HOUSING AGREEMENT

This Housing Agreement is entered into on Aug 26, 2026, between **SAMPLE HOUSING AGREEMENT ("Resident")** and **CCC-Lubbock, LLC** ("**Owner**") and is binding only when signed by Owner's agent.

Start Date: August 02, 2027 **Unit Type: 4 BEDROOM, 4 BATH COTTAGE**

End Date: July 11, 2028 **Initial assigned Unit/Bedroom #:** TBD

NUMBER OF BEDROOMS:1

Housing Installment Rate **$1.00**

Payment Schedule:

12 payments of $1.00 each, due on the dates shown in paragraph 2.

Total Rent: **$12.00**
Administrative Fee: **$200.00** **Security Deposit:** **None**

This Housing Agreement grants a limited license to Resident to access and make personal residential use of one assigned bedroom space (unless multiple bedrooms are expressly listed above, as further described in paragraph 27) in an apartment, cottage or townhome (in either case referred to as an "apartment), together with its standard installed furnishings and fixtures, plus shared use of accompanying unit common areas, fixtures and appliances, where applicable, in the assigned apartment, at the assigned apartment, at the property known as "**Capstone Cottages of Lubbock**" at 4702 4th Street, Lubbock, TX 79416 (the "**Property**") between the Start Date and End Date listed above. Resident is initially assigned to the bedroom space and apartment identified above (see floor plans available in the management office or at https://capstonecottages.com/ for designation of bedroom spaces); if the space is not immediately identified or assigned, or if it is identified as "TBD," "to be assigned" or "TBA," this Housing Agreement is binding and Owner will assign an apartment and bedroom matching the identified unit type prior to move-in. Only the named Resident may occupy the assigned space. Resident will occupy only the assigned bedroom space and no other bedroom within the apartment. Resident will not allow another person to use a bedroom space or apartment in place of or in addition to Resident, whether for compensation or otherwise, and will not offer to do so through advertising or listings, including, without limitation, through websites such as Airbnb or Vrbo. This Housing Agreement is for one bedroom space and use of the adjoining bathroom (and, if "furniture package" with a corresponding rental rate is selected above, the furnishings included in that package) located within a multiple-bedroom cottage Unit, in which multiple occupants share one common area, fixtures and appliances. Owner will attempt to assign any other bedroom space(s) to person(s) requested by Resident but may contract with others of Owner's choosing for the other space(s) within the apartment, without notice to Resident. If this Housing Agreement is executed by more than one person identified as "Resident," then all obligations are the joint and several obligations of all such persons and "Resident" will refer to all such persons both individually and collectively. **This Housing Agreement includes the terms on the following pages and continues through the numbered paragraphs following the signatures below, including the "PUC Disclosures" and the arbitration provisions contained in paragraph 29.**

Note: *Resident has provided or will provide to Owner a signed Guaranty by a Guarantor acceptable to Owner; provided that if Resident has not provided such Guaranty by the time that Owner signs this Agreement, then Resident agrees to prepay the final two installments indicated above within seven days after Owner's signature; Owner's acceptance of this prepayment will be deemed a waiver of Resident's obligation to provide a guaranty. This obligation is an element of Resident's performance and not a condition precedent. Failure by Resident to make the prepayment if applicable will not release Resident from financial responsibility but will entitle Owner, at its option, to delay move-in or terminate for non-performance, following written notice.*

I have carefully read, fully understand and voluntarily sign this Housing Agreement. Once fully signed, this is a binding contract and is intended to be enforceable under its terms. I have had the opportunity to seek independent legal advice. I acknowledge that upon execution by Owner (through its authorized agent), this Agreement will be effective and binding upon me and all permitted successors.

ACCEPTANCE OF OWNER:

SEE BELOW FOR ELECTRONIC SIGNATURE
Signature of Resident

CCC-Lubbock, LLC

By: SEE BELOW FOR ELECTRONIC SIGNATURE
Authorized Agent date

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This Housing Agreement ("Agreement") includes the following terms:

1. **Term**. Resident will have access to the Property and the assigned bedroom space and apartment as of 1:00 pm on the Start Date, and this access will end as of 12:00 Noon on the End Date (the "**Term**"), unless early arrival or late departure is approved by Owner in writing, at additional cost to the Resident.

2. **Payment. The Total Rent stated below is a fixed price for the entire Term and is payable in equal installments for convenience; there is no proration or adjustment for any partial month.** Resident accepts financial responsibility for the full Term of the Housing Agreement, regardless of whether the assigned bedroom space is occupied for the full Term or at all. Resident agrees to make full and prompt payment to Owner according to the payment schedule specified below, without demand of Owner, together with all additional charges or fees applicable under this Housing Agreement. Payment may be made by personal check, money order or cashier's check, or in Owner's discretion by credit card, check card, electronic check, or by direct bank transfer, provided that Owner reserves the right to charge processing fees as appropriate for such payment methods and further reserves the right to require that all payments be made either by credit card or by electronic transfer. Cash will not be accepted. If any payment is returned unpaid, Owner may require Resident to make future payments by certified funds. Payment (including by mail) is deemed made only when actually received by Owner or its agent, subject to clearance of funds. Resident's payment obligation is a promise by Resident which is independent from all of Owner's and its agent's promises, duties and obligations. To cover Owner's added costs for late payment, each payment will be increased by $30 as a late charge if not received by the close of business within two calendar days following the date due and will be increased by an additional $5 per day thereafter (for up to 25 days, not to exceed 10% of the monthly rent) until paid in full. (For example, for a payment due on September 1, late fees will begin to be assessed on September 4.) At Owner's option and without notice to Resident, any amounts owed by Resident, including but not limited to late charges, returned check fees, utility charges, damage or replacement costs, and any amount owed by Resident to Owner under a separate agreement, will be considered Rent under the terms of this Housing Agreement. In the event any payment is past due, Owner may take legal action for possession and payment and Resident will be responsible for all legal fees and costs in connection with such action. To cover Owner's added costs for processing of payments that are dishonored or returned due to insufficient funds, each such payment will be increased by $30 as a returned payment charge and will not be considered paid until valid payment has been received. Payment should be mailed or delivered to **Capstone Cottages of Lubbock,** 4702 4th Street, Lubbock, TX 79416. Acceptance by Owner of any payment will not constitute a waiver of Owner's right to terminate this Agreement and/or claim any damages. Unpaid charges past due more than 30 days will also bear additional interest at 12% per annum, as allowed by law, from such date through the date of payment in full.

   Payment will be due without proration as follows:

1st day of August 2027	$1.00	1st day of February 2028	$1.00
1st day of September 2027	$1.00	1st day of March 2028	$1.00
1st day of October 2027	$1.00	1st day of April 2028	$1.00
1st day of November 2027	$1.00	1st day of May 2028	$1.00
1st day of December 2027	$1.00	1st day of June 2028	$1.00
1st day of January 2028	$1.00	1st day of July 2028	$1.00

3. **Owner; Owner; Agent.** The owner of the Property is CCC-Lubbock, LLC. Owner has appointed The Scion Group LLC ("Manager") as its property management agent, authorized to act on behalf of Owner. Written correspondence to any of the above should be directed to: 4702 4th Street, Lubbock, TX 79416.

4. **Assignments.** Apartment and bedroom space assignments are made, and may be changed, only by Owner or its agent. **Change requested by Resident:** Resident may request to change assignments to a different apartment. Such change requests by the Resident are only effective upon written approval by Owner in its discretion, subject to the following preconditions: (a) Resident must be in good standing under the Housing Agreement; (b) Resident must prepay a $350 reassignment fee (refunded if the request is declined); (c) Resident and Owner must sign a written confirmation of the change in assignment, including Resident's agreement to pay the prevailing rate for the new assignment, pro-rated to the date scheduled for relocation; and (d) relocation must be completed within 48 hours or charges will apply on both spaces. **Change by Owner:** Owner reserves the right to relocate Resident to another equivalent bedroom space or apartment at the Property for any reason (*e.g.*, roommate conflict, urgent maintenance, etc.) upon at least three days' notice. In such case, if the new Owner-assigned floorplan type carries a lower rate, Resident's charges will be pro-rated and reduced accordingly; if the new Owner-assigned floorplan type carries a higher rate, Resident will continue to pay the rate under this Agreement and will not be charged the higher rate. Failure to relocate within the time provided by Owner will be considered a material breach and may also result in charges applying for both spaces.

5. **Termination; Subletting/Delegation.** Once this Agreement is signed by Owner and Resident, Resident can terminate occupancy by providing written notice to Owner and by fully vacating the premises, provided that Resident will remain fully responsible for the Total Rent that would have accrued under this Agreement, through the end of the full original Term. Except as expressly provided by law, no exception can be made for financial hardship, academic changes, family matters, medical issues, roommate conflict or any other reason. Any charges associated with damage to a bedroom space, apartment or the Property or Resident's failure to vacate completely upon termination, will be payable in addition to the foregoing amount. After such termination, Owner will use its commercially reasonable efforts to contract with other individuals for the use of all available bedroom spaces, including the bedroom space vacated by Resident; if and when all such available bedroom spaces at the Property are fully assigned and occupied and no bedroom spaces remain vacant,

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Resident will receive a credit equal to the remaining charges that would have accrued under this Housing Agreement, prorated from such date through the end of the original term hereof, less a $500 cancellation/re-marketing fee for which Resident will be responsible in addition to all other charges provided herein. Resident understands that due to the seasonal nature of student housing, successful mitigation is unlikely; therefore, Resident will be responsible for remaining scheduled rent, subject to potential credit for mitigation as described above; and to the extent permitted by law, Owner may apply any prepaid amounts or account credit balance toward Resident's current and/or next scheduled obligation(s). Resident may not assign or transfer Resident's interest in this Agreement, or any part hereof, nor sublet Resident's right to use the Property, apartment or bedroom space, or any part thereof, nor provide keys to any other person. However, in Owner's sole discretion, Resident may delegate his or her right to use the Property to another person pursuant to Owner's approved delegation form, signed by all parties, if Resident is in good standing under the Agreement and pays to Owner a delegation fee of $200.

