

LEASE

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| 1. Lease Date:
2. Resident(s) – Pay Grade:

3. Other Occupants:

4. Lease Term: 6 months
a. Commencement Date:
b. Expiration Date:

5. Neighborhood: | 6. Premise Address:

7. Monthly Rent: \$
8. Partial Month Rent: \$
9. Partial Month Rent Due Date:
10. Security Deposit: \$
11. Late Charge: \$50 as specified in Paragraph 6
12. Returned Check Charge: \$25 as specified in Paragraph 6 |
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- I/We agree to pay Rent to Owner, by monthly electronic Allotment. I/We authorize the Allotment to be initiated and changed as set forth in Paragraph 4.a. of this Lease. Authorization is also given to stop the Allotment at the time that the Lease is terminated.
- I/We agree to pay Rent to Owner by monthly Unit Diary Entry Electronic Funds Transfer (“UDEFT”). I/We authorize the UDEFT to be initiated and changed as set forth in Paragraph 4.b. of this Lease. Authorization is also given to stop the UDEFT at the time that the Lease is terminated.
- I/We agree to pay Rent by monthly direct payment to the Owner and will pay such Rent in accordance with Paragraphs 4.c. of this Lease.

This Lease is a legally binding contract. Owner and Resident agree that this Lease and the contractual relationship between the parties shall be construed in accordance with and shall be governed by Chapter 521 of the Hawaii Revised Statutes.

Owner and Resident accept the terms and conditions of the Lease. The Lease includes the Lease and any addenda and sets forth all promises, agreements, and understandings between the Owner and Resident. The terms and conditions of this Lease may only be changed if in writing and signed by both Owner and Resident. Oral changes or agreements are not permitted.

Forest City Residential Management, Inc., Agent for Owner, Ohana Military Communities, LLC

By Authorized Representative: _____ Date _____

Resident: _____ Date _____

Resident: _____ Date _____

Addenda:

- | | |
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| <input type="checkbox"/> Asbestos Addendum
<input type="checkbox"/> Community Handbook Dated October 1 2006
<input type="checkbox"/> Construction and Relocation Addendum
<input type="checkbox"/> Executive Home Addendum
<input type="checkbox"/> Historic Home Addendum
<input type="checkbox"/> Home-Based Business Addendum | <input type="checkbox"/> Lead-Based Paint Disclosure Addendum
<input type="checkbox"/> Mold and Mildew Addendum
<input type="checkbox"/> Pet Addendum
<input type="checkbox"/> Satellite Dish and Antenna Addendum
<input type="checkbox"/> Other: _____ |
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This Lease is made on the "Lease Date" listed on Page 1 Number 1, between Ohana Military Communities, LLC, a Hawaii limited liability company, owner of the subject Premises (the "Owner"), and the Resident(s) referenced on Page 1 Number 2 of this Lease (individually and collectively referred to as "Resident").

THE PARTIES AGREE AS FOLLOWS:

- 1) **Parties to Lease.** Subject to the terms and conditions of this Lease, Owner rents to Resident and Resident rents from Owner, the Premises referenced on Page 1 Number 6 (the "Premises") of this Lease. The Premises is to be used for residential use only, with exceptions permitted solely upon written approval of Owner. The property is managed by Forest City Residential Management, Inc., whose address and phone numbers are specified on Page 1. Forest City Residential Management, Inc., is authorized to manage the Premises on behalf of Owner and to receive rents, execute leases, enforce leases, and give and accept notices, demands, and service of process on behalf of, and as agent of the Owner.
- 2) **Premises.** The property to be rented is located in the Neighborhood referenced on Page 1 Number 5, and at the address specified on Page 1 Number 6, and includes the Premises and front and back yards, and may include a garage, driveway, designated parking, and/or a carport, as applicable, plus any outside storage located in the yard.
- 3) **Term/Automatic Renewal.** The Term of this Lease shall be for six (6) months, unless Owner approves a shorter term. This Lease shall begin on the Commencement Date specified on Page 1 Number 4a and terminate on the Expiration Date specified on Page 1 Number 4b. However, for Residents in possession of the Premises as of October 1, 2006, the Owner reserves the right to extend the Commencement Date to a date no later than December 1, 2006, by delivering written notice of the extension to Resident. In such event, this Lease shall be deemed amended to reflect the new Commencement Date on Page 1 Number 4a and a new Expiration Date on Page 1 Number 4b, which shall be 6 months from the new Commencement Date, unless Owner approves a shorter term.

Either party may end or renew this Lease at the end of the rental term by providing written notice to the other party. If Resident chooses to terminate this Lease, Resident must provide written notice to Owner which must be received by Owner at least twenty-eight (28) days before the end of the original term. If Owner chooses to terminate this Lease, Owner must provide written notice to Resident which must be received by Resident at least thirty (30) days before the end of the term. After expiration of the term, if neither party has terminated this Lease or neither party has renewed this Lease for another term, this Lease will automatically continue on a month to month tenancy unless otherwise stated in the Construction and Relocation Addendum.

