LEASE ADDENDUM FOR
ALLOCATING STORMWATER/ DRAINAGE COSTS

1. **Addendum.** This is an addendum to the TAA Lease Contract for Apt. No. ________________________ in the ___________________________________ Apartments in ______________________, Texas.
   OR the house, duplex, etc. located at (street address)__________________________________________ in ______________________, Texas.

2. **Payment due date.** Payment of your allocated stormwater/drainage bill is due 16 days after the date it is postmarked or hand delivered to your apartment. We may include this item as a separate and distinct charge as part of a multi-item bill. You agree to mail or deliver payment to the place indicated on your bill so that payment is received no later than the due date. There will be a late charge of 5 percent of your bill if we do not receive timely payment of your stormwater/drainage bill, but we are not obligated to accept late payment. If you are late in paying the stormwater/drainage bill, we may immediately exercise all lawful remedies under your lease contract, including eviction—just like late payment on rent.

3. **Allocation procedures.** You agree to the system of allocating stormwater/drainage costs as described below. During the lease term, we are authorized to allocate the monthly stormwater/drainage bill(s) for the apartment community. Your monthly rent under the TAA Lease Contract does **not** include a charge for stormwater/drainage costs. Instead, you will be receiving a separate bill from us for such service. The formula for allocating the monthly stormwater/drainage service bill for your apartment will be on the basis of: (check one)

   - per dwelling unit
   - the number of people living in your unit as compared to the total number of people living in all units
   - square footage of your unit as compared to the total square footage of all dwelling units, or
   - other formula: *(describe)*

   (“People” for this purpose are all residents and occupants listed in leases at the apartment community as having a right to occupy the respective units.)

   Only the costs for stormwater/drainage services from our apartment community will be allocated. Penalties or interest for our late payment of the stormwater/drainage bill will be paid for entirely by us and will not be allocated. A nominal administrative fee of $_______ per month (not to exceed $3) will be added to your bill for processing and billing.

4. **Change of allocation formula.** The above allocation formula for determining your share of the stormwater/drainage costs cannot be changed except as follows: (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.

5. **Right to examine records.** During regular weekday office hours, you may examine the stormwater/drainage bill we receive from the public or private trash utility, as well as our calculation of your allocated share. Please give us reasonable advance notice to gather the data.

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**Commentary.** There are no statutes or governmental regulations which govern allocation of stormwater/drainage costs. It is important for owners to remember that stormwater/drainage fees must be allocated separately from water/wastewater fees because TCEQ has specific rules regulating the methods for allocating and billing water/wastewater fees. However, stormwater/drainage fees may be listed as a separate item on a multi-item bill that includes water/wastewater fees. The resident protections incorporated into this addendum are similar to the ones contained in the Public Utility Commission rules on electrical allocation and TCEQ rules for water allocation. Owners should keep any late fees and administrative fees at a reasonable level to avoid allegations of unconscionability.