

LEASE AGREEMENT – WITH PURCHASE OPTION

This Lease Agreement – With Purchase Option (this “Lease”) is made and entered into as of _____ (the “Effective Date”) and is between _____ (“Landlord”) and _____ (“Tenant”).

RECITALS

WHEREAS, Landlord owns the real property known by street address as _____ [insert specific property description, including any unit number], which premises is described by legal description and parcel number on Exhibit A hereto (the “Leased Premises”), and is authorized to enter into this Lease.

WHEREAS, Landlord desires to lease the Leased Premises to Tenant, and offer to Tenant a purchase option upon the terms and provisions set forth herein, and Tenant desires same of Landlord.

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants, promises and agreements set forth herein, Landlord and Tenant hereby covenant and agree as follows:

1. Lease of Property:

Upon the terms and conditions set forth herein, Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases same from Landlord. If applicable, the Premises is part of the following real estate development (the “Project”):

_____.

- This Lease is guaranteed by a separate Guarantee Agreement executed by _____.
- There is no separate guarantee of this Lease by a third party.

2. Use; Quiet Enjoyment:

Tenant shall use the Leased Premises for _____, only, as well as uses ancillary and related thereto. At all times, Tenant’s use of the Leased Premises shall comply with applicable law, regulations, and ordinances. Tenant shall not commit or allow any illegal activity to take place at the Leased Premises and shall not improperly dispose of any hazardous materials or hazardous substances. Subject to any rights of Landlord upon a default hereunder or otherwise, Tenant shall be entitled to the peaceful and quiet enjoyment of the Leased Premises upon the terms and conditions set forth herein. Tenant will not do or permit any act or thing which is contrary to any legal requirement or insurance requirement, or which might impair the value or usefulness of the Leased Premises or any part thereof, or which constitutes a public or private nuisance or waste.



3. Occupancy Date.

Tenant may begin occupancy of the Leased Premises on _____ (“Occupancy Date”). The parties may together perform a walk-through of the Leased Premises on or before the Occupancy Date for the purpose of assessing the condition of the Leased Premises. In such instance, a written report or summary of the condition of the Leased Premises shall be prepared by Landlord and submitted to Tenant for Tenant’s approval and sign-off, which report may include items that Landlord has agreed to repair or replace and any details relating to same.

4. Lease Term.

- This Lease shall have a term of _____ months (the “Term”).
 - This Lease shall automatically terminate upon expiration of the Term, at which time Tenant shall have vacated the Leased Premises in full.
 - This Lease shall continue on a month-to-month basis after expiration of the Term. During such month-to-month period, either party may terminate this Lease by providing not less than 30-day advance written termination notice to the other, in which event this Lease shall terminate on the last calendar day of the month following the month in which such notice of termination was provided.
- This Lease shall be on a month-to-month basis. Either party may terminate this Lease by providing not less than 30-day advance written termination notice to the other, in which event this Lease shall terminate on the last calendar day of the month following the month in which such notice of termination was provided.
- This Lease contains _____ renewal options of _____ years each (each, a “Renewal Option”).
 - Any Renewal Option is available to Tenant at Tenant’s election, by providing Landlord with written notice of exercise not less than _____ days prior to expiration of the then-existing term.
 - Rent and all other terms under this Lease shall remain the same during the Renewal Option.
 - Rent shall be \$ _____ per _____ throughout the Renewal Option.



- Any Renewal Option is subject to mutual approval and agreement between Landlord and Tenant, as to its availability, rental amount and other terms and conditions.

5. Rental Rate:

(a) Base Rent: The parties agree that Tenant shall pay rent to Landlord in equal monthly installments of \$ _____ per month (“Rent”), in immediately available funds, in U.S. Dollars. Throughout the term of this Lease, Rent is due and shall be paid by Tenant on or before the _____ day of each month, and is payable to Landlord at the following address: _____. Rent is payable without demand or presentment and is not subject to deduction or offset.

