

RENT-TO-OWN LEASE ADDENDUM

1. **THE PARTIES.** This Rent-to-Own Lease Addendum ("Addendum") is made on _____ and is by and between:

Landlord: _____ ("Landlord") with a mailing address of _____ and

Tenant: _____ ("Tenant") with a mailing address of _____.

2. **LEASE AGREEMENT.** This Addendum shall be added to the lease agreement dated _____ ("Lease Agreement") for the property located at _____ (the "Premises").

Legal Description of the Premises: _____

3. **PURPOSE.** This Addendum is intended to supplement the terms of the Lease Agreement by granting the Tenant a right to purchase the Premises. All terms of the Lease Agreement remain in full force and effect. If there are any conflicts between this Addendum and the Lease Agreement, the terms of this Addendum shall take precedence. This Addendum is governed by the laws of the State in which the Premises is located. The Tenant remains a tenant under the Lease Agreement and acquires no legal or equitable title to the Premises until the purchase is completed at closing. This Addendum is not an installment land contract or contract for deed.

4. **RIGHT TO PURCHASE.** The Tenant's right to purchase the Premises is as follows: *(check one)*

☐ - **Option to Purchase.** The Landlord grants the Tenant the exclusive option, but not the obligation, to purchase the Premises on the terms set forth in Section 5. The Tenant may exercise the option at any time before the Option Term expires by giving written notice to the Landlord. If the option is not exercised before the Option Term expires, the option terminates and the Tenant forfeits any non-refundable Option Fee and all accrued Rent Credit, to the extent permitted by applicable law.

☐ - **Lease-Purchase.** The Tenant agrees to purchase, and the Landlord agrees to sell, the Premises on the terms set forth in Section 5 no later than the expiration of the Option Term. This constitutes a binding obligation on both parties to buy and sell.

5. TERMS OF PURCHASE. The purchase of the Premises shall be on the following terms:

Purchase Price: \$ _____

Option Term: expires on _____

Option Fee: \$ _____ ☐ refundable ☐ non-refundable

Fair Market Rent: \$ _____ per month

Rent Credit: \$ _____ per month

Inspection Period: _____ days after the Tenant gives notice to purchase.

Closing Date: _____ days after the Tenant gives notice to purchase.

The Option Fee is payable by the Tenant to the Landlord upon the execution of this Addendum and, unless refunded, shall be credited against the Purchase Price at closing. Rent Credit accrues only for a monthly rent payment made in full and on time and only while the Tenant is not in default under the Lease Agreement or this Addendum. Accrued Rent Credit is credited against the Purchase Price at closing and has no cash value if the purchase is not completed. Rent should be paid by check, electronic transfer, or another method that creates a record of the payee and the amount. The Landlord shall maintain a ledger of the Tenant's rent payments and accrued Rent Credit and shall deliver a copy to the Tenant, to the closing agent, and to any lender the Tenant designates within five (5) business days after the Tenant gives notice to purchase.

6. FINANCING. The Tenant's purchase of the Premises is: *(check one)*

☐ - **Not Contingent on Financing.** The Tenant's obligation to complete the purchase is not contingent upon the Tenant obtaining financing. The Tenant is solely responsible for having the funds available to close.

☐ - **Contingent on Third-Party Financing.** The Tenant's obligation to complete the purchase is contingent upon the Tenant obtaining a written loan commitment from a lender of the Tenant's choosing within _____ days after the Tenant gives notice to purchase. The Landlord makes no representation regarding the availability or terms of financing. If the Tenant, after a good faith effort, does not obtain a commitment within that period and gives the Landlord written notice before it expires, this Addendum shall terminate and the Landlord shall refund the Option Fee and all accrued Rent Credit within ten (10) business days.

7. CLOSING. Notice to purchase shall be given in writing in the manner required by the Lease Agreement. Upon the Landlord's receipt of the notice, this Addendum shall

become a binding contract for the purchase and sale of the Premises on the terms set forth in Section 5. The Tenant accepts the Premises in its "as-is" condition, subject to the Tenant's right to inspect during the Inspection Period. If the Tenant discovers a material defect that was not previously disclosed and gives the Landlord written notice before the Inspection Period expires, the parties shall have five (5) business days to agree in writing on repairs, a credit, or an adjustment to the Purchase Price. If no written agreement is reached within that period, this Addendum shall terminate and the Landlord shall refund the Option Fee and all accrued Rent Credit within ten (10) business days. At closing, the Landlord shall convey marketable title to the Premises by the form of deed customarily used in the jurisdiction where the Premises is located, free of liens and encumbrances other than those of record and accepted by the Tenant. Each party shall pay its own attorney's fees, and all other closing costs shall be allocated in accordance with local custom unless the parties agree otherwise in writing. Time is of the essence as to every date and time period in this Addendum.

8. LEAD-BASED PAINT DISCLOSURE. The residential dwelling on the Premises:
(check one)

☐ - **Was Built in 1978 or Later.** The Premises is not target housing under 42 U.S.C. § 4852d, and the remainder of this Section does not apply.

☐ - **Was Built Before 1978.** The Premises is target housing, and the following disclosures are made by the Landlord to the Tenant in connection with the sale of the Premises under this Addendum:

Lead Warning Statement. 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 seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Landlord's Disclosure. (check one)

☐ - Known lead-based paint and/or lead-based paint hazards are present in the Premises, described as follows: _____

☐ - The Landlord has no knowledge of lead-based paint and/or lead-based paint hazards in the Premises.

Records and Reports. *(check one)*

☐ - The Landlord has provided the Tenant with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the Premises, listed as follows: _____

☐ - The Landlord has no records or reports pertaining to lead-based paint and/or lead-based paint hazards in the Premises.

Tenant's Acknowledgment. The Tenant has received copies of all information listed above and has received the pamphlet "Protect Your Family from Lead in Your Home."

Opportunity to Inspect. *(check one)*

☐ - The Tenant has received a 10-day opportunity, or a different period agreed to in writing by the parties, to conduct a risk assessment or inspection of the Premises for the presence of lead-based paint and/or lead-based paint hazards.

☐ - The Tenant waives the opportunity to conduct a risk assessment or inspection of the Premises for the presence of lead-based paint and/or lead-based paint hazards.

9. DISCLOSURES. The Landlord agrees to deliver the following to the Tenant at or before the execution of this Addendum: *(check all that apply)*

☐ - State Property Condition Disclosure Statement

☐ - Homeowners' or Condominium Association Documents

☐ - Survey or Plat of the Premises

☐ - Title Report or Title Commitment

☐ - _____

☐ - _____

The Landlord shall also deliver to the Tenant any disclosure, statement, or document that the law of the State in which the Premises is located requires to be given before a contract for the sale of residential property is signed, within the time that law requires. Either party may record a memorandum of this Addendum where state law permits, and the Tenant may have a statutory right under the law of some States to receive disclosures before signing and to cancel this Addendum within a period set by that law.

10. **ADDITIONAL TERMS & CONDITIONS.** The following additional terms and conditions are incorporated into the Lease Agreement:

11. **BINDING EFFECT.** This Addendum shall be binding upon the parties mentioned in the Lease Agreement and their respective heirs, successors, and assigns.

The parties acknowledge and agree they have read, understood, and voluntarily entered into this Addendum. This Addendum may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Landlord Signature: _____ **Date:** _____
Print Name: _____

Tenant Signature: _____ **Date:** _____
Print Name: _____