COMMUNITY ADDENDUM

This Community Addendum (this "Addendum") is made and entered into as of the same date as the Resident Lease Contract (the "Lease") to which this Addendum is attached by and between Owner and Resident named therein. The terms of this Addendum shall be in addition to the terms of the Lease as if the terms of this Addendum were written into the Lease. In the event of any conflict between the terms of this Addendum and the Lease, the terms of this Addendum shall control. All capitalized terms used herein without being defined herein shall have the meaning ascribed to such terms in the Lease.

SUMMARY

All installments and fees made payable to:	**Village Oaks Apartments**
NON-REFUNDABLE ADMINISTRATION FEE *Renewals are not required to pay fees twice	$225.00
SECURITY DEPOSIT	$0 with Guarantor; $450.00 if no Guarantor is provided
Other Applicable Fees: *See the Lease, Community Policies, and any other document, as applicable.	
LATE CHARGE *Charged on the fourth (4th) day of the month if Rent is not paid by the third (3rd) day of the month. Rent is delinquent until Rent is paid in full.	A sum equal to 10% of the Monthly Rent
RETURN CHECK CHARGE FOR EACH RETURNED CHECK	$30.00
TRANSFER FEE from ASSIGNED PREMISES / BEDSPACE TO ANOTHER PREMISES / BEDSPACE	$150.00
RELETTING FEE	$200.00
Billing Fee	N/A
Electricity	100% bill-back
Water/Sewer	Included in Rent
Gas	Included in Rent
Trash/Recycling	Included in Rent
Pest Control *Excludes special treatment for bedbugs, fleas, and other pests as determined in Owner's sole and absolute discretion.	Included in Rent
Internet	$90.00/ semester
Furniture	2 bedroom - $33.00 Super 2 - $33.00 4 bedroom - $33.00 (Included in monthly Rent installment)
Non-Refundable Pet Fee	$325.00
Monthly Pet Rent	$40.00/month
HOLDOVER DAILY FEE *Plus, any actual damages incurred (including rescheduling contractors and other vendors)	Daily rent + 25% of daily rent amount
INSURANCE NONCOMPLIANCE FEE	$25.00

For Reference Only

UTILITIES AND SERVICES:

A. If Owner agrees to furnish water/sewer, trash, pest control, basic cable TV and Internet for the Premises, Resident and the other residents of the Premises must separately pay and provide required deposits for all other utilities, city services, city fees, charges for local and long distance phone service, additional or private lines, information and 911 calls. Except for utilities provided by Owner, Resident agrees that all utilities and services

paid for by Resident will be in Resident's name prior to, but not later than, the Commencement Date or Starting Date. Resident acknowledges that all utilities will be used for normal household purposes only and shall not be disconnected at any time during the Term of the Lease. Owner is not responsible for any discomfort, inconvenience or damage of any kind caused by the interruption or failure of any services. Owner is not responsible for outages or lapses caused by outside providers or for Resident's use of the Internet.

B. Electricity may be billed by Owner using any third party billing service. Resident acknowledges that the billing provider is not a public utility. Owner reserve the right to change the third party billing provider at any time. Any disputes related to the computation of the Resident's bills will be between the Resident and the Owner. Owner will remain the customer of record for electric utilities. The local electric utility provider measures utility usage in each apartment unit and bills Owner directly for such charges.

C. Resident will receive monthly billing statements. If a third-party billing service is used, utility billing statements may include a monthly service charge not to exceed $5.00. The service charge represents the reasonable value of services provided by Owner, or any other utility billing company to allocate the utility costs to the responsible parties, provide billing, and process payments. The monthly service charge is subject to change upon sixty (60) days' written notice of increase sent by first class mail to Resident. Billing statements are payable within seven (7) days of the statement date. The due date for Rent and the due date for utility charges may not coincide. Failure of the Resident to pay the utility charges by their due date will be considered a material breach of the Lease and grounds for termination of the tenancy. All monetary amounts due under this Addendum are deemed Additional Rent. Utility billings will be prorated, as necessary. Any obligation that remains unpaid, including utility charges that have accrued but have not been invoiced when Owner reacquires possession of Resident's Premises, may be deducted from the Resident's Security Deposit.

D. If it is necessary for Owner to pay any costs or repairs due to failure to pay; failure to activate any utility under Resident's name; or if Resident disconnects any utility before the expiration of the Lease, then Resident will reimburse Owner for such amount plus $50.00 for administrative costs, and the total amount is payable by Resident as Additional Rent. Resident is responsible for paying for all utilities that are in Resident's name during the lease term even if Resident moves out prior to the termination date. Should Owner pay any utility charges on behalf of Resident, Resident shall be jointly and severally liable with the other residents to Owner for such charges which shall be considered Additional Rent. At Owner's option, Resident may be pre-billed for a reasonable estimation of charges for any unbilled period to be calculated based on prior utility charges within the Premises and in accordance with any applicable utility billing laws and regulations. Any failure to pay amounts as listed herein shall result in a default under the Lease.

