

## Landlord/Optionor's Acknowledgments ("Acknowledgments")

I, \_\_\_\_\_ ("Landlord/Optionor" whether singular or plural), on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, have agreed in writing to lease with an option to purchase the real property commonly known as \_\_\_\_\_, (the "Property") to \_\_\_\_\_ ("Tenant/Optionee") and or its assigns, according to the terms and conditions contained in the Residential Lease Agreement and separate Option to Purchase Real Property (the "Agreement") of even date, a copy of which is attached hereto. Any capitalized terms which are not defined herein, shall have the same meanings ascribed to them in the documents in which they are defined. I further state and acknowledge, as follows:

1. OWNERSHIP OF THE PROPERTY: I am the owner of the Property (or I have an equitable interest in the Property) and I am able to enter into any agreements for the Property's lease and option and potential sale. I also acknowledge that all indebtedness, loans, liens, property taxes and dues or assessments for homeowners associations, on the Property are in good standing, and that I will continue to make all payments on time to lenders, creditors or tax assessor collector. I also understand that the Tenant/Optionee and or its assigns have the right at any time during the term of the Agreement to obtain verification from me that all such payments are current. This may include, but is not limited to, mortgage statements or receipt of payments to the mortgage company, receipts for tax payments, loans and dues or assessments. I also acknowledge that the Property is not currently the subject of any bankruptcy or probate proceedings, and that I am prohibited from including the Property in any bankruptcy proceeding during the term of the Agreement.

2. COMPLIANCE OF PROPERTY CODE REGARDING CONVEYANCES: In accordance with Texas Property Code Title 2 Chapter 5, I acknowledge and understand the following:

(A) That no lien or sum of liens on the Property is greater than the full purchase price stated in the Option to Purchase Agreement.

(B) The Landlord/Optionor is obligated to make timely payments and give monthly statements of payments made to lienholders to the Tenant/Optionee and or assigns.

(C) If the Landlord/Optionor receives notice or has actual knowledge of a default, acceleration or foreclosure on the Property, Landlord/Optionor will notify in writing in 14-point type to the Tenant/Optionee and or assigns of said notice and attach a copy of all related documents to the written notice.

(D) If the Landlord/Optionor does not make timely payments on liens against property, the Tenant/Optionee may without notice, cure any deficiency with a lienholder directly and deduct from the total outstanding balance owed by the purchaser under the Option Agreement 150 percent of any amount paid to the lienholder.

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3. LIENHOLDER INFORMATION: I acknowledge that any lender or lienholder allows a Lease with Option to Purchase Agreement to be entered into on the Property, and will verify loan information to Tenant/Optionee per attached Authorization to Release Information form, which I have signed, and any lienholder will accept payments directly from Tenant/Optionee should I default on payments.

4. ACCEPTANCE: I have reviewed the terms and conditions contained in the Agreement and have I accepted Tenant/Optionee's offer to lease and option to purchase the Property with the right to assign to another person or entity.

5. IN MY BEST INTEREST: I am satisfied with the Agreement and I have agreed to lease with an option to purchase the Property as it is in my best interest to do so.

6. FULLY INFORMED: I have signed the Agreement being fully informed and with sufficient understanding of all terms and conditions contained therein.

7. SATISFIED WITH THE SALES PRICE: I understand that I may be renting and optioning the Property for less than market value. As such, I have chosen to do so because my specific circumstances dictate that an immediate solution, even if at a discounted price, is in my best interest. I am satisfied with the lease-option arrangement and the sales price I have negotiated for myself.

8. SALE IS FINAL: I understand by signing the Agreement, that I have agreed to Lease and Option the Property to Tenant/Optionee and or its assignee and I am now bound by the terms and conditions described in the Agreement.

9. AUTHORIZATION TO ASSIGN: I understand Tenant/Optionee may assign the Agreement. If the Tenant/Optionee is unable to assign the Agreement subsequent to execution of the Acknowledgments and the Agreement, that the Agreement is terminated and void, and the Tenant/Optionee shall have the right to cancel the Acknowledgments and the Agreement, without penalty, and will be held free and forever harmless of any encumbrances.

10. CANCELLATION OF AGREEMENT: I understand that \_\_\_\_\_ or Landlord/Optionor may cancel the Agreement at any time prior to the commencement of the Lease ("Effective Date") with no further obligation to either party to perform.

11. NOT A LOAN: I understand the Agreement I have signed is for the outright lease of the Property and an option to purchase the Property and is not intended to be a loan of any kind.

12. COPIES OF THE AGREEMENTS: I understand that copies of any and all executed agreements I have signed will be provided to me in a timely manner and I acknowledge that circumstances dictate that copies may not be immediately made available to me.

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13. TERMS OF THE AGREEMENT: The principal terms of the Agreement with \_\_\_\_\_, or to its assigns are as follows:

\$ \_\_\_\_\_ Option price  
\$ \_\_\_\_\_ Assignment fee paid by Assignee at time of Assignment (may be shown as 'Earnest Money' at time of purchase) \_\_\_\_\_  
\$ \_\_\_\_\_ Option price minus Assignment Fee  
\$ \_\_\_\_\_ Seller Concessionon (May be applied towards funds to close)  
\$ \_\_\_\_\_ Proposed amount excluding closing costs that Landlord/Optionor anticipates in the event that Property is appraises for Option Price.

