

The Arkansas LANDLORD/TENANT HANDBOOK

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This handbook has been prepared to aid both tenants and landlords to understand their responsibilities as well as rights. While a diligent attempt has been made to ensure the information is accurate, no guarantee of accuracy is provided and this handbook does not purport to cover all possible situations or problems. These materials are provided for educational purposes and should not be received as legal opinions for pending or future legal matters.

Please note that, throughout this handbook, the term "owner" refers to the owner, manager, landlord or person responsible for renting the property.

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CAVEAT LESSEE

The general rule of law in Arkansas is *caveat lessee* or "lessee beware" which provides that a leased premises is taken by the tenant "as is" unless a lease agreement specifies otherwise. The doctrine means, absent fraud or an express provision in a lease, the owner has absolutely no obligation to repair or maintain a leased premises. As the owner has no obligation for repairs or maintenance, the owner is not liable to a tenant or tenant's guests for injuries caused by a defective condition of the premises unless such owner had a contractual obligation to repair and maintain the premises or assumed a duty to repair and did so in a negligent manner. The contractual obligation to repair must be specific, and the owner's agreement to inspect the property to determine whether repairs are needed is not enough. Additionally, Arkansas law does not impose a duty on owners to remove natural hazards that could threaten the well-being of tenants. Prior to 2005, this law was established by way of Arkansas Court opinions. In 2005, the Arkansas General Assembly codified this rule of law under Arkansas Code Annotated § 18-16-110.

Exceptions

While this rule appears harsh on tenants, Arkansas has developed several exceptions to the general rule of *caveat lessee*. Typically, an owner who has knowledge of a defect on a premises cannot undertake efforts to conceal the defect from a tenant without being liable for damages incurred by the tenant resulting from the concealment. Additionally, even in the absence of a contractual obligation to maintain or repair a premises, if an owner undertakes such repairs in a negligent or careless manner so as to cause injury to a tenant, then the tenant may recover damages from the owner for any loss resulting from the negligent repairs. Finally, an owner owes certain duties of "fair dealing" to a tenant even with the doctrine of *caveat lessee* in place.

Self-Help Eviction Prohibited

The *caveat lessee* doctrine does not give the owner a license to violate the law. The Arkansas Supreme Court has held that owners cannot use force to retake leased premises, even when a tenant is in default of a lease agreement. Arkansas law prohibits self-help action and requires owners to use the legal process to evict a tenant, even if the lease agreement provides otherwise. Lease terms purporting to give the landlord self-help remedies are invalid under the law. In 2007, the General Assembly passed the Arkansas Residential Landlord-Tenant Act which codifies the rights and responsibilities of both owners and tenants and is discussed in further detail below.

YOUR RIGHTS AS A TENANT

In Arkansas, some cities and counties have enacted building and health codes. Structures that contain major violations of these codes are not safe or decent and you should not rent them. You also have *the right to call a health or housing inspector* if you think there is a code violation in the place you are renting.

When you rent a property, you are exchanging money for *the right to enjoy the property*. Your landlord or manager retains the right to enter the property at "reasonable times" to inspect it or make repairs except he or she may enter any time in case of an emergency which would endanger property or people. Absent an emergency, the landlord should notify you before entering the property and ask your permission.

When you pay cash for rent or for a security deposit, *you should request a written receipt for it*.

When you rent, you are entitled to *reasonable notice of any change in your rental agreement*, whether written or oral. If you have a written lease for a specified period of time, the only changes should be ones you agreed to or ones permitted by the lease.

Problem Housing

If you have a problem with your rented property, notify the landlord immediately. The Arkansas General Assembly has provided housing standards for all leases entered into or renewed after November 1, 2021. These owners must provide:

- An available source of hot and cold running water;
- An available source of electricity;
- A source of potable drinking water;
- Adequate sewer system and plumbing;
- A functioning roof and exterior walls; and
- A functioning heating and air conditioning system (if the building had a heating and air conditioning system when the lease began).

The owner may ask the tenant to list any of the above defects on a form at the beginning of a lease. If the tenant (i) does not list any defects or (ii) does not return the form to the owner within two business days, then the owner is not responsible for any of the above defects existing at the beginning of a lease. If a defect arises during the term of the lease through no fault of the tenant, the tenant must (i) provide written notice of the defect to the owner by

certified mail, (ii) allow the owner to access the premises to repair the defect, and (iii) continue to pay rent. The tenant may terminate the lease if the owner does not repair the defect within thirty days after receiving tenant's written notice. Alternatively, the owner may apply tenant's security deposit to repair the defect if it is not among the listed defects above or if tenant caused the defect. Lease terms waiving these housing standards are invalid under the law.

Covenant of Quiet Enjoyment & Constructive Eviction

If the landlord does not respond to your notice, contact the appropriate government agency to have the property inspected. Some Arkansas cities have established criminal nuisance abatement boards to address and remedy continuing public nuisances. These boards regularly field residents' complaints concerning gang activity, drugs, prostitution, health and safety violations, and other criminal mischief. Criminal nuisance abatement boards have broad authority to regulate public nuisances by ordering landlords to comply with state and local safety codes, ordering the eviction of tenants who are responsible for criminal conduct, or even closing all or part of the premises until the nuisance is abated. Landlords who violate an order of abatement can be fined up to \$250.00 per day. To avoid these penalties, landlords should periodically inspect their property and perform routine background checks on prospective tenants.

Arkansas law recognizes an implied covenant of quiet enjoyment in every lease agreement regardless of whether such covenant is expressly stated in the lease agreement. To the extent an owner performs conduct that effectively deprives a tenant of the use and benefit of the premises then such conduct may amount to a constructive eviction. The owner's conduct must be such that it will prevent the tenant's use of the premises for the particular purposes for which it was leased, and the specific conduct rising to the level of a constructive eviction depends on the facts and circumstances of each case. Additionally, the tenant must provide the owner with notice of the problem and give the owner a reasonable amount of time to fix the problem. If the owner does not fix the issue after receiving notice and a constructive eviction results, the tenant may be justified in ceasing to pay rent, but only if the tenant also abandons the premises.

YOUR RESPONSIBILITIES AS A TENANT

You lose all of your rights as a tenant if you are legally evicted. You can be legally evicted when you do not live up to your responsibilities as a tenant. The agreement between landlord and tenant will control your responsibilities, but some common requirements are:

- Pay all of your rent on time. If you think the landlord is being unfair, or the rented property is in poor condition, discuss these matters with your landlord. Most disputes between a landlord and a tenant can be resolved if the rent has been paid.

- Take "good care" of the property you are renting. It is, after all, the landlord's property and you are paying for the use of it. When you move out of the property, it must be in the same condition as it was when you moved in, except for normal wear and tear.
- Let your landlord know when you are going to be out of town or away for a period of time. If possible, let them know how to contact you. If they notice you are gone, but haven't been informed ahead of time, they may think you have abandoned the property.
- Comply with local board of health rules and the landlord's rules and regulations for tenants.
- Keep the property clean.
- Inform the landlord, in writing, of needed repairs as soon as you discover that a repair is necessary.
- Be considerate of other tenants and neighbors. They have the same rights that you do.
- Abide by all the terms of your lease or rental agreement. For example, if the lease or rental agreement says "no pets," then you may not have pets.
- Except as permitted by law, you should not increase the number of occupants specified in the lease or rental agreement without the written permission of the owner.
- Give the landlord written notice before you move out. Normally, you should provide the landlord notice a number of days prior to moving out which is equal to the cycle that you pay rent, unless more time (which the law requires to be reasonable) is specified in your lease or rental agreement. For example, if you pay rent once a month, then provide notice to your landlord of an intention to move one month prior to the date you are moving.
- Take all precautions you deem necessary to insure the safety of persons and personal property in and around the property. Safety is not the responsibility of the landlord, and you should not expect the landlord to make repairs, or take precautions to make rented property (or areas around rented property) safe. You may wish to consider insurance for all personal property you place on the property.

Paying Rent

Payment of rent by check is preferred by most landlords and gives you an automatic receipt when the landlord cashes it. You can stop payment on a check if it gets lost in the mail. You can also write on the check which month the rent is for to avoid confusion. **When you pay your rent by cash or money order, you should ask for a receipt.** If a money order is lost in the mail, it takes a long time to trace. In the meantime, your landlord will want the rent that is

legitimately due. This can result in your having to make two rent payments or being evicted for non-payment of rent.

Landlord's Lien

When you move into a property (commercial or residential) your landlord automatically may have a claim or lien on your personal property for unpaid rent. However, the landlord cannot forcibly enter your rented property and take your personal property. The landlord must first file a lawsuit and get a court order which orders an officer to take and hold some of your property until you pay what you owe, or, if you do not pay, sell your property at a public auction. In this event, you should obtain legal counsel (again, this handbook provides information concerning how to obtain free legal help if you cannot afford an attorney) to determine whether your property is exempt from sale by the Arkansas Constitution, or if you have a defense to the lawsuit.

Criminal Nuisance Abatement

Should your activities on a rented property cause a local nuisance abatement board to declare such activity for the property a nuisance, the result may be a default under your lease or rental agreement, and you may be evicted.

EVICTION

Arkansas law provides three procedures for landlords to seek the eviction of tenants who do not pay rent, or who otherwise violate the terms of a lease or rental agreement. The first procedure is commonly referred to as the "Unlawful Detainer" procedure. The second procedure is commonly referred to as the "Municipal Court" procedure which criminally punishes a tenant for failure to vacate a premises upon the non-payment of rent. The final procedure is found under the Arkansas Residential Landlord Tenant Act of 2007 and is commonly referred to as the "Civil Eviction" procedure.

