

## Magellen Properties Policy on Breaking Leases

We understand that circumstances sometimes require that tenants break their leases. Tenants need to understand that Magellen Properties, as managing agent of the apartment complex, cannot allow tenants to simply break their leases at will. Therefore, the following policies have been created.

1. **Locate Subtenant:** Locate a new tenant to assume the existing lease. The tenant must first submit an application for the prospective subtenant to Magellen Properties, along with a \$50 money order (per single adult) to allow Magellen to screen the applicant. Magellen will consider all prospects and approve those tenants that meet Magellen's normal screening criteria. The tenant breaking his lease must pay a \$150 breaking lease fee, and must be responsible for lost rent until the changeover to the new tenant occurs.
2. If the tenant is not interested in locating a subtenant, then the tenant may break the lease by providing either a 30 or 60 day advance written notice, as follows:
  - a) **60 Day Notice:** If the tenant gives Magellen a 60 day notice of their intent to break the lease they must send a notice by certified mail directly to Magellen's main office (do not send the notice to our PO Box, because we will not receive it), then the tenant may break the lease in sixty days, provided the pay as liquidated damages, a \$150 lease breaking processing fee and an amount equal to one month's additional rent. If we are not able to rent this apartment within 60 days the tenant is responsible for each additional month of rent that the apartment is left vacant. **Important:** all notices take effect on the last day of the month when notice is made (i.e. notices issued on the 17<sup>th</sup> day of the month are effective as of the last day of that month; therefore, sixty day notice sent on May 17<sup>th</sup> of the month takes effect on May 30<sup>th</sup>; meaning that the tenant may break their lease on July 31)
  - b) **30 Day Notice:** A tenant may break their lease in the same manner described in #2 (a). The tenant is responsible for all liquidated damages as stated above except instead of just having to pay one month additional rent you would now be responsible for two.

If a tenant vacates an apartment without complying with one of the above procedures it would cause that tenant to be liable for any and all unpaid rent until the termination date of the lease. Magellen would make a good faith effort to rent the vacated apartment to mitigate the liability.