

# **GRI 414: Property Management Course**

***By  
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Re/Max Carriage House  
Property Management Division LLC  
(615) 690-5650***

## **Course Objectives**

This course is an introductory overview to property management principles covering the basics of property management, the benefits to consumers and clients, key elements of lease agreements and management agreements, fair housing regulations and the Uniform Residential Landlord and Tenant Act of Tennessee.

The intent of this course is to familiarize the real estate professional with the specific laws and rules surrounding the proper practice of property management through detailed discussions and small group scenarios. Improving the overall knowledge base and skill set of agents considering entering into property management will insure their success, improve the overall reputation of the industry as a whole and protect the general public.

## **Learning Objectives**

Upon successful completion of this course, the real estate professional will:

- Understand the basics of Property Management
- Know the responsibilities of the Property Manager
- Understand key elements of Lease Agreements
- Understand key elements of Management Agreements
- Understand the rules surrounding Security Deposits and their disbursement.
- Understand landlord- tenant laws
- Understand the eviction process
- Understand Fair Housing regulations

## **Course Outline**

### Introductions: 1 hour

1. Personal Introductions
2. Course Objectives
3. Terms used in Property Management
4. Basics of needs of consumers, rent ratio's, cash flows
5. Need for other professionals on your team and their roles

### Duties of a Manager .5 hours

1. Job Description
2. Management Skills ie chameleon effect
3. Marketing and Market Surveys
4. Tenant Screening
5. Fair Housing Issues
6. Accounting and Reporting

### Management Agreements 1.5 hours

1. Parties
2. Terms: Exclusive Agency, Length, Renewal, Terminating
3. Duties and Obligations
4. Prohibited Activities
5. URLTA Issues: separate owner's funds, Interest, Bank Accts.
6. Save Harmless
7. Owners Info: Confidentiality, 10-99 reporting

### Lease Agreements (inc URLTA Issues) 3 hours

1. Parties
2. Terms
3. Late fees
4. Collection of less than full rent
5. Security Deposits
6. Default
7. Inspecting
8. Conditions and Damages
9. Deductions from Rent
10. Repairs and Maintenance
11. Accidents and Loss of Use
12. Safety and Security
13. Safety Device Disclaimer
14. Alterations
15. Subleasing or Assignment

16. Extended Absence
17. Vehicles
18. Lease Renewals and Holdover
19. Lease Terminations due to sale of property
20. Early Terminations
21. Violent Behavior Terminations
22. Additional Rules (HOA)
23. Trash
24. Applications
25. Savings Clause
26. Lawn Care
27. Acceptance of Agreement
28. Pets
29. Utilities
30. BOLD PRINT
31. Lead Based Paint Issues

Evictions Proceedings: .5 hours

Wrap up and Questions: .5 hours

Scenarios: 1 hour

## 1. Introductions:

### Definitions of Terms:

Lessor:

Lessee:

Lease Agreement: Contract giving tenant \_\_\_\_\_ of the unit

Management Agreement: Contract granting

Tenancy: Usually the \_\_\_\_\_ of the tenant's occupancy

Security Deposit: Sum of money held in trust for

Default: One party breaching their

Holdover: Tenant remains in the unit

### Consumer Needs:

Tenants: Safe, clean decent housing  
Fair treatment under fair housing:

Reasonable  
Accurate

Owners: Short term vs. Long term ie: emotional investment  
Cash Flows ie: 1% rule = breakeven  
Duty of Care THEY are the client  
Accurate accounting  
Reasonable response time to questions  
Fair treatment in your policies and fees

### Other Professionals:

Attorney:

Accountant: Data entry  
Book keeping  
Report generation  
Check writing  
Reconciling bank accounts

Contractors: Handyman  
Painters  
Carpet Sales/installation  
HVAC  
Heavy Construction  
Pool Cleaners  
Lawn maintenance  
Carpet Cleaning  
Cleaning Service

Utility Companies: Establish accounts with majors in area

## 2. Duties of a Property Manager:

Job duties: Jack of all trades

Management Skills: Chameleon Effect: be all things to all people  
Have diplomacy  
Deal with angry people  
Be the expert!

Marketing Skills: Be the ultimate salesman/woman!

Write website content  
Be available for showings/questions

Tenant Screenings:      Verify all application data  
                                 Create forms for responses / verifications  
                                 Read credit reports  
                                 Apply qualification formulas  
                                 Follow fair credit reporting rules

Fair Housing:              Can not discriminate on: race, color, religion,  
                                 sex, handicap, familial status or national origin

Accounting and Reporting:

Responsible for posting rents into tenant account  
Maintain Security Deposits  
Late fees: 10% only!  
Lease renewals  
Late rent payments  
Owner distributions  
Contractor bills  
10-99's to owners and contractors  
Security deposit refunds

### 3. Management Agreements

See addendum #1

Parties:              Must be clearly spelled out

Terms:              Exclusive Agency – ONLY YOU  
                         Length of time must be spelled out with dates  
                         When and how to terminate spelled out

Duties:              Use                      for renting/managing

- Provide monthly
- Keep owner's funds
- Agent's authority scope
  - Advertise
  - Sign/renew/terminate leases
  - Collect rents
  - Serve notices to tenants
  - Prosecute eviction issues
  - Sue tenants: Settle and compromise

- Repairs:
  - Arrange for
  - Supervise
  - Pay bills for
  - Seek prior approval for excessive amount
  - Emergency repairs
- Choose contractors
- Utility arrangements

Prohibited Activities	<ul style="list-style-type: none"><li>Mortgage or attempt to sell</li><li>Comingling funds of owners</li><li>Any discrimination including owners discriminating against classes</li><li>Willful misconduct</li></ul>
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Save harmless:      Owner agrees to indemnify agent from

- URLTA Issues:
  - Owner's funds must be kept separate
  - Interest on accounts
  - Escrow account
  - Rental trust account

Confidentiality:

Info kept away from tenant

10-99 info security

## **Case Study** – Martin cancels

### 4. Lease Agreements

See addendum #2

Parties: must be clearly spelled out with a date

Get every page initialed

Term and Premises:

Address and exact dates of agreement

Rents:

Exactly how much per month and/or per year

Where and how to be paid.

Notice of Termination of tenancy for nonpayment waived

Late Penalties:

Can not exceed

day grace period

Can not be charged until

Saturday a business day

Who gets to keep them?