(b) Additional Rent. In addition to Base Rent, Tenant shall be responsible for the following additional monthly rent (“Additional Rent”):

- Utilities payment in the amount of \$ _____.
- Pet rent in the amount of \$ _____.
- Tenant’s proportionate share of common area maintenance fees in the amount of \$ _____.
- Tenant’s proportionate share of property taxes in the amount of \$ _____.
- Tenant’s proportionate share of insurance in the amount of \$ _____.
- Other: _____.
- No Additional Rent

Additional Rent for common area maintenance, taxes, and insurance (if any) is calculated on the basis of the total number of net rentable square feet of the Leased Premises to the overall net rentable square footage of the Project. Additional Rent (if any) shall be paid by Tenant at the same time and in the same manner as Base Rent. Additional Rent and Base Rent are together referred to in this Lease as “Rent”.

(c) Late Fees. If Tenant fails to pay Rent (or any portion thereof) as and when due, Tenant shall be responsible for a late fee in the amount of \$ _____ for each day in which Rent is delayed or unpaid.

6. Security Deposit.

Tenant shall furnish to Landlord a security deposit in the amount of \$ _____ (the “Security Deposit”), which Security Deposit shall be provided prior to the Commencement Date. Landlord shall hold the Security Deposit in compliance with applicable law and shall have the right to apply same towards any unpaid Rent or any damage or harm to the Leased Premises or Project caused by Tenant. Within a reasonable period of time after Tenant has vacated the Leased Premises, Landlord shall refund the Security Deposit (or the balance thereof, as applicable) to Tenant. The Security Deposit shall be maintained by or on behalf of Landlord in an account in accordance with



legal requirements. Landlord shall be entitled to seek additional security from Tenant at any time throughout the Term in the event Landlord has applied the Security Deposit to damages or unpaid Rent as provided above, in which event Tenant shall promptly provide such additional security.

7. Assignment and Sublease.

Tenant shall not assign this Lease or sublet all or any portion of the Leased Premises absent the prior written consent of Landlord, which shall be in Landlord's sole and absolute discretion. Notwithstanding the foregoing, (i) Tenant shall have the right to assign or sublet to an affiliate without the need for consent of Landlord so long as Tenant (and any applicable Guarantor) expressly agrees to remain liable for performance under this Lease; (ii) Tenant may assign or sublet to a trust or other estate planning vehicle in connection with Tenant's estate planning without the need for consent of Landlord; and (iii) if the proposed assignment or subletting is in connection with a merger, acquisition, or sale or disposition of all or substantially all of Tenant's assets, Landlord's approval shall not be unreasonably withheld, conditioned, or delayed.

8. Access by Landlord.

At all times throughout the Term of this Lease, Landlord (including Landlord's agents, designees, and contractors) shall have the right to access the Leased Premises for repair, maintenance, and inspection purposes, upon reasonable prior notice to Tenant. However, prior notice shall not be required if access is needed or appropriate in connection with any exigent circumstances at the Leased Premises or Project. Landlord shall have the right to install "for sale" signs, and, during the last lease year of the Term, "for rent" signs, at the Leased Premises.

9. Lease Termination; Surrender.

Tenant shall vacate the Leased Premises on or before expiration or termination of this Lease. Tenant must leave the Leased Premises in as good a condition as it existed as of the Commencement Date, reasonable wear and tear excluded. If Tenant fails to vacate the Leased Premises by the required expiration or termination of this Lease, Tenant shall be deemed a tenant-at-sufferance and shall be liable for Rent equal to ___% of Rent then due and payable hereunder. Any acceptance of Rent by Landlord shall not constitute a waiver by Landlord of the termination date or any rights or remedies available to Landlord hereunder or under applicable law.

