LIHTC LEASE ADDENDUM

The building in which Tenant resides receives benefits relating to the Low Income Housing Tax Credit Program. The Unit is designated as a **"tax credit"** apartment. As the occupant of a **tax credit** apartment, Federal law does not permit your Landlord to evict you or fail to renew your lease unless the Landlord has a good reason, also known under the law as "good cause." Federal law also prohibits your Landlord from increasing your rent except as permitted by the Low Income Housing Tax Credit sections of the Internal Revenue Code.

A. Landlord may terminate this Lease only for:

(1) Tenant's material noncompliance with the terms of this Lease;

(2) Tenant's material failure to carry out obligations under Michigan's Landlord-Tenant laws;

(3) **drug-related criminal activity** (as defined below) engaged in on or near the Development property (or any of its dwelling units) by Tenant, any member of Tenant's household or a guest, or any drug-related criminal activity engaged in on the Development property (or its dwelling units) by any other person under Tenant's control;

(4) a determination by Landlord that Tenant or a member of Tenant's household is illegally using a controlled substance (as defined in Section 102 of the Controlled Substances Act, 21 USC 802);

(5) a determination by Landlord that a pattern of illegal use of a controlled substance by Tenant or a member of Tenant's household interferes with the health, safety or right to peaceful enjoyment of the Development property (or any of its dwelling units) by other residents;

(6) a determination by Landlord that the abuse or pattern of abuse of alcohol by Tenant or member of Tenants household threatens the health, safety or right to peaceful enjoyment of the Development property (or any of its dwelling units) by other residents;

(7) **criminal activity** by Tenant, any member of Tenant's household, a guest or another person under Tenant's control that threatens the health, safety, or right to peaceful enjoyment of the Development property (or any of its dwelling units) by other residents (including property management staff residing at the Development);

(8) **criminal activity** by Tenant, any member of Tenant's household, a guest or another person under Tenant's control that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the Development;

(9) Tenant's flight 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 Tenant is fleeing;

(10) Tenant’s violation of a condition of probation or parole imposed under federal or state law; or

(11) other good cause. Terminations for "other good cause" may only be effective as of the end of any initial or successive term.

A termination of tenancy for any **criminal activity** by TENANT, a member of TENANT’s household, a guest or another person under TENANT’s control, may be based solely on a determination by LANDLORD that the person has engaged in the criminal activity, regardless of whether the person has been arrested or convicted for such activity and without satisfying a criminal conviction standard of proof of the activity.

The term **drug-related criminal activity** is defined at 24 CFR 5.100 as "the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug;”

B. **Material Noncompliance** shall include but is not limited to:

(1) the nonpayment of rent or other amounts owed by Tenant to Landlord beyond any grace period available under Michigan law;

(2) one or more substantial violations of the Lease;

(3) repeated minor violations of the Lease that:

(a) disrupt the livability of the Development,

(b) adversely affect the health or safety of any person or the right of Tenant or related Development facilities,

(c) interfere with the management of the Development, or

(d) have an adverse financial effect on the Development.

If Tenant pays rent or any other amounts owed under the Lease after the due date but within the grace period permitted under Michigan law, this late payment constitutes a minor violation;

(4) failure of Tenant or any member of Tenant's household to supply in a timely fashion all required information on the income, composition or eligibility factors of Tenant's household (including, but not limited to, failure to meet the disclosure and verification requirements for Social Security Numbers, or failure to sign and submit consent forms for the obtaining of wage Tenant’s household knowingly providing incomplete or inaccurate information;

(5) permitting persons other than those listed in on the lease, including spouses or children who are not legal dependants of Tenant, to live in the dwelling unit, or allowing other family members or visitors to stay in the dwelling unit for more than ____ days/weeks in any calendar year without the written consent of Landlord;

(6) use of the unit for any purpose other than a private dwelling;

(7) serious or repeated damage to the dwelling unit or common areas of the Development;

(8) the creation of hazardous conditions;

(9) serious or repeated interference with the rights and quiet enjoyment of other tenants.

C. **Termination Procedures.** In order to terminate this Lease, Landlord must deliver a termination notice to Tenant that contains the following:

(1) a specific date for the termination of this Lease;

(2) the grounds for the termination stated with enough detail for Tenant to prepare a defense;

(3) a statement advising Tenant that he/she shall have ten (10) days in which, if he/she so desires, to discuss the proposed termination of this Lease with Landlord in advance of the date set for the termination of this Lease. If Tenant requests a meeting in order to discuss the proposed termination, Landlord agrees to meet with Tenant for that purpose; and

(4) a statement advising Tenant that he/she has the right to present a defense in court against Landlord's action to terminate this Lease. In the event that Landlord ultimately pursues a legal action to terminate the Lease, Landlord agrees to rely only on those grounds listed in the notice of termination sent to Tenant.

When Tenant's tenancy is terminated for other good cause, the notice of termination must also state that the termination is effective at the end of the current lease term, but in no case earlier than thirty (30) days after receipt by Tenant of the notice. Where Tenant's tenancy is terminated for material noncompliance with the Lease or material failure to carry out obligations under Michigan's Landlord-Tenant laws, the notice of termination must be in accordance with Michigan law.

THIS LIHTC LEASE ADDENDUM is effective immediately.

_____ Date:_____
Tenant

_____ Date:_____
Tenant

_____ Date:_____
Owner Representative/Manager