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## **HOME OWNERSHIP PROGRAM**

### **MEMORANDUM OF UNDERSTANDING**

***Earn \$500 toward your home purchase today, plus an additional 5% every month you rent from T-Square Properties.***

This memorandum of understanding, dated \_\_\_\_\_ is between T-Square Properties Real Estate Services, Inc. (the Agent) and \_\_\_\_\_ (the 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 just a \$100 set-up fee for the Tenant/Buyer to participate, and rents are not marked up. This covers the costs of accounting, marketing, and administration of the program.

Both parties expressly understand as follows:

1. To be accepted as Tenants/Buyers, applicants must complete the T-Square Properties' application and meet T-Square Properties' minimum rental criteria as outlined on the rental application.
2. 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 a credit equivalent to 5% of that month's rent (excluding utilities, maintenance, etc.) to be applied to the closing costs or down payment on the purchase of a home purchased through T-Square Properties.
3. Once the set up fee is collected, \$500 will be credited to your home ownership account.
4. Tenants/Buyers may transfer earned credits between rental properties managed by T-Square Properties. Every rental property managed by T-Square Properties is eligible for the credit.
5. If a Tenant/Buyer moves away from a T-Square Properties managed rental property, all credits are forfeited. If a T-Square Properties managed property is removed from our inventory, credits will not continue to accumulate; however, credits may be transferrable (see #12 below).
6. It is understood by both parties that the Homeownership program is fully independent of the Lease Agreement and shall not in any manner change the tenant obligations or terms under the Lease Agreement.

18500 156<sup>th</sup> Avenue NE; Suite 104  
Woodinville, WA 98072  
Phone: (425) 485-1800

7. The cumulative credit shall not exceed 1.5% of the sale price of the real estate purchased. **For example, if you purchased a \$500,000 home your maximum cumulative credit will be \$7,500.** T-Square Properties shall pay the credit to the escrow company and the funds shall be held in escrow until the closing on a qualified property. The credit may only be applied towards the down payment or closing costs for the associated purchase.
8. Tenants/Buyers must be pre-approved for financing through a T-Square Properties partner lender before viewing homes for sale.
9. Tenants/Buyers must purchase homes through T-Square Properties Brokers.
10. T-Square Properties Real Estate Services, Inc. and its licensees are agents of the rental property Owner for all business associated with leasing T-Square Properties managed property.
11. Qualified homes are only those listed on the multiple listing service(NWMLS) or through participating builders. Properties for sale by owner, lease options, or other types of sales do not qualify. T-Square Properties has sole discretion over eligible and ineligible properties.
12. 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.
13. Credits are not transferable or exchangeable EXCEPT as follows:
  - A. Tenants/Buyers occupying the same rental unit may relinquish their credits to remaining Tenants/Buyers. This relinquishment must be in writing.
  - B. Tenants/Buyers who live in properties which are removed from T-Square Properties inventory may use accumulated credits earned through T-Square Properties in conjunction with all other rules in this memorandum; however, should management change, credits shall no longer accumulate as of the date of termination of management.
14. T-Square Properties reserves 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.
15. T-Square Properties reserves the right to amend the policies or discontinue this program with ninety (90) days notice to registered participants.

Signatures:

Tenant/Buyer \_\_\_\_\_

Tenant/Buyer \_\_\_\_\_

Broker/Licensee \_\_\_\_\_