1. **Utility Charges**: Rent for the Premises under the Agreement does not include charges for any utilities. Resident is responsible for the costs of all utilities indicated on Exhibit A to this Addendum. Residents may be charged for utilities in two ways: Direct Utilities and Allocated Utilities.

2. **Direct Utilities**: “Direct Utilities” are those where Resident receives bills for utility use directly from the utility provider. For the Direct Utilities identified on Exhibit A as “Direct billing from utility,” Resident must set up service with the utility provider as the provider’s Customer of Record. Service must be established in Resident’s name with each Direct Utilities’ provider as of the Agreement start date. Failure to become the Customer of Record may result in an interruption of services and is considered a material breach of the Agreement. Landlord and Resident agree that if Resident does not establish service in Resident’s own name, Landlord or Billing Provider will incur certain costs (e.g., additional bookkeeping, administrative time, and lost opportunity costs) that will be difficult or impossible to ascertain. Landlord and Resident agree that $50 is a fair estimate of the damages Landlord will suffer as a result of Resident’s failure. Resident agrees to pay this amount as a fee each month (or part thereof) that Resident fails to put a Direct Bill Utility into Resident’s own name. Resident must terminate services from Direct Utilities when Resident vacates the Premises.

3. **Allocated Utilities**
   a) The other utilities for which Resident is responsible are referred to herein as “Allocated Utilities” and identified as “Allocation formula” in Exhibit A. Resident agrees to pay to Landlord, as additional rent, all Allocated Utilities during the term of the Agreement. For the Allocated Utilities, Resident shall pay a monthly amount stated in a separate bill (“Allocated Utility Bill”) sent to Resident by Livable, Inc. or another third party billing service provider (“Billing Provider”) for the Property. Payment of the Allocated Utility Bill is due as noted on each Allocated Utility Bill. Unless otherwise provided, Resident agrees to pay the Allocated Utility Bill monthly at the location identified on such Allocated Utility Bill.

   b) Resident agrees that Landlord may bill for additional utilities and services, at which time such additional utilities and services shall for all purposes be included in the term “Allocated Utilities.” Resident also agrees that Landlord may change the Billing Provider, the method of billing and/or the method of allocation with thirty (30) days’ written notice to Resident.

   c) Charges for Allocated Utilities, other than water, based on submeter readings (if any) will itemize the beginning and ending meter readings, the rate charged to Resident and any other information required by applicable law, rules or regulations. Billing amounts will be determined by multiplying the submeter readings for the Resident’s Premises by the effective utility rate that is charged to Landlord. The effective rate is calculated by adding together all charges from the utility
provider, including base fees, miscellaneous charges, fees and taxes contained on the utility bills divided by the total consumption. In accordance with state and local law, Resident agrees to allow Landlord, or the Billing Provider, access to Resident’s Premises in order to install, repair, remove and/or read submeters. The Billing Provider may estimate Resident’s submeter consumption of Allocated Utilities if Resident’s submeter is broken, a meter cannot be read, does not transmit a meter reading or upon move-in or move-out.

d) Resident’s Allocated Utilities may be estimated if Landlord or Billing Provider has not received bills from utility providers in time to prepare Resident’s Allocated Utility Bill.

e) The allocation formulas set forth in Exhibit A will calculate Resident’s share of the Allocated Utilities and all costs of providing same in accordance with state and local law. Under any allocation method, Resident may be paying for utility usage in common areas or in other residential units as well as administrative fees or other charges imposed by the utility provider. Both Landlord and Resident agree that using the allocation formula set forth herein as a basis for allocating utility costs is fair and reasonable, while recognizing that the allocation method does not reflect actual utility consumption by Resident.

f) Resident’s billing statement will include a monthly service charge of no more than $$. The service charge represents the reasonable value of services provided by Landlord and/or the Billing Provider to allocate the utility costs, provide billing to Resident, process payments and, where applicable, postage costs. The monthly service charge is subject to change upon thirty (30) days’ written notice. In any jurisdiction where such charges are prohibited for one or more specific utility, the monthly service charge does not include any costs for preparing bills or other services relative to those specific utilities.

g) For Allocated Utilities, all charges assessed to Landlord from the utility providers or on property tax bills may be used to calculate the amount charged to Resident under the allocation formula. Such charges may include, but are not limited to, usage charges, miscellaneous charges, fees, taxes, drought or other surcharges, fines or other penalties. Allocated charges for Trash may include all costs incurred by Landlord relating to Trash, including, but not limited to charges from the hauler for removing the trash and recycling, porter service, bulky item removal, cleaning of the bins and deodorizing services, third party vendor contracts providing services relating to trash, composting and recycling as well as composting costs where composting is required.

