

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

I, \_\_\_\_\_  
("Landlord/Optionor"), on this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, have  
agreed in writing to lease with an option to purchase the property commonly known as  
\_\_\_\_\_, (the "Property") to  
\_\_\_\_\_ ("Tenant/Optionee") and or its assigns,  
according to the terms and conditions contained in the Lease and separate Option to  
Purchase (the "Agreement") of even date, a copy of which is attached hereto. I further  
state as follows:

Any capitalized terms which are not defined herein, shall have the same meanings ascribed to them in the documents in which they are defined.

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 payments on The Property are in good standing, and that I will continue to make all payments on time to the mortgage company. 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 payments are in fact current this may include but not limited to mortgage statements or receipt of payments to the mortgage company. I also acknowledge that the property is not currently involved in bankruptcy or probate.
2. **ACCEPTANCE:** I have reviewed the terms and conditions contained in the Agreement and have I accepted Tenant/Optionee's offer to lease and have an option to purchase the Property with the right to assign.
3. **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.
4. **FULLY INFORMED:** I have signed the Agreement being fully informed and with sufficient understanding of all terms and conditions contained therein.
5. **SATISFIED WITH THE SALES PRICE:** I understand that I may be leasing and optioning the Property for less than market value. As such, I have chosen to do so because circumstances dictate that an immediate solution, even 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. .
6. **SALE IS FINAL:** I understand by signing the Agreement, that I have agreed to Lease Option the Property to Tenant/Optionee and or its assignee and I am now bound by the terms and conditions described in the Agreement

7. AUTHORIZATION TO ASSIGN: I understand Tenant/Optionee may assign the Agreement. If the Tenant/Optionee is unable to assign the Agreement prior to Agreement start date ("Effective Date") that Tenant/Optionee shall have the right to cancel the Agreement, and will be held free and forever harmless of any encumbrances.

8. CANCELLATION OF AGREEMENT: I understand that the original Tenant/Optionee or Landlord/Optionor may cancel the Agreement at any time prior to the Lease start date ("Effective Date") with no further obligation to either party.

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

10. CLOSING DOCUMENTS: I understand at the end of the Lease Option Agreement, there will be additional closing documents to sign and upon receipt, I agree to execute and deliver the closing documents as necessary or appropriate either into Escrow or directly to Assignee, as Assignee may direct, in a timely manner.

11. COPIES OF THE AGREEMENTS: I understand that copies of any and all executed agreements I've 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.

12. TERMS OF LEASE: The terms of the Agreement that will be assigned by the Tenant/Optionee to the Assignee are as follows: Tenant/Optionee's purchase price \$ \_\_\_\_\_ ("Option Price") Tenant/Optionee's monthly rent payments \$ \_\_\_\_\_ Seller concession \$ \_\_\_\_\_ Length of lease \_\_\_\_\_ months.

13. AGREED UPON PRICE STRUCTURE: The Landlord/Optionor has agreed upon the following lease option price for The Property:

\$ \_\_\_\_\_ Option price

\$ \_\_\_\_\_ Assignment fee paid by buyer at time of assignment (May be shown as 'Earnest Money' at time of purchase) \_\_\_\_\_

\$ \_\_\_\_\_ Option price minus Assignment Fee

\$ \_\_\_\_\_ Seller Concession. (May be used towards funds to close at time of purchase)

\$ \_\_\_\_\_ Proposed amount excluding closing costs that Landlord/Optionor anticipates in the event that Property is appraised for option price.

14. TENANT/OPTIONEE IS ENTITLED TO MAKE A PROFIT: I understand Tenant/Optionee will be charging the 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 Tenant/Optionee has advised me to seek independent legal counsel to review the Agreement.

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

17. FAIRLY NEGOTIATED: I understand the Tenant/Optionee 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. There are no unresolved issues, no side agreements, nor are there other terms not disclosed in the Agreement.

