

[SAMPLE] RENT TO OWN AGREEMENT

1. **PARTIES.** This **Rent to Own Agreement** ("Agreement") made this 22nd day of February, 2030 is between:

Landlord/Seller Name: Jenna Growly ("Landlord/Seller")
Owner Address: 123 Home St, Santa Anna, California 92705, AND
Tenant/Buyer: Michael & Katie Kenworth ("Tenant/Buyer").

The Landlord/Seller and the Tenant/Buyer are collectively referred to in this Agreement as the "Parties".

NOW, for the covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Landlord/Seller hereby grants to Tenant/Buyer an exclusive rent-to-own for the aforementioned "Property."

2. **PROPERTY.** The Landlord/Seller agrees to lease, and, the Tenant/Buyer agrees to rent the real property and improvements, hereinafter called the "Property"; located at:

Street Address: 123 Rental Lane
City / Town: Irvine **State:** California **ZIP:** 92614

3. **TERM.** The Tenant/Buyer shall be permitted to occupy the Property for a term of 36 months, beginning on the 1st day of March, 2030 and ending on the 1st day of March, 2033.
4. **RENT.** Tenant/Buyer agree to pay to the Landlord/Seller, the sum of \$2200.00 per month, with the first payment beginning on 01/03/2030 as rent for the property, for the term of this Agreement, and during any extensions thereof. All rental payments shall be due and payable in advance on the 1st day of each and every month.
5. **RENT PREMIUM.** An amount equal to \$200 for each month in which rent was paid, shall be credited to the Tenant/Buyer and applied to the purchase price of the Property in the event that the Tenant/Buyer exercises its option hereunder; otherwise, this credit shall be non-refundable and considered forfeited if the option is not exercised.
6. **UTILITIES.** The Landlord/Seller shall pay for the following utilities and services to the Tenant, with any absent being the responsibility of the Tenant: None.

- 7. SECURITY DEPOSIT.** Upon the due execution of this Agreement, the Tenant/Buyer shall deposit with the Landlord/Seller the sum of \$2200 receipt of which is hereby acknowledged by the Landlord/Seller, as security for any damage caused to the Property during the term hereof. Such deposit shall be returned to the Tenant/Buyer, less any itemized deductions, within 21 days after the end of the Lease Term.
- 8. OCCUPANTS.** The Property is to be used as a residential dwelling only. The Tenant/Buyer:
- ☐ WILL have additional Occupant(s) residing in the Property:
_____ (“Occupant(s)”) ☒ WILL NOT have additional Occupants residing in the Property.
- 9. NOTICES.** Any and all notices sent by the Landlord/Seller or the Tenant/Buyer to each other shall be sent to the following addresses:
- Landlord/Seller Mailing Address: 123 Home St, Santa Anna, California 92705.
Tenant/Buyer Mailing Address: 123 Rental Lane, Irvine, California 92614.
- 10. PETS.** The Tenant/Buyer is (Check one):
- ☒ - NOT permitted to have pets of any nature on the Property.
☐ - Permitted to have _____ pet(s) on the Property, ONLY consisting of _____ . (Pet type(s))
- 11. SMOKING.** Smoking in the Property is (Check one):
- ☒ - NOT permitted in the Property.
☐ - Permitted in Property.
- 12. COVENANTS OF TENANT/BUYER.** Commencing with and during the term of this Agreement, including extensions, the Tenant/Buyer hereby covenants and agrees as follows:
- A.** That the Tenant/Buyer will not use the Property for any unlawful purpose; and that the Tenant/Buyer will conform to and obey all laws, ordinances, rules, regulations, requirements and orders of all Federal, State, and Local governmental authorities, agencies, departments, bureaus, boards or officials, respecting the use of the Property.
- B.** That the Tenant/Buyer will surrender and deliver the Property, at the end of the term or any extensions thereof, should the option herein not be exercised, in as good order and condition as the same now exists, reasonable use and natural wear and tear excepted.
- C.** That the Landlord/Seller shall pay for and maintain fire and extended coverage insurance on said Property.
- D.** That the Tenant/Buyer shall peaceably and quietly hold, occupy, use and enjoy the Property, without any let, hindrance by Landlord/Seller or any person associated therewith.

13. BREACH BY TENANT/BUYER. If the Tenant/Buyer shall fail to keep and perform any of the covenants, agreements, or provisions of this Agreement, or If the Tenant/Buyer shall abandon the Property; it shall be lawful for the Landlord/Seller to enter into said Property and again have, repossess, and enjoy the same as if this Agreement had not been made, and thereupon this Agreement and everything herein contained on the part of the Landlord/Seller to be done and performed shall cease, determine and be utterly void. The commencement of a proceeding or suit in forcible entry and detainer or in ejectment, or otherwise after any default by the Tenant/Buyer, shall be equivalent in every respect to actual entry by the Landlord/Seller.