4. **Billing Provider**: While Landlord reserves the right to change who prepares Allocated Utility Bills at the Property, at the time of execution of this Utilities Addendum, Allocated Utility Bills are provided to Resident by:

   - A Third Party Billing Provider, which, as of the execution of this Utilities Addendum is Livable, Inc. The Third Party Billing Provider may be contacted with any questions or concerns at:
     \[ \text{PO Box 475852, San Francisco, CA 94147; support@livable.com; or (877) 789-6027.} \]

   - Landlord.

5. **Submetered Water**: In the case “Submetered” is indicated in Exhibit A for water billed to Resident, the terms for submetering will be attached in Exhibit B to this Addendum. If submeters are not used, there will be no Exhibit B.

6. **Common Area Deduction (“CAD”)**: If applicable, a CAD is deducted from the sum of the Landlord’s utility bills for the utility indicated and relates to the expense of such utility associated with any common areas such as laundry facilities, irrigation, pools, fountains, etc. Landlord and Resident
agree that the exact amount of utilities consumed in the common areas cannot be determined precisely; therefore, the CAD of no less than 5% is a fair and reasonable estimate of the usage in common areas even though the utilities are not separately metered. Landlord will deduct the percentage of CAD from the sum of the Landlord’s utility bills for the utility indicated each month before allocation of such bills to Resident according to the allocation formulas described. The percentage CAD deduction may be changed by Landlord with thirty (30) days’ written notice by Landlord to Resident.

7. **Goodwill Deduction (GWD):** Tenant acknowledges that while this system is more fair than a flat rate rental charge which does not consider utility usage, there can and will be times in which, because the method is not perfect, Tenant may pay an amount more or less than the amount that would be charged if each unit was separately metered. In anticipation of the problem of Tenant overpayment, Livable will provide a “Goodwill Deduction” on each bill, which may fluctuate from time to time. The Goodwill Deduction is a percentage of the overall utility bill that is covered by the building management before any calculation is made for Tenant’s individual liability. By deducting a flat percentage from the bill, Tenant receives some measure of protection against any potential overpayment. Livable will use its best effort to obtain the best Goodwill Deduction possible, but the actual percentage will vary depending on the building management. Tenant may request information about the Goodwill Deduction from Livable at any point during the term of this Agreement.

8. **Reporting Leaks or Damage:** Resident agrees to notify Landlord of any leaks, drips, malfunctioning water fixtures, or other problems relating to Allocated Utilities in writing upon discovering the problem. Resident may contact Landlord through the methods provided in Resident’s Agreement. Resident shall not remove any water fixtures or water saving devices installed by Landlord.

9. **Default in Payment of Allocated Utility Bills**
   
   a) To the extent permitted by law, any delinquent payment of an Allocated Utility Bill shall be considered a default under the Agreement to the same extent and remedies as if Resident had been delinquent in Resident’s payment of the monthly rent.

   b) Landlord and Resident agree that when Resident fails to pay Allocated Utility Bills on time, Landlord may apply monthly rent to the overdue Utility Bill. If Resident fails to pay Allocated Utility Bills on time, or when Resident pays by a dishonored check, the actual cost to Landlord and/or Billing Provider is difficult or impossible to ascertain, but Landlord and Resident agree that Landlord and/or Billing Provider does, in the event of late payment or in the event of a dishonored check, incur certain costs, such as additional bookkeeping and administrative time, bank charges, lost opportunity costs of the late payment, etc. After making a reasonable endeavor to estimate accurately the approximate costs associated with a non-payment of the Allocated Utility Bill, Landlord and Resident agree that $7.50 is a fair estimate of the damages Landlord will suffer as a result of the late payment. Resident agrees to pay this amount as a late fee when payment is not made as of the Allocated Utility Bill due date. The parties further agree that an NSF fee of $25, plus the payment required to replace the dishonored check, is a fair and reasonable amount to compensate Landlord in the event Resident’s check is dishonored. The Parties further agree that the payment of these sums does not constitute an agreement to pay Allocated Utility Bills late and/or to pay by dishonored check.

