KEY LEASE ADDENDUM

TENANT: _____ LANDLORD: _____ UNIT NO. ____

This lease addendum adds the following paragraphs 1 through 6 to the lease between the Tenant and Landlord for the above-referenced unit ("Lease").

A. The Lease is being amended to include the provisions of this addendum because the North Carolina Housing Finance Agency ("Agency") will provide the security deposit and make monthly payments to the Landlord on behalf of the Tenant under the Key Program.

B. The Lease has been signed by the parties on the condition that the Agency and Landlord either has or will promptly execute an Owner Agreement to Participate contract ("Contract"). This Addendum shall not become effective unless the Contract has been executed by both the Landlord and the Agency and is in effect as of the first day of the term of the Lease.

C. In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.

1. The security deposit and initial rent to Landlord may not exceed the amount maximum allowed under the relevant Agency program limitations.

2. The Tenant is responsible for paying the Landlord an amount based upon a percentage of the household's gross monthly income, as calculated according to standard Housing Credit rules without consideration of utilities. The percentage of varies by unit size.

Unit Size	Percentage of Household Income Paid for Rent	* When the project does not have one-bedroom units, single persons can rent two-bedroom units calculated at the 25% of income rate. If the project has one bedroom units but they are all full, the single tenant qualified for a targeted unit should be put on the waitlist for the next available one bedroom.
One Bedroom	25%	
Two Bedroom	20%*	
Three Bedroom	15%	
Four Bedroom	10%	

As of the effective date of this addendum (below), total rent is $____. Resident shall pay $____ monthly and $____ of subsidy will be paid on behalf of the resident.

3. Each month, the Agency will make a Key payment to the Landlord on behalf of the Tenant in accordance with the Contract. Such amount is expected to be the difference between the rent and Tenant share as calculated in Section 2 above.

4. The monthly Key payment shall be credited against the monthly rent to Landlord for the contract unit.

5. With the exception of circumstances described in Section 6 below, the Tenant is not responsible for paying the portion of rent to Landlord covered by the Key payment under the Contract. A failure by the Agency to make the Key payment to the Landlord is not a violation of the Lease. Under Section 10 of the Contract, the Landlord may not terminate the tenancy for nonpayment of the Key payment.

6. The Agency may terminate Key payments due to the fault of the Tenant, for reasons including but not limited to fraud. In that event the Tenant will be responsible for the entire amount of rent.

Agreed and Accepted:

_____	_____	_____
TENANT	LANDLORD	DATE