

**GRAND FORKS AFB HOUSING LEASE AGREEMENT
(Military Resident)**

This LEASE AGREEMENT (this “Lease”), is made this _____ day of _____, 20____, between **Northern Group Housing LLC**, a Delaware limited liability company (“Landlord”), and _____ (“Resident”).

1. TERM OF OCCUPANCY: Landlord grants occupancy to Resident and only those persons authorized by this Lease in Section 8 below, for an initial term of one (1) year, at the premises located on Grand Forks Air Force Base, North Dakota (the “Installation”) known as _____ (the “Premises”), for use as a residential dwelling only, except as otherwise permitted in accordance with Section 15 below. The Premises has been designated as authorized housing for a certain military pay grade or grades (the “Housing Category”). Occupancy of the Premises by Resident shall begin on _____ and end on _____ (the “Initial Term”). After expiration of the Initial Term, this Lease will automatically continue on a month-to-month tenancy until terminated by either party upon giving thirty (30) days written notice. Notwithstanding the foregoing, Resident may terminate this Lease at any time in accordance with Sections 2, 3, 10, 22, 25 or 32 below and Landlord may terminate this Lease at any time in accordance with Sections 4, 12, 13, 14, 25, 26 or 28 below.

2. EARLY TERMINATION BY RESIDENT FOR MILITARY REASONS: Resident may terminate this Lease at any time without the payment of (a) any penalty or liquidated damages except for the payment of any damages to the Premises beyond normal wear and tear for which Resident is otherwise responsible in accordance with the terms of this Lease or (b) any prorated monthly rent that would otherwise be collected, if Resident:

- (i) retires from active duty;
- (ii) is released from active duty;
- (iii) is transferred via permanent change-of-station (PCS) beyond a twenty-five (25) mile radius of the Installation;
- (iv) receives orders for deployment for more than ninety (90) days;
- (v) receives orders for TDY for more than one hundred eighty (180) days; or
- (vi) is ordered to occupy public quarters.

If Resident seeks early termination of this Lease based on any of the reasons stated in (i) through (vi) above, then Resident shall deliver to Landlord a copy of Resident’s official orders not less than thirty (30) days prior to such termination date unless such notification cannot be made at no fault of Resident (i.e., short notice of assignment).

3. EARLY TERMINATION BY RESIDENT FOR OTHER CAUSES: Resident may terminate this Lease at any time for reasons not stated in Section 2 by providing thirty (30) days written notice to Landlord and shall be responsible for all payments required under this Lease through such thirty (30) day period. For any early termination during the Initial Term for reasons not described in Section 2 of this Lease, Resident shall pay to Landlord an amount equal to thirty (30) days’ rent as liquidated damages for the early termination of this Lease, it being agreed that such amount represents a reasonable estimate of the losses, costs and expenses that

Landlord will suffer in such circumstances. Such liquidated damages shall be paid in addition to any prorated monthly rent or other money owed by Resident as a result of physical damage to the Premises for which Resident is responsible. If Resident has leased the Premises for more than the Initial Term and Resident provides at least thirty (30) days prior written notice to Landlord, then Resident shall not be required to pay any liquidated damages for termination.

4. EARLY TERMINATION BY LANDLORD: If Resident becomes ineligible to reside in housing on the Installation because of a change in Resident's marital or dependent status or Resident's discharge from active duty military service, or for any other reason as such eligibility is determined by the government's Housing Management Office ("HMO"), this Lease may be terminated by Landlord upon thirty (30) days prior written notice to Resident. Resident agrees and acknowledges that Resident's right to occupy the Premises is expressly conditioned upon his or her continued active duty military service and assignment or attachment for duty at the Installation. Resident is required to provide written notification to Landlord within thirty (30) days of any change in marital or dependent status that affects Resident's eligibility to reside in housing on the Installation.

5. RENT:

(a) **Monthly Rent:** The monthly rental rate shall equal the Basic Allowance for Housing ("BAH") at the "with dependents" rate for the senior military member residing at the Premises less a Utility Allowance (as defined in Section 18 below), if applicable; *provided, however,* that the Resident's military pay grade is within the Housing Category for the Premises. The monthly rental rate will be increased/decreased, as applicable, when increases/decreases occur to the applicable BAH rate. If the Landlord elects to provide Resident a Premises in a Housing Category higher than Resident's military pay grade, then the monthly rent will be based on the BAH "with dependents" rate for Resident's military pay grade. If Resident elects to reside in a Premises that is in a Housing Category higher than Resident's military pay grade (a "Rent Up") or if the Landlord elects to provide or the Resident elects to reside in a Premises that is in a Housing Category lower than Resident's military pay grade (in either case, a "Rent Down"), then the parties shall execute an addendum (a "Rent Up" or "Rent Down" Addendum as set forth in Exhibit H or I, as applicable) which will state the basis and amount of the monthly rent and acknowledge the financial difference of residing in a unit that is in a Housing Category either higher or lower than applicable for Resident's military pay grade.

(b) **Special Command, Command or Key and Essential Positions:** If Resident is assigned to a Special Command, Command or Key and Essential position (as such positions are determined from time to time by the Installation Commander), and is required by the Installation Commander to live on the Installation, and is either single or unaccompanied, then the monthly rental rate hereunder shall equal Resident's BAH at the "without dependents" rate, less a Utility Allowance, if applicable.

(c) **Unaccompanied Residents:** Other than in subsection 5(b) above, the monthly rental rate for an unaccompanied active-duty Resident shall equal the BAH at the "with dependents" rate for the lowest military pay grade in the Housing Category designated for the Premises, less a Utility Allowance, if applicable.