14. TENANT/OPTIONEE IS ENTITLED TO MAKE A PROFIT: I understand \_\_\_\_\_, is entitled to charge any Assignee an Assignment Fee for assigning the Agreement and may realize a profit in doing so. This fee will be paid by the Assignee at the time of assignment, and be deducted from the option price of the Property at the time of closing if the Option is exercised.

15. LEGAL COUNSEL ADVISED: I acknowledge that \_\_\_\_\_, has advised me to seek independent legal counsel to review the Agreement.

16. FINANCIAL REVIEW ADVISED: I acknowledge \_\_\_\_\_ has advised me to seek an independent financial advisor to review the Agreement.

17. FAIRLY NEGOTIATED: I understand \_\_\_\_\_, has negotiated on its own behalf and likewise, I have negotiated on my behalf. I acknowledge the Agreement has been negotiated fairly.

18. NO OTHER COVENANTS: I have not been warranted or covenanted anything other than what is set forth in the Agreement. No unresolved issues, no side agreements, nor other terms not disclosed in the Agreement exist.

19. NOT UNDER DURESS: I am not under duress and I have signed the Agreement of my own free will, without any undue financial pressure. \_\_\_\_\_, has in no way pressured me into signing the Agreement.

20. FULLY SATISFIED WITH AGREEMENT: I am fully satisfied with all terms and conditions contained in the Agreement.

21. CLOSING: At time of closing, all documents necessary for title transfer shall be executed and held in escrow at the designated title company. Property taxes, HOA dues and rents will be prorated on the date title to the Property is transferred.

22. ACCESS: \_\_\_\_\_, or its Assignees shall have access and a key to the Property upon receipt of full payment of the first month's rent, any security deposit and any assignment fee due at the start date of Lease.

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23. NOT AN AGENT: The parties hereto understand and agree that both parties are acting on their own behalf, and not as a broker, agent, employee or contractor of the other party. The relationship between the parties shall not create any agency, partnership, joint venture or other legal relationship between the parties.

24. APPRAISAL VALUE OF PROPERTY: By executing this Agreement, the Landlord/Optionor, Tenant/Optionee and or any assignee (the "Parties") included in the Agreement acknowledge that the value of the Property as of the date of execution of this Agreement may change at any time subsequent to execution of this Agreement. It is not commercially or reasonably practicable for the Parties to predict changes or alterations that may be included in future appraisals of the Property. As such, the Parties acknowledge that the Property may or may not appraise at the same value as set forth in the Option Price. In the event that, at the time of purchase, the Property does not appraise in an amount above or equal to the Option Price, then I, as the Landlord/Optionor, retain all rights to negotiate the Option Price at the time of the Option execution.

25. DUE ON SALE CLAUSE: I, as Landlord/Optionor, hereby acknowledge that lienholders and lenders on the Property may have a "due on sale" clause, as that term is defined by the applicable lien documents, which may affect the acceleration of the maturity of any debt secured by the Property. In the event that I, as Landlord/Optionor, have any inquiries regarding the scope of said "due on sale" clause, I shall contact the lender or lienholder directly.

26. MEDIATION: The Parties agree that: all claims, demands, disputes or controversies of every kind or nature that may arise between them concerning any of the provisions of the Acknowledgments or the Agreement, or any breach of the terms or performance of any covenant under the Acknowledgments or the Agreement, **OTHER THAN TENANT/OPTIONEE OR ASSIGN'S FAILURE TO PAY RENT, EVICTION PROCEEDINGS BROUGHT BY LANDLORD/OPTIONOR AGAINST TENANT/OPTIONEE AND/OR DAMAGE TO THE PROPERTY CAUSED BY TENANT/OPTIONEE** shall be settled by first attending a mediation with a dispute resolution service, with two mediators selected by such organization. In the event of mediation, each party shall be responsible for its own costs related to mediation, including, but not limited to, reasonable attorneys' fees.

IN WITNESS WHEREOF, I, as Landlord/Optionor execute these Acknowledgments as of the date first above written:

\_\_\_\_\_  
Landlord/Optionor                      Date

\_\_\_\_\_  
Tenant/Optionee                      Date

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Landlord/Optionor                      Date

# RESIDENTIAL LEASE AGREEMENT

This Residential Lease Agreement ("Agreement"), dated \_\_\_\_\_, is entered into by and between, \_\_\_\_\_, ("Landlord") and \_\_\_\_\_, ("Tenant"), or its assigns for the real property (the "Property") located at:

\_\_\_\_\_

\_\_\_\_\_

under the following terms and conditions:

- FIXED TERM AGREEMENT, (LEASE):** Tenant agrees to lease the Property for a fixed term of \_\_\_\_\_ months, beginning \_\_\_\_\_ ("Effective Date"), and ending on \_\_\_\_\_ ("Termination Date"). Thereafter, Tenant must provide Landlord written notice of Tenant's intent to vacate and terminate this Lease within thirty (30) days prior to the Termination Date, or if the parties agree to an extension of this term, at end of any renewal period.
- RENT:** Tenant agrees to rent the Property for the sum of \$ \_\_\_\_\_ per month, payable in advance on the \_\_\_\_\_ of each month of the lease term. There will be no rent increases through the Termination Date. If this Lease is renewed in writing, Landlord may increase the rent during any renewal or extension period, by providing written notice to Tenants.
- FORM OF PAYMENT:** Tenant agrees to pay rent in the form of a direct deposit, a cashier's check, or a money order delivered and payable to Landlord or as Landlord instructs.
- RENT PAYMENT PROCEDURE:** Tenant agrees to pay rent to Landlord at the following address or bank: \_\_\_\_\_, unless other arrangements are agreed to in writing.
- RETURNED CHECKS:** If for any reason a check paid by Tenant to pay Landlord is returned without having cleared, (insufficient funds), Tenant will be responsible for payment of a returned check charge of \$35.00 per return. If any check is returned for insufficient funds, Tenant must thereafter make all subsequent payments via a cashier's check or money order only.
- RENT DUE DATE:** The rent is payable in advance, and due the \_\_\_\_\_ day of every calendar month for the subsequent month. Tenant must pay rent on or before the due date. There is no grace period and rent payments **received** after the rent due date will be considered late.
- LATE FEES:** (A) In the event rent payment is received after the due date, a late fee of \$25.00 per day for a maximum amount of three (3) consecutive days following the date will be due in addition to the rent. In the event that Tenant does not pay rent in full along with the late fees as set forth herein within three (3) days of the due date, then Landlord shall have the right to pursue any and all of its remedies as provided by applicable law, including, but not limited to, seeking eviction of the Tenant from the Property.  
(B) **APPLICATION OF FUNDS RECEIVED FROM TENANT:** Landlord will apply fees