6. **Move-in; Inspection; Delay.** Before Resident may access or occupy the premises, any required installments or other payments then due (including any Administrative Fee, which is earned and payable upon mutual execution of this Agreement) must be paid in full with cleared funds and guaranty or prepayment requirements satisfied. The application fee (if any) is non-refundable and is not applicable toward any other payments required of Resident under this Agreement. Prior to Resident's taking possession of the assigned bedroom space (and any re-assigned bedroom space), Resident will conduct an inspection of the assigned bedroom space and apartment and will note on the Check-In/Check-Out Inspection Report ("Inspection Report") any defects, damage or other conditions observed, if not already identified by Owner on such report; upon completion and approval by Owner, the Inspection Report will become part of this Agreement. At the time of move-out, Resident is encouraged to inspect the bedroom space and apartment with Owner's representative by making an appointment during business hours at least 48 hours in advance. Within three business days following Resident's move-out (or, as applicable, following the move-out of all residents of an apartment) at the termination of this Agreement, or within a reasonable time if Resident moves out without notifying Owner, Owner will note the then-present condition of the assigned bedroom space and apartment, including all appliances and fixtures, and any damages incurred and/or extraordinary cleaning deemed necessary by Owner or extraordinary wear as determined by Owner. Resident will promptly pay all costs of restoring the bedroom space and apartment to the same condition upon move-in, less normal wear. Resident acknowledges that except as provided in the Inspection Report, each bedroom space and apartment are being delivered in "as-is" condition, and Resident's acceptance of the assigned bedroom space and apartment at the beginning of the Term constitutes Resident's acknowledgment that the bedroom space and apartment and all fixtures are in good repair and condition. Owner will not be responsible for any damages or consequences suffered by Resident as a result of Owner's inability to timely deliver possession of the apartment or assigned bedroom space to Resident on the anticipated Start Date; in such event, the rent payable will be abated until Owner tenders possession and such delay will not extend or decrease the term or change the End Date. Resident acknowledges that any model apartment at the Property shown to Resident in person, online or through other means is intended to be representative of the general quality and type of construction and materials within apartments. Specific items of décor and furnishings and the actual colors, styles, materials, upholstery and other treatments in the apartment assigned to Resident may vary from those in the model apartment. The actual apartment assigned to Resident may also vary in approximate size, square footage and layout. Resident's apartment will not include custom lighting, lamps, decorations, linens, unattached appliances or other personal property as may be shown in the model apartment.

7. **Utilities; Amenities.** The following utilities are included in the Total rent set forth in this Agreement: Internet access, natural gas and Front-Door Trash Pickup. Resident will pay a pro-rata share (based on the number of contracted residents in possession for the applicable period) for the apartment's usage of electricity, water/sewer, and any other public utility charges (including sanitation, fire service, stormwater drainage or roadway maintenance) billed with respect to Resident's apartment, each applied pro-rata to any partial billing cycle. Water/sewer charges will be calculated by multiplying the submetered consumption of the Resident's apartment by the effective usage rate with applicable taxes, surcharges and fees as charged by the utility provider on the provider's bill. For public utility charges that are not metered or submetered and that are not billed per apartment by the utility provider, the apartment's allocated share of such charges will be calculated by dividing the apartment's square footage by the total square footage in all residences at the Property. Resident acknowledges that the apartment is directly metered by the utility provider for electricity and that residents of the apartment would otherwise be responsible for direct payment for such utility(ies), with one resident named as customer of record and potentially paying a deposit; as a convenience, Resident appoints Owner as agent for receiving the utility bills, remitting payment on Resident's behalf and billing Resident for Resident's share of such utility bills, with Owner's role limited to collection and remittance as agent. Resident will pay prior to occupying the assigned apartment (or on the first utility bill, at Owner's discretion), a single up-front service fee of up to $72.00 (or alternately, at Owner's option, a service fee of up to $6.00 per monthly bill) for administration, billing, overhead and similar expenses and charges incurred by Owner for providing these services. Utility statements will be sent electronically by Owner's billing provider to the e-mail address provided by Resident; Resident may opt out of electronic statements by separately notifying Owner in writing of Resident's preference to receive a paper statement each month by mail. Billing for water/sewer will be in accordance with the PUC Disclosures, which are attached appearing on the final page of this Housing Agreement; by signing this Housing Agreement, Resident acknowledges receipt of the PUC Disclosures. Resident will be billed by the Owner for submetered utility services; water/sewer charges will be included in the bill issued by the Owner pursuant to the submetering and billing terms and PUC Disclosures attached to this Housing Agreement. Any disputes relating to the computation of Resident's bill or the accuracy of any submetering device will be between Resident and Owner. Meters will be read at regular intervals, usually monthly, and Resident will be billed for utility charges in arrears, usually within a few weeks after meters have been read, as further described in the attached submetering and billing terms. Owner will repair leaks in Resident's apartment and in common areas within 48 hours after having been advised of such leaks (or if repairs cannot be completed within 48 hours, then within a reasonable time thereafter). Upon Resident's request, Owner will provide copies of applicable utility bills. At Owner's option, to the extent permitted by law, Resident may be billed for the estimated amount of charges for any utility bills anticipated to be received during the final 90 days of the term or after the end of

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the term of this Agreement, calculated based on historical utility charges for the apartment and pursuant to applicable utility billing laws and regulations. As part of each utility bill, Resident may be charged and agrees to pay promptly to Owner any other miscellaneous charges billed by the utility provider and payable by the customer of record (including, without limitation, taxes specifically applicable to such utility charges), plus late payment fees and/or NSF fees, as may be applicable, in the amounts stated in paragraph 2 of this Agreement, as liquidated estimates of costs incurred in connection with the administration and collection of late payment. Owner will remain the customer of record for the electrical utility. The local electrical utility provider measures utility usage in each apartment unit and bills Owner directly for these charges. Electricity charges may include other miscellaneous charges included on the utility statement, which will be charged as though Resident were a customer of record, if allowed by applicable law. To the extent this location is or becomes open to competition among alternate electricity providers and if your apartment is individually metered, the residents of the apartment may choose or change the apartment's retail electricity provider at any time. The provider will be the same as Owner's provider unless the residents choose a different provider. Residents choosing an alternate provider must provide Owner with written notice and must be paid current on outstanding electricity charges; previously billed administrative charges are not refundable and will not be prorated. If the apartment is or becomes part of a deregulated area in for electricity, the residents of the apartment may opt out of Owner's billing program and arrange for direct billing from an electricity provider of the residents' choice; all residents of an apartment must agree and provide notice to Owner and then may contract directly with an electricity provider, in which case the residents will be jointly responsible for all bills from that provider and for any applicable deposit. Owner will not be liable for contribution toward such utility bills by other apartment-mates. If all residents of an apartment have not agreed to opt out of billing from Owner and to contract directly with a utility provider, billing will revert automatically to being billed by Owner or its billing service as described herein. Owner makes no representations and hereby disclaims any and all warranties, express or implied, with respect to any utilities provided, including but not limited to those warranties concerning merchantability and fitness for a particular purpose or use, whether made allegedly by Owner or its representatives or agents, whether in writing or otherwise, except as otherwise expressly stated in this Agreement, or in written documentation signed by the parties hereunder after the date hereof. Owner does not warrant or guarantee the protection of Resident's privacy during operation of utilities, that such utilities will satisfy Resident's requirements, or that the operation of utilities will be uninterrupted or error free. Resident acknowledges and agrees that neither Owner nor its affiliates, agents, employees or representatives will be responsible to Resident for any non-economic, consequential, incidental, indirect or special damages, including incidental, economic or punitive damages, arising from breach of warranty, breach of contract, negligence or any other legal ground of action, or by reason of the use, discontinuation or modification of any utilities or the termination of any utilities, whether arising from Resident's use of (or inability to use) utilities, or otherwise, even if Owner has been advised of the possibility of such damage. In the event that any utility service proves defective, or is discontinued or terminated, Owner's and Manager's entire combined liability and Resident's exclusive remedy will be limited to a reimbursement of the approximate cost of that utility incurred by Resident, prorated by the day for each day the utility service proved defective, or was discontinued or terminated, for more than 24 hours. Resident agrees to indemnify, defend and hold harmless Owner and its employees, affiliates and agents, from any and all losses, claims, damages, expenses, other liabilities and causes of action of every nature, including attorney fees, which arise, directly or indirectly in connection with: (i) violation by Resident of any laws, ordinances, regulations or rules regarding the utilities; or (ii) illegal or inappropriate use of the utilities. Any damage or loss to any utility devices during Resident's occupancy will be charged to Resident (and the other resident in the apartment, as applicable) at the replacement cost. Management will establish schedules and policies for the use of recreation facilities, amenities and other common spaces. Owner may add, remove, close (temporarily or permanently), upgrade or modify any of the recreation facilities, amenities or common spaces in Owner's discretion, without notice or compensation; provided that if this Agreement expressly includes a separate Amenity Fee, Resident's sole remedy will be limited to a pro-rata credit of such Amenity Fee for the period a covered amenity is closed or fully unavailable.