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. Tenant/Optionee 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 appropriate Title Company. Property taxes, water/sewer, HOA dues and rents will be prorated on title transfer date.

22. ACCESS: Tenant/Optionee or assignee shall have access and a key to the Property upon clearing of the down payment; first month's rent and upon the start date of The Agreement.

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, both parties acknowledge that the appraisal of the Property in existence as of the date of execution of this Agreement (the "Initial Appraisal") may change at any time subsequent to execution of this Agreement. It is not commercially or reasonably practicable for either party to predict changes or alterations that may be included in future appraisals of the Property. As such, both parties acknowledge that the Property may not appraise at the same value as set forth in the Initial Appraisal or 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 Initial Appraisal and/or the Option Price, then the Landlord/Optionor may but shall not be obligated to negotiate the Option Price at the time of Purchase.

25. DUE ON SALE CLAUSE: Landlord/Optionor hereby acknowledges that his/her lienholder on the Property may have a "due on sale" clause, as that term is defined by the

applicable lien documents. In the event that Landlord/Optionor has any inquiries regarding the scope of said "due on sale" clause, Landlord/Optionor shall contact his/her mortgage lender or mortgage servicer.

26. **ARBITRATION:** The parties hereto understand and agree that the Property leased between the parties is involved in, affect, or have a direct impact upon, intrastate commerce. Both 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 any negotiations leading to the lease or sale of the Property, any disputes arising pursuant to the Acknowledgments or the Agreements, **OTHER THAN TENANT/OPTIONEE'S FAILURE TO PAY RENT/ EVICTION PROCEEDINGS BROUGHT BY SELLER/OPTIONOR AGAINST TENANT/OPTIONEE AND/OR DAMAGE TO THE PROPERTY CAUSED BY TENANT/OPTIONEE OR ASSIGNEE**, or any breach of the terms or performance of any covenant under the Acknowledgments or the Agreement may be settled by binding arbitration conducted pursuant to the provisions of 9 U.S.C. Section 1 et seq. and according to the Commercial Rules of the American Arbitration Association. Without limiting the generality of the foregoing, it is the intention of the parties to resolve by binding arbitration all disputes arising between the parties, the terms and meaning of any of the terms of the Acknowledgments or the Agreement, or any other document signed between the parties, any representations, promises or omissions made in connection with the negotiation of the Acknowledgments or the Agreement. Both parties agree, covenant and contract that there shall be no class arbitration between the parties and that the only parties to any disputes or controversies to be arbitrated as more particularly described herein shall be the Seller/Optionor and Tenant/Optionee.

Either party may demand arbitration by filing with the American Arbitration Association written demand for arbitration along with a statement of the matter in controversy. A copy of the demand for arbitration shall simultaneously be served upon the other party. Both parties agree that the arbitration proceedings to resolve all such disputes shall be conducted in the city/county where the Property is located. Both parties agree that they shall keep confidential the results, decisions and conversations and all communications in connection with the arbitration proceedings and/or the arbitration agreement. Either party may seek damages and/or an injunction against the other for any violations of this provision. In the event of arbitration, each party shall be responsible for its own costs related to arbitration, including, but not limited to, its reasonable attorneys' fees.

27. **TERMS ARE BINDING:** All terms of this Agreement are binding upon and shall insure to the benefit of the parties and respective heirs, executors, successors, administrators and assigns, and all terms of the Agreement shall survive any closing on the Property.

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

\_\_\_\_\_  
LANDLORD/OPTIONOR

\_\_\_\_\_  
LANDLORD/OPTIONOR

\_\_\_\_\_  
TENANT/OPTIONEE

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

TITLE: \_\_\_\_\_ Managing Member \_\_\_\_\_

# RESIDENTIAL LEASE AGREEMENT

This Residential Lease Agreement ("Agreement"), dated \_\_\_\_\_, is entered into by and between **LANDLORD**, \_\_\_\_\_, and **TENANT**, \_\_\_\_\_, and or assigns for the property (the "Property") located at:

\_\_\_\_\_

\_\_\_\_\_

under the following terms and conditions:

Any capitalized terms which are not defined herein, shall have the same meanings ascribed to them in the documents in which they are defined.

