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February 17, 2006

VIA ELECTRONIC MAIL and FEDERAL EXPRESS

Judge Nancy Dippell (nancy.dippell@psc.mo.gov)
Administrative Hearing Judge
Missouri Public Service Commission
200 Madison Street
Jefferson City, MO 65102

**Re: Application of Grand View Tower LLC for Approval of a Variance
From 4 CSR 240-20.050(2)
Case No. EE-2005-0486**

Dear Judge Dippell:

Pursuant to the Commission's request today on behalf of Grand View Tower, LLC, I submit the following information:

1. The Units in Grand View Tower when rehabilitated will be an average of 350 square feet.
2. The utilities of heat and electricity will be (presuming the variance is granted) common to all Units and the cost thereof included within the rental amount.
3. No Unit resident will have the heat or electricity turned off as a result of nonpayment of rental.
4. Landlord's remedy for nonpayment of rental, and also the utilities included therein, will be eviction and the usual rental collection process.
5. You have requested a sample Lease which is enclosed (one each for Section 8 tenants and non-Section 8 tenants).

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6. There are a total of 300 Units in Grand View Tower and 130 of those will be HUD Section 8 subsidized housing.

7. Termination of tenancy under HUD Section 8 subsidized housing is regulated and determined by HUD rules and regulations in accordance with 24 CFR Part 982. A basis for a Section 8 lease termination is in HUD 4350.3.

Should you have any questions or require any additional information, please let me know. I can be reached at the above number, or my e-mail address is: rcompton@scwh.com.

Sincerely,



Ronald N. Compton

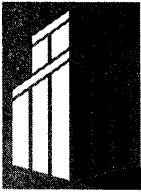
RNC:sr

Enclosures

cc: Mr. Tom Byrne (tbyrne@ameren.com)
AmerenUE

Lewis Mills (opcservice@ded.mo.gov)
Office of Public Counsel

Nathan Williams (Nathan.williams@psc.mo.gov)
Attorney for the Staff of the
Missouri Public Service Commission



KOHNER
PROPERTIES
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REAL ESTATE
INVESTMENT AND
MANAGEMENT

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314.862.5955
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February 17, 2006

To Whom it May Concern:

All the utilities at Grand View Tower Apartment are centrally meter and we would never turn off the any of the utilities for either electric, heat, water, sewer or trash for any occupied or vacant apartment.

Sincerely,


Brad Bryan CCIM
Vice President Property Management
Kohner Properties, Inc.

DEPOSITING OF HUD MONIES

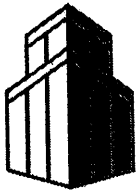
On the 8th of each month we transmit a HAP (Housing Assistance Payment) to MHDC (Missouri Housing Development Commission) requesting rent monies due for the preceding month.

HUD analysis the HAP and makes sure it is accurate then informs us that they will be depositing the money. If there are errors then we have to correct and resubmit.

On or before the 5th of the preceding month the money requested is automatically deposited in our banking account. We take the HAP request and post the rents to the residents account.



Vice President Kohnen Properties Inc



APARTMENT LEASE CONTRACT

1. **PARTIES.** This Lease Contract is between you, the resident(s) (list all people signing the Lease Contract.):

and us, Kohner Properties, Inc. as Agent for the Owner. You are renting Apartment Number _____ at _____ (street address) in _____ (city), _____ (state) _____ (zip code) for use as a private residence only. The terms "you" and "your" refer to all residents listed above. The terms "we", "us" and "our" refer to Kohner Properties, Inc. If anyone else has guaranteed performance of this Lease Contract, a separate Lease Contract for each guarantor is attached.

2. **OCCUPANTS.** The apartment will be occupied only by you and (list all other occupants not signing the Lease Contract):

Name _____ D.O.B. _____
Name _____ D.O.B. _____
Name _____ D.O.B. _____
Name _____ D.O.B. _____

No one else may occupy the apartment. Persons not listed above must not stay in the apartment for more than two (2) consecutive days without our prior written consent and no more than twice that many days in any one-month.

3. **LEASE TERM.** The initial term of the Lease Contract begins on the first day of _____, _____ and ends at midnight the last day of _____.

4. **RENT AND CHARGES.** You will pay \$_____ per month for rent, payable in advance and without demand at the on-site manager's office. Prorated rent of \$_____ is due prior to move-in for the period beginning _____ ending _____.

You must pay your rent on or before the first day of each month (due date). Cash is unacceptable without our written permission. We may, at our option, require at any time that you pay all rent and other sums with a certified or cashiers check, money order or one monthly check rather than multiple checks. If you don't pay all rent and utility charges (if applicable) on or before the _____ day of the month you will pay an initial late charge of \$_____ plus a late charge of \$_____ per day after that date until paid in full. If you are delinquent, payments will be applied to late charges, utilities, and any other outstanding charges first, then rent. If this results in a rent balance, (even a partial rent balance for the month), late charges will continue to be assessed until all rent and other charges are paid in full. You will also pay a charge of \$_____ for each returned check, plus initial and daily late charges from due date until we received acceptable payment. You agree that this charge will be considered additional rent. If you do not pay rent on time, you will be delinquent and we will be entitled to enforce all remedies available under this Lease Contract..

5. **SECURITY/PET DEPOSIT.** The total deposit for your apartment is \$_____, due on or before the date this Lease Contract is signed. This amount includes a Pet Deposit of \$_____, of which \$_____ is non-refundable and a Security Deposit of \$_____. There is a \$_____ non-refundable Processing Fee due at time of movein.

You agree this deposit and any unearned rent may be deposited, as collected, directly into our property management trust account. Any interest earned while it's in our possession is income to us and is our property. We will mail you your Security Deposit Refund (less lawful deductions) no later than thirty days after surrender or abandonment, unless statutes provide otherwise.

You have *surrendered* the apartment when: (1) the move-out date has passed and no one is living in the apartment in our reasonable judgement; or (2) all apartment keys have been turned in where rent is paid – whichever date occurs first.

You have *abandoned* the apartment when all of the following have occurred: (1) everyone appears to have moved out in our reasonable judgement; (2) clothes, furniture, and personal belongings have been substantially removed in our reasonable judgement; (3) you have been in default for non-payment of rent for five (5) consecutive days or any utility for the apartment not connected in our name has been disconnected or terminated; and (4) you have not responded for two (2) days to our notice left on the inside of the main entry door, stating that we consider the apartment abandoned.

Surrender or abandonment ends your right of possession for all purposes and gives us the immediate right to: clean up, make repairs in, and relet the apartment; determine any security deposit deductions; and remove property left in the apartment. Surrender, abandonment and eviction affect your rights to property left in the apartment, but does not affect our mitigation obligations.

In the event of a sale or transfer of the property, we will assign your deposit to the new owner. In such event we will be relieved from further liability and you will look solely to the new owner for return of your deposit. The return of your Security Deposit (less Processing Fee) is subject to the following:

1. The full term of this Lease Contract has expired.
2. There is no damage to your apartment unit beyond reasonable wear and tear.
3. Your apartment is left clean.
4. Rent and additional charges, including utility charges and attorneys fees, have been paid in full.
5. All keys are returned at the time you move out of your apartment.

