

AGREEMENT OF LEASE WITH OPTION TO PURCHASE

THIS AGREEMENT is made by and between Owners:

_____ Owner1 SS# _____

_____ Owner1 SS# _____

Whose Marital Status is: _____ (respectively)

And whose address is:

(hereinafter called "Owner"), and;

And whose address is:

(hereinafter called "Tenant/Buyer")

WITNESSETH:

- 1) **LEASED PROPERTY:** Owner, in consideration of the rents to be paid and covenants to be performed by Tenant/Buyer hereunder, hereby leases to Tenant/Buyer for the term and subject to the covenants and conditions hereinafter set forth, the following described Property,

the legal description of which is as follows:

(hereinafter called the "Property").
- 2) **TERM:** The initial term of this lease/option will be _____ months, commencing on _____. The term of this Lease/option may be extended at the option of the Tenant/Buyer for _____ additional terms of _____ months following the expiration of the initial term. The Tenant/Buyer will notify the Owner in writing of such extension(s) at least 10 days before the expiration of the previous term.
- 3) **RENT:** Tenant/Buyer will pay Owner as rent for the Property during the term of this lease _____ (\$ _____) per month, with the first payment to be made on _____. Each payment shall be due on or before the tenth day of each month during the term. An amount equal to _____ dollars (\$ _____) for each month when rent was paid will be credited to the Tenant/Buyer and applied to the purchase price of the property in the event that the Tenant/Buyer exercises the Option to Purchase. **If the Tenant/Buyer does not exercise the Option to Purchase, this credit shall be non-refundable and considered forfeited.**
- 4) **POSSESSION:** Possession shall be given to Tenant/Buyer _____.
- 5) **OPTION TO PURCHASE.** The Tenant/Buyer, as part of the consideration herein, is hereby granted the exclusive right and option of purchasing Property at any time during the term of this agreement or any extensions thereto. The Tenant/Buyer will notify the Owner in writing of the exercise of this Option at least ten (10) days prior to such exercise.
- 6) **CONDITION OF PROPERTY:** The Tenant/Buyer has inspected the Property and agrees to lease said Property "as-is" with the exception of the following:
 - A) The Owner will complete the following before _____ or this Lease/Option shall become null and void, with all monies to be returned to the Tenant/Buyer:
 - i) _____
 - ii) _____
 - iii) _____
 - iv) _____
 - v) _____
- 7) **FURTHER ENCUMBRANCES:** The Owner hereby warrants that the Property carries the following mortgages, liens, leases, options, and encumbrances, AND NO OTHERS. Owner shall pay any notes secured by mortgage(s) now encumbering the Property in accordance with the terms thereof. If Owner is now or goes into default under any such note secured by a mortgage

encumbering the Property, then Tenant/Buyer may cure such default and make payments directly to said lender and all sums so paid by Tenant/Buyer shall be credited by Owner as payments under this Contract.

a) **A first mortgage** to _____ in the amount of _____ Dated _____ combined with note at a (fixed or variable) _____ interest rate of _____ amortized over _____ months with a monthly principal and interest payment of \$ _____ and a monthly PMI payment of _____ referenced by loan number _____ Date of last Payment Made _____ Note is current (Y/N) _____

b) **A second mortgage** to _____ in the amount of _____ Dated _____ combined with note at a (fixed or variable) _____ interest rate of _____ amortized over _____ months with a monthly principal and interest payment of \$ _____ and a monthly PMI payment of _____ referenced by loan number _____ Date of last Payment Made _____ Note is current (Y/N) _____

c) **Other encumbrances** known by Owner (i.e. tax liens, assessments, IRS liens, Judgements etc.)

d) The Owner agrees that he will not lease to another third party, nor assign, sell, option, transfer, or otherwise convey any interest in the property or in this Lease/Option agreement, nor to further encumber the property or allow the Property to be further encumbered. All third parties are hereby put on notice that any leases or assignments by the Owner, liens, option, mortgages, or any other conveyances, transfers occurring subsequent to the date of this Lease/Option are hereby declared by the Owner to be null and void and not of force or effect.

8) **TITLE SEARCH:** A title search may be commenced immediately by the Tenant/Buyer. This shall be at the expense of the Tenant/Buyer unless it is discovered that the Owner does not have marketable title or has encumbrances in addition to those listed in clause (7), in which case the Owner shall reimburse the Tenant/Buyer for all costs associated with the title search, and this Lease/Option will become null and void at the option of the Tenant/Buyer.

9) **USE OF THE PROPERTY:** Tenant/Buyer will not commit or suffer any waste in the Property, use the Property or permit them to be used for any unlawful purpose or any dangerous, noxious or offensive activity or cause or maintain any nuisance in the Property. At the end of the term of this lease, Tenant/Buyer will deliver up the Property in as good an order and condition as they now are, with the repairs made as listed above, reasonable use and ordinary wear and tear thereof and damage by fire or other casualty excepted

10) **RIGHT OF ASSIGNMENT:** The Tenant/Buyer shall have the unqualified right to sublet the property, and/or to assign, transfer, pledge, or otherwise convey any or all of the rights and interests which the Tenant/Buyer may have in the property or in this Lease/Option agreement. Any such assignment shall release the original Tenant/Buyer from liability and shall substitute the assignee in Tenant/Buyer's place.