10. **Final Bill:** Upon vacating the Premises, a final Allocated Utility Bill will be issued by either the Billing Provider or Landlord. The cut-off date for this final bill will be the date that Resident surrenders possession of the Premises to Landlord. To the extent permitted by law, Resident acknowledges and
agrees that any unpaid Allocated Utility Bill, together with the amount of the final bill, may be deducted from the security deposit, as additional rent, at the termination of the Agreement.

11. **Outages**: Landlord is not liable for any losses or damages Resident incurs as the result of outages, interruptions, or fluctuations in utilities provided to the Premises and waives any claims against Landlord for offset, reduction of rent or diminished rental value of the Premises, unless caused by or the direct result of the sole negligence of Landlord.

12. **Utilities Tampering**: Resident agrees not to terminate, cut off, interrupt or interfere with any system supplying utility services to the Premises and shall not disturb, tamper, adjust, or disconnect any utility service submetering device. Resident shall not intentionally utilize utilities of another unit whether or not such unit is occupied. Resident shall not breach any cable or satellite dish system, but will instead contract with appropriate parties for use of such services.

13. **Conservation**: Resident agrees to comply with any utility conservation efforts implemented by Landlord abide by all applicable laws and ordinances pertaining to utilities. Resident further agrees to reimburse and indemnify Landlord for all fines or other penalties incurred by Landlord as a result of Resident’s violation of any statute, ordinance, regulation or other governmental restriction.

14. **Change in Utility Billing Terms**: Landlord may modify the method by which utilities are furnished to Resident’s unit and/or billed to Resident during the term of the Agreement. This includes, but is not limited to, submetering the unit for certain utility services and/or changing the allocation formula. Such changes may also include changing the CAD percentage and/or changing flat-rate amounts. In the event Landlord chooses to modify the method or allocation formula used to calculate charges for utility services, Landlord will provide Resident at least thirty (30) days’ prior written notice of such modification.

15. Except as specifically stated herein, all other terms and conditions of the Agreement shall remain unchanged. Any terms used in this Addendum not herein defined shall have the same meaning as provided in the Lease. In the event of any conflict between the terms of this Addendum and the terms of the Lease, the terms of this Addendum shall control.

**RESIDENT:**

<table>
<thead>
<tr>
<th>Resident</th>
<th>Date</th>
<th>Resident</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**LANDLORD:**

________________________,
As Agent for Owner

By: __________________   ______  __________
Signature   Date       Print Name  Title
EXHIBIT A TO UTILITIES ADDENDUM

