

Residential Lease with Option to Purchase

THIS LEASE (the "Lease") dated this _____ day of _____, 20_____

BETWEEN:

Name of Landlord(s) _____

Address: _____

Telephone: _____ Fax: _____

(the "Landlord")

OF THE FIRST PART

- AND -

Name of Name of Tenant(s) _____

Address: _____

Telephone: _____ Fax: _____

(the "Tenant")

OF THE SECOND PART

IN CONSIDERATION OF the Landlord leasing certain premises to the Tenant, the Tenant leasing those premises from the Landlord and the mutual benefits and obligations provided in this Lease, the receipt and sufficiency of which consideration is hereby acknowledged, the parties to this Lease agree as follows:

Leased Premises

1. The Landlord agrees to rent to the Tenant the house municipally described as _____, (the 'Premises') for use as residential premises only. Neither the Premises nor any part of the Premises will be used at any time during the term of this Lease by Tenant for the purpose of carrying on any business, profession, or trade of any kind, or for the purpose other than as a private single-family residence.
2. Subject to the provisions of this Lease, apart from the Tenant, no other persons will live in the Premises without the prior written permission of the Landlord, except for: Additional Occupants: _____.
3. No guests of the Tenants may occupy the Premises for longer than one week without the prior written consent of the Landlord.
4. No pets or animals are allowed to be kept in or about the Premises without the prior written permission of the Landlord. Upon thirty (30) days notice, the Landlord may revoke any consent previously given pursuant to this clause.

Term

5. The term of the Lease is a periodic tenancy commencing at (time) _____
on (date) _____ and
continuing on a year-to-year basis until the Landlord or the Tenant terminates the tenancy.

Rent

6. Subject to the provisions of this Lease, the rent for the Premises is \$ _____ per
month (the 'Rent').
7. The Tenant will pay the Rent on or before the (day) _____ of month, of each and every month
of the term of this Lease to the Landlord at (address) _____
_____, or at such other place as the Landlord may later designate.
8. The Tenant will be charged an additional amount of \$ _____ after _____
days past due date. for any late Rent.

Security Deposit

9. On execution of this Lease, the Tenant will pay the Landlord a security deposit of
\$ _____ (the 'Security Deposit').
10. The Landlord will return the Security Deposit at the end of this tenancy, less such deductions as
provided in this Lease but no deduction will be made for damage due to reasonable wear and tear
nor for any deduction prohibited by the Act.
11. During the Term of this Lease or after its termination, the Landlord may charge the Tenant or make
deductions from the Security Deposit for any or all of the following:
- a. repair of walls due to plugs, large nails or any unreasonable number of holes in the walls
including the repainting of such damaged walls;
 - b. repainting required to repair the results of any other improper use or excessive damage by
the Tenant;
 - c. unplugging toilets, sinks and drains;
 - d. replacing damaged or missing doors, windows, screens, mirrors or light fixtures;
 - e. repairing cuts, burns, or water damage to linoleum, rugs, and other areas;
 - f. any other repairs or cleaning due to any damage beyond normal wear and tear caused or
permitted by the Tenant or by any person whom the Tenant is responsible for;
 - g. the cost of extermination where the Tenant or the Tenant's guests have brought or allowed
insects into the Premises or building;
 - h. repairs and replacement required where windows are left open which have caused plumbing
to freeze, or rain or water damage to floors or walls; and
 - i. any other purpose allowed under this Lease or the Act.

For the purpose of this clause, the Landlord may charge the Tenant for professional cleaning and
repairs if the Tenant has not made alternate arrangements with the Landlord.

12. The Tenant may not use the Security Deposit as payment for the Rent.

Quiet Enjoyment

13. The Landlord covenants that on paying the Rent and performing the covenants contained in this Lease, the Tenant will peacefully and quietly have, hold, and enjoy the Premises for the agreed term.

Inspections

14. The Landlord and the Tenant will complete, sign and date an inspection report at the beginning and at the end of this tenancy.