(d) **Payment of Rent:**

(i) Payment will be made through a military pay allotment from the senior service member Resident's military pay account to Landlord through a

third-party BAH processor. Payment is due on the first day of the month for the previous month's rent (payment in arrears).

- (ii) By signing this Lease, Resident, or a Resident-appointed representative with a Special or General Power of Attorney, authorizes the third-party BAH processor designated by Landlord to initiate and maintain an allotment equal to the Resident's BAH, effective the first day of the month following the commencement date of the Initial Term. Resident also authorizes the third-party BAH processor to stop the BAH allotment at the time this Lease is terminated.
- (iii) Resident's payment for the prorated portion of the first month's rent for the number of days the Premises is occupied shall be made on or before the effective date of this Lease. This payment and any other rent payment not made by allotment will be made by personal check, cashier's check, money order or credit/debit card directly to Landlord.
- (iv) If Resident vacates the Premises on a day other than the last day of a monthly rental period, the daily rental rate due for any resulting partial rental period shall be calculated by dividing the monthly rental rate by thirty (30). Landlord shall refund any monies due to Resident within ten (10) business days of Landlord's receipt of the BAH allotment applicable to the month of termination.

(e) **Foreign Military Residents:** The monthly rental rate for foreign military personnel shall be equal to the BAH "with dependents" rate of the U.S. military pay grade most equivalent to the foreign military member's rank or pay grade at the time that the foreign military member accepts the Premises, and shall not change for any reason except in accordance with the applicable nation-to-nation support agreement. The method of payment for monthly rent by foreign military members will be on a case-by-case basis in accordance with the applicable nation-to-nation support agreement and may be done by allotment, direct deposit or direct payment to Landlord.

6. LATE PAYMENT AND RETURNED PAYMENTS: Payments for rent not received by Landlord on or before the due date are late and constitute a default under this Lease.

- (a) If any installment of rent is not received by Landlord within five (5) days from the due date, Resident agrees, to the extent permitted by applicable law, to pay an administrative fee of \$25.00, except that Resident will not be required to pay the administrative fee if delayed receipt of the allotment is due to no fault of the Resident.
- (b) Resident also agrees, to the extent permitted by applicable law, to pay Landlord an additional charge of \$25.00 for any returned item.
- (c) The Landlord has the right to require that all payments that are not paid by allotment be made by money order, cashier's check, debit card, credit card or certified check payable directly to Landlord.

7. SECURITY AND PET DEPOSIT: No security deposits other than pet deposits shall be required of Resident. If applicable, the pet deposit shall be in the amount required by the Pet Addendum, attached hereto as Exhibit "D", but under no circumstances shall the pet deposit exceed the statutory limits set by NDCC §47-16-7.1. Pursuant to NDCC §47-16-7.1, all pet deposits shall be deposited in a federally insured interest-bearing savings or checking account for the benefit of the Resident. Further information regarding pet deposits is available in the Pet Addendum attached as Exhibit "D" and made a part hereto.

8. NUMBER OF OCCUPANTS: Resident agrees that the Premises shall be occupied only by Resident, Resident's immediate family, and other additional occupants, provided such additional occupants have been approved to reside in the Premises by the HMO and Landlord. The approved occupants of the Premises other than Resident are:

Name (Last, First, M.I.)

9. USE, VISITORS: Resident acknowledges that the Premises is a single-family dwelling and will be used for residential use with occupancy by one family only. Occupancy by more than one family is prohibited. Immediate relatives of Resident or Resident's spouse are considered occupants of the household and are not social visitors, regardless of the period of stay. All other visitors are social visitors and the duration of their stay is limited as follows: (i) two (2) days for visitors residing within the commuting area of the Installation, and (ii) thirty (30) days for visitors residing outside the commuting area of the Installation. The "commuting area" is defined as within twenty (20) miles or sixty (60) minutes of the Installation, whichever is greater. Resident shall be in default under this Lease, if any of Resident's visitors stay in the Premises in violation of this Section 9.

10. MOVE-IN/INSPECTION AT COMMENCEMENT OF OCCUPANCY: Resident and Landlord acknowledge that, prior to signing this Lease, they conducted a joint examination of the Premises and Landlord has provided Resident with a report describing the condition of the Premises, which has been agreed to and signed by Landlord and Resident. Resident hereby acknowledges that the Premises were rented to Resident in good order and repair and that the Premises were in safe, clean and habitable condition, except as noted by Resident on the property condition report. Landlord acknowledges the responsibility to provide Resident with premises that are in a habitable condition. If, after moving in, Resident discovers any latent defects, then Resident shall provide written notice of such defects to Landlord within seven (7) days after

move-in. If Landlord does not cure such latent defects within fifteen (15) days of receipt of written notice, then, pursuant to NDCC §47-16-13, Resident may: (i) repair the premises and deduct the expense of such repair from the rent; (ii) recover it in any other lawful manner from the landlord; or (iii) vacate the premises, in which case the tenant shall be discharged from further payment of rent or performance of other conditions. Resident further acknowledges responsibility for reasonably maintaining the cleanliness of the Premises and that damage to the Premises that exceeds normal wear and tear is subject to repair by Landlord at Resident's expense. The Resident Guide (as defined in Section 46 of this Lease) contains additional information on move-in procedures.