10. Default:

The following matters shall constitute an Event of Default under this Lease:

(a) Failure to pay Rent or any other monetary obligation hereunder as and when due;

(b) Breach or violation of any other term or provision of this Lease, following expiration of the thirty (30) day period following receipt by Tenant of a notice of default



from Landlord with regard to such breach or violation; *provided, however*, that in the event the matter cannot reasonably be cured within such 30-day period through no fault of Tenant and Tenant has commenced cure and is diligently prosecuting such cure, Tenant shall be afforded an additional thirty (30) day period to cure same.

(c) Tenant or Guarantor (if any) is declared insolvent by a court of competent jurisdiction, or Tenant or Guarantor initiates or bankruptcy, liquidation or receivership proceedings, or bankruptcy, liquidation or receivership proceedings are brought against Tenant or Guarantor and same are not dismissed, lifted or resolved in full within 90 days of the filing thereof.

(d) Insert other Defaults, if applicable: _____

11. Remedies:

If an Event of Default shall have occurred and been continuing, and in addition to all other rights and remedies available to Landlord under applicable law, whether at law or in equity, Landlord shall have the following rights:

(a) Termination of Lease. Landlord shall have the right to give Tenant notice of Landlord's termination of this Lease. Upon the giving of such notice, this Lease and the estate hereby granted shall expire and terminate on the date specified in such notice, and all rights of Tenant hereunder shall expire and terminate, but Tenant shall remain liable as hereinafter provided.

(b) Re-Entry and Possession. Landlord shall have the immediate right, whether or not the Term of this Lease shall have been terminated pursuant to paragraph (a) immediately above, to re-enter and repossess the Leased Premises by summary proceedings or any other legal action Landlord determines to be necessary or desirable and the right to remove all persons and property from the Leased Premises. No such re-entry or repossession of the Leased Premises shall be construed as an election by Landlord to terminate this Lease unless a notice of such termination is given to Tenant pursuant to paragraph (a) immediately, or unless such termination is decreed by a court or other governmental tribunal of competent jurisdiction.

(c) Damages. In the event of any expiration, termination or repossession pursuant to the provisions of this paragraph, Tenant will pay to Landlord all Base Rent, Additional Rent (if any) and other sums required to be paid by Tenant up to the time of such expiration, termination or repossession, and thereafter Tenant, until the end of what would have been the Term in the absence of such expiration, termination or repossession, and whether or not the Leased Premises or any part thereof shall have been relet, shall be liable to Landlord for, and shall pay to Landlord, as liquidated and agreed current damages for Tenant's default: (a) all Base Rent, Additional Rent and other sums which would be payable under this Lease by Tenant in the absence of such expiration, termination or repossession, less (b) all net rents actually collected by or on behalf of Landlord from occupancy tenants plus the net proceeds, if any, of any reletting affected for the account of Tenant pursuant to this paragraph after deducting from such proceeds all Landlord's expenses in connection with such reletting. Tenant will pay such current damages monthly on the rent payment dates



applicable in the absence of such expiration, termination or repossession, and Landlord shall be entitled to recover the same from Tenant on each such date.

(d) Reletting. At any time or from time to time after the repossession of the Leased Premises or any part thereof, Landlord has the right (but not the obligation) to relet the Leased Premises or any part thereof. Landlord shall have no liability for not reletting the Leased Premises.

12. SNDA; TEC.

This Lease is and shall at all times be subject and subordinate to any mortgage, deed of trust, deed to secure debt, lease financing, or other similar instruments with respect to the Leased Premises or Project, whether the same is now existing or hereafter entered into, including all amendments, extensions, refinancing and renewals thereof. If requested, within ten (10) days of such request, Tenant shall promptly execute and deliver a reasonable and customary subordination, non-disturbance, and attornment agreement to Landlord's lender or master lessor, as applicable, as well as a tenant estoppel certificate regarding the status of this Lease.

13. Casualty and Condemnation.

(a) In the event the Leased Premises, or any substantial portion thereof, are damaged, destroyed, or taken by condemnation or deed in lieu of condemnation ("Taking"), this Lease shall terminate, and Tenant shall be responsible for Rent through the date of such termination. Any casualty or condemnation award shall belong to Landlord, and Tenant shall have no claim or right with respect thereto.

