TENANT INSURANCE

What You Need to Know

As a condition of our lease, we require all residents to carry liability insurance ($100,000) for damage to the landlord's property during the term of their lease. To satisfy this lease requirement, you have two options:

OPTION 1:

Sign up for Renters Insurance and provide proof of coverage. Having renters insurance not only meets your lease requirement, it also protects your personal belongings from theft or damage. If you do not currently have renters insurance, consider looking into a policy with your auto insurance provider for multi-line discounts.

Cost: Depends on your provider

OPTION 2:

Do nothing – you will automatically be enrolled in our Tenant Liability Insurance Program. This is an easy and low cost way to meet your lease requirement but does not cover your personal belongings. You pay the monthly premium together with rent. (Details below).

Cost: $10.50 per month

Tenant Liability Insurance Program Details

POLICY COVERAGE:

$100,000 Legal Liability for damage to

Landlord's property.

The coverage provided by our tenant liability program meets the minimum requirement of the lease. The policy covers only your legal liability for damage to the landlord's property (covered losses include fire, some, explosion, water damage, backup or overflow of sewer, drain or sump, falling objects, riot, or civil commotion) up to $100,000.

The policy is not personal liability insurance or renters insurance. The policy does not cover any of your personal belongings, additional living expenses, or liability arising out of bodily injury or property damage to any third party. If you require any of this coverage, you should contact an insurance agent or insurance company of your choice and sign up for a Renters Insurance Policy.

POLICY DETAILS:

All Claims should be reported to the Property Management Company.

Our tenant liability insurance coverage is provided by Great American E&S Insurance Company. For complete details visit:

http://www.appfolio.com/notice-of-insurance

MONTHLY COST: $10.50

PLEASE NOTE:

You are under not obligation to participate in our tenant liability insurance program. You may satisfy the lease requirement by obtaining a personal renters insurance or liability insurance policy from an insurance agent or insurance company of your choice and providing proof of coverage (a copy of the declarations page) for the duration of your lease.

REQUIRED INSURANCE ADDENDUM TO LEASE AGREEMENT

This Addendum is attached to and becomes a part of the Residential Lease Agreement. For the duration of the Lease, Lessee is required to maintain and provide the following minimum required insurance coverage:

- $100,000 Limit of Liability for Lessee's legal liability for damage to Lessor's property for no less than the following causes of loss: fire, smoke, explosion, backup or overflow of sewer, drain or sump, and water damage ("Required Insurance").

Lessee is required to furnish Lessor with evidence of Required Insurance prior to occupancy of leased premises and at the time of each lease renewal period. If at any time Lessee does not have Required Insurance, Lessee is in breach of the Lease and Lessor shall have, in addition to any other rights under the Lease, the right but not the obligation to purchase Required Insurance coverage protecting the sole interest of the Lessor and seek contractual reimbursement from the Lessee for all costs and expenses associated with such purchase.

Lessee may obtain Required Insurance or broader coverage from an insurance agent or insurance company of Lessee's choice. If Lessee furnishes evidence of such insurance and maintains the insurance for the duration of the Lease, then nothing more is required. If Lessee does not maintain Required Insurance, the insurance requirement of this Lease may be satisfied by Lessor, who may purchase such coverage through the Lessor's Legal Liability Insurance Policy ("LLIP"). The coverage provided under the LLIP will provide the Required Insurance coverage listed above. An amount equal to the total cost to the Lessor for the LLIP coverage shall be charged to Lessee by the Lessor as a recoverable expense under the Lease. Some important points of this coverage, which Lessee should understand are:

1. LLIP is designed to fulfill the insurance requirement of the Lease. Lessor is the Insured under the LLIP. This is single interest master insurance policy. Lessee is not an Insured, Additional Insured or beneficiary under the LLIP. All loss payments are made to the Lessor.
2. LLIP coverage is <u>NOT</u> personal liability insurance or renters insurance. LLIP does not cover the Lessee's personal property (contents), additional living expenses or liability arising out of bodily injury or property damage to any third party. If Lessee requires any of these coverages, then Lessee should contact an insurance agent or insurance company of Lessee's choice to obtain personal liability insurance or renters insurance to protect Lessee's interests.
3. Coverage under the LLIP may be more expensive than the cost of Required Insurance obtainable by Lessee elsewhere. At any time, Lessee may contact an insurance agent or insurance company of their choice for insurance options to satisfy the Required Insurance under this Lease.
4. If Lessee has purchased Renters Insurance and at any time allows such Renters Insurance to lapse in breach of the Lease Agreement, Lessor may purchase Lessor Insurance without notice and add the total cost associated therewith to Lessee's monthly rent payment.
5. Licensed insurance agents may receive a commission on the LLIP.
6. The total cost to the Lessee for the Lessor obtaining LLIP shall be ($10.50) per month, subject to no proration. This is an amount equal to the actual premium charge to the Lessor including any premium taxes and fees due to state governing bodies. There are no other fees, cost or charge added to or included within this total cost.
7. In the event that loss or damage to Lessor's property exceeds the amount of Required Insurance, Lessee shall remain contractually liable to Lessor for such amount. In the event of liability to any other party for bodily injury or property damage, Lessee shall remain liable to such other party.
8. It shall be the Lessee's duty to notify Lessor of any subsequent purchase of Renters Insurance.

As used in this Addendum: "Lease" may be interchangeable with "Lease Agreement"; "Lessee" may be interchangeable with "Resident" or "Tenant", and "Lessor" may be interchangeable with "Landlord" or "Owner".

Scheduling of the premises under the LLIP is not mandatory and Lessee may purchase Required Insurance from an insurance agent or insurance company of Lessee's choice at any time and coverage under the LLIP will be terminated by the Lessor.

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Lessee Signature Date

Important Dates & Information to Remember

Rent Due: Rent is due on the 1st day of each month and is late after the 3rd of each month. Late rent is not tolerated. Late notices are mailed out on the 4th day of each month. No third-party checks are accepted.

Late Charge: If your rent is paid after the 3rd, the initial late charge on the 4th is $30 plus a daily late charge of $10 (equaling $40 on the 4th) and $10 for each additional day after the 4th day.

Utilities: Other than those utilities that may be specified in your lease agreement, the tenants are responsible for transferring or connecting all utilities in their name prior to move-in. It is important to do this ASAP to avoid a disruption in service. The property manager requests for a service disconnection upon approval of application.

Maintenance Requests: Maintenance requests should be submitted online using your tenant portal. Until you receive access to your tenant portal, you may submit work order requests by fax or email using the "Work Order Request by Tenant" forms in your packet. It is important to make sure that maintenance requests are made early enough in the day to insure a speedy repair. Any requests made after 4 p.m. on working days, any time on Saturday or Sunday, or on holidays that are not considered an emergency will be submitted to our contractors the following business day. For after-hours emergency repair requests, please follow the instructions on the "Instructions for Placing Work Order Requests" notice in your packet.

Inventory and Condition Forms: Inventory forms are to be returned to our office within 7 days after move-in. Remember, this form protects you, the tenant, upon move-out. Landlord has the right not to accept forms that are returned beyond 7 days after move-in. DO NOT list maintenance issues on this form.

Contact Information: You must keep us updated on all of your email addresses and current phone numbers. This include home, work, and cell numbers.

Renter's Insurance: Renter's insurance is highly recommended. Each tenant should obtain renter's insurance for casualties such as fire, flood, water damage, and theft. Generally the same company that provides your car insurance or health insurance may also offer renter's insurance.