

RESIDENTIAL RENT TO OWN AGREEMENT

PREAMBLE / BACKGROUND

A. This Rent to Own Agreement (hereinafter referred to as "Lease" or "Agreement") is entered into and becomes effective as of the date indicated at the conclusion of this document, by and between the Lessor (hereinafter referred to as "Landlord"):

Landlord Full Name:

Landlord Address:

And the Lessee (hereinafter referred to as "Tenant"):

Tenant Full Name:

Tenant Address:

B. For administrative convenience, the following individual (the "Authorized Party") is also empowered to manage the Property and act on the Landlord's behalf:

Authorized Party Name:

Authorized Party Address:

Such Authorized Party may be considered to act in the Landlord's stead for purposes of this Lease, where required or permitted.

C. Landlord and Tenant may be collectively referred to as the "Parties."

D. The Landlord intends to lease the herein described property to the Tenant with the option for the Tenant to purchase said property at the conclusion of the lease term.

In consideration of the mutual obligations and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

I. PREMISES

1. Landlord, in consideration of the lease payments provided in this Agreement, hereby leases to Tenant the residential property (the "Property") located at the following address:

Property Address:

Property Type:

II. LEASE TERM

2. This Lease shall commence on:

Lease Start Date:

and shall continue until its natural termination on:

Lease End Date:

at 11:59 PM.

3. Upon the termination date, if the Tenant does not exercise the option to purchase, this Lease shall automatically renew for the same term length unless and until the Tenant exercises the purchase option, or either Party provides written cancellation notice.

4. At the expiration of this Agreement, if Tenant does not exercise the purchase option, Tenant shall be responsible for providing a forwarding address to Landlord for receipt of any owed funds or other notices.

III. SECURITY DEPOSIT

5. Upon execution of this Lease, Tenant shall provide to Landlord the following amount as a security deposit to cover reasonable cleaning costs and the repair of damage to the Property upon expiration or termination of this Lease, or in the event of Tenant default:

Security Deposit Amount:

6. The security deposit shall not exceed one month's Rent.

7. The security deposit shall be held at the following financial institution:

Deposit Bank Name:

Deposit Bank Address:

8. If Tenant does not exercise the purchase option, Tenant hereby agrees to be liable to Landlord at the expiration or termination of this Lease for all damages to the Property, excepting ordinary wear and tear.

9. Tenant shall not be permitted to apply any portion of the security deposit toward Rent payments.

10. In case of sale or assignment of this Rent to Own Agreement by Landlord, Tenant's security deposit shall be transferred to the new owner or assignee, and Landlord shall be released from liability to Tenant for return of the security deposit.

11. Examples of acceptable deductions from the security deposit include:

- (a) unpaid rent;
- (b) late fees;
- (c) cleaning costs;
- (d) key replacement costs;
- (e) costs of removing abandoned property; and
- (f) attorneys' fees incurred in proceedings against the Tenant.

12. If Tenant does not exercise the purchase option, Landlord has the following number of days after the termination of the Lease to return Tenant's security deposit or to send an itemized list of deductions:

Deposit Return Days:

13. If the Tenant exercises the purchase option, the security deposit shall be applied to the final purchase price.

IV. OPTION CONSIDERATION

14. Nonrefundable option consideration in the following amount, paid by Tenant as consideration for this Rent-to-Own Agreement, shall be credited to the purchase price at closing if Tenant timely exercises the option to purchase:

Option Consideration Amount:

15. If Tenant does not exercise the option to purchase, Tenant shall forfeit the non-refundable option consideration.

V. RENT

16. Tenant shall pay Landlord monthly rent in the following amount:

Monthly Rent Amount:

17. The Rent shall be payable in advance on the first day of each month.

Rent Due Date:

No holidays, special events, or weekends shall excuse the Tenant's obligation to pay rent on time.

18. Landlord shall not be permitted to increase the Rent throughout the duration of this Rent to Own Agreement.

19. Tenant may be required to pay prorated rent from the beginning of this Agreement to the first full payment period. If Tenant must pay prorated rent, Tenant shall pay any prorated amount due at the execution of this Agreement.

20. For any returned or bounced checks, Landlord may charge Tenant the cost of the returned check fee, as well as an additional reasonable fee, together with Rent late fees, as applicable.