Special stipulations of late rent

Return check charges become a

Collection of less than full rent:

Accepting short payments is not a waiver of rights

Endorsing any check does not waive our rights to collect

Security Deposits:

THE MOST litigated area of our practice  
RE Commission keeps the closest watch  
Accounting MUST be  
Funds must be

No longer have to name bank and acct number  
You must track  
Belongs to  
NOT the  
Funds are held against potential damage:

Once tenant gives notice to move out:  
You must give

Inspection to be set by landlord during normal hours  
Done on day of move out or

If tenant fails to appear after given written notice:  
You must do the inspection  
Tenant waives the right to contest damages  
Lease must state that failure to appear waives the right  
to contest damages

Tenant has no right to mutual inspection if:  
Tenant vacated without  
Tenant the property  
Tenant was judicially removed  
Tenant failed to contact landlord after receiving notice  
Tenant failed to appear at mutual inspection  
Tenant fails to REQUEST a mutual inspection after  
receiving notice of right to do so  
Tenant is inaccessible to the landlord

Landlord required to send a copy of the inspection IF the  
Tenant requests it IN WRITING, and must be sent  
via Certified Mail.

Inspection must include:

Any charges or claims against the deposit

Estimated costs of repairs – itemized

Both parties **MUST** sign it – if tenant refuses, they must state in writing any disagreement

You must disperse the funds in a reasonable amount of time

Usually interpreted as 30 days

## **Case Study – Ford move out**

Default:

Tenant liable for any breach of lease and damages thereof  
**INCLUDING ATTORNEY’S FEES**

14/14 day notice:

Type 1:

14 day notice for immediate payment of damages or  
immediate repair of damages

Monetary Defaults

Cost of repairs

Damages

Unpaid charges

You can include a waiver of notice in lease if you put it in  
bold type and at least in 12 point type

Type 2: FOR 2<sup>nd</sup> Offense of same issue within 6 months:

**7 DAYS NOTICE TO MOVE OR BEGIN EVICTION!**

Also have option to just give 30 day notice for:

- Unauthorized pets
- Junk on property
- Particular activity that disrupts neighbors
- Unauthorized tenants/guests
- Tenant refusal to allow access to unit

Right to inspect:

Condition of unit:

- Have them stipulate they accept the unit in its present condition
- Tenant required to keep the unit clean

Deductions from rent:

- Spell out that nothing is to be deducted from rent.
- Tenant can give landlord 14/30 day notice for repairs
- Must be reasonable

Repairs and Maintenance:

- Spell out that tenant is NOT authorized to perform repairs without proper written notice (14days)

Accidents and Defects:

- Tenant must
- Tenant must
- Tenant must

### Safety and Security:

Tenant accepts the unit and all of its detectors and locks are in proper working order.

Landlord makes no warranties about devices

### Subleasing:

Tenant can not assign his lease or allow additional room mates

## **Case Study** – Lakeview room mates w/ damages

### Extended Absence:

For 30 days without paying rent is abandonment

Storage of personal property for additional 30 days

Sale of goods to pay for damages

Overage held for 180 days then forfeited to landlord

### Vehicles:

Landlord should spell out number of vehicles allowed on property and where to park them

### Lease Renewals and Holdover:

Careful! Lease can convert to month to month if not specific

Essentially like no lease at all if converts

Tenant must give 30 day notice of intent not to renew

Must be given on the 1<sup>st</sup> day of the month or sooner

Remaining in unit AUTOMATICALLY renews lease

Landlord can adjust the rent

Leave an option to cancel by landlord with 30 days notice

### Termination due to sale:

Leave landlord an option to cancel lease if he sells the unit.

### Early Terminations/Buyouts

Tenant responsible for rents until lease is over or released  
Can be bought out with 2 months rent and loss of S/D

#### Violent Behavior

Lease can be cancelled with 3 days notice upon proven drug or violent activity  
Call your attorney FIRST!

#### Rules and Regulations (HOA)

Tenant agrees to abide by rules of landlord and HOA

#### Trash:

Spell out your policy

#### Applications:

Made a part of the lease  
False statements can void the lease  
Tenant is 18 yrs or older

## **Case Study** – Brush Hill application

#### Savings Clause:

If one item is unenforceable- balance of lease remains

#### Lawn:

Address who is responsible and for what items

#### Acceptance of Agreement:

Tenant taking possession is evidence of acceptance  
Present condition accepted

#### Utilities:

Specifically state who pays for what  
What appliances are included

**Bold print:**

Waiver of notice for non payment

Notice to mutual inspection for security deposit

Lead Based Paint:

Addendum for units built before 1978

5. Eviction Procedures:

Breach must have occurred

Notice must be given

Best to turn it over to an attorney

Do not cut off utilities

Once you turn it over, do NOT have contact

Do not accept payments

After judgment, wait for time period of writ of restitution

6. Wrap up and Questions

# **ADDENDUM #1**

## **RE/MAX Carriage House Realtors Property Management Division**

*P.O. Box 706*

**13018 Lebanon Rd. Suite #100  
Mt. Juliet, Tennessee 37121-0706  
(615) 690-5650  
Fax: (615) 754-0888**

### **MANAGEMENT AGREEMENT**

#### **PARTIES**

In consideration of the covenants herein contained, MR. John Doe, (hereinafter called "Owner"), and RE/MAX Carriage House, Property Management Division, LLC., (hereinafter called "Agent"), agree as follows:

#### **EXCLUSIVE**

1. The Owner hereby engages the Agent exclusively to rent, lease, operate and manage the property known as 1234 Main St., Nashville, TN. 37211, upon the terms hereinafter set forth for the period of one year beginning on the 1st day of March 2012, and ending on the last day of February 2013, and thereafter for ANNUAL periods unless, after the original term of any lease or renewal thereof that has been originated by the Mgt. Co., either party hereto shall notify the other in writing of an intention to terminate this agreement on or before sixty (60) days prior to the expiration of any such renewal period. Without such written notice, this agreement will renew for a like term.
2. During the term of this Agreement and for a period of twelve (12) months after termination of this agreement, if any lessee/occupant placed in the subject property by Agent purchases the subject property from Owner, Agent shall receive a fee in the amount of XXX percent (X %) of the total purchase price.

#### RENTING OF PREMISES AGENT TO NEGOTIATE LEASE

3. The Agent accepts the employment and agrees: a) To use due diligence in the management of the premises for the period and upon the terms herein provided, and agrees to furnish the services of his/its organization for the renting, leasing, operation and managing of the herein described premises.

#### MONTHLY STATEMENTS

b) To render monthly statements of receipts, expenses and charges and to remit to Owner receipts, less disbursements. In the event the disbursements shall be in excess of the rents collected by the Agent, the Owner hereby agrees to pay such excess promptly upon demand of the Agent. Statement shall serve as demand notice.

