

LEASE WITH OPTION TO PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into the date of this Agreement, as set forth below, by and between _____ (hereinafter referred to as “Lessor”) and _____ (hereinafter referred to as “Lessee”).

RECITALS

WHEREAS, Lessor is the owner of certain real estate located at _____ (PP# _____).

WHEREAS, Lessor desires to lease said real estate to Lessee with an option to purchase granted to the Lessee upon the terms and conditions hereinafter set forth.

WHEREAS, the Lessee desires to lease said real estate from the Lessor upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises and the mutual covenants of the parties hereinafter contained, Lessor and Lessee hereby agree as follows:

Lessor hereby leases to Lessee, and Lessee hereby rents from Lessor, the following described premises, hereinafter referred to as the “Leased Premises.”

TERMS AND CONDITIONS

1. Term & Option to Purchase

The term of this Lease shall be for a term of _____ commencing the 1st day of _____, 201__, and ending on the 31st day of _____, 20__, both dates inclusive, unless sooner terminated as hereinafter provided by this Lease. Upon the termination of this Lease or Lessee’s right of possession, whether by lapse of time or otherwise, and subject to Lessee’s option to purchase rights contained herein, Lessee shall deliver immediate possession of the Leased Premises to Lessor and deliver all keys to the Lessor at the Lessor’s principal place of business, or as Lessor otherwise directs.

Lessee and Lessor agree that Lessee shall not automatically renew, and all rights of the Lessee shall terminate upon the expiration of this Lease, as stated herein.

Lessor and Lessee further agree that, at any time during the Term of this Lease, so long as Lessee has committed no default during the said Term, Lessee shall have the option to purchase the leased premises described herein, at a purchase price \$_____ (“Option Purchase Price”), subject to the provisions contained herein.

Upon execution of this Lease, Lessee hereby agrees to pay to Lessor the sum of \$_____ as consideration for this Option to Purchase (“Option Consideration”). Lessee hereby acknowledges and understands that Lessor shall not grant any credit, whatsoever, to the Option Purchase Price to Lessee for the payment of said Option Consideration.

Lessor and Lessee agree that in the event that Lessee exercises his purchase option, said real property shall be purchased in its **"AS IS" CONDITION WITHOUT ANY REPRESENTATION OR WARRANTY MADE BY OR ON BEHALF OF THE LESSOR. LESSEE FURTHER ACKNOWLEDGES AND REPRESENTS THAT THE LESSEE IS NOT RELYING UPON ANY REPRESENTATIONS OR WARRANTIES IN PURCHASING THE PROPERTY, AND THAT LESSEE IS RELYING SOLELY UPON THE LESSEE'S OWN INSPECTION AND PERSONAL KNOWLEDGE OF THE PROPERTY IN PURCHASING THE PROPERTY IN ITS "AS IS" CONDITION. LESSEE SPECIFICALLY WAIVES THE RIGHT TO RELY UPON ANY REPRESENTATIONS MADE IN ANY STATEMENT PREPARED BY OR ON BEHALF OF THE LESSOR AND PROVIDED TO LESSEE.**

Lessor and Lessee agree if Lessee does not exercise his purchase option during the above stated Lease Term, or any renewal term thereof, Lessor reserves the right to modify the purchase price.

Notwithstanding the above, the Lessee acknowledges that the Lessee must provide the Lessor with at least thirty (30) days notice of his intent to exercise his option to purchase the premises.

2. Rental Rate:

Rent shall be \$_____ per month (Rental Rate) payable in advance, upon the 1st day of each calendar month to Lessor or his authorized agent at the following address: _____, or at such other places as may be designated by Lessor from time to time. Both parties hereby agree that any amounts paid under this purchase agreement shall be applied as a credit toward Lessee's Option Purchase Price. The Option Purchase Price shall be determined and agreed upon by separate amendment at the time Lessee exercises the option to purchase, which shall be based upon the amortization schedule, subject to all terms contained thereon, attached hereto as Exhibit A.

Rent shall be paid via personal check, certified check or money order. Notwithstanding the foregoing, if a personal check is returned nsf, subsequent payments must be made by verified funds only. (i.e. certified check, money order). Lessee shall be responsible for any charges incurred by Lessor as a result of said nsf check.

In the event rent is not paid upon the 10th day of month, then Lessee agrees to pay a late charge of **\$25.00**, plus \$5.00 for every day accruing thereafter.

In the event that Rent is not received by Lessor on or before the 10th day of each calendar month, Lessee shall be in breach of this agreement, which shall constitute a Default of this Agreement, and Lessor may impose any legal remedies available to him in order to protect his legal interests.

3. Utilities and Insurance:

Lessee shall be responsible for the payment of all utilities and services, including water and sewer assessments, and refuse collection during the term of this lease agreement. Lessee shall also pay any and all Real Property Taxes & Property Insurance. These expenses shall be paid in the following manner: The Lessor pay the water, sewer, real property taxes and assessments, property insurance, and refuse collection as they become due. The Lessor shall then provide written notice to Lessee of said expenses, at which time the Lessee shall pay to Lessor the actual cost of said expense within 10 calander days. Should Lessee fail to remit payment as required herein, Lessee shall be in breach of this Agreement. Lessee shall be directly responsible for the cost of all other utilities and/or services to the Leased Premises.

