

AI Contract Risk Report

Executive Summary

N/A

Verdict: UNKNOWN

Risk Overview

Overall Risk Score: 0

Status: UNKNOWN

Top Risks

- 1 { "title": "Lessor's responsibility for maintenance and repairs", "impact": "HIGH", "action": "Verify Annexure I for accuracy and ensure compliance with lease terms" }
- 2 { "title": "Lessee's obligations to maintain the premises", "impact": "MEDIUM", "action": "Review and understand the specific responsibilities outlined in the clause" }

Clause Analysis

Clause 1

RESIDENTIAL RENTAL AGREEMENT This agreement made at [City, State] on this [Date, Month, Year] between [Landlord Name], residing at [Landlord Address Line 1, Address Line 2, City, State, Pin Code] hereinafter referred to as the `LESSOR` of the One Part AND [Tenant Name], residing at [Tenant Address Line 1, Address Line 2, City, State, Pin Code] hereinafter referred to as the `LESSEE` of the other Part; WHEREAS the Lessor is the lawful owner of, and otherwise well sufficiently entitled to [Lease Property Address Line 1, Address Line 2, City, State, Pin Code] falling in the category, [Independent House / Apartment / Farm House / Residential Property] and comprising of [X Bedrooms], [X Bathrooms], [X Carparks] with an extent of [XXXX Square Feet] hereinafter referred to as the `said premises`; AND WHEREAS at the request of the Lessee, the Lessor has agreed to let the said premises to the tenant for a term of [Lease Term] commencing from [Lease Start Date] in the manner hereinafter appearing.

Risk Level: MEDIUM

Explanation: This agreement outlines the terms of a residential rental property, including the landlord's rights and responsibilities, as well as the tenant's obligations.

Recommendation: Review the annexure to ensure all fixtures and fittings are included in the lease. Consider negotiating a longer notice period for termination.

Clause 2

That the Lessor hereby grant to the Lessee, the right to enter into and use and remain in the said premises along with the existing fixtures and fittings listed in Annexure 1 to this Agreement and that the Lessee shall be entitled to peacefully possess, and enjoy possession of the said premises, and the other rights herein.

Risk Level: LOW

Explanation: The Lessor grants the Lessee the right to use and possess the premises, fixtures, and fittings, subject to certain conditions.

Recommendation: Verify Annexure 1 for accuracy and ensure compliance with lease terms.

Clause 3

That the lease hereby granted shall, unless cancelled earlier under any provision of this Agreement, remain in force for a period of [Lease Term].

Risk Level: MEDIUM

Explanation: The lease term duration is explicitly stated, providing clarity on the expected length of the agreement.

Recommendation: Consider negotiating for a specific clause regarding extension or termination of the lease based on performance milestones or other conditions to ensure flexibility and adaptability in case circumstances change.

Clause 4

That the Lessee will have the option to terminate this lease by giving [one month`s notice] in writing to the Lessor.

Risk Level: UNKNOWN

Explanation: LLM execution failed

Recommendation: Expecting value: line 1 column 1 (char 0)

Clause 5

That the Lessee shall have no right to create any sub -lease or assign or transfer in any manner t he lease or give to any one the possession of the said premises or any part thereof.

Risk Level: LOW

Explanation: The clause restricts the lessee's ability to sublet, assign, or transfer the lease, ensuring the lessor maintains control over the premises.

Recommendation: Review and understand the specific restrictions on subletting, assigning, or transferring the lease to avoid any potential disputes.

Clause 6

That the Lessor shall, before handing over the said premises, ensure the working of sanitary, electrical and water supply connections and other fittings pertaining to the said premises. It is agreed that it shall be the responsibility of the Lessor for their return in the working condition at the time of re -possession of th e said premises (reasonable wear and tear and loss or damage by fire, flood, rains, accident, irresistible force or act of God excepted).

Risk Level: MEDIUM

Explanation: The Lessor is responsible for ensuring the working condition of sanitary, electrical and water supply connections before handing over the premises. They are also liable for any damages or issues at the time of re-possession, except for reasonable wear and tear or damage caused by natural disasters.

Recommendation: The Lessor should ensure that all connections and fittings are in good working condition before handing over the premises. The Lessee should also regularly inspect and maintain the premises to avoid any unexpected issues.

Clause 7

That the Lessee is not authorized to make any alteration in the construction of the said premises. The Lessee may however install and remove his own fittings and fixtures, provided this is done without causing any excessive damage or loss to the said premises.

Risk Level: MEDIUM

Explanation: The clause prohibits the Lessee from making any alterations to the construction of the premises, but allows them to install and remove their own fittings and fixtures without causing excessive damage or loss.

Recommendation: Ensure clear documentation and inspection protocols are in place to verify that no unauthorized changes have been made to the premises' construction.

Clause 8

That the day to day repair jobs such as fuse blow out, replacement of light bulbs/tubes, leakage of water taps, maintenance of the water pump and other minor repairs, etc., shall be effected by the Lessee at its own cost, and any major repairs, either structural or to the electrical or water connection, plumbing leaks, water seepage shall be attended to by the Lessor. In the event of the Lessor failing to carry out the repairs on receiving notice from the Lessee, the Lessee shall undertake the necessary repairs and the Lessor will be liable to immediately reimburse costs incurred by the Lessee.

Risk Level: LOW

Explanation: The Lessee is responsible for minor repairs while the Lessor handles major repairs. If the Lessor fails to perform necessary repairs, the Lessee may undertake the work and be reimbursed by the Lessor.

Recommendation: Ensure clear communication between the Lessee and Lessor regarding repair responsibilities.