The "Unlawful Detainer" Procedure

If a landlord feels that a tenant has violated the terms of a lease or rental agreement, either by failure to pay rent or otherwise, an unlawful detainer proceeding may be started. An unlawful detainer action is started by giving the tenant three days' notice of the lease or rental agreement violation. During the three-day period, the tenant must either vacate the property, or risk being ultimately held by a circuit judge to have committed a legal violation known as an unlawful detainer. If the tenant vacates the property, usually no further legal action will take place. However, since the three-day notice requirement is very short, many tenants are unable or unwilling to vacate the property. If the tenant does not vacate the property, then the landlord may file a lawsuit against the tenant in Circuit Court seeking an eviction order (known as a writ of possession), plus a judgment for monies owed to the landlord by the tenant. If you are a tenant and are sued for eviction in a Circuit Court, you have only **five days** to file a written response to the complaint, starting the day after you receive the complaint and excluding weekends and legal holidays. Your written response

must explain to the court why you should not be evicted. If you file a written response within five days after you have been served with the complaint, you will receive notice of a time and date upon which you will have the opportunity to appear before the judge to explain why you should not be evicted. **You should attempt to obtain legal counsel prior to filing a response to the complaint and attending the hearing.**

At the eviction hearing, tenants must present to the Court any evidence to prove that they should not be evicted. For example, if a tenant does not believe he or she has violated the provisions of the lease or the rental agreement, the tenant should be prepared to explain this to the Court. Personal circumstances are usually not a legal justification for depriving the landlord of rent that he or she is entitled to. The Court may be sympathetic to a tenant's personal circumstances, but may also be sympathetic to the mortgage and other financial obligations facing the landlord.

If a tenant fails to respond to the unlawful detainer complaint within the five-day period, or is unsuccessful at the hearing described above, the landlord will obtain an eviction order (again, called a writ of possession) which will be carried out by the sheriff for the county where the rented property is located, causing the tenant to be evicted.

Finally, the unlawful detainer method of eviction provides the landlord, if successful in obtaining the eviction order, with the opportunity to obtain a judgment against the tenant for any damages caused by the tenant's breach of the lease or rental agreement, perhaps in addition to court costs and attorney's fees. A judgment obtained by a landlord against a tenant can be registered in any state or county where the tenant moves to and can survive forever, if properly renewed by the landlord. While beyond the scope of this handbook, entry of a judgment and resultant attempts to collect judgment can be extremely harmful to a tenant and may include garnishments, denials of credit, etc.

The "Municipal Court" Procedure

The "Municipal Court" procedure of seeking eviction is simpler for both landlords and tenants than the unlawful detainer procedure of eviction. This procedure is available **only when (i) tenants refuse to pay the rent provided for in the lease or rental agreement; and (ii) refuse to vacate property *within ten days* after being notified to do so.** If a tenant refuses to pay required rent, the landlord may send to the tenant a written notice providing that, if the tenant does not pay the required rent, then the landlord will go to the legal authorities to report the occurrence of a misdemeanor. Of course, if the rent is paid, or the property vacated, then there will be no other consequence to the tenant under this procedure.

If the tenant (i) refuses to pay the agreed upon rent to the landlord, and (ii) refuses to vacate the property within ten days of being demanded to do so, then the tenant will face the issuance of a citation, similar to a traffic ticket, and a hearing before the Judge for the municipality wherein the property is located or the justice of the peace or other court of competent jurisdiction. If the tenant cannot convince the Judge that the rent was not required to be paid for any reason allowed by law (with the proof of such reasons being similar to that in an unlawful detainer proceeding) then the Judge can find the tenant guilty

of a misdemeanor and fine the tenant up to \$25.00 per day for each day that the tenant refuses to vacate the property following the expiration of the ten-day notice period.

The "Civil Eviction" Procedure

Prior to an actual eviction, the "Civil Eviction" procedure gives tenants a "grace period" to remedy any defaults with respect to the lease agreement. First, if the tenant is not in compliance with the rental agreement for obligations of the tenant other than paying rent, the landlord may deliver a written notice to the tenant specifying the acts and omissions constituting the non-compliance and that the rental agreement will terminate upon a date not less than fourteen days after the receipt of such notice if the non-compliance is not remedied within the fourteen-day period. The rental agreement shall terminate as provided in the notice unless the non-compliance is remediable by repairs or otherwise, and the tenant adequately remedies the non-compliance before the date specified in the notice. Second, if tenant fails to pay rent within five days from the due date, the landlord may terminate the rental agreement. If the rental agreement is terminated due to the reasons provided above, the landlord has a right to possession and for rent and a separate claim for actual damages for breach of the rental agreement and reasonable attorney's fees.

A landlord may commence eviction proceedings against a tenant in a District Court when: **(i) the tenant fails or refuses to pay the rent when due or demanded; (ii) the term of the tenancy or occupancy has ended; or (iii) the terms or conditions of the rental agreement have been violated.** For residential rental agreements, non-payment of rent within five days of the due date constitutes legal notice to the tenant that the landlord has the right to begin eviction proceedings under the "Civil Eviction" procedure.

When grounds exist for eviction of a tenant, a landlord may commence an action for eviction by filing a complaint and supporting affidavit stating the grounds for eviction with a District Court. Upon filing the complaint, the District Court shall issue an order requiring the tenant to vacate the occupied premises or show cause as to possession. The tenant shall have ten days commencing on the day the tenant was served with the order to show cause stating why the tenant should not be evicted. If the tenant fails to appear and show cause within the ten-day period, the Court shall enter judgment in favor of the landlord and direct the clerk to issue a writ of possession. The tenant shall then be evicted by the county sheriff.

However, if the tenant appears and contests within the ten-day period, the Court shall hear and determine the case as any other civil case. If the Court finds in favor of the landlord, the District Court shall within three days issue a writ of eviction and the tenant shall be evicted by the county sheriff. If the Court finds in favor of the tenant, the tenant shall be entitled to remain in possession of the premises until: (i) the termination of tenancy by agreement or operation of law; (ii) failure or neglect to pay rent; (iii) eviction in another proceeding or by judgment of a Court.

How You Can Be Told You Are Being Evicted

The landlord can give you either the three-day notice provided in the "Unlawful Detainer" procedure, or the ten-day notice provided in the "Municipal Court" procedure and "Civil Eviction" procedure, in one of four ways:

- 1) hand it to you or have someone hand it to you (the person does not have to be a sheriff or a policeman); or
- 2) send you a copy by registered or certified mail to the address of the rented property; or
- 3) leave a copy with someone of suitable age at the rented property AND mail a copy to your address (leaving the notice with a child is legal ONLY if the child is old enough to be responsible for giving you the notice); or,
- 4) post a copy on the rented property if you can't be located and no one responsible is home.

COVID-19 Eviction Moratorium

As a result of the COVID-19 pandemic, both the federal government, through the CARES Act, and the Centers for Disease Control (CDC) enacted eviction moratoriums which protected eligible tenants from eviction for nonpayment of rent. The CARES Act moratorium expired on July 24, 2020. In August 2021, the United States Supreme Court determined the CDC's COVID-19 moratorium was unlawful because the CDC lacked the authority to impose a nationwide moratorium on evictions. As a result, the CDC's COVID-19 Moratorium can no longer be enforced. This result could be different in the future if Congress imposes a nationwide moratorium on evictions rather than the CDC or another agency of the federal government.

Rental assistance may still be available to tenants for overdue and upcoming rent and utilities. Tenants can contact their local Public Housing Authority or visit the following website for more information: <https://humanservices.arkansas.gov/covid-19/dhs-response-to-covid-19/updates-for-clients/rental-assistance/>.

SECURITY DEPOSITS

Usually, when either a residential or commercial tenant enters into a rental agreement or lease with a landlord, a security deposit is required to be given to the landlord. The security deposit provides assurance to the landlord that loss from a tenant who fails to pay rent, or from a tenant that does not properly maintain the rented property, will be lessened.

Arkansas law protects tenants from potential abuse of the security deposit requirement by placing restrictions and limitations upon when a landlord can keep some or all of a security deposit, in addition to the procedure which must be followed if the landlord desires to retain all or part of such deposit.

Which Security Deposits Are Regulated

In all instances where (1) the landlord, or any corporation, partnership or other entity formed for the purpose of owning rental property which is owned either partially or totally by the landlord, owns at least five dwelling units which are rented to members of the public, or (2) the rental property is managed by someone or some entity other than the landlord, regardless of the number of rental units owned by the landlord, then Arkansas law regulates the acceptance and retention of security deposits.

Maximum Security Deposit

If either of the tests set forth in the prior section are satisfied, then a tenant in Arkansas may not be required to put up a security deposit in excess of an amount equal to two months' rent.

Return of Security Deposit - Time Limit

If the security deposit is regulated, within sixty days after the termination of a tenancy, all property or money given to the landlord has to be returned to the tenant. However, the security deposit may be applied to the payment of unpaid rent, and to any damages which the landlord has suffered by reason of the tenant's noncompliance with the lease or rental agreement but only to the extent the damages are itemized in a written notice delivered to the tenant, together with the remainder of the amount due, within sixty days after the tenancy is terminated.

The notice of intent to retain all or some of the security deposit discussed above must be mailed by first class mail to the last known address of the tenant. Therefore, tenants should always provide landlords with a written statement of where they can be reached because, if the landlord is unable to find the tenant within 180 days after the required mailing, the security deposit becomes the property of the landlord.

Money Wrongfully Withheld

Any landlord covered by the security deposit regulation may be liable to the tenant for an amount equal to twice the amount of money or value of property wrongfully withheld, plus court costs and attorney's fees incurred by the tenant in seeking return of the security deposit.

PROTECTING YOURSELF

To protect yourself when you rent, before you exchange any money for a property you think you like, inspect it. Look carefully and ask yourself:

- Is there enough hot water?

- Will you have control of the heat?

