

should clearly define the types of relationships that are possible. These relationships will fall into familiar categories and transactions. Nothing magical, mysterious, or technical is involved.

Leases - All of you at one time or another have probably leased either an apartment or a car or some other piece of equipment of property. Leases are very flexible forms of income management. Leases are formed between tenants and landlords and we will discuss the relationship of these two parties, using these terms.

The costs of maintenance of any piece of property may be placed upon the shoulders of either the tenants or the landlord. If the landlord bears the burden of the maintenance and upkeep, then the tenant usually pays a higher rent. If, on the other hand, the tenant bears almost all the cost, then the rent is usually much lower. Real estate taxes are almost always paid by the owner of the property, although the cost is generally included in the rent. Leased property may be subleased at the discretion of both the landlord and the tenant. Approval of both parties is required before any sublease is usually effective. Under general law, a lease may be for any rent, regardless of the value of the property. In other