- 4) **Rent.** The rent and Owner provided utilities (collectively, "Rent") shall be an amount not to exceed the Basic Allowance for Housing ("BAH") at the With Dependent rate for Resident's duty station at Oahu, Hawaii, or Kauai, Hawaii, as applicable. Rent is payable on the first (1st) day of each month for the previous month's Rent. If Residents are dual military (service members married to service member), the Rent for the Premises shall be equal to the BAH of the senior service member at the With Dependent rate unless one spouse has an authorized BAH at the Without Dependent rate and the other spouse has an authorized partial BAH, in which case Rent shall be an amount equal to the BAH at the Without Dependent rate of the service member authorized for that allowance. The Rent will be adjusted by the same amount as the Resident's BAH changes at any time during the term of this Lease. Rent includes water, sewer, gas and electric services. Additionally, renter's insurance, as specified in Paragraph 32 of this Lease will be provided by the Owner.

If Resident's BAH rate changes at any time, except as the annual adjustment by the Department of Defense Resident must notify Owner within fourteen (14) business days of the change. Resident shall be responsible for the payment of Rent at the changed rate from the effective day of any change and payable upon receipt of the new rate. Resident agrees that the foregoing constitutes effective notice from the Owner of the increase or decrease in the amount of the monthly Rent, which will take effect upon any increase or decrease in Resident's applicable BAH. In the event the Resident becomes ineligible for BAH, the Rent will be equal to the Resident's BAH immediately prior to the Resident ineligibility.

If this Lease begins after the first day of the month, Resident shall pay the prorated amount based upon 1/30th of the monthly Rent at the time this Lease is signed. Resident shall pay the Partial Month Rent listed on Page 1 Number 8 on the first (1st) day of the following month. If, however, there is a delay in the authorization of the BAH entitlement and Resident does not receive the BAH or increase in BAH, Resident may defer payment of Rent until the BAH entitlement is received. The Partial Month Rent and Due Date is specified on Page 1 Number 9.

- a) **Allotment Option:** If Resident chooses to pay Rent through Allotment, the Allotment will be from the senior service member Resident's pay account to Owner. Resident is responsible for paying all Rent and charges due by check or money order until the Allotment has commenced. The Allotment will be increased/decreased when increases/reductions occur to the senior service member Resident's BAH rate. Resident shall execute all documents that are necessary to make monthly Rent payments ("Allotment") equal to the BAH at signing of this Lease and Resident agrees to take no action to terminate the Allotment without making arrangements with Owner to begin paying the Rent in another form. Resident agrees that the military Leave and Earnings Statement is an acceptable substitute for a Rent receipt as required by Section 521-43 of the Hawaii Residential Landlord-Tenant Code. Resident, however, may request a separate receipt from the Owner.
- b) **UDEFT Option:** If Resident chooses to pay rent through a Unit Diary Entry Electronic Funds Transfer ("UDEFT") Resident is responsible for paying all Rent and charges due until the UDEFT has commenced. The UDEFT may be increased/decreased automatically or, if necessary, by the Resident when increases/reductions occur to the senior service member Resident's BAH rate. It is the Resident's responsibility to make adjustments in the UDEFT to reflect any changes in Resident's BAH rate. Resident shall execute all documents that are necessary to make monthly Rent payments equal to the BAH at signing of this Lease and Resident agrees to take no action to terminate such UDEFT without making arrangements with Owner to begin paying the Rent in another form. Resident agrees that the military Leave and Earnings Statement is an acceptable substitute for a Rent receipt as required by Section 521-43 of the Hawaii Residential Landlord-Tenant Code. Resident, however, may request a separate receipt from the Owner.
- c) **Direct Payment Option:** If Resident chooses not to use the Allotment or UDEFT payment method as specified on Page 1, Resident agrees to make Rent payments directly to the Owner on the first (1st) day of each month for the previous month's Rent, without notice, to the Owner's office address specified on Page 1 or such other person or at such other address as Owner may notify Resident.

If Resident's Allotment or UDEFT is terminated without written permission from Owner, and Resident is still in possession of the Premises, Resident will be considered in material breach of this Lease, unless such termination is beyond Resident's fault or control.

5) **Security and Pet Deposits.**

- a) **Security Deposit:** A Security Deposit equal to one month's Rent will be required unless the Resident chooses to complete all documents to pay Rent by Allotment or UDEFT. The Security Deposit, if any, is specified on Page 1 Number 10 and is being held at the Bank of Hawaii, or at such other bank as may be selected by Owner with notice to Resident. The Security Deposit is given by the Resident to the Owner for the following purposes: (a) To remedy Resident defaults for damages, for failure to pay rent, or for failure to return keys at termination of this Lease; (b) To put the Premises in as clean a condition at the Expiration Date as it was at the Commencement Date, except for normal wear and tear; (c) To compensate for damages if Resident wrongfully quits the Premises; or (d) any other charges in accordance with state law and local ordinance.
- b) **Pet Deposit:** If the Resident has one or more dogs or cats as provided for in paragraph 11 of this Lease, a \$ 0.00 Pet Deposit will be required. This deposit is waived if the Resident is al-

ready paying a Security Deposit. The Pet Deposit is given by the Resident to the Owner to remedy Resident defaults for damages caused by Resident's pet(s).

