



# LEASE RENEWAL & NEW ROOMMATE POLICIES

Version Dated: 7/1/2010

## I. Lease Renewal Policies

It is the landlord's policy to have all of her units rented on a fixed term basis. In most cases when she rents a unit, the initial lease is for one year. However, in the event there is an off-season vacancy (September through May), she may offer shorter leases that expire on July 31<sup>st</sup> or May 31. The expiration date options are different depending building location and unit type.

Once the initial term of the lease is over, the lease will automatically terminate and all residents will need to vacate. **However, the tenant(s) always have the option to stay for another year.** But, the decision must be made either 60 or 90 days (The notice requirement is stipulated in the original rental agreement) before the lease expires. August lease renewal decisions should be made by April 1 to allow marketing the unit prior to the academic year closure in early May. Renewal letters will be sent out at least 30 days before the deadline to renew. The letter will stipulate any changes to the lease and will give residents the option to either sign a Lease Renewal, which commits them to another year, or a Notice to Vacate, which confirms the intent to vacate the unit at the end of the lease. The Notice to Vacate also provides information as to where to send the security deposit. If we receive a signed Lease Renewal then the property manager/landlord will also sign the agreement and mail you back a copy. If we receive a Notice to Vacate, we will send you a letter describing our move out procedures and begin marketing your unit.

**Keep in mind if we do not receive anything, Termination Letters will be sent out confirming that we have not received a Lease Renewal and that the unit will be vacated at the end of the lease.**

We always hope that our residents will choose to renew their lease with us. We value your residency and will do whatever we can to make your stay better. But, unfortunately, we cannot offer any flexibility with respect to our lease renewal policy. **We never offer Month to Month lease renewals.** We apologize for any inconvenience this may cause, but our contracts do not offer us this option.

## FREQUENTLY ASKED QUESTIONS:

### ***What if I can't make a decision by the deadline?***

You should immediately contact the Landlord if you don't think you can make a decision during the required deadline. Depending on the property and the time of year we may be able to give you a short extension of a few days or weeks. However, once the Termination Letter is sent we will begin marketing your unit and it is possible that it may be rented to another person.

### ***What if one or more housemates want to stay, while the others want to leave?***

Certainly, for a variety of reasons the original group may not want to continue staying together in the rental for another year. Again, it is always our preference to have somebody renew the lease. So the procedure is as follows:

1. The housemate(s) who wants to stay should sign the Lease Renewal.
2. The housemates(s) who want to leave should sign the Notice to Vacate.
3. Both documents should ideally be sent to us at the same time. It is always a good idea to include a short letter giving us more information regarding who is staying and who is leaving.

### ***If a roommate decides to move out or not renew their lease, is he or she still responsible for the rental even after the initial term expires?***

The answer is **YES**. All parties to the original lease remain responsible to the agreement until either the unit is completely vacated at the end of the contract or the landlord, Cynthia Smith has officially (in writing) released them from the contract.

***How can I be officially released from the contract?***

In order to be released from the contract you have to either have another qualified roommate take over your position on the lease by signing a Substitute Resident Agreement, which by default releases you from your obligations to the lease (See Below for Roommate Replacement Policies) **OR** you must make an official request to us to be released from the contract (See Attached Form). Once we receive an official request, then we will grant your request as long the group is currently not defaulting on the lease **and** as long as the remaining roommates still qualify for the unit and are willing to assume total financial responsibility to make the payments, based on their original application and screening materials. Under certain circumstances, your group's approval for the rental may have been dependent on your financial strength. For example, it is possible that the income of the remaining roommates may not be sufficient to make the payment unless your income is included.

In the event the remaining roommates do not qualify based on information found in the original file, they have the option to reapply for the apartment and present us with more current information. However, new applications will need to be submitted along with all relevant screening fees. In the event the remaining roommates still cannot qualify after re-applying then unfortunately you will still remain a party to the contract and still be responsible for the rental. This, of course, is extremely problematic as you will be responsible for a place that you are not living in. Therefore, it is recommended that in this circumstance that the entire group vacates at the end of the term. Unfortunately, due to local ordinances the landlord cannot require the other residents to move out due to lack of future qualification, especially if rent has been paid on time and other rules of the lease have been followed. You as a resident may have some legal recourse to require your roommates to vacate, though.

***Will the Property Management Company or the landlord send me back my portion of the security deposit if I decide to move and my roommates decide to stay?***

**NO.** The Property Management Company only sends back security deposits, minus any deductions, once the entire unit is vacated, all keys are returned to us and a final inspection is performed. However, typically, as long as the remaining roommates have agreed to allow the departing roommate to move out and be released from the contract, the remaining roommates will return that portion of the deposit to the outgoing roommate. But, the landlord cannot enforce this. **WARNING: The remaining roommates may be left financially responsible for damages caused by the outgoing roommate.** So, it is important that the unit is inspected and appropriate deductions are made to compensate the remaining roommates for damages that might be assessed in the future by the property Manager or the Landlord.

## II. Roommate Replacement Policies

The Landlord or property manager will grant a request to replace an existing roommate with another roommate under the following conditions:

1. The original group of roommates has paid their rent timely and has followed the other terms of the rental agreement. This includes not allowing a new roommate to move in to the rental without receiving approval from us. In others words, the original group will receive a positive tenancy reference from us.
2. We have received a completed "Roommate Replacement Request" signed by the roommate who plans to move out and the roommates who plan on staying, along with the processing fee. It is important to note that the outgoing roommate cannot just find anybody to move in; the other housemates have to agree to the switch.
3. The new roommate qualifies under our Tenant Screening Policy.
4. The new housemate must agree to all of the terms of the existing rental agreement and sign a "Substitute Resident Agreement." The landlord will draft this agreement once the request has been approved. In Rent Control jurisdictions, such as Berkeley & Oakland, replacement housemates are considered "Substitute Residents." Once approved the new housemate must sign a "Substitute Resident Agreement", instead of signing the actual lease. Not only does this agreement commit the new housemate to the terms of the lease, it also clarifies his or her status with respect to rent control. **Unfortunately, due to certain case law, we cannot accept rent payments from Substitute Residents.** All rents must be paid by the remaining original parties to lease. In the event the Roommate Replacement Request is denied, the \$35 processing/application fee will be refunded.

### FREQUENTLY ASKED QUESTIONS:

***My housemates, who are the original residents on the lease, are out of town and they didn't leave me a check for the rent, can I bring a check from my account?***

Under no circumstance can we accept rent payments from a Substitute Resident. To avoid late fees, we recommend that the original parties to the lease contact the landlord to make arrangements to pay the rent on time.

***What happens when all the original parties to the lease decide to move out?***

Once all original parties to the lease have either provided notices to vacate or have moved out of the rental, the property manager or landlord will present the Substitute Residents with a new rental agreement. Since prior rent ceilings and other limitations are no longer in effect, the landlord or property manager will have the option to change the terms of the lease. This includes, but is not limited to, the monthly rent amount and security deposit. Depending on how long it has been since the original parties to the lease moved in, the rent increase may be significant. Unfortunately, rent control ordinances restrict property owners from phasing in over months or even years, the rent increases. However, once the new rental agreement is signed, all substitute residents will become original parties to the new lease and will have all the rights associated with applicable rent control ordinances.

Keep in mind, though that we may not be able to return the security deposit to the original remaining parties of the lease unless the unit is completely vacated and a final inspection is performed. However, we will be happy to come and visit the unit to provide our opinion as to the overall condition of the property.