8. **Required Liability Insurance; Personal Property**. During the full term of the Housing Agreement, Resident agrees to obtain and maintain at Resident's expense a policy of personal liability insurance (i.e., renter's liability insurance) from a licensed insurance carrier in the United States, with coverage of at least $250,000 per occurrence at actual replacement cost, covering Owner's losses of any kind (both inside and outside the rented premises) arising from fire, explosion, smoke or water and caused accidentally by Resident's negligence and/or by an animal (each a "Covered Loss"). The liability insurance requirement and the existence or limits of any such insurance will not reduce or supersede Resident's obligations under this Housing Agreement, except to the extent Owner charges and Resident pays for a waiver of this insurance requirement as provided below. Resident is not obligated to purchase insurance from any specific provider and may arrange its own personal liability insurance policy from any insurer of Resident's choosing meeting the requirements of this paragraph, in which case Resident agrees to provide written proof of the required personal liability insurance coverage, including causing Owner and Manager to be listed as named interested parties on such insurance coverage, by mailing the proof of insurance to P.O. Box 18999, Atlanta, GA 31126 1399. Owner will provide instructions prior to move-in for submitting proof of insurance or purchasing a compliant insurance policy; Resident's failure to comply with these insurance requirements will be a breach by Resident with Owner reserving its remedies but will not give Resident any right of termination. If Resident fails or chooses not to provide sufficient proof of compliant personal liability insurance to Owner by the Start Date, or if Resident's insurance is cancelled during the term of this Housing Agreement, then Owner may, at its option, waive Resident's obligation to provide such insurance for Covered Losses; in such case, (a) Resident agrees to pay as consideration for this waiver up to $19.95 per installment as additional Rent during the remaining term of this Agreement, of which Owner would retain up to $5.00 per installment as an administrative fee and use the remaining portion to procure similar insurance for itself, and (b) for each Covered Loss which is actually covered by such insurance, Resident will be responsible only for any expense over $250,000. This waiver is not insurance, does not release Resident from liability for other damage or causes and does not cover Resident's personal property. Owner is not aware that the dwelling you are renting is located in a 100-year floodplain. Even if the dwelling is not in a 100-year floodplain, the dwelling may still be susceptible to flooding. The Federal Emergency Management Agency (FEMA) maintains a flood map on its Internet website that is searchable by address, at no

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cost, to determine if a dwelling is located in a flood hazard area. Most tenant insurance policies do not cover damages or loss incurred in a flood. You should seek insurance coverage that would cover losses caused by a flood. Owner strongly recommends that Resident maintain insurance covering Resident's personal property or belongings, which Resident may elect to purchase. Neither Owner nor any of its employees, representatives or agents assumes any liability, directly or indirectly, for loss or damage to the personal property of Resident or others by fire, theft or any other cause. Any personal property remaining in the bedroom space and/or apartment at the end of the Term or after earlier termination of this Agreement will be considered abandoned by Resident and may be disposed of by Owner at the risk and expense of Resident, with Owner maintaining a landlord's lien for unpaid rent as provided by law. Owner will not be liable or responsible for storage or disposition of the Resident's personal property. If there are multiple individuals comprising Resident, then all references to and obligations of Resident in this paragraph 8 will apply to each such individual, separately.

9. **Responsibility for Damage. Resident is solely responsible for any damage, defacement or loss arising within the assigned bedroom space. All assigned residents of an apartment are jointly and severally responsible for any damage, defacement or loss to common areas, other parts of the Property, fixtures or appliances, except where it is finally established that Resident or one or more other residents of the apartment were solely at fault for the entire loss, in which case such person(s) will be solely responsible.** Resident is fully responsible for the conduct of Resident's guests, visitors, licensees and invitees ("Guests"), including without limitation harm to individuals or damage or defacement of any part of the Property or its fixtures or property of third parties (including other residents) by such Guests.

10. **Prohibitions.** Firearms (except to the extent expressly provided by Section 92.026, Texas Property Code), weapons, explosives and illegal drugs of any kind are strictly prohibited anywhere on or about the Property, including within individual apartments and bedroom spaces and in community and parking areas (except government-issued service weapons carried by duly deputized law enforcement personnel). Discharging a firearm or displaying or possessing any weapon in a way that may threaten or alarm others, is prohibited anywhere at the Property. No gas or charcoal grill, nor any other open flame cooking or heating device, may be stored or used on any balcony, deck and/or patio at the Property or within 25 feet of any building, except permanently installed community grills provided by Owner. Resident will, and will cause Guests to: (a) comply with all federal, state, county and city laws, ordinances and/or regulations, including without limitation those relating to controlled substances and alcoholic beverages; (b) not act in any way that endangers the Property or the safety of any person, or that is intended to facilitate criminal activity; (c) not engage in disruptive conduct or allow any noise loud enough to be heard outside the apartment or in neighboring apartments assuming doors and windows were closed; (d) not place or keep any trash outside of the apartment, including on any balcony, deck or patio; (e) not damage, take or possess any property belonging to others without express consent; (f) not tamper or interfere with smoke detectors, sprinklers or fire alarms; (g) not injure the reputation of the Property or its residents, (h) not act or fail to act in any way that would cause an increase in the rate of insurance at the Property; (i) not engage in any activity which interferes with or decreases the use and enjoyment of the Property by other residents; and (j) otherwise obey the Community Policies and other rules applicable to the Property. Any single violation of any of the foregoing will be considered a material breach of this Agreement and will be good cause for immediate termination of the Agreement with all applicable charges continuing to come due.

11. **Cleanliness and Safety; Entry.** Resident agrees to maintain the assigned bedroom space, the apartment and the common areas of the Property in a clean, safe and sanitary condition, to exercise all due care in the use of same, to cooperate with Owner's efforts to provide a clean and welcoming environment for incoming residents of Resident's apartment if Resident occupies a multi-bedroom apartment or a double-occupancy bedspace, and to cooperate fully with the Property pest control program as requested. Without limiting the generality of the foregoing, Resident agrees: (a) to place all garbage, food waste, recyclables, and other refuse in proper containers and to remove them regularly; (b) not to allow any accumulation of trash or waste that could attract pests; (c) to keep floors, countertops, sinks, toilets, showers, appliances and other surfaces free of dirt, grime, mold, sticky substances, excessive dust and persistent or offensive odors; (d) to keep the kitchen and bathroom(s) free of excessive build-up of soiling, moisture or mildew; and (e) not to allow the accumulation of personal items that block hallways, doorways, windows or free access or ventilation. Resident will be responsible for the cost of treatment for bedbugs and similar pests to the extent Owner's pest control vendor reasonably determines that an infestation has originated within Resident's assigned space and during Resident's occupancy. Resident will place all trash in provided receptacles and will be responsible for the cost of cleaning the interior or exterior of the apartment if not kept in sanitary condition. When outdoor temperatures are below 40 degrees Fahrenheit, Resident will keep the apartment's heat turned on to prevent frozen or burst pipes, including during vacations. When outdoor temperatures exceed 85 degrees Fahrenheit, Resident will keep the apartment's air conditioning turned on and set to a reasonable temperature to prevent mold or mildew growth, including during vacations. Owner and its agents, employees and contractors may enter any apartment and bedroom space to perform routine maintenance, inspections, showings and other ordinary functions, provided that Owner will provide advance notice to residents of an apartment before such entry. Owner reserves the right to enter an apartment and any bedroom space without prior notice (including a passkey and/or disarming the alarm or other means of entry if locks have been changed) for emergency maintenance or repair purposes, or when there is reasonable cause to believe that a situation exists that could cause danger to life, safety, health or property. Owner may confiscate any item deemed to cause a danger and is under no obligation to pay compensation for or to return such items.

12. **Residential Use; Mobility Devices; Pets.** The bedroom space and apartment may be used solely for private residential purposes and for no other purposes. Resident may not carry on any business or other enterprise from the bedroom space or apartment, nor use any Owner-provided Internet connections for business purposes. Resident may place no signs, placards or other advertisement of any character in the bedroom space or apartment, nor display anything in an apartment or bedroom space that is visible from outside the Property or the apartment. Resident may not place any mobility device in or adjacent to any indoor area at the Property, and may not connect any such device or vehicle to a Property electrical outlet except a designed electric vehicle charging station which may be made available in Owner's discretion. Pets are permitted in or about the Property only following Owner's signature on a Pet Addendum for the specific pet, which requires payment of a registration fee and pet rent as provided in the Pet Addendum; all other pets are prohibited

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anywhere at the Property. Certain animals and breeds are prohibited; Owner reserves the right to decline permission for any pet it deems may be unsafe or unsanitary and to have removed any unattended or dangerous animal. Every dog must be kept on a leash at all times when outside of the Resident's Unit. Additional restrictions on the number, keeping and treatment of pets are provided in the Community Policies and Pet Addendum. The residents of any Unit in which an animal is kept are jointly and severally responsible for the actions of the animal, including any damage caused by the animal, and for prompt clean-up of all waste from the animal. Violation of the pet policy will subject Resident to deep-cleaning and daily administration fees in Owner's discretion and may be considered as a termination of this Housing Agreement by Resident.

13. **Guests; Occupancy Limits.** No more than one person may occupy a bedroom space, except for minor children for whom the Resident is the parent or legal guardian with Owner's consent and with consent of apartment-mates as applicable. If Resident desires to have an Overnight Guest (any person staying in the Resident's assigned bedroom space or apartment for more than three total nights in any 30-day period), then Resident must register the Overnight Guest(s) with Owner. Resident may not have Overnight Guest(s) for more than three consecutive nights, nor for more than six total nights in any 30-day period. In the event any unregistered or unauthorized Overnight Guest(s) are identified to be in or using an apartment or bedroom space, Owner may assess against the Resident a fee of $60 per night, in addition to the right of Owner to declare Resident in material breach of this Agreement and pursue other available remedies. Although Resident may have Guests from time to time, Owner reserves the right to restrict the number of persons permitted in or about an apartment at any time in Owner's discretion, to protect safety and the quiet enjoyment of other residents. Guests may park only in designated guest parking areas, if any, and no Guest's vehicle may remain at the Property for more than three days.

14. **Parking.** Owner grants to Resident a non-exclusive, undivided limited permit to use any one non-reserved parking spot (or, if reserved parking is selected above, the assigned reserved parking space only) at any given time in the Property's parking deck or resident surface lot (subject to handicap parking restrictions) for the sole purpose of parking one personal, non-commercial vehicle, and for ordinary access to and from such parking lot over marked driveways. The parked vehicle must be properly registered and licensed and may not create a safety hazard. Vehicles improperly parked or appearing abandoned may be towed at the vehicle owner's expense. This paragraph creates a limited use license and not a bailment. Resident assumes all risk and responsibility for damage to the vehicle and any personal property contained in it, and the vehicles or other personal property of others, in connection with any use of parking areas and irrevocably waives, on behalf of Resident and the vehicle owner, any right of subrogation against Owner, Manager and their employees with respect to any loss or damage to vehicles or contents. Unauthorized or improperly parked vehicles will be towed at the risk and expense of the vehicle owner. Owner is not responsible for any damage to vehicles or property contained in vehicles. Owner reserves the right to revoke or restrict parking rights in the event Resident violates this paragraph or the Agreement.