#### SEPARATE OWNERS' FUNDS

c) To deposit all receipts collected for Owner (less any sums properly deducted or otherwise provided herein) in a Trust account maintained by agent for funds collected for such owners in a national or state, FDIC insured, Institution qualified to engage in the banking or trust business, separate from Agent's personal account. However, Agent will not be held liable in event of bankruptcy or failure of a depository.

#### AGENT'S AUTHORITY

4. The Owner hereby gives to the Agent the following authority and powers and agrees to ASSUME THE EXPENSES in connection herewith: a) To advertise the availability for rental of the herein described premises or any part thereof, and to display "for rent" signs thereon; long distance phone calls; to sign, renew and/or cancel leases for the premises or any part thereof; to collect rents due or to become due and give receipts therefore; to terminate tenancies and to sign and serve in the name of the Owner such notices as are appropriate; to institute the lease and prosecute actions; to evict tenants and to recover possession of said premises; to sue for in the name of the Owner and recover rents and other sums due; and when expedient, to settle, compromise, and release such actions or suits or reinstate such tenancies. Any lease executed for the Owner by the agent shall not exceed one year(s). All leases shall give lessor 30 day cancellation privilege.

#### REPAIRS

b) To make or cause to be made and supervise repairs and alterations, and to do decoration on said premises; to purchase supplies and pay all bills therefore. The Agent agrees to secure the prior approval of the Owner on all expenditures in excess of Four Hundred Dollars (\$400.00) for any one item, except monthly or recurring operating charges and/or emergency repairs in excess of the maximum, if in the opinion of the Agent such repairs are necessary to protect the property from damage or to maintain services to the tenants as called for in their leases.

#### CONTRACTORS

c) To hire, discharge and supervise all labor and contractors required for the operation and maintenance of the premises. It is agreed that all contractors shall be considered contractors of the Owner and not the Agent. All contractors to provide workmen's comp insurance where required.

#### SERVICE CONTRACTS

d) To make contracts for electricity, gas, water, window and or interior cleaning, rubbish hauling and other services or such of them as Agent shall deem advisable. Agent shall assume no liability for services or lack thereof.

#### SAVE HARMLESS

5. The Owner further agrees: a) To save the Agent harmless from all damage suits in connection with the management of the herein described property and from liability from injury suffered by any employee or other person whosoever, and to carry, at his own expense, necessary public liability and

workmen's compensation insurance adequate to protect the interests of the parties hereto, which policies shall be so written as to protect the Agent in the same manner and to the same extent they protect the Owner, and will name the Agent as Co-Insured. The Agent also shall not be liable for any error or judgment or for any mistake of fact or of law, or for anything which it may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence. Lease charges such as late charges, uncollectible check charges and application fees paid by tenants or due under any lease are the property of the Agent and Agent may additionally retain said charges from any forfeited security deposit.

The Owner further agrees: to save the Agent harmless from any loss, cost or expense arising in connection with any litigation or any threatened litigation in connection with the management of the herein described property, including any foreclosure action brought against said Owner.

b) To pay the Agent:

- (1) For Management of Leased Unit: X Percent (X%) of rents and income collected.
- (2) For Leasing: \$XX per Lease payable from rents collected. \$XX on Lease renewals.
- (3) Minimum monthly Management Fee of \$X per month per unit.
- (4) Possible Other Charges: Replacing lost documents, preparing special financial reports, trips to the property for home inspections, appraisals, additional inspections, obtaining multiple bids on work projects, or any other services not specifically mentioned, are charged over and above at our current rate of \$40.00 per hour. This rate is subject to change without notice.
- (5) Computer Charge of \$X per unit will be charged the first (1<sup>st</sup>) month. One time fee only.
- (6) Should there be a lease in effect at the date of termination of this contract, Owner agrees to pay Agent the regular commission as previously agreed upon for the remaining unexpired term of the lease.

6. The Owner further agrees that Agent retains all interest earned on Security Deposits held by Agent.

This agreement shall be binding upon the successors and assigns of the Agent and the heirs, administrators, executors and assigns of the Owner.

IN WITNESS WHEREOF the parties hereto have affixed or caused to be affixed their respective signatures                      this \_\_\_\_\_ day                      of \_\_\_\_\_.

WITNESS:

\_\_\_\_\_ OWNER

\_\_\_\_\_ OWNER

\_\_\_\_\_ AGENT

OWNER ADDRESS \_\_\_\_\_

\_\_\_\_\_  
SS# OR TAX I.D. NUMBER: \_\_\_\_\_

TELEPHONE NUMBER: (HOME) \_\_\_\_\_

(WORK) \_\_\_\_\_

(CELL) \_\_\_\_\_

(EMAIL) \_\_\_\_\_

## **Addendum #2**

**RE/MAX CARRIAGE HOUSE  
PROPERTY MANAGEMENT DIVISION  
P.O. Box 706  
13018 Lebanon Rd. Ste#100  
Mount Juliet, TN 37121-0706  
615-690-5650**

LEASE AGREEMENT

This Lease Agreement entered into at Nashville, Tennessee, this 1st day of March, 2012, by and between Re/Max Carriage House, agent for the Lessor, and Tonya Tenant, hereinafter referred as Lessee. All adult residents of the subject premises must sign this Lease and each will be held jointly and severally liable under the terms and conditions of this Lease Agreement. Additional occupants of the premises will be: None

**PREMISES AND TERM:** Lessor leases to Lessee for the purposes of a dwelling place and for no other, the premises situated at 1234 Main St., Nashville, TN. 37211 for the term of TWELVE (12) months, beginning on the April 1st 2012, and ending at 12:00 noon on the last day of March, 2013

**RENT:** Rental from the date of this contract to the last day of the current month is NINE HUNDRED NINETY FIVE Dollars (\$995.00), this amount being the proration of rent from date of occupancy to the last day of the existing month.

Lessee hereby agrees to pay total rent of NINE HUNDRED NINETY FIVE DOLLARS (\$995.00) in advance each month. All remaining payments are to be paid consecutively on the FIRST day of the month at the office of RE/MAX CARRIAGE HOUSE or at such other places as Lessor may direct. Lessee hereby waives any and all notices of unpaid rent and Lessee agrees that rent shall be paid as agreed to herein without any prior written notice from Lessor.