1. Utilities for the Premises shall be charged to Resident as follows:

<table>
<thead>
<tr>
<th>Utility/Service</th>
<th>Utility's Customer of Record</th>
<th>Calculation Method for Utility Charge to Resident</th>
<th>Allocation Formula; Flat Rate Amount; Not to Exceed Amount</th>
<th>Deductions Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas</td>
<td>☐ Landlord ☐ Resident ☐ Not Applicable</td>
<td>☐ Direct billing from utility ☐ Allocation formula ☐ Submetered</td>
<td>☐ 50/50 ☐ 100% Occupancy ☐ 100% Sq. Footage ☐ By Unit ☐ Flat rate: ____ ☐ Not to Exceed Amount: ____</td>
<td>☐ Common Area ☐ Goodwill</td>
</tr>
<tr>
<td>Electricity</td>
<td>☐ Landlord ☐ Resident</td>
<td>☐ Direct billing from utility ☐ Allocation formula ☐ Submetered</td>
<td>☐ 50/50 ☐ 100% Occupancy ☐ 100% Sq. Footage ☐ By Unit ☐ Flat rate: ____ ☐ Not to Exceed Amount: ____</td>
<td>☐ Common Area ☐ Goodwill</td>
</tr>
<tr>
<td>Water</td>
<td>☐ Landlord ☐ Resident</td>
<td>☐ Direct billing from utility ☐ Allocation formula ☐ Submetered</td>
<td>☐ 50/50 ☐ 100% Occupancy ☐ 100% Sq. Footage ☐ By Unit ☐ Flat rate: ____ ☐ Not to Exceed Amount: ____</td>
<td>☐ Common Area ☐ Goodwill</td>
</tr>
<tr>
<td>Sewer</td>
<td>☐ Landlord ☐ Resident</td>
<td>☐ Direct billing from utility ☐ Allocation formula ☐ Submetered</td>
<td>☐ 50/50 ☐ 100% Occupancy ☐ 100% Sq. Footage ☐ By Unit ☐ Water Usage ☐ Flat rate: ____ ☐ Not to Exceed Amount: ____</td>
<td>☐ Common Area ☐ Goodwill</td>
</tr>
<tr>
<td>Cable/ Satellite Dish</td>
<td>☐ Landlord ☐ Resident</td>
<td>☐ Direct billing from utility ☐ Allocation formula</td>
<td>☐ 50/50 ☐ 100% Occupancy ☐ 100% Sq. Footage ☐ By Unit ☐ Flat rate: ____ ☐ Not to Exceed Amount: ____</td>
<td>☐ Common Area ☐ Goodwill</td>
</tr>
<tr>
<td>Phone</td>
<td>☐ Landlord ☐ Resident</td>
<td>☐ Direct billing from utility ☐ Allocation formula</td>
<td>☐ 50/50 ☐ 100% Occupancy ☐ 100% Sq. Footage ☐ By Unit ☐ Flat rate: ____ ☐ Not to Exceed Amount: ____</td>
<td>☐ Common Area ☐ Goodwill</td>
</tr>
<tr>
<td>Internet</td>
<td>☐ Landlord ☐ Resident</td>
<td>☐ Direct billing from utility ☐ Allocation formula</td>
<td>☐ 50/50 ☐ 100% Occupancy ☐ 100% Sq. Footage ☐ By Unit ☐ Flat rate: ____ ☐ Not to Exceed Amount: ____</td>
<td>☐ Common Area ☐ Goodwill</td>
</tr>
<tr>
<td>Trash</td>
<td>☐ Landlord ☐ Resident</td>
<td>☐ Direct billing from utility ☐ Allocation formula</td>
<td>☐ 50/50 ☐ 100% Occupancy ☐ 100% Sq. Footage ☐ By Unit ☐ Flat rate: ____ ☐ Not to Exceed Amount: ____</td>
<td>☐ Common Area ☐ Goodwill</td>
</tr>
</tbody>
</table>
Explanation of Terms and Formulas

1. “50/50” means the charges to Resident are allocated based on 50% occupancy (number of residents in the Premises as a percentage of all the residents at the Property at a given point in time, usually monthly) and 50% of the square footage of the Premises as a percentage of all occupied square footage at the Property.

   a. To determine the occupancy portion of the allocation, Billing Provider will divide the charges being allocated in half after applying the CAD and then divide the result by the total occupant usage factor. Billing Provider will calculate Resident’s share by multiplying the result of this calculation by the occupancy factor based upon the total number of authorized occupants in Resident’s Premises. Because two people do not use twice as much of a utility as one person due to shared usage, the following occupancy factor is used to reflect an estimate of consumption. The occupancy factor is determined by the following:

<table>
<thead>
<tr>
<th>Number of Occupants</th>
<th>Occupancy Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>1.6</td>
</tr>
<tr>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>4</td>
<td>2.2</td>
</tr>
<tr>
<td>5</td>
<td>2.5</td>
</tr>
<tr>
<td>6</td>
<td>2.8</td>
</tr>
</tbody>
</table>

   b. To determine the square footage portion of the allocation, Billing Provider will take the remaining charges to be allocated and divide it by the total occupied square feet and then multiply the result of this calculation by the estimated square footage of Resident’s Premises.

   c. The amounts resulting from the above calculations are added together to determine Resident’s allocated share of the utility charges and will be reflected on Resident’s Allocated Utility Bill.

2. “100% Occupancy” allocation means, after deducting the CAD, Billing Provider divides the charges being allocated by the total occupant usage factor of the authorized occupants at the Property. Billing Provider calculates Resident’s share by multiplying the result of this calculation by the occupancy factor based upon the total number of authorized occupants in the Premises.

