### **Rent-to-Own Agreement**

**This Rent-to-Own Agreement** ("Agreement") is entered into on this [Date] by and between [Landlord/Seller’s Full Name], hereinafter referred to as the "Landlord/Seller," and [Tenant/Buyer’s Full Name], hereinafter referred to as the "Tenant/Buyer."

This Agreement provides the Tenant/Buyer with the option to rent the property described below with the possibility of purchasing it under the terms and conditions outlined.

#### **1. Property Description**

* The property subject to this Agreement is located at [Full Address and Legal Description of the Property], hereinafter referred to as the "Property."

#### **2. Term**

* The initial term of this Agreement shall begin on [Start Date] and continue for [Term, e.g., 12 months], with the option to extend upon mutual agreement of both parties.
* Tenant/Buyer shall have the option to purchase the Property within the term specified in Section 7 of this Agreement.

#### **3. Monthly Rent and Payment Allocation**

* The Tenant/Buyer agrees to pay a monthly rent of [Amount, e.g., $1,200] on or before the [Due Date, e.g., 1st of each month].
* Of each monthly rent payment, [Percentage or Amount, e.g., 25% or $300] will be applied toward the down payment or purchase price of the Property if the Tenant/Buyer exercises the purchase option.

#### **4. Security Deposit**

* The Tenant/Buyer shall pay a security deposit of [Amount] upon signing this Agreement. This deposit will be held by the Landlord/Seller and may be refunded or applied toward repairs upon termination, in accordance with applicable law and the terms of this Agreement.

#### **5. Purchase Price**

* The total purchase price of the Property shall be [Amount, e.g., $150,000].
* The purchase price is fixed and agreed upon as of the date of this Agreement and is not subject to market fluctuation during the term of the Agreement.

#### **6. Option Fee**

* The Tenant/Buyer agrees to pay a non-refundable option fee of [Amount, e.g., $5,000], which shall be applied toward the purchase price should the Tenant/Buyer choose to exercise the option to purchase.
* If the Tenant/Buyer does not exercise the purchase option, the option fee will not be refunded.

#### **7. Option to Purchase**

* The Tenant/Buyer has the exclusive option to purchase the Property at the agreed purchase price anytime between [Start Date] and [End Date].
* If the Tenant/Buyer intends to exercise the option to purchase, they must provide written notice to the Landlord/Seller no later than [Notice Period, e.g., 30 days] before the intended closing date.

#### **8. Maintenance and Repairs**

* During the rental period, the Tenant/Buyer is responsible for routine maintenance of the Property, including lawn care and minor repairs.
* The Landlord/Seller shall be responsible for major repairs related to structural issues, unless such issues are caused by the Tenant/Buyer’s negligence.

#### **9. Insurance and Liability**

* The Landlord/Seller shall maintain insurance on the Property during the rental term.
* The Tenant/Buyer is encouraged to obtain renter’s insurance to cover personal belongings and liability.

#### **10. Default and Termination**

* **Tenant/Buyer Default**: If the Tenant/Buyer fails to make rent payments on time or violates any terms of this Agreement, the Landlord/Seller may terminate the Agreement after [Notice Period, e.g., 15 days] notice to cure the default.
* **Termination**: If the Agreement is terminated, the Tenant/Buyer forfeits the option fee, and any rent credits will not apply to any future rental or purchase arrangements.

#### **11. Title and Closing**

* If the Tenant/Buyer exercises the option to purchase, the closing will take place on a mutually agreed date within [Number of Days, e.g., 45 days] of the option exercise date.
* At closing, the Landlord/Seller will convey a clear title to the Tenant/Buyer, free of any liens or encumbrances.

#### **12. Miscellaneous Provisions**

* **Entire Agreement**: This Agreement represents the entire agreement between the parties regarding the Property and supersedes all prior negotiations or understandings.
* **Amendments**: Any amendments to this Agreement must be in writing and signed by both parties.
* **Governing Law**: This Agreement shall be governed by the laws of the State of [State].
* **Notices**: Notices required under this Agreement shall be delivered to the following addresses:
	+ **Landlord/Seller**: [Landlord/Seller’s Address]
	+ **Tenant/Buyer**: [Tenant/Buyer’s Address]

#### **13. Signatures**

By signing below, both parties agree to the terms and conditions set forth in this Rent-to-Own Agreement.

**Landlord/Seller’s Signature**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Tenant/Buyer’s Signature**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_