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received from Tenant first to non-rent obligations of Tenant including late charges, returned check charges, charge-backs for repairs, then to rent regardless of any notations on a check or instrument stated by Tenant.

**8. LEASE CANCELLATION AND DEFAULT:** The original Tenant or Landlord may cancel this Lease at any time prior to the Effective Date without notice. Thereafter, if for any reason any subsequent Tenant or assignee elects to cancel this Lease, Tenant or assignee must provide to Landlord at least sixty (60) days prior written notice of his/her intent to cancel this Lease, but is liable for any damages resulting from the early cancellation of the Lease. Upon Landlord's receipt of notice of cancellation, Tenant or assignee shall be held liable for any and all rent payments due until Landlord has found another tenant to lease the Property. Upon cancellation, there will be no refund of any funds paid by Tenant or assignee. Tenant or assignee will also be responsible for damages incurred by Landlord as a result of this action, and as allowable under state and local laws. These damages may include, but are not limited to, lost rent and income, expenses incurred for advertising, clean up of premises, locksmith services, all maintenance and repairs, and travel expenses related to repairing and showing the Property. If Landlord breaches this Lease, Tenant or assignee may seek any relief provided by law. If Tenant or assignee fails to timely pay all rents or late fees under this Lease or otherwise fails to comply with this Lease, for any reason, Tenant or assignee will be in default and Landlord serve tenant with a Notice Of Default via registered or certified mail.

**9. UTILITIES/SERVICES:** Tenant agrees to pay all utilities and services. Unless provided by Landlord, Tenant must, at a minimum, keep at all times during this Lease or any renewal the following utilities on and current (if available): gas, electricity, water, wastewater and garbage services.

**10. OCCUPANTS:** The number of occupants is limited to \_\_\_\_\_. Only the Tenant(s) listed below are permitted to reside in the Property:

NAME \_\_\_\_\_ RELATION \_\_\_\_\_

**11. GUESTS:** Tenant may house any single guest for a maximum period of seven (7) days, every six (6) months.

**12. ASSIGNMENT:** \_\_\_\_\_ may assign its obligations as Tenant under this Residential Lease Agreement. Any other Tenant or Assignee may not sublet the Property, in whole or in part, nor may they assign this Lease to anyone without first obtaining the Landlord's written permission. In the event that this Lease is assigned, upon Landlord's prior written consent, then the Effective Date and Termination Date of this Lease shall be modified from the date first above written to the date of the assignment.

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13. **VEHICLES:** Tenant agrees to keep no more than \_\_\_\_\_ vehicles on the Property. All vehicles must be operable, registered and insured. Tenant agrees to advise any visitors regarding parking and to take responsibility for same. Any vehicle with an active leak of any kind may not be placed on or near the Property. Tenant agrees not to repair vehicles on the Property if such repairs will take longer than a single day unless the vehicle is kept in an enclosed garage. Tenant agrees not to park any vehicle on the Property as prohibited by local codes.

14. **TENANT INSPECTION:** Tenant hereby acknowledges that it has inspected the Property and all its contents and agrees everything is in satisfactory order, including the electrical, plumbing, heating and cooling systems, and is accepting the property in "as-is" condition. Tenant acknowledges and agrees that that the Property is habitable.

15. **NOTIFICATION OF SERIOUS BUILDING PROBLEMS:** Tenant agrees to notify the Landlord immediately upon its initial discovery of serious building problems such as, but not limited to, a crack in the foundation, moisture in the ceiling or a leaking roof, buckling sheetrock, a spongy floor, termite activity, or any other serious problem. The person who must be contacted is: \_\_\_\_\_

16. **TRASH REMOVAL:** Tenant agrees to dispose of its ordinary household trash by placing it into a receptacle for weekly collection. Tenant agrees to dispose of extraordinary household trash by hauling it to the dump themselves or by paying someone to haul it away. Tenant agrees to pay for trash collection service.

17. **MAINTENANCE AND REPAIRS:** Tenant has inspected the Property and acknowledges that it is in satisfactory condition, and accepts the Property "as is/where is" and with "all faults." Tenant agrees to accept responsibility for all maintenance and repairs to the Property, as well as all damages that Tenant or guests may cause. This may include, but is not limited to: air conditioner, heater, water heater, dishwasher, plumbing not related to a slab leak, electrical, fence, yard, cosmetic items, windows and doors. Landlord is responsible for any structural repairs such as: roof damage or other damage caused by weather, repairs for which coverage is allowed by Landlord's property owner's insurance policy, foundation, or a slab leak. Landlord, at Landlord's sole expense, will repair conditions that adversely affect the health or safety of an ordinary Tenant and those conditions caused by the negligence of Landlord or its contractors.

