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HOME OWNERSHIP PROGRAM MEMORANDUM OF UNDERSTANDING

Earn \$500 towards your home purchase today, plus an additional 5% every month you rent from FRPM.

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

(Tenant/Buyer)

This program allows tenants to receive credit towards the down payment, closing costs, or purchase price 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 a \$20 set-up fee to cover the costs of accounting, mailing, and administration of the program. The rent is not marked up, this is a credit you can earn each and every month you rent from FRPM and paid through the commissions that Tony Drost, owner of FRPM and Associate Broker with Swope Investment Properties, otherwise would have received.

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 said rental application.
2. When 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 \$500 credit towards the purchase price of a home.**

3. For every month the Tenant/Buyer pays rent on time 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 5% of that month's rent, (excluding utilities, maintenance, etc.) to be applied to the closing costs, down payment, or purchase price of a home purchased through Tony Drost.
4. Tenants/Buyers may transfer earned credits between rental properties managed by FRPM. Every rental property managed by FRPM is eligible for the credit.
5. 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.
6. 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.
7. The cumulative credit shall not exceed 1.5% of the sale price of the real estate purchased. **So if you purchased a \$250,000 home, the maximum cumulative credit you can earn is \$3,750.** Tony Drost shall instruct the title company to credit your closing statement prior to closing. The credit may only be applied towards the down payment, closing costs, or purchase price for the associated purchase.
8. Tenants/Buyers must be pre-approved for financing through any lender of their choosing before viewing any homes for sale. Tony Drost is happy to refer a number of lenders and review any rate and fee quotes you receive to make sure you are getting a good rate at the lowest cost.
9. In order for our Tenants/Buyers to receive these amazing credits towards their dream home, they must purchase the home through Tony Drost, who is a Realtor[®] and Associate Broker with Swope Investment Properties.
10. Qualified homes are only those listed on the Ada County multiple listing services (MLS) or through participating builders. Properties for sale by owner, lease options, or other types of sales do not qualify.

11. 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.

12. FRPM and Tony Drost reserve the right to re-title the name of this program to comply with some or future 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[®]

Date

Owner of FRPM and Realtor[®] and Associate Broker with Swope Investment Properties