Instructions:

All prorations of rent and utilities, when applicable, will be based on a 30-day month to determine a daily rate, regardless of the number of days in the month.

Examples of how to calculate rent and rental refunds for partial months are included in this exhibit.

If a tenancy starts on the first day of the month or is vacated on the last day of the month, *no proration is necessary*, regardless of the number of days in the month.

Prorated rent for a partial month cannot exceed the monthly rent.

Use the following steps to determine rent proration:

Step 1: Determine daily rate: $\frac{\text{Monthly rent}}{30 \text{ days}}$ = Daily rate (Do not round at this point)

Step 2: Determine number of days for which tenant owes rent. If tenancy is starting, include the start date in the number of days counted. If tenant is vacating, include the vacate date in the number of days counted.

Step 3: Daily rate x number of days for which tenant owes rent = Prorated rent owed (Round this number to the nearest penny).

Step 4: (Only for tenancies being vacated)
Monthly rent paid in advance minus prorated rent owed = rent reimbursed.

EXAMPLE #1 – MONTHS WITH 31 DAYS

Start Tenancy

Monthly Rent - $500
Month - March (31 days)
Start Date - 17th

Agent sends an Adjustment Request Screen (TRP543M) to Accounting with 3/17/06 as the start date.

Step 1: Determine daily rate: $500 ÷ 30 days = $16.67 per day

Step 2: Determine number of days tenant owes rent, including start date. If tenancy starts on 3/17/06, tenant owes rent for 15 days in March, which includes start date.

Step 3: Multiply the daily rate times the number of days tenant owes rent:
$16.67 x 15 days = $250.05 rent owed

Vacated Tenancy

Monthly Rent - $500
Month - March (31 days)
Vacate Date - 30th

Agent sends an Adjustment Request Screen (TRP543M) to Accounting with 3/30/06 as the vacate date.

Step 1: Determine daily rate: $500 ÷ 30 days = $16.67 per day

Step 2: Determine number of days tenant owes rent, including vacate date. If tenancy is vacated on 3/30/06, tenant owes rent for 30 days in March, which includes vacate date.

Step 3: Multiply the daily rate times the number of days tenant owes rent:
$16.67 x 30 days = $500.10. However, prorated rent cannot exceed monthly rent. Therefore, tenant owes $500.

Step 4: Subtract rent owed for partial month from rent paid in advance:
$500.00 monthly rent paid in advance
-$500.00 rent owed for 30 days
$ 0.00 rent reimbursed

EXAMPLE #2 – MONTHS WITH 30 DAYS

Start Tenancy

Monthly Rent - $500
Month - June (30 days)
Start Date - 23rd

Agent sends an Adjustment Request Screen (TRP543M) to Accounting with 6/23/06 as the start date.

Step 1: Determine daily rate: $500 ÷ 30 days = $16.67 per day

Step 2: Determine number of days tenant owes rent, including start date. If tenancy starts on 6/23/06, tenant owes rent for 8 days in June, which includes start date.

Step 3: Multiply the daily rate times the number of days tenant owes rent:
$16.67 x 8 days = $133.36 rent owed

Vacated Tenancy

Monthly Rent - $500
Month - June (30 days)
Vacate Date - 1st

Agent sends an Adjustment Request Screen (TRP543M) to Accounting with 6/1/06 as the vacate date.

Step 1: Determine daily rate: $500 ÷ 30 days = $16.67 per day

Step 2: Determine number of days tenant owes rent, including vacate date. If tenancy is vacated on 6/1/06, tenant owes rent for 1 day in June, which includes vacate date.

Step 3: Multiply the daily rate times the number of days tenant owes rent:
$16.67 x 1 day = $16.67 rent owed

Step 4: Subtract rent owed for partial month from rent paid in advance:
$500.00 monthly rent paid in advance
- $ 16.67 rent owed for 1 day
$483.33 rent reimbursed

EXAMPLE #3 – FEBRUARY - 28 DAYS
(Leap year – Same procedure, except month has 29 days.)

Start Tenancy

Monthly Rent - $500
Month - February (28 days)
Start Date - 25th

Agent sends an Adjustment Request Screen (TRP543M) to Accounting with 2/25/06 as the start date.

Step 1: Determine daily rate: $500 ÷ 30 days = $16.67 per day

Step 2: Determine number of days tenant owes rent, including start date. If tenancy starts on 2/25/06, tenant owes rent for 4 days, which includes start date.

Step 3: Multiply the daily rate times the number of days tenant owes rent:
$16.67 x 4 days = $66.68 rent owed

Vacated Tenancy

Monthly Rent - $500
Month - February (28 days)
Vacate Date - 27th

Agent sends an Adjustment Request Screen (TRP543M) to Accounting with 2/27/06 as the vacate date.

Step 1: Determine daily rate: $500 ÷ 30 days = $16.67 per day

Step 2: Determine number of days tenant owes rent, including vacate date. If tenancy is vacated on 2/27/06, tenant owes rent for 27 days, which includes vacate date.

Step 3: Multiply the daily rate times the number of days tenant owes rent:
$16.67 x 27 days = $450.09 rent owed

Step 4: Subtract rent owed for partial month from rent paid in advance:
$500.00 monthly rent paid in advance
-$450.09 rent owed for 27 days
$ 49.91 rent reimbursed