Lessor is not an insurer of Lessee's person or possessions and Lessee will carry such insurance as Lessee deems necessary. Lessee further agrees that Lessor shall not be liable for any damage to Lessee or Lessee's property or any other person occupying or visiting the leased premises or buildings. In addition, Lessor shall not be liable for theft, loss, damage or destruction of personal property.

4. Use of Leased Premises:

The parties agree that the leased premises is to be used by the Lessee solely for residential purposes and for no other purpose without prior written consent of Lessor. The Lessee covenants that he will use the premises in a safe lawful and reasonable manner, and that no nuisance shall be permitted nor shall any waste be committed upon the premises. Lessor further recognizes that the covenant of quiet environment extends to apply to the use of such routes of ingress and egress upon the property of the Lessor. Lessor shall, on the commencement date of the term of this Lease as hereinabove set forth Lessee in quiet possession of the leased premises and shall secure Lessee in the quiet possession thereof against all persons lawfully claiming the same during the entire Lease term and any renewal terms thereof.

5. Condition of Premises:

Lessee stipulates that he has examined the premises, including the grounds and all buildings and improvements, and that they are, at the time of this lease, in good order, repair, and a safe, clean, and rentable condition.

6. Assignment and Subletting:

Lessee shall not have the right to sublet the leased premises at any time during the term of this Lease and any extension thereof, unless Lessor consents to said sublease. Lessor shall unreasonably withhold said consent. Lessee shall at all times and under every provision of this Lease, maintain covenants of ability and quiet enjoyment for Lessor's benefit.

7. Maintenance, Repairs, Alterations, Improvements and Fixtures:

Lessee, at his sole cost and expense, will keep and maintain the leased premises in good condition and repair including all equipment, appliances and furnishings therein, and shall surrender the same at termination thereof, in as good condition as received. Lessor will not be responsible for repairs to appliances in said premises.

Lessee shall be responsible for damages caused by his negligence and that of his family, or invitees or guests. Lessee will be responsible for any and all maintenance to the Leased Premises.

Lessee will, at his sole expense, keep and maintain the leased premises and appurtenances in good and sanitary condition and repair during the term of this lease and any renewal thereof. In particular, Lessee shall keep the furnace clean; keep electric bells in order; keep the walks free from dirt and debris; and, at his sole expense, shall make all required repairs to plumbing, range, heating apparatus, and electric and gas fixtures whenever damage thereto shall have resulted from Lessee's misuse, waste, or neglect or that of his family, invitees or visitors.

Lessee shall maintain any surrounding grounds, lawns and shrubbery, and keep the same clear of rubbish and weeds.

Lessee shall give Lessor written notice of any repairs required under this Paragraph and Lessee will promptly proceed to make such repairs or cause them to be made.

Lessee may alter or improve the leased premises only with the prior written consent of the Lessor to do so, and any and all alterations, additions, improvements and fixtures made or placed in or on said premises shall on expiration or termination of this Lease belong to the Lessor without compensation to the Lessee.

Lessee shall not create, participate and/or conduct any excessive noise, music, disorderly conduct, or behavior annoying or disturbing to the neighbors or other tenants.

Lessee is responsible for and agrees to pay for any damage done by wind or rain caused by leaving windows open, and by overflow of water or stoppage of waste pipes caused by Lessee or Lessee's guests.

Lessee may not install or permit or allow anyone to install re-keyed locks in or upon the said premises without the written consent of Lessor.

Lessor shall not be responsible for any cost related to maintenance and/or repairs to the Leased Premises.

8. Animals:

During the term of this Lease, Lessor agrees that Lessee may keep pets on said premises. Lessee will be responsible for any damages resulting for his pets.

9. Entry and Inspection:

Lessee shall permit Lessor or Lessor's agents to enter the premises at reasonable times and upon reasonable notice (i.e. 24 hour notice) for the purpose of inspecting the premises.

10. Possession:

If Lessor is unable to deliver possession of the premises at the commencement hereof, Lessor shall not be liable for any damage caused thereby nor shall this agreement be void or voidable.

11. Deposit Funds:

Any returnable deposits shall be refunded as required by law.

12. Attorney Fees:

The prevailing party shall be entitled to all costs incurred in connection with any legal action brought by either party to enforce the terms hereof or relating to the demised premises, including reasonable attorneys' fees.

13. Time of Essence:

Time is of essence of this agreement.

14. Default:

If Lessee shall fail to pay rent when due or perform any term hereof, the Lessor, at his option, may terminate all rights of the Lessee hereunder, including but not limited to Lessee's right to purchase the Leased Premises. If Lessee abandons or vacates the property while in default or payment of rent, Lessor may consider any property left on premises to be abandoned and may dispose of the same in any manner allowed by law. In the event the Lessor reasonably believes that such abandoned property has no value, it may be discarded.