18. **LOCKS/LOCKOUTS:** Should Tenant desire to change any lock on any door or mailbox, Tenant agrees to do so at its expense. Landlord must be provided with duplicates of all locks changed.

19. **ACCESS:** Landlord recognizes that Tenant has a right to privacy and Landlord will respect such right. However, owners, Landlord, or their agents may have to gain access to the Property for the purposes of repairs, inspections, or maintenance. Landlord will provide tenant with reasonable notice of twenty four (24) hours when access is desired, or less than twenty four (24) hours with Tenant's permission. In the event of an emergency, advance notice of entry may not be possible and is not necessary.

20. **YARD AND LANDSCAPING:** Tenant agrees to properly maintain and care for the Property, and the land associated with the Property. This shall include the maintenance and upkeep of the yard, which shall include keeping the yard, hedges, bushes and landscaping at an appropriate height, edging sidewalks and drives, and at minimum, weekly watering of the yard

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and any landscaping. Tenant understands that keeping the yard properly watered can prevent unnecessary and costly foundation repairs.

**21. ALTERATIONS:** Tenant agrees not to make any structural alterations to the Property without first obtaining the Landlord's written permission. Non-structural changes to the Property including painting may be done at Tenant's expense without prior written permission from the Landlord, so long as they adhere to any standards of a homeowner's association or restrictive covenants affecting the Property.

**22. PEACE AND QUIET:** Tenant is entitled to the quiet enjoyment of the Property. Tenant agrees to refrain from making such noises that would constitute a nuisance as defined by applicable law or violation of any local noise ordinance.

**23. BUSINESS USE:** Tenant agrees to use the Property as its personal residence. Tenant may operate a home office from the Property so long as no commercial vehicles are kept at the Property without the written consent of the Landlord, and any business activity does not violate any HOA or city codes.

**24. LAWFUL USE:** Tenant agrees that it will not engage in any illegal activities on the Property, nor will Tenant knowingly allow others to engage in any illegal activities on Property.

**25. COVENANTS, CONDITIONS AND RESTRICTIONS AFFECTING THE PROPERTY:** Tenant acknowledges receipt of all pertinent rules, regulations, and all conditions, covenants, and restrictions pertaining to the Property and Tenant will be financially responsible for any fines incurred due to any violation of these rules or covenants.

**26. INSURANCE:** Landlord shall maintain, at minimum, a Landlord policy on the Property to cover any roof and fire damage to the Property, and liability insurance to cover certain personal injuries occurring as a result of property defects or owner negligence. This insurance does NOT cover Tenant's possessions or Tenant's negligence. Tenant is advised to obtain any insurance coverage Tenant deems necessary for Tenant's personal property and belongings.

**27. RENTER'S INSURANCE:** Tenant is required to obtain a renter's insurance policy to cover damage or loss of its own possessions, as well as losses resulting from its own negligence. Tenant shall also be required to obtain a liability policy that includes coverage of Tenant and Tenant's guests.

**28. INSURANCE CONSIDERATIONS:** Tenant agrees that Tenant will not knowingly keep anything on the Property that will result in an increase in the cost of the homeowner's insurance policy or an endangering of the Property.

**29. FIRE OR CASUALTY DAMAGE:** Should fire or casualty damage have been caused by Tenant's action or neglect, Tenant shall not be relieved of the responsibility for payment of rent, and Tenant shall also accept the full responsibility for all associated repairs and costs incurred.

**30. HOLDING OVER:** If Tenants fail to vacate the Property on or before the Termination Date of this Lease or at the end of any renewal period, Tenants will pay rent for the holdover period and will be held responsible to the Landlord and/or prospective tenants for damages including lost rent, lodging expenses and reasonable attorneys' fees.

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31. **ILLEGAL PROVISIONS NOT AFFECTING LEGAL PROVISIONS:** If any term in this Lease is found to be contrary to any local, state, or federal law, said item shall be considered null and void. This will not affect the validity of any other term in this Lease.

32. **NON-WAIVER:** Should Landlord or Tenant waive its rights to enforce any breach of this Lease, that waiver shall be considered temporary and not a continuing waiver of any later breach. Neither Landlord nor Tenant shall have waived their rights to enforce any breach unless they agree to a waiver in writing.

33. **CONSEQUENCES:** Breach of any part of this Lease, or nonpayment of rent or other charges when due shall be cause for eviction under appropriate sections of the applicable Texas Property Code. If payment has not been received three (3) days after the due date, a Notice of Default shall be sent via registered or certified mail. If no payment has been received by the end of the right to cure period, then the case will be immediately filed with the Justice of the Peace in the county and precinct where the Property is located. The Landlord also retains the right if needed, to file for a Writ of Possession, thereby allowing for the physical removal of Tenant's belongings.

34. **MEDIATION:** The Parties agree that: all claims, demands, disputes or controversies of every kind or nature that may arise between them concerning any of the provisions of the Acknowledgments or the Agreement, or any breach of the terms or performance of any covenant under the Acknowledgments or the Agreement, **OTHER THAN TENANT/OPTIONEE OR ASSIGN'S FAILURE TO PAY RENT, EVICTION PROCEEDINGS BROUGHT BY LANDLORD/OPTIONOR AGAINST TENANT/OPTIONEE AND/OR DAMAGE TO THE PROPERTY CAUSED BY TENANT/OPTIONEE** shall be settled by first attending a mediation with a dispute resolution service, with two mediators selected by such organization. In the event of mediation, each party shall be responsible for its own costs related to mediation, including, but not limited to, reasonable attorneys' fees.