The Security or Pet Deposit will be held, applied, and refunded as provided herein. If Resident has paid a Security or Pet Deposit, Owner will return the Security or Pet Deposit or any portion not retained by Owner, not later than fourteen (14) days after the termination of this Lease. If Owner keeps any portion of the Security or Pet Deposit, Owner will provide Resident with a written notice listing the reasons for keeping the Security or Pet Deposit. If the Security or Pet Deposit is insufficient to cover the costs of unpaid Rent, damages, or other charges, Resident will be liable for all such sums due in accordance with state/local law. Resident may not use the Security or Pet Deposit as the "last month's rent" and cannot apply the Security or Pet Deposit towards Rent.

- 6) **Late Fees and Returned Check Charges.** If any Rent is not paid by the fifth (5th) day of the month, unless paid by Allotment or UDEFT, the Resident must pay a late fee of \$50.00, which is deemed additional Rent. If a check for payment of Rent is returned by the bank for insufficient funds, Resident must replace the returned check with a cashier's check, certified check, or money order and pay a returned check charge of \$25.00, plus any late fees, if applicable, which are deemed additional Rent. If two (2) checks are returned by the bank for insufficient funds, all future rental payments must be paid by Allotment or UDEFT, cashier's check, certified check or money order only.

Acceptance of any late or partial Rent or waiver of any fees or charges is not a waiver of Owner's right to enforce other terms of this Lease.

- 7) **Condition of Premises Upon Commencement Date.**

- a) **For Residents not in possession at time of Lease signing:**

Resident has examined the Premises and is satisfied with its physical condition, order, and repair. Resident accepts the Premises "as is" as of the Commencement Date specified on Page 1 Number 4a. Owner has inspected and inventoried the Premises and provided Resident with a Move-In/Move-Out Unit Inspection and Inventory Report. Within five (5) days of Commencement Date, or upon occupancy by Resident, Resident shall complete and return to Owner the Move-In/Move-Out Unit Inspection and Inventory Report detailing any deficiencies noted with the Premises. Owner and Resident will sign the Move-In/Move-Out Unit Inspection and Inventory Report and Owner will provide a copy to Resident. If Resident does not return the Report to Owner, Resident accepts the Premises without exception, and any damage or deficiencies will be deemed accepted by Resident.

- b) **For Residents in possession at time of Lease signing:**

Resident acknowledges that he/she is in possession of the Premises on the Commencement Date and accepts the Premises "as is" as of the date Resident commenced occupancy of the Premises, which condition is described in Resident's original Move-In Condition form, a copy of which is on file with the Owner and will be provided to Resident upon request.

- 8) **Services and Utilities.** Owner shall be responsible for the payment of utilities as specified in Paragraph 4 during the term of this Lease. Resident shall be responsible for the payment of telephone, cable, Internet, or any other services directly contracted by Resident with a service provider. Resident acknowledges that interruptions in the delivery of utilities do occur and Owner shall not be liable for any loss or inconvenience caused by any interruption. Owner will make every effort to notify Resident in advance of any interruptions in utility services resulting from scheduled outages or work elsewhere in the Neighborhood.
- 9) **Occupants and Permitted Use.** Resident will use the Premises as a residence for Resident and Occupants listed on Page 1 respectively, except as otherwise provided herein. Procedures and requirements governing Occupants and permitted use are further specified in the Community Handbook, a copy of which is given to Resident.

- a) Resident, Occupants and guests will not commit any acts or use the Premises or common areas in such a way as to (i) violate any law or ordinance, including laws prohibiting the use,

possession or sale of illegal drugs; (ii) commit property damage; or (iii) create a nuisance by annoying, disturbing, inconveniencing or interfering with the quiet enjoyment, business, or peace and quiet of any other Resident, Resident Services Office staff, contractors, or other persons engaged in lawful activity in the area.

