

LANDLORD'S RULES & REGULATIONS

TERRA RESIDENTIAL SERVICES INC.

These Rules & Regulations further explain the TEXAS ASSOCIATION OF REALTORS® RESIDENTIAL LEASE (Lease) between the owner of the Property (Landlord) and Tenant(s) and are hereby incorporated into Lease. These explain the typical rules and procedures of the Property Manager, Terra Residential Services, Inc. (TRS), who will be managing this property as the Landlord's Agent under a written property management agreement. Tenant understands that their contacts will be with TRS and not directly with Landlord.

Please note that identifying numbers after the (¶) symbol below correspond to the same numbered paragraph in the lease.

CONTACTING TRS:

Email: All TRS employees use email which consist of the person's first initial last name @terraresidential.com. The property managers are: Aleena August (aleena@terraresidential.com) Sarah Magee (sarah@terraresidential.com) and Rebecca Roeber (rebecca@terraresidential.com).

Telephone: (713) 895-9966. During office hours Monday through Friday from 9-12 and 1-5, phones are answered live. After hours an automated attendant with voice mail answering system is in place. The managers' extensions are: Aleena August (x308) Sarah Magee (x303) and Rebecca Roeber (x307).

AUTOMATIC RENEWAL AND NOTICE OF TERMINATION (¶4.A.B.C.): The Lease automatically renews on a month-to-month basis until one party gives the other **WRITTEN** notice of termination. **THE LEASE DOES NOT AUTOMATICALLY END AT THE EXPIRATION DATE OF THE PRIMARY TERM (¶3.A).** When tenants wish to move, they must give Landlord at least 30 days **WRITTEN** notice of intent to vacate. These can be brought by the TRS office, mailed, or sent via email to notice@terraresidential.com. **Verbal or oral notice is insufficient for any reason.** Texas Property Code strictly prohibits attempts to use the Security Deposit in lieu of payment of the last month's rent, and strong penalties can ensue for doing so (see ¶10. Notices About Security Deposits). Upon receipt of the notice, the TRS manager will contact Tenant and schedule a walk-through of the property to inform Tenant of specific responsibilities before vacating (see Move Out ¶16) and to discuss the showing instructions to prospective tenants during the remaining time in the property. *If Tenant has not heard from TRS within a couple of days after sending the notice, contact TRS immediately as TRS did not receive it.* On the move-out day, TRS will schedule a move out walk through after Tenant is completely out of the property and, providing Tenant has provided a forwarding address in writing, Landlord has 30 days from that date to provide Tenant with an accounting and/or refund of the Security Deposit.

RENT (¶5):

Method of Payment (¶5.D.): Landlord requires that all rent and other sums be paid by cashier's check, electronic payment, money order or personal check. **AT NO TIME will Landlord accept any rent or other sum in cash.** The first month's rent and the security deposit must be paid by cashier's check or money order only. Landlord will not accept partial rent payments. Multiple payments for the rent will NOT be accepted (i.e. multiple tenants each submitting separate personal or e-checks for part of the rent, or tenants submitting partial rent payments throughout the month).

Electronic payment (¶5.D.): Tenant can pay online by e-check (ACH), or debit or credit card, and online payments is our preferred and most secure method of payment. Visit www.terraresidential.com and click on the **Pay Rent** button on the top of the home page or the **Pay Rent Online** button in the Tenants drop down menu to sign up. There is a small convenience fee for online payments (e-check ACH much cheaper than debit or credit card), which is much less than any potential late fee or cost in time and gas to deliver payments. Plus, you can set up automatic recurring payments. Set it once and don't think about it again.

Cashier's check or money order (¶5.D.): When submitting cashier's checks, money orders, bill pay checks, bank drafts, make sure that the tenant's name and property address identified on the lease agreement is clearly marked on the payment. If this is neglected, your rent payment could be applied late as Landlord has no way of knowing what account to apply it towards.

Personal check (¶5.D.): Tenant's Name and property address must be preprinted on any personal check presented. Landlord will not accept temporary checks or third-party checks (i.e. from friend, family, or business).

Paying in Person: For those who wish to pay in person, our office hours are 9 AM -- 12 PM and 1 PM -- 5 PM, Monday through Friday, excluding normal holidays. For after hours, you may leave payment at our address 9977 W. Sam Houston Pkwy N, Suite 160 under the door. The office building is open 7AM – 6PM. Please do not place rent under any other suite door only Suite 160. Please call the next business day to verify receipt, as Landlord will not be responsible for lost payments.

