

# CENTURY 21<sup>®</sup>

## Judge Fite Property Management

### FAQS REGARDING EARLY TERMINATION

#### **\*\*PLEASE HAVE YOUR RESIDENTIAL LEASE AVAILABLE TO REVIEW AND REFERENCE\*\***

If your Residential Lease is different than the one shown below, please contact your Property Manager Immediately.

- A. Paragraph 28. Early Termination: Section A. (1-3), outlines the criteria for who is eligible to terminate the lease early without penalty and the process to do so.
- B. Paragraph 28. Early Termination: Section B. (1-5) "Assignment, Subletting and Replacement Tenants," refers to the fees associated with locating a new tenant as well as the rights of a tenant to assist in locating a new tenant, if qualified. Paragraph (4)(a)(ii) and 4(b)(ii) both describe the "leasing fee" and how it applies.
- C. By terminating the lease early, the lease would not be fulfilled and would be considered in "Default" as described in Paragraph 27.
- D. By vacating the property prior to the lease termination, the cost of rekeying the security devices can be deducted from the security deposit.

#### **27. DEFAULT:**

- A. If Landlord fails to comply with this lease, Tenant may seek any relief provided by law.
- B. If Tenant fails to timely pay all amounts due under this lease or otherwise fails to comply with this lease, Tenant will be in default and:
  - (1) Landlord may terminate Tenant's right to occupy the Property by providing Tenant with at least one day written notice to vacate;
  - (2) all unpaid rents which are payable during the remainder of this lease or any renewal period will be accelerated without notice or demand;
  - (3) Landlord may exercise Landlord's lien under Paragraph 23 and any other rights under this lease or the Property Code; and
  - (4) Tenant will be liable for:
    - (a) any lost rent;
    - (b) Landlord's cost of reletting the Property including but not limited to leasing fees, advertising fees, utility charges, and other fees reasonably necessary to relet the Property;
    - (c) repairs to the Property for use beyond normal wear and tear;
    - (d) all Landlord's costs associated with eviction of Tenant, including but not limited to attorney's fees, court costs, costs of service, witness fees, and prejudgment interest;
    - (e) all Landlord's costs associated with collection of amounts due under this lease, including but not limited to collection fees, late charges, and returned check charges; and
    - (f) any other recovery to which Landlord may be entitled by law.
- C. Notice to vacate under Paragraph 27B(1) may be by any means permitted by §24.005, Property Code.
- D. If Tenant vacates the Property in breach of this lease, Landlord may also deduct from the security deposit the reasonable costs to rekey certain security devices, as provided in Paragraph 19.
- E. Landlord will attempt to mitigate any damage or loss caused by Tenant's breach by attempting to relet the Property to acceptable tenants and reducing Tenant's liability accordingly.

**THE QUESTION EVERY TENANT ASKS WHEN THEY ARE CONSIDERING EARLY TERMINATION,  
"WHAT ARE THE FEES FOR BREAKING MY LEASE?"**

Paragraph 27 (as shown on page 1) and Paragraph 28 both outline the fees associated with breaking the lease. Any time you surrender keys or abandon the property prior to the lease term ending, you would be considered terminating the lease early and the following fees can apply:

**Paragraph 27 B. –**

(4)- The breakdown of fees is as follows:

(a) You are responsible for rent through the lease term, or, until a new tenant has taken possession of the property. This means the daily rent amount stops the day the new tenant moves in. If you have pre-paid rent for the entire month, and a new tenant takes possession during that same month, you will receive a pro-rated rent credit on your account for the days of rent that the new tenant occupied the home. For Example, the new tenant moves in on January 15<sup>th</sup>; you would be responsible for rent through January 14<sup>th</sup>. The rent rate will adjust with demand, and demand is seasonal, therefore, if the rent rate is adjusted in order to release the property, you will be held responsible for the difference through your lease term.

(b) You are responsible for the leasing fee, advertising fees, utilities, and yard care. These are all cost associated with reletting the property. Advertising fees are based on the property owner's management contract, and the leasing fee amount applies as defined in paragraph 28. Please contact your Property Manager for those expense details. Utility bills are based on the number of days you are financially responsible for. The same concept applies as (a) regarding the rent. For example, if the new tenant moves in on January 15<sup>th</sup>, the utility bills associated with the property will be prorated through the 14<sup>th</sup> of January. "Yard Care" is the same concept. The yard is to be maintained whether the property is occupied or vacant, however, after the surrender occurs, the management company and/or owner may choose to hire a company to maintain the yard until a new tenant occupies the property, or until your lease expires. Yard Care includes but is not limited to mowing, edging and weed-eating, watering the yard, treating for weeds, trimming shrubs, trees, etc. and maintaining flower beds.

(c) This section is simply explaining the same rules that apply for a normal move out process. If you are terminating the lease early, you must still follow the move out procedures as stated in Paragraph 16, entitled "Move-Out".

(d) This section explains further financial responsibilities should legal matters arise. This could mean that if you fail to comply with the lease and the owner chooses to pursue legal action, any fees associated with this action would be your responsibility if found in default. For example, if you fail to pay any fees associated with terminating early; the owner can file suit against you in small claims court. This applies for any time a tenant is found in default of the lease agreement. Another example is when a tenant has given their notice and is unable to fulfill their lease term and has stopped paying rent but has not yet vacated the property, legal proceedings would begin.

(e) This section refers to the landlord recovering fees associated with NSF checks, late fees and collection fees.

(f) This section refers to any other recovery fee that may apply.

Paragraph 27.C. – This paragraph means when/if you are considered to be in default, the landlord has the option to terminate your right to occupy the property by providing you with at least one day written notice to vacate by any means §24.005 of Property Code permits.

Paragraph 27.D. – This paragraph means the cost to rekey security devices as defined in paragraph 19 can also be deducted from your security deposit when in default of the Residential Lease.

Paragraph 27.E. – This paragraph is important when it comes to “Early Termination.” The landlord will attempt to mitigate any damage or loss caused by the tenant’s breach of the lease. This means that the landlord will attempt to relet the property to acceptable tenants in an effort to reduce tenant’s liability. However, you must comply with showings as it is to your benefit to locate a new tenant to help minimize the costs associated with “Early Termination.” Please note that if have failed to provide proper notice as stated in paragraph 4 of your lease, you will be held liable for all costs and fees as listed under Paragraph 27 through the number of days the notice requires. Meaning if the owner chooses not to release the property, you would not be pursued for the costs and fees listed under Paragraph 27 but if you are considered to be in default, you will only be held liable for the number of days as required for proper notice, from the time noticed was received. If proper notice was not given and the property is considered abandoned, the notice timeline would begin when the property was discovered abandoned.

## TIPS TO HELP MINIMIZE YOUR COST!

- Have a game plan! The more notice the landlord has, the more time the landlord has to locate a new tenant. The demand changes with the seasons, demand is typically higher during the months of May-August.
- Work with all showings! The more showings that occur, the more chances of applications which can lead to locating a qualified applicant quicker!
- Make sure that the house is clean, beds are made, dishes are up, and things are nice and neat. This too helps speed up locating a new qualified tenant!
- Curb appeal is very important; ensure the landscaping is well kept!
- Continue to pay the monthly rent as normal even after you vacate the property, and the property has not yet leased! This should not only help you remain in good standings but also help prevent legal action filed against you.
- Most importantly, stay in communication with your Property Manager!