3. “100% Square Footage” allocation means, after deducting the CAD, Billing Provider divides the charges being allocated by the total square feet of all occupied square footage. Billing Provider will then multiply the result of this calculation by the estimated square footage of Resident’s Premises.

4. “By Unit” means the total charges being allocated, after deducting the CAD is divided by the total number of units at the Property and the result is Resident’s allocation.

5. “Not to Exceed Amount.” If the Property is in a rent-controlled jurisdiction, Landlord and Resident understand and acknowledge that, for purposes of the applicable rent control ordinance,
all utilities charges required to be paid by Resident under the Utilities Addendum are considered a portion of the rent paid for the Premises and shall be considered as part of the rent when calculating allowable increases under the rent control ordinance. The maximum utility rent to be billed to Resident by or on behalf of Landlord (as opposed to any Direct-Bill Utilities) shall be the amount calculated by adding together all of the “not to exceed” amounts for utilities for which Residents are responsible according to the above table as well as any monthly billing or service fees required under the Utility Addendum, if applicable. The rent related to these utilities and services actually billed to Resident may be less than the “not to exceed” amounts in order to reward overall conservation efforts and to pass on to Resident decreases in rates from the utility providers.

6. “Flat Rate” charges will not fluctuate and are set by Landlord at the outset of the Agreement and may or may not be based on a specific formula.

7. For sewer charges when the “Water Usage” box is checked, allocation is based upon the submetered usage of water. Resident’s share of the sewer utility charges to Landlord shall be calculated by taking the amount of submetered water usage and multiplying it by the effective rate for sewer charged by the utility provider. For additional information regarding submeter calculations, please refer back to the Utility Addendum paragraph related to charges for allocated utilities based on submeter readings.
16. EXHIBIT B – SUBMETERED WATER TERMS

1. **Submetered Water**: In the case “Sub-Metered” is indicated in Exhibit A for water billed to Resident, the following terms are provided:
   
a) Resident acknowledges that water is billed separately than the rent as provided in this Utilities Addendum.
   
b) Based on the average use of a household of 4 of 200 gallons per day, and including all other monthly charges, Resident’s monthly bill estimate is $_____.
   
c) Bills for submetered water shall be part of the Allocated Utility Bill, and due and payable as provided above in Section 3(a).
   
d) The water portion of the Allocated Utility Bill includes the following charges:
      
i) The cost of water used as measured by the submeter, which cost shall be calculated by comparing Resident’s submetered use against the use of the entire building to obtain Resident’s proportional share of use, Resident shall then be billed for Resident’s proportion of the overall water cost to the property.
      
ii) A portion of the recurring fixed fees charged by the water provider, with Resident’s share determined by taking the proportion based on use from Section 1(d)(i) and allocating that proportion of fixed fees to Resident.
      
iii) A fee for the Third Party Billing Provider’s costs, which shall initially be $_____, which amount is included in the total monthly service charge provided Section 3(f) of the Addendum.
      
iv) Any late fees that may have accrued. A late fee of $7 will be charged the first time a bill remains unpaid more than 25 days after it was mailed. Each subsequent late payment will incur a $10 late fee. This late fee will control over that listed in Section 8(b) of the Addendum as long as water is submetered at the Property.
   
e) Resident agrees to allow Landlord, or the Billing Provider, access to Resident’s Premises in order to install, repair, remove and/or read sub-meters, or for the purpose of investigating or rectifying a condition causing constant or abnormally high water usage.
   
f) If Landlord fails to remedy an issue with leaking water, as reported by Resident in writing as provided in Section 7 of the Addendum, within 21 days, Resident’s water portion of the bill will be adjusted pursuant to law.
   
g) Landlord will provide upon Resident’s request information pertaining to the location of the submeter, the calculations used to determine a monthly bill, and the date the submeter was last certified for use, and the date it is next scheduled for certification, if known.
   
h) If Resident believes the submeter is inaccurate, Resident must first notify Landlord in writing and request an investigation. If Landlord does not resolve the issue, Resident may then contact the local county sealer to request the submeter be tested. The county sealer may be reached at ______.

2. This Exhibit B is required by Chapter 2.5 (commencing with Section 1954.201) of Title 5 of Part 4 of Division 3 of the Civil Code, and provides a summary of the requirements of this law. The full text of the law may be found online or at most libraries.