

Early Lease Termination/Buyout; Transfer/Diplomatic Clauses Definitions; DSC Responsibilities

- When a tenant needs to relocate a certain distance for a new job/work, or is being repatriated, they may need to get out of your apartment or rental house quickly.
- Tenant is typically required to give *xx day's* notice and pay a penalty of *xx month's rent*.
- A letter on company letterhead may be required to notify the landlord/property management company that the assignee is being relocated or repatriated.
- Watch for forfeiture of security deposit if the IOR recommend addendum or end client verbiage is changed by the landlord.

DSC's Responsibilities:

- **Always ask for an Early Termination Clause/Buyout which means the tenant can terminate for any reason during the term of the lease even on a 1 year lease.**
 - Get in writing (email) if landlord/property management company says "No" and tell the tenant if it is not in the lease. (This is IOR's proof if something comes up nine months later to avoid blame).
 - There may be a notice period, penalty and a due date and return of concessions.
 - If the lease is more than one year and the landlord/property management company will not include in Year One, ask for an Early Termination Clause in Year Two
- If DPM has advised that specific **Transfer/Diplomatic Clause** is required by end client:
 - Explain to assignee on the Intake call. The Transfer/Diplomatic Clause **only applies if the tenant is relocated or repatriated for work**, (which is very different from Early Termination)
 - If landlord/property management company does not agree, alert DPM who can ask Authorizer if exception will be made by end client.
 - We only need approval to proceed if we can't get a **Transfer/Diplomatic Clause**, (NOT for Early Termination.)
- **It is mandatory that you review the lease summary together with the assignee before they sign to make sure they are fully aware of the terms and answer any questions (not just forwarding the lease summary via email).**
- Send suggested email below to assignee after Lease Review:

Dear Assignee,

*IOR has completed its lease summary. Please be advised that IOR does not approve or deny leases, nor does it provide legal advice. Please note that IOR has requested an Early Lease Termination to be included in the lease. The landlord/property management company **accepted or declined** this request.*

The Lease Summary highlights the key terms of your lease. Carefully review it and make sure you understand the terms. Please let me know if you have any questions about the terms. Once your lease is signed and fully executed, please email to me for your company's and IOR's records.

Kind Regards,

DSC signature block