

Cooperative Lease Option Agreement

1. The seller/optionor hereafter referred to as “seller”, _____ understands that _____ LLC (buyer/optionee) hereafter referred to as “buyer” will be assigning their interest in the property located at: _____.
2. For purposes of this agreement the seller is the owner of the property, buyer is _____ LLC, and the tenant is the end lease option buyer.
3. The buyer’s responsibilities are:
 - a. To advertise the home to prospective tenants of the home.
 - b. To pay for all such advertising.
 - c. To show the home to any prospective tenants (unless the seller is able and willing to show the home) and to take all such phone calls on the home.
 - d. To take the rental application, run the credit report, criminal background check, check the employment history, landlord references, and report back to the seller with all of the information.
 - e. To do all of the paper work on the lease with option to buy program for the tenant that is selected by the seller.
 - f. To assist the tenant in signing up for a credit repair program at the buyers expense.
 - g. To assist the tenant in working with a lender that can assist them in getting approved for a mortgage as quickly as possible.
4. The seller’s responsibilities are:
 - a. To allow the buyer access to the home to show to prospective tenants of the home.
 - b. To assist in showing the home to any prospective tenant buyers.
 - c. To provide pre-title work or proof of clear title other than the mortgage.
 - d. To keep all mortgage payments current before and during the option agreement.
 - e. To keep this property out of foreclosure and bankruptcy.
 - f. To repair any items on the property prior to the lease with option begin date:
 - i. _____
 - ii. _____
5. The seller understands that the buyer will receive and can collect the option fee received on the transaction from the tenant as their compensation for the ‘assignment’ of the transaction. The amount will not exceed 5% of the purchase price which will be credited towards the buyer’s purchase of this home. Seller will allow for this credit at the closing.
6. **This is not an exclusive agreement.** Owner is free to market the Property on their own via For Sale By Owner or For Rent By Owner. Owner is also free

to market the Property through a licensed Realtor (for SALE ONLY) with a Realtor of Owner's choice. Should owner also want to list the Property through a licensed Realtor for a RENTAL listing, Owner agrees to use Buyer's recommended licensed Realtor who specializes in Rent Only/Rent-To-Own Listings. Owner further agrees to inform Buyer if Owner finds a Tenant or has a potential Tenant in play so that Buyer maybe fully and timely informed of the property's availability and/or discontinue marketing if applicable.

7. The seller understands that buyer will find a tenant/optionee for the home mentioned above. This tenant will be renting 'with the option to buy' the home and will be assuming the option agreement and sales contract attached to this agreement from the buyer. The tenant will be also signing a rental agreement with the seller. The buyer is not acting as a real estate agent in this transaction but is 'assigning' the agreements that will be signed between the buyer and the seller. The seller further understands that:
 - a. The tenant may or may not ever purchase this property.
 - b. The tenant may or may not pay their rent on time or at all.
 - c. The tenant might not fulfill their rental agreement in full.
 - d. The tenant might or could do damage to the above mentioned home/property.
 - e. The selection of the tenant will be discussed between the buyer and the seller, but the seller will have the final decision of whether to select or to not select the tenant.
 - f. That the risk for the agreement once the tenant moves in is the responsibility of the seller.
 - g. That no promises or commitments have been made to the success of the tenant selected for the home or for this program by the buyer.
 - h. There will be a rental agreement signed by the seller with the tenant – when the tenant is approved by the seller.
 - i. The amount of the projected rent will be \$ _____ per month plus utilities (gas, electric, and water) unless agreed upon differently in the rental agreement signed by the seller and the tenant.

We agree to defend, indemnify and hold _____ LLC, its owners, officers, and employees harmless of any and all events whatsoever relating to the Rental Agreement, Sales Contract, Option Agreement or anything else relating to this transaction.

We are the owners of this property with full rights to offer this property on a lease option to buy and to sell this home with clear title.

Our mortgage payments are current on this property and we commit to keeping them current until the end of the option period or the closing, whichever occurs first.

There are no liens on this property, recorded or not recorded, that will prevent me from offering my home on a lease with option to buy and to transfer title in a final sale.

Both parties agree that if there is a disagreement that arises between the buyer and seller that arbitration will be used to resolve the matter and their decision will be final.

Time is of the essence.

Seller

LLC - member