LEASE RIDER B
For Public Housing Assisted Units

Tenant: ________________________________

Lease Dates: __________________ to _____________

Apartment: ___________________________

Building Address: _______________________

The rental community in which the Unit is located (the “Premises”) has received certain assistance from the Chicago Housing Authority (“CHA”) and the Unit is deemed a “PHA-Assisted Unit” under the Regulatory and Operating Agreement governing the community. As a result, the Lease is amended by the following provisions, which supersede any contrary provisions of the main text of the Lease.

1) LEASE TERM AND RENEWALS:
   The Lease Agreement shall be automatically renewed for successive terms of one year, unless:
   a) Tenant has given Landlord 30-day written notice that Tenant does not wish to renew the Lease and vacates the Unit before the end of the term;
   b) Tenant or another household member has failed to comply with community service or economic self-sufficiency program requirements set forth in Section 13 of this Rider;
   c) Tenant or another household member has seriously or repeatedly violated any material term of this Lease Agreement and Landlord has terminated the Lease Agreement in accordance with its terms; or
   d) If there is a shortfall in revenues to the Landlord from the operation of the public housing units at the Premises, in which case the Minimum Rents paid by the Tenant may be increased at the annual renewal of Tenant’s lease. If so, the Landlord will notify Tenant of Tenant’s option to remain in the Unit and pay an increased Minimum Rent at annual lease renewal, subject to All Applicable Public Housing regulations. If there is a shortfall in revenues from the operation of the public housing units at the Premises, Landlord also reserves the option not to renew Tenant’s lease and instead lease the Unit to another Public Housing eligible tenant with higher income or who can pay higher rents. As further described in Section 12 of this Rider, if the actions above described are inadequate to correct the shortfall, further adjustments with HUD approval may be made to increase rents, up to fair market rent levels. After receiving HUD approval, Landlord shall notify you in writing of any additional changes to rent or income requirements.

2) CHARGES IN ADDITION TO RENT:
   a) In addition to rent, Tenant is responsible for the payment of other charges specified in the Lease Agreement. The notice of charge shall advise the Tenant that he/she has the right to an explanation of the charge and that disputes concerning charges may be resolved through the administrative Grievance Procedures.
b) Charges in addition to rent are due on the first day of the following month provided that a minimum of 15 days notice has been given. Tenant may have the opportunity to enter into a reasonable payment arrangement based upon the Tenant's adjusted income. Other charges can include but are not limited to:

Tenant-Paid Utilities – The utility allowance is specified in the Lease Agreement. If the Tenant's actual utility bill is less than the Utility Allowance, the Tenant shall receive the benefit of such savings.

Excess Utility Charges – The CHA has an established allowance (usage) schedule for the units in which CHA pays the utilities. If the Resident's usage exceeds the allowance, the Resident will be responsible for, and charged, for the excess usage. (For example, Residents who own and operate large appliances such as air conditioners or chest freezers may exceed the CHA utility allowance for their unit and are responsible for any additional utility cost.)

Maintenance costs. Tenant will be charged for services or repairs due to intentional or negligent damage to the unit, common areas, or grounds beyond normal wear and tear, caused by the Resident, household members or guests.

Installation charges. Tenant shall be charged for the installation of Resident's supplied air conditioners or other appliance or equipment that require special writing or structural changes in the unit, common areas, community facilities or grounds.

3) ADVERSE ACTIONS AND GRIEVANCE PROCEDURE:

a) Landlord will notify the Tenant of the specific grounds for any proposed adverse action by the Landlord.

b) All disputes concerning the obligations of the Tenant or the Landlord under this Lease Agreement other than those involving criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other tenants of the Landlord’s employees, of those involving drug-related criminal activities on or off the premises, or any activity resulting in a felony conviction, shall be processed and resolved pursuant to the Grievance Procedure of the Landlord which is in effect at the time such grievance or appeal arises, and which procedure is posted in the Management Office and incorporated herein by reference.

c) Before beginning the Grievance Procedure for any grievance involving the amount of rent due, the Tenant must pay the amount of rent due to an escrow account. The Tenant must continue to pay the amount of monthly rent due to the escrow account until the Tenant's complaint is resolved. Unless the Landlord waives the escrow requirement because of the Tenant's financial hardship, the Tenant's failure to make payment to the escrow account will terminate the Grievance Procedure.