21. For any payment not made when due, Tenant shall, as permitted under applicable law, pay a late fee in the following amount:

Late Fee Amount:

22. Landlord agrees to accept the following forms of payment for Rent:

Accepted Payment Methods:

23. Payment of rent may be sent or delivered to the following address or to any person or institution designated by the Landlord:

Rent Payment Address:

VI. POSSESSION

24. Tenant shall be entitled to possession on the first day of the term of this Lease and, if the purchase option is not exercised, shall yield possession to Landlord on the last day of the term, unless otherwise agreed by both Parties in writing.

25. Tenant shall not be permitted to take possession of the Property until the security deposit and first Rent payment (or prorated amount required) is delivered to Landlord in full, and the Property is vacated by any prior tenant, if applicable. If Landlord is unable to deliver possession of the Property to Tenant at the start of the Lease term through no fault of Landlord or due to unforeseen circumstances, Landlord shall not be liable for any damages, but Tenant will not be liable for Rent until possession is given. If possession is given within 30 (thirty) days, Tenant

hereby agrees to accept the Property and pay Rent from that date forward. If possession cannot be delivered within 30 (thirty) days, then this Lease shall be terminated.

26. At the expiration of the term, if the Lease is not renewed or the property purchased by Tenant, Tenant shall remove its goods and effects and peaceably yield up the Property to Landlord in as good condition as when delivered, ordinary wear and tear excepted.

VII. USE OF PROPERTY

27. The Property shall be used and occupied solely by the Tenant named in this Lease, exclusively as a residential dwelling. No additional persons may reside on the Property without Landlord's prior written consent.

28. The Property shall not, at any time during the term of this Lease, be used for the purpose of carrying on any trade, profession, or business.

29. The Property shall not be used for any illegal purpose or acts. If Tenant becomes aware of any illegal activities taking place on the Property, Tenant agrees to notify Landlord as well as appropriate authorities. Tenant will be responsible for any illegal acts or omissions of Tenant's guests, invitees, and/or licensees whether or not Tenant was a party to or knew of the illegal acts. Certain types of illegal activities may be cause for Landlord to issue an unconditional notice of Lease termination.

30. Smoking or other activities which may impair the health of other residents may not be permitted in common areas.

VIII. PROPERTY CONDITIONS

31. Tenant hereby stipulates that Tenant has examined the Property prior to signing this Lease or has knowingly waived such inspection.

32. Tenant affirms that Tenant has not relied on any representations made by Landlord regarding the condition of the Property. Tenant takes the Property as-is, with no representations from Landlord beyond those contained herein or required by applicable state law, including no express or implied warranties.

33. Tenant agrees not to damage the Property and to be responsible for any damages sustained to the Property as a result of any activity by Tenant's invitees, licensees, and/or guests. Tenant agrees that if any such damage occurs, Tenant is required to pay for the damages.

34. If at the end of the Lease term Tenant does not exercise their option to purchase, Tenant agrees to return the Property in the same condition as when Tenant took possession, with the exception of normal wear and tear.

35. Tenant must notify Landlord within 24 hours of any condition requiring maintenance.

IX. ALTERATIONS

36. Tenant shall not make any additions, improvements, or alterations or do any type of construction to the Property without first obtaining Landlord's written consent.

37. Unless a prior written agreement is reached between Tenant and Landlord, any such additions, improvements, or alterations shall become part of the Property and shall remain at the expiration of the Tenant's Lease Term.

38. If Landlord approves of construction in writing and Tenant intends to use contractors to undertake such work, the contractors must first be approved in writing by Landlord.

39. Tenant must place any funds to cover the amount of any additions, improvements, alterations, or construction in an escrow account approved by Landlord before the commencement of the work.

X. MECHANICS LIENS

40. Neither Tenant nor anyone claiming through Tenant shall have the right to file mechanics liens or any other kind of lien on the Property, and the filing of this Lease constitutes notice that such liens are invalid.

41. Tenant agrees to give adequate advance notice to any contractors, subcontractors, or suppliers of goods, labor, or services that such liens will not be valid, and will take whatever additional steps necessary to keep the Property free of all liens resulting from construction done by or for Tenant.

XI. HAZARDOUS MATERIALS

42. Tenant agrees not to keep any hazardous items on the Property, whether flammable, explosive, or that might be considered hazardous by any legitimate insurance company and would substantially increase the danger of fire on the Property, unless prior written consent of Landlord is obtained and proof of adequate insurance protection is provided by Tenant to Landlord.