- Is heat and/or air conditioning available in each room?
- Are the drains clear? Do they work?
- Are there enough electrical outlets?
- Is adequate ventilation present?
- Are there screens on the windows?
- Do the windows and doors lock to your satisfaction?
- Are the hallways or surrounding grounds safe and sanitary?
- Are the sinks, bathtubs, toilets, and ceilings free of leaks?
- Is the property free of mice, rats, and roaches?
- Could you escape if the property caught fire?
- Are the lights in working order?
- Are pipes and wiring adequately covered and concealed?
- Is the paint in good shape? (Buildings constructed before 1978 may have been painted with lead paint which is poisonous to children if they eat it.)
- Do the toilets flush?
- Do you know about the prior use of the property and have you asked the landlord whether there have been any activities on the property which the landlord was required to report to any government authority?

If you can answer "yes" to all questions above that are important to you, check with other renters or neighbors to find out if there are problems that you may not have noticed. If there are repairs that need to be made and the landlord is willing to make them, list each repair in writing and the date when each repair will be made. Ask the landlord to sign the agreement. Attach it to the rental agreement and keep a copy.

If the landlord agrees to let you make needed repairs and deduct the cost from your rent, put this agreement in writing and have the landlord sign it, attach it to the rental agreement, and keep a copy.

Whatever agreement you make with the landlord, you should go through the apartment and write down a list of all furnishings and the conditions of the furnishings, walls, carpets,

appliances, bathroom fixtures, etc., before you move in. Have the landlord sign the list and make sure you both keep a copy of the signed document.

TYPES OF LANDLORD-TENANT RELATIONSHIPS

Before you give the landlord any money, ask for a written agreement. There are three kinds of leases or rental agreements: an oral agreement, a written rental agreement, and a lease. It may seem quick, easy and best to simply talk to your landlord, pay money and shake hands, but remember that things change and memories differ. A written, signed agreement can protect your rights. When you rent, always get and keep a signed copy of the agreement.

Agreements

A written or oral rental agreement usually states that you are a tenant on a month-to-month or week-to-week basis. It does not insure that you will be able to maintain possession of the property for an extended period of time. A month-to-month or week-to-week rental agreement gives you freedom to move. Absent a longer specified period in a written rental agreement (which must be reasonable), you can give notice to the landlord or manager at the time you timely pay your rent, stating that you are moving on or before the day that the next rent payment is due. The landlord can give you a similar notice.

Leases

A lease usually states that you will be a tenant for a definite period of time and the rent is set for the period of the lease. A lease may be for a term of months or years. A lease can make you stay in a property longer than you want to stay. If you move before your lease is up, you may be liable for the landlord's expenses in re-renting the property and for any rent which comes due before the landlord can obtain a new tenant. On the other hand, a lease can protect your right to stay in the property if the landlord wants you to move.

Read It, Then Sign It

Whether you sign a rental agreement or a lease, **Read It Before You Sign It**. Find out what it says. If you do not understand the agreement or lease, ask the landlord to provide a written explanation of confusing provisions and attach the explanation to the agreement or lease. If you **do not** understand the explanation, you should seek legal advice. If you do understand the lease or rental agreement but do not agree with what it says, **DON'T SIGN IT**. Tell the landlord what you do not like; negotiate to change what you do not like.

Before you sign, make sure the lease or rental agreement includes the following information:

- (1) Names, addresses, and phone numbers of all persons who are signing.
- (2) Location of the property you are going to rent.

- (3) Amount of rent which has been agreed upon.
- (4) Persons responsible for utility bills.
- (5) Extent of landlord's obligation to repair and maintain the property.
- (6) Statement that notices are to be given in writing and where to send them.
- (7) Description of the property before you rent and a list of furnishings, if any, that are there.
- (8) The amount of any security deposit you pay and the conditions under which the security deposit will be returned to you.

ABANDONMENT

Your landlord can assume you have abandoned your rented property if:

- the property is vacant for an extended period and you have not told the landlord you will be away; AND
- you do not pay your rent within a reasonable period after the day it is due, even if you have left behind your furniture and belongings.

Abandonment can also be assumed if:

- the property is vacant for an extended period and you have not told the landlord you will be away; AND
- you do not pay your rent the day it is due; AND
- you have moved your belongings out of the property.

If You Abandon

If you have abandoned the property in violation of your rental agreement or lease, the landlord can retake the property and rent it to someone else. You are responsible for any costs the landlord has in re-renting the property, plus any rent which becomes due before the property is re-rented.

Landlord's Liens and Abandoned Property

Under Arkansas law, upon the voluntary or involuntary termination of any commercial or residential lease or rental agreement, all property left in and about the rented property is

considered abandoned and may be disposed of by the landlord as the landlord sees fit without the need to consult with the tenant or give notice to the tenant. Therefore, tenants should be careful to remove all personal property, particularly if it has value, prior to vacating rented property.

Commercial and residential tenants should also realize that all property placed on, about or in the rented property is subject to a lien in favor of the landlord for the payment of all sums agreed to be paid by the tenant. Limitations on the landlord's ability to take or sell the property exist under Arkansas law, as outlined elsewhere in this handbook.

ALTERNATIVES TO STANDARD RENTAL AGREEMENTS

Subsidized Housing

There are two basic types of subsidized housing in Arkansas: (1) privately owned and operated subsidized housing; and (2) public housing operated by local housing authorities. Information regarding apartment availability, rental rates, and application procedures for rental in privately owned properties can be obtained from the resident manager of each of the apartment complexes. The local housing authority office can provide rental information regarding availability and procedures of public housing.

To be eligible, the applicant must have a gross income not exceeding prescribed income limits for such housing in the community. In addition, the applicant must meet one of the following requirements:

- SECTION 8: (1) a family, (2) a single person, 62 years of age or over, or (3) a handicapped or disabled adult.
- SECTION 236: (1) a family, or (2) a single person.
- SECTION 202: Head of a household or spouse 62 years of age or over, a disabled or physically handicapped adult. Section 202 projects may admit some or all of the above individuals. Contact the manager to determine your eligibility.

Preferences are designated for Section 202 and Section 8 programs and for those who meet any of the following criteria (eligible applicants will move ahead of non-preferences on waiting lists): (1) persons who are or will be involuntarily displaced; (2) living in substandard housing, including homeless shelters, or (3) paying 50% or more of gross annual income towards rent and utilities.

Rental rates for the above programs are approximately 30% of total household income from all sources with the exception of Section 236 which requires a minimum rental payment. Housing Authorities typically incorporate within their housing policies preference for persons residing in the local area (though there is no length of residency requirements). The

need for subsidized housing creates waiting lists of six months or more, and in most cases, applications for subsidized housing may not be accepted if the waiting list is projected to be one year or more.

Cooperatives

Cooperative (co-op) ownership of housing means ownership and control by the people who live there. Instead of being owned by a landlord, co-op housing is owned and controlled collectively by tenants. They take on the responsibility of doing what the landlord should do: maintaining the building, bookkeeping, paying bills, deciding who lives there, and collecting rent. Co-ops allow each member a vote in how the co-op will run day-to-day and require a high level of participation from each member to run well.

Local Policies

People should learn how and by whom local policies for housing are set. You must learn about the local housing body: the planners, the city council, the local housing authority, building and health departments, and the mayor, all of whom make the major decisions that control housing. People can and should provide input into policies that will determine the future of housing in their communities.

Fair Housing

There are now both federal and state laws that prohibit discrimination in all aspects of housing--rental, sales, services, advertising, etc. It is illegal to treat people differently on the basis of race, color, religion, sex, national origin, handicap or family status. This means it may be illegal to have "adults only" apartments, condos or trailer parks, or to keep a family from renting or buying a home because they have children. If you believe you have been discriminated against, you should contact the Arkansas Fair Housing Commission, 323 Center Street, Suite 1200, Little Rock, Arkansas 72201, Telephone 501-682-3247, or seek legal advice (this handbook will provide information on legal aid for low-income tenants).

Homelessness

There are a number of services available for people without housing, or who need to locate low-income, subsidized or public housing. Some of these are only available in certain parts of the state; others are statewide. To find out where help is available, call the phone numbers listed below. Also, you may obtain a booklet entitled "Homeless Shelters in Arkansas" by writing or calling the Department of Human Services, Office of Community Services, 7th and Main, Donaghey Building South, 13th Floor, Little Rock, Arkansas (501) 682-8723. If you have access to a computer, you may obtain a copy of The Community Guide at [www.araccess.org].¹

Governmental Housing Assistance

Help is available, including assistance with the following: legal services, shelter, temporary housing, emergency food, federal food programs, medical and dental services, financial aid, showers and laundry, substance abuse and detoxification services, child care programs, child

abuse protection programs, Veterans' services, job services and training, adult education, clothing and identification cards.