- b) Residents must register and obtain written approval from Owner for guests staying at the Premises longer than thirty (30) days.
 - c) Resident must obtain written approval from Owner for a live-in care provider staying more than thirty (30) days.
 - d) Residents and/or Occupants may, with written permission of Owner and execution of a Home Based Business Addendum, conduct a residential business in the Premises of a type normally permitted under state/local laws and regulations governing the conduct of residential businesses. Residents and/or Occupants conducting a residential business will be required to comply with and are subject to inspection by the appropriate city, county, state, or federal agency, office or department for compliance with applicable laws, codes, regulations and requirements. The Resident is responsible for obtaining the necessary State or local government licenses and insurance for any damages to third parties arising from the conduct of such business and providing a copy to the Owner.
 - e) Resident and/or Occupant may, with written permission from Owner and execution of a Home Based Business Addendum, operate a child care facility in the Premises through participation in the Child Development Homes program. Resident and/or Occupant must be certified through the DoN sponsored Child Development Program. Resident is responsible for obtaining the necessary State or local government licenses and insurance for any damages to third parties arising from the conduct of such business and providing a copy to the Owner.
- 10) **Absence from Premises.** Resident shall notify the Owner in writing of any absences from the Premises in excess of fourteen (14) consecutive days. Resident shall make arrangements for a representative to have access to and take responsibility for the Premises and shall notify Owner of the name and contact information of such representative. Resident shall assume all liability for the representative's behavior. Unless inconsistent with state/local law, Owner shall not be responsible for any damages resulting from the Resident's absence from the Premises due to Resident's negligence, recklessness and/or intentional conduct.
- 11) **Pets.** No pets are permitted in the Neighborhood at any time except by prior written consent of Owner. If Owner agrees to permit a pet(s), Owner and Resident must sign a Pet Addendum and observe all applicable laws (i.e., leash and pick-up laws). After the Commencement Date specified on Page 1 Number 4a of this Lease, the following breeds of dogs and dogs that have any of the following breed lineage will not be permitted to be moved into the Premises or Neighborhood: Pit Bull types and Rottweilers. Pit Bull types of dogs are defined as Pit Bull, American Pit Bull Terrier, American Staffordshire Terrier, Bull Terrier, Staffordshire Bull Terrier, and Staffordshire Terrier. Caged birds, fish and other cold-blooded animals are allowed in the Premises provided they are permitted under federal, state, and local laws. A maximum of two (2) dogs and/or cats will be permitted in the Premises. A reasonable number of other authorized pets may be permitted. Keeping a pet for any duration without written consent from Owner or a signed Pet Addendum will be considered a material breach of this Lease.

Residents are responsible for informing guests that guest's pets are not allowed in the Premises or common areas. Residents will not be permitted to use the Premises to care for pets belonging to other persons without the written consent of Owner.

- 12) **Community Handbook and Rules/Regulations.** Resident agrees to comply with all occupancy rules and regulations contained in the Community Handbook governing the Neighborhood whether now in effect or subsequently issued by Owner and delivered to Resident. Resident acknowledges receipt of the Community Handbook as of the commencement date of this Lease, which is incorporated into this Lease. Violation of the occupancy rules and regulations contained in the Community Handbook may be considered a violation of this Lease.

- 13) **Parking.** Resident will operate and park all vehicles in accordance with guidelines stated in the Community Handbook. All vehicles must be licensed with current license plates and must be in operating condition. Owner will tow unauthorized or illegally parked vehicles at Resident's expense. Owner assumes no responsibility or liability whatsoever for loss of or damage to any vehicle while parked in the Neighborhood. Boats, trailers, and oversized vehicles must be registered with the Owner and shall be parked only in designated recreational vehicle storage areas. Such storage areas may not be available in some or all of the neighborhoods.
- 14) **Repairs/Alterations/Liens.** Resident will not alter or repair the interior, exterior, or the structure of the Premises in any way without express written consent of Owner. Resident is liable for the cost to repair any alterations made by Resident. Alteration includes but is not limited to painting, wallpaper, modification of electrical appliances, or installation of telecommunication devices, including satellite dishes and/or antennae. No mechanical, electrical, plumbing or structural equipment or major appliances or configuration on any part of the Premises may be altered, modified, installed or removed without express written consent of Owner. Resident shall be responsible for all costs for repair or replacement of any removals or changes.

Residents of historic homes must comply with further restrictions as outlined in the Historic Home Addendum.

Resident may not encumber the Premises or permit any person to claim or assert any lien for the improvement or repair of the Premises made by Resident. Resident shall notify all parties performing work on the Premises at Resident's expense that this Lease does not allow any such liens to attach to Owner's interest.

- 15) **Maintenance.** Owner will maintain the Neighborhood and the mechanical and electrical devices provided by Owner within the Premises in a clean, safe, and workable condition. Resident will report all needed repairs to Owner. Service requests during regular working hours are to be reported to the Resident Services Office or other designated service request line. Repairs shall be made within a reasonable time following notification during normal business hours. Emergency maintenance service is available after hours to handle requests of a true emergency nature that cannot wait until normal business hours. If such repairs are of an emergency nature, the repairs shall be addressed within a reasonable time under the circumstances.

Owner is not responsible for any inconvenience or loss caused by necessary repairs to the Premises, the Neighborhood, appliances, or any other equipment. Temporary suspension of services within the Premises and in the Neighborhood is not a basis for ending this Lease or abating Rent if Owner is effecting repairs.

