

LEASE AGREEMENT WITH OPTION TO PURCHASE

This Lease is made on _____, 2007

BETWEEN: _____

Residing at: _____

Hereinafter referred to as the "Tenant"

AND

Residing at: _____

Hereinafter referred to as the ALandlord@

Property: The Tenant agrees to rent from the Landlord and the Landlord agrees to lease to the Tenant the premises known as _____ . Hereinafter referred to as the AHouse@

Term: The term of this Lease is for a period of ___ month(s) beginning on _____, 200___ with a ___ month option to extend the lease term. Upon signing, the tenant shall pay the first months rent and security deposit. Also due upon signing will be the option payments as set forth in paragraph 23 below in this lease agreement.

Rent: The Tenant agrees to pay \$_____.00 per month, of which \$_____.00, herein referred to as additional rent, shall be applied as additional down payment to the purchase price of the property if the tenant exercises its option to purchase pursuant to paragraph 23 of this agreement set forth below.

Additional Rent Credit toward Purchase Price: Rent payments must made on or before the 1st of every month to qualify for additional rent payments to be applied toward to the purchase price of the property.

Security Deposit: The Tenant has deposited \$_____.00 with the Landlord as security that the Tenant will comply with all the terms of this Lease. If the Tenant complies with the terms of this Lease, the Landlord will return this deposit within 30 days after the end of the Lease, including any extension. The Landlord may use as much of the deposit as necessary to pay for damages resulting from the Tenant's occupancy. If this occurs prior to the Lease termination, the Landlord may demand that the Tenant replace the amount of the security deposit used by the Landlord. The Landlord will fully comply with the Rent Security Law (N.J.S. 46:8-19 et seq.). This includes depositing security deposit in an interest bearing account, and notifying the Tenant, in writing, of the name and address of the banking institution and the account number. Interest due the Tenant will be credited as rent on each renewal date of this Lease.

Use of Property: The Tenant may use the House only as a private residence for the following persons:
_____, referred to as "household member"

Utilities: The Tenant shall pay for all Utilities, including but not limited to, television cable, phone, gas, and electric.

Eviction: If the Tenant does not pay the rent within -15- days after it is due, the Tenant may be evicted. The Landlord may also evict the Tenant if the Tenant does not comply with all of the terms of this Lease and for all other causes allowed by law. If evicted, the Tenant must continue to pay the rent for the rest of the term. The Tenant must also pay all costs, including reasonable attorney fees, related to the eviction and the collection of any moneys owed the Landlord, along with the cost of re-entering, re-renting, cleaning, and repairing the House. Rent received from any new tenant will reduce the amount owed the Landlord.

Payments by Landlord: If the Tenant fails to comply with the terms of this Lease, the Landlord may take any required action and charge the cost, including reasonable attorney fees, to the Tenant as additional rent. Failure to pay such additional rent upon demand is a violation of this Lease.

Tenant=s Repairs and Maintenance: The Tenant agrees to maintain the property in as good condition as it is at the start of this Lease except for ordinary wear and tear. The Tenant must pay for all repairs, replacements and damages caused by the act or neglect of the Tenant, the Tenant's household members or Tenant=s visitors. Tenant shall be responsible for lawn maintenance, winterizing the lawn sprinkler system, snow and/or ice removal.

Repairs by Landlord: If the House is structurally damaged or in need of major repair, the Tenant must promptly notify the Landlord. The Landlord will have a reasonable amount of time to make repairs. If the Tenant must leave the House because of damage not resulting from the Tenant's act or neglect, the Tenant will not have to pay rent until the House is repaired. If the House is totally destroyed, this Lease and any option to purchase will end and the Tenant will pay rent up to the date of destruction.

Interruption of Services: The Landlord is not responsible for any inconvenience or interruption of services due to repairs, improvements, or for any reason beyond the Landlord's control.

Alterations: The Tenant must get the Landlord's prior written consent to alter, improve, paint or wallpaper the House. Alterations, additions and improvements become the Landlord's property.

Compliance with Laws: The Tenant must comply with laws, orders, rules and requirements of governmental authorities and insurance companies which have issued or are about to issue policies covering this House and/or its contents.

No Waiver by Landlord: The Landlord does not give up any rights by accepting rent or by failing to enforce any terms of this Lease.

No Assignment or Sublease: The Tenant may not sublease the House or assign this Lease without the Landlord's prior written consent.

Entry by Landlord: Upon reasonable notice, the Landlord may enter the House to provide services, inspect, repair, improve or show it. The Tenant must notify the Landlord if the Tenant will be away for 10 days or more. In case of emergency or the Tenant's absence, the Landlord may enter the House without the Tenant's consent.

Quiet Enjoyment: The Tenant may live in and use the House without interference subject to the terms of this Lease.

Subordination: This Lease and the Tenant's rights are subject and subordinate to present and future mortgages on the premises which include the House. The Landlord may execute any papers on the Tenant's behalf as the Tenant's attorney in fact to accomplish this.

Hazardous Use: The Tenant will not keep anything in the House which is dangerous, flammable, explosive or might increase the danger of fire or any other hazard.

Injury or Damage: The Tenant will be responsible for any injury or damage caused by the said act or neglect of the Tenant, the Tenant's household members or their visitors. The Landlord is not responsible for any injury or damage unless due to the negligence or improper conduct of the Landlord.

Renewals and Changes in Lease: The Landlord may offer the Tenant a new lease to take effect at the end of this Lease. The new lease may include reasonable changes. The Tenant will be notified of any proposed new lease at least 30 days before the end of the present Lease. If no changes are made, the Tenant may continue to rent the House on a month to month basis (with the rest of the Lease remaining the same except any option to purchase unless specifically agreed to in writing). In either case the Tenant must notify the Landlord of the Tenant's decision to stay or to leave at least 30 days before the end of the term. Otherwise, the Tenant will be responsible under the terms of the new lease.

Pets: No dogs, cats, or other animals are allowed in this House without the Landlord's prior written consent.

Option to Purchase: The landlord grants to the tenant an option to purchase the leased premises for the sum of _____ (\$ _____,000.00) DOLLARS. This option is exercisable on or before one year from the date of execution of this House Lease. A one year extension of the option may be granted by the Landlords/Sellers if: All rental/escrow payments are current, that the request for such an extension was requested, in writing, by the Tenants/Buyers at least one month prior to the expiration date of this House Lease Agreement and that all other terms and conditions of this Lease Agreement have been met. The terms for the purchase of the subject property are more fully set forth in the attached Contract for Sale of Real Estate which is incorporated herein by reference and made a part hereof.

Tenants must notify the landlord in writing one month in advance of tenants intent to exercise the option to purchase. In the event the tenants exercise said option, then the Contract for Sale of Real Estate shall be executed by all parties within ten days of the tenants notification to landlord of tenants' intention to purchase the property. In the event the tenants purchase the subject property, then the tenant shall be given a credit to be deducted from the stated purchase price in an

amount equal to a portion of the monthly rental payments paid by the tenants to the landlord, that amount being allocated \$_____.00 per month toward escrow for purchase and \$_____.00 per month for rent. This credit shall be deducted from the purchase price at the time of closing on the purchase of the subject premises by the tenants.

The consideration for the grant of the option set forth above is \$_____. The tenants shall pay the sum of \$_____.00, on signing of this House Lease. An additional \$_____.00 shall be paid on _____, 200__ representing the balance of the consideration for the Option to Purchase the subject property. All option payments shall be non-refundable as consideration for the Option to Purchase. The \$_____ non-refundable payment shall be applied against the purchase price of the property should the Tenants exercise their Option to Purchase in this transaction.

In the event the tenant fails to properly exercise the option to purchase the property prior to the expiration of the lease term, then the tenant=s rights under the option provisions of this House Lease Agreement shall terminate and the landlord may retain all consideration paid by the tenant for the option and shall have no further obligation to the tenant regarding the option to purchase. The landlord may extend the option to purchase for additional consideration which said extension of the option to purchase must be agreed to in writing and executed by all parties. The terms and provisions of this House Lease Agreement and the Agreement of Sale shall be incorporated into any option extension document and made a part thereof.

Insurance. The parties acknowledge that the tenants fully intend to purchase the subject property from the landlord pursuant to the option provisions contained in this agreement. The landlord shall protect the tenants equitable interest in the property by maintaining hazard insurance on the property in the amount of \$_____, naming the tenant as an additional insured party. In the event of destruction in whole or in part of the property, the tenant shall have the option to proceed with the closing and accept the insurance proceeds for said damage or to declare this agreement null and void, releasing both parties for any obligations hereunder, except for the return of the monies paid by the tenant as consideration for the Option to Purchase. These monies may be recovered from the insurance proceeds available under the landlord=s hazard insurance policy existing on the subject property. However, should there be no insurance coverage applicable, available or under any other circumstance payable to the tenants through insurance coverage covering a hazard loss as intended by this paragraph, the parties agree and acknowledge that any option payments paid by the tenant to the landlord will not be required to be reimbursed by the landlord to the tenant. The parties acknowledge that unless insurance coverages is available to reimburse the tenant for any option payments made, the landlord is not required to reimburse any paid option monies to the tenant and it is acknowledged that any option payments that are not refunded to the tenant via insurance coverage, are non-refundable from the landlord as consideration for the tenant=s option rights up until the date of any loss which would be subject to the provisions of this paragraph. It is the intention of the parties that any recovery of option payments due to a hazard loss covered by insurance can be only recovered and reimbursed to the tenant via insurance coverage and this is the tenants sole recourse and remedy for recovery of any such option payments made.

Notices: All notices provided by this Lease must be written and delivered personally or by certified mail, return receipt requested. Notices to the Landlord may be sent to the Landlord's Agent. This Contract may be executed in any number of counterparts, including counterparts transmitted by telecopier or FAX, any one of which shall constitute an original of this Contract. When counterparts or facsimile copies have been executed by all parties, they shall have the same effect as if the signatures to each counterpart or copy were upon the same document and copies of such documents shall be deemed valid as originals. The parties agree that all such signatures may be transferred to a single document upon the request of any party.

Signs: The Tenant by not put any sign or projection (such as a T V or radio antenna) in or out of the windows or exteriors of the House without the Landlord's prior written consent.

Validity of Lease: If a clause or provision of this Lease is legally invalid, the rest of this Lease remains in effect.

Parties: The Landlord and each of the Tenants are bound by this Lease. All parties who lawfully succeed to their rights and responsibilities are also bound.

Entire Lease: All promises the Landlord has made are contained in this written Lease. This Lease can only be changed by an agreement in writing by both the Tenant and the Landlord.

Signatures: The Landlord and the Tenant agree to the terms of this Lease.

Witnessed:

LANDLORD

_____	_____	_____
Signature	Print Name	Date

TENANT

_____	_____	_____
Signature	Print Name	Date

_____	_____	_____
Signature	Print Name	Date