14. REMEDIES UPON DEFAULT. If Tenant/Buyer defaults under this Agreement, then in addition to any other remedies available to Landlord/Seller at law or in equity, Landlord/Seller may terminate this Agreement by giving written notice of the termination. If terminated, the Tenant/Buyer shall lose entitlement to any refund of rent or option consideration. For this Agreement to be enforceable and effective, the Tenant/Buyer must comply with all terms and conditions of the Agreement.

15. LEAD BASED PAINT. The Property (Check one):

☒ - Was not built prior to 1978.

☐ - Was built prior to 1978. An attachment titled "Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards" has been affixed to the Agreement and must be initialed and signed by the Parties.

16. OPTION TERM. The option to purchase period commences on the 1st day of March, 2032 and expires at 11:59 PM on the 1st day of March, 2033.

17. NOTICE FOR EXERCISING OPTION. To exercise the Option to Purchase, the Tenant/Buyer must deliver to the Landlord/Seller written notice of Tenant/Buyer's intent to purchase. In addition, the written notice must specify a valid closing date. The closing date must occur before the original expiration date of the Lease or the date of the expiration of the Option Term designated in section 15, whichever is later.

18. OPTION FEE. As consideration for this Agreement, the Tenant/Buyer shall pay the Landlord/Seller a non-refundable fee of Four-Thousand Dollars (\$4,000.00), receipt of which is hereby acknowledged by the Landlord/Seller. This amount shall be credited to the purchase price at closing if the Tenant/Buyer timely exercises the option to purchase, provided that the Tenant/Buyer: (a) is not in default of the Lease Agreement, and (b) closes the conveyance of the Property. The Landlord/Seller shall not refund the fee if the Tenant/Buyer defaults in the Agreement, fails to close the conveyance, or otherwise does not exercise the option to purchase.

- 19. PURCHASE PRICE.** Tenant/Buyer agrees to pay for said Property the sum of Two-Hundred Thousand Dollars (\$200,000.00) less any sums for which the Tenant/Buyer is entitled to claim reimbursement or offset in accordance with this Agreement; the net sum to be paid in cash, certified check, or cashier's check at closing.
- 20. CLOSING AND SETTLEMENT.** Landlord/Seller shall determine the title company at which settlement shall occur and shall inform Tenant/Buyer of this location in writing. Tenant/Buyer agrees that closing costs in their entirety, including any points, fees, and other charges required by the third-party lender, shall be the sole responsibility of Tenant/Buyer. The only expense related to closing costs apportioned to Landlord/Seller shall be the pro-rated share of the ad valorem taxes due at the time of closing, for which Landlord/Seller is solely responsible.
- 21. COSTS OF IMPROVEMENTS.** In the event the Tenant/Buyer exercises the option to purchase, and through no fault of the Tenant/Buyer, the Landlord/Seller fails to convey said Property to Tenant/Buyer In accordance with the terms of this Agreement, the Tenant/Buyer, in addition to any other rights which Tenant/Buyer may have in law or equity for the enforcement of Tenant/Buyer's option to purchase, shall be entitled to reimbursement for the cost of all repairs, maintenance and improvements.
- 22. 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, plumbing and 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, range and refrigerator. The Property shall also include the following items Above-ground pool, single-car vehicle lift (located inside garage)
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- 23. COMMISSION.** No real estate commissions or any other commissions shall be paid in connection with this Agreement.
- 24. ASSIGNMENT AND SUBLETTING.** The Tenant/Buyer shall not assign this Agreement or sublet any portion of the Property without prior written consent of the Landlord/Seller, which shall not be unreasonably withheld.
- 25. OPTION TO PURCHASE CONTROLLING.** In the event a conflict arises between the terms and conditions of the Lease Agreement and the Option to Purchase Agreement, the Option to Purchase Agreement shall control.
- 26. ATTORNEY'S FEES.** In the event this Agreement is placed in the hands of an attorney for enforcement the prevailing party shall be entitled to recover court costs and attorney fees.

27. TITLE. The Landlord/Seller shall convey marketable title to the Property with the inclusions described in Section 20, by good and sufficient General Warranty Deed in fee simple absolute, on or before closing; said title to be free, clear, and unencumbered except existing mortgages restrictions and easements of record. Title to be conveyed to the Tenant/Buyer and/or assigns.

28. GOVERNING LAW. This Agreement shall be interpreted in accordance with the laws in the State of California.

29. ACKNOWLEDGEMENT. You hereby acknowledge that you have read this Agreement, understand it, agree to it, and have been given a copy. IN WITNESS WHEREOF: the parties hereto, have set their hands to this Agreement on this 22nd day of February, 2030.

Landlord/Seller's Signature: Jenna Growly Date: 02/22/2030

Printed Name: Jenna Growly

Landlord/Seller's Signature: _____ Date: _____

Printed Name: _____

Tenant/Buyer's Signature: Michael Kenworth Date: 02/22/2030

Printed Name: Michael Kenworth

Tenant/Buyer's Signature: Katie Kenworth Date: 02/22/2030

Printed Name: Katie Kenworth

Agent's Signature: _____ Date: _____

Printed Name: _____