In the event of default by Lessee, Lessee shall forfeit all funds expended under this Lease Agreement or any Amendment thereof.

15. Surrender by Lessee:

Lessee agrees to and shall, on expiration or sooner termination of the Lease hereof or of any renewal term hereof, promptly surrender and deliver the leased premises to Lessor without demand therefor in good condition, ordinary wear due to usage excepted. Lessee shall surrender his keys to the premises to Lessor to constitute effective surrender of premises.

16. Modification:

This Lease constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter. No amendment, modification or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.

17. Mortgage and Title:

The Lessor hereby warrants and represents that he is the sole and exclusive owner of the leased premises and has all requisite right, title and power to enter into this Lease Agreement. The Lessor further represents that there are presently existing mortgages upon the leased premises. Lessor hereby reserves the right to mortgage the Leased Premises. In the event said mortgage payments become delinquent, the Lessee shall have the right to apply a portion of the rental payments hereunder to satisfy the monthly mortgage payments due to the holder of said mortgage.

18. Memorandum of Lease:

This Lease Agreement shall not be recorded, but a Memorandum of Lease of even dates herewith describing the leased premises, reciting the term of this Lease and other pertinent information and referring to this Lease may be recorded by either party.

19. Lead Based Paint Disclosure:

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Lessor of any interest in residential real property is required to provide the Lessee with any information on lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase. Lessee acknowledges receiving all mandatory information concerning the foregoing.

20. Expiration of Option:

This option may be exercised at any time prior to the expiration of this lease agreement, or any renewal term thereof, subject to the 60 day notice requirement contained above. Should Lessee fail to exercise its option Upon expiration and/or termination of this Lease Agreement, Lessor shall be released from all obligations hereunder and all of Lessee's rights hereunder, legal or equitable, shall cease.

21. Exercise of Option:

The option shall be executed by mailing or delivering written notice to the Lessor prior to the expiration of this option. Notice, if mailed, shall be by certified mail, postage prepaid, verifiable facsimile or verifiable email to the Lessor. Upon Execution of said option, this Lease Agreement shall be deemed purchase agreement

22. Escrow:

Upon Exercise of Lessee's Option, escrow shall be opened by Lessee at _____, or Lessee's lender, if so required within ten (10) days from the date hereof, such time being agreed to be of the essence.

The close of such escrow and the Lessee's obligation to purchase the Property pursuant to this Agreement are conditioned on the conveyance to Lessee or the Lessee's nominee of good and marketable title to the Property, as evidenced by a commitment for an Owners Fee Policy of Title Insurance and simultaneous issue issued by Statewide Title Agency subject to all restrictions, easements, conditions, reservations, limitations, zoning ordinances, and taxes and assessments, both general and special, not yet due and payable. Marketability of title will be determined in accordance with the title standards approved by the

Ohio State Bar Association.

Should any of the conditions specified above fail to occur within three (3) days prior to Closing as provided in this Agreement, Lessee shall have the power, exercisable by the giving by him of written notice to the escrow agent and to Lessor, to cancel such escrow, terminate this Agreement.

The real property taxes and assessments, shall not be prorated between Lessor and Lessee.

The expenses of closing described in this Article shall be paid in the following manner:

- (1) The full cost of securing an Owners Fee Policy of Title Insurance, including the simultaneous issue of the mortgage policy shall be paid equally by Lessee and Lessor. The cost of the commitment and any endorsements required by Lender shall be paid by the Lessee.
- (2) The cost of preparing, executing, and acknowledging any deeds or other instruments required to convey title to Lessee or his nominees in the manner described in this Agreement shall be paid by Lessor.
- (3) Any costs for title company transfer and recordation of the deed and mortgage shall be paid by Lessee.
- (4) Any tax imposed on the conveyance of title to said property to Lessee or his nominee shall be paid by Lessor.
- (5) The cost of escrow shall be paid equally by Lessee and Lessor.
- (6) The cost of the survey, if required, shall be paid by the Lessee.
- (7) The full cost of the title examination, recording of any release and any hold signature fees shall be paid by the Lessor.

23. Closing:

Closing shall be within 60 days from exercise of the option unless otherwise agreed upon by the parties.

24. Right to Sell:

Lessor warrants to Lessee that Lessor is the legal owner of the leased premises and has the legal right to sell leased premises under the terms and conditions of this agreement.

25. Paragraph Headings:

The headings of paragraphs and provisions of this Lease are included only as a matter of convenience and for reference only, and in no way shall be considered as additionally defining, limiting, or describing the scope or intent of this Lease or in any way affecting this Lease.

26. Notices:

All notices required to be given under this Lease shall be given by certified mail or registered mail, postage prepaid, addressed to the proper party, at the following addresses:

To the Lessor:

To the Lessee:

The addresses for giving notice may be changed in the same manner as provided for notice hereunder.

IN WITNESS WHEREOF, the undersigned Lessor and Lessee do hereto execute this Lease Agreement as of the day and year first above written.

Signed and Acknowledged in the Presence of:

LESSOR:

LESSEES:

INSERT NOTARY IF TERM OF LEASE EXCEEDS 12 MONTHS.