The cost of labor and materials for any cleaning and repairs and any delinquent payments along with any attorney fees shall be deemed rent and will be deducted from the security deposit. The Security Deposit Refund shall be made by check payable to all persons signing this Lease Contract. We will mail a written list of the damages for which the Security Deposit or any portion thereof is withheld and any refund to your last known address. Our right to possession of the premises for non-payment of rent or any other reason shall not be affected by the fact that we hold your deposit. Your liability is not limited to the amount of the Security Deposit. At the time of or prior to

you vacating the apartment, you will schedule an appointment with us for inspection of the premises. If you do not schedule a move-out inspection, we will determine that you do not desire to be present and we will not be required to give any subsequent notice pertaining to the inspection, and the inspection will take place after you have vacated.

YOUR SECURITY DEPOSIT CANNOT BE USED FOR RENT FOR ANY MONTH OF THIS LEASE TERM.

6. **APPLICATION.** The application for this Lease Contract and all representations made by you in the application are hereby made a part of this Lease Contract. You warrant the information provided by you in the application is true. If it is not true, we may, at our option terming this Lease Contract.

7. **KEYS.** You will be provided _____ apartment key(s), _____ mail box key(s) and _____ other key(s) for _____

8. **UTILITIES.** We will pay for the following items (if checked):

- ☐ Water ☐ Gas ☐ Electricity
☐ Sewer ☐ Trash
☐ Other _____

You will pay for all other utilities, related deposits and any charges, fees or services on utility bills connected in your name. You must not allow utilities to be disconnected, including disconnection for not paying your bills, until the Lease Contract term or renewal period ends. If any utilities are disconnected you have 24 hours to have them turned on or you will be in violation of this lease and asked to vacate. If any utilities are submetered for the apartment, or prorated by a location formula, we will attach an addendum to this Lease Contract in compliance with state agency rules or city ordinance. If for any reason we are required to pay these bills, these amounts shall become additional rent due.

NO ADDITIONAL APPLIANCES CAN BE ADDED TO YOUR APARTMENT EXCEPT WHERE WASHER AND DRYER HOOKUPS ARE AVAILABLE.

9. **REAL ESTATE AGENCY DISCLOSURE.** You understand the Leasing Consultant is an Owners Agent and is acting on behalf of the Owner. You acknowledge the Leasing Consultant made this disclosure prior to first showing the property. His/her compensation is paid by Kohner Properties, Inc., Agent for the Owner.
10. **INSURANCE. WE URGE YOU TO GET YOUR OWN INSURANCE FOR LOSSES DUE TO THEFT, FIRE, WATER DAMAGE AND THE LIKE. LOSS OR DAMAGE TO YOUR FURNISHINGS, PERSONAL EFFECTS OR VEHICLE IS NOT COVERED BY OUR INSURANCE. YOU INTEND TO (check one):**

- ☐ not buy insurance to protect against such losses, or
☐ buy insurance from your own agent to cover such losses

(If neither is checked, you acknowledge that you will not have insurance coverage.)

Non-Liability for Property Damage. You agree that all of your property in your apartment or elsewhere in the building shall be kept at your risk and you will carry insurance, as you feel necessary. You further agree we (including any of our employees) will not be liable for any damage to your property or to the property of any other person(s) occupying or visiting your apartment or building. This includes damage resulting from any part of the building becoming out of repair, broken pipes, sewage or due to storms, gas, electricity, water, rain or snow which may leak or flow from any part of the building. You further agree we (or any of our employees) will not be liable for any damages arising from any acts of negligence, by us, our agents, employees or other occupants.

Non-Liability for Personal Injury. We shall not be liable for any injury to you or any authorized co-resident, guest or invitees, occurring within the apartment community, even if said damages or injuries are alleged to be the fault of or caused by the negligence, or carelessness or fault of us.

11. **PARTIAL PAYMENT.** You are required to make all rent payments in full, however, our receipt of rental payments of less than the amount stated in this Lease Contract shall be deemed a partial payment on that month's account. Our acceptance of a partial payment does not constitute accord and satisfaction, nor will our acceptance of a partial payment forfeit our right to collect the balance due, despite any endorsement, stipulation or statement on the check. We may accept any partial payment check with any conditional endorsement without prejudice to our right to recover the balance remaining due or to pursue any other remedy available under this Lease Contract. Any such partial payment shall be accepted with reservation.

12. **PET POLICY.** If your community accepts pets, there will be an additional deposit with a portion of it non-refundable. The deposit does not cover pet damage to carpet, doors or walls, or urination on carpeting by pets. All pets must be less than 25 pounds at maturity and cats must be declawed and neutered or spayed. No pets are allowed, even temporarily, anywhere in the apartment unless we have so authorized in writing. If we allow a pet you must sign a separate Pet Addendum, post the required pet deposit and agree to pay a \$ _____ monthly fee. If you or any guest or occupant violates our pet restrictions (*with or without your knowledge*), you will be given a fourteen (14) day notice to cure the breach of the lease, if not you will be subject to charges, damages, eviction and other remedies provided in this Lease Contract. If a pet has been in the apartment at any time during your term of occupancy (*with or without our consent*), we will charge you for defleaing, deodorizing and shampooing. Initial and daily pet violation charges and pet removal charges are liquidated damages for our time, inconvenience and overhead (except for attorney's fees and litigation costs) in enforcing pet restrictions and rules. We may remove an unauthorized pet by leaving, in a conspicuous place in the apartment, a 24-hour written notice of intent to remove the pet. We may keep or kennel the pet or turn it over to a humane society or local authority.

13. **INCOME RESTRICTED APARTMENTS.** If your apartment is income restricted, under Section 42 of the Internal Revenue Code, you must annually comply with income, family composition, and student status certification requirements. Copies of all required income statements, including those furnished after the date of this Lease Contract, shall be attached to and constitute a part of this Lease Contract.

14. REIMBURSEMENT. You must promptly reimburse us for loss, damage, government fines or cost of repairs or service in the apartment community due to a violation of the Lease Contract or rules, improper use, or negligence of you or your guests or occupants. We may require payment at any time, including advance payment of repairs for which you're liable. Delay in demanding sums you owe is not a waiver.

15. DELAY OF OCCUPANCY. If occupancy is or will be delayed for construction, repairs, cleaning or a previous resident's holding over, we are not responsible for the delay. The Lease Contract will remain in force subject to; (1) abatement of rent on a daily basis during delay; and (2) your right to terminate as set forth below. Termination notice must be in writing. After termination, you are entitled only to refund of deposit(s) and any rent paid. Rent abatement or Lease Contract termination does not apply if delay is for cleaning or repairs that don't prevent you from occupying the apartment. If there is a delay and we have not given notice of the delay as set forth immediately below, you may terminate up to the date when the apartment is ready for occupancy, but not later.

(a) If we given written notice to any of you when or after the Lease Contract begins – and the notice states that occupancy has been delayed because of construction or a previous resident's holding over, and that the apartment will be ready of a specific date – you may terminate the Lease Contract within three (3) days of your receiving the notice, but not later.

(b) If we give written notice to any of you before the effective Lease Contract date and the notice states that construction delay is expected and that the apartment will be ready for you to occupy on a specific date, you may terminate the Lease Contract within seven (7) days after any of you receives written notice, but not later. The readiness date is considered the new effective Lease Contract date for all purposes. The new date may not be moved to an earlier date unless you and we agree.

16. DISCLOSURE RIGHTS. If someone request information on you or your rental history for law enforcement, governmental, or business purposes, you hereby authorize us to release it.

