

Rent to Own Agreement

In the state of _____

This Option to Purchase Agreement was made and entered into on ____ day of _____ month, ____ Year.

This Option to Purchase Agreement was entered into by _____ (Landlord) residing at the following address: _____ and _____ (Tenant) residing at the following address: _____ Hereinafter known as the "Parties".

WHEREAS, the Landlord is the current owner of the Property located at _____
_____ situated in _____ County and
_____ State.

WHEREAS, The Landlord and Tenant currently are subject to a prior Lease agreement on the aforementioned Property.

WHEREAS, The Tenant now wishes to obtain an Option to Purchase the Property at an agreed purchase price, having taken into consideration the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

NOW, THEREFORE, The Landlord wishes to grant to the Tenant the Option to Purchase pursuant to the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

The Parties hereby agree the following:

1. Rent

The Tenant shall pay the Landlord the monthly rent of _____ Dollars (\$_____) during said term, equating to _____ Dollars (\$_____) annually. The rent will be payable on the ____ of each calendar month in advance. Rent will be paid by the Tenant to the Landlord by mail or in person by check, money order, cash, PayPal or other, and will be payable in U.S. Dollars. The Tenant shall pay to the Landlord the amount of _____ Dollars (\$_____) in the event that any payment is returned to the Tenant by the bank unpaid due to insufficient funds or any other reason. The Tenant shall pay a security deposit of _____ Dollars (\$_____) to be returned upon termination of the Lease and the payment of all due rents and performance of all other obligations.

2. Term

The Landlord has agreed to lease the Property to the Tenant for a period starting on ____ day of _____ month, ____ Year and ending on ____ day of _____ month, ____ Year and continuing month-to-month until either the Landlord or Tenant provides the other Party with proper written termination. The written termination is to be given 30 days prior to the desired termination date.

3. Late Fee

In the event that the Tenant is late with any payment required to be paid then the Landlord shall be entitled to such payment or other charges due hereunder, a late charge of ____% of the balance due for each day that the payment is late.

4. Security Deposit

Upon entering this Option to Purchase Agreement, the Tenant will pay a security deposit of _____ Dollars (\$_____) to the Landlord. The security deposit will be kept safely by the Landlord as security for the Tenant's performance of the obligations under this Option to Purchase Agreement including any damages to the Property by the Tenant during the lease term. Upon failure to carry out the obligations under this Option to Purchase Agreement the Landlord may recover any amount required to remedy the breach. The Landlord will, however, provide the Tenant with a written notice of the required use of the security deposit. The Landlord will pay to the Tenant any interest (less any service fee charge) acquired on the security deposit during the holding period. The Landlord promises to return the security deposit back to the Tenant upon returning possession of the Property to the Landlord in the same condition as originally acquired, with the exception of normal wear and tear. The Landlord will return the security deposit minus any payment required for remedy of a breach (to be notified via written notification of the reasons why to the Tenant), within ____ days after the termination of the term or upon the Tenant exercising their Option to Purchase.

5. Guaranty

_____ (Guarantor) residing at the following address: _____

_____ promises to guarantee the full payment and performance of the lease by the tenant to the Landlord unconditionally. The Guarantor agrees with the tenant to have joint and several liability for the Tenants obligations under this Option to Purchase Agreement. The Guarantor agrees that this guaranty shall continue in full force and be binding upon themselves until this Option to Purchase Agreement is terminated.

6. Utility and Services

The Tenant shall at their own expense pay promptly for all charges for furnishing to the Property (water, electricity, garbage services, and other public utilities). The Landlord shall at their expense provide the following utilities or services _____

_____.

7. Premises Use

The Tenant is liable for any damage to the Property. The Property shall be used and occupied for residential purposes only and the Tenant will not take part in any behaviour resulting in the Property becoming unfit to live in and interfering with the rights of others to enjoy their Property.

8. Maintenance and Repair of the Property

The Tenant promises to keep the Property in good condition and repair during the agreed term with consideration of normal wear and tear. The Tenant will not remove any fixtures or appliances from the Property for any reason. The Tenant promises to inform the Landlord if any repairs to the Property are required. The Tenant will not make any alterations, additions or improvements to the Property without prior consent from the Landlord.

9. Pets

The Tenant will not have or keep any pets on any part of the Property. If the Tenant does have or keep any pets on the Property, the Landlord is entitled to a pet deposit of _____ Dollars (\$_____). Properly trained pets that provide assistance to those with disabilities may be permitted upon acquiring the Landlord's prior consent, which shall not be unreasonably withheld.

10. Smoking

Smoking of any kind is prohibited on any part of the Property.

11. Compliance

The Tenant promises to comply with all applicable laws, ordinances, requirements and regulations of any federal, state, county, municipal or other authority.

12. Right of Entry

The Landlord may with at least 24-hour prior notice and consent from the Tenant enter the Property to make alterations, improvements, repairs or inspect the Property. If the Tenant commits a breach of this Option to Purchase Agreement, the Landlord has full rights to terminate this Agreement in accordance with State law and re-enter and re-claim the possession of the Property, in addition to such other remedies available to the Landlord.

13. Assignment and Subletting

The Tenant shall under no circumstances assign this Option to Purchase Agreement, or sublease or grant any license to use the Property or any part thereof without the Landlord's prior written consent.