4) REPAIRS:

a) In the event repairs are not made in accordance with the Resident Handbook or alternate accommodations are not provided in accordance with the Resident Handbook, rent shall be abated in proportion to the seriousness of the damage and loss suffered by the Tenant, provided, however, that no abatement of rent shall occur if the Tenant rejects the alternative accommodations or if the damage was caused by the Tenant or the Tenant's household or guests.

b) In the event the Tenant claims a rent adjustment under the provisions of this section, he/she shall pay the entire amount of rent due for the period for which a rent adjustment is claimed to the Landlord to be held in escrow pending a decision in accordance with the Grievance Procedure.

5) OCCUPANCY:
Tenant shall have the right to exclusive use and occupancy of the leased premises. “Guest” means any person not listed on the Lease Agreement who temporarily visits the unit or premises with the consent of a household member. Overnight guests may stay in Tenant’s apartment in reasonable numbers. A specific Guest may stay with Tenant for no longer than three (3) successive overnights. Guests may not stay with Tenant for a second three (3) night period by moving out for a couple of days and then moving back. Nor can a Tenant have a succession of different Guests staying overnight on a frequent or continuous basis. If any Guest visit will extend beyond three days, the Tenant must notify the Landlord in writing, stating the reason for the extended visit, which must first be authorized in writing by the Landlord.

6) TRANSFERS:
If the Landlord determines in accordance with Public Housing Requirements that the size of the dwelling Unit is no longer appropriate to the Tenant’s needs, and a unit of the appropriate size is available, the Tenant shall be offered said unit and shall move within 30 days unless otherwise authorized by the Landlord. If the Tenant fails to accept the proffered unit, the Landlord may terminate the Lease Agreement. The Tenant shall not be required to move in cases of verified hardship due to employment or health reasons.

7) RECERTIFICATION OF ELIGIBILITY, RENT AND DWELLING:
At least once each year, and at other times as described below, Landlord will determine whether Tenant’s rental rate should be changed, whether the dwelling unit size is still appropriate for the size and/or composition of the Tenant’s household, and whether the Tenant is eligible for continued occupancy, all in accordance with policies which are consistent with the Public Requirements and which are available at the Management Office.

a) Regularly Scheduled Recertifications. Each year, approximately 90 days before the anniversary date of this Lease Agreement, 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 the Public Housing Requirements for the purpose of determining the Tenant’s rent and eligibility. 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 through third-party written verification and use the verified information to recomputed the amount of the Tenant’s rent.

Tenant agrees to comply with reasonable requests by the Landlord for verification by signing releases for third-party sources, presenting documents for review, or providing other suitable forms of verification.

Tenant also agrees to accurately and completely fill out all of the required forms and reporting information in the format provided by the Landlord, and which are referenced in and may be attached to this Lease (as may be modified, revised or amended from time to time by Landlord in accordance with federal regulations and statutes or procedures regulations of the CHA), for purposes of the information requested by Landlord which Tenant is obligated to provide to Landlord under this Lease, whether at the annual determinations, re-certifications, or interim re-certifications.

b) Reporting Changes Between Regularly Scheduled Recertifications:
(1) If any of the following changes occur, the Tenant agrees to advise the Landlord within ten days of its occurrence:
   (a) Any household member moves in or moves out of the Unit.
   (b) Any adult member of the household who was reported as unemployed on the most recent certification or recertification obtains employment.
   (c) The household’s income increases.
(2) The Tenant may at any time report any decrease in income of any changes in other factors considered in calculating the Tenant’s rent.

c) Failure by a Tenant to truthfully supply the recertification information as and when required by this Lease Agreement or as requested by Landlord, to report any increases in household income during a scheduled rent and income review or to appear for a scheduled rent and income review will be considered a material violation of the Lease Agreement, may lead to eviction, and will result in any rent increase being effective retroactive to the time the increase would have been made without the provisions of the 30-day notice as otherwise required. 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.

d) 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 was computed.