LATE CHARGES (¶6.): Keep in mind that the rent is due on the date stated in the Lease which is usually the first (1st). Please do not confuse the past due date with the date late fees start accruing which is after **5:00pm** on the 3rd. All rents are considered late if not **RECEIVED** by the due date, which means if Tenant pays the rent on the 2nd, it is late although late fees have not yet started accruing. If paying online, payments are considered received on the initiation date and time of the payment. Post marks, dates written on checks, etc., are never considerations. Allow sufficient time for mail service to have the rent to Landlord on or before the due date (1st). **With recent changes at the state legislature, any payments made after 5:00pm will be considered to have been paid the next day.** Example: all payments delivered by the post office or paid online before 5:00pm Monday will be considered to have been paid on Monday. All payments after that time will be considered to have been paid on Tuesday, and so on. Late rents may be reported to any credit bureau and/or any future landlord or mortgage company.

RETURNED PAYMENT (¶7.): Any returned payment for any reason will need to be replaced with a cashier's check, money order, or credit card. Should Tenant at any time, and for any reason, have more than one e-check (ACH) or personal check returned, Landlord hereby notifies Tenant that e-checks (ACH) and personal checks will no longer be accepted.

PHONE NUMBERS AND EMAIL (¶12.B.): The information provided on Tenant's application will be used to set up the TRS Tenant file and Tenant is responsible for promptly (within 5 days) supplying changes in any contact telephone numbers and e-mail addresses to TRS in writing.

ACCESS BY LANDLORD for SHOWINGS (¶14.): After written move-out notice has been received, whether or not Tenant authorizes a keybox to be placed on the Property by the Landlord (see ¶14); the Property may be shown at reasonable times to prospective tenants. Tenant understands that repeatedly refusing reasonable showings, as well as not keeping the Property "showable" during this time constitutes default of the lease, the penalty of which will be equal to 100% of one month's rent.

INVENTORY AND CONDITION FORM (¶15.B.): The Inventory and Condition Form is now an App called MyWalkThru which will need to be **COMPLETED AND RETURNED** to TRS within 7 days of move-in. Tenant will be supplied with login credentials to conduct a review and generate a digital report of the Property's condition utilizing a smartphone application (the "App"). The App will enable Tenant to note and photograph damages or other conditions of the Property existing at the time Tenant accepts possession. The importance of completing this document cannot be stressed enough. This document is for Tenant protection for consideration in both maintenance and security deposit charges. **THIS DOCUMENT IS NOT A REQUEST FOR REPAIRS AND ANY DEFECTS NOTED WILL NOT BE CONSIDERED FOR REPAIR SIMPLY BY COMPLETING THIS DOCUMENT.** If needed, a separate online request for specific repairs must be submitted.

MOVE-OUT (¶16.): The Lease automatically renews on a month-to-month basis until one party gives the other **WRITTEN** notice of termination (¶4.A.B.C.). **THE LEASE DOES NOT AUTOMATICALLY END AT THE EXPIRATION DATE OF THE PRIMARY TERM (¶3.A)**

Tenant will leave the Property free of all trash, debris, and any personal property.

All ceramic, tile, vinyl, and concrete areas are to be swept and mopped.

All carpeted areas are to be vacuumed and professionally cleaned.

All areas are to be de-fleat and deodorized if required by the pet agreement.

All counters, windows, windowsills, door casings, blinds, cabinets, appliances, tubs, showers, toilets, mirrors, light fixtures, ceiling fans, fireplaces, etc. are to be clean and wiped down (inside and out if applicable).

All patios, walkways, carports, garages, and/or driveways are to be swept and degreased as needed.

All yard areas are to be freshly mowed, edged, raked and weeded; shrubbery is to be trimmed; flower beds are to be weeded; and any holes in the yard are to be filled in completely.

PROPERTY MAINTENANCE (¶17.)

Utility & Maintenance Reduction Program: A portion of Tenant's total amount due will be used to have HVAC filters delivered to their home approximately every 30 days as a part of the Tenant Benefit Package. Tenant shall properly install the filter(s) that is provided within two (2) days of receipt. Tenant hereby acknowledges that the filters will be dated and subject to inspection by Landlord upon reasonable notice to verify replacement has been timely made. If at any time Tenant is unable to properly or timely install a filter, Tenant shall immediately notify Landlord in writing. Tenant's failure to properly and timely replace the filter(s) will be considered as a material breach of this agreement and Landlord shall be entitled to exercise all rights and remedies it has against Tenant, therefore, Tenant shall be liable to Landlord for all damages to the property, A/C or heating system caused by Tenant's neglect or misuse.

Yard Care and Watering (¶17.B.): Please remember that in most leases it is Tenant's responsibility to water the yard. If not done regularly, tenants can and have been held responsible for completely re-sodding the yard upon move-out. If there is a sprinkler system installed in the yard, it is a violation of the lease to turn that system off. Keeping that in mind, if the summer is within normal temperature and rainfall ranges for the area, there may come a time when different areas or water districts start a water rationing or other restriction. Please remember to follow all those rules.

Prohibitions (¶17.D.): **NO** modifications may be made to the property without prior **WRITTEN** permission of the Landlord. This includes installation of cable TV, security systems, light fixtures, trees, bushes, painting, or anything of the like.

