

Residential Lease with Option to Purchase

THE LEASE

Received from: _____ hereinafter referred to as the “Tenant”, the sum of \$_____, which, upon acceptance of this Lease by the Owner of the premises, hereinafter referred to as Owner, shall be applied as follows:

| | <u>Received</u> | <u>Payable prior to occupancy</u> |
|--|-----------------|-----------------------------------|
| Security Deposit | \$ _____ | \$ _____ |
| Rent for the period from _____ to _____ | \$ _____ | \$ _____ |
| “Initial Option Money” (non-refundable)..... | \$ _____ | \$ _____ |
| “Monthly Option Money Payments” (non-refundable) | \$ _____ | \$ _____ |
| TOTAL | \$ _____ | \$ _____ |

In the event that this agreement is not accepted by the Owner or his authorized agent, within _____ days, the total deposit received shall be refunded. Tenant hereby offers to lease from the Owner the premises situated in the _____ of _____, in the Province of Alberta, located at (address) _____ upon the following TERMS and CONDITIONS:

TERM: The term hereof shall commence on _____ and continue for a period of _____ months thereafter.

RENT: Rent shall be \$ _____ per month plus “Monthly Option Money Payments” as noted above, payable in advance, *before* the FIRST (1st) day of each calendar month to Owner at the address below, or such other places as may be designated by Owner from time to time. In the event rent is not paid, Tenant is in Default under the Lease and the Option. The option is immediately Null and Void, and the Option Credits accumulated are forfeited as liquidated damages and not as a penalty, in accordance with DEFAULT provisions below.

UTILITIES: Tenant shall be responsible for the payment of all utilities and services.

USE The premises shall be used as residence with no more than _____ adults and _____ children, and for no other purpose, without the prior written consent of the Owner.

PETS: No pets shall be brought on the premises without the prior written consent of the Owner.

LAWS & REGULATIONS: Tenant shall comply with all laws, regulations and requirements of all municipal, provincial and federal authorities now in force, or which may hereafter be in force, pertaining to the use of the premises.

ASSIGNMENT & SUBLETTING: Tenant shall not assign this agreement or sublet any portion of the premises without the prior written consent of the Owner which may not be unreasonably withheld.

MAINTENANCE, REPAIRS OR ALTERATIONS: Tenant acknowledges that the premises are in good order and repair, unless otherwise indicated herein. Owner may at any time give Tenant a written inventory of furniture and furnishings on the premises and Tenant shall be deemed to have possession of all said furniture and furnishings in good condition and repair, unless he objects thereto in writing within 5 (FIVE) days after receipts of such inventory. Tenant shall water and maintain any surrounding grounds, including lawns and shrubbery, and keep the same clear or rubbish or weeds, if such grounds are a part of the premises and are exclusively for the use of the Tenant. Tenant shall, at his own expense, and at all times, maintain the premises in a clean and sanitary manner including all equipment, appliances, furniture and furnishings therein and shall surrender the same at termination hereof, in as good condition as received, normal wear and tear excepted.

- (a) Tenant may paint, paper or otherwise redecorate or make alterations to the premises WITH the prior written consent of the Owner. Should Tenant leave or not exercise the option, or this agreement is cancelled for any reason, there will be no credit or consideration returned for repairs, alterations or decorations.
- (b) All costs to be paid 100% by the Tenant.

ENTRY & INSPECTION: Tenant shall permit Owner or Owner’s agents to enter the premises at reasonable times and upon reasonable notice for the purpose of inspecting the premises or showing the same to prospective tenants or purchasers, or for making necessary repairs.

INDEMNIFICATION and INSURANCE: Owner shall not be liable for any damage or injury to Tenant, or any other person, or to any property, occurring on the premises, or any part thereof, or in common areas thereof, and Tenant agrees to hold Owner harmless from any claims for damages no matter how caused. Tenant must maintain owner approved “Tenant Insurance”, and provide ongoing verification copies to Owner.

POSSESSION: If Owner is unable to deliver possession of the premises at the commencement hereof, Owner shall not be liable for any damage caused thereby, nor shall this agreement be voided or voidable but Tenant shall not be liable for any rent until possession is delivered.

DEFAULT: The failure by Tenant to pay rent when due, or perform any term hereof, shall, at the option of the Owner, terminate all rights of Tenant hereunder. In the event that Tenant shall be absent from the premises for a period of 5 (FIVE) consecutive days, while in default, Tenant shall at the option of the Owner, be deemed to have abandoned the premises and any property left of the premises shall be considered abandoned and may be disposed of by the Owner in any manner allowed by law. In the event that Owner reasonably believes that such abandoned property has no value, it may be discarded. All property on the premises is hereby subject to a lien in favour of Owner, for payment of all sums due hereunder, to the maximum extent allowed by law.