15. **Smoking.** Smoking or vaping, or burning candles or incense, inside any apartment, hallway, elevator, breezeway, stairwell, balcony, patio or other indoor or adjacent area by Resident or his or her guest(s) is prohibited. In the event that Resident or any guest smokes, burns candles, burns incense or engages in any other activity which could result in particles and/or smoke which tend to cause staining or odor on walls, carpeting or other portions of the premises, a persistent odor in the apartment that necessitates ductwork cleaning or the removal of carpeting and padding despite an apparent clean appearance, all such damage and repair cost will be considered extraordinary damage beyond normal wear and tear and is the responsibility of the Resident. Therefore, Resident agrees that any smoking in an apartment will subject the residents to a deep-cleaning fee as identified in the Community Policies, plus any additional costs of cleaning or repair in connection with smoking or other smoke-related damage, in addition to Owner's other remedies for breach of this Agreement.

16. **Maintenance, Alteration and Repair**

(a) Resident is responsible for and agrees to take good care of the premises, fixtures and all common areas. Resident may not remove any of Owner's property and will not perform any repairs, upgrades, painting, wallpapering, electric changes or other alterations of the premises without prior written consent from Owner. Resident will be responsible for damage from waste stoppages caused by foreign or improper objects or improper use in lines serving bathrooms, damage to fixtures, appliances, doors, windows, screens, damage from water faucets left on or from doors left open, and repairs or replacements to alarm devices necessitated by misuse or damage by Resident and/or guests. Extraordinary appliances or furnishings such as satellite dishes, hot tubs, pool tables, water beds or high utility-consuming devices may not be installed or placed on the premises or anywhere at the Property without Owner's prior written consent, in its sole discretion.

(b) In the case of a malfunction of any utilities or damage by fire, water or similar cause, or any water leak, suspected mold or microbial growth, electrical problem, broken glass, broken lock or any other condition that Resident reasonably believes poses a hazard to health and safety, Resident must promptly notify Owner in writing. Owner will act with reasonable time and diligence in making repairs and reconnections; Resident may not withhold or reduce payment of rent or other charges during such time. Maintenance and repair requested by Resident will generally be performed between 8am and 8pm, unless the work is considered an emergency, in which case work may take place at any time. Owner may temporarily disconnect equipment or utilities to avoid property damage and/or to perform repairs requiring such interruption, in Owner's sole discretion. Owner will not be liable for any inconvenience, discomfort, disruption or interference with Resident use of the premises because of ongoing repairs, alterations or improvements to the Property or any apartment. Notwithstanding the foregoing, if Owner fails to use diligent effort to remedy or repair a condition that materially affects physical health or safety within a reasonable time after receiving proper notice, Texas Property Code §§ 92.056 and 92.0561 provide the Resident with remedies including the right to have the condition repaired or remedied, to deduct from rent the cost of repairs, to terminate the Housing Agreement and/or to obtain other judicial remedies.

(c) Following move-in, Resident is responsible for providing and changing all light bulbs and batteries (for smoke detectors and remote controls) in the assigned apartment. A written maintenance report requesting assistance in changing these items may be submitted for maintenance staff assistance, with extra charges payable by Resident as applicable per Owner's published rates. From

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time to time, maintenance staff may enter the assigned apartment with or without notice to inspect and change furnace filters and to provide pest control.

17. **Management; Community Policies.** Owner may retain employees and management agents from time to time to manage the Property, and Owner's agent may retain other employees or contractors. Resident, on behalf of himself or herself and his or her Guests, agrees to comply fully with all directions from Owner and its employees and agents, and the rules and regulations (including all amendments and additions thereto, except those that substantially modify the Resident's bargain and to which Resident timely objects) as contained in this Agreement and the Community Policies of the Property. **The Community Policies are available at https://capstonecottages.com/policies.pdf or on request from the management office and are considered part of this Agreement.**

18. **Breach by Resident.** Upon any breach by Resident of this Housing Agreement or a prior agreement between Resident and Owner or its affiliates, including community policies, Owner may without separate demand or notice except as provided by law, and in addition to other lawful remedies, do any one or more of the following: (i) collect any charge under this Housing Agreement or community policies, including reimbursement for costs of collection; (ii) terminate this Housing Agreement and/or Resident's right to occupy the premises, and/or institute an action for eviction; (iii) sue to collect all past due charges and/or unpaid rent and other charges which become due through the End Date or until the bedroom space and all other bedroom spaces at the Property have been filled, with recovery by Owner of any discrepancy in rent rate and any expense incurred in obtaining the new resident contract; (iv) report any information to credit reporting agencies. Without limitation, Owner may terminate this Agreement for non-payment of rent or other charges, or upon any conduct by Resident that is prohibited by or in breach of this Agreement, or if, in the reasonable judgment of Owner, continued residency will or may be detrimental to the educational process or the health, safety and/or welfare of the other residents of the Property or any of the Property's personnel. Upon any termination as described in this paragraph, Resident: (a) must fully vacate the bedroom space and apartment (including removing all personal belongings) within the time provided in the written notice given by Owner, and will have no further use of or access to the Property, the assigned apartment or bedroom space; and (b) will be fully responsible for all rent and other charges as if the Agreement had been terminated by Resident as described in paragraph 5. Owner's termination for breach will not limit its claim for damages resulting from Resident's breach. Owner's acceptance of rent or other payment following notice to vacate or during the pendency of a legal action will not waive or diminish Owner's rights under this Agreement or law unless separately and expressly agreed by Owner.

19. **Assumption of Risks; Liability.** Resident ASSUMES ALL RISKS associated with use of the Property, and to the full extent permitted by law, agrees to hold harmless, release, defend and indemnify Owner and its affiliates, members, partners, officers, agents, management company and its and their respective employees ("Released Parties") from all loss, liability and/or claims for injury, illness or death to persons or damage or theft to property arising in whole or in part from: (i) the negligent acts, omissions or intentional wrongdoing of Resident or his/her Guests; or (ii) the use, occupancy, presence at or other interaction with the Property or any part or contents thereof by Resident or his or her Guests, including without limitation those injuries and damages caused by a Released Party's alleged or actual negligence or by breach of any express or implied warranty, all except solely to the extent of Owner's liability expressly arising under applicable law and to the extent such liability may not be waived or released under law. The Released Parties will not be liable for injury, damage or loss caused by criminal conduct of other persons, including theft, assault, vandalism or other acts of third parties. Resident agrees to indemnify each Released Party for any injuries to Resident or any Guest or other person or property that arises in connection with occupancy or use by Resident or any Guest of Resident. Resident further agrees to reimburse, indemnify and hold harmless Released Parties from any and all claims, lawsuits, actions, costs, damages (including liquidated damages as specified) or losses, including reasonable attorneys' fees and costs and expenses as allowed by law, that a Released Party incurs or may incur as a result of any breach of this Agreement by Resident. The forgoing will be binding to the fullest extent permitted by law.

20. **Safety Precautions.** Resident acknowledges that neither Owner nor any of its agents, employees or representatives has made any representations or warranties, either written or oral, concerning the safety of the Property, the bedroom space or any apartment, or the effectiveness or operability of any security devices or safety, health or security measures at the Property, the bedroom space or any apartment. Resident acknowledges that Owner neither warrants nor guarantees the safety or security of residents or their Guests against any criminal or wrongful acts of third parties. Resident and his or her Guests are responsible for protecting their own respective person and property and hereby release Owner and its agents, employees and representatives for any and all damage to person and property. Owner's safety measures are neither a warranty of safety nor a guaranty against crime or of a reduced risk of crime. Resident acknowledges that security devices or measures may be changed or removed by Owner without notice or compensation, and/or may fail or be thwarted by criminals or by electrical or mechanical malfunctions. Therefore, Resident acknowledges that he or she should not rely on such devices or measures and should take steps to protect himself or herself and his or her existing property notwithstanding these devices. Resident agrees to immediately notify Owner's representative of any malfunctions involving locks and life-safety building components. Should Resident become seriously injured or imperiled at the Property, Resident authorizes Owner and its agents to call 911 Emergency at Resident's expense, without legal obligation to do so.

21. **Abandonment.** If the assigned bedroom space or an apartment is abandoned or Resident's right to use them has been terminated, Owner may, without notice, secure the bedroom space and/or apartment with new locks, store or dispose of any personal property left in the bedroom space or apartment by Resident or Resident's Guests, and re-assign the bedroom space and/or apartment to others for use. Any such abandoned property or personal possessions will be stored and disposed of by Owner as provided by law. Owner, in its sole reasonable discretion in accordance with applicable law, will determine when a bedroom and/or apartment is abandoned, which may take into consideration any one of the following: the removal of personal property from the bedroom space other than in the usual course of continuing use, the failure to pay housing charges or other charges, discontinuance of any utility service, and failure to respond to any notices, phone calls, or correspondence from Owner or its representatives.

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22. **Vacating at End of Term; Renewal. This Agreement does not automatically renew, and Owner is not obligated to renew it.** Owner reserves the right to contract with others for the premises at any time, for occupancy commencing after the End Date. The parties mutually agree that Resident's tenancy and right of occupancy will end automatically on the End Date and that this provision constitutes notice of termination on the End Date. Upon termination or expiration of this Agreement for any reason, Resident will immediately vacate and relinquish the bedroom space and entire apartment, and all of Owner's fixtures, in a clean and sanitary condition, including removing all trash. Resident will pay all utility and service bills to the bedroom space and apartment (except those provided by Owner as specified above) and cancel all utility accounts in the name of Resident. Resident will return to Owner all keys issued to Resident by Owner. If all keys issued to Resident are not returned promptly to Owner, Resident will pay all costs associated with re-keying or reprogramming locks for the bedroom space and/or apartment, along with the cost of key replacement. If Resident fails to vacate the bedroom space and apartment by the end of the Term or upon earlier termination of the Agreement, Resident will pay an administrative fee in the amount of $300.00 plus agreed holdover charges equal to three (3) times the daily pro-rated housing charges during the Term (but not more than the amount provided by law), plus associated expenses, including attorneys' fees as allowed by law. In no event after termination or expiration of this Agreement will it be deemed to be renewed or extended.

