

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: Jennifer Steward (jsteward@terraresidential.com), Rebecca Roeber (rroeber@terraresidential.com), and Jamie Dominy (jdominy@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: Jennifer Steward (x306), Rebecca Roeber (x307), and Jamie Dominy (x308). From time to time we hear that "my manager is never in." Even though that is not completely true, it is close. We estimate that our managers are out of the office, checking on properties, repairs, moving tenants in or out, etc. over 60% of the time. Therefore, it is imperative that when you call us after hours you follow the directions. If you leave a repair request in your Manager's voice mailbox, the earliest they will probably get it is the next day, and if they are sick or on vacation, it could be many days, and then they will tell you that unless it is an emergency, you have to put it in writing anyway. If you either provide it in writing the first time or for an emergency follow the directions within the voice mail answering system, it is retrieved regularly so that you receive prompt service. If you do need to speak with your manager, and they are not in, leave a detailed message so that they are prepared to talk to you when they call you back. They can get the answer you need quicker if they have the advantage of knowing what you need. Email also works great for this.

Fax: (713) 895-9320.

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 cashiers 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 cashiers 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 credit card, and online payments is our preferred and most secure method of payment. Visit www.terraresidential.com and click on the **Pay Rent Online** button in the Tenants drop down menu on the home page to sign up. There is no convenience fee for e-check (ACH) payments. There is a small convenience fee for debit or credit card payments, which is much less than any potential late fee or cost in time and gas to deliver payments. As added benefits, the third party vendor we use, RentTrack, can give you a summary of your current credit profile, as well as your current credit score. They can also report your **on-time** rent payments to major credit bureaus to help build your credit history. Plus you can set up automatic recurring payments. Set it once and don't think about it again.

Cashiers check or money order (¶5.D.): When submitting cashiers checks, money orders, bill pay checks, bank drafts, and the like 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, there is a mail slot in the suite door, and if the atrium outside door is locked, there is a mail slot to the right of this door (look down). 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 left in the slots, 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 cashiers 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 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 provided at move-in should be completed **AND RETURNED** to TRS within 7 days of move-in. 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 RETURNING THIS DOCUMENT.** If needed, a separate written 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 defleaded and deodorized if required by the pet agreement. All counters, windows, window sills, 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.)

A/C Filters (¶17.A.(3)): Due to the weather conditions common to the area, it is imperative that you change your A/C filter regularly. Some units may require more than monthly, but at a minimum monthly. This is not an option. There are numerous instances in the past where TRS has sent A/C repairmen out to a property and the tenant never changed the filter or worse, took it out. This is a very expensive repair, and Tenant will ALWAYS get the entire amount billed back due to tenant neglect. This can run into the \$100's and can also make the electric bill extremely high. Filters only cost a few dollars and are more than offset by the electric bill savings alone.

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 resodding 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 of 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. Tenants may also use fax, mail, or email sent to "repairs@terraresidential.com". **DO NOT EMAIL YOUR PROPERTY MANAGER DIRECT FOR REPAIRS.** As the managers do not check their email as often as the "repairs" boxes, are out of the office, or are on vacation, this could severely lengthen the time your request gets handled, and TRS will not be responsible for responding to repair requests sent this way. Please be as specific as possible regarding the exact nature of the request. Our normal procedure is to contact you by email or telephone to discuss the specifics and then have the appropriate repair company contact you directly for an appointment. If you have not been contacted by either a contractor or us to set up an appointment within a reasonable amount of time, please contact us, as we assume that if no word is forthcoming, you have had the request handled.

Completion of Repairs (¶18.C.): Do not attempt any repairs yourself or contract with outside companies if you want 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.**