17. COMMUNITY POLICIES OR RULES. You and all guests and occupants must comply with any written apartment rules and community policies, including instructions for care of our property. Our rules are considered part of this Lease Contract and are spelled out in our booklet, "Welcome To Your New Home". You acknowledge receipt of this booklet, which is an addendum to this Lease Contract, which includes federal lead hazard information and spells out the Rules and Regulations of your apartment community.

Your initials _____ Initials of our Rep _____

18. TERMINATION OF LEASE BY LESSEE. Lessee understands and agrees that should Lessee terminate this lease agreement by vacating the premises or otherwise prior to the expiration date hereof, Lessor will incur damages as a result thereof, the exact amount of which is difficult to ascertain. Therefore, the parties hereto agree that in the event of such early termination by Lessee, that Lessee shall pay to Lessor as liquidated damages the amount equivalent to two months rent, said amount to be due and payable to Lessor at the time of said early termination. As additional liquidated damages, Lessee's security deposit herein will be forfeited and retained by Lessor.

Lessee shall be responsible for any damages, unpaid rent, late fees and other charges to the premises and cleaning charge incurred as a result of this tenancy and these charges will be in addition to the termination fees stated herein. If this paragraph conflicts with any other terms of this lease, then the terms of the paragraph shall prevail.

19. MILITARY CLAUSE. Under the following circumstances, you may terminate the Lease Contract by giving us written notice if:

(a) you are or become a member of the Armed Forces of any nation on extended active duty and receive change-of-station orders to permanently depart the local area, or if you are relieve from active duty; or

(b) you are deployed to a foreign country as a member of the United States Armed Forces and are not continuing to receive quarters allowance from the military.

In either case, a termination notice will effectively terminate the Lease Contract thirty (30) days after the next monthly rent payment is due. You must furnish us a copy of the official permanent change-of-station order. After move-out, you are entitled the return of your security deposit, less lawful deductions.

20. SMOKE DETECTORS. We will furnish smoke detectors as required by statute, and we will test them and provide working batteries when you first take possession of the apartment. After that, you must pay for and replace the batteries, as needed, unless the law provides otherwise. We may replace dead or missing batteries at your expense, without prior notice to you. You must immediately report smoke-detector malfunctions to us. If you disable or damage the smoke-detector, or fail to replace a dead battery or report malfunctions to us, you will be liable to us and others for any loss, damage, or fines from fire, smoke or water.

21. CRIME or EMERGENCY. Dial 911 or immediately call local medical emergency, fire or police personnel in case of accident, fire, smoke, or suspected criminal activity involving imminent harm. You should then contact our representative. You won't treat any of our security measures as an express or implied warranty of security, or as a guarantee against crime or of reduced risk of crime. Unless otherwise provided by law, we are not liable to you or any guests or occupants for injury, damage or loss to person(s) or property caused by criminal conduct of other persons, including theft, burglary, assault, vandalism or other crimes. We are not obliged to furnish security personnel, security lighting, security gates or fences or other forms of security unless required by statute. We are not responsible for obtaining criminal-history checks on any residents, occupants, guest or contractors in the apartment community. If you or any occupant or guest is affected by a crime you must make a written report to our representative and to the appropriate local law-enforcement agency. You must also furnish us with the law-enforcement agency's incident report number upon request.

22. CONDITION OF THE PREMISES and ALTERATIONS. You accept the apartment, fixtures and furniture (if applicable) as is, except for conditions materially affecting the health or safety of ordinary persons. We disclaim all implied warranties. Within 48 hours after move-in, you must give us written notice of any defects or damage and return it to our representative.

Otherwise, everything will be considered to be in a clean, safe and good working condition.

23. REPAIRS and WORKORDERS. If you or any occupant needs to send a notice or request – for example, for repairs, installations, services or security related matters – it must be in writing to our designated representative (except in case of fire, smoke, gas, explosion, overflowing sewage, uncontrollable running water, electrical shorts or crime in progress). Our written notes on your oral request do not constitute a written request from you. Our complying with or responding to any oral request regarding security or non-security matters does not waive the strict requirement for written notices under this Lease Contract. You must promptly notify us in writing of: water leaks; electrical problems; malfunctioning lights; broken or missing locks or latches; and other conditions that pose a hazard to property, health or safety. We may change or install utility lines or equipment servicing the apartment if the work is done reasonably without increasing your utility costs. We may turn off equipment and interrupt utilities as needed to avoid property damage or to perform work. If utilities malfunction or are damaged by fire, water or similar cause, you must notify our representative immediately. We will act with customary diligence to make repairs and reconnections, taking into consideration when casualty insurance proceeds are received. Rent will not abate in whole or in part. If we believe that fire or catastrophic damage is substantial, or that performance of needed repairs poses a danger to you we may terminate this Lease Contract by giving you a ten (10) day written notice.

24. ACCESS TO YOUR APARTMENT. If you or any guest or occupant is present, then repairmen, servicemen or our representatives may peacefully enter the apartment for the purposes listed in (2) below. If nobody is in the apartment, then repairmen, servicemen or our representatives may enter peacefully and at reasonable times without prior notice by duplicate or master key (or by breaking a window or other means when necessary) in case of sudden emergency. Resident cannot unreasonably withhold access to the Landlord if:

- (a) entry is for: responding to your request; making repairs or replacements; estimating repair or refurbishing costs; performing pest control; doing preventive maintenance; changing filters; testing or replacing smoke-detector batteries; retrieving unreturned tools or appliances; preventing waste of utilities; exercising our contractual lien; leaving notices; delivering, installing, reconnecting, or replacing appliances, furniture, equipment or security devices; removing or rekeying unauthorized security devices; removing unauthorized window coverings; stopping excessive noise, removing health or safety hazards (including hazardous materials); or items prohibited under our rules; removing perishable foodstuffs if your electricity is disconnected; removing unauthorized animals; inspecting when immediate danger to person(s) or property is reasonably suspected; allowing entry by a law officer with a search or arrest warrant, or in hot pursuit; or showing apartment to government inspectors, fire marshals, lenders, appraisers, contractors, prospective buyers or insurance agents.

25. MULTIPLE RESIDENTS or OCCUPANTS. Each resident is jointly and severally liable for all Lease Contract obligations. If you or any guest or occupant violates the Lease Contract or rules, all residents are considered to have violated the Lease Contract. Our requests and notices (including sale notices) to

any resident constitute notice to all residents and occupants. Notices and request from any resident or occupant (including notices of Lease Contract termination, repair request and entry permissions) constitute notice from all residents. Your security deposit refund check will be made payable to all residents; however, the check and any deduction itemizations may be mailed to one resident only.

26. ASSIGNMENT and SUB-LETTING. You may not assign this Lease Contract or sub-let your apartment under any circumstances.

27. DEFAULT BY RESIDENT. You will be in default if: (1) you don't pay rent or other amounts that you owe; (2) you or any guest or occupant violates this Lease Contract or apartment rules included in the "Welcome To Your New Home" addendum, or fire, safety, health or criminal laws, regardless of whether arrest or conviction occurs; (3) you abandon the apartment; (4) you give incorrect or false answers in a rental application; (5) you or any occupant is arrested for a felony offense involving possession, manufacture or delivery of a controlled substance, marijuana or drug paraphernalia; (6) any illegal drugs or paraphernalia are found in your apartment; or (7) any other reason allowed by common law or statute. You further covenant and agree that the premises during the term of this Lease Contract shall be exclusively for lawful and moral purposes, and not part of the premises shall be used in a manner whatsoever for any purposes in violation of any laws of the United States of America, the State of _____ or the ordinances of any City, and you will save and hold us harmless from any such violation. You further covenant and agree that neither you nor members of your family or any persons connected with the occupancy of the demised premises will indulge in any immoral, disorderly or unlawful act or use the demised premises for any commercial venture whatsoever.