E. <u>For submeter billing only</u>: Electricity is submetered for each Apartment. Electricity will be billed by Owner based on the submeter readings for the Premises. Specifically, the Premises's measured consumption is multiplied by the average rate on the utility provider's bill. The Premises's cost will then be divided by the number of days the Premises was occupied to come up with each resident's charge. If there is a Utility Credit, each month we will apply such Utility Credit to your electric bill. Your monthly bill will cover only electricity consumed within the Premises which exceeds the Utility Credit. In the event the monthly bill is less than the Utility Credit amount listed above, no refund or credit will be applied to your account, but you will not incur any electricity charges due for that month. Your monthly bill for electricity for the Premises will cover only electricity consumed within the Premises. The submeter bill will not include any electricity for common areas or common facilities. Your per-KWH cost will be what the electric utility company charges us for an average KWH, that is, our total bill divided by the apartment community's total KWH consumption. There will be no extra charge of any kind for electrical consumption through your submeter. Billing calculations are governed by Rule 25.142 of the Public Utility Commission of Texas. Your lease provides that you and the other residents are jointly and severally liable for utility costs for the Premises. However, for your convenience, we will bill each resident individually for his or her share of the total bill for the Premises. You must pay your monthly electric submeter bill within seven (7) days after the date when we issue it. If you do not pay it within seven (7) days, you will be liable for a late payment charge of five percent (5%) of the bill. Your bill must be paid directly to us at the manager's office (or such other place as we designate in writing). Disconnection of submetered electricity for nonpayment is governed by the Public Utility Commission electric submetering rules. A copy of the rules is attached as <u>Exhibit A</u>.

For Reference Only

The billing methods described herein may be changed by Owner by providing Resident with 30 days prior written notice, or by the minimum number of days as required by state and/or local law(s) (whichever is shorter), and Resident acknowledges that in certain situations it is necessary to make a change to the billing method.

INTERNET SERVICES

We will provide internet access to you during the Lease Term and subject to the terms and conditions of this Lease. Internet service will be provided for you on the premises as part of this Lease and you will be charged at a rate of $90.00 per semester, to be paid in addition to the Rental Installment. You shall not use the internet access for any purpose which is in violation of any copyright, trademark, patent, or trade secret of any person; or, any purpose which is in violation of any state or federal laws or regulations presently existing or hereinafter enacted. We disclaim all liability whatsoever for indirect, consequential, and incidental damages, arising out of the failure or inability of landlord to provide access to or use of the internet access or otherwise in respect of this Lease, including but not limited to, losses or damages resulting from the loss of data or services. LANDLORD MAKES ABSOLUTELY NO WARRANTIES WHATSOEVER WITH RESPECT TO THE INTERNET ACCESS OR ANY OTHER SERVICES PROVIDED HEREUNDER, AND SPECIFICALLY DISCLAIMS ANY AND ALL WARRANTIES, WHETHER EXPRESSED OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR AN INTENDED PURPOSE. Tenant acknowledges that the internet access is provided by third parties to Landlord. Use of the internet access and its operation may be subject to events over which Landlord has no control, including but not limited to, equipment failure, telecommunications interruptions, Internet service interruptions, and power outages. TENANT HAS SOLE RESPONSIBILITY FOR ENSURING THE SECURITY OF ITS COMPUTER EQUIPMENT, SOFTWARE AND DATA. LANDLORD DOES NOT PROVIDE ANY SECURITY OR PROTECTION AGAINST UNAUTHORIZED ACCESS TO TENANT'S COMPUTERS, SOFTWARE OR DATA VIA THE INTERNET, OR FROM VIRUSES OR OTHER ACTS BY THIRD PARTIES WHICH MAY BE COMMITTED VIA THE INTERNET. Tenant shall indemnify, defend and hold harmless Landlord from and against any and all losses, liabilities, damages, costs of suit, attorneys' fees and any other expenses which may be incurred by or asserted against Landlord or its partners in connection with Tenant's use of the internet access.

SECURITY DEPOSIT:

Owner shall provide Resident an itemization of the application of the Security Deposit and a refund of the remaining balance of the Security Deposit, if any, thirty (30) days after termination of the tenancy, delivery of possession of the Premises to Owner by Resident and written notice from Resident of Resident's forwarding address. Owner may also deduct from the Security Deposit its reasonable costs incurred in rekeying security devices required by law if Resident vacates the Premises in breach of the Lease.