11. ACCEPTANCE OF THE PREMISES:

- (a) EXCEPT AS EXPRESSLY PROVIDED IN SECTION 10 AND ANY OTHER SECTION OF THIS LEASE, RESIDENT ACCEPTS THE PREMISES IN ACCORDANCE WITH APPLICABLE LAW IN ITS PRESENT CONDITION, AS IS, WHERE IS AND WITH ALL FAULTS.
- (b) Resident has previously inspected existing locks and accepts existing locks as safe and acceptable. Resident shall provide written notice to Landlord if Resident requests a lock or key change; Resident shall pay for the total actual cost of Landlord's compliance with Resident's request to install, change or re-key a lock or security device. Upon Resident's written request, Landlord shall install, repair, replace or re-key a security device installed by Landlord that is inoperable or in need of repair or replacement. Except in the case of an emergency repair, Landlord shall treat the request as a routine maintenance service. Resident shall not remove or add any security devices at the Premises without the prior written consent of Landlord, and each of such security devices shall be deemed to be fixtures permanently attached to the Premises. In the event Resident changes or adds locks or security devices, Resident shall furnish Landlord with keys the same day that the alteration is made.

12. ASSIGNMENT AND SUBLETTING: Resident shall neither assign this Lease nor sublet the Premises nor grant any concession or license to use the Premises or any part thereof. Any assignment, sublease, concession or license shall constitute a breach of this Lease by Resident and may subject Resident to eviction and/or claims by Landlord for damages.

13. NUISANCE: Resident, Resident's family member(s), occupants, guests, or invitees will use the Premises in a manner that does not disturb other residents or create a public nuisance or violate community policies contained in the Resident Guide. Creating a nuisance or violating the Resident Guide may be cause for immediate termination of this Lease in accordance with applicable law.

14. PROHIBITED ACTIVITIES, ILLEGAL SUBSTANCES, AND MATERIALS:

- (a) Resident, Resident's family member(s), occupants, guests, or invitees shall not possess, sell, store, or otherwise permit anyone to possess, sell or store illegal substances on the Premises, including but not limited to illegal weapons, explosives, or substantial quantities of chemicals with which illegal drugs may be produced. Possession of said contraband or illegal items will constitute a breach of this Lease by Resident and will, at the option of Landlord, permit immediate termination of said Lease if such breach constitutes a criminal or willful act, or

which poses a threat to the health or safety of Resident, Resident's family member(s), guests, invitees, or others.

- (b) Resident, Resident's family member(s), occupants, guests, or invitees shall not knowingly permit illegal or unlicensed gambling on the Premises; install or operate, or permit to be installed or operated, any device which is illegal; use or knowingly permit the Premises to be used for any illegal business or purpose; knowingly allow activities that would constitute a nuisance; or sell, or commercially store or dispense, or permit the sale, or commercial storage or dispensing of beer or other intoxicating liquors on the Premises.
- (c) Resident, Resident's family member(s), occupants, guests, or invitees shall not keep or have on the Premises, unless otherwise permitted under the Resident Guide, any article, liquids, chemicals or thing of a dangerous, inflammable, explosive, or hazardous nature that might unreasonably increase the danger of fire, explosion, or cause physical illness on the Premises, or that might be considered hazardous by governmental officials or under the provisions of an insurance company policy.
- (d) Landlord shall have no obligation to search or make any inspection to discover any things such as are described in subsections (a) through (c) above. Should Resident, Resident's family member(s), guests, or invitees maintain such materials on the Premises that cause injury or damage to any persons or property, Resident shall bear all legal and financial responsibility for said injury and/or damage which results therefrom. Failure of Resident to remove said materials upon written request of Landlord shall permit Landlord to immediately terminate this Lease.

15. CONDUCTING BUSINESS ACTIVITIES: Resident may, with written permission of Landlord, which permission shall not be unreasonably withheld, conduct a business in the Premises of a type permitted by government regulations governing the conduct of business activities in military family housing, subject to any provisions in the Resident Guide. Residents conducting a residential business (e.g. child care) will be required to comply with, and are subject to inspection for, compliance with government standards. Granting of permission by Landlord is not a warranty that the Premises are suitable for the conduct of Resident's business. Advertising signs shall not be posted on the Premises, and no interior or exterior structural modifications or additions shall be made to the Premises to accommodate Resident's business. Resident is responsible for obtaining any necessary permissions and/or licenses and will indemnify, save, and hold Landlord harmless for any failures to obtain the necessary permissions and/or licenses and for any damages to third parties arising from the conduct of Resident's business. The Resident Guide contains information on door-to-door soliciting.

16. ANIMALS/PETS: Resident shall be permitted to keep domestic animals as set forth in the Pet Addendum (Exhibit "D" attached hereto). No animals may be maintained or housed on the Premises, including the exterior thereof, without the prior written consent of Landlord. Resident shall bear all legal and financial responsibility for any injuries or damage caused by such animals and shall comply with the provisions of the Pet Addendum and specific details in the Resident Guide relating to the keeping of pets on the Premises.

17. CABLE, SATELLITE AND OTHER TELEVISION FACILITIES: Resident shall be permitted to install cable, a satellite dish or other television equipment. Installation of a satellite

dish or antenna must be done in accordance with the Satellite Dish Addendum (Exhibit “E”). Resident shall be responsible for payment to the service provider for any such equipment or service contracted by Resident.

18. UTILITIES AND UTILITY ALLOWANCE: Resident shall be responsible for the payment of telephone, internet, cable or satellite television (per Section 17 above) and any overconsumption of energy utilities (as explained below). Landlord shall be responsible for the payment of water, sewer, trash collection and recycling at all times during the term of this Lease, as these utilities are included in the monthly rent. Energy utilities including electricity, gas and oil (if applicable) shall be provided by Landlord at no additional charge to Resident until such time as the Premises has been individually metered and monitored for energy utility usage for at least one year.