1. **FIXED TERM AGREEMENT, (LEASE)**: Tenant agrees to lease the Property for a fixed term of \_\_\_\_\_ months, beginning \_\_\_\_\_ ("Effective Date"), and ending \_\_\_\_\_ ("Termination Date"). Thereafter, Tenant or its assigns 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 end of any renewal period.

2. **RENT**: Tenant agrees to rent the Property for the sum of \$ \_\_\_\_\_ per month, payable in advance. 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 period, by providing written notice to Tenants.

3. **FORM OF PAYMENT**: Tenant agrees to pay rent in the form of Electronic transfer, a cashier's check, or a money order to Landlord.

4. **RENT PAYMENT PROCEDURE**: Tenant agrees to pay rent to the Landlord via the following bank information: \_\_\_\_\_ unless other arrangements are agreed to in writing.

5. **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, (thirty five dollars). If any check is returned for insufficient funds, Tenant must thereafter make all subsequent payments via a cashier's check or money order only.

6. **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.

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7. **LATE FEES:** (A) In the event rent payment is received after the due date, the tenants agree to pay a late fee of \$25.00 per day for a maximum amount of three (3) consecutive days. 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, providing notice to Tenant of eviction from the Property.

(B) **APPLICATION OF FUNDS:** Landlord will apply fees received from Tenant first to non- rent obligations of Tenant including late charges, returned check charges, charge-backs for repairs, periodic utilities, if any, then to rent regardless of any novations on a check.

8. **LEASE CANCELLATION AND DEFAULT:** The original Tenant or Landlord may cancel this Lease at any time prior to the Lease start date. Thereafter, if for any reason any subsequent tenants, tenant/buyers, or assignees elect to cancel this Lease, such tenant, tenant/buyer, or assignee must provide to Landlord at least sixty (60) days prior written notice of his/her intent to cancel this Lease. Upon Landlord's receipt of notice of cancellation, such tenant, tenant/buyer, 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 to tenant, tenant/buyer, or assignee of any funds paid. Tenant 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 may seek any relief provided by law. If Tenant fails to timely pay all rents or late fees under this Lease or otherwise fails to comply with this Lease, for any reason, Tenant will be in default and Landlord may cancel this Lease and/or Tenant's right to occupy the Property by providing Tenant at least three (3) days written notice. "In the event that the Lease is terminated, either voluntarily or involuntarily, any option to purchase will also terminate."

9. **TENANT AGREES TO SWITCH ALL UTILITIES TO THEIR NAME AND TO PAY ALL UTILITIES:** Tenant agrees to switch and pay all utilities and services with the exception of property taxes and any homeowner's association fees. 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 \_\_\_\_\_

NAME \_\_\_\_\_RELATION \_\_\_\_\_

NAME \_\_\_\_\_RELATION \_\_\_\_\_

NAME \_\_\_\_\_RELATION \_\_\_\_\_

NAME \_\_\_\_\_RELATION \_\_\_\_\_

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

12. **SUBLETTING AND ASSIGNMENT:** Tenant 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 consent, then the Effective Date of this Lease shall be modified from the date first above written to the date of the assignment.

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.

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:

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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. 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. 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. Landlord must give written consent prior to any lock changes.

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**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 showing it to prospective tenants, purchasers, lenders or others, for 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 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 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, wallpaper, window treatments, and landscaping may be done at Tenant's expense and without written permission, so long as they adhere to any HOA standards. Tenant agrees not to remove any trees or shrubbery without the Landlord's written permission.

**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. TELEPHONE:** When Tenant installs a telephone in the Property Tenant is required to provide Landlord with said telephone number within seven (7) calendar days. Landlord agrees to take reasonable precautions to keep the phone number from any other party.