DELAY OF OCCUPANCY:

If occupancy is or will be delayed for construction, repairs, cleaning, a previous resident's holding over, or any other unforeseen delays, we are not responsible for the delay. The Lease will remain in force subject to: (1) abatement of Rent on a daily basis during delay; and (2) at our option, substitute accommodations may be provided until your Premises is available. Rent abatement does not apply if delay is for cleaning or repairs that do not prevent you from occupying the Premises. The date we make the Premises available is considered the new Starting Date for all purposes. This new date may not be moved to an earlier date unless we and you agree.

DEFAULT BY OWNER:

We'll act with customary diligence to keep common areas reasonably clean; maintain fixtures, hot water, heating, and air-conditioning equipment; substantially comply with all applicable laws regarding safety and sanitation; and make all reasonable repairs, subject to your obligation to pay for damages for which you're liable. **If we violate any of the above, you may possibly terminate the Lease and exercise other remedies under Texas Property Code Sec. 92.056 by following this procedure:**

(a) all rent must be current, and you must make a written request for repair or remedy of the condition—after which we will have a reasonable time for repair or remedy;

(b) if we fail to do so, you must make a second written request for the repair or remedy (to make sure that there has been no miscommunication between us)—after which we'll have a reasonable time to repair or remedy; and

(c) if the repair or remedy still has not been accomplished within that reasonable time period, you may immediately terminate the Lease by giving us a final written notice.

You also may exercise other statutory remedies, including those under Texas Property Code sec. 92.0561.

For Reference Only

DEFAULT BY RESIDENT:

In the event of default by Resident, Owner's rights shall include, but shall not be limited to, terminating Resident's right to occupy the Premises or terminating the Lease, at Owner's sole discretion, upon three (3) day's written notice to vacate and regain possession of the Premises or in the manner provided by applicable law. It is understood that in the event Owner terminates a Resident's right to occupy the Premises, it shall be a default under the Lease by Resident for such Resident to occupy the Premises. In addition, in the event of Resident's default, Resident shall be liable for and shall pay: (i) a Reletting Fee, as provided herein this Addendum, to offset the costs of reletting the Premises; (ii) all monthly Rent and other charges which are payable during the remainder of the Term of the Lease, which shall be accelerated automatically without notice and shall be immediately due and delinquent; and (iii) any other sums that may be due pursuant to the Lease or applicable law. Resident acknowledges that the Reletting Fee is not a cancellation fee or a buyout fee. The Reletting Fee is a liquidated amount covering only Owner's damages associated with Owner's time, effort, and expense in finding and processing another resident to occupy the Premises. Such damages are uncertain and difficult to ascertain.

In addition to events of default in the Lease, the following events shall be deemed to be Events of Default by Tenant under the Lease (collectively, "Events of Default"): criminal conduct, regardless of whether or where arrest or conviction occurs, including but not limited to: manufacturing, delivering, or possessing a controlled substance or drug paraphernalia; engaging in or threatening violence; possessing a weapon prohibited by law; discharging a firearm in the Premises or apartment community; or, except when allowed by law, displaying or possessing a gun, knife, or other weapon in the common area, or in a way that may alarm others.

CASUALTY DAMAGE:

Subject to Section 20, If the Premises are totally destroyed by an insured peril, or so damaged by an insured peril that, in Owner's reasonable estimation, rebuilding or repairs cannot be substantially completed within 180 days after the date of Owner's actual knowledge of such damage, then either Owner or (if Tenant, guest, or occupant did not intentionally cause such damage) Tenant may terminate the Lease by delivering to the other written notice thereof within 30 days after such damage, in which case, the Rent shall be abated during the unexpired portion of this Lease Term, effective upon the date such damage occurred. Time is of the essence with respect to the delivery of such notices.

SMOKE DETECTORS:

You must not disconnect or intentionally damage a smoke detector or remove the battery without immediately replacing it with a working battery. If you do so, you may be subject to damages, civil penalties, and attorneys' fees under Section 92.2611 of the Texas Property Code. In the event you believe that your smoke detector is malfunctioning or needs to be inspected or repaired, you must give us written notice thereof. YOU SHOULD PERIODICALLY TEST EACH OF THE SMOKE DETECTORS IN THE PREMISES AFTER YOU TAKE POSSESSION TO ENSURE THAT EACH IS IN GOOD WORKING ORDER. Owner and Resident affirm that, at the Starting Date of this Lease, the Premises contains a sufficient quantity of properly installed smoke detectors located in proper areas throughout the Premises in compliance with Section 92.251-.257 of the Texas Property Code. Furthermore, Owner inspected all smoke alarms in the Premises on or around the Starting Date, and all were found to either be in working order or were properly replaced in accordance with Section 92.258 of the Texas Property Code. All smoke alarms in the Premises are presumed to be in good working order for the full Term of this Lease unless Owner receives written notice from Tenant indicating otherwise. Resident fully understands that it is solely responsible for the periodic testing and replacement of batteries on the smoke alarms.

