

RESIDENTIAL LEASE AGREEMENT WITH OPTION TO PURCHASE

THIS RESIDENTIAL LEASE AGREEMENT (hereinafter "Lease" and/or "Agreement") is made and entered into this ____ day of XXXXXX, 200X, by and between XXXXXXXXX, a XXXX (State) Limited Liability Company/Limited Partnership, located at XXXXXXXXXXXXX (hereinafter referred to as "Landlord"), and XXXXXXXXX, located at XXXXXXXXXXXXXXXXXXXX (hereinafter referred to as "Tenant").

WITNESSETH:

WHEREAS, Landlord, is the owner of certain rental property located at XXXXXXXXX(address including unit number, if any), XXXXXX(city), XXXXXX(county), XXXXXX(state) (hereinafter "Premises");

WHEREAS, Tenant desires to lease the Premises from Landlord;

NOW, THEREFORE, in consideration of the rents, covenants, and agreements hereinafter contained to be paid, kept and performed by said Tenant, Landlord does hereby lease to Tenant the Premises on the terms and conditions contained herein as follows:

AGREEMENT:

1. **TERM.** The term of this Lease shall be for a term of XXXXXXXXX (duration of lease) commencing on XXXXXXXXX (date and time) and ending on XXXXXXXXX (date).

X. **RENT.** The total rent for the term hereof is the sum of XXXXXXXXX dollars (\$XXXXX), payable in equal monthly installments of XXXXXXXXX dollars (\$XXXX), on the XX day of each month, to the address of Landlord, or at such other address as Landlord may, from time to time, require. **OPTION 1- The First month's Rent Payment shall be due and payable upon the execution of this Lease and prior to occupancy.** **OPTION 2- The First and Last month's Rent Payment shall be paid upon the execution of this Lease and prior to occupancy.** The payment for the Option to Purchase the Property, as set forth in **Section XX below**, in the amount of XXXXXXXXX dollars (\$XXXXX) shall also be due and payable upon the execution of this Lease and prior to occupancy. Rent must be actually received by Landlord, or designated agent, in order to be considered in compliance with the terms of this Lease.

X. **SECURITY DEPOSIT.** Tenant shall place a security deposit with Landlord in the amount of XXXXXXXXX dollars (\$XXXXX) upon entering into this Lease, to be used to secure Tenant's faithful performance of the terms of this Lease, and for the cost of replacing or

repairing damage, if any, to the house, outbuildings, grounds, furnishings, or personal effects of Landlord resulting from the intentional or negligent acts of the Tenant, or for the cleaning of the premises, any unusual wear and tear to the premises or common areas, and any rent or other amounts owed pursuant to the Lease agreement. Tenant may not use said deposit for rent owed during the term of the Lease. Landlord agrees to return said security deposit to Tenant, or unused portion thereof, within 21 days of the Tenant's vacating the leased premises subject to the terms and conditions set forth herein. If less than the full balance of the security deposit is returned, Landlord shall furnish Tenant a written statement with such return of deposit monies indicating any amounts deducted from the security deposit. If Tenant fails to furnish a forwarding address to Landlord, then Landlord shall send said statement and any security deposit refund to the leased premises.

X. LATE CHARGE/BAD CHECKS: A late charge of **X%** of the current rent installment shall be incurred if rent is not paid when due. If rent is not paid when due and Landlord issues a "Notice to Pay Rent," Tenant must tender cash or cashier's check only. If Tenant tenders a check, which is dishonored by a banking institution, then Tenant shall only tender cash or cashier's check for all future payments. This shall continue until such time as written consent is obtained from Landlord. In addition, Tenant shall pay the sum of **xxxx dollars (\$Xxx)** for each check that is returned to Landlord because the check has been dishonored.

X. USE OF PROPERTY. Tenant shall use the Premises for its primary residence and shall not use or permit the Premises to be used for any other purpose without the prior written consent of the Landlord. Tenant shall not cause or permit the Premises to be used in any illegal or unlawful way nor to any which may constitute waste or a nuisance or which will increase the insurance premium thereon.