Tenant Improvements

15. The Tenant will obtain written permission from the Landlord before doing any of the following:

- a. applying adhesive materials, or inserting nails or hooks in walls or ceilings other than two small picture hooks per wall;
- b. painting, wallpapering, redecorating or in any way significantly altering the appearance of the Premises;
- c. removing or adding walls, or performing any structural alterations;
- d. installing a waterbed(s);
- e. changing the amount of heat or power normally used on the Premises as well as installing additional electrical wiring or heating units;
- f. placing or exposing or allowing to be placed or exposed anywhere inside or outside the Premises any placard, notice or sign for advertising or any other purpose; or
- g. affixing to or erecting upon or near the Premises any radio or TV antenna or tower.

Utilities and Other Charges

16. The Tenant is responsible for the payment of the following utilities and other charges in relation to the Premises: Gas, Lights, Water, Telephone, Cable.

Insurance

17. The Tenant is hereby advised and understands that the personal property of the Tenant is not insured by the Landlord for either damage or loss, and the Landlord assumes no liability for any such loss. The Tenant is advised that, if insurance coverage is desired by the Tenant, the Tenant should inquire of Tenant's insurance agent regarding a renter's policy of insurance.

18. The Tenant is not responsible for insuring the Premises for either damage or loss to the structure, mechanical or improvements to the building of the Premises, and the Tenant assumes no liability for any such loss.

19. The Tenant is responsible for insuring the Premises for liability insurance for the benefit of the Tenant and the Landlord.

Abandonment

20. If at any time during the term of this Lease, the Tenant abandons the Premises or any part of the Premises, the Landlord may, at its option, enter the Premises by any means without being liable for any prosecution for such entering, and without becoming liable to the Tenant for damages or for any payment of any kind whatever, and may, at the Landlord's discretion, as agent for the Tenant, rent the Premises, or any part of the Premises, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such renting, and, at the Landlord's option, hold the Tenant liable for any difference between the Rent that would have been payable under this Lease during the balance of the unexpired term, if this Lease had continued in force, and the net rent for such period realized by the Landlord by means of the renting. If the Landlord's right of re-

entry is exercised following abandonment of the premises by the Tenant, then the Landlord may consider any personal property belonging to the Tenant and left on the Premises to also have been abandoned, in which case the Landlord may dispose of all such personal property in any manner the Landlord will deem proper and is relieved of all liability for doing so.

Attorney Fees

21. In the event that any action is filed in relation to this Lease, the unsuccessful party in the action will pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney fees.

Governing Law

22. It is the intention of the parties to this Lease that the tenancy created by this Lease and the performance under this Lease, and all suits and special proceedings under this Lease, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the State of Michigan, without regard to the jurisdiction in which any action or special proceeding may be instituted.

Severability

23. If there is a conflict between any provision of this Lease and the applicable legislation of the State of Michigan (the 'Act'), the Act will prevail and such provisions of the Lease will be amended or deleted as necessary in order to comply with the Act. Further, any provisions that are required by the Act are incorporated into this Lease.
24. If there is a conflict between any provision of this Lease and any form of lease prescribed by the Act, that prescribed form will prevail and such provisions of the lease will be amended or deleted as necessary in order to comply with that prescribed form. Further, any provisions that are required by that prescribed form are incorporated into this Lease.
25. In the event that any of the provisions of this Lease will be held to be invalid or unenforceable in whole or in part, those provisions to the extent enforceable and all other provisions will nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included in this Lease and the remaining provisions had been executed by both parties subsequent to the expungement of the invalid provision.

Amendment of Lease

26. Any amendment or modification of this Lease or additional obligation assumed by either party in connection with this Lease will only be binding if evidenced in writing signed by each party or an authorized representative of each party.

Assignment and Subletting

27. Without the prior, express, and written consent of the Landlord, the Tenant will not assign this Lease, or sublet or grant any concession or license to use the Premises or any part of the Premises. A consent by Landlord to one assignment, subletting, concession, or license will not be deemed to be a consent to any subsequent assignment, subletting, concession, or license. An assignment, subletting, concession, or license without the prior written consent of Landlord, or an assignment or subletting by operation of law, will be void and will, at Landlord's option, terminate this Lease.