INSURANCE:

A. Owner requires that Resident purchase renter's insurance prior to, but no later than, the Commencement Date or Starting Date. **AT OWNER'S OPTION, THE LEASE AND YOUR RIGHT TO POSSESSION OF THE PREMISES MAY TERMINATE IF PROOF OF RENTER'S INSURANCE IS NOT PROVIDED TO THE MANAGER ON, OR PRIOR TO, THE COMMENCEMENT DATE OR STARTING DATE.** Resident shall not be released from any obligations unless Owner agrees in writing.

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B. You understand and agree that the Lease and this Addendum require Resident, at Resident's sole expense, to buy and maintain a liability insurance policy during the entire Lease Term and any renewal periods that provides limits of liability to third parties in an amount not less than $[100,000] per occurrence. The liability insurance policy Resident buys and maintains must cover the actions or inactions of Resident and your occupants and guests, and be issued or underwritten by a carrier of your choice licensed to do business in the state where the Premises is located. The required insurance policy must identify the Owner identified in the Lease (or another entity designated by Owner) as an "Interested Party," "Party of Interest," or additional insured that will be notified by the insurer of any cancellation, non-renewal, or material change in your coverage no later than 30 days after such action. You must provide us written proof of compliance with this Addendum on or prior to the Lease Commencement Date or Starting Date; and if you do not you may not be granted possession of the Premises. You must also provide us written proof of compliance within 7 days of our written request at any other time we request it.

C. You acknowledge that Owner does not acquire or maintain insurance for Resident's benefit or which is designed to insure you for personal injury, loss or damage to your personal property or belongings, or your own liability for injury, loss or damage that you (or your occupants or guests) may cause others. Any insurance policy that insures you for personal injury, loss or damage to your personal property or belongings, or provides you coverage for your own liability for injury, loss or damage that you (or your occupants or guests) may cause others must be bought and maintained solely by you. We do not and are not able to provide you with information on insurance coverage, rates, or terms and conditions. You should instead seek such information from a licensed insurance company, licensed insurance agent, other licensed insurance professional, or the applicable department of insurance, if any. The department of insurance or other state regulatory agency website at may contain useful consumer information regarding renter's insurance. If the Premises is located in Texas, see the Texas Department of Insurance at www.tdi.texas.gov or https://www.tdi.texas.gov/pubs/consumer/cb043.html for further information. You further acknowledge that we have made no referrals, guarantees, representations or promises whatsoever concerning any insurance or services provided by any insurance company. At all times you have been and remain free to contract for the required insurance with the insurance carrier of your choosing.

D. You understand and agree that your failure to comply with either the requirements herein this Addendum, is a material breach by you of the Lease and an Event of Default under the Lease for which Owner may sue you for eviction. If you fail to buy and maintain insurance as required by this Addendum, we may, in our sole discretion, agree to refrain from filing an eviction against you for your default for not having the appropriate insurance in place upon payment by you to Owner of a fee in this Addendum (the "Insurance Noncompliance Fee"), which you agree is not a liquidated damages amount and which sum shall only apply to each month (or part thereof) you remain in breach of this Addendum. Owner will agree to forego commencement of an eviction based upon non-compliance with this Addendum for a one-month period, during which you shall come into compliance with this Addendum. Our choice to accept money from you to forego pursuit of an eviction for one month does not require us to accept money from you or forego pursuit of our remedies hereunder for any subsequent months. The Insurance Noncompliance Fee is due on the 1st day of the month following the calendar month (or part thereof) during which you do not have the required insurance, with no grace period. PAYMENT OF THE INSURANCE NONCOMPLIANCE FEE DOES NOT RELIEVE YOU OF YOUR OBLIGATION TO BUY AND MAINTAIN INSURANCE AS PROVIDED HEREIN THIS ADDENDUM, DOES NOT CURE THE MATERIAL BREACH AND DEFAULT DESCRIBED HEREIN, IN WHOLE OR IN PART, AND DOES NOT RELIEVE YOU OF ANY OBLIGATION TO COMPENSATE US OR ANY OTHER PARTY INJURED OR DAMAGED BY THE ACTIONS OR INACTIONS OF RESIDENT OR YOUR OCCUPANTS OR GUESTS. You further understand that we will not buy an insurance policy for you or for your benefit, and that nothing in the Lease shall be considered an agreement by Owner to furnish you with any insurance coverage.

