

GET A HEAD START: LEASE SMART

Lease Clauses Deciphered

Statement 1: Who's the "lessor"? Who's the "lessee"?

BY THIS AGREEMENT made on August 1, 2011, between Carriage Apartments and Elizabeth Hoskins, Carriage Apartments leases to Elizabeth Hoskins Apartment 2B at 1010 River Street, Centerville, Georgia in Hickman County for 1 year, to begin August 10, 2011, and to end on August 10, 2012, at 12 o'clock a.m.

Carriage Apartments (the property manager) is the "lessor" and Elizabeth Hoskins (the tenant) is the "lessee."

Statement 2: What's in a lease? What do these statements say? Are these fees higher than lower than those charged in your area?

If our renter pays her rent two days late two months in a row and the second month her check bounces, she'll pay a \$50 late fee twice (\$100) plus another \$50 for the returned check plus her rent. The lease states that there will be "whatever other consequences" for paying late; we won't know what those might be. We do know that from now on she has to pay with a cashier's check or a money order; both likely will cost her extra money every month.

Statement 3: What about fees and deposits?

Basically, the clause on Security Deposits states: 1) The security deposit is \$600; 2) It's due when Elizabeth signs the lease; 3) Carriage Apartments must either put the security deposit in an escrow account in any regulated bank or lending institution; or post and maintain an effective surety bond with the clerk of the superior court in the county where the apartment is; 4) If the money is in escrow, Carriage Apartments shall tell Elizabeth the location and account number; 5) The property manager must return the security deposit along with interest (if required by law) to Elizabeth if she follows the terms of the lease, and 6) If the property manager must return the deposit, s/he has one month after the lease ends or Elizabeth leaves the apartment, whichever occurs later, to return the deposit.

Statement 4: When can the property manager keep your security deposit?

This clause basically says that 1) Carriage Apartments can't keep any of the security deposit to pay for ordinary wear and tear resulting from using the premises if there was no negligence, carelessness, accident, or abuse of the premises by Elizabeth, members of her household, or her invitees; 2) If there is reason to keep the security deposit, Carriage Apartments must give Elizabeth a written statement listing the exact reasons for keeping part or all of the deposit; 3) If Carriage Apartment doesn't have a reason to keep all of the security deposit, it must pay Elizabeth the difference.

Ask the audience: What's wear and tear? What are damages? How would you categorize each of the items in the list?

Wear and Tear

Loose door lock
 Faded paint
 Toilet runs or wobbles
 Loose wallpaper
 Dirty screens
 Loose faucet handle
 Closet bi-fold door off track
 Worn carpeting

Damage

Burned carpeting
 Cuts in countertop
 Torn or missing drapes
 Broken window
 Oil stains on carpet
 Broken lock
 Ripped or marked up wallpaper
 Missing lock

Statement 5: What about moving in and moving out? Say what?

Basically, these clauses state 1) Before Elizabeth pays a security deposit, Carriage Apartments must give her a list of any existing damage to the apartment, which she can keep; 2) She has the right to inspect the apartment to check the accuracy of the list before she moves in; 3) Carriage Apartments and Elizabeth must sign the list; 4) Signing the list means she agrees that the list is accurate but it doesn't mean there aren't any defects not yet discovered because they aren't visible or apparent; 5) If Elizabeth refuses to sign the list, then she should put in writing why (perhaps damage that isn't in the list) and sign her statement.

The clause on termination basically states that 1) Carriage Apartments or its agent has three business days after the date the lease ends to inspect the apartment and compile a comprehensive list of any damage done which is the basis for any charge against the security deposit; 2) The list must include an estimated dollar value of the damage; 3) Elizabeth has the right to inspect the apartment within five business days after the lease ends to check the list's accuracy; 4) Carriage Apartments and Elizabeth will sign the list; 5) Signing the list means she agrees that the list is accurate; 6). If Elizabeth refuses to sign the list, then she should put in writing why (perhaps she doesn't agree that something is damaged) and sign her statement.

Statement 6: Maintenance and Repairs

Basically, this clause state that: 1) It's up to Elizabeth to pay for keeping the apartment and its appliances in good and sanitary condition and repair during the lease and subsequent leases; 2) Specifically, she's expected to keep the fixtures in the house in good order and repair; keep the furnace clean; keep the electric bells in order; keep the walks free from dirt and debris; 3) She's also expected to pay for all required repairs to the plumbing, range, heating apparatus, and electric and gas fixtures if she or her employee, family, agent, or visitor damages them due to misuse, waste, or neglect; 4) Carriage Apartments is responsible for paying for major maintenance and repair of the premises if not caused by Elizabeth or her employee, family, agent, or visitors' misuse, waste, or neglect; 5) Carriage Apartments is liable for all substantial improvements; 6) Elizabeth agrees not to put up any signs or paint or have anyone else do that without prior written consent of Carriage Apartments.

Statement 7: Leaving Before the Lease Is Up – Subleasing

This clause basically states that: 1) Elizabeth can't let someone else take over the lease or rent the apartment from her without the prior written consent of Carriage Apartments, 2) If she receives permission to sublet the apartment, she would have to get written consent if she wants to sublet it again; 3) If she does sublease without permission, Carriage Apartments can terminate her lease.