determination of eligibility and, when applicable, the monthly tenant or member contribution to be charged.
2. Except as provided herein, the Lease as referenced previously, shall remain in full force and effect between the parties.

Signed by the parties on the date first above written:

Resident

Manager

Resident

Addendum to Lease Agreement Rental Assistance

**(This addendum is to be completed by all residents receiving Rental Assistance.)
(If this resident does NOT receive Rental Assistance place an "X" through this addendum.)**

THIS ADDENDUM being entered into this _____ day of _____, 20____, between the undersigned parties. For good and valuable consideration, acknowledged as received by the parties hereto, this Addendum is entered into under the following terms and conditions:

1. This addendum amends or adds to certain provisions in the above referenced Lease:

a. I understand and agree that as long as I receive rental assistance, my gross monthly contribution (as determined on the latest Form 1944-8, which must be attached to this Lease) for rent or occupancy charge and all utilities will be \$ _____.

If I pay any or all utilities directly (not including telephone or cable television) a utility allowance of \$ _____ will be deducted from my gross monthly contribution and my resulting net contribution will be \$ _____ .

If my net monthly contribution would be less than zero, then the landlord will pay me:
\$ _____ .

b. I also understand and agree that my monthly contribution under this Lease or occupancy agreement may be raised or lowered, based on changes in my household income or adjustment to income, failure to submit information necessary to certify income, changes in the number and age or persons living in the household, and on the escalation clause in this contract. Should I no longer receive rental assistance, as a result of these changes or the rental assistance agreement executed by the owner and Rural Development expires, I understand and agree that my monthly contribution may be adjusted to no less than:

\$ _____ (base rent) nor more than \$ _____ (note rate rent) during the remaining terms of this Lease, except that based on the escalation clause in this contract. These rates may be changed by Rural Development approved rent or occupancy charge change.

c. 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 remain in effect. However, should this assistance be terminated I may arrange to terminate this contract, giving proper notice as set forth elsewhere in this Lease.

2. Except as provided herein, the Lease as referenced previously, shall remain in full force and effect between the parties.

Signed by the parties on the date first above written:

Resident

Manager

Resident

**Addendum to Lease Agreement
Plan II Interest Credit**

**(This addendum is to be completed by all residents NOT receiving rental assistance.)
(If this resident DOES receive Rental Assistance place an "X" through this addendum.)**

THIS ADDENDUM being entered into this _____ day of _____, 20____, between the undersigned parties. For good and valuable consideration, acknowledged as received by the parties hereto, this Addendum is entered into under the following terms and conditions:

1. This addendum amends or adds to certain provisions in the above referenced Lease. The word "I", when used herein, means the "LESSEE", as referenced in said Lease. The word "landlord", when used herein, means the "LESSOR", as referenced in said Lease.
 - a. I understand and agree that my gross monthly contribution as determined on the latest Form 19944-B, which must be attached to this contract, for rent and utilities will be: \$_____ (gross rent amount).
 - b. If I pay any or all utilities directly (not including telephone or cable television), a utility allowance of \$ _____ (ua) will be deducted from my gross monthly rent except that I will pay not less than the basic rent nor more than the note rate rent stated below. My net monthly rent will be \$ _____ (net rent amount). I understand that should I receive rental subsidy benefits (interest credit) 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 monthly tenant rent 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, and on the escalation clause in this contract. My rent will not, however, be less than \$ _____ (base rent) nor more than \$ _____ (note rate rent) during the term of this contract, except that based on the escalation clause in this Lease these rental rates may be changed by a Rural Housing Services approved rent change.
2. Except as provided herein, the Lease as referenced previously, shall remain in full force and effect between the parties.

Signed by the parties on the date first above written:

Resident

Manager

Resident

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