

AI Contract Risk Report

Executive Summary

N/A

Verdict: UNKNOWN

Risk Overview

Overall Risk Score: 0

Status: UNKNOWN

Top Risks

- 1 { "title": "Termination clause for lessee's default", "impact": "High risk of termination of lease and ejection from premises", "action": "Carefully review and consider the consequences of terminating the lease" }
- 2 { "title": "Inspection rights", "impact": "Risk of unexpected inspections by the lessor", "action": "Establish clear procedures and protocols for inspections, including notice periods and acceptable times for entry" }

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: LOW

Explanation: The agreement provides a straightforward residential rental arrangement with clear terms and conditions.

Recommendation: No significant risks identified. This agreement appears to be a standard template for residential rentals, providing clarity on the rights and obligations of both parties.

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 Lessee has limited rights and no right to sub-lease, assign or transfer the lease, which minimizes the legal risks.

Recommendation: Ensure the Lessee is aware of their limitations and does not attempt to transfer or sub-lease without consent.

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: LOW

Explanation: This clause sets out the duration of the lease, which will remain in force unless cancelled earlier under any provision of the agreement. This provides a clear expectation for both parties regarding the length of the tenancy.

Recommendation: Review other clauses related to termination and notice periods to ensure consistency and clarity in the agreement.

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: MEDIUM

Explanation: This clause grants the lessee the option to terminate the lease with a specific notice period, which may impact the lessor's ability to recover rent and maintain control over the property.

Recommendation: Review and negotiate the notice period to ensure it is reasonable and aligns with industry standards

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: UNKNOWN

Explanation: LLM execution failed

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

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: LOW

Explanation: The Lessor's responsibility for ensuring the working condition of premises before handover and upon re-possession, with exceptions.

Recommendation: Review and clarify responsibilities for minor repairs to prevent disputes.

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: LOW

Explanation: The Lessee is restricted from making changes to the premises' construction, but can install/remove their own fixtures/fittings without causing excessive damage.

Recommendation: Lessee should ensure any installations/removals are done with minimal disruption to the premises.

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 major repairs are handled by the Lessor. The Lessee can undertake repairs if the Lessor fails to respond.

Recommendation: Establish a clear process for reporting and addressing repair requests to minimize delays and ensure timely resolution.

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: MEDIUM

Explanation: The Lessors have the right to inspect the premises at a mutually agreed-upon time for the purpose of inspection.

Recommendation: Establish clear procedures and protocols for inspections, including notice periods and acceptable times for entry.

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: LOW

Explanation: The clauses outline the responsibilities of both the Lessor and the Lessee regarding the use and maintenance of the premises. The Lessor's responsibility for ensuring the working condition of sanitary, electrical and water supply connections may introduce some risks.

Recommendation: Review Annexure 1 to ensure all necessary fixtures and fittings are listed and update as needed. Confirm that both parties understand their responsibilities and agree on the reasonable wear and tear exception.

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 clause outlines the Lessee's obligation to pay monthly rent in advance, with a clear date for payment. This provides clarity and reduces potential disputes.

Recommendation: None

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: HIGH

Explanation: Termination clause for lessee's default in payment of rent or non-performance of covenants and stipulations.

Recommendation: Carefully review and consider the consequences of terminating the lease. Ensure proper notice is given to the lessee before taking possession of the premises.

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 cannot take possession of the premises if the lessee pays arrears of rent or complies with covenants and conditions within a certain time frame.

Recommendation: Verify payment terms and notice periods to avoid potential disputes.

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 electricity, maintenance, and water bills directly to authorities during the agreement period. Relevant meter readings include the start date reading.

Recommendation: Confirm with the authorities that the Lessee is indeed responsible for these payments and ensure clear documentation of the agreed-upon meter readings.

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 to the Lessor, which will be returned upon vacating the premises. In case of default by the Lessor in refunding the deposit, the Lessee can continue using the premises without paying rent until the amount is refunded.

Recommendation: Establish a clear process for deposit refunds and maintain open communication with the Lessee to prevent 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: UNKNOWN

Explanation: LLM execution failed

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

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: LOW

Explanation: The agreement seems to be a standard residential rental agreement, with the lessee granted the right to occupy and use the premises along with existing fixtures and fittings.

Recommendation: Verify the lease terms and ensure compliance with local regulations.