23. **Renewal of Residency**. If this Housing Agreement is a renewal of Resident's residency at the Property to follow the expiration of another valid agreement with an End Date that is no more than one day earlier than the Start Date of this Housing Agreement, then: (a) the Start Date of this Housing Agreement will be deemed to take place simultaneously with the expiration of the prior agreement, so that this Housing Agreement begins immediately upon the expiration of the term of the prior agreement; (b) if Resident is assigned by Owner to a different apartment or bedroom for the new term under this Housing Agreement, Resident agrees to relocate promptly to the newly assigned space and to relinquish occupancy of the prior space on the date specified by Owner; and (c) without limiting the generality of Resident's obligations under paragraph 11, Resident will be responsible (jointly and severally with any other renewing residents of Resident's apartment then in legal possession) for any costs incurred by Owner should Owner be required due to Resident's incomplete cleaning, damage or other use to repeat any make-ready work, move-in preparations or improvements with respect to any apartment-mate move-in occurring within 14 days after Owner's initial completion of such work, preparations or improvements.

24. **Casualty Loss.** If in Owner's reasonable judgment the premises or the Property is materially damaged by fire or other casualty, Owner may terminate this Agreement within a reasonable time after such determination, by written notice to Resident, in which case Owner will refund prorated, pre-paid rent and all deposits less lawful deductions unless Resident and/or Resident's guest(s) caused the casualty, in which case all funds on account will be applied to all applicable charges related to the damages and Resident will be responsible for the balance of all charges for repairs. If following a fire or other casualty Owner has not elected to terminate this Agreement, Owner will rebuild the damaged areas within a reasonable time, and during such reconstruction, Resident will be provided a reasonable rent reduction for the unusable portion of the premises unless Resident and/or Resident's guest(s) caused the casualty.

25. **Guarantor Information, Notice.** Owner reserves the right to notify any Guarantor of any action taken or notice given with regard to Resident under this Agreement. If Resident or Guarantor has supplied information by means of an application for residency, guaranty of payment or other documentation, Resident and Guarantor, as the case may be, represent that such information is true and correct and given voluntarily and knowingly. Owner and its management agent reserve the right to release any such information and/or Resident's account history to law enforcement, government officials, lenders and prospective purchasers of the Property.

26. **Use of Likeness**. As part of the consideration for this Housing Agreement, Resident authorizes Owner and its affiliates to make photographs and video recordings of Resident in community and resident amenity areas, and irrevocably grants Owner and its affiliates a royalty-free license to use Resident's image and likeness for all lawful purposes, including promotional purposes in advertising, video, web, social media and other formats.

27. **Multiple Bedroom Spaces.** If this Housing Agreement expressly identifies more than one bedroom space in a multi-bedroom apartment as assigned to Resident on page 1, then: (a) references to a "space" or "spaces" will be deemed to refer to all of the spaces assigned to Resident, or to the entire apartment if all of the bedrooms in an apartment are assigned to Resident; and (b) if Resident is assigned fewer than all of the bedroom spaces in an apartment, use of common areas will continue to be shared with other residents of the apartment and any calculation of Resident's share of any charges assessed pro rata to all residents of an apartment will be made by dividing the number of bedroom spaces assigned to Resident by the total number of occupied bedroom spaces within the apartment.

28. **Credit Building/Reporting; Fee; Opt-Out**. Unless Resident elects to opt out of participation, Owner will arrange Resident's participation with a third-party credit reporting and financial tool (currently provided by Simplified Business Group, LLC d/b/a Rent Dynamics) to report Resident's positive rent and/or utility payments to one or more consumer reporting agencies (e.g., Equifax, TransUnion and/or Experian) for Resident's benefit, with the goal of assisting in building a positive credit history, and Resident hereby consents to such credit reporting. Resident will pay Owner a non-refundable fee of $8.95 per each rent installment (per adult resident) coming due under the Agreement when this service is provided, as an element of Rent. Participation is optional and is not a condition of this Agreement. Resident may opt out of participation and further fees at any time prior to or during the term of the Agreement using any of the following methods: e-mailing support@rentplus.com, or calling 855-388-5314, or at https://my.rentplus.com/cancel-link following move-in, or by sending a written opt-out request c/o The Scion Group, 401 N. Michigan Avenue, Ste. 400, Chicago IL 60611. Resident's opt-out will become effective 10 days following receipt. Opting out of participation in this positive credit-reporting program does not affect the rights of Owner and its collection agent to engage in consumer credit reporting regarding any unpaid account balance. Terms of the credit reporting service apply; current terms are available at https://www.rentplus.com/terms-of-use/ and may be revised from time to time (including a change in the provider of such service) following 30 days written notice to Resident; if Resident does not opt out of participation within that time, Resident will be deemed to have agreed to the new or updated terms.

29. **DISPUTE RESOLUTION; MANDATORY ARBITRATION; Class Action Waiver.**

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(a) Claims Subject to Arbitration. Except as expressly provided below, the parties agree that to the fullest extent permitted by applicable law, any dispute arising out of or relating in any way to this Agreement or a similar prior agreement, the Property or the relationship between Resident and Owner or Manager (including matters occurring prior to the date of this Agreement and disputes also involving third parties) (collectively, "Claims") will, at the election of either party, be resolved by arbitration, including any dispute about arbitrability, such as scope and enforceability.

(b) Arbitration Process. Any arbitration will be conducted pursuant to the applicable rules (the "Arbitration Rules") of the American Arbitration Association, as modified herein, to the extent such modifications are not prohibited by the Arbitration Rules. The arbitration will be conducted in Lubbock, Texas. The parties will select a single arbitrator, but in the event that the parties are unable to agree, the arbitrator will be appointed pursuant to the Arbitration Rules. The arbitrator will be a practicing attorney with significant expertise in litigating and/or presiding over cases involving the substantive legal areas involved in the dispute. The parties to the arbitration will not request, and the arbitrator will not order, that any discovery be taken or provided, including depositions, interrogatories or document requests, except to the extent the amount in controversy exceeds $50,000. The parties will use best efforts to conclude arbitration within three months of the date the arbitrator is appointed. The arbitrator's findings, reasoning, decision, and award will be stated in writing and based upon applicable law. Judgment on the arbitration award may be entered in any court having jurisdiction. In the event that the arbitration results in an award which imposes an injunction or contains a monetary award in excess of $100,000, the award will be reviewable on appeal initiated by filing notice of appeal with the AAA office within 30 days of the award, governed by the AAA Optional Appellate Arbitration Rules and conducted by a panel of three new arbitrators, ruling by majority, under the procedure for appointment from the national roster of arbitrators. Unless the applicable Arbitration Rules require otherwise, arbitration fees and costs will be shared equally by the claimant(s) and respondent(s), respectively, in any arbitration proceeding. Should the AAA be unavailable, unable or unwilling to accept and administer the arbitration of any claim under these arbitration provisions as written, the parties will agree on a substitute arbitration organization, such as JAMS, that will enforce the arbitration provisions as written. *Because this Agreement memorializes a transaction in interstate commerce, the Federal Arbitration Act governs the interpretation and enforcement of these arbitration provisions. More information about arbitration, including the Arbitration Rules, is available at www.adr.org or by calling 1-800-778-7879.*

(c) Matters Excluded from Arbitration. The following matters will not be subject to arbitration but will instead be adjudicated in the courts of Lubbock County, Texas or such other court in which jurisdiction and venue are proper: (a) an action for possession or for injunctive remedies provided under applicable landlord-tenant laws or to enforce intellectual property rights; (b) a suit by Owner or its assignee for collection of amounts owed by Resident under this Agreement; and (c) any claim or dispute for which applicable law (as determined by a binding court decision) or the applicable arbitration rules do not permit arbitration and require adjudication in a specific civil court. Matters within the jurisdiction of an applicable small claims court may also be brought in that court in lieu of arbitration. The parties agree that if any claim brought in court arises out of an underlying dispute that is subject to arbitration, at either party's request the judicial action will be stayed pending completion of the arbitration.

(d) Right to Opt Out of Arbitration. RESIDENT MAY OPT OUT OF THE FOREGOING ARBITRATION PROVISIONS BY SENDING EXPRESS WRITTEN NOTICE (VIA CERTIFIED US MAIL OR RECOGNIZED COURIER SERVICE) ELECTING TO OPT OUT OF ARBITRATION PROVISIONS, WITHIN 30 DAYS OF RESIDENT'S EXECUTION OF THIS AGREEMENT, to: The Scion Group, Attn: Legal Department, 401 N. Michigan Ave., Suite 400, Chicago IL 60611. If Resident timely opts out, paragraphs 29(a), (b), (c) and (f) will not apply.

(e) Applicable Law; Attorney Fees. All claims and disputes, including those adjudicated in arbitration or in court, will be governed by the internal laws of Texas with respect to contracts made or events occurring therein. The substantially prevailing party in any dispute between the parties (including in arbitration) may recover their reasonable costs and fees incurred in connection with such matter, including reasonable attorneys' fees, to the extent permitted by applicable law.

(f) Class, Collective and Representative Action Waiver THE PARTIES AGREE THAT COVERED CLAIMS WILL, AT EITHER PARTY'S ELECTION, ONLY BE ARBITRATED ON AN INDIVIDUAL BASIS AND THAT EACH WAIVES THE RIGHT TO PARTICIPATE IN OR RECEIVE COMPENSATION FROM ANY CLASS, COLLECTIVE OR REPRESENTATIVE PROCEEDING. NO PARTY MAY BRING A CLAIM ON BEHALF OF OTHER INDIVIDUALS; ANY ARBITRATOR HEARING A COVERED CLAIM MAY NOT COMBINE MORE THAN ONE INDIVIDUAL'S CLAIM OR CLAIMS INTO A SINGLE CASE OR TO ARBITRATE ANY FORM OF A CLASS, COLLECTIVE OR REPRESENTATIVE PROCEEDING. SHOULD ANY PORTION OF THE FOREGOING WAIVER BE FOUND INVALID, THE REMAINING PORTION THAT IS VALID WILL BE ENFORCED TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW.

(g) Waiver of Jury Trial **TO THE EXTENT PERMITTED BY LAW, THE PARTIES KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO A JURY TRIAL FOR CLAIMS NOT SUBJECT TO ARBITRATION, WHICH WILL BE ADJUDICATED BY A JUDGE ONLY.**

(h) Severability and Survival. To the extent any provision of this paragraph 29 is found to be unenforceable, it will be severed so the parties' intent to arbitrate will survive and arbitration will proceed without such provision. All of the terms and provisions of this paragraph 29 will survive the termination or expiration of this Agreement.

