

RESIDENT ENERGY CONSERVATION PROGRAM (RECP) ADDENDUM

This will serve as an Addendum (“Addendum”) to the Lease Agreement dated _____, (the “Lease”) between Midwest Family Housing, LLC, (“Owner”), and _____ (“Resident”), regarding the property located at _____ (the “Premises”).

1. **Resident Responsibility.** The Department of Defense policy is to increase energy efficiency in privatized housing by incentivizing residents to reduce utility usage. To this end, residents living in Navy privatized housing will receive a monthly statement of electricity or gas usage, or both throughout the term of the Lease. Resident shall be responsible for payment of utility charges at the Premises that exceed usage bands as described in paragraph “2” of this Addendum. This responsibility shall continue throughout the term of the Lease. Wounded Warriors (WW) will be excluded from the RECP unless and until such WW provides written notice of their intent to participate in the RECP. Registered Exceptional Family Members (EFM) and other military family members who consume significant amounts of electricity as a direct result of their unique circumstances may request a waiver from participation in the RECP. The Navy will approve or deny waiver requests and will notify the applicant of the final waiver decision.
2. **Establishing Monthly Normal Usage Bands.** Owner will calculate the average monthly electric and gas utility usage for like-type groups of homes (“Average Monthly Usage”). The Average Monthly Usage will be used to establish the center lines of the buffer zone described below. Once the buffer zones are created they will represent the normal range of expected electric and gas utility usage for each like-type group. Residents who consume less than the normal range will receive rebates for the difference between their actual electric or gas utility usage and the bottom of the normal usage band, and those who consume more will be billed for the difference between their actual electric or gas utility usage and the top of the normal usage band.
 - a. The Premises are grouped with other similar or comparable homes in a like type group in order to establish the Average Monthly Usage and buffer zone.
 - b. Like-type groups are established using criteria that will ensure that homes in the like type groups have comparable energy efficiencies. The basic criteria include the following: neighborhood in which the home is located; size of the home in terms of the number of bedrooms and square footage; and year of construction or modernization. Other considerations may include the type of heating or air conditioning system, types of utilities used, the type of foundation (slab on grade, footings, etc.), or structure type (single home, duplex, triplex, etc.).
 - c. The Average Monthly Usage is calculated separately for electric and gas by averaging the amount of kilowatts hours (kWh) of electricity consumed and the amount of therms of gas consumed during the month by homes in the like-type group. Once the Average Monthly Usage is calculated, it will be multiplied by the current rate (electric or gas) to determine the average monthly utility bill for the like type group of homes. A buffer of 10% will be applied above and below the like type group average to create a normal usage band.
 - d. Homes with the highest 5% and lowest 5% of electric or gas utility usage within the like-type group will not be used in calculating the average. However, the Owner reserves the right to calculate the average using all homes in the like-type group, including the highest and lowest 5% of users, when the like-type group consists of a small number of homes (i.e. fewer than 20 homes). In addition, Owner will eliminate units with hybrid and/or electric vehicles that require charging, and Owner reserves the right to eliminate units with other “non-housing” usage for hot tubs, kilns, or other similarly unusual and energy intensive uses from the calculation of the

normal usage band. Residents of homes with the highest 5% and lowest 5% of electric or gas usage, Residents who own hybrid and/or electric vehicles, and Residents excluded from average calculations for other unusual and energy intensive uses will be responsible for their electric and gas usage under the RECP and may owe a payment or receive a rebate.

e. If Resident leases the Premises for only a portion of the month, the RECP will not apply for that month.

3. **Electric Vehicle Notification.** Residents who possess in their home a passenger hybrid vehicle(s), or a passenger electric vehicle(s), that is required to be electrically charged, must inform the Community Management Office immediately upon bringing or storing that vehicle at the Premises.

4. **Rebates.**

a. Residents will receive a rebate if their electric or gas utility usage is less than the normal usage band. The amount of the rebate will be calculated by multiplying the number of kWh or therms below the monthly normal usage band by the then current electric or gas rate. The amount of the rebate will be shown on the Resident's monthly utility bill.

b. If the rebate amount is \$25 or less, the rebate will be carried forward as a credit on the Resident's ledger account. If the rebate amount is greater than \$25, Resident will be issued a check unless Resident elects to carry all rebate amounts forward as a credit to offset payments due in future months:

Resident elects to carry forward rebate amounts as credits: Yes _____ No _____

If Resident elects to carry forward rebate amounts, Resident may receive credit balances in excess of \$25 by providing Owner with a written request for payment of credits. All credits in excess of \$25 will be refunded within 30 days of receipt of a written request submitted with the Community Management Office.

c. All rebates will be issued within 21 days of the billing statement. All credit balances will be refunded within 30 days of Lease termination. Expired credit rebate checks will be reissued once to the Resident upon request.

5. **Charges.**

a. Resident shall pay for electric and gas consumption above the upper limit of the normal usage band. The amount owed will be calculated by multiplying the number of kWh and therms above the monthly normal usage band by the then current electric and gas rate. The amount owed may be offset by any credits Resident has accrued from previous months. The amount due will be shown on Resident's monthly utility bill.

b. Resident may accrue and carry forward the amount owed if the amount owed is \$25 or less. Amounts owed, including amounts carried forward, must be paid when the amount is greater than \$25. Resident shall be required to pay the amounts owed within 21 days from the date of invoice. If payments are not received by the due date, Resident must pay a late fee of \$7.00.

c. If a check for payment of excess electric or gas utility usage is returned by the bank for insufficient funds, Resident must replace the returned check with a cashier's check, certified check, or money order and pay a returned check charge of \$25.00, which charge shall be deemed additional Rent. If two (2) checks are returned by the bank for insufficient funds, all future payments must be paid by cashier's check, certified check or money order only. Acceptance of

any late or partial payments or waiver of any charges is not a waiver of Owner's right to enforce other terms of this Addendum or the Lease. Resident and Owner agree that these charges represent a fair and reasonable estimate of the costs Owner may incur by reason of Resident's returned check payment.

- d. Residents who owe more than \$25.00 will receive a delinquency notice. Resident will receive a monthly utility bill that shows the current month's bill and, if applicable, will also serve as a delinquency notice indicating past due amounts and any additional charges. Additionally, separate delinquency notice letters may be sent to Resident each month. If Resident fails to pay the balance due within 30 days after becoming first due and payable, such failure will be treated as a failure to pay Rent, and Owner may exercise any remedies provided for under the Lease and/or applicable law, provided, however, that no action will be taken to evict/non-renew until amounts are 90 days past due.
- e. All amounts owed must be paid at Lease termination as part of the termination/vacating process.

Resident:

Hunt MH Property Management, LLC, a
Limited Liability Company,
its Authorized Agent

By:

Date:

Date: