

# Preventing Litigation

in Property Management



Robert M. Locke, RMP, MPM



Crown Investor Institute, LLC  
© 2003, 2008, 2014

1



# TODAY'S AGENDA



Crown Investor Institute, LLC  
© 2003, 2008, 2014

2



Foreclosures

Lead Paint

HOA Battles


Mold Claims

Move-Out Disputes

Maintenance Challenges

Other Legal Battles


Your Challenges





# Managing Foreclosures

What to do with...

- Security deposit?
- Move-In Inspection?
- Lease and application?
- Unearned rent?
- Owner's escrow account?


 Crown Investor Institute, LLC  
© 2003, 2008, 2014


3 



# Protect Yourself

- Civil litigation
- Actual damages
- Punitive damages
- Attorney fees
- Have a written policy
- Opt out
- Lease only

 Crown Investor Institute, LLC  
© 2003, 2008, 2014

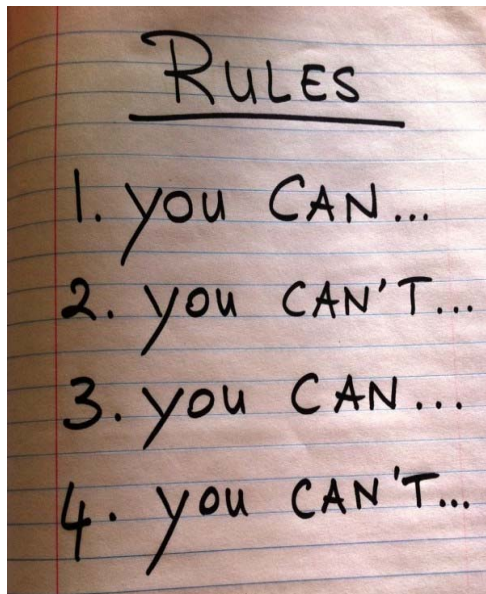
4 

# Managing HOA Challenges



Crown Investor Institute, LLC  
© 2003, 2008, 2014

5



## Typical Restrictions

- Limit on % leasing
- Demand information about renter
- Demand approval
- Tenant paid dues
- Sign their lease
- Examine HOA documents



Crown Investor Institute, LLC  
© 2003, 2008, 2014

6






## Protect Yourself

- Owner disclosure
- Inform me
- Indemnify me
- Hold harmless
- Pay attorney costs
- Tenant disclosure
- Respond quickly
- Charge appropriately.


 Crown Investor Institute, LLC  
© 2003, 2008, 2014


7 



## Options for Managers

- Get the HOA rules before you lease
- Manage carefully
- FCRA issues
- File a legal action.

 Crown Investor Institute, LLC  
© 2003, 2008, 2014

8 

## What's the Difference?



Crown Investor Institute, LLC  
© 2003, 2008, 2014

9



## Landlord Tenant Act

Move-In Inspection

Move-Out Inspection

3-day rule

5-day rule

Must be in writing

Must be specific

Follow the law

**It's the Law**



Crown Investor Institute, LLC  
© 2003, 2008, 2014

10





**Promises**  
**Promises**  
**Promises**

## Home Warranties

You're not party  
to the agreement  
You're not in control  
Warranties are not  
governed by  
landlord-tenant  
law but you are  
Protect yourself



Crown Investor Institute, LLC  
© 2003, 2008, 2014

11



## Unlawful Dispossession



Definition:  
*Taking over  
possession  
of a property  
before  
you have  
the authority  
to do so*



Crown Investor Institute, LLC  
© 2003, 2008, 2014

12





## Constructive Eviction

Definition:

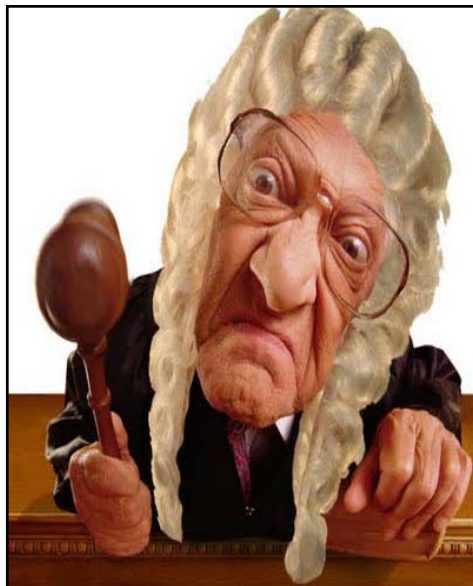
*When the tenant is forced to move because the property is no longer habitable.*



Crown Investor Institute, LLC  
© 2003, 2008, 2014

8

13



**Always make your decision in anticipation of explaining it to the Judge.**



Crown Investor Institute, LLC  
© 2003, 2008, 2014

14



© 2006, 2014 Crown Investor Institute, LLC

# *The* **TAKEAWAY**

Protect Yourself  
Educate Yourself  
Educate Your Owners  
Have Written Policies



Crown Investor Institute, LLC  
© 2003, 2008, 2014

15