Resident shall maintain the Premises in a neat, clean and undamaged condition, in accordance with all applicable state/local laws affecting health and safety. Resident agrees to (a) dispose of all ashes, rubbish, garbage, and waste in a clean and safe manner; (b) use all plumbing, electrical, sanitary, ventilating, air conditioning facilities and appliances in a safe and reasonable manner; and (c) not deface, damage, or otherwise harm any part of the Premises. Any damage(s) to glass on the Premises or in any common area caused by Resident, Occupants or guests shall be paid by Resident. Resident has inspected and tested all smoke detectors and carbon monoxide detectors and determined them to be in workable condition. Resident shall be responsible for testing smoke detectors and carbon monoxide detectors on a regular basis, and replacing batteries. Resident, Occupant or guests shall not tamper with, adjust or disconnect any smoke detectors or carbon monoxide detectors. Violation of this provision is a material breach or default of this Lease and shall entitle Owner to exercise all remedies available under state/local law. Resident shall notify Owner of all repair needs promptly. Resident shall be liable for any damages resulting from Resident's failure to promptly notify Owner.

Owner will perform an annual physical inspection of the Premises to ensure housing quality standards. Owner will notify Resident at least five (5) days in advance of the date and time of inspection.

Resident is responsible for grounds maintenance of the backyard of the Premises, if fenced. The Resident is responsible for mowing, trimming, and edging the area within the fenced backyard in accordance with grounds maintenance standards. A complete list of the standards regarding grounds maintenance is posted in the Resident Services Office. Failure to maintain grounds is a material breach of this Lease. The Owner may waive this requirement in certain circumstances, including but not limited to deployment of the Resident.

16) **Damage to the Premises.**

- a) If, by no fault of Resident, the Premises is totally or partially damaged or destroyed by fire, earthquake, accident or other casualty that render the Premises totally or partially uninhabitable as determined by the applicable governing authority or, if a governing authority is not applicable, by Owner, either Owner or Resident may terminate this Lease by giving the other written notice within thirty (30) days after the date of such damage, which shall be effective retroactively to the date on which the Premises became totally or partially uninhabitable. Rent shall be abated as of the date the Premises becomes totally or partially uninhabitable. The abated amount shall be the current monthly Rent prorated on a thirty (30) day period. Neither party will have any further obligation to the other. If this Lease is not terminated, Owner shall promptly repair the damage, and Rent shall be reduced based on the extent to which the damage interferes with Resident's reasonable use of the Premises. Owner may alternatively offer Resident another Premises if one is available. Resident may accept the Premises and this Lease will remain in effect.
- b) If the damage to the Premises is a result of a negligent, reckless, or deliberate action of Resident, Occupant, or guests, only Owner shall have the right to terminate this Lease, and no reduction in Rent shall be made. Resident will be responsible for payment of the repair and damages to the Premises caused by the Resident, Occupant or guest and to restore the Premises to its original condition, even if caused before the commencement date of this Lease. Failure to pay such amount is a material breach or default of this Lease.

17) **Waiver.** If Owner does not exercise any of its rights under this Lease, Owner may still exercise these rights at a later date.

18) **Joint and Individual Liability.** If there is more than one Resident, each one shall be individually and completely responsible for the performance of all obligations of Resident under this Lease, including, but not limited to, any damage caused to the Premises or Neighborhood by the Resident, Occupant, or Resident's guest, jointly with every other Resident, and individually, whether or not in possession.

19) **Right to Relocate.** Owner reserves the right to terminate this Lease and to relocate Resident due to construction and renovations or habitability conditions as specifically set forth in the Construction and Relocation Addendum. Owner will give Resident no less than forty-five (45) day advance notice. Re-

locations directed by Owner to a Premises designated by Owner and accepted by Resident will be at no cost to Resident. Owner shall provide Resident with a relocation allowance in the amount as set forth in the Construction and Relocation Addendum to offset the incidental costs of moving. Resident will be responsible for relocation due to habitability deficiencies caused by Resident, Occupants, or Resident's guests. In such event, Resident will pay for its relocation expenses in addition to the cost to repair any habitability deficiencies.