35. **ATTORNEY'S FEES:** If either party to this Lease shall bring a cause of action against the other party for enforcement of this Agreement, the prevailing party shall recover reasonable attorney's fees involved.

36. **PETS:** No pets are allowed on the Property without written permission from the Landlord, except as noted below. Under no circumstance shall any aggressive breed of animal be permitted to be kept on the Property. \_\_\_\_\_

37. **SMOKE DETECTORS:** The Texas Property Code requires that smoke detectors be installed at certain locations at the Landlord's expense. Tenant acknowledges that the smoke detectors in the Property are in good working order on the Effective Date of this Residential Lease Agreement. Tenant agrees to maintain batteries for battery-operated smoke detectors at Tenant's expense.

38. **PREPARER'S DISCLAIMER:** All of the undersigned parties in this Lease agree not to hold the preparer of this document liable for any errors, omissions, mistakes or negligence.

39. **ACKNOWLEDGMENT:** The undersigned Tenant hereby acknowledges that it has read this Lease, Tenant understands it, agrees to it and has been given a copy. Tenant also has been advised to seek professional legal, tax, and financial counsel concerning the terms and obligations as set forth herein.

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# OPTION TO PURCHASE REAL PROPERTY

This Option to Purchase agreement, dated \_\_\_\_\_, is entered into by and between \_\_\_\_\_, (“Landlord/Optionor”), and \_\_\_\_\_, and its assigns, (“Tenant/Optionee”) for the real property located at:

\_\_\_\_\_  
\_\_\_\_\_  
(the “Property”) under the following terms and conditions:

**1. OPTION TO PURCHASE:**

- a) Landlord/Optionor grants to Tenant/Optionee the right to purchase at any time during the option period of \_\_\_\_\_, through \_\_\_\_\_, the Property conditioned upon full compliance by Tenant/Optionee with the terms of this agreement.
- b) The full purchase price of the Property shall be \$ \_\_\_\_\_ at the time the option is exercised.
- c) Landlord/Optionor agrees that upon exercise of the option, Landlord/Optionor shall contribute \$ \_\_\_\_\_ to be applied towards funds to close as a seller concession to the Tenant/Optionee if and only if the option is exercised before it expires. If the option to purchase is not exercised, for any reason, there will be no refund of any rent or concession.

- 2. RIGHT TO ASSIGN:** \_\_\_\_\_, has the right to assign this option and such assignment by will be without recourse to \_\_\_\_\_.  
After \_\_\_\_\_ makes any assignment, this Option cannot be assigned, nor can the property be sublet, in whole or in part, to any third party, without the prior written permission of the Landlord/Optionor.

**3. EXERCISE OF OPTION:**

Tenant/Optionee must notify Landlord/Optionor of Tenant/Optionee’s intention to exercise the Option no later than 30 days prior to the option expiration. If Landlord/Optionor does not receive such notice within 30 days prior to the expiration of the Option, the Landlord/Optionor may begin marketing the Property to another party.

**4. OPTION CONSIDERATION:**

\_\_\_\_\_, shall pay Landlord/Optionor the amount of \$10.00 (Ten Dollars) as fair and valuable non-refundable option consideration. This consideration was paid on \_\_\_\_\_. Should this Option be assigned, any assignee will pay \_\_\_\_\_, a nonrefundable assignment fee of \$ \_\_\_\_\_ which will be considered as option consideration for the option on the Property, and it will apply in full towards the purchase or towards funds to close if the option is exercised. This option consideration was paid on \_\_\_\_\_. If the option to purchase is not exercised, for any reason, there will be no refund of any assignment fee or option consideration.

**5. TRANSFER OF OWNERSHIP:**

So long as the term of the option has not expired, Landlord/Optionor may not sell, convey or

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transfer any ownership interest in the Property, nor may Landlord/Optionor market the Property for sale, conveyance or transfer of ownership. Landlord/Optionor shall maintain current balances with all lenders with liens secured by the Property.

**6. PRORATIONS, CLOSING COSTS, ASSUMPTION AND REFINANCING COSTS:**

The closing costs shall be those costs normally incurred in conjunction with closing escrow in an arms-length transaction and shall be paid at the close of escrow are as follows:

- a) Expenses payable by the Landlord/Optionor as the seller: Releases of existing liens, including prepayment penalties and recording fees; release of seller's loan liability; tax statements or certificates; title insurance (title policy); survey; preparation of deed; one-half of escrow fee; and other expenses required by the seller under FHA, VA, or other government loan program regulations.
- b) Expenses payable by Tenant/Optionee as the buyer: Loan origination, discount, buy-down, and commitment fees; Appraisal fees; loan application fees; credit reports; preparation of loan documents; interest on the notes from the date of disbursement to one month prior to dates of first monthly payments; recording fees; copies of easements and restrictions; mortgage title policy with endorsements required by lender; loan-related inspection fees; photos, amortization schedules, one-half of escrow fee; all prepaid items, including required premiums for insurance, courier fee, repair inspection, underwriting fee and wire transfer, expenses incident to any loan, and other expenses payable by the Buyer under this contract.