(b) In the event of a Taking of all or any part of the Leased Premises for temporary use, this Lease shall remain in full effect and Tenant shall be entitled to receive the net proceeds allocable to such temporary Taking; except that such portion of the net proceeds allocable to the period after the expiration or termination of the Term of this Lease shall be paid to Landlord. In the event of a temporary Taking, Tenant shall not be relieved of its obligation to pay Rent.

14. Insurance.

(a) Risks to be Insured. Tenant, at its expense, will maintain with insurers reasonably satisfactory to Landlord, the insurance coverages listed below. Check all that apply:

all-risks property insurance with respect to the improvements at the Leased Premises against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke and other risks from time to time included under "extended coverage" policies, in an amount equal to at least 100% of the full replacement value of such improvements and in any event in an amount sufficient to prevent Landlord or Tenant from becoming a co-insurer of any loss under the applicable policies, which shall be written on a replacement cost basis;



Commercial General Liability Insurance applicable to the Leased Premises in amounts which are from time to time appropriate to property in the same city and state as the Property similar to nature and use to the Leased Premises (which amounts at the date hereof shall be \$_____ combined single limit for injury or death arising out of any one occurrence and for damage to property in respect of any one occurrence);

comprehensive boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount of at least the replacement cost of all leasehold improvements to the Leased Premises and all boilers, pressure vessels, air conditioning equipment, and miscellaneous electrical apparatus owned or operated by Tenant or by others (except for Landlord) on behalf of Tenant in the Leased Premises, or relating to, or serving the Leased Premises;

appropriate workers' compensation or other insurance against liability arising from claims of workers in respect of and during the period of any work on or about the Leased Premises;

comprehensive automobile liability insurance including contractual liability, covering all licensed vehicles operated by or on behalf of Tenant, which insurance shall have inclusive limits of not less than \$2,000,000.00 per occurrence; and

insurance against such other hazards and in such amounts as is customarily carried by owners and operators of similar properties, and as Landlord may reasonably require for its protection. Tenant will comply with such other requirements as Landlord (or any mortgagee or lender to Landlord from time to time) may from time to time reasonably request for the protection by insurance of their respective interests.

(b) Policy Provisions. All insurance maintained by Tenant pursuant to the paragraph above: (a) except for workers' compensation insurance, name Landlord, Tenant (and any Mortgagee, if requested by Landlord) as insureds, as their respective interests may appear, and shall include an effective waiver, if obtainable (whether or not an additional premium is required to be paid), by the issuer of all rights of subrogation against any named insured or such insured's interest in the Leased Premises or any income derived therefrom; (b) provide that all insurance proceeds for losses of less than \$10,000 shall be adjusted by Tenant, and all proceeds for losses of such amount or more, except for workers' compensation insurance which shall be adjusted by Tenant, shall be adjusted by Landlord; (c) provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Landlord or Tenant or any other person; (d) provide that no cancellation, reduction in amount or material change in coverage thereof shall be effective until at least 30 days after receipt by Landlord, Tenant (and any Mortgagee, if applicable) of written notice thereof; and (f) the other policy provisions shall be reasonably satisfactory to Landlord and any Mortgagee in all other respects.

(c) Delivery of Policies. Upon the execution of this Lease and thereafter not less than 30 days prior to the expiration date of any policy delivered pursuant to this paragraph, Tenant will deliver to Landlord a certificate of the insurer, satisfactory to Landlord in substance and in form, as to the issuance, and effectiveness of such policy and the amount



of coverage afforded thereby, accompanied by a copy of such policy if required by Landlord. If Tenant fails to take out or to keep in force any insurance referred to in this paragraph, or should any such insurance not be approved by either Landlord (or any Mortgagee, if applicable), and Tenant does cure such default within forty-eight (48) hours after written notice by Landlord to Tenant specifying the nature of such default, then Landlord has the right, without assuming any obligation in connection therewith, to effect such insurance at the sole cost of Tenant and all outlays by Landlord shall be paid by Tenant to Landlord without prejudice to any other rights or remedies of Landlord under this Lease.