The Office of the Secretary of Defense has mandated implementation of an energy utility billing program that compares actual energy consumption by the Resident with a baseline average energy consumption at homes of similar type and size (the “Baseline”). Under the program, each Resident is encouraged to increase overall energy awareness and to conserve energy through good stewardship. Residents are credited for energy consumption below the Baseline or are charged for energy consumption above the Baseline.

After the Premises has been metered and monitored for at least one year, a portion of the monthly rent payment shall be allocable to the electric and/or gas utility service for the Premises (the “Utility Allowance”), based upon the Baseline set by Landlord. On a monthly basis, Landlord will compare the actual, metered cost of electric and/or gas utility service for the Premises (the “Actual Utility Cost”) to the Utility Allowance and provide Resident with notice of such costs (the “Utility Notice”). If the Actual Utility Cost is less than the Utility Allowance, then Resident’s utility account shall be credited by the amount of the difference and, if the accumulated credit is over Fifty Dollars (\$50.00), refunded to Resident within fifteen (15) days of issuing the Utility Notice. If the Actual Utility Cost exceeds the Utility Allowance, then Resident’s utility account shall be charged by the amount of the difference and, if the accumulated charge is over Fifty Dollars (\$50.00), then Landlord shall send Resident an invoice within fifteen (15) days after receipt of the Utility Notice. Resident shall pay Landlord the amount due for the utility charge within thirty (30) days from receipt of the invoice.

CHECK AND INITIAL APPROPRIATE SECTION BELOW:

[For homes metered and monitored for at least one year]

- The Premises has been metered and monitored for at least one year. The Utility Allowance has been established and Utility Notices are being provided.

_____ **RESIDENT INITIALS**

[For homes not yet metered and monitored for at least one year]

- The Premises is not yet metered or, if metered, has not yet been monitored for energy utility usage for at least one year. When these conditions have been met, Landlord will provide at least sixty (60) days’ prior written notice to Resident of the amount of the Utility Allowance for the Premises and the month in which Utility Notices will commence.

_____ **RESIDENT INITIALS**

Utility Allowances may be adjusted from time to time by Landlord, but no more than once in a twelve (12) month period unless energy utility rates suddenly spike in a shorter period of time. Landlord shall provide written notice of any adjustment of the Utility Allowance to Resident at least sixty (60) days prior to implementation. Landlord shall provide Resident with an annual report on the low, high and average energy utility usage for the Premises.

Notwithstanding anything to the contrary in this Lease, upon the failure of Resident to pay any amounts due under this Section 18, Landlord shall have the same rights and remedies as Landlord has as a result of Resident's failure to pay any other rent amounts due under this Lease. These rights and remedies include, without limitation, the imposition of any applicable late charges, and costs applicable to termination rights and rights upon the default of Resident.

19. MAINTENANCE AND REPAIRS: Landlord will maintain the streets and other common areas and keep the mechanical, electrical and plumbing structures within the Premises in a clean, safe and workable condition. Resident, Resident's family member(s), occupants, guests, or invitees shall make no repairs to the Premises or fixtures located within the Premises without the written approval of Landlord. Resident shall notify Landlord of any damage to the Premises as soon as reasonably possible. Landlord shall make a diligent effort to repair or remedy the condition at the Premises in accordance with the maintenance procedures provided in the Resident Guide. If the condition was caused by Resident, a member of Resident's family, a lawful occupant in the Premises or a guest or invitee of Resident, Landlord may make the repair and Resident will be held responsible for the costs. The Resident Guide contains additional information on maintenance of the Premises and landscaping responsibilities.

20. ALTERATIONS AND FIXTURES: Resident shall make no alterations to the Premises, incur any debt against Landlord or create any lien upon the Premises for any work done or material furnished without the prior express written consent of Landlord, which consent may be withheld in Landlord's sole discretion. Any fixtures installed by Resident shall be at Resident's expense. All fixtures installed by Resident shall be affixed in a manner that will not damage the Premises and shall be removed by Resident, without damage to the Premises, at the expiration or earlier termination of this Lease with the exception of any security devices added pursuant to Section 11. In the event such fixture or other personal property of Resident is not removed at the expiration or earlier termination of this Lease, Landlord may, subject to applicable law, treat the fixture or personal property as abandoned. Landlord may charge Resident the actual cost for removal of the property and/or repair of the Premises.

21. ACCESS DURING OCCUPANCY: Resident will allow Landlord or an agent of Landlord to enter the Premises for purposes of access between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, upon forty-eight (48) hours written notice and subject to applicable law. Landlord shall have access to the Premises at other times, with prior notice to, and agreement of, Resident for the purpose of making requested repairs, as provided in the Resident Guide. Landlord shall have immediate access to the Premises, without notice to Resident, in case of an emergency situation, as provided in the Resident Guide.

22. FITNESS FOR OCCUPANCY: In case any buildings on the Premises, or any part thereof, without any fault or neglect of Resident, Resident's family member(s), occupants, guests, or invitees, shall be destroyed or so injured by the elements, or other cause, as to be unfit for occupancy, then Resident may thereupon surrender possession of the Premises to Landlord, and thereupon this Lease shall terminate and Resident shall have no further obligations hereunder. There shall be no abatement or cessation of rent if damage to the Premises is the

result of the negligence or willful act of Resident, Resident's family member(s), occupants, guests, or invitees.