E. YOU SHOULD BE AWARE THAT THE REQUIRED INSURANCE POLICY UNDER THIS ADDENDUM DOES NOT PROTECT YOU AGAINST LOSS OR DAMAGE TO YOUR PERSONAL PROPERTY OR BELONGINGS. YOU ARE STRONGLY ENCOURAGED TO BUY INSURANCE THAT COVERS YOU AND YOUR PROPERTY.

RESIDENT'S RESPONSIBILITY FOR SECURITY:

Owner will comply with the requirements of state law with respect to providing door locks and window latches to the Premises at the Community. Pursuant to state law, the Premises is equipped with: (1) a window latch on

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each exterior window of the Premises; (2) a doorknob lock or keyed dead bolt on each exterior door of the Premises; (3) a sliding door pin lock on each exterior sliding glass door of the Premises; (4) a sliding door handle latch or a sliding door security bar on each exterior sliding glass door of the Premises; and (5) a keyless bolting device and a door viewer on each exterior door of the Premises. Additionally, if the Premises has French doors, one door of each pair of French doors, if any, in the Premises has: (1) a keyed dead bolt or keyless bolting device capable of insertion into the doorjamb above the door and a keyless bolting device capable of insertion into the floor or threshold, each with a bolt having a throw of one inch or more; or (2) a bolt installed inside the door and operated from the edge of the door, capable of insertion into the doorjamb above the door, and another bolt installed inside the door and operated from the edge of the door capable of insertion into the floor or threshold, each bolt having a throw of three-fourths inch or more. **At Resident's request, Owner, at Resident's expense, will install: (1) a keyed dead bolt on an exterior door if the door has a doorknob lock but not keyed dead bolt or a keyless bolting device but not a keyed dead bolt or doorknob lock and (2) a sliding door pin lock or sliding door security bar if the door is an exterior sliding glass door without a sliding door pin lock or sliding door security bar. All Resident's requests or notices regarding security devices must be in writing. Resident is required to pay for repair or replacement of Resident's security device if the repair or replacement is necessitated by misuse or damage by the Resident, a member of the Resident's family, an occupant, or a guest, and not by normal wear and tear. Owner may require Resident to pay charges in advance for which Resident is liable to pay under the circumstances and conditions allowed by Texas law.**

ABANDONMENT:

Contractual Lien and Abandonment: All personal property of Resident in the Premises (except property statutorily exempt by section 54.042 of the Texas Property Code) is subject to a contractual lien to secure payment of delinquent Rent. In order to exercise contractual lien rights, Owner may peacefully enter the Premises (and any storerooms) and remove and store all such property; provided, however, written notice of entry must be left afterward in the Premises in a conspicuous place, along with a list of items removed. If Resident is absent from the Premises for five (5) consecutive days, during the term of the Lease, while all or any portion of the Rent is delinquent, the Premises shall be deemed abandoned. All personal property in abandoned Premises (and all personal property of Resident located elsewhere in the Premises) shall also be deemed to be abandoned. Owner shall have the right to dispose of all abandoned personal property by throwing the property out, giving the property to charity or by selling the property in accordance with the procedures set forth below. Owner shall impose reasonable charges for storing such abandoned or seized property, and may sell same at public or private sale (subject to any recorded chattel mortgage) after ten (10) days' written notice of time and place of same is sent certified mail, return receipt requested, to the Resident at the address of the Premises or at any forwarding address given by Resident to Owner in writing. Sale shall be to the highest cash bidder; proceeds shall be first credited to cost of sale and then indebtedness; and surplus, if any, shall be mailed to Resident at the above address. It is agreed that none of the above procedures shall necessitate prior court hearing or subject Owner to any liability.

PARKING:

In addition to the other rights Owner has to tow vehicles in the Community pursuant to applicable law, Owner shall have the right to tow a vehicle that does not display an unexpired license plate or registration by complying with applicable law including giving the owner or operator of the vehicle at least ten (10) days' written notice that the vehicle will be towed from the Community at the vehicle owner's or operator's expense if it is not removed from the parking area.

EARLY TERMINATION:

Residents may have special statutory rights to terminate the Lease in certain situations involving family violence, certain sexual offenses, stalking or a military deployment or transfer.

OTHER LEASE TERMINATION:

Resident may terminate the Lease as provided herein, provided that: (i) Resident is not in default beyond the expiration of any applicable notice or cure periods; and (ii) upon the terms and conditions set forth below:

For Reference Only

Acceptable Reasons to Terminate Lease Contract:

(i) Termination Prior to Start Date: Prior to Start Date, you may terminate this Lease if you have not enrolled in, or are not employed by the University (or any other institution of higher education in the Waco area), provided you (i) notify us in writing at least forty-five (45) days prior to the Start Date of the Term, and pay to us a Termination fee in the amount of $150.00, or (ii) notify us in writing less than forty-five (45) days prior to the Start Date of the Term, and pay us a Termination Fee in the amount of $500.00.

