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HOME OWNERSHIP PROGRAM MEMORANDUM OF UNDERSTANDING

Earn \$750 towards your home purchase today, plus an additional 7.5% every month you rent from FRPM.

This memorandum of understanding, dated _____ is between First Rate Property Management, Inc. (the Landlord) and

(Tenant/Buyer). This program allows tenants to receive credit towards the down payment or closing costs on a home they may eventually purchase. The purpose of this program is to provide an incentive for tenants to be long-term, good quality residents who pay rent timely and take above-average care of the rental property during their tenancy. There is no cost to the Tenant/Buyer to participate, and rents are not marked up. There is a \$20 set-up fee to cover the costs of accounting, mailing, and administration of the program.

Both parties expressly understand as follows:

1. To be accepted as Tenants/Buyers, applicants must complete the FRPM application and meet FRPM's minimum rental criteria as outlined on the rental application.
2. The moment you sign your rental agreement, pay your deposit, pay your first months rent, and pay your set up fee of \$20, **you will receive a \$750 credit towards the purchase price of a home.** \$500 of that credit will come from Tony A Drost and the remaining credit of \$250 will come from Eagle River Mortgage.

3. For every month rent from the Tenant/Buyer is received in the FRPM office by the close of business on the 5th calendar day of the month AND there are no lease violations in or on the rental property during that calendar month, the Tenant/Buyer shall be eligible to receive an additional credit equivalent to 7.5% of that month's rent (5% from Tony Drost and 2.5% from Eagle River Mortgage) (excluding utilities, maintenance, etc.) to be applied to the closing costs or down payment on the purchase of a home purchased through Tony A Drost, owner of First Rate Property Management and Realtor® with Swope Investment Properties.
3. Tenants/Buyers may transfer earned credits between rental properties managed by FRPM. Every rental property managed by FRPM is eligible for the credit.
4. If a Tenant/Buyer moves away from FRPM managed rental properties, all credits are forfeited. If a FRPM managed property is removed from our inventory, credits will not continue to accumulate.
5. If a lease is terminated early in order to purchase a home, Tenants/Buyers will be required to pay rent until the unit is re-rented, advertising costs, and other fees as specified in the FRPM rental agreement.
6. The cumulative credit shall not exceed 2% of the sale price (1.5% from Tony A Drost and 0.5% from Eagle River Mortgage) of the real estate purchased. **So if you purchased a \$250,000 home, the maximum cumulative credit you can earn is \$5,000.** Tony A Drost and Eagle River Mortgage shall instruct the title company to credit your closing statement prior to closing. The credit may only be applied towards the down payment or closing costs for the associated purchase.
7. Tenants/Buyers must be pre-approved for financing through any lender of their choosing before viewing any homes for sale. However, to receive the initial \$250 and subsequent monthly credit of 2.5%, you would need to utilize Eagle River Mortgage as your lender.

8. In order for our Tenants to receive these amazing credits towards their dream home, they must purchase the homes through First Rate Property Managements Owner, Tony A Drost, who is also a Realtor® with Swope Investment Properties. Additionally, to receive the credits from Eagle River Mortgage, the Tenant must use them for the financing of the new home.

9. Qualified homes are only those listed on the multiple listing services (MLS) or through participating builders. Properties for sale by owner, lease options, or other types of sales do not qualify.

10. In the event that two or more parties rent a property together and subsequently split up, the credits will be divided evenly amongst the parties for all months in which the parties had responsibility for the lease.

11. FRPM and Tony A Drost reserve the right to re-title the name of this program to comply with some lending program requirements where gifts are not allowed or Tenant/Buyer must provide a certain percentage of the funds.

Tenant/Buyer

Date

Rental Address

Phone Number Home

Cell

Email Address

Tony A Drost, Realtor®
 Owner of FRPM and Realtor® with Swope Investment Properties

Date