X. UTILITIES. Tenant does hereby agree to pay any and all utilities and/or services used upon said Premises, including but not limited to heat, water, home owners associations dues (if any), and electrical power, and to pay the same before delinquency. **OPTIONAL- The following exception to be paid by the Landlord: XXXXXXXXXXXX.**

X. OCCUPANTS. **OPTIONAL- The Premises shall not be occupied by any person other than those designated above as Tenant with the exception of the following named persons: XXXXXXXXXXXXXXXXXXXXXXXX.** No part of the Premises shall be used at any time during the term of this Agreement by Tenant or named occupants at any time during the term of this Lease for the purpose of carrying on any business, profession, or trade of any kind, or for any purpose other than as a residential dwelling. Tenant shall not allow any other person, other than transient relatives and friends who are guests of the Tenant, to use or occupy the Premises without first obtaining Landlord's written consent to such use. **OPTIONAL- If Landlord, with written consent, allows for additional persons to occupy the premises, the rent shall be increased by \$100 for each such person.** Any person staying 14 days cumulative or longer, without the Landlord's written consent, shall be considered as occupying the premises in violation of this agreement.

X. **PETS.** No dog, cat, bird, fish or other domestic pet or animal may be kept on or about the Premises without the written consent of the Landlord. No non-domestic pet or animal may be kept on or about the Premises. **OPTIONAL-** If written consent is granted by the Landlord, it shall state the number and type of animals Tenant may keep, and Tenant shall pay to Landlord a pet deposit of Xxxxxx dollars (\$Xxxxx), of which Xxxxxxxx dollars (\$Xxxxxx) shall be nonrefundable, and shall be used upon the termination or expiration of this Lease for the purposes of cleaning the carpets of the building.

X. **SUBLETTING AND ASSIGNMENT.** Tenant shall not transfer, assign, or sublet this Lease or grant any license to use the Premises, or any part thereof, without first obtaining written permission from the Landlord. A consent by Landlord to one such assignment, subletting, or license shall not be deemed to be a consent to any subsequent assignment, subletting, or license. Any such assignment, subletting, pledge, or license without the prior written permission of the Landlord shall be absolutely null and void and shall, at Landlord's option, terminate this Agreement.

X. **CONDITION OF PREMISES.** Tenant stipulates, represents, and warrants that Tenant has inspected the Premises, and that at the time of this Lease said Premises have been cleaned and all items, fixtures, appliances, and appurtenances are in good order, repair, and in safe, clean, and tenantable condition. Tenant promises to keep the Premises in a neat and sanitary condition and to immediately reimburse Landlord for any sums necessary to repair any item, fixture, or appurtenance that needed service due to Tenant's, or Tenant's invitees, misuse or negligence. Tenant shall be responsible for the cleaning or repair to any plumbing fixture where a stoppage has occurred. Tenant shall also be responsible for the cost of repair or replacement of the garbage disposal where the cause has been a result of bones, grease, pits, or any other item, which normally causes blockages of the mechanism. Tenant shall be responsible for the cost of repairs to heating and air-conditioning apparatus, electric and gas fixtures and plumbing work whenever such damage shall have resulted from misuse, waste, or neglect of Tenant, it being understood that Landlord is to have same in good order and repair when giving possession.

X. **INSURANCE.** Landlord does hereby agree to at all times during the term of this lease maintain in force an insurance policy or policies for the building. However, should Tenant desire to insure personal property within the leased Premises or a personal vehicle, Tenant is fully responsible for the procurement and payment of such insurance. It is acknowledged that Landlord does not maintain insurance to cover Tenant's personal property, damage or loss to personal property caused by fire, theft, rain, water overflow/leakage, acts of God, and/or any other causes. It is acknowledged that Tenant's failure to maintain said personal property insurance policy shall be a complete waiver of Tenant's right to seek damages against Landlord for the above-stated losses.