**7. PROPERTY CONDITION:**

The Property is being sold in "as is" condition, and the Tenant/Optionee acknowledges that they have inspected the property and accept it in its current condition. The Tenant/Optionee is responsible for all non-structural maintenance and repairs to the property during the term of this agreement.

**8. REMEDIES UPON DEFAULT:**

- a) In the event of any default by Tenant/Optionee of the obligations under the Residential Lease Agreement, in addition to any remedies available to Landlord/Optionor at law or in equity, Landlord/Optionor shall have the right to terminate this Option and all rights hereunder after providing a Notice of Default and the time for the right to cure has expired.
- b) All of the terms of the Lease Agreement must be complied with in order for this Option to be valid. In the event this option agreement conflicts with any part of the corresponding Residential Lease Agreement, the terms and conditions of this option agreement shall be superior and prevail.

**9. MODIFICATION:**

Any modification of any portion of this agreement must be made in writing and signed by both parties. As written, this agreement constitutes the entire agreement between the Landlord/Optionor and the Tenant/Optionee. They have made no further promises of any kind to one another, nor have they reached any other understandings, either written or verbal, relating to the Option to purchase real estate.

**10. ATTORNEY'S FEES:**

If either party to this agreement shall bring a cause of action against the other party for enforcement of the agreement, the prevailing party shall recover reasonable attorney's fees involved.

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**11. PREPARER'S DISCLAIMER:**

All of the undersigned parties in this agreement agree not to hold the preparer of this document liable for any errors, omissions, mistakes or negligence.

**12. FINANCING DISCLAIMER:**

The parties to this agreement acknowledge that speculation of availability of financing or assumption of existing loans towards the purchase of the Property is impossible to predict. Therefore, the parties agree that these items shall not be a condition of performance of this agreement, and they agree they have not relied upon any representation or warranties by either party.

**13. OPTION EXERCISE ACCELERATION:**

To encourage the Tenant/Optionee to expedite exercising the Option, the Landlord/Optionor agrees to credit the Tenant/Optionee with the total amount of the agreed upon monthly contributions at any time during the lease term to be applied as funds towards closing as a seller concession for the Tenant/Optionee.

**14. INDEMNIFICATION:**

After any assignment of this option by \_\_\_\_\_, Landlord/Optionor shall indemnify \_\_\_\_\_, and hold \_\_\_\_\_, harmless from and against any and all claims, including statutory and contractual liens, and any other causes of action, claims for monetary damages, including attorney's fees, or for contribution or indemnity, and the reasonable and necessary costs, including attorney's fees, incurred in defense of any such claim or claims that may at any time be made or brought against \_\_\_\_\_, by an assignee of the option or anyone claiming by, through, or under Landlord/Optionor on account of any injury or loss sustained in or arising from the Residential Lease Agreement or this Option to Purchase Real Property.

**15. DEFAULT OF MORTGAGE:**

Landlord/Optionor acknowledges that all payments are current and in good standing with the mortgage company, any tax assessor collector, or homeowners association, and agrees to make all payments to the mortgage company, tax assessor-collector, or homeowners' association during the lease period of the Residential Lease Agreement in a timely manner and keep the mortgage current. Landlord/Optionor agrees to provide documentation of mortgage payments, tax and homeowners' association payments at the request of the Tenant/Optionee. If, during the option period the Landlord/Optionor fails to keep the payments on the property current, and the property is foreclosed upon, the Tenant/Optionee retains the right to seek damages from Landlord/Optionor as allowed by law.

**16. COMPLIANCE WITH TEXAS PROPERTY CODE REGARDING CONVEYANCES:**

a) Landlord/Optionor shall make timely payments on the loan and may give monthly statements to the Tenant/Optionee reflecting the amount paid to the lienholder, and the date the lienholder receives the payment. Landlord/Optionor has provided to Tenant/Optionee the name, address and phone number of the lienholder or servicer of such loan.

b) Landlord/Optionor, not later than the third day the Landlord/Optionor receives or has actual knowledge of a document or an event described below, to notify the Tenant/Optionee in writing in 14-point type that Landlord/Optionor has been sent a notice of default, notice of acceleration, or notice of foreclosure or has been sued in connection with a lien or mortgage on the property and to attach a copy of all related documents received to the written notice. If

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Landlord/Optionor does not make timely payments on the loan or any other indebtedness secured by the property, the Tenant/Optionee may, without notice, cure any deficiency with a lienholder or mortgage company directly and deduct from the total outstanding balance owed by the purchaser under the Option Price, without the necessity of judicial action, 150 percent of any amount paid to the lienholder or mortgage company.

**17. ACKNOWLEDGEMENT:**

The undersigned each hereby acknowledge that each has read this agreement, understands it, agrees to it and has been given a copy. This agreement is not to be recorded unless the Landlord/Optionor gives prior written permission for recording. Each further have been advised to seek legal, tax, technical expertise and any other counsel of their choosing concerning this contract prior to signing.

\_\_\_\_\_  
Landlord/Optionor                      Date

\_\_\_\_\_  
Tenant/Optionee                      Date

BY: \_\_\_\_\_

\_\_\_\_\_  
Landlord/Optionor                      Date

Title: \_\_\_\_\_

ASSIGNMENT OF AGREEMENT

\_\_\_\_\_ (hereinafter, "Assignor"), who is the Tenant under a Residential Lease Agreement and the Tenant/Optionee under an Option to Purchase Real Property Agreement dated \_\_\_\_\_, (hereinafter collectively, "the Agreement"), by and between Assignor and \_\_\_\_\_, (hereinafter, "Landlord/Optionor") hereby assigns all right, title and interest in said Residential Lease Agreement, and the Option to Purchase Real Property for the property located at \_\_\_\_\_

to \_\_\_\_\_, (hereinafter, "Assignee"), for the sum and consideration of \$ \_\_\_\_\_ received by Assignor. Any assignment fee paid shall be considered option consideration and will be credited in full towards the purchase price of the subject property as specified in the attached Option to Purchase Real Property Agreement.