e) In the event of any rent adjustment pursuant to the above, the Landlord will mail or deliver a “Notice of Rent” to the Tenant. In case of a rent decrease, the adjustment will become effective the first of the month following the change in circumstances, provided that the Tenant has timely reported such change. In the case of a rent increase, the adjustment will become effective the first of the next month at least 30 days after delivery of notice to Tenant concerning the change (unless the rent increase is the result of a change in household composition or income which is not reported within 10 days or results from finding of a misrepresentation as provided above). For the purpose of complying with the federal and state housing programs discussed above, the Landlord may release to the City of Chicago, Illinois Housing Development Authority, the CHA, or the United States Department of Housing and Urban Development (“HUD”) the information provided to the Landlord regarding Tenant's household income and assets, leasing dates, social security number(s), birth date(s), student status and other matters as may be required. Tenant hereby consents to that release.

8) Annual Rent Choice. As a tenant of property that is subject to the terms and provisions of certain agreements entered into between the CHA and the Landlord, the Landlord must provide you once a year the opportunity to choose between two methods for determining the amount of rent for the unit. The two rent choices are “Flat Rent” and “Income-Based Rent”. Prior to making any rent choice, the Landlord will provide you with, in writing, the amount of Tenant Rent you would pay on an annual basis under each rent choice as well as the policies applicable to switching the type of rent chosen in circumstances of financial hardship.

a) Flat Rent. Instead of an income-based rent, Tenant may choose for each year to pay a “Flat Rent” which is equal to the maximum rent for Tenant’s unit under the Low Income Housing Tax Credit Program. On Tenant’s request, Landlord will provide sufficient information for an informed choice by Tenant. Tenant may switch from a flat rent to an income-based rent during a lease year in the event of financial hardship, as determined in accordance with written policies of the PHA.

b) Income-Based Rent. The Income-Based Rent will equal the rent charged based upon the tenant’s income (or some other reasonable system used to determine income-based rents) in accordance with the CHA’s policies for determining such rent. The Income-Based Rent shall not exceed the total tenant payment for the family minus any applicable allowance for tenant-paid utilities. The total tenant payment is the highest of the following amounts, rounded up to the nearest dollar: (i) 30 percent of the family’s monthly adjusted income; (ii) 10 percent of the family’s monthly income; (iii) the minimum rent that must be charged for the unit (an amount that will not exceed $25.00 or $50.00 depending on the
type of unit and other housing assistance received); or (iv) the portion of any welfare assistance payments received by the tenant that has been designated for the tenant’s housing costs.

Any increase or decrease in the Income-Based Rent will occur on the first day of the month following the first thirty (30) days of the increase or decrease in income; provided no other qualified credits or disallowance of income are required under the federal regulations. Any corresponding increase or decrease in Tenant Rent will likewise occur on the first day of the month following the first thirty (30) days as of the increase or decrease in income.

A tenant may switch from a Flat Rent to an Income-Based Rent if the tenant is unable to pay the Flat Rent due to demonstrated financial hardship. A financial hardship includes, but is not limited to, a decrease in tenant income due to changed circumstances (for example, loss or reduction of employment, death in the family, or reduction in or loss of earnings or other assistance), and/or an increase in expenses due to changed circumstances (for example, medical costs, child care, transportation, education or similar circumstances).

9) ACCOMMODATION OF PERSONS WITH DISABILITIES:
A person with disabilities shall for all purposes under the Lease Agreement be provided reasonable accommodation to the extent necessary to provide the person with an opportunity to use and occupy the unit in a manner equal to that of a person without disabilities. This paragraph shall constitute notice, as required by 24 CFR sec. 966.7(b), that the Tenant may at any time during the term hereof or any renewal request reasonable accommodation of a disability of a household member, including reasonable accommodation so that the Tenant can meet lease requirements or other requirements of tenancy.