30. Miscellaneous. Failure of Owner to insist upon strict compliance with the terms of this Agreement will not constitute a waiver of Owner's rights to act on any violation. Owner's rights are cumulative and the exercise of any remedy by Owner will not exclude or waive the right to exercise any other right or remedy. Time is of the essence in the performance of this Agreement. Owner and its agents

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and affiliates make no representations or warranty as to the character or standing of any other residents of the Property. The lien of Owner's lender(s), if any, on the Property may be superior to Resident's rights as a resident and this Agreement may be made subject to the rights of such lender(s). Resident may have special statutory rights to terminate this Agreement early in certain situations involving military deployment or transfer, family violence, sexual assault or sexual abuse. This Agreement and any attached and signed addenda constitute the entire agreement between the parties and no oral statements will be binding. If any provision of this Agreement requires the permission or consent of Owner, such written permission or consent may be granted or withheld in the sole discretion of Owner or its designated agent or representative or may contain such conditions as Owner deems appropriate and will be effective only if Resident complies with such conditions. Moreover, any written permission or consent given by Owner to Resident may be modified, revoked or withdrawn by Owner at any time, at Owner's sole discretion, upon written notice to Resident. Any amendment to this Agreement, other than a change to the Community Policies, must be in writing and signed by Resident and Owner or its authorized agent. If any provision of this Agreement is found to be unenforceable or inapplicable, then the remaining provisions will not be voided and will remain in full force and effect.

31. <u>Specific Provisions and Notices.</u>
Please see attached documents.

[signatures on page 1]

Capstone Cottages of Lubbock is an Equal Opportunity housing provider.

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Water allocation and submetering is regulated by the Texas Public Utility Commission (PUC). In accordance with PUC rules, a copy of the applicable rules is provided to you below:

SUBCHAPTER I: WATER UTILITY SUBMETERING AND ALLOCATION

§ 24.275. General Rules and Definitions

(a) Purpose and scope. The provisions of this subchapter are intended to establish a comprehensive regulatory system to assure that the practices involving submetered and allocated billing of dwelling units and multiple use facilities for water and sewer utility service are just and reasonable and include appropriate safeguards for tenants.

(b) Application. The provisions of this subchapter apply to apartment houses, condominiums, multiple use facilities, and manufactured home rental communities billing for water and wastewater utility service on a submetered or allocated basis. The provisions of this subchapter do not limit the authority of an owner, operator, or manager of an apartment house, manufactured home rental community, or multiple use facility to charge, bill for, or collect rent, an assessment, an administrative fee, a fee relating to upkeep or management of chilled water, boiler, heating, ventilation, air conditioning, or other building system, or any other amount that is unrelated to water and sewer utility service costs.

(c) Definitions. The following words and terms, when used in this subchapter, have the defined meanings, unless the context clearly indicates otherwise.

(1) Allocated utility service--Water or wastewater utility service that is master metered to an owner by a retail public utility and allocated to tenants by the owner.

(2) Apartment house--A building or buildings containing five or more dwelling units that are occupied primarily for nontransient use, including a residential condominium whether rented or owner occupied, and if a dwelling unit is rented, having rent paid at intervals of one month or more.

(3) Condominium manager--A condominium unit owners' association organized under Texas Property Code §82.101, or an incorporated or unincorporated entity comprising the council of owners under Chapter 81, Property Code. Condominium Manager and Manager of a Condominium have the same meaning.

(4) Customer service charge--A customer service charge is a rate that is not dependent on the amount of water used through the master meter.

(5) Dwelling unit--One or more rooms in an apartment house or condominium, suitable for occupancy as a residence, and containing kitchen and bathroom facilities; a unit in a multiple use facility; or a manufactured home in a manufactured home rental community.

(6) Dwelling unit base charge--A flat rate or fee charged by a retail public utility for each dwelling unit recorded by the retail public utility.

(7) Manufactured home rental community--A property on which spaces are rented for the occupancy of manufactured homes for nontransient residential use and for which rental is paid at intervals of one month or longer.

(8) Master meter--A meter used to measure, for billing purposes, all water usage of an apartment house, condominium, multiple use facility, or manufactured home rental community, including common areas, common facilities, and dwelling units.

(9) Multiple use facility--A commercial or industrial park, office complex, or marina with five or more units that are occupied primarily for nontransient use and are rented at intervals of one month or longer.

(10) Occupant--A tenant or other person authorized under a written agreement to occupy a dwelling.

(11) Overcharge--The amount, if any, a tenant is charged for submetered or nonsubmetered master metered utility service to the tenant's dwelling unit after a violation occurred relating to the assessment of a portion of utility costs in excess of the amount the tenant would have been charged under this subchapter. Overcharge and Overbilling have the same meaning.

(12) Owner--The legal titleholder of an apartment house, a manufactured home rental community, or a multiple use facility; and any individual, firm, or corporation expressly identified in the lease agreement as the landlord of tenants in the apartment house, manufactured home rental community, or multiple use facility. The term does not include the manager of an apartment home unless the manager is expressly identified as the landlord in the lease agreement.

(13) Point-of-use submeter--A device located in a plumbing system to measure the amount of water used at a specific point of use, fixture, or appliance, including a sink, toilet, bathtub, or clothes washer.

(14) Submetered utility service--Water utility service that is master metered for the owner by the retail public utility and individually metered by the owner at each dwelling unit; wastewater utility service based on submetered water utility service; water utility service measured by point-of-use submeters when all of the water used in a dwelling unit is measured and totaled; or wastewater utility service based on total water use as measured by point-of-use submeters.

(15) Tenant--A person who owns or is entitled to occupy a dwelling unit or multiple use facility unit to the exclusion of others and, if rent is paid, who is obligated to pay for the occupancy under a written or oral rental agreement.

(16) Undercharge--The amount, if any, a tenant is charged for submetered or nonsubmetered master metered utility service to the tenant's dwelling unit less than the amount the tenant would have been charged under this subchapter. Undercharge and Underbilling have the same meaning.

(17) Utility costs--Any amount charged to the owner by a retail public utility for water or wastewater service. Utility Costs and Utility Service Costs have the same meaning.

(18) Utility service--For purposes of this subchapter, utility service includes only drinking water and wastewater.

§ 24.277. Owner Registration and Records

(a) Registration. An owner who intends to bill tenants for submetered or allocated utility service or who changes the method used to bill tenants for utility service shall register with the commission in a form prescribed by the commission.

(b) Water quantity measurement. Except as provided by subsections (c) and (d) of this section, a manager of a condominium or the owner of an apartment house, manufactured home rental community, or multiple use facility, on which construction began after January 1, 2003, shall provide for the measurement of the quantity of water, if any, consumed by the occupants of each unit through the installation of:

(1) submeters, owned by the property owner or manager, for each dwelling unit or rental unit; or

(2) individual meters, owned by the retail public utility, for each dwelling unit or rental unit.

(c) Plumbing system requirement. An owner of an apartment house on which construction began after January 1, 2003, and that provides government assisted or subsidized rental housing to low or very low income residents shall install a plumbing system in the apartment house that is compatible with the installation of submeters for the measurement of the quantity of water, if any, consumed by the occupants of each unit.

(d) Installation of individual meters. On the request by the property owner or manager, a retail public utility shall install individual meters owned by the utility in an apartment house, manufactured home rental community, multiple use facility, or condominium on which construction began after January 1, 2003, unless the retail public utility determines that installation of meters is not feasible. If the retail public utility determines that installation of meters is not feasible, the property owner or manager shall install a plumbing system that is compatible with the installation of submeters or individual meters. A retail public utility may charge reasonable costs to install individual meters.

(e) Records. The owner shall make the following records available for inspection by the tenant or the commission or commission staff at the on-site manager's office during normal business hours in accordance with subsection (g) of this section. The owner may require that the request by the tenant be in writing and include:

(1) a current and complete copy of TWC, Chapter 13, Subchapter M;

(2) a current and complete copy of this subchapter;

(3) a current copy of the retail public utility's rate structure applicable to the owner's bill;

(4) information or tips on how tenants can reduce water usage;

(5) the bills from the retail public utility to the owner;

(6) for allocated billing:

(A) the formula, occupancy factors, if any, and percentages used to calculate tenant bills;

(B) the total number of occupants or equivalent occupants if an equivalency factor is used under §24.281(e)(2) of this title (relating to Charges and Calculations); and

(C) the square footage of the tenant's dwelling unit or rental space and the total square footage of the apartment house, manufactured home rental community, or multiple use facility used for billing if dwelling unit size or rental space is used;

(7) for submetered billing:

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(A) the calculation of the average cost per gallon, liter, or cubic foot;

(B) if the unit of measure of the submeters or point-of-use submeters differs from the unit of measure of the master meter, a chart for converting the tenant's submeter measurement to that used by the retail public utility;

(C) all submeter readings; and

(D) all submeter test results;

(8) the total amount billed to all tenants each month;

(9) total revenues collected from the tenants each month to pay for water and wastewater service; and

(10) any other information necessary for a tenant to calculate and verify a water and wastewater bill.

(f) Records retention. Each of the records required under subsection (e) of this section shall be maintained for the current year and the previous calendar year, except that all submeter test results shall be maintained until the submeter is permanently removed from service.

(g) Availability of records.

(1) If the records required under subsection (e) of this section are maintained at the on-site manager's office, the owner shall make the records available for inspection at the on-site manager's office within three days after receiving a written request.

(2) If the records required under subsection (e) of this section are not routinely maintained at the on-site manager's office, the owner shall provide copies of the records to the on-site manager within 15 days of receiving a written request from a tenant or the commission or commission staff.

(3) If there is no on-site manager, the owner shall make copies of the records available at the tenant's dwelling unit at a time agreed upon by the tenant within 30 days of the owner receiving a written request from the tenant.

(4) Copies of the records may be provided by mail if postmarked by midnight of the last day specified in paragraph (1), (2), or (3) of this subsection.

