

Clark Freshman, University of Miami  
Yoga Space Exercise

### **First Negotiation Scenario**

You and four partners are landlords in the West Village in New York City. Together, you own an old townhouse that was converted into two office spaces, one on the ground floor and one on the second floor.

The two floors are identical open spaces, except one is on the first floor, and one is on the second floor.

Until recently, the property was very popular – but alas, tech stocks started doing worse, people got tired of seeing the Lion King, etc – and now the property is not that much in demand.

Many nearby buildings have been advertising available space, and the rents have been going down, down, down, down.

For two years, the tenant on the first floor is a computer consulting company. They still have six months remaining on their lease. But they've been bugging you for the last two months to try to get their rent lowered because they claim business is not doing well.

One month ago, your long-time tenants upstairs, an accounting firm, disbanded and moved to Florida to retire.

Two weeks ago, you rented the second floor to a yoga studio. The consulting firm started complaining that they were making noise. They claimed the noise broke the implied covenant of quiet enjoyment. You thought they were just exaggerating.

Unfortunately, to retaliate, the computer people started playing loud Heavy Metal music, and now the yoga studio is saying this breaks their own covenant of quiet enjoyment.

You don't know what to do – you're on the brink of losing two tenants you might not replace – and, you fear, owing money for the damages they pay in moving out!

As a result, the five of you have agreed to get together to try to figure out some potential solution.

On the attached sheet, try to list as many potential solutions as possible. The person whose last name is closest to A should write down the solutions the group generates and present them to the class.

### **Potential Solutions**

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4.

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13.

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