

Breaking a Lease, two alternatives

Alternative 1: Tenant finds a credit-worthy replacement tenant who meets our rental criteria, and who is willing to take over the balance of the term of the lease.

1. Tenant pays a **\$165** fee to cover the cost of the credit check plus personnel time and office costs of processing the tenant replacement.

(The money will be deposited to "C" Office account, which will then pay \$25 for credit check, \$95 to the rental agent who, explains "the deal" to the tenant, and then runs the credit check and completes the new contract, and \$45 to the Property Manager for reviewing the application and contract terms).

3. The out-going tenant's responsibility for rent will cease on same day as the new tenant's responsibility to pay rent begins.
4. The out-going tenant surrenders the security deposit to the new tenant. (New tenant should pay the security deposit amount to the out-going tenant).
5. The new tenant will take over ONLY the remaining term of the original lease, and at the same rate as the original lease.
6. The new tenant will sign the original PCAMI form and the original Wear-and-Tear agreement and receive the LEAD warning pamphlet and sign the receipt.
7. Out-going tenant surrenders keys and possession to the new tenant.

Alternative 2: Tenant simply wants to break the lease. Tenant must be "paid-in-full" at the time he or she elects this option.

1. Tenant vacates the apartment and returns the keys, pay a **\$295** Breach of Lease fee, and signs the Breach of Lease agreement.
2. Beven & Brock will, at its earliest convenience, deal with the consequences: Clean-up/repairs as needed to put the space back as it was when this tenant moved in. We will then advertise for a new tenant and attempt to find a replacement. All costs of clean-up and repairs will be deducted from the tenant's account with us (Security Deposit and pre-paid rent). All advertising costs will be deducted from the tenant's security deposit.

3. From the \$295, the Property Manager will be paid \$150 for his/her time in preparing for the next tenant.
4. From the \$295, the Rental Agent(s) will be paid \$120 for his/her time. This will include explaining the "deal" to the outgoing tenants. Rental agents will also "charge" the outgoing tenant(s) for the costs of placing ads, etc.
5. From the \$295, \$25 will be paid for the cost of the credit check for the replacement tenant.
6. The out-going tenant will be responsible for lost rent days until the replacement tenant begins paying rent.
7. If the out-going tenant's security deposit and pre-paid rent exceeds the above costs, the balance will be sent to him/her within 21 days of the move-in of the replacement tenant.
8. If the out-going tenant's security deposit and pre-paid rent is inadequate to cover the above costs, the tenant will be sent a bill for the excess amount.
9. If all of the above steps are followed, and the out-going tenant's account with us covers all of the above costs, and no other negative situations suggest the contrary, we will make reasonable efforts in the future to rent alternative space to this tenant, in spite of breaking this lease.
10. If the tenant's account (after billing, if necessary) is not sufficient to cover all of these costs, the short-fall will be reported to the various credit reporting agencies, and with their help we will continue collection efforts for seven years.

BREACH OF LEASE

Name: _____

Address: _____

City: _____ Zip: _____

Day Phone: () _____ - _____

I, the above named tenant, wish to terminate my lease responsibility prior to the expiration date of the lease.

OPTION A

I realize that I could locate an appropriate replacement tenant, secure the required financial move-in documentation, and bring this documentation and the replacement tenant to Beven & Brock. This replacement tenant will take subject to all terms of my lease, and the replacement tenant will receive the Security Deposit, less adjustments if any, after move-out. If I choose to pursue this option, I understand that I will be charged for all rent days until the inception of the replacement lease. I also agree to pay **\$165** to Beven & Brock (in advance) for the credit check and the preparation of the lease with the new tenant.

By signing here, I select this option.

Date: _____ Signed: _____

OPTION B

I realize that I may also request that Beven & Brock locate the replacement tenant. I will move and surrender keys to Beven & Brock. If I choose to pursue this option, I understand that I will be charged for all rent days until the inception of the replacement lease, advertising costs, the costs of credit and rental history checks, the cost to return my unit to its move-in condition (excluding ordinary wear-and-tear as agreed in our rental contract) plus **\$295** (paid in advance to Beven & Brock) to cover the office personnel expenses of selecting this option. I agree that as I have broken the lease, my security deposit refund (if any) will not be due until 21 days after the move-in of the replacement tenant.

By signing here, I select this option.

Date: _____ Signed: _____