- 20) **Entry onto the Premises.** Owner or anyone allowed by Owner, including but not limited to a licensed exterminator for the purpose of pest control, may enter the Premises during reasonable hours after giving Resident forty-eight (48) hours advance notice. Owner or anyone allowed by Owner may enter the Premises for preventive maintenance during reasonable hours after giving Resident five (5) days advance notice. If there is an emergency, Owner may enter the Premises without giving Resident advance notice. Upon notice by either party of intent to terminate tenancy, Resident agrees to permit Owner to show the Premises to prospective residents upon forty-eight (48) hours advance notice. Owner may also enter the Premises if it appears to have been abandoned by Resident after a forty-eight (48) hour notice has been posted.
- 21) **Locks and other Entry Devices.** All devices (access cards, codes, keys, garage door openers, etc.) issued to Resident for access to common areas, pools, garages, Premises, etc. are the property of the Owner to be utilized solely by and held in possession of the Resident and authorized Occupants. These devices may be subject to additional rules and regulations as issued by Owner. If Resident provides any entrance device other than a key to Resident's Premises, to any person without first obtaining written permission from Owner, it shall constitute a material breach of this Lease and Owner may terminate tenancy.
- Locks shall not be changed, altered or replaced nor shall Resident add new locks without the written permission of Owner. Any locks so permitted to be installed shall become the property of Owner and Resident must promptly provide a key to Owner.
- 22) **Abandonment.** Any personal property left in the Premises after Resident has vacated or has been evicted is considered abandoned. If Owner determines the personal property to be of value, Owner may store the items at Resident's expense, sell the items in a commercially responsible manner, or donate the items to a charitable organization. Before selling or donating the items, Owner will mail a notice to Resident at Resident's forwarding or last known address. Owner will advertise the sale and disburse any proceeds in accordance with state/local law. If Owner determines the abandoned property is of no value, Owner will dispose the abandoned property without further notice or liability.
- 23) **Assignment and Sublet.** Resident shall not sublet all or any part of the Premises, or assign or transfer this Lease or any interest in it. Any assignment, transfer or subletting of the Premises or this Lease by voluntary act of Resident, operation of law or otherwise, shall be null and void and, at the option of Owner, terminate this Lease.
- 24) **Breach by Resident.** Each obligation of this Lease is material and violation of any obligation or misrepresentation of any information is a breach of this Lease. Owner may, at its option, enforce the performance of this Lease and/or give notice to Resident of its election to terminate this Lease. If Resident does not pay Rent by the due date, Owner may give Resident written notice demanding payment. If the Rent is not paid within the time specified (not less than five [5] business days) after receipt of notice, Owner may terminate this Lease. If Owner employs an attorney or collection agency, Resident must pay attorney fees (not more than 25% of the unpaid rent) and reasonable court costs, regardless of whether or not a lawsuit is filed.

If Resident fails to comply with any of the terms of this Lease, including damaging the Premises or violating any of the rules and regulations contained in the Community Handbook, or other restrictions, Owner will give Resident written notice (“Notice of Violation/Breach”) of the violation/breach. If the damage is not repaired or the violation/breach is not corrected within the time period specified in the Notice of Violation/Breach (not less than 10 days) from receipt of the notice, Owner may correct the violation/breach or damage and charge the cost to Resident and/or give Resident a ten (10) day notice to terminate this Lease (“Notice of Termination of Tenancy”) unless the violation/breach is remedied by Resident within the ten (10) day period and provided that the violation/breach can be remedied. Notice is hereby given that Resident is responsible for paying any fines, penalties, or other assessments charged because of Resident’s failure to comply with the terms of this Lease.

If the breach of this Lease is due to Resident’s, Occupants’, and/or guests’ use of the Premises for unlawful purposes, or if Resident, Occupants or guests cause or threaten to cause injury to any person, Owner may terminate this Lease.

Neither Owner nor Resident shall forfeit or waive any existing or future right or remedy by pursuing a lawsuit. Resident’s eviction by a court or other breach of this Lease or Owner’s Service of a Notice of Termination of Tenancy on Resident shall not release Resident from liability for payment for the balance of the term of this Lease.

- 25) **Security.** Resident acknowledges that Owner has not made any written or oral representations concerning the safety of the Neighborhood or the effectiveness or operability of any security devices or security measures.

Resident acknowledges that Owner does not warrant or guaranty the safety or security of Residents, Occupants, and their guests or invitees against criminal or wrongful acts of third parties. Each Resident, Occupant, guest, and invitee is responsible for protecting his or her own person and property.

Resident acknowledges that security devices or measures may fail or be thwarted by criminals or by electrical or mechanical malfunction. Therefore, Resident acknowledges that they should not rely on such devices or measures and should protect themselves and their property as if these devices or measures did not exist.

- 26) **Estoppel Certification.** Resident will, at any time and from time to time, upon not less than fifteen (15) days prior request by Owner, execute, acknowledge and deliver to Owner a statement in writing, executed by Resident, certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and setting forth such modifications) and the dates to which the additional Rent and other sums payable hereunder have been paid, and (b) that there is no existing default hereunder or specifying each such default of which the signer may have knowledge and (c) that Resident does not have any actual or pending claim against Owner.

- 27) **Hold Harmless.** Owner will not be liable for any injury to any person or damage or loss to any property of Resident, any Occupant, guest or invitee, unless the injury or damage is due to the specific negligence of Owner. Except as otherwise provided by law and this Lease, Owner will not be liable for the loss or damage to Resident’s personal property from theft, vandalism, fire, water damage, smoke, Owner supplied appliances, operating systems, interruption of utility services, or other cause, unless due to the specific negligence of Owner. If for any reason Owner agrees to render services such as handling furniture, cleaning, delivering or accepting packages, or providing access, Resident specifically agrees to hold Owner harmless from all liability in connection with such services.

Owner shall not be liable to Resident for any lack of access to the Premises, the Neighborhood, or any other land under the control of the Federal Government.

28) **Delivery of Premises.** Owner will make a good faith effort to make the Premises available to Resident on the day this Lease is scheduled to begin. If any delay does occur, Rent will not be due until the Premises is available to Resident. Either party may end this Lease by written notice to the other party if the Premises is not available within thirty (30) days after the Commencement Date, and any payment(s) made under this Lease will be refunded.