(ii) You may also have a special statutory right to terminate this Lease, as more particularly set forth therein.

(iii) Termination During the Fall Semester:
Full Year and Academic Year Lease Contracts: You may terminate this lease if during the Fall Semester, you are no longer enrolled in, or employed by the University (or any other institution of higher education in the Waco area), and you notify us in writing that you wish to cancel the lease (and provide at least 45-days written notice), and you pay to us the remaining rent due for the then current Fall College semester plus $600.00 as a Termination Fee. If you are graduating in December with an on-time submission of your 45-day written notice and statement from the University indicating that you are graduating, the additional $600.00 termination fee will be waived.

(iv) Termination During the Spring Semester:

Full Year and Spring/Summer Lease Contracts: You may terminate this lease if during the Spring Semester, you are no longer enrolled in, or employed by the University (or any other institution of higher education in the Waco area), and you notify us in writing that you wish to cancel the lease (and provide at least 45-days written notice), and you pay to us the remaining rent due for the then current Spring College semester plus $600.00 as a Termination Fee.

Academic Year: You may terminate this lease if during the Spring Semester, you are no longer enrolled in, or employed by the University (or any other institution of higher education in the Waco area), and you notify us in writing that you wish to cancel the lease (and provide at least 45-days written notice), and you pay to us the remaining rent due for the then current Spring College semester.

(v) Termination During the Summer Semester:

Full Year, Spring/Summer, and Summer Lease Contracts: You may terminate this lease if during the Summer Semester, you are no longer enrolled in, or employed by the University (or any other institution of higher education in the Waco area), and you notify us in writing that you wish to cancel the lease (and provide at least 45-days written notice), and you pay to us the remaining rent due for the then current Summer College semester.

ARBITRATION:

THIS ARBITRATION AGREEMENT IS MADE PURSUANT TO A TRANSACTION INVOLVING INTERSTATE COMMERCE, AND SHALL BE GOVERNED BY THE FEDERAL ARBITRATION ACT, TITLE 9 OF THE UNITED STATES CODE. OWNER AND RESIDENT (THE "PARTIES") AGREE AND UNDERSTAND THAT THEY CHOOSE ARBITRATION INSTEAD OF LITIGATION TO RESOLVE DISPUTES. THE PARTIES UNDERSTAND THAT THEY HAVE A RIGHT OR OPPORTUNITY TO LITIGATE DISPUTES IN COURT BUT THAT THEY PREFER TO RESOLVE THEIR DISPUTES THROUGH ARBITRATION, EXCEPT AS PROVIDED HEREIN. EXCEPT FOR ANY EXCLUDED CLAIM (AS DEFINED BELOW), ANY DISPUTE, CLAIM, DEMAND, ACTION, PROCEEDING OR CAUSE OF ACTION OF ANY KIND OR NATURE WHATSOEVER RELATING TO THIS ADDENDUM, THE CONTRACT, OTHER LEASE DOCUMENTS AND ADDENDA, THE BED SPACE, UNIT, PREMISES, OR THE COMMUNITY, WHETHER FOR DAMAGES OR FOR INJUNCTIVE OR OTHER LEGAL, EQUITABLE OR OTHER RELIEF, WHETHER ARISING UNDER FEDERAL, STATE, LOCAL, COMMON, STATUTORY, REGULATORY,

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CONSTITUTIONAL OR OTHER LAW, BETWEEN RESIDENT AND OWNER SHALL BE SETTLED BY ARBITRATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION (THE "AAA") IN THE STATE IN WHICH THE COMMUNITY IS LOCATED. IF OWNER AND RESIDENT CANNOT AGREE ON THE SELECTION OF AN ARBITRATOR WITHIN FIFTEEN (15) DAYS AFTER THE REQUEST FOR ARBITRATION, THE AAA SHALL SELECT AN ARBITRATOR. THE DETERMINATION OF THE ARBITRATOR IN SUCH ARBITRATION SHALL BE FINAL AND BINDING AND MAY BE ENFORCED IN ANY COURT OF COMPETENT JURISDICTION. THE ARBITRATOR SHALL ASSESS THE COST OF ARBITRATION AGAINST THE PARTY WHICH IS NOT THE SUBSTANTIALLY-PREVAILING PARTY IN SUCH ARBITRATION.