Eviction. If you default, we may end your right of occupancy by giving you a written notice to vacate. Notice may be by; (1) regular mail; (2) certified mail, return receipt requested; (3) personal delivery to any resident; (4) personal delivery to the apartment or any occupant over 16-years old; or (5) affixing the notice to the inside of the apartment's main entry door. After giving notice to vacate or filing an eviction suit, we may still accept rent or other sums due; the filing or acceptance does not waive or diminish our right of eviction, or any other contractual or statutory right. Accepting money at any time does not waive our right to damages; past or future rent or other sums; or to continue with eviction proceedings.

Acceleration. All monthly rent for the rest of the Lease Contract term or renewal period will be accelerated automatically without notice or demand (before or after acceleration) and will be immediately due and delinquent if, without our written consent; (1) you move out, remove property in preparing to move out, or give oral or written notice (by you or any occupant) of intent to move out before the Lease Contract term or renewal period ends; and (2) you have not paid all rent for the entire Lease Contract term or renewal period. Such conduct is considered a default for which we need not give you notice. Remaining rent also will be accelerated if you are judicially evicted or move out when we demand because you have defaulted.

Attorneys Fees and Other Costs. In the event we employ an Attorney because you are in default or breach of this Lease Contract, you agree to pay a reasonable attorney's fee equal to one-third of all sums owed by you, but in any event not less than

\$100.00, together with all costs and expenses incurred by us. Attorney fees, court costs, as well as, any other charges or damages shall be considered additional rent due.

Collection. If you default, move-out and leave a balance due to us, we will report all unpaid amounts to credit agencies. We may, at our option, assign this unpaid debt to a collection agency that will contact you directly. You authorize owner or agent of owner (or owner's collection agency if necessary) to obtain your (and any resident listed on this Lease Contract) to consumer credit report, which owner or owners agent may use if attempting to collect past due rent payments, late fees, or other charges from resident(s), both during the term of this Lease Contract and thereafter. Late charges are liquidated damages for our time, inconvenience and overhead in collecting late rent (but are not for attorney's fees and litigation costs). All unpaid amounts bear 18% interest per year from due date, compounded annually. You must pay all collections-agency fees if you fail to pay all sums due within ten (10) days after we mail you a letter demanding payment and stating that collection agency fees will be added if you don't pay all sums by that deadline.

28. HOLDOVER. You or any occupant must not hold over beyond the term of this Lease Contract. If a holdover occurs, this Lease Contract will automatically renew on a month-to-month basis and you agree to pay the then market rate rent, plus an additional month-to-month charge until a new Lease Contract is signed.

29. MISCELLANEOUS. Neither we nor any of our representatives have made any oral promises, representations, or agreements. This Lease Contract is the entire agreement between you and us. Our representatives (including management personnel and employees) have no authority to waive, amend or terminate this Lease Contract or any part of it, unless in writing, and no authority to make promises, representations or agreements that impose security duties or other obligations on us or our representatives unless in writing. No action or omission of our employees will be considered a waiver of any subsequent violation, default or time or place of performance. Our not enforcing or belatedly enforcing written-notice requirements, rental due dates, acceleration, liens or other rights is not a waiver under any circumstances. Except when notice or demand is required by statute, you waive any notice and demand for performance from us if you default. Exercising one remedy will not constitute an election or waiver of other remedies. All remedies are cumulative. No employee is personally liable for any of our contractual, statutory or other obligations merely by virtue of acting on our behalf. This Lease Contract binds subsequent owners. Neither an invalid clause nor the omission of initials invalidates this Lease Contract. All provisions regarding our non-liability and non-duty apply to our employees. This Lease Contract is subordinate or superior to existing and future recorded mortgages, at lender's option. All Lease Contract obligations must be performed in the county where the apartment is located.

30. NOTICES. You agree that all notices authorized or required to be given to us shall be in writing and shall be delivered in person or by certified mail. We agree all notices or demands authorized or required to be given to you shall be in writing and shall be delivered in person, or left with anyone at the premises, or delivered by regular mail or posted either on the front door of your apartment or in a conspicuous place within your building.

31. PAYMENTS. At our option and without notice, we may apply money received first to your non-rent obligations, then to rent –

regardless of notations on checks or money orders and regardless of when the obligations arise. All sums other than rent are due upon our demand. After the due date, we do not have to accept the rent or any other payments.

32. MOVE-OUT NOTICE. Before moving out, you must give our representative advance written move-out notice. Your move-out notice will not release you from liability for the full term of the Lease Contract or renewal term. You will still be liable for the entire Lease Contract term if you move out early. The move-out date in your notice must be the last day of the month. We must receive your move-out notice at least thirty (30) days prior to your move-out date.

33. MOVE-OUT PROCEDURES. The move-out date can not be changed unless we and you both agree in writing. You won't move out before the Lease Contract term or renewal period ends unless all rent for the entire Lease Contract term or renewal period is paid in full. You shall not apply any security deposit to rent. You will not stay beyond the date you are suppose to move out. You must give us and the U.S. Postal Service, in writing, each resident's forwarding address.

34. CLEANING. You must thoroughly clean the apartment, including doors, windows, furniture, bathrooms, kitchen appliances, patios, balconies, garages, carports and storage rooms. You must follow move-out cleaning instructions, provided to you in the Kohner Properties, Inc. "Welcome To Your New Home" booklet. If you do not clean adequately, you will be liable for reasonable cleaning charges – including charges for cleaning carpets, draperies, furniture, wall, etc. that are soiled beyond normal wear.

35. MOVE-OUT INSPECTION. You should meet with our representative for a move-out inspection. Our representative has no authority to bind or limit us regarding deductions for repairs, damages or charges. Any statements or estimates by us or our representative are subject to our correction, modification or disapproval before final refunding or accounting.

36. SECURITY DEPOSIT DEDUCTIONS and OTHER CHARGES. You will be liable for the following charges, if applicable: unpaid rent; unpaid utilities; unreimbursed service charges; repairs or damages caused by negligence, carelessness, accident, or abuse; including stickers, scratches, tears, burns, stains or unapproved holes; replacement cost of our property that was in or attached to the apartment and is missing; replacing dead or missing smoke-detector batteries; utilities for repairs or cleaning; trips to let in company representatives to remove your telephone or TV cable services or rental items (if you so request or have moved out); trips to open the apartment when you or any guest or occupant missing a key (must be on the Lease and have proof of identity); unreturned keys; missing or burned out light bulbs; removing or rekeying unauthorized security devises or alarm systems; removing illegally parked vehicles; special trips for trash removal caused by parked vehicles blocking dumpsters; false security-alarm charges unless due to our negligence; pet related charges; government fees or fines against us for violation (by you, your occupants or guest) of local ordinances relating to smoke detectors, false alarms, recycling, or other matter; late-payment and return-check charges; a charge for our time and inconvenience in our lawful removal of an animal or in any valid eviction proceeding against you, plus attorney's fees, court costs, and filing fees actually paid; and other sums due under this Lease Contract.

37. **SEVERABILITY.** We agree and affirm none of the provisions of this Lease Contract are dependent on the validity of any other provision.

