

Subject: Existing Lease Agreements with Colonial Real Estate Property Management, Sales & Investments, Inc.

1. Reference. The Armed Forces Disciplinary Control Board recommendation and the Commanding General's decision to place Colonial Real Estate Property Management, Sales & Investments, Inc. off limits to Service members. This company will be referred to as Colonial Property Management.
2. This info paper is intended to serve as a guide for Active Duty Service members who currently have entered into a lease agreement and are leasing property managed by Ms. Patsy Cooney or Colonial Property Management.
3. Colonial Property Management should not be confused with another Real Estate Company with a similar name, ERA Colonial Real Estate. ERA Colonial Real Estate who currently enjoys a Better Business Bureau rating of A- is not off-limits; however, the company Colonial Property Management is rated at D- and is off-limits. ERA Colonial Real Estate is physically located across from Colonial Property Management. This fact may cause some initial confusion. Please be advised that Colonial Property Management is currently headquartered at 580 E. Central Texas Expressway, Harker Heights, Texas 76548 in a shopping plaza whereas ERA Colonial Real Estate has its own separate building located at 777 Indian Trail, Harker Heights, Texas 76548. According to the information provided to the Armed Forces Disciplinary Control Board ERA Colonial has no current affiliation with Colonial Property Management or Ms. Patsy Cooney or her agents, associates or business partners.
4. **CURRENT RENTER:** All Active Duty Service members who currently have entered into any lease agreement with Colonial Property Management will be grandfathered from punitive sanction during the terms of their existing contract if the contract was entered into before 1 July 2010. Please note that your grandfathering exception authorizing continued leasing of a residence serviced by Colonial Property Management shall expire when you move from your residence.
  - A. If you are currently renting and have entered into a lease agreement prior to 1 July 2010 with Colonial Property Management, we recommend that you take no action to curtail your lease agreement during its current term. We expect Colonial Property Management to continue to fulfill their responsibility under existing leases and we are hopeful that questionable business practices will cease in the future. Should Colonial

Property Management demonstrate responsible and significant improvements in business practices, they may later be removed from the off-limits list.

B. Some of the concerns and questionable business practices conducted by Colonial Property Management include:

(1). Charging prospective tenants large up-front fees prior to lease signing which is kept by Colonial Property Management as liquidated damages if the tenant thereafter fails or refuses to sign a lease. Such practice is used to coerce tenants into accepting lease terms (for example SCRA waiver) they might ordinarily refuse but for fear of forfeiting this up-front fee.

(2). Charging tenants excessive and often unnecessary cleaning and/or damage fees in order to keep the tenant's entire security deposit, and often charging tenants amounts in addition to the deposit withheld.

(3). Failing to make diligent efforts to mitigate damages when a tenant vacates prior to the expiration of the lease, and dragging out repairs and cleaning resulting in prolonged pro-rated rent for the vacating tenant.

(4). Assessing excessive charges against tenants for having pets at leased properties.

C. As Service members complete their lease terms and choose to vacate the premises to move to another location, we request that you complete an exit survey.

The intent of this survey is to gain greater situational awareness of how property management companies are dealing with service members who have leased property in the Central Texas area. You may pick up the survey from the Fort Hood Housing referral office located in the Copeland Soldier Service Center, Building 18010, Room B209, on the corner of Battalion & T.J. Mills Boulevard, (254) 287-4212 or you may download it from the Fort Hood Home page under Housing, <http://www.hood.army.mil/housing.aspx>.

6. **PROPERTY OWNERS:** All Service members who currently have entered into and have property management contracts to manage property they own with Colonial Property Management will be grandfathered from punitive sanction during the terms of the existing contract and as long they own that specific piece of real estate property and choose to extend the existing management contract. If your property is currently being managed by Colonial Property Management we recommend that you search for a replacement management company as a precaution should you later choose to change companies.

7. The intent of this off-limits restriction is not to punish Colonial Property Management, property owners or renters. The purpose of the off-limits restriction is to protect Service members from unfair commercial practices that have the potential to cause undue hardship for consumers. The Armed Forces Disciplinary Control Board is mindful of the fact that some owners utilizing the services of Colonial Property Management may be upset by this action. The board discussed at length the impact on property owners and was mindful of the disruption some owners may experience during this potentially painful transition period. The decision of the Commanding General was made after serious deliberation from the board which concluded it was necessary to recommend placing Colonial Property Management off-limits. In summation, owners and renters who are subject to punitive UCMJ jurisdiction are prohibited from entering into any completely new continuing business relationships with Colonial Property Management effective 1 July 2010.

8. Any questions related to the action can be addressed at the Client Services Office, Legal Assistance located at 42<sup>d</sup> and Santa Fe or by calling (254) 287-7901 or (254) 287-3099.

### **Off limits:**



### **Not off limits:**