29) **Resident's Obligations Upon Vacating the Premises.** Resident has certain obligations prior to termination of this Lease and vacating the Premises. The obligations include:

a) Resident shall (i) give Owner all keys or opening devices to the Premises and any common areas; (ii) vacate and surrender the Premises to Owner, empty of all persons; (iii) vacate any and all parking and /or storage space; (iv) clean and deliver the Premises to Owner in the same condition as it was delivered upon Commencement Date or upon commencement of tenancy for Resident in possession on or before October 1, 2006, less ordinary wear and tear; (v) remove all debris; and (vi) give written notice to Owner of Resident's forwarding address.

b) All alterations/improvements left by the Resident at termination and that are made by or caused to be made by Resident, with or without Owner's consent, shall be deemed abandoned and may be disposed of, or retained by, Owner upon termination. Owner may charge Resident for restoration of the Premises to the condition it was in prior to any alterations/improvements.

c) Owner shall perform a pre-move out inspection and inform the Resident in writing of any potential move-out charges that may be assessed. At Resident's option, Resident may attend such pre-move out inspection. Resident shall be given an opportunity to remedy identified deficiencies prior to termination, consistent with the terms of this Lease. Deficiencies identified in the pre-move out inspection and not remedied by Resident will be remedied by the Owner and associated costs will be the responsibility of the Resident

d) Owner shall perform a final move out inspection at the time the Resident vacates the Premises. Resident or a Resident appointed representative must attend such final move out inspection. If Resident or a Resident appointed representative does not attend such final move-out inspection of the Premises, Resident will accept Owner's assessment of damages. The Resident will be charged a cleaning fee if the Premises is not properly cleaned. The Resident will be assessed charges for any damages to the Premises, except ordinary wear and tear.

e) Move-out requirements are further specified in the Community Handbook.

30) **Termination by Resident Prior to Expiration of Term.**

a) Resident that is a service member shall have the right to terminate this Lease if (i) the Resident is required to move pursuant to permanent change of station orders; (ii) the Resident receives temporary duty or deployment orders equal to or in excess of three (3) months duration to depart thirty-five (35) miles or more from the Premises; or (iii) the Resident is discharged or released from active duty with the Armed Forces of the United States or Coast Guard; or (iv) the Resident dies during active duty the remaining Resident that is a service member shall have the right to terminate this Lease as provided in the Servicemembers' Civil Relief Act, as shall the Occupant(s) as provided in the Servicemembers' Relief Act.

- b) In order to terminate this Lease under Paragraph (a) above, Resident (or in the case of death, an adult member of his or her immediate family or personal representative of the estate) shall provide Owner a written twenty-eight (28) day notice of intent to vacate (accompanied by appropriate forms/documents evidencing the circumstances giving rise to such right). The foregoing twenty-eight (28) day period can be reduced or waived by Owner under special circumstances such as when military orders are received with less than twenty-eight (28) days notice.
 - c) If two Residents are military members and only one Resident terminates this Lease under Section 30(a) above, the remaining Resident will not be required to terminate the Lease, but has the option to provide the Owner a written twenty-eight (28) day notice of intent to vacate. If the senior service member is the terminating party, then upon the senior service member's early termination date the remaining Resident shall be considered the senior service member and will pay Rent in accordance with Paragraph 4 above. All other terms and conditions of the Lease shall remain in full force and effect.
 - d) If only one Resident is a service member and if that Resident terminates this Lease under Section 30(a) above, the remaining non-military Occupant of legal age, shall not be required to terminate this Lease, but has the option to terminate by providing Owner a written twenty-eight (28) day notice of intent to vacate. In the event such non-military Resident continues to occupy the Premises under this Lease, the monthly Rent for the remainder of the then current term shall continue to be the monthly Rent immediately prior to termination by the military Resident.
 - e). Resident may terminate this Lease prior to the Expiration Date as shown on Page 1 Number 4b if Resident is purchasing a home. Resident will not be assessed a penalty for early termination if Resident provides a twenty-eight (28) days written notice and a copy of the signed Purchase Agreement to Owner.
 - f) Resident has the option to terminate this Lease prior to the Lease Expiration Date as shown on Page 2 Number 4b for any reason not specified herein. Resident must submit to Owner at least twenty eight (28) days prior to the early termination date, a request in writing, a \$250 Early Termination Fee, together with any outstanding Rent or other amounts owed to Owner pursuant to the terms of this Lease.
- 31) **Termination by Owner Prior to Expiration of Term.**
- a) Owner may terminate this Lease if Resident is in default under any of the covenants, terms or conditions of this Lease including the rules and regulations contained in the Community Handbook.
 - b) In addition, Owner may terminate this Lease for the following reasons:
 - (i) Misuse or illegal use of the Premises, or conduct of Resident, Occupants, and/or guests which is detrimental to Neighborhood safety and health.
 - (ii) Unacceptable care of or damage to Premises.
 - (iii) When the Resident, in the act of apparent abandonment and as a result of voluntary action, ceases to reside personally in the Premises.
 - (iv) Use of the Premises for illegal activities or commercial transactions not permitted in advance in writing by Owner.