X. **EXEMPTION OF LANDLORD FROM LIABILITY.** Landlord shall not be liable for any damage or injury to the person, goods, wares, merchandise, or other property of Tenant,

Tenants, invitees, or any other person in or about the Premises, whether such damage or injury is caused by or results from: (a) fire, steam, electricity, water, gas, or rain; (b) the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause; (c) conditions arising in or about the Premises or upon other portions of the building, or from other sources or places; or (d) any act or omission of any other tenant of Landlord's. Landlord shall not be liable for any such damage or injury even though the cause of or the means of repairing such damage or injury are not accessible to Tenant. The provisions of this section shall not, however, exempt Landlord from liability for Landlord's gross negligence or willful misconduct.

X. INDEMNIFICATION. Landlord shall not be liable for any damage or injury of or to the Tenant, Tenant's family, guests, invitees, agents or employees or to any person entering the Premises or the building of which the Premises are a part or to goods or equipment, or in the structure or equipment of the structure of which the Premises are a part, and Tenant hereby agrees to indemnify, defend, and hold Landlord harmless from any and all claims or assertions of every kind and nature.

X. HAZARDOUS ITEMS. Tenant shall not keep or have in or on the leased Premises, outbuildings or grounds any article or thing of a dangerous, flammable, or explosive character that might be deemed "hazardous" or "extra hazardous" by any responsible insurance company.

X. ALTERATIONS. Tenant will make no alterations in, or additions to, the Premises (including but not limited to installing aerials and other reception equipment, lighting fixtures, locks, paint, or wallpaper) without first obtaining Landlord's written consent and all the erections, additions and improvements, whether temporary or permanent in character (unless otherwise provided by written agreement between Landlord and Tenant) made in or upon the Premises by Tenant, shall be Landlord's property and shall remain on the Premises at the termination of said term, by lapse of time or otherwise, without compensation to Tenant or obligation to Landlord. Trade or leased equipment and fixtures not covered by this Lease may be removed at Lessee's option, but in the event of removal, Lessee will pay all costs of removal and all costs of restoring the Premises.

X. RIGHT OF ENTRY. Landlord may enter and inspect the Premises, at reasonable times and with reasonable advance notice of at least 24 hours except in situations of compelling emergency, for any reasonable and lawful purpose, including but not limited to determining if the Tenant is performing the covenants and agreements of this Lease, making repairs, additions, or alterations as may be deemed appropriate by Landlord for the preservation and maintenance of the Premises or the building. If the work to be performed requires the cooperation of Tenant to perform certain tasks, then those tasks shall be performed upon serving 24 hours written notice by Landlord (e.g. removing food items from cupboards so the unit may be sprayed for pests). If the work to be performed requires that Tenant temporarily vacate the unit, then Tenant shall vacate for this temporary period upon being served 7 days notice by the Landlord. Tenant agrees

that in such event that Tenant will be compensated solely by a corresponding reduction in rent for the days that Tenant was temporarily displaced.

X. MAINTENANCE AND REPAIR. Landlord shall keep all portions of the Premises in good order, condition and repair. Where a repair is the responsibility of the Landlord, Tenant must notify Landlord in writing stating what item needs servicing or repair. Tenant must give Landlord a reasonable opportunity to service or repair said item. Tenant acknowledges that rent will not be withheld unless a written notice has been served on Landlord giving Landlord a reasonable time to fix said item. Under no circumstances may Tenant withhold rent unless said item constitutes a substantial breach of the warranty of habitability. If any part of the Premises or the building is damaged by any act or omission of the Tenant, Tenant shall pay Landlord the cost of repairing or replacing such damaged property, whether or not Landlord would otherwise be obligated to pay the cost of maintaining or repairing such property.