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ARKANSAS LOW INCOME PUBLIC HOUSING AUTHORITIES AND/OR SECTION 8
PROGRAMS**

Public Housing Authority	City – Phone	Type	Executive Direct - Email
Alma Housing Authority <i>Crawford County</i>	Alma (479)632-2043	Low-Rent	Almapha.becky@gmail.com
Amity Housing Authority <i>Clark County</i>	Amity (870)342-5750	Low-Rent	amityhousingauth@windstream.net
Arkadelphia Housing Authority <i>Clark County</i>	Arkadelphia, AR (870)246-4632	Combined	rherrington@arkadelphiainhousing.org
Atkins Housing Authority <i>Pope County</i>	Atkins (479)641-2268	Low-Rent	Atkinsha@cswnet.com
Augusta Housing Authority <i>Woodruff County</i>	Augusta (870)347-5551	Low-Rent	ahousing@centurytel.net
Bald Knob Housing Authority <i>White County</i>	Bald Knob (501)724-5930	Low-Rent	Karon Lassiter karonlassiter@hotmail.com
Batesville Housing Authority <i>Independence County</i>	Batesville (870)793-9104	Low-Rent	bateshous@sbcglobal.net
Beebe Housing Authority <i>White County</i>	Beebe (501)882-5151	Low-Rent	bbha106@sbcglobal.net
Benton Housing Authority <i>Saline County</i>	Benton (501)778-7302	Combined	bpha@swbell.net
Blytheville Housing Authority <i>Mississippi County</i>	Blytheville (870)763-6781	Low-Rent	blyhousing@yahoo.com
Booneville Housing Authority <i>Logan County</i>	Booneville (479)675-2130	Combined	boonevilleha@centurytel.net
Brinkley Housing Authority <i>Monroe County</i>	Brinkley (870)734-3165	Combined	cityofbrinkley@netscape.net
Cabot Housing Authority <i>Lonoke County</i>	Cabot (501)843-6131	Section 8	cphagency@aol.com
Camden Housing Authority <i>Ouachita County</i>	Camden (870)836-9309	Combined	alg@camdenha.com
Caraway Housing Authority <i>Craighead County</i>	Caraway (870)482-3736	Low-Rent	chatcb2019@gmail.com
Carthage Housing Authority <i>Dallas County</i>	Carthage (870)254-2523	Low-Rent	hacoc@windstream.net
Clarendon Housing Authority <i>Monroe County</i>	Clarendon (870)747-3366	Combined	clarendonha@centurytel.net
Clarksville Housing Authority <i>Johnson County</i>	Clarksville (479)754-3564	Low-Rent	clarkha@centurytel.net
Coal Hill Housing Authority <i>Johnson County</i>	Coal Hill (479)497-1666	Low-Rent	Shirley Parker Shirley_L_Parker@yahoo.com
Conway Housing Authority <i>Faulkner County</i>	Conway (501)327-0156	Combined	chadirector@conwayha.org
Cotton Plant Housing Authority <i>Woodruff County</i>	Cotton Plant (870)459-2531	Low-Rent	cottonplanthousing@gmail.com
Crossett Housing Authority <i>Ashley County</i>	Crossett (870)364-5095	Low-Rent	thcrossettpha@windstream.net
Dardanelle Housing Authority	Dardanelle	Low-Rent	

<i>Yell County</i>	(479)229-3666		dhauthority@suddenlinkmail.com
Decatur Housing Authority	Decatur	Low-Rent	
<i>Benton County</i>	(870)741-5522		neal@nwregionalhousing.org
Dell Housing Authority	Dell	Low-Rent	
<i>Mississippi County</i>	(870)564-2395		dellha@att.net
Des Arc Housing Authority	Des Arc	Low-Rent	
<i>Prairie County</i>	(870)256-4577		desarc@centurytel.net
DeValls Bluff Housing Authority	DeValls Bluff	Section 8	
<i>Prairie County</i>	870-552-3554		d gates@lonokepha.com
Dover Housing Authority	Dover	Low-Rent	
<i>Pope County</i>	(479)331-2670		metta_clarkha@centurytel.net
Dumas Housing Authority	Dumas	Low-Rent	
<i>Desha County</i>	(870)382-5457		dumashousingauthority@centurytel.net
Earle Housing Authority	Earle	Low-Rent	
<i>Crittenden County</i>	(870)792-8733		earlehousing@sbcglobal.net
England Housing Authority	England	Low-Rent	
<i>Lonoke County</i>	(501)842-2591		EHA@centurytel.net
Fayetteville Housing Authority	Fayetteville	Combined	
<i>Washington County</i>	(479)521-3850		john@fayettevilleha.org
Forrest City Housing Authority	Forrest City	Low-Rent	
<i>Saint Francis County</i>	(870)633-7929		mcwayne@sbcglobal.net
Fort Smith Housing Authority	Fort Smith	Combined	
<i>Sebastian County</i>	(479)782-4991		mminnick@fortsmithhousing.org
Gould Housing Authority	Gould	Low-Rent	
<i>Lincoln County</i>	(870)263-4616		gouldha@centurytel.net
Greenwood Housing Authority	Greenwood	Low-Rent	
<i>Sebastian County</i>	(479)996-4661		housing@centurytel.net
Gurdon Housing Authority	Gurdon	Low-Rent	
<i>Clark County</i>	(870)353-2507		dirgha@att.net
Heber Springs Housing Authority	Heber Springs	Low-Rent	
<i>Cleburne County</i>	(501)362-6108		rfields@hspha.com
Helena Housing Authority	Helena	Section 8	
<i>Phillips County</i>	(870)338-3476		pcpha@yahoo.com
Hickory Ridge Housing Authority	Hickory Ridge	Low-Rent	
<i>Cross County</i>	(870)792-8733		jeduncan@sbcglobal.net
Hope Housing Authority	Hope	Combined	Leola Graves
<i>Hempstead County</i>	(870)777-5742		lgraves@hacityofhope.org
Hot Springs Housing Authority	Hot Springs	Combined	
<i>Garland County</i>	(501)624-4420		rherrington@hshousing.org
Howard County Housing Authority	Nashville	Low-Rent	
<i>Howard County</i>	(870)845-1080		howardcha@sbcglobal.net
Hoxie Housing Authority	Hoxi	Low-Rent	
<i>Lawrence County</i>	(870)886-3145		hoxiehousing@yahoo.com
Hughes Housing Authority	Hughes	Low-Rent	
<i>Saint Francis County</i>	(870)339-2896		hughesar061@att.net
Imboden Housing Authority	Imboden	Low-Rent	
<i>Lawrence County</i>	(870)869-2731		imbodenhousing@centurytel.net
Jacksonville Housing Authority	Jacksonville	Combined	
<i>Pulaski County</i>	(501)982-0741		director@jvillehousing.org
Jonesboro Housing Authority	Jonesboro	Combined	
<i>Craighead County</i>	(870)935-9800		jurha@jurha.org
Judsonia Housing Authority	Judsonia	Low-Rent	

<i>White County</i>	(501)729-4091		jha090ar@centurytel.net
Kensett Housing Authority <i>White County</i>	Kensett (501)742-3842	Low-Rent	rfields@hspha.com
Lake City Housing Authority <i>Craighead County</i>	Lake City (870)237-8815	Low-Rent	lcha@centurytel.net
Leachville Housing Authority <i>Mississippi County</i>	Leachville (870)539-2212	Low-Rent	Betty Jo Eldried eldried@centurytel.net
Little River County Housing Authority <i>Little River County</i>	Foreman (870)542-6464	Combined	driley@littleriverhousing.org
Little Rock Housing Authority <i>Pulaski County</i>	Little Rock (501)340-4821	Combined	rforte@mhapha.org
Lonoke County Housing Authority <i>Lonoke County</i>	Carlisle (870)552-3554	Combined	David Gates dgates@lonokepha.com
Luxora Housing Authority <i>Mississippi County</i>	Luxora (870)658-2270	Low-Rent	lha.cwc@rittermail.com
Magnolia Housing Authority <i>Columbia County</i>	Magnolia (870)234-5540	Low-Rent	mha@arkansas.net
Malvern Housing Authority <i>Hot Spring County</i>	Malvern (501)332-3652	Low-Rent	ed@malvernha.org
Mammoth Spring Housing Authority <i>Fulton County</i>	Mammoth Spring (870)625-3911	Low-Rent	msha@centurytel.net
Manila Housing Authority <i>Mississippi County</i>	Manila (870)561-3412	Low-Rent	ham@rittermail.com
Marianna Housing Authority <i>Lee County</i>	Marianna (870)295-2691	Low-Rent	csneed2467@att.net
Marmaduke Housing Authority <i>Greene County</i>	Marmaduke (870)597-4352	Low-Rent	marmadukehousing@yahoo.com
McCrary Housing Authority <i>Woodruff County</i>	McCrary (870)731-2616	Low-Rent	mccraryhousing@centurytel.net
McGehee Housing Authority <i>Desha County</i>	McGehee (870)222-3732	Combined	allen.64.evans@gmail.com
McRae Housing Authority <i>White County</i>	Mc Rae (501)726-4000	Low-Rent	dgatesmha@gmail.com
Melbourne Housing Authority <i>Izard County</i>	Melbourne (870)368-5200	Low-Rent	kblevins@wrrha.com
Monette Housing Authority <i>Craighead County</i>	Monette (870)486-5487	Low-Rent	mhatcb@centurytel.net
Morrilton Housing Authority <i>Conway County</i>	Morrilton (501)354-2330	Combined	Richard T. Upton rpton@morriltonha.com
Mount Ida Housing Authority <i>Montgomery County</i>	Mt. Ida (870)867-2332	Low-Rent	housingmtida@outlook.com
Newark Housing Authority <i>Independence County</i>	Newark (870)799-3339	Low-Rent	newarkha@att.net
Newport Housing Authority <i>Jackson County</i>	Newport (870)523-2195	Low-Rent	newporthousing@sbcglobal.net
North Little Rock Housing Authority <i>Pulaski County</i>	North Little Rock (501)758-8911	Combined	Belinda Snow belinda.snow@nlrha.org
NW Regional Housing Authority <i>Boone County</i>	Harrison (870)741-5405	Combined	neal@nwregionalhousing.org
Ola Housing Authority <i>Yell County</i>	Ola (479)489-5432	Low-Rent	olapha@arkwest.com
Osceola Housing Authority	Osceola	Low-Rent	