**24. NO BUSINESS USE:** Tenant agrees to use the Property as its personal residence. Tenant agrees to conduct no business operations on the Property without written permission from the Landlord.

**25. 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.

**26. CC&R'S:** 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.

**27. INSURANCE:** Homeowner shall provide, 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.

**28. RENTERS 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.

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29. **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.

30. **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.

31. **SERVICE OF PROCESS:** Tenant or any subsequent tenant who signs this Lease agrees to be the agent of the other tenants and occupants of the Property, and is both authorized and required to accept on behalf of the other tenants and occupants, service of process and other notices relative to the tenancy.

32. **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 indemnify Landlord and/or prospective tenants for damages including lost rent, lodging expenses and reasonable attorneys' fees. In the event of holdover, Landlord at Landlord's option may extend this Lease up to one (1) month by notifying Tenant in writing.

33. **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 term shall be considered null and void. This will not affect the validity of any other term in this Lease.

34. **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.

35. **CONSEQUENCES:** Breach of any part of this Lease, or nonpayment of rent when due shall be cause for eviction under appropriate sections of the applicable state Property Code. If payment has not been received three (3) days after the due date, a formal three days to vacate notice shall be sent via certified mail or delivered to Tenant or as allowed by state or local law. If no payment has been received by the end of the three (3) day notice, then the case will be immediately filed with the Justice of the Peace of that jurisdiction. 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, and or the seizure of any nonexempt property to secure payment of the sums due, including the sale of said properties for reimbursement of any sums due, as allowed by applicable state property codes.

36. **ARBITRATION:** The parties hereto understand and agree that the Property leased herein is involved in, affect, or have a direct impact upon, interstate commerce. Both 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 this Lease, any negotiations leading to the lease or sale of the Property, any disputes arising pursuant to this Lease, **OTHER THAN TENANT'S FAILURE TO PAY RENT, EVICTION PROCEEDINGS BROUGHT BY LANDLORD AGAINST TENANT AND/OR DAMAGE TO THE PROPERTY CAUSED BY TENANT, ASSIGNEE** or any breach of the terms or performance of any covenant under this Lease, shall be settled by binding arbitration conducted pursuant to the provisions of 9 U.S.C. Section 1 et seq. and

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according to the Commercial Rules of the American Arbitration Association. Without limiting the generality of the foregoing, it is the intention of the parties to resolve by binding arbitration all disputes arising between the parties, the terms and meaning of any of the terms of this Lease or any other document signed between the parties, any representations, promises or omissions made in connection with the negotiation of this Lease. Both parties agree, covenant and contract that there shall be no class arbitration between the parties and that the only parties to any disputes or controversies to be arbitrated as more particularly described herein shall be the Landlord and Tenant.

Either party may demand arbitration by filing with the American Arbitration Association written demand for arbitration along with a statement of the matter in controversy. A copy of the demand for arbitration shall simultaneously be served upon the other party. Both parties agree that the arbitration proceedings to resolve all such disputes shall be conducted in the city/county where the Property is located. Both parties agree that they shall keep confidential the results, decisions and conversations and all communications in connection with the arbitration proceedings and/or the arbitration agreement. Either party may seek damages and/or an injunction against the other for any violations of this provision. In the event of arbitration, each party shall be responsible for its own costs related to arbitration, including, but not limited to, its reasonable attorneys' fees.

**37. 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.

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**38. SMOKE DETECTORS:** The state Property Code may require that smoke detectors be installed at certain locations at the Landlord's expense. Tenant expressly waives Landlord's duty to inspect and repair smoke detectors. .

**39. 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.

**40. ENTIRE AGREEMENT:** As written, this Lease constitutes the entire agreement between the Landlord and Tenant. Neither party has made any further promises of any kind to one another, nor have they reached any other understandings, either written or verbal.