X. DAMAGES TO PREMISES. In the event the Premises are destroyed or rendered wholly untenantable by fire, storm, earthquake, or other casualty not caused by the negligence of Tenant, this Lease shall terminate from such time except for the purpose of enforcing rights that may have then accrued hereunder. In such case, the rent provided for herein shall be accounted for by and between Landlord and Tenant up until the time of such destruction and Tenant shall pay rent up to said date and Landlord shall refuse rent collected beyond such date. Should only a portion of the Premises thereby be rendered untenantable, Landlord shall have the option of either repairing such portion or terminating this Lease. In the event Landlord exercises the right to repair such portion, the rent shall abate in the proportion that the damaged portion bears to the whole Premises, and the damaged portion shall be restored by Landlord as speedily as practicable, after which the full rent shall recommence and this Lease continue according to its terms.

X. QUIET ENJOYMENT. Upon payment of all the sums referred to herein as being payable by Tenant, and Tenant's performance of all Tenant's agreements contained herein and Tenant's observance of all rules and regulations, shall and may peacefully and quietly have, hold, and enjoy said Premises for the term hereof. Tenant covenants that neither he/she nor his/her guests and invitees shall commit or permit a nuisance in or upon the premises, shall not disturb, annoy, endanger, or inconvenience other tenants of the building, neighbors, the Landlord or his agents, or workmen, nor violate any law, nor commit or permit waste in or about the premises and shall not maliciously or by reason of gross negligence damage the Premises, outbuildings, or grounds, or engage in conduct so as to interfere substantially with the comfort and safety of residents of adjacent buildings.

X. TENANT HOLDOVER ON TERMINATION OF LEASE. If Tenant remains in possession of the Premises after the expiration of this Lease, upon the express written approval of the Landlord, a new month-to-month tenancy shall be created between Landlord and Tenant, which shall be subject to all of the terms and conditions hereof except that rent shall then be due

and owing at **XXXXXXXXXX dollars (\$XXXXX) per month.** Where said term is a month-to-month tenancy, either party may terminate this tenancy by the serving of a 30-day written notice.

X. CONDITION OF PREMISES ON LEASE TERMINATION. Upon the expiration of the term hereof, Tenant does hereby agree that at the termination of this Lease, by lapse of time or otherwise, Tenant shall surrender the Premises to Landlord in as good a state and condition as they were when received, loss by fire or other casualty covered by insurance as herein provided and ordinary wear excepted.

X. DEFAULT AND REMEDIES IN DEFAULT.

(A) The occurrence of any one or more of the following events shall constitute a default or breach of this Lease by Tenant.

- (1) The vacating or abandonment of the Premises by Tenant, except upon termination of this Lease as provided herein.
- (1) The failure by Tenant to make any payment of rent within ten (10) days of it being due.
- (2) The failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by the Tenant, where such failure shall continue for a period of ten (10) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said ten (10) day period and thereafter diligently prosecutes such cure to completion.

(A) In the event of any default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

- (1) Terminate Tenant's right to possession of the Premises by any lawful means; in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. Landlord, in addition to such other rights or remedies possessed under law and without notice or legal process, may re-enter and take possession of said demised Premises and every part thereof. In the event of the remedy of repossession, Landlord shall be entitled to recover from all damages incurred by Landlord by reason of Tenant's default.
- (2) Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.

- (3) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decision of the **State of XXXXXX**.

X. PERSONAL PROPERTY ON DEFAULT OR LEASE TERMINATION. If Landlord's right of reentry is exercised following lease default as set forth above, or after termination of this Lease under the provisions herein set forth, all personal property left in the unit shall be considered to have been abandoned, and shall be stored by the Landlord for 18 days. If within that time period, Tenant does not claim said property, Landlord may dispose of all such personal property in any manner Landlord shall deem proper, and Landlord is hereby relieved of all liability for doing so.

