

# *Seminary Properties and Management, Ltd.*

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Dear Resident(s),

I am happy to go over the options available to you to Sublease, Assign, Showing Agreement or Lease Buyout. Some of these options can be done to replace certain parties to the Lease or all parties to the Lease. Please review the three options below.

## **1) Sublet:**

The sublease is similar to the Lease Assignment option below. Both options require a letter of intent from all current Lessees stating their agreed desire to make a change to the Lease. The letter would need to state which roommate is looking to find a sublet or assignment, the date this modification would take place, and a physical signature from each current Lessee. A separate letter from each individual Lessee is acceptable as long as we receive a letter from each Lessee.

Once we have the letter(s), we can accept applications and a \$50 processing fee (each) from prospective applicants.

In a sublet, the applicant has a less strict application process. Since the current lease holders are not being removed from the Lease or from their obligations to the Lease, the sublet is only being approved to reside in the apartment as an occupant and would not become part of the Lease. If this person violated the Lease or did not make rental payments, the Lessees would be the parties who are fined, whose credit report would be affected negatively, and/or who would have legal action brought against them.

A subletter is not a Lessee, has no right to the Lease, and cannot extend the Lease. Multiple current parties on the Lease can undergo the sublet process at the same time.

## **2) Lease Assignment:**

The Lease Assignment process requires the same letter of intent as the sublet option. It also requires the same application and credit check fee from any and all prospective applicants.

In a Lease Assignment the application(s) are processed with the remaining Lessees to ensure this new group of Lessees would still qualify for the apartment. These requirements are the same requirements used to approve the original Lessees when the Lease first began.

If the applicants are approved, a Lease Assignment document would be created for all current and future parties to sign. Once this paperwork is completed, the departing parties currently on the Lease would be removed as of a specific transfer date stated in the letter of intent. The Lease Assignment would remove the departing Lessee(s) from the Lease and any and all Lease obligations as of the Lease transfer date.

The Lease Assignment process can involve the replacement or removal of one or multiple Lessees at the same time. Seminary Properties does not assist in marketing or procuring new Lessees for a Lease Assignment.

## **3) Showing Agreement (Marketing and Showing Assistance):**

If all Lessees on a Lease wish to be removed from the Lease with marketing and apartment showing assistance from Seminary Properties and Management, Ltd.; this can be provided via a Showing Agreement. A Showing Agreement will include all marketing and showing channels used by Seminary Properties and Management, Ltd. for any apartment that is available on the market for a traditional new lease. Please note that there is a cost associated with retaining Seminary Properties and Management, Ltd. for marketing assistance; for details on this cost, please contact the Seminary Properties and Management, Ltd. office.

This fee does not release the Lessees of their obligations; it only enlists our added help in marketing and showing. If a Lessee wishes Seminary Properties to assist in finding a new party to take over the Lease, all Lessees will need to sign a letter of intent signed by all current Lessees and a fully signed Showing Agreement.

A Showing Agreement does not guarantee Seminary Properties and Management, Ltd.; will be successful in finding a new party for the Lease or a new Lease in the desired time frame. It does include all marketing and showing channels Seminary Properties uses to market apartments. Seminary Properties will market the apartment for market rent or near market rent. At the time a new party is found, no current Lessees will be released from their Lease without the Showing Agreement fee being paid. For more information on the cost associated with a Showing Agreement, please contact Seminary Properties office.

Please note that the Showing Agreement option is only available in situations where all Lessees wish to move out of an apartment at the same time. Seminary Properties and Management, Ltd. will not assist in finding one person for a roommate situation. We will not get involved in matching personalities; Lessees would need to find subletters or assignees for one roommate on their own.

#### **4) Lease Buyout:**

Seminary Properties and Management, Ltd. does offer a third option to modify or end your obligation toward the Lease. This option is offered to all tenants who wish to buyout their Lease. The buyout requires a letter of intent signed by all parties to the Lease, stating their desire to end the Lease via buyout, with all parties' physical signatures. With this letter the Lease holders will need to sign a mutual release, an anti-disparagement agreement, and pay the Lease Buyout fee.

This fee is either: i) the full amount of rent remaining if the Lease has three or less months remaining, ii) 50% of the remaining rent due per the Lease if the Lease term has more than three months remaining (the buyout fee can be equal to *not less* than 3 months' rent). The number of months remaining on the lease is calculated based on months of unpaid rent remaining in the current lease term.

This option must be enacted with a date that is no less than 14-days from completion of the entire process to engage in the lease buy-out. When the buy-out is completed, it will end the Lease and relieve all parties to the Lease of their obligations on the designated date.

These are the options available for a roommate or entire Lease to be released of their contractual obligations.

Sincerely,

Seminary Properties and Management, Ltd.