XII. ASSIGNMENT AND SUBLETTING

- 43.** Tenant is not permitted to assign or sublet this Lease without the prior written consent of the Landlord.
- 44.** Tenant may not grant any license to use the Property or any part of the Property without the prior written consent of the Landlord.
- 45.** If Landlord consents to any one assignment, sublet, or license, this shall not be deemed consent to any subsequent such request.
- 46.** Any assignment, sublet, or license without Landlord's prior written approval shall be null and void and shall, at Landlord's discretion, terminate this Agreement.

XIII. ARTICLE XIII. UTILITIES

- 47.** Tenant shall be responsible for arranging and paying for the utilities that Landlord will not manage. Tenant shall also be responsible for having such utilities disconnected when Tenant delivers the Property back to Landlord at termination or expiration of this Lease.
- 48.** Landlord shall be responsible for arranging and paying for the following utilities:

Landlord-Paid Utilities:

XIV. OBLIGATIONS OF TENANT

- 49.** Tenant hereby acknowledges and agrees to the following obligations:
- (a)** to comply with all obligations imposed upon tenants by applicable building, housing, and health codes;
 - (b)** to keep the portion of the Property occupied and used by the Tenant clean and sanitary;
 - (c)** to remove all garbage from the Tenant's dwelling unit in a clean and sanitary manner;
 - (d)** to keep all plumbing fixtures in the dwelling unit or used by the Tenant clean, sanitary, and in good repair;
 - (e)** to use and operate in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, and other facilities and appliances, including elevators;
 - (f)** not to destroy, deface, damage, impair, or remove any part of the Property or any property therein belonging to the Landlord, nor permit any person to do so; and
 - (g)** to conduct themselves, and to require other persons on the Property with the Tenant's consent to conduct themselves, in a manner that does not unreasonably disturb neighbors or constitute a breach of the peace.
- 50.** Tenant agrees that any violation of this section shall be considered a breach of this Lease.

XV. OBLIGATIONS OF LANDLORD

51. Landlord's obligations regarding the Property are as follows:

- (a)** to comply with all applicable building, housing, and health codes;
- (b)** where no such codes apply, to maintain the roof, windows, doors, floors, steps, porches, exterior walls, foundation, and all other structural components in good repair and capable of resisting normal forces and loads, and to maintain the plumbing in reasonable working condition;
- (c)** to provide for the extermination of rats, mice, roaches, ants, wood-destroying organisms, and bedbugs; provided that, if vacation of the Property is required for such extermination, the Landlord shall not be liable for damages but shall abate the rent;
- (d)** to ensure adequate and safe locks and keys;
- (e)** to maintain common areas in a clean and safe condition;
- (f)** to provide for garbage removal and outdoor receptacles therefor; and
- (g)** to ensure functioning facilities for heat during winter, running water, and hot water.

52. The Landlord shall pay all real estate taxes levied against the Property until and unless the Tenant exercises their option to purchase.

XVI. TENANT INSURANCE

53. Landlord is not liable to Tenant, or any of Tenant's invitees, licensees, and/or guests for any damages not proximately caused by Landlord, and Landlord will not compensate Tenant or any other person for damages proximately caused by any other source, including acts of God and nature.

54. Tenant is therefore required to purchase insurance to protect Tenant, Tenant's personal property, and any person on the Property.

XVII. LANDLORD ACCESS TO PROPERTY

55. Under the terms of this Lease, Tenant shall not unreasonably withhold consent for the Landlord to enter the dwelling unit from time to time to inspect the Property; make necessary or agreed repairs, decorations, alterations, or improvements; supply agreed services; or exhibit the dwelling unit to prospective or actual tenants, workers, or contractors.

56. Landlord shall give Tenant at least the following number of days' notice before such entry:

Landlord Notice Entry Days:

57. Landlord may enter the dwelling unit at any time for the protection or preservation of the Property. Landlord may enter upon reasonable notice (at least 24 hours prior) and at a reasonable

time (between the hours of 7:30 a.m. and 8:00 p.m.) for the purpose of repair. Landlord may enter under any of the following circumstances:

- (a) with the consent of the Tenant;
- (b) in case of emergency;
- (c) when the Tenant unreasonably withholds consent; or
- (d) if the Tenant is absent from the Property for a period equal to one-half of the rental payment period.

58. The Landlord shall not abuse the right of access nor use it to harass the Tenant.

XVIII. DEFAULT OR BREACH BY TENANT

59. If Tenant or any of Tenant's invitees, licensees, or guests violates any of the terms of this Lease, Tenant shall be considered in breach of this Lease.