10) LEASE TERMINATION:
a) The Landlord shall give written notice of termination of this Lease Agreement of, at a minimum:
   (1) 14 calendar days in the case of failure to pay rent.
   (2) A reasonable time commensurate with the exigencies of the situation (but not to exceed 30 calendar days) in the case of creation or maintenance of a threat to the health or safety of other tenants, the Landlord’s employees, or persons residing in the immediate vicinity of the premises, or in case of any drug-related or violent criminal activity or any felony conviction.
   (3) 30 calendar days in all other cases, or such shorter period of time as may be provided by any State or local law.

b) The notice of Lease Agreement termination to the Tenant shall state specific grounds for termination, and shall inform the Tenant of the Tenant’s right to make such reply as the Tenant may wish or to discuss the proposed termination with the Landlord. The notice shall also inform the Tenant of the right to examine Landlord’s documents directly relevant to the termination or eviction. When the Landlord is required to afford the Tenant the opportunity for a grievance hearing, the notice shall also inform the Tenant of the Tenant’s right to request a hearing in accordance with the Landlord’s grievance procedure.

c) A notice to vacate, which is required by State or local law, may be combined with or run concurrently with a notice of Lease Agreement termination.

d) When the Landlord is required to afford the Tenant the opportunity for hearing under the Landlord’s grievance procedure for a grievance concerning the Lease Agreement...
termination, the tenancy shall not terminate (even if any notice to vacate under State or local law has expired) until the time for the Tenant to request a grievance hearing has expired, and (if a hearing was timely requested by the Tenant) the grievance process has been completed.

e) When the Landlord is not required to afford the tenant the opportunity for a hearing under the administrative grievance procedure for a grievance concerning the Lease Agreement termination, and the Landlord has decided to exclude such grievance from the grievance procedure, the notice of Lease Agreement termination shall:

(1) State that the Tenant is not entitled to a grievance hearing on the termination.
(2) Specify the judicial eviction procedure to be used by the Landlord for eviction procedure, and state that HUD has determined that this procedure provides the opportunity for a hearing in court that contains the basic elements of due process as defined in HUD regulations.
(3) State whether the eviction is for a criminal activity or for drug-related criminal activity as described in HUD regulations.
(4) In deciding to evict for criminal activity, the Landlord shall have discretion to consider all of the circumstances of the case, including the seriousness of the offense, the extent of participation by family members, and the effects that the eviction would have on family members not involved in the proscribed activity. In appropriate cases, the Landlord may impose a condition that family members who engaged in the proscribed activity will not reside in the Unit.

f) The Landlord shall provide the Tenant a reasonable opportunity to examine, at the Tenant’s request, before a grievance panel or court trial concerning a termination of tenancy or eviction, any documents, records and regulations which are in the possession of Landlord, and which are directly relevant to the termination of tenancy or eviction. The Tenant shall be allowed to copy any such documents, records and regulations at the Tenant’s expense. A notice of Lease Agreement termination shall inform the Tenant of the Tenant’s right to examine Landlord’s documents, records and regulations concerning such termination of tenancy or eviction.

11) CHILD CARE:
Children living in the Development must be adequately supervised. Applicants, at original occupancy and lease renewal, with children under thirteen (13) years of age must provide written verification to Management that adequate day care or supervision will be provided at all times, if there is no full-time adult supervision in the home, and written verification of school enrollment for children over six (6) years of age. Children must be properly supervised at all times or the lease may be terminated at Management’s sole discretion.

12) CRIMINAL CONDUCT:

a) The Landlord endorses and enforces the “One Strike and You’re Out” policy, which provides for zero tolerance of illegal drug use and criminal activity by residents, their households, and their guests. It is an express condition of this Lease Agreement that the Tenant, household members, and invited guests will refrain from criminal activity as defined below, including illegal drug use. Failure to meet this obligation is a violation of this Lease Agreement and cause for immediate eviction where permitted by state law, even if it is a first offense and even if some household members were unaware of the activity.

b) The following activities are covered by this section:

(1) Criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other tenants, employees of the Landlord, or persons residing in the
immediate vicinity of the premises, or any drug-related criminal activity on or off such premises, engaged in by a Tenant, any member of the Tenant’s household, or any guest or other person under the Tenant’s control, or any felony conviction. Drug-related criminal activity means the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute, or use of, a controlled substance.