<i>Mississippi County</i>	(870)549-3986		rcollinsatoha@gmail.com
Ozark Housing Authority <i>Franklin County</i>	Ozark (479)474-6901	Low-Rent	Patricia Free patriciaf@vanburenhousing.org
Paragould Housing Authority <i>Greene County</i>	Paragould (870)239-8084	Combined	pha1@grnco.net
Paris Housing Authority <i>Logan County</i>	Paris (479)963-2130	Low-Rent	bmingspha@gmail.com
Parkin Housing Authority <i>Cross County</i>	Parkin (870)755-5646	Low-Rent	parkinpha@gmail.com
Pike County Housing Authority <i>Pike County</i>	Murfreesboro (870)285-2412	Combined	pikehousing@outlook.com
Pine Bluff Housing Authority <i>Jefferson County</i>	Pine Bluff (870)536-2074	Combined	pbha_epp@yahoo.com
Pocahontas Housing Authority <i>Randolph County</i>	Pocahontas (870)892-9278	Low-Rent	bwkj1976@gmail.com
Poinsett County Housing Authority <i>Poinsett County</i>	Marked Tree (870)358-2990	Low-Rent	director@poinsettcountyhousing.com
Polk County Housing Authority <i>Polk County</i>	Mena (479)394-1565	Combined	d.shrader@housingpolkar.com
Prescott Housing Authority <i>Nevada County</i>	Prescott (870)887-3718	Combined	libbysamone@yahoo.com
Rector Housing Authority <i>Clay County</i>	Rector (870)595-2182	Low-Rent	rha@centurytel.net
Rison Housing Authority <i>Cleveland County</i>	Rison (870)325-7420	Low-Rent	risonpha@yahoo.com
Russellville Housing Authority <i>Pope County</i>	Russellville (479)968-5440	Combined	russha@suddenlinkmail.com
Salem Housing Authority <i>Fulton County</i>	Salem (870)895-3098	Low-Rent	salemar074@gmail.com
Searcy Housing Authority <i>White County</i>	Searcy (501)268-8547	Combined	David Gates dgatesSHA@gmail.com
Sevier County Housing Authority <i>Sevier County</i>	De Queen (870)642-2960	Low-Rent	seviercoha@yahoo.com
Sparkman Housing Authority <i>Dallas County</i>	Sparkman (870)678-2518	Low-Rent	dirsph@outlook.com
Springdale Housing Authority <i>Washington County</i>	Springdale (479)751-0560	Combined	director@springdaleha.org
Star City Housing Authority <i>Lincoln County</i>	Star City, AR (870)628-4500	Combined	ed-hasc@centurytel.net
St. Francis Housing Authority <i>St. Francis County</i>	Forrest City (870)633-2781	Section 8	sfcha01@swbell.net
Stuttgart Housing Authority <i>Arkansas County</i>	Stuttgart (870)673-3701	Combined	stuttgartha@centurytel.net
Texarkana Housing Authority <i>Miller County</i>	Texarkana (870)773-7691	Combined	brandybradley@txkarhousing.com
Trumann Housing Authority <i>Poinsett County</i>	Trumann (870)483-5223	Combined	trumannahousing@gmail.com
Van Buren Housing Authority <i>Crawford County</i>	Van Buren (479)474-6901	Low-Rent	Patricia Free patriciaf@vanburenhousing.org
Waldron Housing Authority <i>Scott County</i>	Waldron (479)637-3864	Low-Rent	beverlywalter.wha@gmail.com
Warren Housing Authority <i>Bradley County</i>	Warren (870)226-2600	Combined	warrenha@sbcglobal.net

West Helena Housing Authority <i>Phillips County</i>	West Helena (870)572-6702	Low-Rent	cbramlett@yahoo.com
West Memphis Housing Authority <i>Crittenden County</i>	West Memphis (870)735-3520	Combined	whousing@comcast.net
White River Regional <i>Izard County</i>	Melbourne (870)368-5200	Combined	kblevins@wrrha.com
Wilson Housing Authority <i>Mississippi County</i>	Wilson (870)655-8620	Low-Rent	rcollinsatoha@gmail.com
Wynne Housing Authority <i>Cross County</i>	Wynne (870)238-7671	Combined	Sharron Weaver sweaver@ipa.net
Yellville Housing Authority <i>Marion County</i>	Yellville (870)449-4120	Low-Rent	mkaysmith91@yahoo.com

**ARKANSAS OFFICES OF
USDA RURAL DEVELOPMENT
STATE OFFICES**

Personnel	Contact Info	Service Area
Karen Petrus, Acting State Director	700 West Capitol, Room 3416 Little Rock, AR 72201-3225 Phone: 501-301-3200 Karen.Petrus@usda.gov	State Office
Cathy Harris, Forrest City Area Director	4401 N. Washington Forrest City, AR 72335 Phone: 870-633-3055 (ext. 4) Cathy.Harris@usda.gov	Counties served: Arkansas, Crittenden, Cross, Lee, Lonoke, Monroe, Phillips, Prairie, Pulaski, St. Francis, White, and Woodruff Counties.
Jamie Scott, Fort Smith Area Director	3913 Brooken Hill Dr, Ste 400 Fort Smith, AR 72908-9289 Phone: 479-431-3266 Jamie.Scott@usda.gov	Counties served: Conway, Crawford, Franklin, Faulkner, Johnson, Logan, Perry, Pope, Sebastian, Scott, Van Buren, and Yell Counties.
Johnny James, Harrison Area Director	Federal Building, Room 219 402 N Walnut Harrison, AR 72601 Phone: 870-741-8600 (ext. 4) Johnny.James@usda.gov	Counties served: Baxter, Benton, Boone, Carroll, Fulton, Izard, Madison, Marion, Newton, Searcy, Stone, and Washington Counties
Doug Lawrence, Hope Area Director	USDA Service Center 300 W. Commerce Blvd., Suite D Hope, AR 71802 P. O. Box 768 Phone: 870-777-8800 (ext. 4) Doug.Lawrence@ar.usda.gov	Counties served: Clark, Garland, Hempstead, Hot Spring, Howard, Lafayette, Little River, Miller, Montgomery, Nevada, Pike, Polk, Saline, and Sevier Counties
Billy Holland, Jonesboro Area Director	USDA Service Center 3407 S. Caraway, Suite 4 Jonesboro, AR 72404 Phone: 870-972-4671 (Ext. 4) Billy.Holland@usda.gov	Counties served: Clay, Cleburne, Craighead, Green, Independence, Jackson, Lawrence, Mississippi, Poinsett, Randolph, and Sharp Counties.
Tommie Jones, Monticello Area Director	USDA Service Center 419 W. Grimes Street, Suite 4 Monticello, AR 71655 Phone: 870-367-8400 (Ext. 4) Tommie.James@usda.gov	Counties served: Ashley, Bradley, Calhoun, Chicot, Cleveland, Columbia, Dallas, Desha, Drew, Grant, Jefferson, Lincoln, Ouachita, and Union Counties.

LEGAL AID

If you cannot afford a lawyer regarding any landlord/tenant (or other) problem, call the statewide Arkansas Legal Aid HELPLINE or visit our website at www.arlegalservices.org.

HELPLINE

Toll Free: 1-800-9 LAW AID
(1-800-952-9243)

HOURS OF OPERATION

Monday-Friday

9:00 a.m. - 11:00 a.m.

1:00 p.m. - 3:00 p.m.

www.arlegalservices.org

Center for Arkansas Legal Services

1300 W. 6th St.

Little Rock, AR 72201

Phone: 501-376-3423 (for Pulaski County)

Toll Free: 1-800-952-9243

Jean Carter, Executive Director

www.arlegalservices.org

Legal Aid of Arkansas

714 S. Main St.

Jonesboro, AR 72401

Phone: 870-972-9224 (for Craighead County)

Toll Free: 1-800-952-9243

Lee Richardson, Executive Director

www.arlegalservices.org

GLOSSARY OF STANDARD LEASE/RENTAL AGREEMENT TERMS AND CLAUSES

The following are definitions for lease and rental agreement terms:

abandon. To surrender, desert or forsake. To relinquish with the intent of never again resuming right or interest.

acceleration of rent. Remedy provision in lease giving a landlord, after the tenant's default, the right to collect all future unpaid rent for the remainder of the lease in a lump sum.

access. The owner or manager of rented property has a "right of access" to the property in order to show the premises to prospective residents, to make repairs, and for general inspection.

ACCREDITED RESIDENTIAL MANAGER™ (ARM). A designation conferred by the Institute of Real Estate Management to persons who have qualified as resident or on-site managers.

ad valorem tax. (1) Real estate tax that is based on a fixed proportion of a property's value. (2) A tax levied according to the value of the object taxed; a tax in proportion to the value. Most often refers to tax levied by municipalities and counties against real property and personal property.

addendum. In leasing, an additional section of a lease containing added or amended material that is incorporated as a part of the lease.

agent. A person authorized to transact some business or perform some act for another (the principal) within the limits of the authority bestowed by the latter.

alteration (also change of use). The process of changing the function of a structure without changing its exterior dimensions.

amend(ment). To change, correct or revise. In a lease, an amendment will generally be referred to as an addendum.

amenities. Features of a property that render it more useful and/or attractive.

apartment. A residential unit found in a variety of properties such as walk-ups, garden-style projects, mid-rises and condominiums.

arbitration. The submitting of a disputed matter to the judgment of one, two or more disinterested persons called arbitrators, whose decision, called an award, may or may not be binding on the parties.

Arkansas Fair Housing Commission. The Arkansas state agency charged with enforcing state fair housing laws.