Recovery of the premises by Owner shall not relieve Tenant of any obligation hereunder, and Owner may let the premises to others upon such terms and conditions he deems proper, and recover from Tenant sums due hereunder, less any consideration received from others for the use of the premises, for the remaining term hereof, after paying expenses.

SECURITY: The security deposit set forth above, if any, shall secure the performance of Tenant’s obligations hereunder, Owner may, but shall not be obligated to apply all or portions of said deposit on account of Tenant’s obligations hereunder. Any balance remaining upon termination shall be returned to Tenant.

DEPOSIT FUNDS: Any returnable deposits shall be refunded within 10 (TEN) days from date possession is delivered to Owner or his authorized agent.

LEGAL FEES: In the event that Owner shall prevail in any legal action brought by either party to enforce the terms hereof or relating to the demised premises, Owner shall be entitled to all costs incurred in connection with such action, including legal fees on a solicitor and his own client, full indemnity basis. The Owner is entitled to recover an allowance for HIS time and effort expended with respect to any default and any recovery proceedings at \$50.00 per hour. Such allowance to be reasonable and comparable with what the Owner would pay to a third party for similar time and effort.

WAIVER: No failure of Owner to enforce any term hereof shall be deemed a waiver, nor shall any acceptance of a partial payment of rent be deemed a waiver of Owner’s right to the full amount thereof.

NOTICES: Any notice which either party may or is required to give, may be given by mailing the same postage prepaid, to Tenant at the premises or to Owner at the address shown below or at such other places as may be designated by the parties from time to time.

HEIRS, ASSIGNS, & SUCCESSORS: This lease is binding upon and inures to the benefit of the heirs, assigns and successors in interest to the parties.

TIME: Time is of the essence in this agreement.

THE OPTION

In consideration of \$1.00 (ONE DOLLAR) and so long as Tenant is not in default hereunder, Tenant shall have the option to purchase the real property described herein for a PURCHASE PRICE OF \$_____.

EXERCISE OF OPTION: The option shall be exercised by mailing or personally delivering written notice to the Owner 45 days prior to the “Expiration Of Option” and by additional payment, on account of the purchase price, in the amount of \$_____ payable to the Owner or the Owner’s solicitor.

Notice, if mailed, shall be by registered mail, to the Owner at the address set forth below, and shall be deemed to have been given upon the day following the day shown on the post office receipt.

In the event the option is exercised, the “Original Option Money” and accumulated “Monthly Option Money Payments”, if any, (collectively referred to as the “Option Credits”), shall be credited toward the purchase price for each month full rent has been paid when due. These funds will only be credited if the option is exercised and the sale actually closes. In particular, if the option is not exercised, the tenant forfeits and the Owner retains all “Option Credits”. If the Option is exercised, the Security Deposit and interest will also be credited toward the Purchase Price.

By exercising this option, the tenant states that their obligation to purchase is unconditional. In particular, Tenant states that required financing (if any) is in place. If Tenant is not in default, he may assume existing mortgage balance as at Completion Date. The current mortgage balance is approximately: \$_____ dollars.

EXPIRATION OF OPTION: This option may be exercised at any time, and shall expire 45 days before the last day of the lease, unless exercised prior thereto. Upon expiration Owner shall be released from all obligations hereunder and all of Tenant’s rights hereunder, legal or equitable, shall cease.

THE PURCHASE

COMPLETION DATE OF PURCHASE This date shall be 50 days from the date of exercise of the option or such other date as the parties may agrees on.

Both parties shall be obliged to complete this purchase and sale contract pursuant to the real estate purchase contract attached as Schedule “A”.

Both parties recognize that this agreement is first and foremost a residential lease and that the Tenant must not be in default under his tenant obligations in order to exercise the option.

OTHER TERMS:

**ACCEPTANCE – The undersigned Owner accepts the foregoing offer and acknowledges receipt of a copy hereof.
The undersigned Tenant hereby acknowledges receipt of a copy hereof.**

DATED: _____

Signature of Witness of Tenant

Signature of Tenant (_____)

Address

Address

Phone

Phone

Signature of Witness of Owner

Signature of Owner (_____)

Address

Address

Phone

Phone