

LEASE OPTION AGREEMENT

This Lease Option is hereby made a part of and incorporated into the Lease Agreement dated _____ Between _____, (Hereafter called Owner,) and _____, (Hereafter called Tenant.) This Agreement between the Owner and the Tenant, gives the Tenant the option to purchase the said property for the price, terms and conditions stated below as part of this Agreement.

This Agreement is not a Colorado State Approved Form, and this Agreement has important legal consequences and the parties involved may want to consult legal and tax or other counsel before signing, if the following is not understood.

In the event of a conflict in terms, the terms and conditions of this Lease Option shall govern over the terms and conditions of the aforesaid Lease and/or Buy/Sell Contract. This Contract must be referred to in the Additional Provisions of both the Lease and Contract To Buy And Sell Real Estate.

1. Property. The following described real estate in the County of _____, Colorado, to wit: (Legal Description)

known as No. _____
Street Address City Zip

together with all interest of Owner in vacated streets and alleys adjacent thereto, all easements and other appurtenances thereto, all improvements thereon and all attached fixtures thereon, except as herein excluded (collectively the Property).

(a) Inclusions.

The purchase price includes the following items (a) if attached to the Property on the date this Lease Option is exercised: lighting, plumbing, ventilating, and air conditioning fixtures, TV antennas, water softeners, smoke/fire/burglar alarms, security devices, inside telephone wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, built-in kitchen appliances, sprinkler systems and controls, built-in vacuum systems (including accessories), and garage door openers including _____ remote controls; (b) if, on the Property whether attached or not on the date option is exercised: storm windows, storm doors, window and porch shades, awnings, blinds, screens, curtain rods, drapery rods, fireplace inserts, fireplace screens, fireplace grates, heating stoves, storage sheds, all keys and (c)

_____. The above -described included items (inclusions) are to be conveyed to the Tenant by bill of sale at the closing, free and clear of all taxes liens and encumbrances, except as provided in the (Residential Contract To Buy And Sell Real Estate).

(b) Exclusions.

The following attached fixtures or personal property are excluded from the sale as part of the Lease Option:

(a) Cost Of Option To Purchase Property, Option money paid in advance plus option money paid monthly added together at time property closes. (Option Terms and conditions listed below.) All Option money shall be applied towards the down payment of the property, so long as the Tenant has adhered to the terms listed herein, and is not in default.

(b) Extra Cash At Closing Plus Closing Cost, are to be paid at time of closing by the Tenant in good funds which comply with all applicable State laws.

(c) Tenant Is Solely Responsible For Finding Suitable Financing. The Owner will not pay any points or cost associated with financing the property named herein, this includes VA, FHA and Conventional financing. The parties to this Agreement acknowledge that speculation of availability of financing or assumption of existing loans towards the purchase of the named property herein is impossible to predict. Therefore, the parties agree that these items shall not be a condition of the performance of this Agreement and the parties agree they have not relied upon any representation or warranties by the Owner.

(d) Deposit. Tenant hereby agrees to pay \$ _____ as a Security Deposit towards the property named herein, if in the event the Tenant defaults on this Agreement or any other Agreement in conjunction with this Agreement. The Security Deposit will be set aside and used in the case of any damage Tenant or any guest may afflict on the property. This Deposit will apply to the down payment at time of closing, so long as this Agreement and all other Agreements in conjunction to this Agreement are adhered to by the Tenant.

3. OPTION TO PURCHASE TERMS AND CONDITIONS.

(a) The Total Cost Of Option To Purchase The Said Property, Shall be payable in U.S. dollars as follows:

(1) Option Money Paid In Advance.

\$ _____ in the form of _____, which is up front option money and part of the purchase price, payable to the Owner and held by the Owner or Title Company as part of the down payment.

(2) Option Money Paid On A Monthly Basis.

\$ _____, paid in addition to rent as part of the purchase price, payable to the Owner and held by the Owner or Title Company as part of the down payment.

(3) Date Option Takes Effect _____ .

(4) Months Before Option May Be Exercised _____ .

(5) Date Option Must Be Exercised _____ .

(b) To Exercise The Option.

Tenant must submit in writing a thirty day notice sent by registered or certified mail of their intent to exercise the Option to purchase the said property. After an intent notice has been sent by the Tenant, the property must close within 60 days, or Tenant forfeits Option.

(c) Holding Over Of Option.

In case the Tenant is unable to close on the property by the expiration date stated above, the value of the property stated above shall increase no less than 5% a year and the Option to Purchase

(e) Modifications.

Any modifications of any portion of this agreement must be made in writing and signed by both parties.

(f) This Contract May Not Be Assigned By The Tenant.

(g) Application Of Option Money.

Option money may only be applied towards the equity of the property, and not towards closing cost, or towards the cost of financing the property.

(h) Terms Of The Lease Option.

The Tenant acknowledges that this agreement is the purchase of an Option to buy the said property listed herein, and the Owner does not guarantee the appraised value set forth, the credit worthiness of the said Tenant named herein, or the economy at time Tenant exercises this option. The purchase of this Option is a legal transaction on it's own merit, and is not refundable under any circumstance.

(i) The Owner Does Not Warrant Or Offer Any Guarantees On The Condition Of The Property Named Herein.

(j) Encumbrances/Liens Of The Tenant.

Tenant agrees to not allow or permit any liens on their behalf to be attached to the said property or appurtenances, and agrees to pay any such lien or encumbrance when notified of such.

(k) Default Of Lease Or Attached Addendum's.

If in the event any of the terms and conditions of the aforesaid Lease or attached Addendum's are not fully adhered to by the Tenant named herein, Owner has the right to void this agreement and keep any monies paid at point of default. In the case of a default, the Owner will serve a Three Day Notice upon the Tenant personally or attach the notice in a conspicuous spot at the premises named herein. After the three day notice has expired, the Tenant named herein is considered in default, and has foregone the Option to purchase the property. Plus, the Tenant named herein, is subject to eviction according to the terms and conditions of the aforesaid Lease and Addendum's. Tenant also hereby agrees that upon default of this Agreement or any other Agreement in conjunction with this Agreement, all property listed herein or not listed will remain and be returned to the Owner, normal wear and tear excepted. Any damage will be repaired by the Owner by the use of the Tenants Security Deposit, and the remainder Deposit will be sent to the Tenant within 60 days along with an accounting of any use thereof.

(l) Surrender Of Property. The Tenant will surrender the said property at the end of the Lease term, according to the terms and conditions of the aforesaid Lease if not all the terms and conditions of the Option are met, or default of this Agreement occurs. The property shall be in good repair and working order, normal wear and tear excepted.

4. (Additional Provisions) will be attached as Addendum C.

_____ Dated _____
Tenant

_____ Dated _____