**NOTICE OF TERMINATION OF TENANCY FOR NONPAYMENT OF RENT AS DUE IS HEREBY SPECIFICALLY WAIVED.**

It is expressly agreed that all rental payments will be in the form of check, cashier's check, or money order. **DUE TO THE RISK INVOLVED, CASH WILL NOT BE ACCEPTED AS PAYMENT OF RENT.**

**LATE PENALTY:** Lessee agrees that ten percent (10%) late penalty will be added to the monthly installment if payment is not received by Lessor on or before the close of business on the (Fifth) 5th day of each month. Said late charges shall become a portion of rent due under the terms and conditions of this Lease Agreement.

**RENT PAYMENTS TENDERED AFTER TENTH DAY OF MONTH:** Any rent payment and/or other charges due under the terms and conditions of this Lease Agreement that are tendered after the (tenth) 10<sup>th</sup> day of the month shall be made in person at Lessor's office only in the form of cashier check, money order, or certified funds.

Lessee's Initials \_\_\_\_\_

**RETURN CHECK CHARGES:** A charge of \$35.00 shall be paid by Lessee for any check that is returned unpaid. Returned checks must be redeemed by cashier check, certified check or money order. In the event more than one check is returned, Lessee agrees to pay all future rents and charges in the form of cashier check, money order, or certified funds. Upon return or dishonor of any check tendered as payment of rent, late charges will be assessed as if no rental payment was attempted. This return check charge shall become a portion of rent due under the terms of this Lease Agreement.

**COLLECTION OF LESS THAN MONTHLY RENT:** No payment by Lessee or receipt by Lessor of an amount less than the above stipulated monthly rent, plus any additional sum that may be due and owing such as a service charge, shall be deemed to be other than payment on account of such rent and additional service charge. Endorsement of any check or any letter accompanying payment of such amount shall not be deemed to be accord and satisfaction, and Lessor may accept such payment without prejudice to Lessor's rights to collect the balance of such rent due plus any service charge due or Lessor's rights to enforce any provision of this Lease Agreement.

**DEPOSIT:** Lessee agrees to make a deposit of ONE THOUSAND Dollars (\$1000.00) as security, to be held against financial loss due to damage to the subject property, (normal wear and tear are expected), the Lessee vacating the premises prior to the termination date of his Lease, or failing to perform any and all covenants herein. Said deposit shall be subject to the terms of any executed Security Deposit Agreement. Lessor shall deposit said security deposit in an account used only for that purpose. Any interest earned from said account will be the property of Lessor, used for the purpose of maintaining said account. Lessee agrees NOT to attempt to apply the security deposit to any payment of rent or any other fees that may become due.

The deposit is neither an advance rental payment nor a bonus to the Lessor. After the premises have been vacated and keys returned to Lessor, Lessor agrees that if all covenants and agreements have been fulfilled by Lessee, Lessor will refund said deposit within a reasonable time by mail to the forwarding address furnished by Lessee. Upon vacating the premises, Lessee has the right to schedule a mutual inspection of the premises, the subject of this lease, with the landlord during normal business hours, within 4 days of returning all means of access to the premises and the Lessor will set the time. Lessee's failure to attend said scheduled inspection constitutes as Lessee's waiver of the right to contest any damages found as a result of Lessor's move out inspection.

**LIEN, ATTORNEY FEES AND COST OF COLLECTION:** When perfected, Lessor shall have a lien on Lessee's personal property and household goods to secure the performance of Lessee's

obligations. Lessee agrees to pay on demand all expenses for collection or enforcement of any terms and conditions of this Lease Agreement, including reasonable attorney's fees, court costs and any and all administrative charges.

**ADMINISTRATIVE CHARGES:** Administrative charges for Lessor or Lessor's agents or employees are: \$5.00 per telephone contact; \$25.00 per letter; \$50.00 per visit or trip to the subject premises; any other expenses Lessor incurs in the collection of rent or enforcement of any of the provisions in this Lease.

**RELETTING FEE:** Lessee shall be liable to Lessor for a reletting fee of \$ XXXX.XX as liquidated damages for reletting the subject premises if Lessee: Fails to give 30 day written notice; OR moves without Lessor's written approval and without paying rent in full for the entire Lease term or renewal period; OR moves out at Lessor's demand because of default; OR is judicially evicted.

Lessee's Initials \_\_\_\_\_

**DEFAULT:** In the event Lessee breaches this Lease Agreement or fails to perform and comply with any or all of Lessee's agreements contained in this Lease Agreement, Lessee shall be liable to Lessor for Lessor's damages as a result of such breach or non-compliance including reasonable attorney's fees. For Lessee's non-compliance other than rent payments, Lessor shall give such notice as required by law. Upon any notice of termination from Lessor, Lessee agrees to give quiet and peaceful possession of the premises to the Lessor, but Lessee shall remain liable to Lessor as stated above for all unpaid rent. Lessee may further be liable for Lessor's loss of rent incurred by Lessor as a result of Lessor's inability to have the premises due to Lessee's default or due to Lessee's damage to the premises. Lessor reserves all rights and remedies provided in law or in equity.

**RIGHT TO INSPECT:** Lessor or its agents may at all reasonable times enter said premises without consent of Lessee as permitted by law. Lessee shall not unreasonably withhold consent to Lessor or its agents to enter said premises in order to make repairs, inspections, decorations, or improvements, or to exhibit the dwelling unit to prospective or actual tenants, purchasers, mortgagors, workmen or contractors.

**CONDITIONS OF PROPERTY:** Lessee does hereby accept the premises and all items contained in the premises in their present condition and agrees to return the same to Lessor at termination of the Lease Agreement in as good condition. At all times during the Lease Agreement term and as long as Lessee has possession of the premises, Lessee agrees to keep the premises as clean and safe as the condition of the premises when Lessee took possession.

**KEYS AND LOCK OUTS:** In the event that Lessee adds additional locks, changes locks, or adds any other security equipment that denies Lessor access to the premises, Lessee agrees to pay a service charge of One Hundred Fifty Dollars (\$150.00) if Lessor is denied access to the premises as a result of Lessee's failure to provide keys or a method of access.

**DEDUCTIONS FROM RENT:** The total rent due shall be paid in full to Lessor and no set off or counterclaims may be deducted by Lessee from the total amount of rental due, unless Lessor has received notice as required by law.

**DAMAGES TO DWELLING:** Lessee agrees to pay Lessor the cost of repair or replacement of the premises as a result of any and all damages to the dwelling or the premises, including, but not limited to, damage to exterior or interior walls, ceilings, floors, windows, doors, locks, hardware, plumbing fixtures, appliances, cabinets, water heaters, electrical lights and outlets, and heating and

cooling apparatus, within fourteen (14) days after written notice by the Lessor. Lessee agrees to be responsible for damage caused by act or by neglect of Lessee, Lessee's spouse, member of Lessee's family, guest invitee or licensee of Lessee or person in the employ or under control of Lessee.