Assignee hereby agrees to perform all covenants, conditions, and obligations required by Assignor under the Agreement and agrees to defend, indemnify and hold Assignor harmless from any liability and obligation under said Agreement. Landlord/Optionor and Assignee further agree to hold Assignor harmless from any deficiency or defect in the legality or enforceability of the terms of the Agreement. Landlord/Optionor and Assignee shall indemnify and hold harmless \_\_\_\_\_ from and against any and all claims, including statutory and contractual liens, and any other causes of action, claims for monetary damages, including attorney's fees, or for contribution or indemnity, and the reasonable and necessary costs, including attorney's fees, incurred in defense of any such claim or claims that may at any time be made or brought against \_\_\_\_\_, by an assignee of the option or anyone claiming by through or under Landlord/Optionor on account of any injury or loss sustained in or arising from the Agreement.

Landlord/Optionor and Assignee agree and understand that \_\_\_\_\_, is not acting as a Real Estate Broker or agent in this transaction and is not representing either party, but rather is acting as a principal in transferring and selling it's rights and interest in the Agreement to Assignee.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Assignor: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

I hereby accept and approve the terms of this Assignment and agree to hold Assignor, \_\_\_\_\_, harmless from any further liability or obligation under the Agreement.

Assignee \_\_\_\_\_

I hereby accept and approve the terms of this Assignment to Assignee(s) and agree to hold Assignor, \_\_\_\_\_, harmless from any further liability or obligation under the Agreement.

Landlord/Optionor \_\_\_\_\_

Assignee's Acknowledgments ("Acknowledgments")

I, \_\_\_\_\_ ("Assignee"), on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, have agreed and acknowledged to pay the assignment fee as stated in the agreement dated \_\_\_\_\_, for the Lease with an Option to Purchase Real Property ("Agreement") entered into by and between \_\_\_\_\_ ("Landlord/Optionor") and \_\_\_\_\_, ("Assignor") for the property located at \_\_\_\_\_, (the "Property") and by doing so, I hereby agree to uphold and adhere to all of the terms and conditions set forth in the Agreement, a copy of which is attached hereto.

I further state as follows:

1. ASSIGNEE OF THE LEASE WITH OPTION: I understand that I am the Assignee of the Agreement, and as such, I will be granted all rights, title, responsibilities, performances and liabilities of the Assignor as set forth in the Agreement. Upon execution of this Acknowledgment, Assignor shall no longer assume any liability or damages which may arise from performance or omission of the terms of the Agreement.
2. ACCEPTANCE: I have reviewed the terms and conditions contained in the Agreement and I have accepted the Assignor's offer to lease the Property.
3. FULLY INFORMED: I have signed the Agreement being fully informed and with sufficient understanding of all terms and conditions contained therein.
4. SATISFIED WITH THE OPTION PRICE AND CREDITS: I acknowledge that I am leasing the Property and I have a right to purchase said Property if I so choose. All earned rent credits will be applied towards the purchase or towards funds to close. I understand that neither party to this Acknowledgment has the ability to forecast the future amount of an appraisal/valuation in 12 to 24 months' time. The Fair Market Value of the appraisal may be more or less than the agreed-upon option price.
5. LEASE OPTION CONTRACT IS FINAL: I acknowledge that by signing the Agreement, I have agreed to be assigned a lease with an option to purchase the Property, and upon said assignment, I will assume and be bound by the terms and conditions described in the Agreement. I further understand that I cannot terminate the Agreement at some later date.
6. NOT A LOAN: I understand the Agreement I have signed grants me the right to lease the Property and an option to purchase the Property and is not intended to be a loan of any kind.
7. COPIES OF THE PAPERWORK: I understand that copies of the paperwork I have signed will be provided to me in a timely manner and I acknowledge that if extenuating circumstances dictate that copies may not be immediately made available to me, that

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Assignor shall have no liability for any delay in providing said paperwork to me.

8. ASSIGNOR ENTITLED TO MAKE A PROFIT: I understand Assignor is selling its rights in the Agreement, and may realize a profit in doing so.

9. LEGAL COUNSEL ADVISED: I acknowledge Assignor has advised me to seek independent legal counsel to review the Agreement.

10. FINANCIAL REVIEW ADVISED: I acknowledge Assignor has advised me to seek an independent financial advisor to review the Agreement.

11. FAIRLY NEGOTIATED: I understand Assignor has negotiated on its own behalf and likewise, I have negotiated on mine. I acknowledge the Agreement has been negotiated.

12. NO OTHER COVENANTS: I have not been warranted or covenanted anything other than what is set forth in the Agreement. No unresolved issues, no side agreements, nor other terms not disclosed in the Agreement exist.

13. NOT UNDER DURESS: I am not under duress and I have signed the Agreement of my own free will, without any undue pressure from any party.

14. FULLY SATISFIED WITH AGREEMENT: I am fully satisfied with all terms and conditions contained in The Agreement.

15. ASSIGNMENT FEE: The non-refundable assignment fee of \$ \_\_\_\_\_ will apply in full to the purchase or towards funds to close at settlement. In the event the Assignee fails to exercise this option or defaults under any terms of the attached Agreement then this option will be void and all monies paid to Assignor or to Landlord/Optionor will NOT be refundable.