38. **LEASE COPIES and ADDENDUMS.** This Lease Contract has been executed in multiple copies, one for you and one for us. The items checked below are attached to this Lease Contract and made a part hereof and are binding even if not initialed or signed. The first addendum is our booklet, "Welcome To Your New Home". It contains our rules, community policies and a complete reprint of the federally required pamphlet, "Protect Your Family From Lead In Your Home".

- ☐ Kohner Properties, Inc. rules and community policies booklet, "Welcome To Your New Home."
- ☐ Federally required pamphlet "Protect Your Family From Lead In Your Home" (as reprinted in the back of the "Welcome To Your New Home" booklet).
- ☐ Federally required Lessor Disclosure, Agent Statement, and Lessee Acknowledgment of information on lead based paint and lead based paint hazards.
- ☐ Move-In/Move-Out Condition Form
- ☐ Additional Lease Contract Guaranty from third party Guarantor
- ☐ Parking permit or sticker. Quantity _____
- ☐ Parking entry cards. Quantity _____
- ☐ Electronic gate openers. Quantity _____
- ☐ Parking Agreement Addendum
- ☐ Employee Rental Agreement Addendum
- ☐ Income Certification Form
- ☐ Submetering Addendum for ____ Electric ____ Water
____ Gas
- ☐ Utility Allocation Addendum for ____ Mastermetered
utilities, or ____ central system costs, that are allocated by
formula
- ☐ Other _____
- ☐ Other _____
- ☐ Other _____

Name and address of locator service (if applicable).

Resident or Resident(s) (all sign below)

Kohner Properties, Inc. Agent signing on behalf of Owner.

Address and phone number of Owner's representative for notice purposes.

Date form filled out _____

Revised 7/2004

You are legally bound by this document. Please read it carefully.
Before submitting a rental application or signing a
Lease Contract, you may take a copy of these documents
to review and/or consult an attorney.

Additional provisions or changes may be made in the
Lease Contract if agreed to in writing by all parties.

You are entitled to a copy of this Lease Contract after it is fully
signed.

MODEL LEASE AGREEMENT

1. Parties and Dwelling Unit:

The parties to this Agreement are , referred to as the Landlord, and _____, referred to as the Tenant.
The Landlord leases to the Tenant unit number _____, located at _____ in the project known as .

2. Length of Time (Term):

The initial term of this Agreement shall begin on / / and end on _____.
After the initial term ends, the Agreement will continue for successive terms of one month unless automatically terminated as permitted by paragraph 23 of this Agreement.

3. Rent:

The Tenant agrees to pay \$ _____ for the partial month ending on _____. After that, Tenant agrees to pay a rent of \$ _____ per month. This amount is due on the first day of the month at . The Tenant understands that this monthly rent is less than the market (unsubsidized) rent due on this unit. This lower rent is available either because the mortgage on this project is subsidized by the Department of Housing and Urban Development (HUD) and/or because HUD makes monthly payments to the Landlord on behalf of the Tenant. The amount, if any, that HUD makes available monthly on behalf of the Tenant is called the tenant assistance payment and is shown on the "Assistance Payment" line of the Certification and Recertification of Tenant Eligibility Form which is Attachment No. 1 to this Agreement.

4. Changes in the Tenant's Share of the Rent:

The Tenant agrees that the amount of rent the Tenant pays and/or the amount of assistance that HUD pays on behalf of the Tenant may be changed during the term of this Agreement if:

- a. HUD or the Contract Administrator (such as a Public Housing Agency) determines, in accordance with HUD procedures, that an increase in rents is needed;
- b. HUD or the Contract Administrator changes any allowance for utilities or services considered in computing the Tenant's share of the rent;
- c. the income, the number of persons in the Tenant's household or other factors considered in calculating the Tenant's rent change and HUD procedures provide that the Tenant's rent or assistance payment be adjusted to reflect the change;
- d. changes in the Tenant's rent or assistance payment are required by HUD's recertification or subsidy termination procedures;
- e. HUD's procedures for computing the Tenant's assistance payment or rent change; or

- f. the Tenant fails to provide information on his/her income, family composition or other factors as required by the Landlord.

The Landlord agrees to implement changes in the Tenant's rent or tenant assistance payment only in accordance with the time frames and administrative procedures set forth in HUD's handbooks, instructions and regulations related to administration of multifamily subsidy programs. The Landlord agrees to give the Tenant at least 30 days advance written notice of any increase in the Tenant's rent except as noted in paragraphs 11, 15 or 17.

The notice will state the new amount the Tenant is required to pay, the date the new amount is effective, and the reasons for the change in rent. The Notice will also advise the Tenant that he/she may meet with the Landlord to discuss the rent change.

5. Charges for Late Payments and Returned Checks:

If the Tenant does not pay the full amount of the rent shown in paragraph 3 by the end of the 5th day of the month, the Landlord may collect a fee of \$5 on the 6th day of the month. Thereafter, the Landlord may collect \$1 for each additional day the rent remains unpaid during the month it is due. The Landlord may not terminate this Agreement for failure to pay late charges, but may terminate this Agreement for non-payment of rent, as explained in paragraph 23. The Landlord may collect a fee of \$25.00 plus late fees on the second or any additional time a check is not honored for payment (bounces). The charges discussed in this paragraph are in addition to the regular monthly rent payable by the Tenant.

6. Condition of Dwelling Unit:

By signing this Agreement, the Tenant acknowledges that the unit is safe, clean and in good condition. The Tenant agrees that all appliances and equipment in the unit are in good working order, except as described on the Unit Inspection Report which is Attachment No. 2 to this Agreement. The Tenant also agrees that the Landlord has made no promises to decorate, alter, repair or improve the unit, except as listed on the Unit Inspection Report.

7. Charges for Utilities and Services:

The following charts describe how the cost of utilities and services related to occupancy of the unit will be paid. The Tenant agrees that these charts accurately describe the utilities and services paid by the Landlord and those paid by the tenant.

a. The Tenant 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 Tenant's rent. If the utilities are disconnected for non-payment the tenant has 24 hours to have the re-established or will be given notice to vacate.

| (1) Put "x" by any Utility Tenant pays directly ----- | Type of Utility ----- | (2) Put "x" by any Utility Included in Tenant Rent ----- |
|---|-----------------------------|--|
| _____ | Heat | _____ |
| _____ | Lights, Electric | _____ |
| _____ | Cooking | _____ |
| _____ | Water | _____ |
| _____ | Other (Specify) | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

b. The Tenant agrees to pay the Landlord the amount shown in column (3) on the date the rent is due. The Landlord certifies that HUD had authorized him/her to collect the type of charge shown in column (3) and that the amounts shown in column (3) do not exceed the amounts authorized by HUD.

| (3) Show \$ Amount Tenant Pays to Landlord in Addition to Rent | |
|---|----------------------------------|
| Parking Other (Specify.) _____ _____ | \$ _____ \$ _____ \$ _____ |

8. Security Deposits:

The Tenant has deposited _____ with the Landlord. The Landlord will hold this security deposit for the period the Tenant occupies the unit. After the Tenant has moved from the unit, the Landlord will determine whether the Tenant 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. The Tenant will be eligible for a refund of the security deposit only if the Tenant provided the Landlord with the 30-day written notice of intent to move required by paragraph 23, unless the Tenant was unable to give the notice for reasons beyond his/her control.