**REPAIRS AND MAINTENANCE:** Lessee is not authorized to and shall not cause repairs or maintenance to be performed on the leased premises at any expense to Lessor, unless he has fully complied with written notice as required by law. Lessee shall not be entitled to any credit or compensation for the temporary malfunction, breakdown, or loss of use of any portion of the leased premises, including air conditioning, heating, hot water heater, appliances, and the like, providing Lessor shall repair or replace the problem within a reasonable time. Unless proper notice for has been given, under no circumstances shall Lessee deduct the cost of repairs from the rental payment payable hereunder without prior written consent of the Lessor.

**NOTICE TO LESSOR OF ACCIDENT OR DEFECT:** Lessee shall promptly notify Lessor of any accident to or defect in the water pipes, gas pipes, electric light wires or fixtures, heating or cooling apparatus, roof, windows, ceilings, walls, or flooring in order that Lessor may make the necessary repairs. Lessor shall not be liable for damages due to the temporary breakdown or discontinuance of same. Lessee shall not interfere with or prohibit Lessor from making necessary repairs.

**CASUALTY LOSS OF PREMISES:** If the dwelling unit or premises are damaged or destroyed by fire or casualty to an extent that the dwelling unit is deemed to be uninhabitable by local regulations, Lessee shall: immediately vacate the premises, in which case the rental agreement terminates as of the date of vacating. If the rental agreement is so terminated, accounting for rent apportionment is to occur as of the date of vacating.

**PERSONAL INJURY & PERSONAL PROPERTY DAMAGE:** Subject to standards required by law, neither Lessor nor its principal shall be liable to Lessee, his family, employees or guests, for any damage to person or property caused by the acts or omissions of other Lessee or other persons, whether such persons be off the property of Lessor or on the property with or without permission of Lessor. Subject to standards required by law, Lessor shall not be liable for losses or damages from theft, vandalism, fire, water, rain, storm, explosion or sonic boom. Subject to standards required by law, Lessor shall not be liable for loss or damages resulting from failure, interruption or malfunctions in the utilities provided to Lessee under this Lease Agreement. Subject to standards required by law, Lessor shall not be liable to any personal injuries in or around the swimming pool, if provided, or playground, if provided, or elsewhere on the premises.

**LESSOR IS NOT RESPONSIBLE FOR, AND WILL NOT PROVIDE FIRE OR CASUALTY INSURANCE FOR LESSEE'S PROPERTY.**

Lessee acknowledges that he has inspected the subject premises and in further consideration of this agreement, Lessee agrees that, subject to standards required by law, Lessor does not warrant the condition of the premises in any respect, and his liability for any injury to Lessee, his family, agent or those claiming under him or those on the premises by his or their invitation, shall be limited to injuries arising from such defects that are unknown by claimant and are known to Lessor or are willfully concealed by Lessor.

**SAFETY & SECURITY:** Lessee hereby states that he/she has inspected the premises and has determined to his/her satisfaction that the smoke detectors (if applicable), door locks and latches, window locks and latches, and any other security devices within the subject unit are adequate and in proper working order. Any comments or remarks made by Lessee with respect to the security devices are contained on the Move In Condition form signed by Lessee. Lessee understands and

acknowledges that the Move In Condition form is not a written request to Lessor to repair any device. If such repair is needed, Lessee agrees to promptly inform Lessor in writing. Lessee acknowledges that Lessor is under no obligation or duty to inspect, test, or repair any security device unless and until Lessor has received written notice from Lessee to do so.

Lessee acknowledges that Lessor and the owner of the Property are not insurers. Lessee further acknowledges that neither Lessor nor the owner of the Property, nor their agents or representatives; guarantee, warrant or assure personal security of Lessee. Lessee further acknowledges and understands that Lessee's personal safety and security is primarily his/her responsibility. In particular, Lessee recognizes that Lessee is in the best position to determine and foresee risks of loss and to protect himself/herself and his/her property against such losses. Lessee further acknowledges that he/she shall take any reasonable steps to protect his/her personal property and insure his/her personal safety. Lessee recognizes that Lessor's efforts are voluntary and not obligatory and are done in an effort to reduce the occurrence of injury or loss to all Lessees.

LESSEE AGREES THAT THE FURNISHING OF ANY SAFETY DEVICES SHOULD NOT CONSTITUTE A GUARANTEE OR WARRANTY OF THEIR EFFECTIVENESS OR IMPOSE ANY OBLIGATION TO CONTINUE THEM, EXCEPT AS MAY BE REQUIRED BY APPLICABLE STATE LAWS. SUBJECT TO STANDARDS REQUIRED BY LAW, LESSEE FURTHER RELEASES AND HOLDS HARMLESS LESSOR, THE OWNER AND THEIR RESPECTIVE AGENTS, OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, EMPLOYERS, AND REPRESENTATIVES FROM ANY CLAIM WHATSOEVER WITH RESPECT TO ANY PERSONAL INJURY OR PROPERTY DAMAGE WHICH IS IN ANY WAY RELATED EITHER TO LESSEE'S RELIANCE ON ANY OF THE SAFETY DEVICES OR TO ANY DEFECT, MALFUNCTION OR INADEQUACY THEREOF.

**USE OF PREMISES:** Lessee shall maintain the leased premises in such condition and repair as accepted at the commencement of this Lease Agreement, and shall upon its termination surrender the premises in the same condition and repair, ordinary wear and tear excepted.

**NO ALTERATIONS:** Lessee shall not make any alterations, additions or improvements in or on the premises without the prior written consent of Lessor, and if any such are made, they shall be forfeited to the Lessor upon termination, or Lessor shall charge Lessee for the removal of said unauthorized alterations, additions, or improvements.

**LIMITS OF USE:** Lessee shall not engage in any illegal conduct on the premises. Lessor shall not use said premises for any purpose other than as a residential dwelling, to be occupied only by those persons listed in the first paragraph of this Lease Agreement; or use or permit anything upon said premises that will invalidate the insurance on the building or increase the rate thereof, or in any manner deface or injure the building or any part thereof or overload the floors, or permit any objectionable noise or odor to escape, or to permit or create a nuisance or to disturb any other resident or neighbor, or in any way injure the reputation of the dwelling.

**NO SUBLEASE OR ASSIGNMENT:** Lessee shall not have the right to pledge or assign his leasehold agreement or to sublet the premises or any part thereof. Under no circumstances may any person, not a party to this agreement or not previously approved by Lessor, occupy the dwelling on a permanent or long-term basis without the prior written approval of the Lessor.