Clause 9

That the Lessor or its duly authorized agent shall have the right to enter into or upon the said premises or any part thereof at a mutually arranged convenient time for the purpose of inspection.

Risk Level: UNKNOWN

Explanation: LLM execution failed

Recommendation: Expecting value: line 1 column 1 (char 0)

Clause 10

That the Lessee shall use the said premises along with its fixtures and fitting in careful and responsible manner and shall handover the premises to the Lessor in working condition (reasonable wear and tear and loss or damage by fire, flood, rains, accidents, irresistible force or act of God excepted).

Risk Level: MEDIUM

Explanation: The clause emphasizes the responsibility of the lessee (tenant) to use the premises in a careful and responsible manner and return it to the lessor (landlord) in working condition, except for reasonable wear and tear or damage caused by natural disasters or irresistible force.

Recommendation: Review and understand the specific responsibilities outlined in the clause to ensure compliance with local laws and regulations.

Clause 11

That in consideration of use of the said premises the Lessee agrees that he shall pay to the Lessor during the period of this agreement, a monthly rent at the rate of [Monthly Rental in Number & Words]. The amount will be paid in advance on or before the date of [1st day] of every English calendar month.

Risk Level: LOW

Explanation: The agreement specifies a clear payment structure for rent, with a monthly advance payment on or before the first day of every English calendar month.

Recommendation: The Lessee should ensure timely payments and maintain accurate records to avoid any potential disputes.

Clause 12

It is hereby agreed that if default is made by the lessee in payment of the rent for a period of three months, or in observance and performance of any of the covenants and stipulations hereby contained and on the part to be observed and performed by the lessee, then on such default, the lessor shall be entitled in addition to or in the alternative to any other remedy that may be available to him at this discretion, to terminate the lease and eject the lessee from the said premises; and to take possession thereof as full and absolute owner thereof, provided that a notice in writing shall be given by the lessor to the lessee of his intention to terminate the lease and to take possession of the said premises.

Risk Level: MEDIUM

Explanation: The lessor has the right to terminate the lease and eject the lessee if there is a default in payment of rent or non-performance of covenants for three months. Additionally, the lessor can take possession of the premises as full and absolute owner.

Recommendation: Review the lease agreement to ensure that it complies with relevant laws and regulations.

Clause 13

If the arrears of rent are paid or the lessee comply with or carry out the covenants and conditions or stipulations, within fifteen days from the service of such notice, then the lessor shall not be entitled to take possession of the said premises.

Risk Level: LOW

Explanation: The lessor will not take possession of the premises if arrears of rent are paid or lessee complies with covenants and conditions within 15 days from notice.

Recommendation: Review lease terms for potential termination clauses and ensure timely payment of rent.

Clause 14

That in addition to the compensation mentioned above, the Lessee shall pay the actual electricity, shared maintenance, water bills for the period of the agreement directly to the authorities concerned. The relevant `start date` meter readings are [Starting Meter Reading].

Risk Level: LOW

Explanation: The Lessee is responsible for paying actual electricity, shared maintenance, and water bills directly to authorities. Relevant meter readings are provided.

Recommendation: Verify accuracy of meter readings and ensure timely payment to avoid potential disputes.

Clause 15

That the Lessee has paid to the Lessor a sum of [Rental Deposit in Number and Words] as deposit, free of interest, which the Lessor does accept and acknowledge. This deposit is for the due performance and observance of the terms and conditions of this Agreement. The deposit shall be returned to the Lessee simultaneously with the Lessee vacating the said premises. In the event of failure on the part of the Lessor to refund the said deposit amount to the Lessee as aforesaid, the Lessee shall be entitled to continue to use and occupy the said premises without payment of any rent until the Lessor refunds the said amount (without prejudice to the Lessee's rights and remedies in law to recover the deposit).

Risk Level: LOW

Explanation: The Lessee has paid a deposit as security for performance and observance of the agreement terms, which will be returned upon vacating the premises. In case of Lessor's failure to refund, the Lessee can continue using the premises without rent until the deposit is refunded.

Recommendation: Review and clarify deposit return procedures in case of disputes

Clause 16

That the Lessor shall be responsible for the payment of all taxes and levies pertaining to the said premises including but not limited to House Tax, Property Tax, other cesses, if any, and any other statutory taxes, levied by the Government or Governmental Departments. During the term of this Agreement, the Lessor shall comply with all rules, regulations and requirements of any statutory authority, local, state and central government and governmental departments in relation to the said premises. IN WITNESS WHEREOF, the parties hereto have set their hands on the day and year first hereinabove mentioned. Lessor, Lessee, [Name] [Name] [Address Line 1] [Address Line 1] [Address Line 2] [Address Line 2] [City, State, Pin Code] [City, State, Pin Code]

Risk Level: LOW

Explanation: The Lessor is responsible for paying all taxes and levies related to the premises, including House Tax, Property Tax, and any other statutory taxes. The Lessor must also comply with all rules, regulations, and requirements of government authorities.

Recommendation: Review the lease agreement to ensure that the Lessee's obligations are clearly defined and that the Lessor is aware of their tax responsibilities.

Clause 17

[Name & Address] [Name & Address] ANNEXURE I List of fixtures and fittings provided in [Lease Property Address Line 1, Address Line 2, City, State, Pin Code]:

Risk Level: MEDIUM

Explanation: The agreement appears to be a standard residential rental agreement, granting the lessee the right to occupy and use the premises with existing fixtures and fittings. However, there are some potential risks associated with this agreement.

Recommendation: Review the agreement thoroughly to ensure all parties' rights and obligations are clearly stated. Consider seeking legal advice before signing the agreement.