§ 24.279. Rental Agreement

(a) Rental agreement content. The rental agreement between the owner and tenant shall clearly state in writing:

(1) the tenant will be billed by the owner for submetered or allocated utility services, whichever is applicable;

(2) which utility services will be included in the bill issued by the owner;

(3) any disputes relating to the computation of the tenant's bill or the accuracy of any submetering device will be between the tenant and the owner;

(4) the average monthly bill for all dwelling units in the previous calendar year and the highest and lowest month's bills for that period;

(5) if not submetered, a clear description of the formula used to allocate utility services;

(6) information regarding billing such as meter reading dates, billing dates, and due dates;

(7) the period of time by which owner will repair leaks in the tenant's unit and in common areas, if common areas are not submetered;

(8) the tenant has the right to receive information from the owner to verify the utility bill; and

(9) for manufactured home rental communities and apartment houses, the service charge percentage permitted under §24.281(d)(3) of this title (relating to Charges and Calculations) that will be billed to tenants.

(b) Requirement to provide rules. At the time a rental agreement is discussed, the owner shall provide a copy of this subchapter or a copy of the rules to the tenant to inform the tenant of his rights and the owner's responsibilities under this subchapter.

(c) Tenant agreement to billing method changes. An owner shall not change the method by which a tenant is billed unless the tenant has agreed to the change by signing a lease or other written agreement. The owner shall provide notice of the proposed change at least 35 days prior to implementing the new method.

(d) Change from submetered to allocated billing. An owner shall not change from submetered billing to allocated billing, except after receiving written approval from the commission after a demonstration of good cause and if the rental agreement requirements under subsections (a), (b), and (c) of this section have been met. Good cause may include:

(1) equipment failures; or

(2) meter reading or billing problems that could not feasibly be corrected.

(e) Waiver of tenant rights prohibited. A rental agreement provision that purports to waive a tenant's rights or an owner's responsibilities under this subchapter is void.

§ 24.281. Charges and Calculations

(a) Prohibited charges. Charges billed to tenants for submetered or allocated utility service may only include bills for water or wastewater from the retail public utility and must not include any fees billed to the owner by the retail public utility for any deposit, disconnect, reconnect, late payment, or other similar fees.

(b) Dwelling unit base charge. If the retail public utility's rate structure includes a dwelling unit base charge, the owner shall bill each dwelling unit for the base charge applicable to that unit. The owner may not bill tenants for any dwelling unit base charges applicable to unoccupied dwelling units.

(c) Customer service charge. If the retail public utility's rate structure includes a customer service charge, the owner shall bill each dwelling unit the amount of the customer service charge divided by the total number of dwelling units, including vacant units, that can receive service through the master meter serving the tenants.

(d) Calculations for submetered utility service. The tenant's submetered charges must include the dwelling unit base charge and customer service charge, if applicable, and the gallonage charge and must be calculated each month as follows:

(1) water utility service: the retail public utility's total monthly charges for water service (less dwelling unit base charges or customer service charges, if applicable), divided by the total monthly water consumption measured by the retail public utility to obtain an average water cost per gallon, liter, or cubic foot, multiplied by the tenant's monthly consumption or the volumetric rate charged by the retail public utility to the owner multiplied by the tenant's monthly water consumption;

(2) wastewater utility service: the retail public utility's total monthly charges for wastewater service (less dwelling unit base charges or customer service charges, if applicable), divided by the total monthly water consumption measured by the retail public utility, multiplied by the tenant's monthly consumption or the volumetric wastewater rate charged by the retail public utility to the owner multiplied by the tenant's monthly water consumption;

(3) service charge for manufactured home rental community or the owner or manager of apartment house: a manufactured home rental community or apartment house may charge a service charge in an amount not to exceed 9% of the tenant's charge for submetered water and wastewater service, except when;

(A) the resident resides in a unit of an apartment house that has received an allocation of low income housing tax credits under Texas Government Code, Chapter 2306, Subchapter DD; or

(B) the apartment resident receives tenant-based voucher assistance under United States Housing Act of 1937 Section 8, (42 United States Code, §1437f); and

(4) final bill on move-out for submetered service: if a tenant moves out during a billing period, the owner may calculate a final bill for the tenant before the owner receives the bill for that period from the retail public utility. If the owner is billing using the average water or wastewater cost per gallon, liter, or cubic foot as described in paragraph (1) of this subsection, the owner may calculate the tenant's bill by calculating the tenant's average volumetric rate for the last three months and multiplying that average volumetric rate by the tenant's consumption for the billing period.

(e) Calculations for allocated utility service.

(1) Before an owner may allocate the retail public utility's master meter bill for water and sewer service to the tenants, the owner shall first deduct:

(A) dwelling unit base charges or customer service charge, if applicable; and

(B) common area usage such as installed landscape irrigation systems, pools, and laundry rooms, if any, as follows:

(i) if all common areas are separately metered or submetered, deduct the actual common area usage;

(ii) if common areas that are served through the master meter that provides water to the dwelling units are not separately metered or submetered and there is an installed landscape irrigation system, deduct at least 25% of the retail public utility's master meter bill;

(iii) if all water used for an installed landscape irrigation system is metered or submetered and there are other common areas such as pools or laundry rooms that are not metered or submetered, deduct at least 5% of the retail public utility's master meter bill; or

(iv) if common areas that are served through the master meter that provides water to the dwelling units are not separately metered or

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submetered and there is no installed landscape irrigation system, deduct at least 5% of the retail public utility's master meter bill.

(2) To calculate a tenant's bill:

(A) for an apartment house, the owner shall multiply the amount established in paragraph (1) of this subsection by:

(i) the number of occupants in the tenant's dwelling unit divided by the total number of occupants in all dwelling units at the beginning of the month for which bills are being rendered; or

(ii) the number of occupants in the tenant's dwelling unit using a ratio occupancy formula divided by the total number of occupants in all dwelling units at the beginning of the retail public utility's billing period using the same ratio occupancy formula to determine the total. The ratio occupancy formula will reflect what the owner believes more accurately represents the water use in units that are occupied by multiple tenants. The ratio occupancy formula that is used must assign a fractional portion per tenant of no less than that on the following scale:

(I) dwelling unit with one occupant = 1;

(II) dwelling unit with two occupants = 1.6;

(III) dwelling unit with three occupants = 2.2; or

(IV) dwelling unit with more than three occupants = 2.2 + 0.4 per each additional occupant over three; or

(iii) the average number of occupants per bedroom, which shall be determined by the following occupancy formula. The formula must calculate the average number of occupants in all dwelling units based on the number of bedrooms in the dwelling unit according to the scale below, notwithstanding the actual number of occupants in each of the dwelling unit's bedrooms or all dwelling units:

(I) dwelling unit with an efficiency = 1;

(II) dwelling unit with one bedroom = 1.6;

(III) dwelling unit with two bedrooms = 2.8;

(IV) dwelling unit with three bedrooms = 4 + 1.2 for each additional bedroom; or

(iv) a factor using a combination of square footage and occupancy in which no more than 50% is based on square footage. The square footage portion must be based on the total square footage living area of the dwelling unit as a percentage of the total square footage living area of all dwelling units of the apartment house; or

(v) the individually submetered hot or cold water usage of the tenant's dwelling unit divided by all submetered hot or cold water usage in all dwelling units;

(B) a condominium manager shall multiply the amount established in paragraph (1) of this subsection by any of the factors under subparagraph (A) of this paragraph or may follow the methods outlined in the condominium contract;

(C) for a manufactured home rental community, the owner shall multiply the amount established in paragraph (1) of this subsection by:

(i) any of the factors developed under subparagraph (A) of this paragraph; or

(ii) the area of the individual rental space divided by the total area of all rental spaces; and

(D) for a multiple use facility, the owner shall multiply the amount established in paragraph (1) of this subsection by:

(i) any of the factors developed under subparagraph (A) of this paragraph; or

(ii) the square footage of the rental space divided by the total square footage of all rental spaces.

(3) If a tenant moves in or out during a billing period, the owner may calculate a bill for the tenant. If the tenant moves in during a billing period, the owner shall prorate the bill by calculating a bill as if the tenant were there for the whole month and then charging the tenant for only the number of days the tenant lived in the unit divided by the number of days in the month multiplied by the calculated bill. If a tenant moves out during a billing period before the owner receives the bill for that period from the retail public utility, the owner may calculate a final bill. The owner may calculate the tenant's bill by calculating the tenant's average bill for the last three months and multiplying that average bill by the number of days the tenant was in the unit divided by the number of days in that month.

(f) Conversion to approved allocation method. An owner using an allocation formula other than those approved in subsection (e) of this section shall immediately provide notice as required under §24.279(c) of this title (relating to Rental Agreement) and either:

(1) adopt one of the methods in subsection (e) of this section; or

(2) install submeters and begin billing on a submetered basis; or

(3) discontinue billing for utility services.

§ 24.283. Billing

(a) Monthly billing of total charges. The owner shall bill the tenant each month for the total charges calculated under §24.281 of this title (relating to Charges and Calculations). If it is permitted in the rental agreement, an occupant or occupants who are not residing in the rental unit for a period longer than 30 days may be excluded from the occupancy calculation and from paying a water and sewer bill for that period.

(b) Rendering bill.

(1) Allocated bills shall be rendered as promptly as possible after the owner receives the retail public utility bill.

(2) Submeter bills shall be rendered as promptly as possible after the owner receives the retail public utility bill or according to the time schedule in the rental agreement if the owner is billing using the retail public utility's rate.

(c) Submeter reading schedule. Submeters or point-of-use submeters shall be read within three days of the scheduled reading date of the retail public utility's master meter or according to the schedule in the rental agreement if the owner is billing using the retail public utility's rate.

(d) Billing period.

(1) Allocated bills shall be rendered for the same billing period as that of the retail public utility, generally monthly, unless service is provided for less than that period.

(2) Submeter bills shall be rendered for the same billing period as that of the retail public utility, generally monthly, unless service is provided for less than that period. If the owner uses the retail public utility's actual rate, the billing period may be an alternate billing period specified in the rental agreement.

(e) Multi-item bill. If issued on a multi-item bill, charges for submetered or allocated utility service must be separate and distinct from any other charges on the bill.