11) **UTILITIES:** Tenant/Buyer shall pay for all water, gas and electric current, which may be assessed or charged against said Property.

12) **INSURANCE:** Owner shall maintain a NON OWNER OCCUPIED "LANDLORD TYPE" insurance policy with:

A) Comprehensive liability insurance for bodily injury or death to any person or persons.

B) Property damage insurance with fire and extended coverage insurance.

C) The amount shall be the **REPLACEMENT VALUE OF THE PROPERTY**. Owner and Tenant/Buyer shall be named as insured parties in the insurance policies required above, as their interests appear, and Owner shall obtain a standard mortgagee's endorsement for the protection of Owner's mortgagee. Tenant/Buyer shall obtain and pay a separate policy insuring Tenant/Buyer's household goods and other personal property.

D) Property current insurance information:

i) Insurance Company: _____

ii) Agent Name: _____

iii) Agent Phone#: _____

iv) Policy Number: _____

v) Deductible: _____ Is current (Y/N) _____ and paid through _____

E) Owner agrees to keep Property insured at all times and further agrees to give Tenant/Buyer written notice of any insurance cancellation or changes within 10 days of notification of said occurrence.

F) Owner agrees to send copy of Property insurance policy to Tenant/Buyer within 10 days of execution of this contract, and upon request as needed.

- 13) **REPAIRS AND MAINTENANCE:** Tenant/Buyer shall be responsible for all repairs and maintenance required (after the date of possession specified in item 4) each month on the Property at a cost of up to \$ _____ per month. Repairs or maintenance costing more than this will remain the obligation of the Owner. Tenant/Buyer shall have the right to make any repairs or improvements as Tenant/Buyer deems necessary, proper, or desirable, and shall be solely liable for said payment as stated above with the following exceptions:
- A) Repairs and maintenance to be performed by the Owner as per clause (6) of this contract; Any electric, plumbing, heating, or cooling system that is found to be out of order within _____ days after Possession date.
 - B) If the Owner cannot or will not make these repairs, Tenant/Buyer shall have the option of:
 - i) Voiding this Agreement by written notice to the Owner.
 - ii) Making such repairs and receiving a reimbursement from the next monthly payment or payments due.
 - iii) Receiving a credit against the purchase price of Property at twice the cost of the repair at time of closing or option to purchase of Property.
 - C) In the event that the Tenant/Buyer exercises the Option to Purchase as set forth in Clause (5) and through no fault of the Tenant/Buyer, the Owner fails to convey the property to Tenant/Buyer in accordance with the terms of this Lease/Option, the Tenant/Buyer shall be entitled to reimbursement for the costs of all repairs, maintenance, and improvements paid for by Tenant/Buyer in addition to any other rights and remedies available to Tenant/Buyer by law.
- 14) **DEFAULT & TERMINATION:** In the event that Tenant/Buyer fails to keep any of the covenants of this lease and said default continues for 90 days after notification by Owner in writing sent by certified mail to Tenant/Buyer, then Tenant/Buyer will become a tenant at sufferance and this lease shall terminate. Tenant/Buyer may terminate this lease by giving Owner 30 days notice and paying one month's rent as full liquidated damages.
- 15) **QUIET ENJOYMENT:** Owner agrees that if Tenant/Buyer pays the rents and keeps and performs the covenants of this lease on the part of Tenant/Buyer to be kept and performed, Tenant/Buyer will peaceably and quietly hold the Property during the term hereof without any hindrance, ejection or molestation by Owner or any person lawfully claiming under Owner.
- 16) **BINDING EFFECT:** This lease and the agreements of Owner and Tenant/Buyer contained herein shall be binding upon and inure to the benefit of heirs, executors, administrators, successors and assigns of the respective parties.

OPTION PURCHASE TERMS

- 17) **PRICE AND TERMS:** The Tenant/Buyer agrees to pay for said property the sum of _____ Dollars (\$ _____) FROM THIS SHALL BE SUBTRACTED credits as calculated in clauses (3) (13) of this contract (and any other clauses relating to a purchase credit towards Property), the net sum to be paid at closing. All paperwork for said closing shall be paid for and shall be the responsibility of the Buyer/Tenant.
- 18) **INCLUDED IN THE PURCHASE:** The property shall also include all land, together with all improvements thereon, all appurtenant rights, privileges, easements, buildings, fixtures, heating, electrical, air conditioning fixtures and facilities, window shades, Venetian blinds, awnings, curtain rods, screens, storm windows and doors, affixed mirrors, wall-to-wall carpeting, stair carpeting, built-in kitchen appliances, bathroom fixtures, radio and television aerials, landscaping and shrubbery, water softeners, garage door openers and operating devices, and all utility or storage buildings or sheds. Other personal property included in sale:
- A) _____
 - B) _____
 - C) _____
 - D) _____
 - E) _____
- 19) **TITLE:** The Owner shall convey marketable title to the property with the above-described inclusions, by good and sufficient General Warranty Deed in fee simple absolute, with release of dower, on or before closing; said title to be free, clear, and unencumbered, except for restrictions and easements of record. Title to be conveyed to the Tenant/Buyer and/or to his assigns or designees.
- 20) **CLOSING:** The deed shall be delivered and the purchase money shall be paid at the lending institution or other location of the Tenant/Buyer's choice, no later than Thirty (30) days after notification to the Owner of the Tenant/Buyer's exercise of the option.
- 21) **COSTS AND PRORATIONS:** The closing costs shall be prorated between Owner and Tenant/Buyer as of date of closing for the following items: a) real estate taxes and assessments; b) interest on encumbrances assumed or taken over by the Tenant/Buyer at closing, with the Tenant/Buyer having responsibility for such items after closing. The Owner shall be pay for Transfer taxes, Title Insurance, satisfaction fees, recording fees, gas line warranty, termite certification, and survey. Tenant/Buyer shall pay for charges related to obtaining financing on said property including credit reports, appraisals, and Mortgage costs. All other closing costs will be paid by Owner.