CLASS ACTION WAIVER:

RESIDENT AGREES THAT HE/SHE SHALL NOT HAVE THE RIGHT TO PARTICIPATE AS A REPRESENTATIVE OR A MEMBER OF ANY CLASS OF CLAIMANTS PERTAINING TO ANY CLAIM ARISING FROM OR RELATING TO THE CONTRACT, THIS ADDENDUM OR ANY OTHER LEASE DOCUMENTATION. THE PARTIES AGREE AND UNDERSTAND THAT THE ARBITRATOR SHALL HAVE ALL POWERS PROVIDED BY THE LAW AND THIS CONTRACT. THESE POWERS SHALL INCLUDE ALL LEGAL AND EQUITABLE REMEDIES, INCLUDING, BUT NOT LIMITED TO, MONEY DAMAGES, DECLARATORY RELIEF, AND INJUNCTIVE RELIEF.

EXCLUDED CLAIMS:

AN EXCLUDED CLAIM IS ANY ACTION, PROCEEDING OR CAUSE OF ACTION BY OWNER OR ITS AGENT FOR THE EVICTION OF RESIDENT FROM THE PREMISES, TO RECOVER POSSESSION OF THE PREMISES, OR TO COLLECT PAST-DUE RENTS OR OTHER SUMS DUE UNDER THE CONTRACT, THIS ADDENDUM OR ANY OTHER LEASE DOCUMENTATION. AN EXCLUDED CLAIM ALSO INCLUDES ANY ACTION, PROCEEDING OR CAUSE OF ACTION BROUGHT BY RESIDENT PURSUANT TO CHAPTER 92 OF THE TEXAS PROPERTY CODE. AN ACTION ON AN EXCLUDED CLAIM SHALL BE BROUGHT IN A COURT OF COMPETENT JURISDICTION IN THE STATE IN WHICH THE COMMUNITY IS LOCATED. THIS SECTION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THE CONTRACT.

Resident acknowledges that Resident has read this Addendum. **RESIDENT ALSO ACKNOWLEDGES, UNDERSTANDS AND AGREES TO THE ARBITRATION AND CLASS ACTION PROVISIONS IN THIS ADDENDUM. RESIDENT ACKNOWLEDGES THAT THIS ADDENDUM IS A LEGAL DOCUMENT AND IS ENFORCEABLE AGAINST RESIDENT.** Resident acknowledges that accepting this Addendum electronically is the same as a written signature and that a notarized, facsimile signature is just as binding as an original.

For Reference Only

EXHIBIT A

Summary of Texas Public Utility Commission Submetering Rules for Electricity

The Texas Public Utility Commission (PUC) has adopted comprehensive submetering rules for electricity. Those rules (or a summary of those rules approved by the PUC) must be attached to your Lease Contract. PUC Substantive Rules §25.141 and §25.142, relating to submetering, may be found on the PUC website at www.puc.state.tx.us. Specific questions about the PUC rules may be directed to the PUC at 888/782-8477. This is a summary of our duties and your duties under the rules, which has been approved by the PUC. As on the other side of this page, the terms "you" and "your" refer to all residents, and the terms "we" and "our" refer to the owner.

1. **SUBMETER BILLS IN GENERAL** Your submeter bill may cover only electricity consumed within your apartment unit as measured by that unit's submeters. Electrical consumption for the common areas and common facilities are our sole responsibility. Each month, the electric submeter bill must be given as separate bi11s or as separate, distinct line items on a multi-item bill. The bill must state that it is for "submetered electricity." Allocations of non-submetered mastermetered utilities and allocations of utility costs of central hot-water systems or central air conditioning or heating systems are Lawful if (1) they are clearly separate from the submetering charges for your apartment, and (2) they are covered by a separate addendum. Proration of non-submetered mastermetered utilities must also be covered by separate documents.

2. **HOW YOUR SUBMETER BILL IS CALCULATED.** Your bill is calculated in the following manner: after we receive the apartment utility bill from the utility company, we'll divide the net total charges for electrical consumption, plus applicable tax, by the total number of KWHs to obtain an average cost per KWH. This average KWH cost is then multiplied by your KWH consumption to obtain the charge to you. The computation of the average cost cannot include any penalties charged by the utility to us for disconnect, reconnect, late-payment or other similar service charges.

3. **WHAT YOUR SUBMETER BILL MUST SHOW.** Your bill must show all of the following information:

   (a) The date and reading of the submeter at the beginning and at the end of the period for which the bill is rendered;
   (b) the number of KWHs metered;
   (c) the computed rate per KWH;
   (d) the total amount due for electricity;
   (e) a clear and unambiguous statement that the bill is not from the utility company, which must be named in the statement;
   (f) the name and address of the person to whom the bill applies;
   (g) the name of the firm rendering the submetering bill and the name and title, address and telephone number of the person or persons to be contacted in case of a billing dispute;
   (h) the name, address and telephone number of the party to whom payment is to be made; and
   (i) the due date and the late-payment penalty (if a late-payment penalty has been agreed to in the Lease Contract).