(f) Information on bill. The bill must clearly state that the utility service is submetered or allocated, as applicable, and must include all of the following:

(1) total amount due for submetered or allocated water;

(2) total amount due for submetered or allocated wastewater;

(3) total amount due for dwelling unit base charge(s) or customer service charge(s) or both, if applicable;

(4) total amount due for water or wastewater usage, if applicable;

(5) the name of the retail public utility and a statement that the bill is not from the retail public utility;

(6) name and address of the tenant to whom the bill is applicable;

(7) name of the firm rendering the bill and the name or title, address, and telephone number of the firm or person to be contacted in case of a billing dispute; and

(8) name, address, and telephone number of the party to whom payment is to be made.

(g) Information on submetered service. In addition to the information required in subsection (f) of this section, a bill for submetered service must include all of the following:

(1) the total number of gallons, liters, or cubic feet submetered or measured by point-of-use submeters;

(2) the cost per gallon, liter, or cubic foot for each service provided; and

(3) total amount due for a service charge charged by an owner of a manufactured home rental community, if applicable.

(h) Due date. The due date on the bill may not be less than 16 days after it is mailed or hand delivered to the tenant, unless the due date falls on a federal holiday or weekend, in which case the following work day will be the due date. The owner shall record the date the bill is mailed or hand delivered. A payment is delinquent if not received by the due date.

(i) Estimated bill. An estimated bill may be rendered if a master meter, submeter, or point-of-use submeter has been tampered with, cannot be read, or is out of order; and in such case, the bill must be distinctly marked as an estimate and the subsequent bill must reflect an adjustment for actual charges.

(j) Payment by tenant. Unless utility bills are paid to a third-party billing company on behalf of the owner, or unless clearly designated by the tenant, payment must be applied first to rent and then to utilities.

(k) Overbilling and underbilling. If a bill is issued and subsequently found to be in error, the owner shall calculate a billing adjustment. If the tenant is due a refund, an adjustment must be calculated for all of that tenant's bills that

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included overcharges. If the overbilling or underbilling affects all tenants, an adjustment must be calculated for all of the tenants' bills. If the tenant was undercharged, and the cause was not due to submeter or point-of-use submeter error, the owner may calculate an adjustment for bills issued in the previous six months. If the total undercharge is $25 or more, the owner shall offer the tenant a deferred payment plan option, for the same length of time as that of the underbilling. Adjustments for usage by a previous tenant may not be back billed to a current tenant.

(l) Disputed bills. In the event of a dispute between a tenant and an owner regarding any bill, the owner shall investigate the matter and report the results of the investigation to the tenant in writing. The investigation and report must be completed within 30 days from the date the tenant gives written notification of the dispute to the owner.

(m) Late fee. A one-time penalty not to exceed 5% may be applied to delinquent accounts. If such a penalty is applied, the bill must indicate the amount due if the late penalty is incurred. No late penalty may be applied unless agreed to by the tenant in a written lease that states the percentage amount of such late penalty.

§ 24.285. Complaint Jurisdiction

(a) Jurisdiction. The commission has exclusive jurisdiction for violations under this subchapter.

(b) Complaints. If an apartment house owner, condominium manager, manufactured home rental community owner, or other multiple use facility owner violates a commission rule regarding utility costs, the person claiming the violation may file a complaint with the commission and may appear remotely for a hearing.

§ 24.287. Submeters or Point-of-Use Submeters and Plumbing Fixtures

(a) Submeters or point-of-use submeters.

(1) Same type submeters or point-of-use submeters required. All submeters or point-of-use submeters throughout a property must use the same unit of measurement, such as gallon, liter, or cubic foot.

(2) Installation by owner. The owner shall be responsible for providing, installing, and maintaining all submeters or point-of-use submeters necessary for the measurement of water to tenants and to common areas, if applicable.

(3) Submeter or point-of-use submeter tests prior to installation. No submeter or point-of-use submeter may be placed in service unless its accuracy has been established. If any submeter or point-of-use submeter is removed from service, it must be properly tested and calibrated before being placed in service again.

(4) Accuracy requirements for submeters and point-of-use submeters. Submeters must be calibrated as close as possible to the condition of zero error and within the accuracy standards established by the American Water Works Association (AWWA) for water meters. Point-of-use submeters must be calibrated as closely as possible to the condition of zero error and within the accuracy standards established by the American Society of Mechanical Engineers (ASME) for point-of-use and branch-water submetering systems.

(5) Location of submeters and point-of-use submeters. Submeters and point-of-use submeters must be installed in accordance with applicable plumbing codes and AWWA standards for water meters or ASME standards for point-of-use submeters, and must be readily accessible to the tenant and to the owner for testing and inspection where such activities will cause minimum interference and inconvenience to the tenant.

(6) Submeter and point-of-use submeter records. The owner shall maintain a record on each submeter or point-of-use submeter which includes:

(A) an identifying number;

(B) the installation date (and removal date, if applicable);

(C) date(s) the submeter or point-of-use submeter was calibrated or tested;

(D) copies of all tests; and

(E) the current location of the submeter or point-of-use submeter.

(7) Submeter or point-of-use submeter test on request of tenant. Upon receiving a written request from the tenant, the owner shall either:

(A) provide evidence, at no charge to the tenant, that the submeter or point-of-use submeter was calibrated or tested within the preceding 24 months and determined to be within the accuracy standards established by the AWWA for water meters or ASME standards for point-of-use submeters; or

(B) have the submeter or point-of-use submeter removed and tested and promptly advise the tenant of the test results.

(8) Billing for submeter or point-of-use submeter test.

(A) The owner may not bill the tenant for testing costs if the submeter fails to meet AWWA accuracy standards for water meters or ASME standards for point-of-use submeters.

(B) The owner may not bill the tenant for testing costs if there is no evidence that the submeter or point-of-use submeter was calibrated or tested within the preceding 24 months.

(C) The owner may bill the tenant for actual testing costs (not to exceed $25) if the submeter meets AWWA accuracy standards or the point-of-use submeter meets ASME accuracy standards and evidence as described in paragraph (7)(A) of this subsection was provided to the tenant.

(9) Bill adjustment due to submeter or point-of-use submeter error. If a submeter does not meet AWWA accuracy standards or a point-of-use submeter does not meet ASME accuracy standards and the tenant was overbilled, an adjusted bill must be rendered in accordance with §24.283(k) of this title (relating to Billing). The owner may not charge the tenant for any underbilling that occurred because the submeter or point-of-use submeter was in error.

(10) Submeter or point-of-use submeter testing facilities and equipment. For submeters, an owner shall comply with the AWWA's meter testing requirements. For point-of-use meters, an owner shall comply with ASME's meter testing requirements.

(b) Plumbing fixtures. After January 1, 2003, before an owner of an apartment house, manufactured home rental community, or multiple use facility or a manager of a condominium may implement a program to bill tenants for submetered or allocated water service, the owner or manager shall adhere to the following standards:

(1) Texas Health and Safety Code, §372.002, for sink or lavatory faucets, faucet aerators, and showerheads;

(2) perform a water leak audit of each dwelling unit or rental unit and each common area and repair any leaks found; and

(3) not later than the first anniversary of the date an owner of an apartment house, manufactured home rental community, or multiple use facility or a manager of a condominium begins to bill for submetered or allocated water service, the owner or manager shall:

(A) remove any toilets that exceed a maximum flow of 3.5 gallons per flush; and

(B) install toilets that meet the standards prescribed by Texas Health and Safety Code, §372.002.

(c) Plumbing fixture not applicable. Subsection (b) of this section does not apply to a manufactured home rental community owner who does not own the manufactured homes located on the property of the manufactured home rental community.

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PUC DISCLOSURES AND ADDITIONAL TERMS REGARDING SUBMETERING AND BILLING FOR WATER/SEWER (WASTEWATER) AND STORMWATER DISCHARGE

A. Repair of Leaks. Our best efforts will be expended to repair any water leaks, both inside and outside your apartment no later than seven (7) days after we learn about them.

B. Submeter Billing Procedures. Your Rent does not include a charge for water or sewer/wastewater. Instead, you will receive a separate bill each month. These charges will be calculated as follows:

i. As permitted by state law, a service fee of 9% will be added to your monthly water-service charges.

ii. No other administrative or other fees will be added to your bill unless expressly allowed by law or PUC rules. No other amounts will be included in the bill except your unpaid balances and any late fees that may be incurred. If we fail to pay our master meter bill to the utility company on time and incur penalties or interest no portion of these amounts will be included in your bill.

iii. We will calculate your submetered share of the mastermetered water bill according to PUC rules, Section 24.124

iv. We will bill you monthly for your submetered water consumption or allocated water/sewer bill from approximately the 17th day of the month to the 17th day of the next month, the latter being our scheduled submeter-reading date. Your bill will be calculated in accordance with PUC rules and will be prorated for the first and last billing periods in which you occupy your apartment.

v. PUC rules require us to publish figures from the previous calendar year, if that information is available. The average monthly bill for dwelling units in the apartment community last year was $24.67 per unit, varying from $2.27 for the lowest month's bill to $392.34 for the highest month's bill for any unit. This information may or may not be relevant since the past amounts may not reflect future changes in utility company water rates, weather variations, future total water consumption, changes in water consumption habits of residents and other unpredictable factors.

vi. During regular weekday office hours, you may examine: (1) our water and wastewater bills from the utility company; (2) our calculation of your monthly allocated or submetered bill; any (3) any other information available to you under PUC rules. Please give us reasonable advance notice to gather the data.

C. Payment Due Date. Payment of your water and wastewater bill is due sixteen (16) days after the date it is delivered to you. You will pay a late charge of five (5%) percent of your water and wastewater bill if we do not receive your payment on time.

D. Stormwater/Drainage. You agree to and we will allocate the monthly stormwater/drainage bill for the community, allocated based on a percentage reflecting your apartment's share of the total square footage in the community, calculated by dividing your apartment's square footage by the total square footage in all apartments. Any late payment of the master stormwater/drainage bill will not be allocated. The above allocation formula for determining your share of the stormwater/drainage bill cannot change except if (1) you receive notice of the new formula at least 35 days before it takes effect; and (2) you agree to the change in a signed lease renewal or signed mutual agreement. You may examine our stormwater/drainage bills from the utility company, and our calculations relating to the monthly allocation of those bills during regular weekday office hours. Please give us reasonable notice to gather this data.

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