23. LIABILITY, INDEMNITY AND INSURANCE:

- (a) **DISCLAIMER OF LIABILITIES:** TO THE EXTENT PERMITTED BY NORTH DAKOTA LAW AND ANY OTHER APPLICABLE LAW, LANDLORD SHALL NOT BE LIABLE TO RESIDENT, RESIDENT'S FAMILY MEMBER(S), RESIDENT'S INVITEES, GUESTS, EMPLOYEES, AGENTS, SERVANTS, OR OTHER OCCUPANTS OF THE PREMISES FOR ANY PERSONAL INJURIES OR DAMAGE TO PROPERTY CAUSED BY DEFECTS, DISREPAIR, OR FAULTY CONSTRUCTION OF THE PREMISES, OR LOSS FROM CRIME, THEFT, VANDALISM, FIRE, FLOOD WATER, HAIL, ICE, SNOW, HURRICANE, RAIN, EXPLOSION, INTERRUPTION OF UTILITIES, ELECTRICAL SHOCK, ACTS OF NATURE, OTHER UNEXPLAINED PHENOMENA, ACTS OF OTHER RESIDENTS, OR OTHER CAUSES WHATSOEVER UNLESS THE SAME IS CAUSED BY THE NEGLIGENCE OR WILLFUL ACT OR WILLFUL OMISSION OF LANDLORD OR ITS REPRESENTATIVES. RESIDENT EXPRESSLY ACKNOWLEDGES THAT LANDLORD HAS MADE NO REPRESENTATIONS, AGREEMENTS, PROMISES, OR WARRANTIES REGARDING SECURITY OF THE PREMISES OR SURROUNDING COMMUNITY. LANDLORD DOES NOT GUARANTEE, WARRANT OR ASSURE RESIDENT'S PERSONAL SECURITY. IN THE EVENT OF CRIMINAL ACTIVITY, RESIDENT SHOULD IMMEDIATELY CONTACT THE INSTALLATION'S SECURITY FORCES AND ANY OTHER APPROPRIATE POLICING AGENCY.
- (b) **RESIDENT'S INDEMNITY:** TO THE EXTENT PERMITTED BY NORTH DAKOTA LAW AND ANY OTHER APPLICABLE LAW, RESIDENT SHALL INDEMNIFY AND HOLD LANDLORD HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS FOR DAMAGES TO THE PREMISES OR OTHER PROPERTY OR PERSONAL INJURY ARISING (i) FROM RESIDENT'S USE OR OCCUPANCY OF THE PREMISES, (ii) FROM ANY ACTIVITY, WORK, OR THING DONE OR PERMITTED BY RESIDENT IN OR ABOUT THE PREMISES, OR (iii) FROM ANY ACTIVITY, WORK, OR THING DONE OR PERMITTED BY LANDLORD IN OR ABOUT THE PREMISES, UNLESS THE SAME IS CAUSED BY THE NEGLIGENCE OR WILLFUL ACT OR WILLFUL OMISSION OF LANDLORD OR ITS REPRESENTATIVES.
- (c) **LIABILITY FOR PERSONAL PROPERTY:** Landlord shall maintain insurance that covers the Premises and contents provided by Landlord. Resident acknowledges that Landlord has no liability for any loss or damage to Resident's personal property or Premises improvements not caused by Landlord. Resident may have remedies from the government under the Military Personnel and Civilian Employees Claims Act, also known as the Personnel Claims Act ("PCA"). Resident should contact the Installation's legal office for additional information regarding the PCA.

- (d) **RENTER'S INSURANCE:** Upon signing of this Lease, Resident will automatically be enrolled in Landlord's renter's insurance policy. This policy will be provided to the Resident by Landlord, at Landlord's sole cost and expense. This insurance policy shall be a Two Hundred Fifty Dollar (\$250) deductible comprehensive, named-peril replacement cost value policy with a replacement cost endorsement valued at no less than Twenty Thousand Dollars (\$20,000) per eligible Resident (including occupants per Section 8 above). The policy shall cover personal property in the Premises including, without limitation, any property removable by Resident under the provisions of this Lease, and all leasehold improvements installed in the Premises by or on behalf of Resident, against loss or damage caused by the following: theft; fire or lightning; windstorm or hail; explosion; riot or civil commotion; aircraft or vehicle damage; smoke damage; vandalism or malicious mischief; loss breakage; glass breakage; falling objects; damage caused by weight of ice, snow or sleet; water damage from an accidental discharge from plumbing or the Heating, Ventilation and Air Conditioning ("HVAC") system; sudden and accidental tearing apart, cracking, burning, or bulging of an HVAC system, fire prevention system or sprinkler system or an appliance for heating water; freezing damage to plumbing, HVAC system or household appliances; and electrical surge damage. The policy shall provide One Hundred Thousand Dollars (\$100,000) in liability coverage for Resident (including occupants per Section 8 above). Landlord shall not be responsible for paying the deductible or providing supplemental coverage or costs for coverage provided by a different policy. Resident shall pay the Two Hundred Fifty Dollar (\$250) deductible, if required, to Landlord's insurer at the time of a claim. Resident is encouraged to carry additional insurance, at Resident's cost, for high value personal property and for risks not covered by the renter's insurance provided by Landlord under this subsection.

24. MOVE-OUT/EXIT INSPECTION OF PREMISES: Resident shall notify Landlord in writing at least thirty (30) days prior to the date that Resident plans to terminate the Lease and vacate the Premises. Upon notice, Landlord will provide Resident detailed standards for cleaning and clearing the Premises. Resident or a Resident-appointed representative with a Power of Attorney must schedule a pre move-out inspection of the Premises by Landlord no less than fourteen (14) days before Resident vacates the Premises. At the time of the pre move-out inspection, Landlord shall itemize any damages to or deficiencies in the condition of the Premises that were not present at the time of the initial acceptance inspection and exceed normal wear and tear. The Resident Guide contains additional information on move-out procedures.