- b. After the Tenant has moved from the unit, the Landlord will inspect the unit and complete another Unit Inspection Report. The Landlord will permit the Tenant to participate in the inspection, if the Tenant so requests.
- c. The Landlord will refund to the Tenant 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 Unit Inspection Report;
 - (3) charges for late payment of rent and returned checks, as described in paragraph 5; and
 - (4) charges for unreturned keys, as described in paragraph 9.
- d. The Landlord agrees to refund the amount computed in paragraph 8c within 30 days after the Tenant has permanently moved out of the unit, returned possession of the unit to the Landlord, and given his/her new address to the Landlord. The Landlord will also give the Tenant a written list of charges that were subtracted from the deposit. If the Tenant disagrees with the Landlord concerning the amounts deducted and asks to meet with the Landlord, the Landlord agrees to meet with the Tenant and informally discuss the disputed charges.
- e. If the unit is rented by more than one person, the Tenants agree that they will work out the details of dividing any refund among themselves. The Landlord may pay the refund to any Tenant identified in Paragraph 1 of this Agreement.
- f. The Tenant understands that the Landlord will not count the Security Deposit towards the last month's rent or towards repair charges owed by the Tenant in accordance with paragraph 11.

9. Keys and Locks:

The Tenant agrees not to install additional or different locks or gates on any doors or windows of the unit without the written permission of the Landlord. If the Landlord approves the Tenant's request to install such locks, the Tenant agrees to provide the Landlord with a key for each lock. When this Agreement ends, the Tenant agrees to return all keys to the dwelling unit to the Landlord. The Landlord may charge the Tenant \$5.00 for each key not returned.

10. Maintenance:

- a. The Landlord agrees to:
 - (1) regularly clean all common areas of the project;
 - (2) maintain the common areas and facilities in a safe condition;

- (3) arrange for collection and removal of trash and garbage;
- (4) maintain all equipment and appliances in safe and working order;
- (5) make necessary repairs with reasonable promptness;
- (6) maintain exterior lighting in good working order;
- (7) provide extermination services, as necessary; and
- (8) maintain grounds and shrubs.

b. The Tenant agrees to:

- (1) keep the unit clean;
- (2) use all appliances, fixtures and equipment in a safe manner and only for the purposes for which they are intended;
- (3) not litter the grounds or common areas of the project;
- (4) not destroy, deface, damage or remove any part of the unit, common areas, or project grounds;
- (5) give the Landlord prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment or any other part of the unit or related facilities; and
- (6) remove garbage and other waste from the unit in a clean and safe manner.

11. Damages:

Whenever damage is caused by carelessness, misuse, or neglect on the part of the Tenant, his/her family or visitors, the Tenant agrees to pay:

- a. the cost of all repairs and do so within 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. The Tenant understands that HUD will not make assistance payments for any period in which the unit is not habitable. For any such period, the Tenant agrees to pay the HUD-approved market rent rather than the Tenant rent shown in paragraph 3 of this agreement.

12. Restrictions on Alterations:

No alteration, addition, or improvements shall be made in or to the premises without the prior consent of the Landlord in writing. The Landlord agrees to provide reasonable accommodation to an otherwise eligible tenant's disability, including making changes to rules, policies, or procedures, and making and paying for structural alterations to a unit or common areas. The Landlord is not required to provide accommodations that constitute a fundamental alteration to the Landlord's program or which would pose a substantial financial and administrative hardship. See the regulations at 24 CFR Part 8. In addition, if a requested structural modification does pose a substantial financial and administrative hardship, the Landlord must then allow the tenant to make and pay for the modification in accordance with the Fair Housing Act.

13. General Restrictions:

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

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

14. Rules:

The Tenant agrees to obey the House Rules which are Attachment No. 3 to this Agreement. The Tenant 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 Tenants; and
- b. the Tenant receives written notice of the proposed rule at

least 30 days before the rule is enforced.

15. Regularly Scheduled Recertifications:

Every year around the first day of _____, the Landlord will request the Tenant to report the income and composition of the Tenant's household and to supply any other information required by HUD for the purposes of determining the Tenant's rent and assistance payment, if any. The Tenant agrees to provide accurate statements of this information and to do so by the date specified in the Landlord's request. The Landlord will verify the information supplied by the Tenant and use the verified information to recompute the amount of the Tenant's rent and assistance payment, if any.

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

- (1) Require the Tenant to pay the higher, HUD-approved market rent for the unit.
- (2) Implement any increase in rent resulting from the recertification processing without providing the 30-day notice otherwise required by paragraph 4 of this Agreement.

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

16. Reporting Changes Between Regularly Scheduled Recertifications:

- a. If any of the following changes occur, the Tenant agrees to advise the Landlord immediately.

- (1) Any household member moves out of the unit.
- (2) An adult member of the household who was reported as unemployed on the most recent certification or recertification obtains employment.
- (3) the household's income cumulatively increases by \$200 or more a month.

- b. The Tenant may report any decrease in income or any change in other factors considered in calculating the Tenant's rent. Unless the Landlord has confirmation that the decrease in income or change in other factors will last less than one month, the Landlord will verify the information and make the appropriate rent reduction. However, if the Tenant's income

will be partially or fully restored within two months, the Landlord may delay the certification process until the new income is known, but the rent reduction will be retroactive and the Landlord may not evict the Tenant for nonpayment of rent due during the period of the reported decrease and the completion of the certification process. The Tenant has thirty days after receiving written notice of any rent due for the above described time period to pay or the Landlord can evict for nonpayment of rent. (Revised 03/22/89)

- c. If the Tenant does not advise the Landlord of these interim changes, the Landlord may increase the Tenant's rent to the HUD approved market rent. The Landlord may do so only in accordance with the time frames and administrative procedures set forth in HUD's regulations, handbooks and instructions on the administration of multifamily subsidy programs.
- d. The Tenant may request to meet with the Landlord to discuss how any change in income or other factors affected his/her rent or assistance payment, if any. If the Tenant requests such a meeting, the Landlord agrees to meet with the Tenant and explain how the Tenant's rent or assistance payment, if any, was computed.

17. Removal of Subsidy:

- a. The Tenant understands that assistance made available on his/her behalf may be terminated if events in either items 1 or 2 below occur. Termination of assistance means that the Landlord may make the assistance available to another Tenant and the Tenant's rent will be recomputed. In addition, if the Tenant's assistance is terminated because of criterion (1) below, the Tenant will be required to pay the HUD-approved market rent for the unit.
 - (1) The Tenant does not provide the Landlord with the information or reports required by paragraph 15 or 16 within 10 calendar days after receipt of the Landlord's notice of intent to terminate the Tenant's assistance payment.
 - (2) The amount the Tenant would be required to pay towards rent and utilities under HUD rules and regulations equals the Family Gross Rent shown on Attachment 1.
- b. The Landlord agrees to give the Tenant written notice of the proposed termination. The notice will advise the Tenant that, during the ten calendar days following the date of the notice, he/she may request to meet with the Landlord to discuss the proposed termination of assistance. If the Tenant requests a discussion of the proposed termination, the Landlord agrees to meet with the Tenant.
- c. Termination of assistance shall not affect the Tenant's other

rights under this Agreement, including the right to occupy the unit. Assistance may subsequently be reinstated if the Tenant submits the income or other data required by HUD procedures, the Landlord determines the Tenant is eligible for assistance, and assistance is available.

