

# Rent-to-Own Lease Agreement

This **Rent-to-Own Lease Agreement ("Agreement")** is entered into on [Date] between [Landlord's Name], hereinafter referred to as the "**Landlord,**" and [Tenant's Name], hereinafter referred to as the "**Tenant.**"

**WHEREAS**, the Seller/Landlord holds full ownership of a specific parcel of real estate situated in \_\_\_\_\_ County, \_\_\_\_\_ [State], with a designated street address of \_\_\_\_\_  
\_\_\_\_\_ (referred to as the "Property").

**WHEREAS**, the Seller/Landlord and Buyer/Tenant have previously entered into a lease agreement concerning the aforementioned Property (referred to as the "Lease Agreement").

**NOW, THEREFORE**, in consideration of the promises and responsibilities outlined herein, and for other valuable and good consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller/Landlord hereby extends to the Buyer/Tenant an exclusive option to purchase the aforementioned "Property."

The undersigned parties hereby mutually agree to the following terms:

## 1. RENT

The Tenant agrees to pay the Landlord an annual rent of \_\_\_\_\_ Dollars (\$) throughout the specified term. This rent shall be payable in monthly installments of \_\_\_\_\_ Dollars (\$), due on the \_\_\_\_ day of each month in advance. Payments shall be made at a location specified by written notice from us. Additionally, the Tenant shall provide a security deposit of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), which will be refunded upon the termination of this Lease, subject to the satisfactory payment of all rents and the fulfillment of all other obligations.

## 2. SECURITY DEPOSIT

Upon signing this Lease, the Tenant shall remit to the Landlord, in trust, a security deposit of \$[Insert Amount Here].

This deposit shall be utilized as follows:

Security Deposit: \$[Insert Amount Here] shall be retained and disbursed for any damages caused by the Tenant to the Premises or for any other breaches of this Agreement, as permitted by law.

## 3. UTILITIES AND SERVICES

The Tenant is responsible for providing, at their own expense, the following utilities or services:  
The Tenant must promptly pay all charges associated with furnishing

\_\_\_\_\_ [specify, e.g.,  
water, electricity, garbage service, and other public utilities] to the premises throughout the lease  
term.

The Landlord shall cover the expenses for the following utilities or services: \_\_\_\_\_  
\_\_\_\_\_ [specify].

The Landlord does not guarantee the quality or sufficiency of the utilities or services listed above. Furthermore, the Landlord does not assure that any of the utilities or services mentioned will be uninterrupted due to repairs, improvements, or alterations of the building or premises, labor disputes, or any other causes beyond the Landlord's reasonable control. Any such interruptions, and any inability of the Landlord to fulfill their lease obligations resulting from such causes, will not be deemed as eviction or disturbance of the Tenant's use and possession of the premises, nor will it hold the Landlord liable to the Tenant for damages, or release the Tenant from their lease obligations.

Tenant further agrees to the following:

- a. **Condition of Premises:** Upon the expiration of the Lease, the Tenant shall return possession of the leased premises in its current condition, with allowances for reasonable wear and tear, except in cases of fire damage. The Tenant shall refrain from causing any damage to the leased premises.
- b. **Assignment or Subletting:** The Tenant shall not assign or sublet the premises or permit any other individual to occupy them without the Landlord's prior written consent.
- c. **Alterations:** The Tenant shall not make any significant or structural alterations to the leased premises without obtaining the Landlord's prior written consent.
- d. **Compliance with Law:** The Tenant agrees to comply with all building, zoning, health codes, and other applicable laws governing the use of the premises.
- e. **Tenant's Conduct:** The Tenant shall not engage in any activities on the premises deemed extra hazardous, a nuisance, or requiring an increase in fire insurance premiums.
- f. **Pets:** The Tenant shall not bring pets onto the premises.

Right of Termination and Re-Entry: In the event of rent payment default or any other breach of this Lease, the Landlord retains the right to terminate the Lease in accordance with state law, re-enter the premises, and reclaim possession, along with any other remedies available to the Landlord as a result of said breach.