25. TERMINATION BECAUSE OF DEFAULT: Except as otherwise provided herein and to the extent not prohibited by applicable law, if either Landlord or Resident materially fails to comply with any of the terms of this Lease, and if such default continues for thirty (30) days after written notice to cure the default has been delivered to the offending party (except that only a five (5) day notice period shall be required if the default consists of a failure by Resident to pay rent or other amounts due hereunder when due), then thirty (30) days after written notice is delivered (or five (5) days in the case of a failure by Resident to pay rent or other amounts due hereunder when due), the injured party shall have the option of declaring this Lease terminated and Resident shall be entitled to immediately vacate the Premises, or Landlord shall be entitled to take immediate possession of the Premises, as the case may be, without the injured party forfeiting any other right the injured party may have for breach of this Lease.

26. EVICTION:

- (a) Landlord may terminate this Lease and evict Resident in accordance with applicable law for Resident's failure to pay rent or for one or more violations of this Lease by Resident or any other actions that:
 - (i) affect or threaten to affect the health or safety of other residents in the community;
 - (ii) substantially interfere with the right to quiet enjoyment of other residents of the community; or
 - (iii) cause Resident or any other occupant of the Premises to be denied housing eligibility by the Installation Commander or designated representative. For purposes of this Lease, the term "**Installation Commander**" shall mean the military commander in charge of the Installation whose duty it is, among other things, to ensure good order and discipline on the Installation.
- (b) If Resident willfully remains in possession of the Premises without Landlord's consent after this Lease has been terminated, then Resident is deemed to be in breach of this Lease and Landlord may commence an eviction action. An eviction action may be filed at the later of (i) the first day following the termination of this Lease, or (ii) the first day permitted under applicable law. On retaining possession beyond the rental period without consent of Landlord, Resident may be obligated to pay Landlord's attorneys' fees, court costs, and any ancillary damages due to the holdover by Resident.

27. ABANDONMENT: If any rent has remained unpaid for thirty (30) or more consecutive days and Landlord has a reasonable belief of abandonment of the Premises, Landlord will notify the HMO and request a determination of status of Resident and take such further action with regard to the Premises and any remaining personal property of Resident as is necessary, all in accordance with this Section, the Resident Guide and North Dakota law. The disposition of any abandoned personal property shall be handled in accordance with these procedures and the Resident Guide.

28. RIGHT TO RELOCATE: Landlord reserves the right to relocate Resident to another housing unit on the Installation due to construction, renovations or habitability conditions. Landlord will give Resident no less than thirty (30) days prior written notice of the date that Resident must vacate the Premises. Relocations for construction, renovation or habitability conditions not caused by Resident will NOT be at Resident's expense. However, for relocation due to habitability deficiencies caused by Resident, Resident's family member(s), guests, or invitees, Resident will pay for relocation expenses in addition to the cost to repair such habitability deficiencies. If Resident refuses any relocation to a Landlord-provided residence, then Landlord may terminate this Lease or elect not to renew this Lease at Landlord's sole discretion; in that case, any relocation to a residence within the community area of the Installation (as defined in Section 9) will be at Landlord's expense and any relocation to a residence beyond the commuting area of the Installation will be at Resident's expense.

29. DEBARMENT FROM INSTALLATION: If Resident or a Resident's family member is debarred from the Installation by the Installation Commander in his or her sole discretion in accordance with the authority provided in 18 U.S.C. § 1382 and the debarment voids Resident's

status as a resident, then Resident shall vacate the Premises and remove all personal property from the Premises no later than thirty (30) days from the date of the debarment. It shall then be lawful for Landlord to enter the Premises and again have, repossess, and enjoy the same as if this Lease had not been made, and thereupon this Lease shall terminate. However, Landlord shall have a right of action for arrears of rent or breach of covenant. The commencement of a proceeding or suit in forcible entry and detainer or in ejectment after any default by Resident shall be equivalent in every respect to actual entry by Landlord. In the case of any such default and entry, Landlord may relet the Premises for the remainder of the Initial Term or any agreed-upon extension of this Lease, and recover from Resident any deficiency between the amount obtained by reletting the Premises and the rent required to be paid by the Resident.

30. OCCUPANCY OF A SEVERABLE UNIT: If Resident accepts and occupies a Premises designated as a severable unit, then Resident agrees to relocate to a non-severable unit at any time Landlord notifies Resident that the Installation Commander has directed Resident's relocation. Landlord will give Resident no less than thirty (30) days written notice of the date that Resident must vacate the Premises. Resident's relocation costs shall be paid by the government. A Resident who accepts and occupies a Premises designated as a severable unit shall sign the addendum at Exhibit "F" at the time of this Lease execution to further document consent to this agreement.

31. OCCUPANCY OF A UNIT WITH SPECIAL ACCESSIBILITY FEATURES: If Resident accepts and occupies a Premises with special accessibility features or readily adaptable features, and no one in Resident's household requires such special accessibility features, then Resident agrees to relocate to another unit at any time Landlord notifies Resident that the Premises is needed to accommodate another tenant with a special accessibility requirement. Landlord will give Resident no less than thirty (30) days written notice of the date that Resident must vacate the Premises. Resident's relocation costs shall be paid by Landlord. A Resident who accepts and occupies a Premises with special accessibility features or readily adaptable features shall sign the addendum at Exhibit "G" at the time of this Lease execution to further document consent to this agreement.