18. Tenant Obligation to Repay:

If the tenant submits false information on any application, certification or request for interim adjustment or does not report interim changes in family income or other factors as required by paragraph 16 of this Agreement, and as a result, is charged a rent less than the amount required by HUD's rent formulas, the Tenant agrees to reimburse the Landlord for the difference between the rent he/she should have paid and the rent he/she was charged. The Tenant is not required to reimburse the Landlord for undercharges caused solely by the Landlord's failure to follow HUD's procedures for computing rent or assistance payments.

19. Size of Dwelling:

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

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

20. Access by Landlord:

The Landlord agrees to enter the unit only during reasonable hours, to provide reasonable advance notice of his/her intent to enter the unit, and to enter the unit only after receiving the Tenant's consent to do so, except when emergency situations make such notices impossible or except under paragraph (c) below.

- a. The Tenant agrees to permit the Landlord, his/her 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 Tenant has given a notice of intent to move, the Tenant agrees to permit the Landlord to show the unit to prospective tenants during reasonable hours.
- c. If the Tenant moves before this Agreement ends, the Landlord may enter the unit to decorate, remodel, alter or otherwise prepare the unit for re-occupancy.

21. Discrimination Prohibited:

The Landlord agrees not to discriminate based upon race, color, religion, creed, National origin, sex, age, familial status, and disability.

22. Change in Rental Agreement:

The Landlord may, with the prior approval of HUD, change the terms and conditions of this Agreement. Any changes will become effective only at the end of the initial term or a successive term. The Landlord must notify the Tenant of any change and must offer the Tenant a new Agreement or an amendment to the existing Agreement. The Tenant must receive the notice at least 60 days before the proposed effective date of the change. The Tenant 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 Tenant may reject the changed terms and conditions by giving the Landlord written notice that he/she intends to terminate the tenancy. The Tenant must give such notice at least 30 days before the proposed change will go into effect. If the Tenant does not accept the amended agreement, the Landlord may require the Tenant to move from the project, as provided in paragraph 23.

23. Termination of Tenancy:

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

- (5) determination made by the Landlord that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents;
 - (6) criminal activity by a tenant, any member of the tenant's household, a guest or another person under the tenant's control:
 - a. that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises); or
 - b. that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises;
 - (7) if the tenant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that in the case of the State of New Jersey, is a high misdemeanor;
 - (8) if the tenant is violating a condition of probation or parole under Federal or State law;
 - (9) determination made by the Landlord that a household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents;
 - (10) if the Landlord determines that the tenant, any member of the tenant's household, a guest or another person under the tenant's control has engaged in the criminal activity, regardless of whether the tenant, any member of the tenant's household, a guest or another person under the tenant's control has been arrested or convicted for such activity.
- d. The LANDLORD may terminate this Agreement for other good cause, which includes, but is not limited to, the tenant's refusal to accept change to this agreement. Terminations for "other good cause" may only be effective as of the end of any initial or successive term. The term material noncompliance with the lease includes:
- (1) one or more substantial violations of the lease;
 - (2) repeated minor violations of the lease that:
 - (a) disrupt the livability of the project,
 - (b) adversely affect the health or safety of any person or the right of any tenant to the quiet enjoyment of the leased premises and related project facilities,
 - (c) interfere with the management of the project, or

- (d) have an adverse financial effect on the project;
 - (3) failure of the tenant to timely supply all required information on the income and composition, or eligibility factors, of the tenant household (including, but not limited to, failure to meet the disclosure and verification requirements for Social Security Numbers, or failure to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies) and
 - (4) non-payment of rent or any other financial obligation due under the lease beyond any grace period permitted under State law. The payment of rent or any other financial obligation due under the lease after the due date but within the grace period permitted under State law constitutes a minor violation.
- e. If the Landlord proposes to terminate this Agreement, the Landlord agrees to give the Tenant written notice and the grounds for the proposed termination. If the Landlord is terminating this agreement for "other good cause", the termination notice must be mailed to the Tenant and hand-delivered to the dwelling unit in the manner required by HUD at least 30 days before the date the Tenant will be required to move from the unit and in accordance with State law requirements. Notices of proposed termination for other reasons must be given in accordance with any time frames set forth in State and local law. Any HUD-required notice period may run concurrently with any notice period required by State or local law. All termination notices must:
- (1) specify the date this Agreement will be terminated;
 - (2) state the grounds for termination with enough detail for the Tenant to prepare a defense;
 - (3) advise the Tenant that he/she has 10 days within which to discuss the proposed termination of tenancy with the Landlord. The 10-day period will begin on the earlier of the date the notice was hand-delivered to the unit or the day after the date the notice is mailed. If the Tenant requests the meeting, the Landlord agrees to discuss the proposed termination with the Tenant; and
 - (4) advise the Tenant of his/her right to defend the action in court.
- f. If an eviction is initiated, the Landlord agrees to rely only upon those grounds cited in the termination notice required by paragraph e.

24. Hazards:

The Tenant shall not undertake, or permit his/her family or guests to undertake, any hazardous acts or do anything that will increase the project's insurance premiums. Such action constitutes a material

non-compliance. 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 Tenant, the Tenant 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.

25. Penalties for Submitting False Information:

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

26. Contents of this Agreement:

This Agreement and its Attachments make up the entire agreement between the Landlord and the Tenant 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 Tenant will continue to be bound by them.

27. Attachments to the Agreement:

The Tenant certifies that he/she has received a copy of this Agreement and the following Attachments to this Agreement and understands that these Attachments are part of this Agreement.

- a. Attachment No. 1 - Form HUD-50059, Certification and Recertification of Tenant Eligibility.
- b. Attachment No. 2 - Unit Inspection Report.
- c. Attachment No. 3 - Occupancy Policy and Procedures
- d. Attachment No. 4 - Pet Policy (if applicable)
- e. Attachment No 5 - Welcome to Your New Home Booklet
- f. Attachment No 6 - Lead Base Paint Addendum

28. Tenants' rights to organize:

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

29. Tenant Income Verification:

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

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

Signatures:

TENANT
BY:

| | | |
|-----|-------------|----------------|
| 1. | _____ | _____ |
| | _____ | _____ |
| | Date Signed | ____/____/____ |
| 2. | _____ | _____ |
| | _____ | _____ |
| | Date Signed | ____/____/____ |
| 3. | _____ | _____ |
| | _____ | _____ |
| | Date Signed | ____/____/____ |
| 4. | _____ | _____ |
| | _____ | _____ |
| | Date Signed | ____/____/____ |
| 5. | _____ | _____ |
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| | Date Signed | ____/____/____ |
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OCCUPANCY POLICY AND PROCEDURES

SECTION I - DEFINITIONS

ADULT - A household member who has reached the age of legal majority in the State and is therefore capable of entering into legally binding contracts, or a head, spouse, co-head or co-resident under the age of eighteen (18) who has executed the appropriate emancipated adult form.

For purpose of determining family income, employment income of head, spouse, co-head or co-tenant, over the age of eighteen (18) shall be included.

APPLICANT - A person of statutory legal age that is the head of a household, whose family conforms to all the requirements for admission and who had completed an application and any other required forms at the Management Company rental office.

ASSETS - The value in equity in real property, savings, stocks, bonds, checking and other forms of capital investments (the value of necessary minimal items of personal property such as furniture and automobile is not to be considered as such).

ASSISTED RESIDENT - A resident who pays less than the market rent.

CO-HABITANTS - Two (2) or more persons who, at the time of application, have been living together.