X. OPTION TO PURCHASE BUILDING AND PREMISES. Landlord agrees to offer Tenant the Option to Purchase (hereinafter "Option") the entire Premises under the following terms and conditions:

- X.01. Option Price. It is agreed that Tenant shall make a non-refundable payment of **xxxxxxx dollars (\$xxxx)** for the right and Option to Purchase this Property. This Option Price shall be paid upon the execution of this Lease and prior to occupancy.
- X.02. Purchase Price of Property. **OPTION 1- The Purchase Price for the Property, if said Option is exercised by the Tenant, shall be XXXXXXXX dollars (\$XXXXXX). OPTION 2- The Option Price shall be determined by appraisal from an arms length licensed appraiser within sixty (60) days of the Option Date. Cost of the Appraisal to be paid by Tenant.**
- X.03. Option Date. **OPTION 1- Tenant may only exercise said Option at the end of the term of this Lease and must inform Landlord in writing of his or her intent to exercise this Option within ninety (90) days of the end of the term of this Lease. OPTION 2- This Option may be exercised at any time prior to its expiration at midnight XXXXXXXXXXXX (date), YEAR.** Upon expiration of the Option, Landlord shall be released from all obligations hereunder and all of Tenant's rights hereunder, legal or equitable, shall cease.
- X.0x. OPTIONAL- Credit for Rent and Option Price. If the terms of this Purchase Option are satisfied, Landlord agrees to give Tenant a full credit towards the Purchase Price of the Property, in the amount of the Option Price, xx% of rental payments, and the Security Deposit.
- X.0x. Option Exclusivity. This Option to purchase is exclusive and non-assignable. Any attempt to assign, delegate, transfer, or convey this Option to Purchase is void without the express written consent of the Landlord.

- X.0x. Payment of Option Price. Upon the Tenant's exercise of this Option to Purchase, the Landlord has the option to carry the mortgage on the property, based on a 10% down payment, 30 year term, fixed monthly payments, and the Wall Street Prime interest rate, plus 2 percent, as of Closing, or Landlord may require Tenant to obtain his or her own financing from whatever source Tenant desires. This issue shall be resolved in writing between the parties within thirty (30) days of Tenant's notice to Landlord to exercise the Option.
- X.0x. Encumbrances. Tenant shall take title to the property subject to 1) Real Estate Taxes not yet due and 2) Covenants, conditions, restrictions, reservations, rights, rights of way, and easements of record, if any.
- X.0x. Evidence of Title. Landlord shall provide evidence of Title in the form of a policy of title insurance at Landlord's expense at least sixty (60) days before closing.
- X.0x. Examination of Title. Tenant shall have fifteen (15) days from the date of receipt of the title report to examine the title to the property and to report, in writing, any valid objections thereto. Any exceptions to the title which would be disclosed by examination to the title, Landlord shall use all due diligence to remove such exceptions at his/her own expense within thirty (30) days thereafter. But if such exceptions cannot be removed within the thirty (30) days allowed, all rights and obligations hereunder may, at the election of the Tenant, terminate and unless he/she elects to purchase the property subject to such exceptions.
- X.0x. Closing. Closing for said Purchase under this Option shall take place within ninety (90) days of Tenant notifying Landlord of said intent to exercise such Option, unless otherwise extended by other term of this Lease.
- X.0x. Prorations. Taxes, insurance and other expenses of the Premises shall be prorated as of the date of closing. Unpaid real estate taxes, security deposits (if allowed under the terms of the Lease as set forth above), or considerations involving future lease credits shall be credited to the Tenant at Closing.
- X.xx. Exercise of Option. The Option shall be exercised by mailing or delivering written notice to the Landlord prior to the expiration of this Option. Notice, if mailed, shall be by certified mail, postage prepaid, to the Landlord at the address set forth below, and shall be deemed to have been given upon the day shown on the postmark of the envelope in which such notice is mailed. **OPTIONAL- In the event the Option is exercised, \$Xxxxxxxx per month or Xxxxx percent of the rent paid hereunder, as well as any security deposit paid, prior to the exercise of**

the Option, shall be credited upon the purchase price, unless limited by the late penalty set forth below.