**41. 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.

**42. REQUIRED DISCLOSURES:** Landlord hereby agrees and covenants that it will comply with any and all state and federal laws requiring the disclosure of any information to

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Tenant with regard to the Property leased herein. Within ten (10) days of Tenant's request for any disclosure required on the Property, Landlord shall provide verification that all mortgage, insurance and other payments required for the Property have been made by Landlord as of the date of execution of this Lease, the disclosure of any liens, the disclosure of any encumbrances or other title defects that may exist on the Property.

**43. MODIFICATION:** Any modification of any portion of this Lease must be made in writing and signed by both parties.

**44. SUBORDINATION:** This Lease and Tenant's leasehold interest are and will be subject, subordinate, and inferior to: (a) any lien or encumbrance now or hereafter placed on the Property by Landlord, provided that Tenant is furnished a non-disturbance agreement in a form reasonably acceptable to Tenant, and (b) to all advances made under any such lien or encumbrance.

**45. INDEMNIFICATION:** Tenant shall indemnify and hold Landlord harmless from and against any and all claims, causes of action, damages, costs, expenses and liabilities of any nature arising out of or relating to the condition of the Property or the occupancy or the use thereof by Tenant, except to the extent that such arises solely from the negligence or willful misconduct of Landlord or its agents or representatives.

**46. 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.

**47. ALL TERMS IN PLURAL AND SINGULAR:** As used in this lease, the plural shall be deemed to include the singular, and vice versa, and the use of any one gender shall be deemed to include all genders, so that this lease shall properly reflect the number and genders of the persons signing as Landlord and Tenant. To the extent that this lease shall be assigned by tenant to more than one assignee, all obligations of Tenant hereunder as do assigned shall be joint and several as to such assignees.

\_\_\_\_\_  
LANDLORD Date

\_\_\_\_\_  
TENANT Date

\_\_\_\_\_  
LANDLORD Date

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

TITLE: \_\_\_\_\_ Managing Member \_\_\_\_\_

# OPTION TO PURCHASE AGREEMENT

This Option to Purchase agreement, dated \_\_\_\_\_,  
is entered into by and between  
LANDLORD/OPTIONOR \_\_\_\_\_, and  
TENANT/OPTIONEE \_\_\_\_\_,  
and or assigns, for the property (the "Property") located at:

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under the following terms and conditions:

Any capitalized terms which are not defined herein, shall have the same meanings ascribed to them in the documents in which they are defined.

**1. OPTION TO PURCHASE:**

- a) Landlord/Optionor grants to Tenant/Optionee the right to purchase at any time during the option period of \_\_\_\_\_ through \_\_\_\_\_, said property conditioned upon full compliance by Tenant/Optionee with the terms of this agreement.
- b) The full purchase price 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 (Seller Concession) to the Tenant/Optionee if and only if the option is exercised. If the option to purchase is not exercised, for any reason, there will be no refund of any rent, option fee or concession.

**2. EXERCISE OF OPTION:** If Tenant/Optionee has not exercised the option by 30 days prior to the option expiration, the Tenant/Optionee must then notify the Landlord/Optionor in writing of the Tenant/Optionee's intentions regarding the option. If the Landlord/Optionee does not receive such notice, Tenant/Optionee understands and agrees that the Landlord/Optionor may begin marketing the Property to another Tenant/Optionee.

**3. OPTION CONSIDERATION:** Tenant/Optionee shall pay Landlord/Optionor the amount of \$10.00 (Ten Dollars) as fair and valuable non-refundable consideration. This consideration was paid on \_\_\_\_\_. Should this Agreement be assigned, Assignee will pay Assignor of The Agreement nonrefundable option consideration of \$ \_\_\_\_\_ for the above 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 option consideration.