60. Breaches may include, but are not limited to, failure to pay Rent, engaging in unlawful activity, damaging or destroying the Property or common areas, or violation of any part of this Lease.

61. If the breach is curable, Tenant shall have the following number of days to cure such breach after receiving written notice:

Curable Breach, Days to Cure:

If Tenant does not cure, Landlord may terminate the Lease, and Tenant must vacate the Property within the following number of days:

Days to Vacate After Cure Period:

Incurable breaches include, but are not limited to, misrepresentation of material fact in the rental application or Lease, possession or use of illegal drugs in the rental or common areas, discharge of a firearm, or criminal assault of another tenant or guest.

62. If Tenant breaches by failing to pay timely Rent, Landlord may send a notice of termination demanding payment of full Rent or surrender of the Property within 7 (seven) days. If Tenant continues in failure to pay and does not surrender for 7 (seven) days, excluding weekends and legal holidays, Landlord may terminate the Lease and file for eviction.

63. Delivery of any notices mentioned above may be done by mailing or hand-delivering a copy of the notice to the Property.

XIX. SUBORDINATION OF LEASE

64. This Lease is subordinate to any mortgage that now exists or may be given later by Landlord with respect to the Property.

XX. OPTION TO PURCHASE

65. Tenant, upon satisfactory performance of this Lease, shall have the option to purchase the real property described herein for a purchase price of:

Purchase Price:

provided that Tenant timely executes the option to purchase and is not in default of the Agreement. Thereafter, each of the Parties shall promptly execute any and all further instructions or other documents, including a Sale Agreement, which may be reasonably required for purchase of the real property.

66. The Landlord shall credit towards the purchase price, at closing, rent payments that the Tenant has timely made in the following manner:

Rent Credit Method:

67. Landlord agrees to deliver, and Tenant agrees to accept, title to the Premises subject only to a lien for taxes and assessments levied against the Property; any covenants, conditions, restrictions, easements, rights, and rights-of-way of record; and such other exceptions as Landlord and Tenant approve in writing. Landlord shall deliver to Tenant a preliminary title report within thirty (30) days after Tenant's exercise of the option.

68. To exercise the Option to Purchase, Tenant must deliver to Landlord written notice of Tenant's intent to purchase not less than the following number of days prior to the expiration of the Lease Term:

Option Exercise Notice Days:

The written notice must specify a valid closing, which must occur before the original expiration date of the Lease Agreement.

69. The Option to Purchase is exclusive and non-assignable, and exists solely for the benefit of the named Parties above. Should Tenant attempt to assign, convey, delegate, or transfer this option without Landlord's express written permission, any such attempt shall be deemed null and void.

70. Tenant agrees that closing costs in their entirety, including any points, fees, and other charges required by the third-party lender, shall be the sole responsibility of Tenant. The only expense related to closing costs apportioned to Landlord shall be the pro-rated share of the property taxes due at closing, for which Landlord is solely responsible.

XXI. FINANCING DISCLAIMER

71. THE PARTIES ACKNOWLEDGE THAT IT IS IMPOSSIBLE TO PREDICT THE AVAILABILITY OF FINANCING FOR THE PURCHASE OF THIS PROPERTY.

72. OBTAINING FINANCING SHALL NOT BE HELD AS A CONDITION OF PERFORMANCE OF THIS OPTION TO PURCHASE AGREEMENT.

73. THE PARTIES FURTHER AGREE THAT THIS OPTION TO PURCHASE AGREEMENT IS NOT ENTERED INTO IN RELIANCE UPON ANY REPRESENTATION OR WARRANTY MADE BY EITHER PARTY.

XXII. REMEDIES UPON DEFAULT

74. If Tenant defaults under this Rent to Own Agreement, then in addition to any other remedies available to Landlord in accordance with applicable state law, Landlord may terminate this Agreement by giving written notice of the termination.

75. If terminated, Tenant shall lose entitlement to any refund of rent or option consideration.

XXIII. ABSENCE AND ABANDONMENT

76. If Tenant plans to leave the Property for the following number of consecutive days or more, or expects long, frequent, or customary absences, Tenant must notify Landlord in writing:

Absence Notification Days:

Tenant hereby agrees that any such absence shall not obviate Tenant's obligation to pay timely Rent.

77. If Tenant is absent from the Property for the above-specified number of days or more, during which time Tenant owes Rent or any other monies, Tenant shall be considered to have abandoned the Property and to be in breach of this Lease.