- X.xx. Penalty for Late Payments of Rent. Landlord and Tenant agree that for each late payment of rent during the term of the Lease as set forth above, said late rent payment will be deducted from the Credit set forth in section X.10 above. Additionally, if more than two (2) late payments of rent occur during the term of this Lease, then the Security Deposit of \$XXXXXXX shall also be deducted from the Credit. OPTIONAL- It is agreed by Landlord and Tenant that if Tenant is late with two (2) or more rental payments, this Option to Purchase shall terminate and Landlord shall be released from all obligations related to the Option to Purchase and all of Tenant's rights related thereto, whether legal or equitable, shall cease.
- X.xx. Right to Sell. Landlord warrants to Tenant that Landlord is the legal owner of the leased Premises and has the legal right to sell leased Premises under the terms and conditions of this agreement. However, any purchaser of the Premises shall be bound by this same Lease Agreement.
- X.xx. Closing Costs. The parties agree to apportion closing costs based on standard residential sales and purchase agreements in the State of XXXXXXXX.
- X.xx. Commissions. There will be no real estate commissions paid as a result of this transaction.

X. WAIVER OF COMPLIANCE; CONSENTS

- (A) Any failure of any party to comply with any obligation, covenant, agreement, or condition herein may be waived by the party entitled to the performance of such obligation, covenant, or agreement or who has the benefit of such condition, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.
- (B) Whenever this Lease requires or permits consent by or on behalf of any party hereto, such consent will be given in a manner consistent with the requirements for a waiver of compliance as set forth above.

X. VALIDITY/SEVERABILITY. If any provision of this agreement or the application thereof, for any reason and to any extent, is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision in this agreement.

X. TAXES. Landlord shall be solely responsible for all taxes related to the Premises.

X. **ATTORNEY'S FEES.** In the event it should become necessary for action to be brought by any party to enforce the terms of this agreement or to recover possession of the Premises, the prevailing party shall recover from the other party reasonable attorney fees. Moreover, should it become necessary for Landlord to employ an attorney to enforce any of the conditions or covenants of this Lease, including the collection of rent or gaining possession of the Premises, Tenant agrees to pay all expenses so incurred, including reasonable attorney fees.

X. **GOVERNING LAW.** This Lease shall be governed, construed, and interpreted by, through, and under the laws of the **State of Xxxxxx.**

X. **ENTIRE AGREEMENT.** Landlord and Tenant agree that this Lease, including any attachments incorporated by reference, contains the entire agreement between them and supercedes any oral or written representations or agreements that may have been made by either party.

X. **MODIFICATION AND AMENDMENTS.** This Lease shall not be modified, changed, altered, or amended in any manner except by an instrument in writing signed by each party to it.

X. **AGREEMENT BINDING.** This Lease shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

X. **COMPUTATION OF TIME.** In computing any period of time pursuant to this Lease, the day of the act, event, or default from which the designated period of time begins to run shall be included, unless it is a Saturday, Sunday, or legal holiday, in which event the period shall begin to run on the next day which is not a Saturday, Sunday, or legal holiday.

X. **PRONOUNS AND PLURALS.** All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or persons may require.

X. **PRESUMPTION.** This Lease or any section thereof shall not be construed against any party due to the fact that said Lease or any section thereof was drafted by said party.

X. **FURTHER ACTION.** The parties hereto shall execute and deliver all documents, provide all information and take or forbear from all such action as may be necessary or appropriate to achieve the purposes of the Agreement.

X. **PARTIES IN INTEREST.** Nothing herein shall be construed to be to the benefit of any third party, nor is it intended that any provision shall be for the benefit of any third party.

X. **NOTICE.** All notices, requests, demands, and other communications required or permitted hereunder will be in writing and will be deemed to have been duly given when

delivered by hand or three days after being mailed by certified or registered mail, return receipt requested, with postage prepaid, at the addresses of the parties set forth below:

If to Landlord: _____ (name)
_____ (address)

If to Tenant: _____ (name)
_____ (address)

Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

IN WITNESS WHEREOF, Landlord and Tenant have caused this indenture to be duly executed and sealed the day and year first above written.

LANDLORD OR LANDLORD'S AGENT

TENANT(s)