#### **.4. OPTION TO PURCHASE**

The Tenant shall have the option to purchase the property upon the following terms:

- a. **Purchase Price:** [Agreed upon price at the time of signing this Agreement]
- b. **Option Consideration:** [Amount, if any, paid upfront by Tenant for the option to purchase]
- c. **Exercise of Option:** The Tenant may exercise the option to purchase by providing written notice to the Landlord on or before [Date].

#### **5. EXCLUSIVITY OF OPTION:**

This Option to Purchase Agreement is exclusively granted and non-assignable, existing solely for the benefit of the parties named above. Any attempt by the Buyer/Tenant to assign, convey, delegate, or transfer this option to purchase without the express written permission of the Seller/Landlord shall be deemed null and void.

#### **6. CLOSING AND SETTLEMENT:**

The Seller/Landlord shall designate the title company for settlement and notify the Buyer/Tenant of this location in writing. The Buyer/Tenant agrees that all closing costs, including points, fees, and other charges required by the third-party lender, shall be the sole responsibility of the Buyer/Tenant. The Seller/Landlord's only expense related to closing costs shall be the pro-rated share of ad valorem taxes due at closing, for which the Seller/Landlord is solely responsible.

#### **7. FINANCING AVAILABILITY:**

The Seller/Landlord makes no representations or warranties regarding the availability of financing for this Option to Purchase. It is the sole responsibility of the Buyer/Tenant to obtain financing in order to exercise this option.

#### **8. FINANCING DISCLAIMER:**

The parties acknowledge that the availability of financing for the purchase of this Property cannot be predicted. Obtaining financing is not a condition of performance under this Option to Purchase Agreement. The parties further agree that this Agreement is not entered into based on any representation or warranty made by either party.

#### **9. REMEDIES UPON DEFAULT:**

In the event of a default by the Buyer/Tenant under this Option to Purchase Agreement or the Lease Agreement, the Seller/Landlord may terminate this Option to Purchase by providing written notice of termination. Upon termination, the Buyer/Tenant forfeits any entitlement to a refund of rent or option consideration. The Buyer/Tenant must comply with all terms and

conditions of the Lease Agreement for this Option to Purchase Agreement to be enforceable and effective.

#### **10. COMMISSION:**

No real estate commissions or other commissions shall be paid in connection with this transaction.

#### **11. RECORDING OF AGREEMENT:**

The Buyer/Tenant shall not record this Option to Purchase Agreement in the Public Records of any public office without the express written consent of the Seller/Landlord.

#### **12. ACKNOWLEDGMENTS:**

The parties execute this Option to Purchase Agreement voluntarily, without duress or undue influence. They have read and fully understand the terms, consequences, and binding effect of this Agreement. The parties have sought legal advice if desired before signing.

#### **13. GOVERNING LAW AND VENUE:**

This Agreement shall be governed by the Laws of the State of \_\_\_\_\_, and any disputes related to this Agreement shall be resolved in \_\_\_\_\_ (County), \_\_\_\_\_ (State).

#### **14. OPTION TO PURCHASE CONTROLLING:**

In the event of a conflict between the terms and conditions of the Lease Agreement and the Option to Purchase Agreement, the Option to Purchase Agreement shall prevail.

#### **15. ENTIRE AGREEMENT**

This document constitutes the entire agreement between the parties relating to the subject matter herein and supersedes all prior discussions. No modification or amendment to this Agreement, nor any waiver of any rights, will be effective unless in writing and signed by the party to be charged.

#### **16. SEVERABILITY**

In the event that any part of this Lease is deemed invalid or unenforceable for any reason, the remaining provisions shall remain valid and enforceable. Should a court determine that a particular provision of this Lease is invalid or unenforceable but could be made valid and

enforceable by limiting its scope, such provision shall be considered as if it were so limited in its writing, interpretation, and enforcement.

**17. WAIVER**

The failure of either party to enforce any provisions of this Lease shall not be interpreted as a waiver or restriction of that party's right to subsequently enforce and require strict compliance with every provision of this Lease.

**SIGNATURES**

**LANDLORD:**

**By:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Name in Print:** \_\_\_\_\_

**TENANT:**

**By:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Name in Print:** \_\_\_\_\_