

Residential Lease With Option To Purchase

RECEIVED FROM _____
hereinafter referred to as TENANT, the sum of \$ _____, evidenced by _____ as a deposit which, upon acceptance of this Lease, the owner of the premises, hereinafter referred to as OWNER, shall apply said deposit as follows:

	DEPOSIT RECEIVED	BALANCE OWING PRIOR TO OCCUPANCY
Non-refundable option consideration	\$ _____	\$ _____
Rent, from _____ to _____	\$ _____	\$ _____
Security deposit (not applicable towards last month's rent)	\$ _____	\$ _____
Other	\$ _____	\$ _____
TOTAL	\$ _____	\$ _____

In the event this agreement is not accepted by the OWNER or his authorized agent, within _____ days, the total deposit received shall be refunded.

TENANT hereby offers to lease from the OWNER the premises situated at _____
_____ (see attached Legal Description) and consisting of _____
_____ upon the following TERMS and CONDITIONS:

- 1. TERM:** The term hereof shall commence on _____, 199____, and continue for a period of _____ months thereafter and terminate on _____, 199____.
- 2. RENT:** Rent shall be \$ _____, per month, payable in advance, upon the _____ day of each calendar month to OWNER or his authorized agent, at his designated address. On the annual anniversary of the move-in month (_____) the monthly rent shall increase by **five percent (5%)** over the previous rent.
- 3. LATE CHARGE:** In the event rent is not paid **within five (5) days** after due date, (postmark date is determined to be the date of receipt) TENANT agrees to pay a **late charge of five percent (5%)** of the payment due. TENANT further agrees to pay **\$15.00 for each dishonored bank check**. All payments will apply first towards any unpaid late charge or bounced check charge, and the remainder towards the rent balance. The late charge period is **not** a grace period and OWNER is entitled to make written demand for any rent unpaid on the second day of the rental period.
- 4. UTILITIES:** TENANT shall be responsible for the payment of all utilities and services.
- 5. USE:** The premises shall be used as a residence by no more than _____ adults and _____ children without the prior written consent of the OWNER.
- 6. PETS:** No pets or animals shall be brought on the premises without the prior written consent of the OWNER.
- 7. ORDINANCES/STATUTES:** TENANT shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the lawful use of the premises.
- 8. ASSIGNMENT/SUBLETTING:** TENANT shall not assign this agreement or sublet any portion of the premises without the prior written consent of the OWNER.
- 9. MAINTENANCE, REPAIRS, OR ALTERATIONS:** TENANT acknowledges that the premises are in good order and repair, unless otherwise indicated (see attached Property Condition Report). TENANT shall, at his own expense, and at all times, maintain the premises in a clean and sanitary manner (including all equipment, appliances, furniture and furnishings therein) and shall surrender the same, at termination hereof, in as good condition as received. TENANT shall be responsible for damages caused by his negligence and that of his family or invitees and guests. TENANT shall not paint, paper or otherwise decorate or make alterations to the premises without the prior written consent of the OWNER. TENANT shall irrigate and maintain any surrounding grounds, including lawns and shrubbery, and keep the same clear of rubbish or weeds, if such grounds are a part of the premises and are exclusively for the use of the TENANT.

- 10. ENTRY AND INSPECTION:** TENANT shall permit the OWNER or his agents to enter the premises during the hours of 9:00 AM to 5:00 PM, upon 24 hours advance notice, for the purpose of making necessary or convenient repairs, or to show the premises to prospective tenants, purchasers, or lenders.
- 11. INDEMNIFICATION:** OWNER shall not be liable for any damage or injury to TENANT, or any other person, or to any property, occurring on the premises or any part thereof, or in common areas thereof, unless such damage is the proximate result of the negligence or unlawful act of OWNER, his agents, or his employees. TENANT agrees to hold OWNER harmless from any claims for damages, no matter how caused, except for injury or damages for which OWNER is legally responsible.
- 12. PHYSICAL POSSESSION:** If OWNER is unable to deliver possession of the premises at the commencement hereof, OWNER shall not be liable for any damage caused thereby, nor shall this agreement be void or voidable, but TENANT shall not be liable for any rent until possession is delivered. TENANT may terminate this agreement if possession is not delivered within ten days of the commencement of the term hereof.
- 13. DEFAULT:** If TENANT shall fail to pay rent when due, or perform any term hereof, after not less than three (3) days written notice of such default given in the manner required by law, the OWNER, at his option, may terminate all rights of TENANT hereunder, unless TENANT, within said time, shall cure such default. If TENANT abandons or vacates the property, while in default of the payment of rent, the OWNER may consider any property left on the premises to be abandoned and may dispose of the same in any manner allowed by law. All property on the premises is hereby subject to a lien in favor of OWNER for the payment of all sums due hereunder, to the maximum extent allowed by law.