32. CHANGE OF STATUS/DEATH OF RESIDENT: Resident is required to provide written notification to Landlord within thirty (30) days of any change in status (promotion, demotion, divorce, separation, retirement, increase or decrease in number of dependents, etc.) that affects Resident's eligibility to reside in housing on the Installation. Resident may request a move to a unit in another Housing Category (a) for a change in the Resident's military pay grade in the event of promotion or demotion, or (b) if the Resident's bedroom qualification changes. In either of these cases, the move would be voluntary and at the Resident's expense.

In the case of Resident's death, Resident's surviving spouse or another adult occupant in Resident's immediate family who is residing in the Premises at the time of Resident's death shall have the right to either terminate this Lease on thirty (30) days written notice or extend this Lease for a maximum period of twelve (12) months from the date of Resident's death. If extended, rent for the entirety of the twelve (12) month term will be at the same rate that was being paid at the time of Resident's death and monthly payments will be made directly to Landlord by personal check, bank check, money order or credit card.

33. EXCEPTIONS TO OCCUPANCY POLICY/RETENTION. Under certain circumstances, Resident may request an exception to the occupancy policy for Resident's family members to remain in housing. Circumstances include, but are not limited to, the following:

- (i) Resident in receipt of Unaccompanied Dependent Restricted Tour (UDR) orders;
- (ii) Resident in receipt of Overseas Accompanied PCS orders; or
- (iii) Resident in receipt of PCS orders with Temporary Additional Duty (TDY)

Resident must submit a Request for Exception to Policy form (available from the Landlord) to the Landlord no less than thirty (30) days prior to Resident's departure. Landlord will coordinate the request with the Installation Commander (or delegated authority). If the request is denied by either Landlord or the Installation Commander, then the Premises must be vacated within thirty (30) days from receipt of the written denial. If retention of the Premises is approved by both:

- (a) The determination of rent shall be in accordance with Section 5 of this Lease.
- (b) If Resident is still receiving BAH, then monthly rent shall continue to be paid by allotment. If Resident is no longer entitled to BAH, then all rent will be paid directly to Landlord when due.
- (c) If the Premises is retained by an occupant(s) without Resident, then all rent will be paid by the occupant directly to Landlord when due; the amount of the monthly rent will continue to be the BAH rate "with dependents" of the Resident who vacated the Premises.
- (d) All other terms and conditions of this Lease shall remain in full force and effect, except as may be modified by Landlord or Installation Commander in their written approval.

All payments made directly to Landlord under this Section shall be paid by personal check, bank check, money order or credit card.

34. INSTALLATION COMMANDER'S RIGHTS NOT IMPAIRED: Nothing contained in this Lease shall be construed to diminish, limit, or restrict any right, prerogative, or authority of the Installation Commander as established in law, regulation, military custom, or elsewhere. The Installation Commander has the inherent authority and obligation to ensure good order and discipline on the Installation. The Military Rules of Evidence recognize the power of the Installation Commander to authorize searches of military property and property situated on a military installation. As a result, all of the Installation (including, without limitation, the Premises, occupants of the Premises, their guests, and personal property of the occupants and their guests) is under military control and is subject to the Installation Commander's authority. The authorities of the Installation Commander include, but are not limited to, the following:

- (a) The authority to provide force protection and police protection services and firefighting and fire protection services in accordance with 10 U.S.C. § 2872a, at levels deemed appropriate by the government for privatized housing on the Installation.
- (b) The authority to promulgate and enforce security regulations and restrict public access to the Installation, to include regulations delineating parameters for authorized entry to or exit from the Installation, pursuant to 50 U.S.C. § 797.

- (c) The authority to conduct background checks on contractor employees, privatized housing employees, and privatized housing applicants and residents.
- (d) The authority to bar individuals, to include individuals residing in any privatized housing unit, from the Installation pursuant to 18 U.S.C. § 1382 and Department of Defense Instruction 5200.8.
- (e) The authority to conduct inspections or searches of individuals entering, leaving, or present on the Installation pursuant to Military Rule of Evidence 314, 10 U.S.C. § 802, et seq., and 50 U.S.C. § 797.
- (f) The authority to issue search authorizations based on probable cause on the Installation pursuant to Military Rule of Evidence 315, 10 U.S.C. § 802, et seq. and 50 U.S.C. § 797.
- (g) The authority to conduct disaster preparedness exercises and/or emergency recovery operations on the Installation in accordance with 50 U.S.C. § 797 and Department of Defense Directive 5200.8.
- (h) The authority to exercise emergency health powers on the Installation pursuant to Department of Defense Directive 6200.3 in the event of a public health emergency due to biological warfare, terrorism, or other communicable disease epidemic.
- (i) The authority to (i) establish procedures for the mandatory disclosure of information regarding sex offender status from privatized housing applicants, residents, and other occupants; (ii) approve or disapprove applications from persons seeking to rent privatized housing units when either an applicant or another prospective occupant of the unit is a convicted or registered sex offender, or is required to register as a sex offender, and (iii) issue debarment orders to anyone residing in a privatized housing unit or to any visitor pursuant to Installation policy.

Any references to statutes, directives, regulations, or instructions set forth above shall be deemed to refer to both those authorities in effect at the date of execution of this Lease and to those authorities as they may subsequently be amended, revised, superseded, rescinded, or repealed.

35. NOTICES: All notices under this Lease must be in writing. Landlord shall send notices to Resident at the address of the Premises. Resident shall send notices to Landlord at the following address:

Northern Group Housing, LLC
514 Louisiana Street Bldg #119
Grand Forks Air Force Base, ND 58205

If properly sent to the recipient's address by prepaid mail, notice shall be construed as delivered as of the postmark date or as of the date on the sender's mail receipt form, in the case of certified or registered mail. Unless otherwise stated, any notice period provided for by this Lease shall begin to run on the date such notice is delivered.