16. OBTAINING PERMANENT FINANCING: I, as Assignee, understand that there are no guarantees of obtaining permanent financing. I understand that I may need to enroll in a credit improvement program or establish credit in order to qualify for permanent financing. I, as Assignee, also understand the requirement to keep payments to all creditors in good current standing, and that I am solely and fully responsible for preparing to meet the lender's guidelines, and that no promises, written or orally have been made in reference to guaranteeing financing before the expiration of the Option period.

17. APPRAISAL VALUE OF PROPERTY: By executing this Agreement, the Landlord/Optionor, Tenant/Optionee and or any assignee (the "Parties") included in the Agreement acknowledge that the value of the Property as of the date of execution of this Agreement may change at any time subsequent to execution of this Agreement. It is not commercially or reasonably practicable for the Parties to predict changes or alterations that may be included in future appraisals of the Property. As such, the Parties acknowledge that the Property may or may not appraise at the same value as set forth in **INITIAL**

the Option Price. In the event that, at the time of purchase, the Property does not appraise in an amount above or equal to the Option Price, then I acknowledge that the Landlord/Optionor retains all rights to negotiate the Option Price at the time of the Option execution.

18. PROPERTY CONDITION: This property is being transferred in an AS IS/WHERE IS condition. The Assignee acknowledges that it has inspected the Property and Assignee accepts the Property in its current condition. The Assignee is responsible for making and paying for all non-structural repairs and maintenance during the term of the Agreement. This may include but is not limited to: air conditioner, heater, water heater, dishwasher, plumbing not related to a slab leak, electrical, fence, yard, cosmetic items, windows and doors. This does NOT include structural repairs such as: roof damage or other damage caused by weather, repairs covered by the Landlord/Optionor's homeowner's insurance policy, foundation, or a slab leak.

19. MEDIATION: The Parties agree that: all claims, demands, disputes or controversies of every kind or nature that may arise between them concerning any of the provisions of the Acknowledgments or the Agreement, or any breach of the terms or performance of any covenant under the Acknowledgments or the Agreement, **OTHER THAN TENANT/OPTIONEE OR ASSIGN'S FAILURE TO PAY RENT, EVICTION PROCEEDINGS BROUGHT BY LANDLORD/OPTIONOR AGAINST TENANT/OPTIONEE AND/OR DAMAGE TO THE PROPERTY CAUSED BY TENANT/OPTIONEE** shall be settled by first attending a mediation with a dispute resolution service, with two mediators selected by such organization. In the event of mediation, each party shall be responsible for its own costs related to mediation, including, but not limited to, reasonable attorneys' fees.

20. NO REPRESENTATIONS: Assignee acknowledges that Assignor has made no representations or warranties concerning the condition of the Property or the improvements thereon, its ownership, the neighborhood, or the value of the Property.

21. NOT AN AGENT OR BROKER: Assignee understands and acknowledges that \_\_\_\_\_, is not acting as a Real Estate agent, broker, or dealer, and is representing no party other than itself, acting only as a principal in the Agreement. The relationship between the parties shall not create any agency, partnership, joint venture or other legal relationship between the parties.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Assignee

\_\_\_\_\_  
Assignor

BY: \_\_\_\_\_

Title: \_\_\_\_\_

**NOTICE OF LIENHOLDER INFORMATION**

Name and address of lienholder(s) or loan service company:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone number of lienholder(s) or loan service company:

(\_\_\_\_) \_\_\_\_ - \_\_\_\_ ext \_\_\_\_

(\_\_\_\_) \_\_\_\_ - \_\_\_\_ ext \_\_\_\_

Loan or account number(s):

1<sup>st</sup> lien \_\_\_\_\_

2<sup>nd</sup> lien \_\_\_\_\_

Balance of loan(s):	Payment amount	Due Date
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1 <sup>st</sup> lien _____	_____	_____
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2 <sup>nd</sup> lien _____	_____	_____
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Name of Homeowners Association (HOA): \_\_\_\_\_

HOA Management contact: \_\_\_\_\_

**NOTICE TO PURCHASER:**

If the Landlord/Optionor fails to make timely payments to the lienholder or servicer, the lienholder or servicer may attempt to collect the debt by foreclosing on the lien and selling the property at a foreclosure sale.

I acknowledge receipt of this disclosure at least three (3) days prior to the Effective Date of the Agreement.

\_\_\_\_\_  
Tenant/Optionee(s)

\_\_\_\_\_  
Date

# AUTHORIZATION TO RELEASE INFORMATION

Authorization dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Borrower(s): \_\_\_\_\_

Phone number (H)\_\_\_\_\_ (C)\_\_\_\_\_

(W)\_\_\_\_\_ (Other)\_\_\_\_\_

Loan Number: \_\_\_\_\_

Property Address: \_\_\_\_\_

Bank or loan service company:\_\_\_\_\_

Address:\_\_\_\_\_

Phone number:\_\_\_\_\_

Fax number:\_\_\_\_\_

I/We the undersigned hereby authorize you to release information regarding the above referenced loan to \_\_\_\_\_ and/or their agents/assigns. This form may be duplicated in blank and/or sent via facsimile transmission. This authorization is a continuation authorization for said persons to receive information about my loan, including duplicates of any notices sent to me regarding my loan.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
SSN (last four digits)

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
SSN (last four digits)