78. The Property may also be considered abandoned if electrical services are terminated for 7 (seven) consecutive days.

79. This definition of abandonment shall not impair the rights of Landlord under this Lease or applicable law. In case of abandonment, Landlord may immediately enter and re-take the Property as permitted under applicable law and terminate this Lease with no notice to Tenant. Landlord may also dispose of any of Tenant's belongings in accordance with applicable state law.

XXIV. TENANT HOLDOVER

80. If Tenant does not provide timely written notice to Landlord of Tenant's intent to surrender, or Tenant does not vacate the Property at the end of the Lease term, or otherwise remains in possession without exercising the option to purchase, a new month-to-month tenancy will be created, subject to all terms and conditions of this Lease.

81. Such month-to-month tenancy will remain valid until Landlord and Tenant, in writing, extend or renew the Lease for a specific term.

82. If Tenant becomes a month-to-month Tenant, Tenant must give the following number of days' written notice to Landlord of Tenant's intent to surrender the Property:

Month-to-Month Notice Days:

Landlord may terminate such month-to-month tenancy at any time by serving Tenant written notice of termination or by other means permitted by applicable state law. Tenant shall vacate the Property at Landlord's demand.

XXV. INDEMNIFICATION

83. Landlord shall not be liable for any damage or injury to Tenant or Tenant's invitees, licensees, or guests on or in the Property, and Tenant hereby agrees to indemnify, defend, and hold Landlord harmless from any and all claims or assertions of every kind and nature.

XXVI. RECORDING OF LEASE

84. Tenant shall not record this Lease on the Public Records of any public office. In the event that Tenant shall record this Lease, this Lease shall, at Landlord's option, terminate immediately, and Landlord shall be entitled to all rights and remedies available at law or in equity.

XXVII. DESTRUCTION OR CONDEMNATION

85. If the Property is damaged or destroyed by fire or another casualty to the extent that enjoyment of the dwelling unit is substantially impaired, Landlord, in their sole discretion, may elect to repair the Property or terminate the Lease upon thirty (30) days' written notice to Tenant.

86. If the Property is condemned or cannot be repaired, this Lease will terminate upon twenty (20) days' written notice by either Party.

XXVIII. LEAD-BASED PAINT DISCLOSURE

87. Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

Lead Paint Disclosure Statement:

XXIX. QUIET ENJOYMENT

88. Landlord hereby acknowledges and agrees that so long as Tenant pays timely Rent and continues to perform obligations under this Lease, Landlord will not interfere with Tenant's peaceful use and quiet enjoyment of the Property.

XXX. LOCKS

89. Tenant shall not alter or replace any locks on the Property without written consent of Landlord. Tenant shall not add any new locks without Landlord's consent. If Tenant installs any additional locks (with Landlord's consent), the locks shall stay on the Property at Lease expiration and become part of Landlord's Property.

XXXI. PETS

90. The pet policy for the Property is as follows:

Pet Policy:

XXXII. COUNTERPARTS

91. This Lease may be executed in counterparts, all of which shall constitute a single agreement. If the dates set forth at the end of this document are different, this Lease is to be considered effective as of the date that both Parties have signed the agreement, which may be the later date.

XXXIII. FAIR HOUSING

92. All Parties agree to comply with all applicable federal and state Fair Housing and Civil Rights laws and shall not discriminate against any person because of race, color, national origin, religion, creed, sex, marital status, sexual orientation, age, occupation, handicap, disability, or a child or children in the family.

XXXIV. ENTIRE AGREEMENT

93. This Agreement contains the entire agreement of the Parties, and there are no other promises or conditions in any other agreement, whether oral or written, concerning the subject matter of this Agreement.

94. This Agreement supersedes any prior written or oral agreements between the Parties.

XXXV. SEVERABILITY

95. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable.

96. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

XXXVI. AMENDMENT

97. This Agreement may be modified or amended in writing if the writing is signed by the Party obligated under the amendment.

XXXVII. GOVERNING LAW

98. This Agreement shall be construed in accordance with the laws of the State of

XXXVIII. NOTICE

99. Any notice or communication required or permitted under this Agreement shall be sufficiently given if delivered in person or by certified mail, return receipt requested, to the address set forth in the opening paragraph of this Agreement, or to such other address as one Party may have furnished to the other in writing.

XXXIX. WAIVER OF CONTRACTUAL RIGHTS

100. The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that Party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

EXECUTION

IN WITNESS WHEREOF, the Parties execute the Agreement as follows:

LANDLORD

Full Name:

Signature:

Date:

TENANT

Full Name:

Signature:

Date: