

LEASE WITH PURCHASE OPTION

BY THIS AGREEMENT made and entered into on _____ between _____, herein referred to as Lessor, and _____, herein referred to as Lessee, Lessor leases to Lessee the premises situated at _____, in the city of _____, county of _____, State of Illinois, and more particularly described as follows: (See attached description) together with all appurtenances, to commence on _____.

1. **Rent.** Lessee agrees to pay, without demand, to Lessor as rent for the demised premises the sum of (see attachment for the schedule) dollars (\$ _____) per month in advance on the 10th calendar day of each calendar month beginning _____, payable at _____ city, of _____, State of Illinois, _____, or at such other place as Lessor may designate.

2. **Security Deposit.** On execution of this lease, Lessee deposits with Lessor _____, receipt of which is acknowledged by Lessor, to be used as the down payment when Lessee exercises his option to purchase the property.

3. **Quiet Enjoyment.** Lessor covenants that on paying the rent and performing the covenants herein contained, Lessee shall peacefully and quietly have, hold, and enjoy the demised premises for the agreed term.

4. **Use of Premises.** The demised premises shall be used by Lessee exclusively as a rental apartment building, and neither the premises nor any part thereof shall be used at any time during the term of this lease by Lessee for any other purpose, unless the usage of the surrounding lots also changes. Lessee shall comply with all the sanitary laws, ordinances, rules, and orders of appropriate governmental authorities affecting the cleanliness, occupancy, and preservation of the demised premises during the term of this lease.

5. **Condition of Premises.** Lessee stipulates that he has examined the demised premises, including the grounds and all buildings and improvements, and that they are, at the time of this lease, in good order, repair, and in a safe, clean, and habitable condition.

6. **Assignment and Subletting.** Lessee retains the obligation and right to sublet all of the apartments and garages to qualified tenants.

7. **Alterations and Improvements.** Lessee shall make no major alterations to the buildings or the demised premises or construct any buildings on the demised premises without the prior written consent of Lessor. All alterations, changes, and improvements built, constructed, or placed on the demised premises by Lessee, with the exception of fixtures removable without damage to the premises and movable personal property, shall, unless otherwise provided by written agreement between Lessor and Lessee, be the property of Lessor and remain on the demised premises at the expiration or upon sooner termination of this lease.

8. **Damage to Premises.** If the demised premises, or any part thereof, shall be partially damaged by fire or other casualty not due to Lessor's negligence or willful act or that of his employee, family or agent, the premises shall be promptly repaired by Lessee and there shall be no abatement of rent corresponding with the time during which, and the extent to which, leased premises may have been uninhabitable.

9. **Dangerous Materials.** Lessee shall not keep or have on the leased premises any article or thing of a dangerous, inflammable, or explosive character that might unreasonably increase the danger of fire on the leased premises or that might be considered hazardous or extra hazardous by any responsible insurance company.

10. **Utilities and Other Expenses.** Lessee shall be responsible for arranging for and paying for all utility services, taxes, insurance, association fees, and any other expenses required on the premises. Lessor shall be liable for principle and interest payments on any existing mortgage, and retains the right to refinance as necessary.

11. **Maintenance and Repair.** Lessee will, at his sole expense, keep and maintain the leased premises and appurtenances in good and sanitary condition and repair during the term of this lease and any renewal thereof. In particular, Lessee shall keep the fixtures on or about the leased premises in good order and repair; keep the furnace clean; keep the electric bells in order; and, at his sole expense, shall make all required repairs to the plumbing, range, heating apparatus, and electric and gas fixtures. Major maintenance and repair of the leased premises shall also be the responsibility of Lessee or his assigns.

12. **Eminent Domain.** If the premises or any part thereof or any estate therein, or any other part of the building materially affecting Lessee's use of the premises, shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Lessee. Lessee shall be entitled to the award for such taking or any payment in lieu thereof, if he exercises his option to purchase. Funds received from the taker may be used for the purchase.

13. **Display of Signs.** Lessee or his agent shall have the privilege of displaying the usual "Vacancy" signs on the demised premises and of showing the property to prospective tenants.

14. **Subordination of Lease.** This lease and Lessee's leasehold interest hereunder are and shall be subject, subordinate, and inferior to, any liens or encumbrances now on the demised premises.

15. **Holdover by Lessee.** Should Lessee remain in possession of the demised premises with the consent of Lessor after the natural expiration of this lease, a new month-to-month tenancy shall be created between Lessor and Lessee which shall be subject to all the terms and conditions hereof but shall be terminated on 30 day's written notice served by either Lessor or Lessee on the other party.

16. **Surrender of Premises.** At the expiration of the lease term, Lessee shall quit and surrender the premises hereby demised in as good state and condition as they were at the commencement of this lease, reasonable use and wear thereof and damages by the elements expected.

17. **Default.** If any default is made in the payment of rent, or any part thereof, at the times hereinbefore specified, or if any default is made in the performance of or compliance with any other term or condition hereof, this lease, at the option of Lessor, shall terminate and be forfeited, and Lessor may re-enter and take possession of the premises. Lessee shall be given a 15-day written notice of any default in rent, or a 30-day notice of any breach, and termination and forfeiture of the lease shall not result if, within the time given in such notice, Lessee has corrected the default or breach or has taken action reasonably likely to effect such correction within a reasonable time. Any such notice must be personally served on Lessee. If Lessee is not a natural person, then on one of the managing owners of the Lessee.

18. **Abandonment.** If at any time during the term of this lease Lessee abandons the demised premises, Lessor may, at his option, enter the demised premises by any means without being liable for any prosecution therefore, and without becoming liable to Lessee for damages or for any payment of any kind whatever, and may, at his discretion, as agent for Lessee, relet the demised premises, or any part thereof, for the whole or any part of the unexpired term, and may receive and collect all rent payable by virtue of such reletting, and, at Lessor's option, hold Lessee 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 Lessor by means of such reletting. If Lessor's right of re-entry is exercised following abandonment of the premises by Lessee, then Lessor may consider any personal property belonging to Lessee and left on the premises to also have been abandoned, in which case Lessor may dispose of all such personal property in any manner Lessor shall deem proper and is hereby relieved of all liability for doing so. However, Lessee's obligations under this lease will expire when 1) a court orders the lease terminated as of a particular day, or 2) thirty (30) days after Lessee gives written notice to Lessor of intent to void lease.

19. **Binding Effect.** The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, and assigns of the parties hereto, and all covenants are to be construed as conditions of this lease.

20. **No Code Violations.** Lessor warrants that Lessor, its beneficiaries, or agents of Lessor or of its beneficiaries have received no notices from any city, village or other governmental authority of zoning, building, fire, or health code violations in respect to the real estate that have not been heretofore corrected.

21. **Purchase Option.** It is agreed that Lessee shall have the option to purchase real estate known as: (See attached legal description) for the purchase price of _____ Dollars, with a closing date no earlier than 365 days before the end of this lease and not later than the ending day of this lease, including any "holdover" as per paragraph 15. This purchase option must be exercised in writing, but shall not be effective should the Lessee be in default under any terms of this lease or upon any termination of this lease.

IN WITNESS WHEREOF, the parties have executed this lease at _____
on _____
Date

Lessor

Lessee

Address

Address