4. **DUE DATE.** The due date of your submeter bill is no less than seven days after issuance. A bill for submetered electricity is delinquent if it's not received by the party indicated on the bill by the due date. The postmark date on the envelope of the bill or on the bill itself constitutes proof of the date of issuance. An issuance date on the bill constitutes proof of the date of issuance if there is no postmark on the envelope or bill. If the due date falls on a holiday or weekend, the due date for payment purposes is the next work day after the original due date.

5. **LATE PAYMENT CHARGES.** A one-time penalty not to exceed 5% may be made for payment of your submetered electrical bill after the due date (i.e. for late payment). In order for late payment penalties to be charged, the bill must indicate the amount due if paid by the due date and the amount due if the late penalty is incurred. No late penalty may be applied unless agreed to by you in a written Lease Contract which states the exact dollar or percentage amount of such late penalty.

6. **RECONNECTION FEES.** A reconnection fee may be charged if service to you is disconnected for nonpayment of submetered electric bill in accordance with PUC rules (summarized below). The reconnection fee is calculated based on our average actual cost for the expenses associated with the reconnection, but under no circumstances may it exceed $10. No reconnect charge may be assessed unless you've agreed to it in a written Lease Contract that states the exact dollar amount of the charge.

7. **ADDITIONAL CHARGES ON YOUR BILL** We can't impose any extra charges on you over and above those charges billed to us by the utility company. The bill may not include a deposit, late penalty, reconnect charge, or any other charge unless otherwise provided above.

8. **OUR RECORDS.** We're required to keep the following records for the current month and the preceding 12 months: (1) all electric utility bills from the utility company; (2) all of your submeter readings; (3) our calculations on how the average KWH cost was determined for submeter billing purposes; and (4) any testing results on the submeters if they have been tested during that time. You may examine and copy the information during reasonable business hours at your manager's on-site office. If there is no such on-site office, you may examine and copy the records at a mutually convenient time and place.

9. **DISPUTES.** You and we must resolve any disputes regarding how to compute your submeter bill. If a dispute arises and if an investigation is necessary, we're required to investigate promptly and report the results to you within 30 days.

10. **OVERBILLING OR UNDERBILLING.** If submetered billings are found to be in error, we must calculate a billing adjustment. If you are entitled to a refund, we'll make an adjustment for the entire period of the overcharges. If you were undercharged, we may backbill you for the amount underbilled. Any backbilling of electric charges cannot extend back beyond six months unless we produce records to identify and justify the additional amount of backbilling. If the underbilling is$25or more, we must offer a deferred-payment plan option, for the same length of time as that of the underbilling. But we may not disconnect service if you fail to pay charges arising from an underbilling more than six months before the date you were initially notified of the amount of the under charges and the total additional amount due. And we can't backbill you for usage by a previous resident.

11. **DISCONTINUANCE OF ELECTRIC SERVICE PROHIBITED.** According to the Texas Property Code, Section 92.008(b), submetered electric service provided by the landlord as an incident to tenancy or other agreement may not be disconnected or interrupted unless the interruption results from bona fide repairs, construction, or an emergency. Violation for disconnection or interruption of electric service, including submetered, electric service, may result in the tenant terminating the Lease Contract or recovering possession of the premises; and recovery of actual damages, one month's rent or $500, whichever is greater, reasonable attorney's fees and court costs, less any delinquent rents or other sums.

12. **SUBMETER TESTS.** We're required to keep records of any tests of the submetering equipment. We must. at your request, test the accuracy of your submeter. If you wish, you may watch the test, or you can send a representative. The test must be made during reasonable business hours at a time convenient to you if you desire to watch. If the submeter test indicates that the submeter is within the accuracy standards required by PUC rules, a charge of up to $15 for electricity may be charged to you for making the test. But if the submeter has not been tested within a period of one year or if the submeter's accuracy is not within the accuracy standards required by PUC rules, no charge can be made to you for making the test. After completing any requested test, we'll promptly advise you of the results.

13. **PENALTIES FOR NONCOMPLIANCE.** Both the utility companies and we are subject to enforcement under the PUC statutes, which may involve civil penalties of up to $5,000 for each offense and criminal penalties for willful and knowing violations.

14. **COMPLETE COPY OF THE RULES**. A complete copy of the PUC electricity submetering rules is available for you to inspect and copy at the on-site manager's office; or if there is no on-site office, it's available at our street address or the management company's street address slated on the other side of this page. The rules cover additional subjects such as: (1) estimated bills in case of submeter malfunctions; (2) submeter accuracy requirements; (3) bill adjustments due to a submeter malfunction; (4) bill adjustment due to conversion from all-bills-paid to submetering; (5) location of submeters; (6) submeter testing equipment; (7) submeter testing; and (8) uniformity of submeters in the apartment complex.

For Reference Only

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