**EXTENDED ABSENCE:** Lessee must notify the Lessor of any extended absence from the premises for thirty (30) days or more. However, any such absence without payment of rent as due shall be prima-facie evidence of abandonment. The Lessor is then expressly authorized to enter, remove and store all personal items belonging to Lessee. If Lessee does not claim said personalty within an additional thirty (30) days, Lessor may sell or dispose of said personalty and apply the proceeds of said sale to the unpaid rents, damages, storage fees, sale costs and attorney's fees. Any overage balances are to be held by the Lessor for a period of six (6) months subsequent to the sale date and thereafter shall be forfeited to the Lessor.

**VEHICLES:** Vehicles shall always be parked in appropriate driveway parking spaces or on the street if applicable, and the Lessee shall at no time park any vehicle in such a manner as to block other cars in adjoining or nearby driveways. Lessee shall be limited to one vehicle for each licensed driver, with a maximum of two vehicles per premises unless written approval is given by Lessor. After posting ten (10) days notice on said vehicle, the Lessor shall have the authority to tow any vehicle if said vehicle is inoperable or is without current registration or identification. The owner of said vehicle or Lessee must pay the costs of towing, storing and other fees incurred in order to take possession of the vehicle.

**TAX/UTILITY/MAINTENANCE FEE INCREASE:** Lessee will pay for all utilities, i.e. gas, electric, water, etc. unless provided by Lessor or Lessor's Owners Association. The parties hereby agree that in the event of any increase in taxes, utilities and/or the Owners Association's maintenance fee, the Lessor may adjust the monthly rental rate upon giving the Lessee forty-five (45) days written notice of said increase.

In which event Lessee shall have the election; upon thirty (30) days advance written notice to Lessor, to cancel this Lease Agreement or this Lease Agreement shall continue at the increased rental amount.

## **NOTICE OF LEASE RENEWAL OR HOLDOVER – PLEASE TAKE NOTE**

Lessee shall notify Lessor in writing at least thirty (30) days prior to the expiration of this Lease of his intent not to renew this Lease Agreement. Notice must be received by the first (1<sup>st</sup>) day of the calendar month in writing. Failure to give notice, or continued occupancy by Lessee after expiration of this lease for any reason, shall be considered as automatic renewal of the Lease Agreement for an additional like term under the same terms and conditions as herein contained; except the rental rate shall be adjusted to the current market rate for similar premises and during said renewal period Lessor may terminate the Lease Agreement upon thirty (30) days advance written notice.

If Lessee shall remain or continue to be in possession of the leased premises or any part thereof after the termination of this Lease for any reason, Lessor shall have the right to charge actual damages for the time such possession is withheld, or to treat such holding over as an automatic renewal as hereinabove mentioned.

**NOTICE OF TERMINATION DUE TO SALE OF PREMISES:** The Lessee agrees that if the property is sold by Lessor, this Lease Agreement may be terminated by Lessor giving the Lessee written notice thirty (30) days in advance of the termination date and Lessee agrees to give possession of the property on or prior to the date of termination.

**EARLY TERMINATION OF LEASE AGREEMENT BY LESSEE:** Lessee shall have the right to cancel this Lease Agreement at any time during the original term thereof upon giving Lessor sixty (60) days advance written notice and upon paying the Lessor prior to vacating the property all sums due Lessor plus a termination fee equal to two (2) months rent, as liquidated damages, plus additional liquidated damages of the abovementioned Reletting Fee, beyond the hereinabove mentioned sixty (60) days notice. Further, the security deposit shall be forfeited as additional liquidated damages.

**TRANSFER CLAUSE:** In the event Lessee is transferred by Lessee's employer more than fifty (50) miles from the premises, upon submitting to Lessor evidence of such transfer as Lessor may require, and upon giving Lessor thirty (30) days advance written notice, notice must be received by the first (1<sup>st</sup>) day of the calendar month in writing. Lessee shall have the right to cancel this Lease Agreement prior to the expiration of the original term, or any renewal term hereof, provided, however, Lessee agrees to pay to Lessor prior to vacating the property, all sums due Lessor pursuant to this Lease Agreement plus a termination payment equal to two (2) months rent as liquidated damages and the abovementioned Reletting Fee, beyond the hereinabove mention sixty (60) day notice. Further, the security deposit shall be forfeited as additional liquidated damages.

**TERMINATION FOR VIOLENT OR DANGEROUS BEHAVIOR:** Lessor shall terminate this Lease Agreement within three (3) days from the date written notice is delivered to the Lessee if the Lessee or any other persons on the premises with the Lessee's consent willfully or intentionally commits a violent act or behaves in a manner which constitutes or threatens to be a real and present danger to the health, safety and welfare of the life or property of others.

**RULES AND REGULATIONS:** Lessee has read and agrees to abide by all Rules and Regulations of the Lessor as they presently exist or as they may be amended at Lessor's sole discretion. The Rules and Regulations are an important part of this Lease Agreement, incorporated by reference and made a part thereof.

**TRASH REMOVAL:** Each Lessee must furnish their own garbage cans and lids when dumpster service is not provided. All garbage and paper must be kept in the garbage cans or dumpster and not placed in sacks or left lying on the ground. All garbage cans are to be kept in the back of the unit where none can be seen from the street. There will be no burning of trash at any time.

**SAVINGS CLAUSE:** If any provision of the Lease Agreement is determined to be unenforceable by a Court of competition jurisdiction, thereby making said provision null and void, the nullity shall not affect the other provision of this Lease Agreement which can be given effect without the void provision and to this end the provisions of this Lease Agreement are severable.

**APPLICATION:** Lessee's application is an important part of this Lease Agreement, incorporated by reference and made a part hereof. Any misrepresentation, misleading or false statements made by Lessee shall, at the option of Lessor, be default hereunder by Lessee and Lessee shall be liable for all damages to Lessor as a result thereof. Lessee expressly states that he or she is more than eighteen (18) years of age.

**ACCEPTANCE:** This Lease Agreement shall not be affected by any agreements or representations not contained herein. Lessee's act of taking possession shall be conclusive evidence that the premises were in satisfactory condition and in conformity with the agreement between the parties. **Lessee has examined the leased premises and agrees to take them in their present condition without any alterations or repairs.**

**LAWN CARE:** Lessee IS responsible for lawn cutting. Lessee is responsible for keeping the outside area neat and clean and clear of all trash and debris. If Lessee fails to maintain care of the outside and yard of the premises as agreed herein; Lessor shall cause these things to be done and charge Lessee for the costs of said care. If Lessee fails to maintain the premises free of trash, furniture mattresses, etc., Lessor shall cause these to be done and charge Lessee for the cost of removal. Payment for said care shall be due on the first of the month following receipt of the bill for said services and shall become a portion of rent due under the terms and conditions of this Lease Agreement.

