

Security Deposit Agreement

Agreement made on the ___ day of _____, 20___, between _____ of _____ (*street address, city, county, state, zip code*), referred to herein as *Doe*, and _____, *Inc.*, a corporation organized and existing under the laws of the state of _____, with its principal office located at _____ (*street address, city, county, state, zip code*), referred to herein as *Acme*.

Whereas, *Acme* owns that certain apartment located at _____ (*street address, city, county, state, zip code*), and identified as Apartment No. _____; and

Whereas, *Doe* desires to lease said Apartment, but can not move into said Apartment until (*Date*); and

Whereas, *Acme* is willing to hold said Apartment for *Doe* until _____ (*Date*) provided *Doe* deposits the sum of \$_____ as a security deposit which will be forfeited to *Acme* should *Doe* fail to lease said Apartment on or before _____ (*Date*);

Now, therefore, for and in consideration of the mutual covenants contained in this agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. On the execution of this Agreement, *Doe* shall pay to *Acme* the sum of \$_____ as a security deposit for *Acme's* agreement to hold said Apartment for *Doe* until _____ (*Date*).
2. Said deposit shall be refunded to *Doe* if *Doe* leases said Apartment on or before _____ (*Date*), said lease to be in the form and contain the terms as set forth in the document attached hereto as **Exhibit A**.
3. The security deposit will draw no interest and *Acme* shall not be obligated to hold the security deposit in a separate fund but may mix the deposit with other funds of *Acme*.
4. Should *Doe* fail to lease said apartment as set forth in **Paragraph 2** above, the security deposit will be forfeited to *Acme* as liquidated damages and/or to compensate *Acme* for not renting said Apartment from the date hereof to _____ (*Date*).
5. Neither this Agreement, nor any rights and obligations under this Agreement, may be assigned by without the prior written consent of both parties.
6. Any dispute under this Agreement shall be required to be resolved by binding arbitration of the parties hereto. If the parties cannot agree on an arbitrator, each party shall select one arbitrator and both arbitrators shall then select a third. The third arbitrator so selected shall arbitrate said dispute. The arbitration shall be governed by the rules of the American Arbitration Association then in force and effect.

7. This Agreement embodies the entire agreement and understanding between the parties with respect to the subject matter of this Agreement and may be changed only by an instrument in writing signed by both of the parties.

8. This Agreement shall be construed in accordance with and governed by the laws of the State of _____.

WITNESS our signatures as of the day and date first above stated.

_____, **INC.**

By _____
(Name and Office in Corporation)