22) **PRIVATE COURT TRIAL/ARBITRATION CLAUSE:** In the event that litigation is brought in any State or Federal Court, relating to, arising out of or concerning this contract, we hereby agree and covenant with each other to waive and give up the right to a jury trial and to submit all manner of causes of action, controversies, differences, claims or demands whatsoever, whether of fact or of law or both, to be resolved at the request of any party, by a trial on order of reference conducted by a retired judge or justice recommended by the Ohio Private Trial Association, or its successors, appointed pursuant to the provisions of Ohio Revised Code Section 2701.10 or any amendment, addition or successor section thereto to try determine and adjudicate the case in its entirety. The parties intend this reference agreement to be specifically enforceable in accordance with said section. If the parties are unable to agree upon a retired judge recommended by the Ohio Private Trial Association to act as judge then one shall be appointed by the Presiding Judge of the Common Plea's Court of the county wherein the hearing is to be held. The parties further agree to assume full responsibility for providing facilities, equipment, and personnel reasonably needed by the retired judge during his/her consideration of the action or proceeding and to pay in advance, to the retired judge, the estimated reasonable fees and costs of the trial or proceeding as maybe specified in advance by the retired judge in accordance with his/her customary fee schedule. The parties shall initially share equally, by paying their proportionate amount of the estimated fees and costs of the retired judge. Failure of any party to make such a fee deposit shall result in a forfeiture by the non-depositing party of the right to prosecute or defend the cause(s) of action which is (are) the subject of the reference, but shall not otherwise serve to abate, stay, or suspend the reference proceeding. The judge shall determine which is the prevailing party and shall include in the award that party's reasonable attorney fees (and costs). This provision operates as an agreement by the parties hereto for reference pursuant to Ohio Revised Code Section 2701.10. Copyright 1994, Ohio Private Trial Association

23) **OTHER CONDITIONS:**

- A) _____
- B) _____
- C) _____
- D) _____
- E) _____
- F) _____

24) **REQUIRED DISCLOSURES**

- A) Buyer is a professional real estate investor who is buying this property for the purpose of making a profit and intends to use the property for maximum profit.
- B) There are no agreements or promises made by either party to either party, which have not been placed into writing and accepted by both.
- C) Buyer has not advised us in any course of action, which materially affect our decision with respect to this transaction, nor have they held themselves to be competent legal, accounting, or financial counselors in connection with any action we might take.
- D) Buyer made a full disclosure of his professional expertise as a professional real estate investor who is in business to make a profit, and this was disclosed from our first contact.
- E) Buyer did not advise the seller as to the true value of said property in this transaction and made no statement or expressed opinion of value in connection with the property in this transaction.
- F) Buyer will pay for, provide, and control all paperwork and seller agrees to use said paperwork needed to close this transaction.
- G) We have had every clause and line of this agreement read to us and have had all our questions answered to our satisfaction, and we have been advised that we should seek professional and legal counsel if we need it.

WE HAVE HAD EVERY CLAUSE AND LINE OF THIS AGREEMENT READ TO US AND HAVE HAD ALL OUR QUESTIONS ANSWERED TO OUR SATISFACTION, AND WE HAVE BEEN ADVISED THAT WE SHOULD SEEK PROFESSIONAL AND LEGAL COUNSEL IF WE NEED IT.

IN WITNESS WHEREOF, The said Owner(s) has hereunto set his hand and seal this _____ day of _____, _____ Signed, sealed and delivered in our presence.

WITNESSES:

 NOTARY, Printed Name →
 Print name & Sign above

 Owner1 Date

 WITNESS, Printed Name: →
 Print name & Sign above

 Owner2 Date

 Tenant/Buyer, Date
 as trustee of the above named trust and not personally

STATE OF _____ COUNTY OF _____

This instrument was acknowledged before me a notary public by:

_____ (Owner 1) _____ (Owner 2),

Owners(s) who, being first sworn affirmed that he/she executed the foregoing for the purposes contained therein on this
_____ day of _____, _____.

NOTARY PUBLIC