- (v) For criminal activity by any Resident, Occupant, guest, or any other person under Resident's control. Criminal activity includes, but is not limited to, felonies and misdemeanors.
 - (vi) Construction and extensive renovations and repairs of the Premises and/or common areas, which may require Resident to vacate the Premises, as set forth in the Construction and Relocation Addendum.
- 31) **Insurance.** Owner's insurance covers the Premises and contents provided by Owner. Owner will provide insurance coverage of \$35,000 for loss of Resident's personal property at no cost to the Resident. The insurance provides replacement cost coverage with a \$250 deductible payable by Resident. Limited coverage is provided for high value items such as jewelry, silverware, antiques, etc. Resident acknowledges being responsible for obtaining and maintaining insurance to cover losses or damages in excess of these coverage amounts. Resident acknowledges being advised to obtain additional insurance at the Resident's cost to protect the Resident from claims for property damages and physical injury caused by Resident, Occupants, or guests. Waterbeds and aquariums in excess of thirty-five (35) gallons are not permitted without providing Owner with a valid water damage insurance policy.
- 32) **Weapons and Guns.** The possession of personal firearms, government-owned arms, ammunition, and any other weapons will be in accordance with the laws of the State of Hawaii and all other applicable laws and ordinances. All firearms must be registered with the Owner within three (3) days of occupancy or procurement of firearms. Firearms and ammunition must be stored separately in safe, locked locations. Loaded guns in the Premises are prohibited. Displaying or discharging a weapon in the Neighborhood is prohibited. Hand grenades, bombs, and blasting explosives are also prohibited. Failure to adhere to this provision or other provisions within the Community Handbook regarding weapons and guns is a material breach of this Lease and may result in immediate eviction from the Premises.
- 33) **Notices.** All notices must be in writing. Any notices to the Owner will be delivered at the Resident Services Office listed on Page 1 of this Lease and to the Resident at the Premises. Delivery of a notice to any Resident or Occupant is notice to all Resident(s) and Occupant(s). If Owner cannot deliver a notice to any Resident or Occupant, Owner may post the notice in a conspicuous place on the Premises. The notice will be deemed received when delivered or posted on the Premises.
- 34) **Change in Ownership/Subordination.** This Lease and Resident's rights under this Lease are subordinate (inferior) to all existing and any future financing, loans, or leases on the building or land.
- 35) **Severability.** If one or more of the paragraphs of this Lease are determined to be invalid, the remainder of this Lease will remain in effect.
- 36) **Controlling Document.** In the event of any ambiguity, conflict, inconsistency, or incongruity between the provisions or references of this Lease and any other exhibits or attachments to this Lease, then the provisions of this Lease shall, in all respects, govern and control.
- 37) **Sex Offender Registration.** Hawaii has enacted a law requiring sex offenders to register with the Attorney General's office. Owner makes no representations as to whether or not the public has access to this information. Owner is not required to obtain information regarding sex offenders.
- 38) **Government's Right to Restrict Access for Security Reasons.** Owner and Resident acknowledge that the Government, as represented by the DoN, has reserved the right to impose access restrictions upon all Residents from time to time as security considerations may require. Such restrictions may include identification checks, searches of vehicles and persons, and any other measures appropriate to the situation. Access to the Premises may be restricted or denied at the discretion of the Commander, NAVREGHI, depending on the nature and severity of the specific force protection or defense conditions. Residents shall not make any claim against Owner if the DoN imposes such restrictions.

The Owner, its agents, and employees are pledged to both the letter and spirit of the U.S. policy for the achievement of equal housing opportunity throughout the nation. Owner strictly abides by all applicable Federal, state, and county laws. Management does not discriminate on the basis of race,

color, religion, sex, national origin, familial status, disability, marital status, age, or HIV (human immunodeficiency virus) infection, or any other protected classes under state/local law.

NOTE: Chapter 487A of the Hawaii Revised Statutes, as amended, requires that every written agreement entered into on or after July 1, 1981 to which a consumer is a party, which involves less than \$25,000, and which is the subject of a transaction for personal, family, or household purpose; or which is a lease of space to be occupied for residential purposes for a term not exceeding five years; shall be written in a clear and coherent manner using words with common and everyday meanings, and appropriately divided and captioned by its various sections. Every effort has been made to write this Lease in “plain language.” Notwithstanding this effort, there is no warranty, express or implied, that this Agreement in all respects complies with Chapter 487A, as amended. Residents should consult with their own attorneys about Chapter 487A and other laws that may apply.

Resident has read and understands this Lease and agrees to be bound by all of its covenants, terms and conditions. Resident acknowledges that Resident has received a duplicate original of this Lease.

X
RESIDENT

X
DATE

X
RESIDENT

X
DATE

OWNER:

Ohana Military Communities, LLC
By: Forest City Residential Management, Inc., Authorized Agent

X

X