Damage to Premises

28. If the Premises, or any part of the Premises, will be partially damaged by fire or other casualty not due to the Tenant's negligence or willful act or that of the Tenant's employee, family, agent, or

visitor, the Premises will be promptly repaired by the Landlord and there will be an abatement of rent corresponding with the time during which, and the extent to which, the Premises may have been untenable. However, if the Premises should be damaged other than by the Tenant's negligence or willful act or that of the Tenant's employee, family, agent, or visitor and the Landlord decides not to rebuild or repair the Premises, the Landlord may end this Lease by giving appropriate notice.

Maintenance

29. The Tenant will, at its sole expense, keep and maintain the Premises and appurtenances in good and sanitary condition and repair during the term of this Lease and any renewal of this Lease.
30. Major maintenance and repair of the Premises involving anticipated or actual costs in excess of \$_____ per incident not due to the Tenant's misuse, waste, or neglect or that of the Tenant's employee, family, agent, or visitor, will be the responsibility of the Landlord or the Landlord's assigns.
31. Where the Premises has its own sidewalk, entrance, driveway or parking space which is for the exclusive use of the Tenant and its guests, the Tenant will keep the sidewalk, entrance, driveway or parking space clean, tidy and free of objectionable material including dirt, debris, snow and ice. The Tenant will also keep any public sidewalks adjacent to the Premises clean, tidy and free of objectionable material including dirt, debris, snow and ice.
32. Where the Premises has its own garden or grass area which is for the exclusive use of the Tenant and its guests, the Tenant will water, fertilize, weed, cut and otherwise maintain the garden or grass area in a reasonable condition including any trees or shrubs therein.

Care and Use of Premises

33. The Tenant will promptly notify the Landlord of any damage, or of any situation that may significantly interfere with the normal use of the Premises or to any furnishings supplied by the Landlord.
34. The Tenant will not make (or allow to be made) any noise or nuisance which, in the reasonable opinion of the Landlord, disturbs the comfort or convenience of other tenants.
35. The Tenant will keep the Premises reasonably clean.
36. The Tenant will dispose of its trash in a timely, tidy, proper and sanitary manner.
37. The Tenant will not engage in any illegal trade or activity on or about the Premises.
38. The Landlord and Tenant will comply with standards of health, sanitation, fire, housing and safety as required by law.
39. The Landlord will use reasonable efforts to maintain the Premises in such a condition as to prevent the accumulation of moisture and the growth of mold, and to promptly respond to any written notices from the Tenant in relations to accumulation of moisture and visible evidence of mold.
40. The Tenant will use reasonable efforts to maintain the Premises in such a condition as to prevent the accumulation of moisture and the growth of mold, and to promptly notify the Landlord in writing of any moisture accumulation that occurs or of any visible evidence of mold discovered by the Tenant.

- 41. The Tenant agrees that no signs will be placed or painting done on or about the Premises by the Tenant or at the Tenant's direction without the prior, express, and written consent of the Landlord. Notwithstanding the above provision, the Tenant may place election signs on the Premises during the appropriate time periods.
- 42. If the Tenant is absent from the Premises and the Premises are unoccupied for a period of four consecutive days or longer, the Tenant will arrange for regular inspection by a competent person. The Landlord will be notified in advance as to the name, address and phone number of this said person.
- 43. At the expiration of the lease term, the Tenant will quit and surrender the Premises in as good a state and condition as they were at the commencement of this Lease, reasonable use and wear and damages by the elements excepted.

Hazardous Materials

- 44. The Tenant will not keep or have on the Premises any article or thing of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire on the Premises or that might be considered hazardous by any responsible insurance company.

Rules and Regulations

- 45. The Tenant will obey all rules and regulations posted by the Landlord regarding the use and care of the building, parking lot, laundry room and other common facilities that are provided for the use of the Tenant in and around the building containing the Premises.

Lead Warning

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

Address for Notice

- 47. For any matter relating to this tenancy, whether during or after this tenancy has been terminated:
 - a. the address of the Tenant is the Premises during this tenancy, and
 _____ after this tenancy is terminated.
 The phone number of the Tenant is Phone# _____, and the fax number of the Tenant is Fax# _____; and
 - b. the address of the Landlord is _____ both during this tenancy and after the Lease is terminated.