36. SEVERABILITY: If any provision or clause of this Lease is held invalid by a court of law, such invalidity shall not affect other provisions or applications of this Lease that can be given effect without the invalid provision and to this end, the provisions of this Lease are declared to be severable.

37. CONFIDENTIALITY: Landlord or Landlord's managing agent shall not release financial information about Resident to a third party, other than Resident's rent payment record and the amount of Resident's monthly rental payment, without the prior written consent of Resident or upon service on Landlord of a subpoena or other court order for the production of records. This Section shall not preclude Landlord from releasing reasonable information pertaining to Resident to a government authority or its agent in the event of an emergency.

38. CONFLICT RESOLUTION: This Lease is an agreement only between Resident and Landlord, and is not an agreement between Resident and any government entity. Resident and Landlord agree to resolve any differences between themselves according to the process in the Resident Guide. If Resident and Landlord cannot resolve a dispute after completing that process, then Resident must seek independent legal advice and/or resolve the dispute in accordance with the laws of the State of North Dakota.

39. COMPLIANCE WITH SEX OFFENDER POLICY: Under government policy, no sex offender (convicted, and/or registered, or required to be registered on a national or state sex offender registry) may reside in the Premises without the express written approval of the Installation Commander. If Resident or any member of Resident's household becomes a convicted or registered sex offender, or is required to register as a sex offender after the commencement date of this Lease or any Lease extension, then Resident shall immediately report this information to the HMO. The availability of information about specified registered sex offenders is subject to North Dakota law.

40. JOINT AND SEVERABLE LIABILITY: If there is more than one military service member occupying the Premises, then each will execute this Lease as Resident and shall be jointly and severally liable for the performance of each and every agreement, covenant and obligation hereunder.

41. MODIFICATIONS: This Lease (together with the Resident Guide and any addenda, attachments, exhibits or schedules listed below) constitutes the full and complete agreement between the parties with respect to the subject matter hereof, and no modifications to the terms and conditions of this Lease shall be enforceable unless executed in writing, signed and dated by all of the parties to this Lease.

42. CONFLICTS: The terms of this Lease shall take precedence over any conflicting terms between this Lease and the Resident Guide or any attachments, exhibits or schedules attached hereto. In the event of a conflict between any addendum to this Lease and any provision within the Lease or Resident Guide or any attachment, exhibit or schedule, the addendum shall govern and control.

43. DELIVERY OF PREMISES: Landlord will make a good faith effort to make the Premises available to Resident on the date shown in Section 1 above, after which time Resident shall enjoy exclusive control and exclusive possession of the Premises throughout the entire duration of this Lease. If any delay does occur, monthly rent will not be due until the Premises is available for occupancy by Resident. Either party may end this Lease by written notice to the other if the Premises is not available within thirty (30) days after the date the Lease is to begin under Section 1 above, and any payment(s) or deposit(s) made by Resident will be refunded by Landlord and Resident shall not incur any liquidated damages for early termination.

44. BUSINESS DAYS: References to "business days" shall mean Monday through Friday, excluding federal holidays. References to "days" mean calendar days.

45. SERVICEMEMBERS' CIVIL RELIEF ACT: Notwithstanding any other provision in this Lease, Resident and/or Resident's dependents may exercise any and all rights under the Servicemembers' Civil Relief Act regarding abandonment, termination and/or eviction.

46. RESIDENT GUIDE: The Resident Guide contains general information about housing on the Installation, maintenance procedures and community policies. Resident acknowledges receipt of a copy of the Resident Guide (at Exhibit "A") and agrees to abide by its terms. Any changes to the Resident Guide shall be effective only after thirty (30) days notice of such changes is given to Resident. The Resident Guide, together with any addenda, attachments, exhibits and schedules attached hereto, are hereby incorporated into this Lease and made a part hereof.

[Signatures of the parties on following page]

RESIDENT ACKNOWLEDGES RECEIPT OF THE FOLLOWING DOCUMENTS AND UNDERSTANDS THAT THEY ARE A BINDING PART OF THIS LEASE AGREEMENT:

RESIDENT GUIDE (Exhibit "A")

LEAD-BASED PAINT ADDENDUM (Exhibit "B")

MOLD ADDENDUM (Exhibit "C")

AND, IF APPLICABLE, THE FOLLOWING ADDITIONAL ADDENDA:

- PET ADDENDUM (Exhibit "D")
- SATELLITE DISH ADDENDUM (Exhibit "E")
- CONSENT TO RELOCATE TO A NON-SEVERABLE UNIT (Exhibit "F")
- CONSENT TO RELOCATE TO A NON-ACCESSIBLE UNIT (Exhibit "G")
- "RENT UP" ACKNOWLEDGMENT (Exhibit "H")
- "RENT DOWN" ACKNOWLEDGMENT (Exhibit "I")
- _____ (Exhibit "___")
- _____ (Exhibit "___")
- _____ (Exhibit "___")
- _____ (Exhibit "___")
- _____ (Exhibit "___")

IN WITNESS WHEREOF, the parties have set their hands to one or more counterparts of this Lease, each of which shall constitute an original, as of the date first above written.

LANDLORD

Northern Group Housing LLC,
a Delaware limited liability company

Authorized Representative

RESIDENT _____

RESIDENT _____
(if more than one military member)

ATLANTA:5369552.5