**PET POLICY:** Pets are not allowed within the premises without the prior written approval of Lessor and Lessee's paying to Lessor a non-refundable pet fee. Lessee agrees to pay a non-refundable pet fee of: FIFTEEN HUNDRED DOLLARS (\$1500.00), Lessor gives permission for no more than (1) pet.

Lessee's Initials \_\_\_\_\_

**LESSEES FOUND TO HAVE UNAPPROVED PETS IN OR ON THE PROPERTY AFTER EXECUTION OF THIS LEASE WILL BE SUBJECT TO FINES AND PENALTIES, NOT TO EXCEED \$500.00; THE COST OF ANY DAMAGES TO THE PROPERTY; AND IMMEDIATE CANCELLATION OF THE TENANCY PROVIDED UNDER THIS LEASE AGREEMENT. THIS NO PET POLICY INCLUDES PET SITTING, VISITING PETS, OR STRAY ANIMALS.**

**UTILITIES:**

Lessor will furnish: Stove and Dishwasher

Lessee will furnish: Refrigerator, All Utilities, Lawn Service, Trash Service and Pest Control.

**ACKNOWLEDGEMENT:** LESSEE HEREBY ACKNOWLEDGES THAT HE HAS READ THIS AGREEMENT, THE RENTAL APPLICATION AND THE RULES AND REGULATIONS. LESSEE UNDERSTANDS THAT THE RULES AND REGULATIONS MAY BE AMENDED FROM TIME TO TIME AND ARE FOR THE PURPOSE OF PROTECTING THE PREMISES AND PROVIDING FOR SAFETY AND WELL BEING OF ALL OCCUPANTS OF THE PREMISES, AND AFFIRMS THAT THE LESSEE WILL, IN ALL RESPECTS, COMPLY WITH THE TERMS AND PROVISIONS OF THIS AGREEMENT.

This Lease was negotiated by RE/MAX CARRIAGE HOUSE as agent for Lessor, and it is understood that the Agent assumes no liability whatsoever to the Lessee as to any covenants or conditions herein agreed to by Lessor, or as to title to or condition of the leased premises. The above named Agent is authorized to act for and on behalf of the Owner/Lessor for the acceptance of service of process and for receipt of notices and demands.

**LESSOR STRONGLY RECOMMENDS THAT LESSEE OBTAIN AND MAINTAIN ADEQUATE RENTERS' INSURANCE.**

**READ YOUR LEASE BEFORE SIGNING.**

1234 Main St.

Nashville, TN. 37211

ADDRESS OF LEASED PROPERTY

\_\_\_\_\_  
LESSEE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
LESSEE

\_\_\_\_\_  
DATE

LESSOR

BY:

\_\_\_\_\_  
DATE

AGENT FOR RE/MAX CARRIAGE HOUSE

***RE/MAX CARRIAGE HOUSE***

**Property Management Division**

P.O. Box 706

13018 Lebanon Rd. Ste#100

Mt. Juliet, Tennessee 37121-0706

**(615) 690-5650**

**RULES AND REGULATIONS**

**REFERRED TO IN AND MADE A PART OF THE  
LEASE AGREEMENT DATED 3/1/12**

1. No signs, notices or advertisements shall be attached to or displayed by Lessee(s) on or about said premises.
2. Nothing shall be placed or kept on the outer sill or on the outside of any window and nothing shall be thrown out of any window, or door, or from any balcony.
3. No table cloth, dust cloth, towel, curtain, rug or carpet, or article of clothing shall be hung or shaken from any window, door, or balcony.
4. No article of any character shall be permitted to remain in the public halls, entrances or on walks. During the summer season, only outdoor furniture shall be permitted to remain outside.
5. Profane, obscene, loud or boisterous language, or unseemly behavior and conduct is absolutely prohibited and Lessee(s) obligates himself and those under him, not to do or permit to be done anything that will annoy, harass, embarrass, or inconvenience any of the other Lessees or occupants in the subject or adjoining premises.

6. No persons shall congregate, lounge, play, sit, obstruct or unnecessarily tarry upon, within or about any of the entrances, halls, passageways, stairs, or walks.

7. No cars shall be parked so as to block the entrance to any building, any driveway, any sidewalk, any parked car, or at any point where "No Parking" signs are now, or may hereafter be posted. Lessee and those holding under him shall at all times comply with the existing or newly established parking regulations, including but not limited to the issuance of parking permits, and/or specifically allocated guest parking spaces.

8. No motor vehicle shall be kept upon the property that is unlicensed, inoperable, or in damaged condition. Damaged condition includes but is not limited to flat tires. Any such vehicle that remains on the property for more than ten (10) days, after notice to remove same has been placed on subject vehicle, shall be towed by wrecker and stored with a wrecker service at the Lessee(s)' and/or the vehicle's owners expense.

9. In keeping with Fire Safety Standards, motorcycles must be parked in regular parking spaces. No motorized vehicles shall be parked in any building structure on the property.

10. No grills or burners shall be permitted on balconies or within 10 feet of patios on ground floors.

Lessee's Initials \_\_\_\_\_

11. In accordance with Fire Safety Standards and other safety regulations, no Lessee(s) shall maintain or allow to be maintained any auxiliary heating unit, air conditioning units, or air filtering units.

12. The sound of musical instruments, radios, televisions, phonographs and signing shall at all times be limited in volume to a point that is not objectionable to other Lessees.

13. Only persons employed by Lessor or his agent shall adjust or have anything to do with the heating or air conditioning or with the repair or adjustment of any plumbing, stove, refrigerator, dishwasher or any other equipment that is furnished by Lessor or is a part of the subject premises.

14. If applicable, laundry rooms and laundry and drying apparatus, if provided by Lessor for the convenience of Lessee(s) shall be used in such manner and at such time as the Lessor may direct. Laundry work shall be done only in the rooms provided for such purposes.

15. No awnings, venetian blinds, or window guards shall be installed, except where prior written approval is given by the Lessor.

16. Lessee(s) shall not alter, replace, or add locks, or bolts, or install any other attachments, such as doorknockers, upon any door, except where prior written approval is given by the Lessor.