14. Tenant's Conduct

The Tenant shall not conduct or hold on the Property any activity or item that is deemed dangerous, flammable or explosive which could result in the danger of fire on the Property. If an increase in the fire insurance premium occurs the Tenant is liable to pay the increase.

15. Option Term

The Option to Purchase term starts on ____ day of _____ month, ____ Year and ends on ____ day of _____ month, ____ Year.

16. Purchase Price

The total purchase price for the Property is _____ Dollars (\$_____) reliant on the fact that the Tenant timely executes the Option to Purchase, does not default on the Lease Agreement and closes the conveyance of the Property. The Landlord/ Seller shall deduct from the purchase price at the closing sum of _____ Dollars (\$_____), from each monthly rent payment made by the Tenant if made correctly.

17. Option Consideration

As consideration for this Option to Purchase Agreement, the Tenant shall pay the Landlord/ Seller a non-refundable fee of _____ Dollars (\$_____), receipt of which is hereby acknowledged by the Landlord/ Seller. This amount shall be deducted from the purchase price at Closing if the Tenant timely exercises the Option to Purchase, provided that the Tenant is not in default of the Lease Agreement and closes the conveyance of the Property. If the Tenant breaches this Agreement, the Landlord/ Seller shall not refund the fee to the Tenant.

18. Notice Required to Exercise the Option to Purchase

The Tenant must provide the Landlord/ Seller with written notice of their intent to exercise the Option to Purchase. The written notice must specify a valid close date which must occur before the original expiration date of the Lease Agreement.

19. Exclusivity of Option

The Option to Purchase is exclusive and non-assignable and exists solely for the benefit of the Tenant. Any such attempt made by the Tenant to assign, convey, delegate or transfer this Option to Purchase without the Landlord/ Seller's express written permission will be deemed null and void.

20. Personal Property

The sale includes all the Seller's right, title and interest, if any, of all real estate, buildings, appurtenances, improvements and fixtures, except as expressly stated below. The following items shall be included in the sale:

The following items shall be excluded from the sale:

21. Closing and Settlement

The Landlord/ Seller shall determine the title company at which settlement shall occur and shall inform the Tenant of this location in writing. The Tenant agrees that the closing costs in their entirety shall be their sole responsibility. The only expense related to the closing costs that will be apportioned to the Landlord/ Seller is the pro-rated share of the ad valorem taxes due at the time of Closing.

22. Title

The Landlord/ Seller shall convey marketable title to the Property by delivering a good and sufficient general warranty deed in fee simple absolute, on or before the Closing.

23. Financing Availability

The Landlord/ Seller makes no representations or warranties as to the availability of financing regarding this Option to Purchase. The Tenant is solely responsible for obtaining financing in order to exercise this Option to Purchase.

24. Commission

No Real Estate commission or any other commissions shall be paid in connection with this transaction.

25. Taxes

The Tenant shall be responsible for the payment of insurance, assessment, taxes and all other charges against the Property to the Closing Date.

25. Existing Mortgage

The Landlord/ Seller, as a condition of the settlement of the Option to Purchase, shall not possess a mortgage on the Property that is greater than the Purchase Price.

26. Option to Purchase Controlling

In the event that a conflict arises regarding the Lease Agreement and this Agreement regarding the Option to Purchase, the Option to Purchase Agreement shall control.

27. Remedies Upon Default

In the event that the Tenant defaults after exercising the Option to Purchase, in addition to any other remedies available to the Landlord/Seller at law or in equity, the Landlord/Seller may terminate this Option to Purchase by giving written notice of the termination to the Tenant. If terminated, the Tenant shall lose all entitlement to any refund of rent or option consideration.

28. Notices

Any notice required under this Agreement must be in writing. The notice is to be effective upon receipt and shall be delivered in person, sent by:

- (a) certified mail, postage prepaid, return receipt requested
- (b) by facsimile or email
- (c) in person
- (d) by a commercial overnight courier that can guarantee next day delivery and provide a receipt.

to the address stated above or any other address as is given with reasonable notice to the other party.

29. Amendments

This Agreement sets forth the entire Agreement and understanding between the party's relation to the subject matter herein. No modification of or amendment to the Option to Purchase Agreement, nor any waiver of any rights under this Option to Purchase Agreement, will be effective unless in writing and signed by both parties.

30. Governing Law and Venue

This Option to Purchase Agreement will be governed, construed and interpreted by, through and under the Laws of the State of _____. The Parties further agree that the venue for all disputes related to this Option to Purchase shall be at _____ County, _____ State.

31. Acknowledgements

The Parties are executing this Option to Purchase Agreement voluntarily and without any duress or undue influence. The parties fully understand the effect of the Option to Purchase Agreement and the binding effect it shall have.

32. Attorney's Fees

Should it be necessary for the Landlord/ Seller to employ an attorney to enforce any of the conditions and covenants set hereof, the Tenant agrees to pay all expenses so incurred, including a reasonable attorneys' fee.

Signature

LANDLORD'S SIGNATURE

TENANT'S SIGNATURE

LANDLORD'S PRINTED NAME

TENANT'S PRINTED NAME