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

The closing costs shall be those costs incurred in conjunction with closing escrow and shall be paid at the close of escrow as follows:

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- A) Expenses payable by 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);
- B) Expenses payable by Buyer:  
1) Loan origination, discount, buy-down, and commitment fees.  
2) Appraisal fees; loan application fees; 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. 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.
- C) **SUBLETTING AND ASSIGNMENT:** This agreement 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.
6. **PROPERTY CONDITION:** This 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.
7. **REMEDIES UPON DEFAULT:**
- a) In the event of any default by Tenant/Optionee, in addition to any remedies available to Landlord/Optionor at law or in equity, Landlord/Optionor shall have the right to terminate this agreement and all rights hereunder by giving written notice of intention to terminate.
- b) In the event of any default of the lease agreement, the Tenant/Optionee has the right to cure such default and may cure any default once in any 12 month period.
8. **MODIFICATION:** Any modification of any portion of this agreement must be made in writing and signed by both parties.
9. **ENTIRE AGREEMENT:** 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.
10. **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.

**INITIALS**

**11. FINANCING DISCLAIMER:** The parties to this agreement acknowledge that speculation of availability of financing or assumption of existing loans towards the purchase of the above 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.

**12. DEFAULT OF MORTGAGE:** Landlord/Optionor acknowledges that all payments are current and in good standing with the mortgage company, and agrees to make all payments to the mortgage company during the lease period of the Agreement in a timely manner and keep the mortgage current. Landlord/Optionor agrees to provide documentation of mortgage payments at the request of the Tenant/Optionee. If, during the lease 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 the Landlord/Optionor as allowed by law. If, however the mortgage payment lapses due to the fault of the Tenant/Optionee's non-payment or late payment according to the terms set forth in the lease agreement, then the Tenant/Optionee shall forfeit any and all remedies or claims.

**13. ACKNOWLEDGEMENT:** The undersigned Tenant/Optionee hereby acknowledges that they have read this agreement, understand it, agree to it and have been given a copy. This agreement is not to be recorded unless the Landlord/Optionor gives prior written permission. They further have been advised to seek legal, tax, technical expertise and any other counsel of their choosing concerning this contract prior to signing.

**OPTIONEE HAS THE RIGHT TO CANCEL THIS AGREEMENT AT ANY TIME UNTIL MIDNIGHT ON THE THIRD BUSINESS DAY FOLLOWING THE EFFECTIVE DATE OR DELIVERY OF THIS AGREEMENT FULLY EXECUTED BY ALL OF THE PARTIES HERETO, WHICHEVER OCCURS LAST (A "RESCISSION"). IN THE EVENT OF A RESCISSION, THE LEASE SHALL AUTOMATICALLY TERMINATE.**

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

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

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

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

TITLE: \_Managing Member\_\_\_\_\_

## **ASSIGNMENT OF AGREEMENT**

\_\_\_\_\_ (hereinafter, "Assignor"), the Tenant and the Tenant/Optionee under the lease and separate option to purchase agreements dated \_\_\_\_\_ (hereinafter, "Agreement"), by and between Assignor and \_\_\_\_\_ (hereinafter, "Landlord/Optionor"), hereby assigns all right, title and interest in said lease and option to purchase 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 Agreement.

The property address is:

\_\_\_\_\_

Assignee agrees to perform all covenants, conditions, and obligations required by Assignor under said Agreement and agrees to defend, indemnify and hold Assignor harmless from any liability and obligation under said Agreement. Landlord/Optionor and Assignee further agrees to hold Assignor harmless from any deficiency or defect in the legality or enforceability of the terms of said Agreement. Landlord/Optionor and Assignee agree and understand that Assignor 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 selling his interest in the above referenced Agreement to Assignee.

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

Assignor \_\_\_\_\_

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

Title: \_\_\_\_\_ Managing Member \_\_\_\_\_

Assignee \_\_\_\_\_

I hereby accept and approve the terms of this Assignment and agree to hold Assignor harmless from any further liability or obligation under our 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 ("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.

Any capitalized terms which are not defined herein, shall have the same meanings  
ascribed to them in the document in which they are defined.