(2) Any occupancy in violation of section 576(b) of the Quality Housing and Work Responsibility Act of 1998 (relating to the ineligibility for admission of illegal drug users and alcohol abusers), or the furnishing of any false or misleading information pursuant to section 577 of such Act;

(3) Any illegal use of a controlled substance by a Tenant or household member;

(4) Any illegal use (or pattern of illegal use) of a controlled substance, or any abuse (or pattern of abuse) or alcohol, by a Tenant or household member, where such use of abuse interferes with the health, safety or right to peaceful enjoyment of the premises by other tenants;

(5) If a Tenant or household member is fleeing to avoid prosecution, or custody or confinement after eviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under laws of the place from which the individual flees;

(6) If a Tenant or household member is violating a condition of probation or parole imposed under Federal or State law;

(7) If a Tenant or household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing; or

(8) If a Tenant, household member, or visitor is engaging in any criminal conduct specified by federal statute as being grounds for eviction.

c) It is the ordinary policy of the Agent, consistent with the policy of HUD, but subject always to any restrictions on this policy imposed by state law, to evict any Tenant and his/her household for any violation covered by this section, regardless of whether every household member took part in or was aware of the activity and regardless of any other circumstance which might be deemed extenuating. The protection of the entire community is of paramount importance. Notwithstanding, if in the exercise of extraordinary discretion the Landlord shall agree to some lesser remedy such as partial eviction (less than all household members), there shall be no waiver of the term and conditions of this Lease Agreement or of the Landlord’s right to enforce such terms on a different occasion.

13) PRESERVATION OR TRANSFORMATION OF PUBLIC HOUSING:

a) The Landlord’s operation of all PHA-Assisted Units, including the Unit, is supported in part by operating subsidies, which the PHA is contractually obligated to pay to the Landlord. The PHA in turn receives from HUD operating assistance, which it uses to pay such operating subsidies. Rent paid by Tenant under the Lease Agreement may be less than the cost of operation of the Unit. If, as a result of a reduction in Congressional appropriations or any other change in applicable law, the PHA is unable to meet its contractual obligation to pay Landlord operating subsidies with respect to all PHA-Assisted Units, the Landlord is legally permitted under Section 35 of the United States Housing Act of 1937 (the Act) to deviate, under certain conditions, from the otherwise applicable restrictions under the Act regarding rents, income eligibility, and other areas of public housing management.

b) Notwithstanding any other provisions of the Lease Agreement, under such circumstances, subject to the limitations described in Section 35 of the Act or any successor provision and in accordance with any implementing HUD regulations, including without restriction any consultation of notice provision contained therein, the Landlord may take reasonable steps to put the project on a sound financial footing, including
increasing the rent up to market levels, upon such notice to the Tenant as is required under state law. Instead of, or in combination with, such actions by Landlord, the PHA may provide a replacement public housing unit or Section 8 certificate or voucher to Tenant. The Tenant agrees that he/she will accept and relocate to such replacement unit, or pay such additional rent (not to exceed market rent), or otherwise take such actions as the Landlord requires of him/her in compliance with Section 35 of the Act or any successor, upon due notice.

c) In the event the Landlord and the PHA enter into a Preservation and Transformation Plan concerning the order and nature of actions the Landlord may take under Section 35 of the Act, the Landlord will comply with such plan in exercising its rights under this section.

14) COMMUNITY SERVICE REQUIREMENT:
   a) Each adult Tenant shall comply with the Community Service Requirements set forth in Section 12(c) of the Housing Act of 1937, as it may be amended and as it may be implemented in regulations. Generally, these requirements require all adult residents who are not employed, elderly, or disabled, or otherwise exempted to contribute 8 hours per month of community service, or participate in an economic self-sufficiency program for 8 hours per month.

   b) Landlord will advise Tenant as to the Community Service Requirements.

   c) Thirty days before the expiration of the term of this Lease Agreement and each renewal thereof, Landlord will review and determine the Tenant’s compliance with the Community Services Requirements. If the Landlord determines the Tenant has not complied with such requirements, the Landlord will notify the Tenant of the noncompliance; that the finding of noncompliance is subject to administrative grievance procedures; and that unless the Tenant enters into an agreement curing such noncompliance in accordance with Public Housing Requirements, this Lease Agreement will not be renewed and the Tenant will be evicted.

14) LEASE MODIFICATION
Any modification of this Lease must be accomplished by a written rider to the Lease executed by the Landlord and Tenant. Any substantive changes to the Lease Form must be approved in writing by the CHA.

Signed:

Tenant:       Landlord:

________________________________________       Signature

________________________________________

Date       Date