DISABLED PERSON - A person who is under the disability as defined in Section 223 of the Social Security Act or in Section of the Development Disabilities Service and Faculties Construction Amendments of 1970.

ELDERLY HOUSEHOLD - A household whose head or spouse is elderly (62 or older), handicapped or disabled. The household may be two (2) or more elderly, handicapped or disabled persons who are not related, or one (1) or more such persons living with someone essential to their care or well-being.

ELDERLY PERSON - A person who is at least sixty-two (62) years old.

FAMILY - Two (2) or more persons who will live together in the dwelling unit.

HANDICAPPED PERSON - A person having physical or mental impairment which:

- is expected to be of long-continued and indefinite duration

- substantially impedes his or her ability to live independently, and is of such nature that such ability could be improved by more suitable conditions.

HEAD OF HOUSEHOLD - The family member who is legally responsible and accountable for the family and must be twenty (20) years of age.

LESSEE - Member(s) of the resident family who must sign the lease in order for it to be legal and binding, must be twenty (20) years of age unless parent/child relationship. Any person(s) requesting to be added to a lease or lessee must qualify under our Selection Criteria.

LIVE-IN ATTENDANT - An individual who lives in the unit to care for a person who is elderly, handicapped, disabled or in need of special assistance. A Live-In Attendant is not a party to the lease and therefore would not qualify as a remaining member.

MANAGEMENT - Agents, employees or contractors of Kohner Properties, Inc.

MATERIAL MISREPRESENTATION - Falsification of information relative to verifying composition, income, assets, and other factors relating to eligibility determination and Federal Preference eligibility.

PRIMARY RESIDENCE - (See State specific definition)

RESIDENT - A family that has established their place of residence.

SINGLE PERSON - A person living alone or intending to live alone and who doesn't qualify as elderly, disabled or handicapped family, displaced person or the remaining member or resident family.

VIOLATIONS - Violation to these Occupancy Policies and Procedures, the Lease Agreement, Welcome to Our Community Booklet and other rules and outlined in the HUD 4350.3 can be of two types; Program and Criminal

Examples of program Violations Include:

- Failing to submit requested verifications
- Failing to appear for scheduled appointment or complete recertification
- Failing to pay rent or other charges
- Failing to keep utilities in service
- Failing to report changes in income, assets or household members in a timely manner
- Vacating unit in violation of Lease

Examples of Criminal Violations Include:

- Knowingly omitting income or assets of self or household members
- Knowingly under reporting income/assets of self or household members
- Knowingly transferring income/assets without disclosing it to obtain/retain eligibility for assistance
- Knowingly overstating deductions/allowances/expenses
- Using false identities and/or Social Security Numbers
- Using false documents like birth certifications and marriage licenses
- Falsifying number of household members.

SECTION II - CONDITIONS GOVERNING ELIGIBILITY

The Management Company will consider eligible applicants who, at the time of admission, meet all of the following conditions, those outlined in the HUD Handbook 4350.3 and any applicable Federal Guidelines and who have submitted acceptable applications and other required management forms. The following criteria shall be utilized to determine an applicants eligibility for housing assistance:

1. Who qualifies as a family or single person (see definition)
2. Whose net family income does not exceed the applicable HUD-Determined income limits for admission.
3. Who have disclosed and verified the social security numbers (SSN) for each family member who is at least six (6) years of age and who has been assigned a SSN. Where a SSN has not been issued, certification to that effect must be executed.
4. Who have not committed any fraud in connection with any Federal Housing Assistance Programs.
5. Owners and applicants comply with the unit size standards contained herein.
6. The applicant agrees to pay the rent required by the subsidy program under which the applicant will be admitted.
7. The unit will be the family's only residence.

SECTION III - NOTIFICATION TO APPLICANT

Management will notify the applicant promptly and indicate:

1. If the applicant is approved for admission, the approximate date that the family could be offered a unit (to the extent that the date can be estimated).
2. If the applicant is not approved for admission, the reason for that determination will be provided; and if requested by the applicant, management will arrange an informal hearing within a reasonable period of time after the applicant has been notified.

SECTION IV - SUSPENSION OF APPLICATION TAKING

When the number of regular applications on file is such that there is no reasonable prospect that additional applicants could be housed within the next twelve (12) months, the Management Company shall suspend the routine taking of applicants for admission. This moratorium shall be publicly announced within its jurisdiction.

SECTION V - RENTS

Rents charged by the Management Company shall be computed in accordance with the rules contained in HUD 4350.3

SECTION VI - OCCUPANCY STANDARDS

Dwellings are to be leased in accordance with the standards set forth by the City Occupancy Regulations Codes.

Transfers or reassignments to other dwelling units shall be made without regard to race, color, or national origin as follows:

- a. Transfers shall be made to correct overhousing or underhousing having priority over overhousing, or for medical reasons.
- b. Resident shall not be transferred to a dwelling unit of equal size except for alleviating hardships as determined by Manager.
- c. Resident shall be given at least fourteen (14) days in which to move.
- d. Failure of a resident to accept a transfer within thirty (30) days to a unit of appropriate size will result in termination of their lease.

SECTION VII - OCCUPANCY AND RESIDENCY

- A. Only those persons listed on your lease, and no other persons, will be allowed to occupy or reside at your apartment
- B. No person shall be allowed to stay at your apartment for more than five (5) consecutive days without written approval from the Manager. Anyone staying longer than this period of time will be added to the lease provided they are a qualified applicant.
- C. In order for a person to be removed from the lease, he/she must bring a notarized statement requesting their name be removed from the lease and stating they are no longer occupying or residing at the apartment.
- D. A visitor is in violation of this section if they act inconsistent with this paragraph. Actions include, but not limited to, one of the following:
 - 1. Someone who stays at the apartment and does not have a permanent address of their own.
 - 2. Someone who receives mail at the apartment
 - 3. Someone continually unlocking your door
 - 4. Reports from Government Agency that a person is occupying or residing at your apartment
- E. A person is not in violation of this paragraph if their actions are as follows:
 - 1. Children under the age of eighteen (18) visiting during summer months when school is not in session
 - 2. College students visiting on weekends or no more than two (2) days per week. All college students visiting more than fourteen (14) days per year must be reported to the Manager.
 - 3. Visitors during the daylight hours
 - 4. Visitors who visit everyday to care for Residents. Such visitors must be reported to the Manager

Waterbeds are prohibited without prior written permission from the Landlord.

Portable clothes washers, portable dishwashers are prohibited without written permission from Management.

The resident shall not carry on any business whatsoever of

display signs of any type on the premises.

YOU SHALL OBSERVE ALL RULES AND REGULATIONS WHICH MAY BE
HEREAFTER SET FORTH BY US IN REFERENCE TO THE USE OF THE
PREMISES LEASED HEREIN, IN ADDITION TO THESE RULES AND
REGULATIONS SET FORTH HEREIN.

We reserve the right at our sole option to amend or revoke any of
these Occupancy Policy and Procedures, in whole or in part, or to
adopt new ones, at any time or from time to time, and such
amendments, revocations new rules or regulation shall become
part of this Lease Agreement as of their effective date.

VIOLATION OF THESE OCCUPANCY POLICY AND PROCEDURES OR PART OF
THEM, BY YOU OR SOMEONE BENEATH YOU WILL BE JUST CAUSE FOR US
TO DECLARE A FORFEITURE OF THE LEASE AND PROCEED AS SET FORTH
THE APARTMENT LEASE AS IN ANY CASE OF FORFEITURE.