Arkansas REALTORS® Association. The statewide nonprofit corporation whose membership is principally composed of individual real estate agents who are members in subscribing local real estate boards throughout Arkansas and dedicated to the highest principles and performance by real estate licensee members.

arrears. Money unpaid on the date due, such as rent that is behind.

assessment. The imposition of a tax, charge or levy, usually according to established rates. See also *special assessment*.

asset management. A sophisticated form of property management under which the managing agent organizes, operates and assumes the risk of the total real estate business venture and whose concern extends beyond net operating income.

assignment. The transfer of an interest in a lease or other instrument or agreement. In leases, the transfer of all of a tenant's rights, title and interest in the property to a new tenant, with

the new tenant assuming all of the obligations of the lease--usually requires the approval of the landlord

base rent. The minimum monthly rental payment, as set forth in a lease.

breach of contract. A failure, for which there is no legal excuse, to perform the terms of a contract.

building codes. Ordinances specifying minimum standards for construction of buildings for the protection of public safety and health.

building contents. The items contained within a building other than the structure itself. In leases, the lessee or tenant will generally be required to maintain the insurance, if any, on the building contents.

cancellation. Rendering a contract void or inoperative.

capital improvement. A structural addition or improvement to real property other than a repair or replacement.

casualty. An accident or an event not to be foreseen or guarded against. A loss from such an event or cause, such as fire, lightning, etc.

certified check. Check that has been presented to the bank on which it is drawn and marked good by the proper officer. Such certification is a warranty that the signature is genuine and that the drawer has funds in the bank to meet it and obligates the bank to pay it on presentation.

certified mail. Mail providing the sender with a receipt verifying whether a piece of mail was delivered. The receipt is often called a green card.

CERTIFIED PROPERTY MANAGER® (CPM®). The professional designation conferred by the Institute of Real Estate Management of the NATIONAL ASSOCIATION OF REALTORS⁷ on individuals who fully comply with the professional standards as specified by the Institute.

civil rights laws. A body of laws which guarantee the rights of all persons, regardless of race, religion, color, sex or national origin.

commencement. The beginning. The time when the lease or rental agreement term begins.

common area. Any area within the legal boundaries of a property that two or more tenants will share the use of.

completion. The finishing of something to a state in which no essential element is lacking.

completion date. In a construction schedule, the date a particular unit is scheduled to be fully completed.

complex. A group of buildings that together form a single comprehensive unit.

compliance. In law, fulfilling all the specified requirements of a law.

condemnation. See *eminent domain*.

condominium. Outright ownership of an individual unit within a multiple-unit structure along with prorated shared ownership of the common areas of the structure.

condominium association. Private, usually nonprofit, organization responsible for the operation of the condominium property.

consideration. The cause, promise, motive or price which induces a contracting party to enter into a contract and that suffices to make an agreement legally binding. The thing of value given in exchange for a promise.

constructive eviction. Occurs when an owner creates or allows to exist a condition that makes the leased premises so unfit for its intended use or hazardous for occupancy that the tenant must leave.

constructive notice. Notice given to the world by recorded documents and existing law. All persons are charged with knowledge of the law and all recorded documents and their contents whether or not they have actually examined them. Possession of property is also considered notice that the person in possession has an interest in the property.

Consumer Price Index (CPI): A ratio of the cost of consumer goods at the present time in relation to a base period, said to be 100. This index is published monthly by the United States Department of Labor, Bureau of Labor Statistics.

continuous occupancy clause. A clause contained in many shopping center leases that requires the tenant to occupy the premises continuously throughout the term of the lease.

continuous operation clause. Clause that requires the tenant to keep the retail store fully stocked at inventory levels equal either to those when the tenant first opened for business, to the inventory level of stores that the tenant operates in other locations, or to similar stores in the area.

contract. An agreement entered into by two or more legally competent parties by the terms of which one or more of the parties, for a consideration, undertakes to do or refrain from doing some legal act or acts.

corrective maintenance. Repairs to the property and equipment due to normal wear and tear or faulty preventive maintenance.

covenant. An agreement written into legal instruments promising performance or nonperformance of certain acts, or stipulating certain uses or non-uses of property.

credit bureau. A firm specializing in investigating consumers' credit ratings.

credit rating. Evaluation of the financial trustworthiness of a company or individual, particularly with regard to meeting obligations.

credit report. Report, usually made by a credit bureau, on a person's credit rating.

creditor. Person to whom goods or money is owed.

damages. Legal compensation for loss or injury.

debt. That which a person is bound to pay or perform for another.

default. The nonperformance of a duty, whether arising under a contract or otherwise; failure to meet an obligation when due.

deferred maintenance. Ordinary maintenance of a building that has not been performed and which may noticeably affect the use, occupancy, welfare and value of the property.

delinquency. (1) An overdue debt, as rent not paid on the due date. (2) Past-due rental collection.

demised premises. Property conveyed by a lease. See also *leased premises*.

Department of Housing and Urban Development (HUD). A federal department created in 1968 to supervise the Federal Housing Authority (FHA) and a number of other agencies that administer various housing programs.

documentation. Written recordation of an event or act for purposes of supporting a legal claim or action.

efficiency apartment. A small, bedroomless apartment usually with less than a standard-size kitchen. See also *studio apartment*.

emergency maintenance. Maintenance which must be performed in order to rectify a situation where life or property will be endangered if the repairs are not made.

eminent domain. The right of a government or municipal quasi-public body to acquire private property for public use through a court action called condemnation in which the

court determines that the use is a public use and determines the price or compensation to be paid to the owner.

Environmental Protection Agency (EPA). The agency of the United States government established in 1970 to enforce laws that preserve and protect the environment.

escalator clause. A clause in a contract, lease or mortgage providing for increases in wages, rent or interest based on fluctuations in certain economic indexes, costs or taxes.

estoppel (certificate). A letter which usually provides assurance to a landlord or the landlord's lender that the tenant's lease is in full force and effect and that the tenant has not pre-paid any rent.

eviction. A legal process to reclaim real estate from a tenant or person holding a mortgage who has not performed under the agreed-upon terms.

eviction notice. A written notice to a resident to pay the rent immediately or leave the leased premises within a specified time.

exclusive agent. An agent with exclusive rights for a fixed period of time to sell or lease property owned by another.

expiration. In a lease, the termination or end according to the terms of the lease.

exculpate. To free from blame. Hold harmless clauses are exculpatory.

execution. The signing and delivery of an instrument; also, a legal order directing an official to enforce a judgment against the property of a debtor.

Fair Credit Reporting Act. Enacted in 1971, this federal law gives people the right to see and correct their credit records at credit reporting bureaus.

Fair Debt Collection Practices Act. As originally passed in 1978, this federal law created a series of guidelines for debt collectors to follow and was designed to prevent collection agencies from harassing debtors. In 1986, the law was expanded to include any organization that collects consumer debt (including property managers). The law is governed and regulated by the Federal Trade Commission (FTC).

fair housing laws. Body of state and federal laws and regulations that prohibits discrimination in housing.

favored nation clause. Clause that offers a large concession to one tenant but not to any other tenant.

Federal Housing Administration (FHA). An agency--part of the United States Department of Housing and Urban Development--that administers a variety of housing loan programs.

fiduciary. One charged with a relationship of trust and confidence, as between a principal and agent, trustee and beneficiary, or attorney and client.

financing statement. The instrument filed in order to give public notice of a security interest in personal property and thereby protect the interest of the secured parties in the collateral.

fire and extended coverage insurance (Fire and EC). Insurance for property that covers not only loss by fire but also windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke.

fire insurance. Insurance on property against all direct loss or damage by fire.

fixtures. (1) Items attached to the land or improvements, which usually cannot be removed without agreement because they become real property; examples: plumbing fixtures, store fixtures built into the property, etc. (2) An article of personal property attached permanently to a building or to land so that it becomes part of the real estate.

flood insurance. Insurance purchased specifically to cover damage caused by flood.

floor plan. A scale drawing of the layout of rooms, halls, etc., on one floor of a building or in one unit of a building.

force majeure. A clause in a lease dealing with situations where performance becomes impossible or impracticable because of events beyond one's control.

fraud. (1) The intentional and successful employment of any cunning, deception, collusion or artifice, used to circumvent, cheat or deceive another person, whereby that person acts upon it to the loss of his or her property and to his or her legal injury. (2) Intentional deception to cause a person to give up property or a lawful right.

garnishment. A legal proceeding where a portion of a debtor's wages, property or assets are withheld to satisfy a judgment creditor.

good faith. An honest intention not to take unconscious advantage of another; no knowledge of circumstances which should be disclosed.

grievance. A wrong, injury or injustice that provides cause for complaint.

gross building area. Area equal to length times width of the building(s) times the number of living floors, usually expressed in square feet.

gross sales. The sum total in dollars of every sale that the retailer makes during a specific financial period, usually a calendar year.

ground lease. A long-term (typically 20 years or more) lease.

ground rent. Rent that is paid for the right to use and occupy the land under a property.

habitability. Suitable for habitation; in an apartment building, habitability includes adequate protection from the weather, and compliance with building and housing codes.

heating, ventilation and air conditioning systems (HVAC). The unit regulating the even distribution of heat and fresh air throughout a building.

hold harmless. (1) A declaration that one is not liable for things beyond his or her control. (2) In a lease or rental agreement, an indemnification provision holding the property manager harmless for liability arising from the property's operation.

holdover tenancy. A situation which exists when a tenant retains possession of leased or rented property after his or her lease or rental agreement has expired or been terminated.

improvements. Man-made structures placed upon real property.

indemnification. To compensate another for loss or damage sustained; in a lease, the tenant must often indemnify (compensate) the landlord for any loss suffered by the landlord as a result of the tenant's actions.

independence of clauses. A clause stating that if any one clause of the lease is unenforceable, the clause becomes void but the balance of the lease or rental agreement remains in full force and effect.