The Landlord or the Tenant may, on written notice to each other, change their respective addresses for notice under this Lease.

Option to Purchase

- 48. Provided the Tenant is not currently in default in the performance of any term of this Lease, the Tenant will have the option to purchase (the "Option") the Premises for \$ _____ (the "Purchase Price").

49. This Option may only be exercised at any time prior to its expiration at midnight on _____ . Upon expiration of the Option, the Landlord will be released from all obligations to sell the Premises to the Tenant. If the Tenant does not exercise the Option prior to its expiration, all rents and other charges paid under this Lease will be retained by the Landlord, and neither party will have any further rights or claims against each other concerning the Option.
50. The Option will be exercised by mailing or delivering written notice to the Landlord prior to the expiration of this Option. Notice, if mailed will be by certified mail, postage prepaid, to the Landlord at _____ and will be deemed to have been given on the date shown on the postmark of the envelope in which such notice is mailed.
51. The Tenant may not assign any rights under this Option separately from all of the Tenant's other rights under this Lease. No assignment may be made without the Landlord's prior written consent.
52. The Landlord warrants to the Tenant that the Landlord is the legal owner of the Premises and has the legal right to sell the Premises under the terms and conditions of this Lease.
53. If the Option is exercised, the following provisions will be applicable:
- a. The Tenant will take title to the Premises subject to any:
 - i. real estate taxes not yet due at the time of closing; and
 - ii. covenants, conditions, restrictions, reservations, rights, rights of way and easements then on record, if any.
 - b. Unless otherwise extended by other terms of this Lease, closing will be held within the latter of 45 Days from exercise of the Option or removal of any exceptions to the title by the Landlord.
 - c. Rents, real estate taxes and other expenses of the Premises will be prorated as of the date of the closing date. Security deposits, advance rentals or considerations involving future lease credits will be credited to the Tenant.
 - d. The parties acknowledge that the availability of financing and purchase costs cannot be ascertained with certainty. The parties agree that these items will not be conditions of performance of this Lease and the parties agree they have not relied upon any other representations or warranties by brokers, sellers or any other parties which are not set out in this Lease.
 - e. No later than 15 days from the exercise of the option to purchase, the Landlord will provide the Tenant the following documents (the "Seller Disclosure"):
 - i. a property condition disclosure, signed and dated by the Landlord;
 - ii. a commitment for the policy of title insurance; and
 - iii. written notice of any claims and/or conditions known to the Landlord relating to environmental problems or building or zoning code violations.
 - f. The Tenant has 15 days from the date of receipt of the Seller Disclosure to examine the title to the Premises and to report, in writing, any valid objections. Any exceptions to the title which would be disclosed by examination of the records will be deemed to have been

accepted unless reported in writing within 15 days. If the Tenant objects to any exceptions to the title, the Landlord will use all due diligence to remove such exceptions at the Landlord's own expense within 60 days. But if such exceptions cannot be removed within the 60 days allowed, all rights and obligations under this Option may, at the election of the Tenant, terminate and end unless the Tenant elects to purchase the Premises subject to such exceptions.

- g. Upon the completion of the Closing, all rights and obligations under the Lease (other than the Option) will cease to exist and the parties will have no further rights or claims against each other concerning the Lease.

