Rent-to-Own Contract

This agreement, entered into this day of , 20 , establishes a rent-to-own contract between , hereinafter referred to as “homeowner”, and , hereinafter referred to as “tenant”, for the residential property located at

, hereinafter referred to as “property”.

Homeowner is the legal property owner of the property identified in the first paragraph of this contract and has the capacity and right to enter into this contract for the property located at the address listed in the first paragraph pursuant to the laws of the state under which this contract will be executed and the property is located. Tenant has the legal capacity to enter into a

rent-to-own contract pursuant to the laws of the state under which this contract will be executed and the property is located.

Rights and Obligations

This contract gives tenant the right to occupy and homeowner the right to collect rent for the tenant’s occupancy for the property. The contract is to last for a period of , and is renewable upon the expiration of that time upon the agreement of both parties and the execution of either another rent-to-own lease contract or addendum to this contract. This period of time is hereinafter referred to as the “tenancy period.”

Tenant will occupy the property as of , 20 . Monthly rent for the property is and is due to the homeowner no later than the first of every month in which the tenant intends to occupy the property. Tenant is depositing

with the landlord as a security deposit for occupying the property.

Upon execution of this contract, tenant has all the rights given to residential tenants and homeowner has all the rights given to residential landlords under the laws of the state in which the property is located. Some or all of these rights may be waived if agreed upon in writing between the parties to this contract.

Both parties are responsible for the obligations normally ascribed to them under the laws of the state in which the property is located.

Rent-to-Own Rights

In addition to the lease, the parties to this contract agree that this contract shall contain

rent-to-own terms. These terms give tenant the right to purchase the property at the end of the tenancy period or as of , to begin on the date that this contract is executed. This contract does not constitute a contract for sale; a separate contract for sale will need to be entered into and executed pursuant to the laws of the state in which the property is located at the end of the tenancy period.

At the end of the tenancy period, tenant may agree to purchase the property for the price established by homeowner and has the right to have all rents and the security deposit paid during the period of this contract applied toward either the purchase price of the home or any required down payment or earnest money payment that the homeowner requires. Tenant is depositing with homeowner for the right to exercise this option at the end of the lease term. This deposit is nonrefundable and cannot be applied toward the purchase price of the home.

The purchase price of the home will be established solely by the homeowner at the end of the period. Homeowner must notify the tenant of the sale price of the home in writing no less than 30 days prior to the expiration of the tenancy period.

Page 1 of 2

<https://mortgage.lovetoknow.com/Rent_to_Own_House_Contract>

Tenant must send notification of intent to purchase the property according to the terms established in this agreement to the homeowner no later than the date of expiration of the tenancy period.

The tenant is not obligated to purchase the property at the end of the period. Notification of intent to not enact the rent-to-own rights established in this contract must be sent no later than 15 days after receipt of the homeowner’s notification of sale price or 15 days prior to the end of the tenancy period.

**Early Termination**

Tenant’s abandonment of the property will constitute an indication of the intent to terminate this contract and relinquish the rights to rent and occupy and purchase the property. “Abandonment” is defined pursuant to the laws of this state, but in all circumstances will occur when the tenant does not pay rent for one month or occupy the property for one month. A month is 30 consecutive days.

Homeowner must evict tenant according to the laws of the state. Homeowner may not cancel this contract except for 1) the tenant’s failure to pay monthly rent pursuant to this contract, 2) the tenant’s failure to occupy the premises for 30 days, or 3) receipt of notification from tenant of intent to cancel the contract and abandon the premises.

If the tenant terminates the contract, the tenant relinquishes the right to have any monies paid in rent applied to the purchase price of the home, should the tenant and homeowner later agree to enter into a contract for sale of the home separate from this contract. Tenant must also pay rent for the entire term of the lease contract, as allowed by law.

If the homeowner cancels the contract, tenant is entitled to all redress and remedies available under the laws of the state in which the property is located and this contract entered into.

This contract is entered in this day of , 20 , in the state of

.

Tenant

Date

Homeowner

Date

Notary

Page 2 of 2