In the event of a default by TENANT, OWNER may elect to (a) continue the lease in effect and enforce all his rights and remedies hereunder, including the right to recover the rent as it becomes due, or (b) at any time, terminate all of TENANT's rights hereunder and recover from TENANT all damages he may incur by reason of the breach of the lease, including the cost of recovering the premises, and including the worth at the time of such termination, or at the time of an award if suit be instituted to enforce this provision, of the amount by which the unpaid rent for the balance of the term exceeds the amount of such rental loss which the TENANT proves could be reasonably avoided.
- 14. SECURITY DEPOSIT/REFUND:** The security deposit set forth above shall secure the performance of TENANT's obligations hereunder. OWNER may apply all portions of all deposits on account of TENANT's obligations hereunder. Any balance remaining upon termination shall be returned to TENANT within 15 days from date possession is delivered to OWNER or his authorized agent, together with a statement showing any charges made against such deposits by OWNER. TENANT shall not have the right to apply the security deposit in payment of the last month's rent. TENANT shall not be entitled to any interest on any deposits.
- 15. ATTORNEY'S FEES:** In the event that OWNER is required to employ an attorney to enforce the terms and conditions of this agreement or to recover possession of the premises from TENANT, TENANT shall reimburse OWNER his consequential attorney's fees, whether or not a legal action is filed or a judgement is obtained.
- 16. WAIVERS:** No failure of OWNER to enforce any term hereof shall be deemed a waiver, nor shall any acceptance of a partial payment of rent be deemed a waiver of OWNER's right to the full amount thereof.
- 17. NOTICES:** Any notice which either party may or is required to give, may be given by mailing the same, postage prepaid, to either party at their then currently designated address.
- 18. HEIRS, ASSIGNS, SUCCESSORS:** This lease is binding upon and inures to the benefit of the heirs, assigns and successors in interest to the parties.
- 19. TIME:** Time is of the essence of this agreement.
- 20. HOLDING OVER:** Any holding over after the expiration hereof, with the consent of OWNER, shall be construed as a month-to-month tenancy in accordance with the terms hereof, as applicable. No such holding over or extension of this lease shall extend the time for the exercise of the option unless agreed upon in writing by OWNER.
- 21. PARTIAL INVALIDITY:** If any provision of this agreement is held to be invalid, such invalidity shall not affect the validity or enforceability of any other provision of this agreement.
- 22. MODIFICATION:** No modifications or extensions of this agreement shall be valid unless they are in writing and signed by all parties.

31. PEST CONTROL INSPECTION: The main building and all structures on the property to be inspected by a licensed structural pest control operator. Seller to pay for: (1) Elimination of infestation and/or infection of wood-destroying pests or organisms, (2) For repair of damage caused by such infestation and/or infection or by excessive moisture, (3) For correction of conditions which caused said damage, (4) For repair of plumbing and other leaks affecting wood members, including repair of leaking stall showers, in accordance with said pest control operator's report. The inspector shall be requested to separately report: Section (1) Any portion of the structures where infestation or infection is evident, and Section (2) Where conditions are present which are deemed likely to lead to infestation or infection.

32. CLOSING COSTS: Escrow fees and other closing costs shall be paid in accordance with local custom, except as otherwise provided for herein.

33. CLOSE OF ESCROW: Within sixty (60) days from exercise of the option, or upon removal of any exception to the title by the OWNER, as provided above, whichever is later, both parties shall deposit with an authorized escrow holder, to be selected by the OWNER, all funds and instruments necessary to complete the sale in accordance with the terms and conditions hereof.

34. PRORATIONS: Rents, property taxes, insurance premiums, interest, and other expenses of the property are to be prorated to the close of escrow. Advance rentals or considerations involving future lease credits shall be credited to TENANT through escrow.

35. EXPIRATION OF OPTION: This option may be exercised at any time during the term of this agreement, up to sixty (60) days before the expiration date hereof. Upon expiration OWNER shall be automatically released from all obligations hereunder and all of TENANT's rights hereunder, legal or equitable, shall automatically cease.

36. EXERCISE OF OPTION: This option shall be exercised by mailing or delivering written notice to the OWNER sixty (60) days prior to the expiration of this option and by an additional payment, on account of the purchase price, in the amount of \$_____ for the account of OWNER to the authorized escrow holder prior to the expiration of this option.

Notice, if mailed, shall be by certified mail, postage prepaid, to the OWNER at his designated address and shall be deemed to have been received the day following the postmark on the envelope containing the notice.

In the event the option is exercised, the TENANT shall receive a credit towards the purchase price for: their initial option consideration, the security deposit, and any interim option payments or rent credit that may apply. If any interim credit is included it is computed as follows: _____

The undersigned parties hereby acknowledge receipt of a copy hereof.

Dated: _____ Dated: _____

OWNER: _____ TENANT: _____
 _____ _____ Soc. Security No. _____

By: _____ _____ Soc. Security No. _____

Address: _____ Address: _____

City, State, Zip: _____ City, State, Zip: _____

Telephone: _____ Telephone: _____

Pertinent Performance Dates

_____ Lease option begins.

_____ Rent increases five percent (5%) to \$ _____.

_____ TENANT's deadline (60 days) for giving notice of intent to exercise option.

_____ Lease option expires.

_____ Monthly option credits (if they are applicable to this agreement) do not apply for any rent paid after this date. The rent however, continues at \$ _____ per month throughout any escrow period that extends beyond the lease option expiration date.