General Provisions

- 54. Any waiver by the Landlord of any failure by the Tenant to perform or observe the provisions of this Lease will not operate as a waiver of the Landlord's rights under this Lease in respect of any subsequent defaults, breaches or non-performance and will not defeat or affect in any way the Landlord's rights in respect of any subsequent default or breach.
- 55. This Lease will extend to and be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns, as the case may be, of each party to this Lease. All covenants are to be construed as conditions of this Lease.
- 56. All sums payable by the Tenant to the Landlord pursuant to any provision of this Lease will be deemed to be additional rent and will be recovered by the Landlord as rental arrears.
- 57. Where there is more than one Tenant executing this Lease, all Tenants are jointly and severally liable for each other's acts, omissions and liabilities pursuant to this Lease.
- 58. Locks may not be added or changed without the prior written agreement of both the Landlord and the Tenant, or unless the changes are made in compliance with the Act.
- 59. The Tenant will be charged an additional amount of \$25.00 for each N.S.F. check or check returned by the Tenant's financial institution.
- 60. The Tenant will professionally steam clean the carpets on a yearly basis and at the termination of this Lease or the Landlord may charge the Tenant or deduct the cost of having the carpets professionally steam cleaned from the security deposit.
- 61. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Lease. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.
- 62. This Lease and the Tenant's leasehold interest under this Lease are and will be subject, subordinate, and inferior to any liens or encumbrances now or hereafter placed on the Premises by the Landlord, all advances made under any such liens or encumbrances, the interest payable on any such liens or encumbrances, and any and all renewals or extensions such liens or encumbrances.
- 63. This Lease may be executed in counterparts. Facsimile signatures are binding and are considered to be original signatures.

64. Time is of the essence in this Lease.

65. This Lease will constitute the entire agreement between the Landlord and the Tenant. Any prior understanding or representation of any kind preceding the date of this Lease will not be binding on either party except to the extent incorporated in this Lease.

66. The Tenant will indemnify and save the Landlord, and the owner of the Premises where different from the Landlord, harmless from all liabilities, fines, suits, claims, demands and actions of any kind or nature for which the Landlord will or may become liable or suffer by reason of any breach, violation or non-performance by the Tenant or by any person for whom the Tenant is responsible, of any covenant, term, or provisions hereof or by reason of any act, neglect or default on the part of the Tenant or other person for whom the Tenant is responsible. Such indemnification in respect of any such breach, violation or non-performance, damage to property, injury or death occurring during the term of the Lease will survive the termination of the Lease, notwithstanding anything in this Lease to the contrary.

67. The Tenant agrees that the Landlord will not be liable or responsible in any way for any personal injury or death that may be suffered or sustained by the Tenant or by any person for whom the Tenant is responsible who may be on the Premises of the Landlord or for any loss of or damage or injury to any property, including cars and contents thereof belonging to the Tenant or to any other person for whom the Tenant is responsible.

68. The Tenant is responsible for any person or persons who are upon the or occupying the Premises or any other part of the Landlord's premises at the request of the Tenant, either express or implied, whether for the purposes of visiting the Tenant, making deliveries, repairs or attending upon the Premises for any other reason. Without limiting the generality of the foregoing, the Tenant is responsible for all members of the Tenant's family, guests, servants, tradesmen, repairmen, employees, agents, invitees or other similar persons.

69. During the last 30 days of this Lease, the Landlord or the Landlord's agents will have the privilege of displaying the usual 'For Sale' or 'For Rent' or 'Vacancy' signs on the Premises.

IN WITNESS WHEREOF _____

have duly affixed their signatures on this _____ day of _____, _____.

Witness:

Landlord:

Witness:

Landlord:

The Tenant acknowledges receiving a duplicate copy of this Lease signed by the Tenant and the Landlord on the _____ day of _____, _____.

Tenant:

Tenant:

Lead-Based Paint Disclosure

Premises: _____

Landlord: _____

Tenant: _____

Landlord's Disclosure

The Landlord CERTIFIES THAT:

1. The Landlord has NO knowledge of any lead-based paint and/or lead-based paint hazards in or about the Premises.
2. The Landlord has NO records or reports relating to lead-based paint and/or lead-based paint hazards in or about the Premises.

Date: _____

Signature of Landlord

Signature of Landlord

Tenant's Acknowledgement

The Tenant ACKNOWLEDGES receipt of:

- (a) the information contained in the above Landlord's Disclosure ; and
- (b) the pamphlet *Protect Your Family from Lead in Your Home* (EPA-747-K-99-001) or an equivalent pamphlet that has been approved for use in its state by the Environmental Protection Agency.

Date: _____

Signature of Tenant

Signature of Tenant

The pamphlet *Protect Your Family from Lead in Your Home* can be ordered in hard copy or can be printed from the website <http://www.epa.gov/lead/pubs/leadpdf.pdf>.