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# RENT TO OWN AGREEMENT

## (Movable Property)

Entered into between:

\_\_\_\_\_

*(insert Owner's full name)*

\_\_\_\_\_

*(insert Owner's identity number or registration number)*  
(Hereinafter referred to as the "Owner")

\_\_\_\_\_

*(insert physical address of Owner)*  
(the address acts as the *domicilium citandi et executandi*)

Duly represented by: \_\_\_\_\_ in his/her capacity as  
\_\_\_\_\_ *(delete if Owner is not a company or business)*

and

\_\_\_\_\_

*(insert Renters full name)*

\_\_\_\_\_

*(insert Renter's identity number or registration number)*  
(Hereinafter referred to as the "Renter")

\_\_\_\_\_

*(insert physical address of Renter)*  
(the address acts as the *domicilium citandi et executandi*)

Duly represented by: \_\_\_\_\_ in his/her capacity as  
\_\_\_\_\_ *(delete if Owner is not a company or business)*

WHEREAS the Parties agree that the Renter shall take possession of the movable property as described in **Annexure A** ("Item") that is owned by the Owner on \_\_\_\_\_ *(insert date of possession)*, and shall have full use of the Item for the duration of this Agreement.

WHEREAS the Parties intend that ownership of the Item will transfer to the Renter upon the full completion of payments as per the terms and conditions set out in this Agreement.

THEREFORE the Parties agree as follows:

## **1. Payment**

- 1.1. The Parties agree that the purchase price of the item is R\_\_\_\_\_ *(insert total price of Item)* and that each month's rent payment will be applied towards the purchase price of the Item.
- 1.2. The Renter must pay to the Owner the sum of R\_\_\_\_\_ *(insert amount of deposit)* on \_\_\_\_\_ *(insert date on which deposit must be paid)* as a deposit.
- 1.3. Subsequent payments of R\_\_\_\_\_ *(insert amount of instalments)* must be paid by the Renter to the Owner on the \_\_\_\_\_ day of each month until the purchase price is paid in full.
- 1.4. All payments must be made to the Owner by electronic fund transfer/direct deposit/cash *(delete the not-applicable options)*.
- 1.5. The Renter must provide proof of payment to the Owner and the Owner must provide the Renter with receipt of payment.

## **2. Insurance**

- 2.1. The Renter shall at his/her own expense comprehensively insure the Item with an insurance company approved by the Owner for at least an amount equal to the Purchase Price and will notify the said insurance company of the Owner's interest in the Item.

## **3. Risk and early termination**

- 3.1. The risk in the Item shall pass to the Renter upon date of possession, who shall remain liable to pay the full balance of the Purchase Price despite any damage to or depreciation, loss or destruction of the Item from whatsoever cause arising.
- 3.2. Upon early termination of this Agreement, in any manner, before the Purchase Price has been paid in full, the Item must be returned to the Owner and the Renter will forfeit the amounts already paid to the Owner up to date of early termination (the amounts already paid will be considered as rent for the use of the Item).

## **4. Restriction of Renter's rights**

- 4.1. The Renter shall not sell, cede, assign, transfer or pledge the Item or allow it to become subject to any lien of whatsoever nature or deliver possession thereof to any other person while any portion of the Purchase Price remains unpaid.

## **5. Inspection, Guarantee and Warranty**

- 5.1. The Renter hereby acknowledges the condition of the item and that s/he has inspected it and that s/he has satisfied him/herself that it is in good order and condition.
- 5.2. The Owner shall not be responsible for any defects, latent or patent, or any damage resulting therefrom.
- 5.3. The Item shall be subject to the guarantee and/or warranty as provided for by the manufacturer, details of which is set out in Annexure A *(delete if not applicable)*.
- 5.4. The Owner does not provide any guarantee or warranty towards the Item.

5.5. The Renter must inform the Owner of any defects, faults, malfunctioning of the Item immediately after s/he discovers same.

## 6. Transfer of ownership

6.1. Ownership of the Item will remain with the Owner for the duration of this Agreement and the Renter shall, upon completion of this Agreement, which includes making payment of the full Purchase Price, become the owner of the Item.

## 7. Breach

7.1. If the Renter breaches a provision of this Agreement, and fails to remedy the breach within 10 (ten) business days of the date of receipt of a written notice from the Owner, requiring the Renter to remedy the breach, the Owner will be entitled to any remedy available in law, without further notice to the Renter.

## 8. General

8.1. This Agreement constitutes the whole Agreement between the Parties.

8.2. No relaxation or indulgence granted by the Owner and no omission by the Owner timeously or diligently to enforce any right under this Agreement shall be deemed to amount to a waiver of that or any other right.

8.3. No variation in terms of this Agreement, novation or cancellation by mutual consent shall be of any force or effect unless reduced to writing and signed by both the Owner and the Renter.

## 5. Signatories

### Owner:

Signature \_\_\_\_\_ Full name \_\_\_\_\_

Signed at \_\_\_\_\_ on \_\_\_\_\_ 20\_\_\_\_

As witnesses for the Renter:

1. Signature \_\_\_\_\_ Full name \_\_\_\_\_

2. Signature \_\_\_\_\_ Full name \_\_\_\_\_

### Renter:

Signature \_\_\_\_\_ Full name \_\_\_\_\_

Signed at \_\_\_\_\_ on \_\_\_\_\_ 20\_\_\_\_

As witnesses for the Owner:

1. Signature \_\_\_\_\_ Full name \_\_\_\_\_

2. Signature \_\_\_\_\_ Full name \_\_\_\_\_

1. Make of Item: \_\_\_\_\_
2. Model: \_\_\_\_\_
3. Serial Number: \_\_\_\_\_
4. Accessories/Attachments:
  - 4.1 \_\_\_\_\_
  - 4.2 \_\_\_\_\_
  - 4.3 \_\_\_\_\_
  - 4.4 \_\_\_\_\_

Note:

1. Please attach a copy of receipt of the Item and terms and conditions of the guarantee and warranty (if applicable).
2. Any other relevant documents can be attached. Please ensure both parties have copies of all attached documents.