Institute of Real Estate Management (IREM). A professional association of men and women, affiliated with the NATIONAL ASSOCIATION OF REALTORS®, who meet established standards of experience, education and ethics with the objective of continually improving their respective managerial skills by mutual education and exchange of ideas and experience. IREM grants the Certified Property Manager (CPM) designation and the Accredited Residential Manager (ARM) designation.

invitees. A person is an invitee on land of another if (1) he or she enters by invitation, express or implied, (2) the entry is connected with the owner's or tenant's business or with an activity the owner/tenant conducts or permits to be conducted on the premises and (3) there is mutuality of benefit to the owner/tenant and the guest.

jointly and severally. Liability as a group with simultaneous individual liability.

judgment clause. A provision in notes, leases and contracts by which the debtor, tenant and others authorize an attorney to go into court and confess a judgment against them for a default in payment; sometimes called a *cognovit*. The use of this clause is prohibited in many jurisdictions.

jurisdiction. The district over which the power of the court extends.

landlord-tenant laws. Laws enacted by various jurisdictions that regulate the relationship between landlord and tenant.

late fee. Fee charged for late payment of rent.

late notice. Informal notice that the payment of rent is late.

lawsuit. Legal action between two parties.

lease. A contract, written or oral, in which the owner of a property transfers the right to use and occupy that property to another for a specified period of time and in exchange for a specified rental.

lease conditions. The provisions or covenants setting forth the agreed privileges, obligations and restrictions under which a lease is made; also called lease terms.

lease extension agreement. An agreement extending or agreeing to extend the lease term beyond the expiration date as provided in the body of the original lease.

leased premises. See *demised premises*.

legal counsel. Legal advice; or an attorney giving such advice and pleading a case in court.

legal notices. A notice which the law requires to be given for a specific purpose or action.

lessee. The tenant or resident in a lease.

lessor. The landlord or owner in a lease.

let. To lease; to grant the use of a thing for compensation.

liability. A legal responsibility for injury or damage.

liability insurance. Insurance covering losses and claims resulting from personal injuries on the property.

licensee. Someone who is on the property with express or implied permission from the owner or tenant, but not for any business purpose and not for the benefit of the owner or tenant; for example, a social guest.

lien. The legal right of a creditor to have his or her debt paid out of the property of the debtor.

low-income housing. Government-subsidized housing for persons with low incomes.

maintenance. Care and work needed to keep a property in good physical and operating condition and appearance.

majority. The age set by state law at which individuals have the legal right to manage their own affairs and are responsible for their own actions. The age of majority varies from state to state and is 18 in Arkansas.

management company. A real estate organization that specializes in the professional management of real estate properties for others.

managing agent. An agent duly appointed to direct and control all matters pertaining to a property that is owned or controlled by another.

master meter. A single meter, owned and operated by the utility company, which measures the total amount of energy from one source that is required to operate an entire building.

mechanic's and materialmen's liens. Liens created by statute, securing payment for services performed and materials provided to improve real property.

memorandum of lease. A short summary of the lease, signed by the landlord and tenant and recorded in the real estate records to provide notice of the lease to third parties.

merchants association. An organization that advances the common interests of shopping center tenants in planning advertisements, promotions, decorations, etc.

minor. One who has not reached the age of majority; therefore, one not legally responsible for contracting debts or signing contracts.

month-to-month tenancy. An agreement to rent or lease for consecutive and continuing monthly periods until terminated by proper prior notice by either the landlord or the tenant. The time period for notice of termination is usually established by state law. Notice in Arkansas must occur before the commencement date of the final month of occupancy, unless a written lease establishes another time period.

NATIONAL ASSOCIATION OF REALTORS® (NAR). The national nonprofit corporation whose membership is principally composed of individual real estate agents who are members in

subscribing local real estate boards throughout the United States and its possessions, and are dedicated to the highest principles and performance by real estate licensee members.

negligence. The failure to use such care as a reasonably prudent and careful person would use under similar circumstances or failure to do what a person of ordinary prudence would have done under similar circumstances.

negotiation. Dealings between two parties, particularly tenant and owner, in order to reach an agreement on price, quantity, quality or other terms.

net sales. In retailing, the amount that is left from the total sales after exchanges, refunds and allowances have been taken into account.

notary public. An officer licensed by the state to certify documents to make them authentic and to take affidavits. Leases in Arkansas need not be notarized.

notice clause. A clause in a lease or rental agreement that establishes the proper method and time frame that the tenant must use for giving notice of leaving.

notice to vacate. A legal notice requiring a tenant to remove himself or herself and all removable possessions from a rented property within a stated period of time or upon a specified day and date, and to deliver the property to the owner or agent or to a designated successor.

off-site management. Management of a property by persons not residing or keeping office hours at the subject property.

on-site manager. The direct representative of management and ownership on the property site.

operating expense escalation clause. A lease provision under which increases in operating expenses are passed on to tenants on a pro rata basis.

operating expenses. The expenditure for salaries, taxes, insurance, utilities, maintenance and similar items paid in connection with operating a building.

option. (1) In a lease, the right to obtain a specific condition within a specified time. (2) The right to purchase or lease something at a future date for a specified price and terms; the right may be exercised at the option holder's (optionee's) discretion.

option to cancel. Option granted to tenants that allows them to cancel their leases, given certain time limitations and conditions.

option to expand. Clause in a lease or rental agreement that gives a tenant the right to expand into adjacent space, thus allowing the tenant to accommodate a growth in business.

option to extend. An option that implies an extension of the lease term, without renegotiation or execution of a new lease.

option to renew. Option granted to tenants, giving them a renewal of their leases on the same terms and conditions. The option often implies, however, a renegotiation of rent or the execution of a new lease. See also *renewal*.

option to sublease and assign. See *assignment*; see *sublease*.

ordinary wear and tear. The normal damage that will occur to property even through careful and reasonable use.

parking ratio. The number of parking spaces provided for each dwelling unit.

pass-through escalation clause. Clause in a lease that passes on increases in operating expenses to the tenant. The tenant's pro rata share equals the amount of the increase times the pro rata fraction.

percentage increase. A fraction, with a numerator indicating a current index figure, and a denominator indicating the index figure in the month in which the lease term began. The percentage increase in the CPI multiplied by the tenant's fixed minimum rent will reflect the rent increase in dollars, less any prior cost-of-living increases.

percentage rent. Rent that is based on a percentage of the gross sales or net income of the tenant, often in addition to a guaranteed minimum.

performance. Fulfillment of terms of a contract or lease.

personal property. Movable property belonging to an individual, family, etc., that is not permanently affixed to real property, such as clothing, furniture, furnishings and appliances.

possession. Occupancy or control of property; the right to use and enjoy the property.

property damage insurance. Insurance against liability for damage to property of others that may result from occurrences in or about a specified property and for which the insured is legally liable.

property management. A service profession in which someone other than the owner supervises a property's operation on behalf of the owner.

pro rata. Tenant's share of the whole; expressed as a fraction, with a numerator indicating the total square feet in the leased premises, and the denominator indicating the total square feet in the building(s).

prorated. Divided proportionately; as in rent for a period of less than a month.

public area. A space in a property for general use and not restricted for use by any lease or other agreements, as a lobby, corridor or court. See also *common area*.

quiet enjoyment. Resident's right to use and possess the leased premises without interference from the owner or other party.

real estate. The land and any improvements found on it; the term is often applied to nonagricultural property which accommodates individuals, business and industry.

real property tax. The tax charged, in Arkansas, by the county where the property is located, determined according to the assessed value of the property.

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re-lease or re-let. To rent again. Usually involving a cancellation of the previous lease.

recitals. A preliminary statement in a lease explaining the reasons for entering into the lease and providing a background for the transaction. Also called a "whereas" clause.

remedies. Each party's options to enforce their rights and redress any wrongs when the other party has breached the agreement.

renewal. Renewing a lease for an additional period upon the expiration of the original term.

renewal clause. An option giving a tenant the right to renew a lease for an additional period upon the expiration of the original term. See also *option to renew*.

renewal rate. Rental rate a current resident will pay when the lease is renewed.

renovation. A general term covering the modernization, rehabilitation or remodeling of existing real estate.

rent. A fixed, periodic payment made by a tenant to an owner for the exclusive possession and use of leased property.

resident. Tenant who resides in the leased premises.

resident handbook. Handbook for resident use containing all resident policies.

rentable area. The combined rentable area of all dwelling units in a project. The rentable area of a unit is calculated by multiplying length times width of the space, with no discounts for interior partitions, plumbing chases and other small niches. Balconies, patios and unheated porches are not included in these measurements. Sometimes called net rentable area.

renter's insurance. Insurance covering the loss of a tenant's personal property in light of a casualty or a theft.

replacement cost. The estimated cost to replace or restore a building to its exact pre-existing condition and appearance.

rescind. Invalidate, annul, cancel, repeal, etc.

resident manager. An employee residing in a building for the purpose of overseeing and administering the day-to-day building affairs in accordance with directions from the manager or owner; also called on-site manager, site manager and residential manager.

restrictive covenant. A clause in a lease that restricts the tenant's use of the property or restricts the landlord's leasing of space on the property.

right of first offer ("ROFO"). An agreement whereby the owner of real property promises to offer the property to a certain party for purchase before offering the property to anyone else. Owners sometimes grant ROFOs to commercial tenants.

right of first refusal ("ROFR"). An agreement whereby the owner of real property promises, upon receiving an offer from a third party to purchase the property, to give a certain party the chance to purchase the property on the same terms and conditions. Owners sometimes grant ROFRs to commercial tenants.

sales tax. Tax levied on various goods and services that merchants are responsible to pay to the state.

security deposit. A preset amount of money or property advanced by the tenant and held by an owner or manager for a specified period to cover damages and to ensure the faithful performance of the lease or rental agreement terms by the tenant.

seizure of assets. Seizure by the court of the property of someone whom judgment has been rendered against.

selectivity criteria. An established set of standards used in the selection of tenants for a particular property.

service call. Completion of a maintenance task requested by a resident.

service request. A resident's request for maintenance.

shopping center. A group of commercial establishments planned, developed, owned and managed as a unit related in location, size and type of shops to the trade area that the unit serves; it provides on-site parking in definite relationship to the types and sizes of stores.

signature block. Section of lease or rental agreement containing statement that all parties have read and understood the lease, with space for signatures.

small claims court. Special court set up to expedite litigation of small claims on debts.

special assessment. A charge against real estate made by a unit of government to cover the proportionate cost of an improvement such as a street, sewer or condominium charge.