17. Lessor shall not be responsible for any article delivered to or left with any employee.

18. Extreme care will be exercised in the cleaning of balconies and Lessee(s) and all who may hold under him agree not to use cleaning methods that will annoy or inconvenience any of the other Lessees or occupants of said premises.

19. No defacement of the interior or exterior of the buildings or the surrounding grounds will be tolerated.

20. If furnished by Lessor, garbage disposals shall only be used in accordance with the disposal instructions. All refuse shall be timely removed from the apartment and placed in the receptacles provided for this purpose. Doors of the refuse receptacles are to be closed at all times when not in use.

21. Lessee(s) shall abide by the Rules and Regulations governing the use of swimming pool area, if a pool is provided.

22. No spikes, hooks, or nails shall be driven into the walls, ceilings or woodwork of the leased premises without consent of Lessor. No crating of, or boxing of, furniture or other articles will be allowed within the leased premises.

23. If it is specifically understood that Lessor reserves solely to itself the right to alter, amend, modify and/or add rules to this Lease Agreement.

24. It is understood and agreed that Lessor shall not be responsible for items stored in storage areas, if provided.

25. If window covering provided by Lessor is not used, the Lessee(s) must use window covering with white backing that matches other window covering furnished by Lessor.

Lessee's Initials \_\_\_\_\_

26. Lessor has the right to immediately remove combustible material from the premises or any storage area.

27. Lessor will furnish one key for each outside door to the apartment. All keys must be returned to Lessor upon termination of occupancy. If Lessor, or agent for Lessor, has to make a trip to property for Lessee (because of lost keys, lockouts, etc.), the charge to Lessee will be \$50.00 due and payable in cash upon entry to the property.

28. Lavatories, sinks, toilets and all water and plumbing apparatus shall be used for the purpose for which they were constructed. Sweepings, rubbish, rags, ashes or other foreign substances shall not be thrown therein. Any damage to such apparatus and the cost of cleaning or repairing plumbing resulting from misuse shall be borne by Lessee.

29. Washing vehicles and boats and performing any mechanical work thereon is strictly prohibited.

30. Adequate parking areas are provided by the Lessor as a service to the Lessee(s) on a first come first served basis with no designated parking anywhere, unless otherwise specified in a separate parking agreement. Parking of boats, recreation or commercial vehicles in other than designated parking areas is strictly prohibited. Lessor reserves the right to refuse parking of any vehicle that may endanger life or property. Lessor or its agents have the right to remove and store or have removed and stored, at Lessee(s) expense, vehicles that violate this rule.

1234 Main St.  
Nashville, TN. 37211

Address of Leased Property

\_\_\_\_\_  
Lessee

\_\_\_\_\_  
Lessee

\_\_\_\_\_  
Lessee

\_\_\_\_\_  
Lessee

Lessor  
By: \_\_\_\_\_  
Agent for RE/MAX CARRIAGE HOUSE

\_\_\_\_\_  
Witnessed By

## Case Study #1

### Ms. Martin Cancels Management

On January 15<sup>th</sup>, 2009 you and Ms. Martin sign a management agreement for her single family property. You move Tom Tenant into the property on February 1<sup>st</sup>, 2009 and begin collecting the rents. Tom pays his rent every month on time and rarely calls you for maintenance issues. When you drive by the unit it is always neat and clean from the outside. On October 1<sup>st</sup>, Ms. Martin sends you a note stating that her son will be taking over management of the unit on November 1<sup>st</sup>, 2009.

What, if anything, are your options? Are you owed anything? If you are, how do you collect?

## **Case Study #2**

Ford move out

On April 1<sup>st</sup> 2010, Mr. Ford applies for a property that you manage and you accept his application. A \$1000 security deposit is paid and the lease is signed for \$900 per month rent. He moves in and pays his rent regularly. On February 1<sup>st</sup>, 2011 he sends a note in with his rent check giving his 30 day notice and moves out February 28<sup>th</sup>. You inspect the unit on March 1<sup>st</sup> and find it to be clean, save for normal wear and tear.

What do you do in February? If anything  
What do you inform him?  
Do you send him anything? If so, what?

## Case Study #3

### Lakeview room mates

On April 1<sup>st</sup> 2009, Tina, Trixie and Tonya lease a 3 bedroom home from you that rents for @\$1200 per month. All three are in college and you require co-signors from every one of them as well as a \$600 security deposit per individual. By June 15<sup>th</sup>, all is not well in the household and Tonya can no longer stand to live with Tina and Trixie. Tonya gives you written notice that she is vacating the unit on or before 7/30/09. Trixie tells you that another friend, Terri wants to move in to fill Tonya's place. Terri is also a college student whose parents are willing to co-sign.

What do you require from Terri?

What if anything do you give Tonya?

Why or Why Not?

When every remaining human being moves out on 3/31/11 after giving proper notice – how much money is in the security deposit account to divide up and to whom?

## **Case Study #4**

### **Brush Hill application**

On March 18<sup>th</sup>, 2012, Billy and Bubba fill out an application for one of your units on Brush Hill Ct. They give you the application fee and you process and approve the application. The rent is \$550 per month and the s/d will be \$550. Billy and Bubba state that they will be ready to move in on April 1<sup>st</sup> 2012. You agree to hold the unit for them and stop showing the unit. They agree to pay you \$275 of the s/d today, sign the lease and pay the balance of the s/d along with the rent on April 1<sup>st</sup>. On March 22<sup>nd</sup>, Bubba calls you to tell you the deal is off and they will not be moving in at all. Bubba wants to pick up the \$275 today.

What do you tell him?

How much do you give him? If anything

What form do you give it to him in?

## **Case Study #5**

Janet and Bill's

On August 1<sup>st</sup> 2005, Janet and Bill rented a nice little cottage from you for \$700 per month with a \$500 security deposit. They have lived there with their dog, 2 cats and have had 2 children since moving in. Since they are rarely late and have really not asked for much in the way of maintenance, the owner has told you to “leave the rent alone”. They were late in March of 2007 and again in May of 2010 but they contend that it was not their fault, as the post office was just slow that month. After many late letters and conversations about the late fees, they continue to be adamant about not owing late fees, you have stopped harassing them about it. On March 1<sup>st</sup> 2012, they send you a note along with their rent check notifying you that they have found a larger home and that they are moving out.

What do you send them?  
When?

Hearing nothing, you inspect the unit on April 3<sup>rd</sup> 2012. You find that they have cleaned and even repainted the interior of the unit using the same white color that was in the garage. You are pleasantly surprised at how nice the unit looks and how clean it is! All it needs is your “for rent” sign in the yard.

What do you send them?  
How much if anything?  
How is the s/d distributed?