REPAIRS (¶18.):

Repair Requests (¶18.A.): All repair/maintenance requests should be directed to TRS in writing as per the lease (except for emergencies that may be called in to 713-895-9966). The preferred and most common method is to go to the TRS website at www.terraresidential.com and fill out the repair form located under "Maintenance Request" in the Tenants drop down menu. This will take you to another website called PropertyMeld. You will log on with your credentials and input your maintenance request. This will be sent to TRS to be assessed and assigned a vendor. You will be able to schedule the appointment between you and the vendor. This will always be monitored by our office. **DO NOT EMAIL YOUR PROPERTY MANAGER DIRECT FOR REPAIRS.**

Completion of Repairs (¶18.C.): Do not attempt any repairs yourself or contract with outside companies if you want the Landlord to pay for the repair, even in an emergency. We have a manager on call 24 hours a day, and we always have emergency repair companies available. Landlord **WILL NOT REIMBURSE** Tenant for any repair bills contracted by Tenant without prior written permission from Landlord. **AT NO TIME ARE YOU AUTHORIZED TO DEDUCT A REPAIR AMOUNT FROM THE MONTHLY RENT.**

Repair Hours: Our office hours are 9:00 AM – 12:00 PM and 1:00 PM -- 5:00 PM Monday through Friday excluding normal holidays. Most repair companies perform their services during similar hours, however pre-discussed appointments may be made for after hours and during weekends at the convenience of the repair company and you. Be advised that the Landlord will not authorize the paying of overtime or after hours charges, except in the case of a major emergency. After hour major emergencies (such as major plumbing, electrical, fire, etc.,) may be reported by calling 713-895-9966 and following the instructions. Use common sense when reporting emergencies. As an example, we cannot and will not repair air conditioners, or a burner on the stove, at midnight on Saturday.

Payment of Repair Costs (¶18.D.): Certain repairs are the responsibility of Landlord and certain repairs are the responsibility of the tenant. In most instances the Tenant will be responsible for the entire repair if it is found to be due to misuse, neglect, etc. **Do not pay** the repair company when they perform their services, unless directed to by TRS. If there is responsibility for payment of some or more of the repair to you, TRS will invoice you after the repair has been completed.

EARLY TERMINATION (¶28.):

Assignment, Subletting and Replacement Tenants (¶28.B.): Landlord does not allow assignment or subletting. Landlord will allow replacement tenants under the following conditions: If Tenant requests an early termination of the lease under this paragraph, Tenant understands that the fee (reletting fee) referenced in 28.B.(4) is due up front. Upon receipt of the reletting fee, Landlord will begin marketing the Property for a suitable replacement tenant. Payment of the reletting fee does not release Tenant from other obligations of the lease up to and including the rent for the remaining term of the lease or until a suitable replacement tenant is procured (whichever is sooner). Obviously, the more notice you can give when you need to terminate early will enable marketing to start sooner and hopefully end your lease obligation sooner. Paying the reletting fee and the rent until a suitable replacement tenant or the end of your lease term arrives is the ONLY way to complete your lease term on good terms with good rental history and the potential refund of your security deposit. Not paying all obligations will guarantee forfeiture of your security deposit, bad rental history, a broken lease, and the balance owed all being reported to all 3 credit bureaus and placed with a collection company for collection.

RENTERS INSURANCE (¶34.H.): Tenant is highly encouraged to purchase and maintain renters insurance covering liability issues and casualties such as fire, flood, water damage and theft. Landlord's insurance in Texas does not cover Tenant's personal property.

FEES: The following is a guide which includes but are not limited to the types of fees that can be charged to Tenant over and above any fees chargeable by the lease:

- a) if Tenant rekeys Property without Landlord's permission (\$50.00 + cost of rekey)
- b) if Landlord or Landlord's Agent has to file a forcible detainer or like suit (\$50.00 + cost of filing)
- c) if Landlord or Landlord's Agent must appear in Court for a forcible detainer or like suit (\$100.00)
- d) if Landlord or Landlord's Agent has to send Tenant a second HOA violation for the same issue (\$25.00)
- e) Tenant caused repairs during lease term (\$25 + cost of repair)
- f) Tenant caused repairs performed and deducted from deposit after moveout (10% + cost of repair)
- g) Tenant Benefit Package (\$25.00 per month) - see full list of benefits included on www.terraresidential.com

This document is subject to change with proper notice or should Landlord and TRS terminate their relationship.

Tenant hereby acknowledges that he/she has read the Lease Agreement and these Landlord's Rules & Regulations and fully understands the provisions of said Lease Agreement and Landlord's Rules & Regulations.

Michael C. Mengden
for TRS as Agent for Landlord

Date

Tenant

Date

Tenant

Date

Address and Zip