15. Repair and Maintenance.

Select below, as applicable.

Tenant’s obligation to repair and maintain. Tenant shall, at its sole cost, repair and maintain the Leased Premises to a standard consistent with its use. Except as expressly provided in this Lease, Landlord shall not be required to maintain, repair, or rebuild all or any part of the Leased Premises.

Landlord’s obligation to repair and maintain. Landlord shall, at its sole cost, repair and maintain the Leased Premises to a standard consistent with Tenant’s use, provided, however, Tenant shall be liable for any repair or maintenance necessitated by damage or destruction caused by Tenant. Repair and Maintenance requests shall be forwarded to contact information set forth in the Notices section of this Lease.

Specific maintenance and repair provisions: _____

_____.

16. Indemnification.

Tenant shall defend all actions against Landlord and any officer, employee or agent of Landlord with respect to, and shall pay, protect, indemnify and save harmless Landlord, and any officer, employee or agent of Landlord from and against, any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys’ fees and expenses), causes of action, suits, claims, demands or judgments of any nature (to the extent not compensated by insurance proceeds) arising after the date hereof and during the Term of this Lease from (i) injury to or death of any person, or damage to or loss of property, on the Leased Premises or on adjoining sidewalks, streets or ways, connected with the use, non-use, condition or occupancy of any part thereof, (ii) Tenant’s violation of this Lease, (iii) any act or omission of Tenant or its agents, contractors, licensees, subtenants, or invitees, or (iv) ownership of the Leased Premises or any interest therein other than if caused or resulting from any of Landlord’s affirmative acts. In case any action, suit or proceeding is brought against Landlord by reason of any such occurrence, Tenant shall, upon Landlord’s request, at Tenant’s expense, resist and defend such action, suit or proceeding, or cause the same to be resisted and defended by counsel designated by Tenant, subject to Landlord’s reasonable approval. The obligations of Tenant under this section shall survive any termination or expiration of this Lease.



17. Notice Information.

Notices under this Lease shall be in writing and provided to the following addresses. Notices shall be provided by personal delivery to a person of competent age and judgment on behalf of the receiving party, or by overnight courier, by US Mail, return receipt requested.

Check this box if notices may also be provided by email, to the respective email address listed below.

If to Landlord:

[Insert Landlord's contact information]

Tel: _____

Email: _____

With a copy to:

Tel: _____

Email: _____

If to Tenant:

[Insert Tenant's contact information]

Tel: _____

Email: _____

With a copy to:

Tel: _____

Email: _____

18. Tenant's Purchase Option.

(a) In consideration of the mutual covenants herein contained, and for good and valuable consideration of the receipt and sufficiency of which are hereby acknowledged, Landlord does hereby give and grant to Tenant the option for Tenant to purchase the Leased



Premises (the "Purchase Option"). The purchase price for the Leased Premises under the Purchase Option (the "Purchase Price") shall be:

Check the Applicable Box:

- The sum of \$ _____
- MAI appraised value on the date of option exercise
- Calculated as follows: _____
- To be determined subsequently, by mutual agreement of Landlord and Tenant.
If the parties are not able to reach mutual agreement during the Exercise Period as to the Purchase Price, then the Purchase Option shall terminate and be of no further force or effect.