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:** I acknowledge that I am leasing the Property and I have a right to purchase said Property if I so choose. All concessions 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 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 with 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've 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 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 Assignor's 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. There are no unresolved issues, no side agreements, nor are there other terms not disclosed in the Agreement.
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: Assignee understands that there are no guarantees of obtaining permanent financing. Assignee understands that it may need to enroll in a credit improvement program or establish credit in order to qualify for permanent financing. Assignee also understands the necessity to keep payments to all creditors in good current standing. Assignee understands that the Assignor may refer the Assignee to service providers which can assist the Assignee in improving credit or obtaining permanent financing. Assignee agrees to allow Assignor or its service providers to pull Assignee's trimerge credit report at Assignee's cost every 90 days during the lease period in order to help facilitate permanent financing.
17. APPRAISAL OF PROPERTY: It is not commercially or reasonably practicable for either party to predict changes or alterations that may be included in future appraisals of the Property. As such, both parties acknowledge that the Property may not appraise at the same value as set forth in the Initial Appraisal or the Option Price. In the event that,

at any time, the Property does not appraise in an amount above or equal to the Initial Appraisal and/or the Option Price, then the Landlord/Optionor may negotiate the Option Price at the time of purchase.

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. **ARBITRATION:** The parties hereto understand and agree that the Property leased between the parties is involved in, affect, or have a direct impact upon, interstate commerce. Both 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,, any negotiations leading to the lease or sale of the Property, any disputes arising pursuant to the Acknowledgments or the Agreement, **OTHER THAN TENANT/OPTIONEE'S FAILURE TO PAY RENT, EVICTION PROCEEDINGS BROUGHT BY SELLER/OPTIONOR AGAINST TENANT/OPTIONEE AND/OR DAMAGE TO THE PROPERTY CAUSED BY TENANT/OPTIONEE**, or any breach of the terms or performance of any covenant under the Acknowledgments or the Agreement, shall be settled by binding arbitration conducted pursuant to the provisions of 9 U.S.C. Section 1 et seq. and according to the Commercial Rules of the American Arbitration Association. Without limiting the generality of the foregoing, it is the intention of the parties to resolve by binding arbitration all disputes arising between the parties, The terms and meaning of any of the terms of the Acknowledgments or the Agreement, or any other document signed between the parties, any representations, promises or omissions made in connection with the negotiation of the Acknowledgments or the Agreement. Both parties agree, covenant and contract that there shall be no class arbitration between the parties and that the only parties to any disputes or controversies to be arbitrated as more particularly described herein shall be the Seller/Optionor and Tenant/Optionee.

Either party may demand arbitration by filing with the American Arbitration Association written demand for arbitration along with a statement of the matter in controversy. A copy of the demand for arbitration shall simultaneously be served upon the other party. Both parties agree that the arbitration proceedings to resolve all such disputes shall be conducted in the city/county where the Property is located. Both parties agree that they shall keep confidential the results, decisions and conversations and all communications in connection with the arbitration proceedings and/or the arbitration agreement. Either party may seek damages and/or an injunction against the other for any violations of this provision. In the event of arbitration, each party shall be responsible for its own costs related to arbitration, including, but not limited to, its 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. GENERAL RELEASE AND INDEMNIFICATION: Assignee shall forever hold harmless, release, and indemnify Assignor, its agents, principals, and heirs from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty, or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S successors and assigns ever had, now have, or hereafter can, shall or may have, for upon, or by reason of any matter, cause, or omission whatsoever.

22. NOT A BROKER: Assignee understands and acknowledges that the Assignor is not an agent, broker, or dealer, and is representing no party other than itself, acting only as a principal in the Agreement.

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.

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

\_\_\_\_\_  
Assignee (Signature)

\_\_\_\_\_  
Assignee (Signature)

\_\_\_\_\_  
Assignor

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

Title: \_\_Managing Member\_\_