standard lease. A lease form into which specific clauses or provisions may be written.

studio apartment. See *efficiency apartment*.

sublease. The transfer by the prime tenant of only a portion of its rights, title, interest in the leased property, limited by the amount of leasehold area transferred, the length of the sublease term, or both--usually requires the approval of the landlord. Also referred to as "subletting."

submeter. An energy-monitoring device used in conjunction with a master meter. A submeter is installed and owned by the property rather than the utility company. The property manager is responsible for operating and maintaining the submeters and for billing residents for the energy they consume.

subordination clause. A lease covenant in which the tenant agrees to take any action required to subordinate his or her claims against the property to the rights of the lender under a mortgage or deed of trust.

subrogation. The substitution of one creditor for another. The substituted person succeeds to the legal rights and claims of the original claimant. Subrogation is used by insurers to acquire from the insured party rights to sue to recover any claims they have paid.

subrogation clause. In an insurance policy, a provision stating that if the insurance company pays a loss, the insured relinquishes to the company any rights to recover damages from the person who causes the loss, not exceeding the amount that the company pays to the insured.

subsidized housing. Federal program of housing based on governmental grants that reduce cost of housing and as a result lower the rent charged to the resident.

tenant. One who pays rent to occupy or gain possession of real estate. The interest held is called a tenancy.

tenant improvements. (1) Fixed improvements made to tenant's office space. (2) Additions or alterations to a leased premises for the use of the tenant, becoming the landlord's property unless otherwise agreed to in writing.

tenant organization. A group of tenants formed to use their collective powers in negotiating with an owner to achieve certain goals such as improved conditions, expanded facilities and lower rent.

term. Duration of a tenant's lease.

terminate. To come to an end.

time is of the essence. A legal usage which makes more enforceable all dates set forth in a lease or rental agreement.

title insurance. Insurance against losses arising from a defect in the title to real property. Most owners, and some commercial tenants, have title insurance protecting their property interests.

traffic control. The orderly and safe regulation of people and materials entering and leaving a building.

trespasser. Someone who is on property without permission of anyone having an interest, through ownership, lease or rental agreement, in such property.

triple net lease. A lease in which the tenant pays the real property taxes, maintenance, and insurance on the property.

Uniform Commercial Code. Establishes a unified and comprehensive scheme for regulation of security transactions in personal property, superseding the existing statutes on chattel mortgages, conditional sales, trust receipts, assignment of accounts receivable and others in this field.

valid. Having force or binding force; legally sufficient and authorized by law.

void. To have no force or effect; that which is unenforceable.

waive. To relinquish or abandon; to forego a right to enforce or require anything.

waiver of subrogation. Where the tenant's insurer and the tenant agree not to sue someone who has caused an insured loss to the tenant.

waste. Unnatural damage or failure to maintain rented property.

whereas clause. See *recitals*.

work order. A record of maintenance work, usually stating what was performed, by whom, where, the amount of time required and materials used or to be used.

zoning. A public regulation determining the character and intensity of land use.

Regular or standard lease and rental agreement clauses are:

1. **payment of rent.** The lease or rental agreement should state when, where and how rent is to be paid and may provide for a late payment penalty.

2. **quiet enjoyment.** This clause, which originated in early English law, states that the tenant is granted quiet, peaceful and usually exclusive enjoyment of the possession of the leased or rented premises without unwarranted interference by the landlord or anyone acting or claiming through the landlord so long as the tenant is in compliance with the terms and conditions of the lease.

3. **utilities.** This clause simply states which utilities the landlord pays and which the tenant pays. It also limits the landlord's liability should normal utility service be interrupted or otherwise not provided by public utility companies. Commercial leases sometimes provide that the landlord may, without causing a breach, comply with laws and regulations such as those limiting the temperature and comfort levels in a building.

4. **insurance.** Insurance clauses dictate which party is responsible for which coverages.

a. If the use to which a tenant may put the property might increase the risk of loss to the insurance carrier, the lease usually charges the increased insurance cost to the tenant as additional rent.

b. The landlord generally maintains the fire and extended coverage insurance on the base building structure and standard improvements and additions within leased spaces. The tenant must generally maintain at his or her own expense fire and extended coverage insurance on all personal property and improvements and fixtures beyond the building standard.

c. For the protection of both parties, a provision in the lease for a release of claims against the other party for loss or damage covered by insurance is desirable, together with a provision that the insurance policies of both parties will contain a waiver of subrogation clause.

d. The landlord also generally maintains comprehensive general liability insurance to afford protection with respect to personal injury, death

or property damage. Many commercial leases require the tenant to carry liability insurance with stated minimum limits.

5. **improvements and alterations**. This clause prohibits the tenant from making any alteration or improvements without the express written consent of the landlord. It also:

a. Prevents compromise of the structural integrity of the property by insuring that plans provide for proper materials, equipment and installation.

b. Affords the landlord an opportunity to analyze the effect of the improvements on real estate taxes assessed against the property and permits the landlord to negotiate for additional rental because of such increases. This is particularly important in the absence of a tax-escalator clause or a clause requiring the tenant to pay all taxes.

c. Insures that the proposed improvements are consistent with the best interests of the property and will not adversely affect value.

d. Requires the party causing performance of work to schedule the work so as not to unnecessarily disturb other tenants.

The lease should provide that the tenant will maintain the property free from any mechanic's liens arising from any work contracted for by the tenant.

6. **assignment or sublease**. Most leases and rental agreements limit the tenant's right to assign or sublease rented property without the landlord's written consent. In assignment or sublease situations, the landlord has the following options:

a. Terminate the lease or rental agreement, release the tenant from all obligation and rent directly to the sublessee or assignee.

b. Refuse (depending on the terms of the lease) to consent to the request, in which case the lease or rental agreement remains in full force.

c. Permit the requested assignment or sublease without terminating the lease or rental agreement.

In some leases or rental agreements, if the sublessee pays the tenant a higher rental than the tenant pays the landlord, the excess rental is considered additional rent by the tenant to the landlord.

Some factors to be considered in evaluating a proposed assignment are the third party's creditworthiness, intended use of the property and compatibility with the existing tenant mix.

Note that assignment or subletting by the original tenant does not relieve him or her of responsibility absent specific agreement for such release; the lease or rental agreement provides that unless released by the landlord, the original tenant remains liable for the

faithful performance of the rental agreement or lease in case of breach by the assignee or sublessee.

7. **partial destruction.** Nearly every lease or rental agreement sets forth rights which apply if the rented property is partially or totally destroyed by fire or other casualty. The purpose of the clause is to prevent termination of the lease or rental agreement by the tenant should the rented property be partially destroyed.

Most such clauses expressly state that the lease or rental agreement will not terminate if there is partial destruction, but the rent may be abated while the rented property is under repair.

The clause also usually provides that where destruction is severe or total, the landlord has the option to repair, to rebuild, or to terminate the lease or rental agreement without liability to the tenant.

8. **default and remedies.** These clauses establish procedures and rights should the tenant default. The rights of the landlord and tenant in such a case are frequently controlled by state law, so it is vitally important that an attorney familiar with state law review the clauses on behalf of both landlord and tenant.

The remedies clause typically provides that, upon default by the tenant, the landlord may, if he or she chooses, terminate the lease and recover as damages a sum equal to the total of (a) the cost of recovering the premises, (b) the unpaid rent at time of termination plus interest, (c) the balance of rent due for the remainder of the lease term, (d) any other sum of money owed by the tenant, and (e) court costs and attorneys' fees.

9. **rights of re-entry.** The "quiet enjoyment" clause gives tenants the right to an essentially exclusive possession and use of the leased premises. The re-entry clause permits a landlord to re-enter the premises for specified purposes, usually including inspections (at reasonable times), effecting required repairs, and posting notices (generally notices of non-responsibility during alterations or improvements being installed by the tenant). The re-entry clause affords the landlord the right to post "For Rent" signs within a reasonable time before lease or rental agreement expiration, and may set forth procedures in case of insolvency, bankruptcy or tenant receivership.

10. **condemnation clause.** In recent years, the government (federal, state, municipal or quasi-governmental authority) has taken much private property through condemnation or eminent domain proceedings for urban renewal or construction of major thoroughfares and throughways. If the government takes the property at any time during the term of a lease or rental agreement, the landlord may be relieved from performing the balance of his or her obligations under the agreement.

This clause usually provides that upon condemnation, at the option of either party, the lease or rental agreement is taken with all further rights and obligations ceasing. The

tenant generally has no right to receive any compensation from the landlord, nor is the landlord liable to the tenant for the landlord's inability to perform because of the condemnation. The clause often covers both partial and total condemnation.

11. **service of notice.** Virtually all types of leases or rental agreements, whether residential, commercial or office building, may include a clause where the tenant waives the right to notice for actions resulting from his or her non-payment of rent or other violations of the lease or rental agreement. The validity of such notices, called by different names (3-day notices, 5-day notices, 10-day notices, notice to quit, notice to terminate tenancy, dispossessory) are governed by local statutes to protect the tenant.

12. **non-waiver.** Commercial leases often include a non-waiver clause providing that if a tenant defaults (most commonly non-payment of rent, but potentially failure to comply with any lease provision), failure of the landlord to immediately serve notice of default does not waive the default; nor does it prevent the landlord from declaring default at some time in the future.

13. **attorneys' fees.** Modern leases generally provide that in any legal action the prevailing party is entitled to be reimbursed for reasonable attorneys' fees by the losing party.

14. **rules and regulations.** Many leases and rental agreements require tenant adherence to rules and regulations governing such things as use of common areas, security procedures, and other aspects of common usage of facilities and safety. Such clauses often refer to the rules which are appended as a part of the lease or rental agreement, but specify that the landlord may alter or change these rules at will upon proper notice (usually a week or less).