(b) So long as Tenant is not then in default of this Lease, the Purchase Option is exercisable by Tenant between the following dates: _____ and _____ (the "Exercise Period"). In order for Tenant to exercise the Purchase Option, Tenant shall provide Landlord with written notice of exercise of the Purchase Option at any time during the Exercise Period. Once delivered, the notice of exercise of Purchase Option is irrevocable unless otherwise agreed by Landlord and Tenant. The Purchase Option is not assignable by Tenant. Tenant's purchase of the Leased Premises pursuant to the Purchase Option shall be governed by the terms of a Real Estate Purchase and Sale Agreement ("PSA"), which shall be negotiated between the parties promptly following Tenant's exercise of the Purchase Option; *provided, however*, that if the Purchase Price or methodology for calculating the Purchase Price is specified above, then the Purchase Price in the PSA shall be such amount or based upon such methodology as so specified above. The closing under the PSA shall occur as soon as reasonably practicable following execution of the PSA or as otherwise agreed in the PSA and, unless otherwise mutually agreed by Landlord and Tenant in the PSA, shall not be subject to any contingencies or a feasibility period.

(c) If any legal subdivision, condominium creation, re-zoning, legal description preparation or other engineering work, or other steps are necessary or appropriate in connection with any sale of the Leased Premises pursuant to the Purchase Option, the parties shall cooperate with one another in order to accomplish such matters and to effectuate the intent of this provision. The costs for such work shall be borne by _____.

19. Additional Provisions:

(a) If Tenant consists of more than one party, then all parties consisting of Tenant hereunder shall be liable under this Lease on a joint and several basis.

(b) If any provision of this Lease is declared unenforceable or invalid, such provision shall be severed from this Lease and such finding shall not affect the remaining terms of this Lease, which remaining terms shall continue in full force and effect.



(c) Landlord and Tenant have both been involved with the negotiation and documentation of this Lease. No provision hereof shall be interpreted against one party or the other on the basis of responsibility of drafting.

(d) This Lease shall be governed by, and construed in accordance with, the laws of the State in which the Leased Premises is located.

(e) This Lease contains the entire agreement of the parties hereto with regard to the subject matter hereof. All amendments and modifications to this Lease must be in writing and executed by both parties. Any waiver under this Lease must be done in writing.

(f) The Leased Premises are hereby leased to Tenant on an as-is/where-is basis, with no representation or warranty whatsoever, whether as to habitability, fitness for a particular purpose, zoning status, or otherwise.

(g) Except with the prior written consent of Landlord, Tenant shall not erect, install, display, inscribe, paint, or affix any signs, lettering, or advertising medium upon or above the Leased Premises.

(h) Notwithstanding anything to the contrary provided in this Lease, Landlord shall have no personal liability under any of the terms, covenants or conditions of this Lease, and Tenant shall look solely to the Landlord's interest in the Leased Premises to satisfy each and every right and/or remedy of Tenant in the event of any breach by Landlord, as Landlord's sole liability arising out of or in relation to this Lease.

(i) Either party shall have the right to record a memorandum of this Lease (including disclosure of the Purchase Option) in the applicable county land records in the jurisdiction where the Leased Premises is located. The parties shall cooperate with one another in the recordation of such memorandum.



IN WITNESS WHEREOF, the undersigned execute this Lease as of the date as set forth above.

Landlord:

By: _____
Its: _____
Name: _____

Tenant:

By: _____
Its: _____
Name: _____



RIDER A

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, Landlords must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Tenants must also receive a federally approved pamphlet on lead poisoning prevention.

Landlord's Disclosure:

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i) Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

(ii) Landlord has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the Landlord (check (i) or (ii) below):

(i) Landlord has provided the Tenant with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

(ii) Landlord has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Tenant's Acknowledgment (initial):

(c) Tenant has received copies of all information listed above.

(d) Tenant has received the pamphlet Protect Your Family from Lead in Your Home.

Landlord has been informed of its obligations under 42 U.S.C. 4852(d) and is aware of its responsibility to ensure compliance.



Certification of Accuracy to Lead Warning Statement.

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Landlord:

By: _____
Its: _____
Name: _____

Tenant:

By: _____
Name: _____



Exhibit A

Legal Description and Assessor's Parcel Number of the Leased Premises



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