

LINK CONVERTIBLE LEASE

This Link Convertible Lease ("Lease") is effective as of _____ by and between Trio Residential LLC, a Washington limited liability company, and its affiliated housing finance agencies hereinafter referred to as "LESSOR," and _____ and _____, residing at _____, hereinafter referred to as the "LESSEE" or possessively with "its," "they," or "their," whether one or more, on the terms and conditions and for the purposes hereinafter set forth.

WHEREAS, the Lessor works with participating mortgage lenders and other private and government-related entities to offer potential homebuyers credit opportunities in an effort to increase affordable and sustainable homeownership of individuals who may face challenges qualifying for a traditional home mortgage loan;

WHEREAS, the Lessee desires to become a homeowner, but needs time and assistance to meet the criteria for approval for a home mortgage loan;

WHEREAS, using the services of a licensed real estate agent, the Lessee has identified a property for purchase, agreed to a purchase price with a third-party seller, deposited earnest money to be applied to the purchase price, and signed a purchase agreement with said third-party seller;

WHEREAS, the Lessor has qualified for and obtained an FHA OwnOption Mortgage ("FHA Mortgage") for the benefit of Lessee and Lessee has concurrently pre-qualified for lease financing offered by the Lessor, typically in the amount of up to 100% of the purchase price of the subject property, known as a Link Convertible Lease.

WHEREAS, the Lessee agrees to pay and/or have the third-party seller pay for the closing costs and prepaid items required under the Lessor's FHA Mortgage to purchase the subject property for the Lessee;

WHEREAS, the terms of payment of the Lease are based upon the Lessee's qualifications as well as the terms and conditions of Lessor's FHA Mortgage and the associated Seller Financing (as defined in Section 11) provided by Lessor for the subject property;

WHEREAS, it is the intention (but not the obligation) of the Lessee to purchase the subject property using Seller Financing before expiration of Lease Term (as defined in Section 5);

WHEREAS, the Lessor accepts its role as borrower on the FHA Mortgage for the Term so that Lessee may qualify to obtain the Seller Financing provided by the Lessor, and the Lessor agrees to sell the property to the Lessee at such time, provided however, that the Lessee is not in default of this Lease and the Lessee meets the Lessor's stated criteria detailed herein and in the attached Seller Financing agreement.

NOW THEREFORE, in consideration of the promises and mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **PROPERTY.** The property leased under this Lease is located at _____, _____, _____ in _____ County (the "Property") and is legally described in the attached Schedule A.
2. **PURCHASE PRICE.** The purchase price of the Property is the sales price of the Property, plus any of the Lessor's closing costs to acquire and ready the Property for occupancy, minus any down payment funds from the Lessee, minus any other funds paid by the Lessee and/or third-party seller credits for closing costs and prepaid items required under the FHA Mortgage (the "Purchase Price"). The agreed upon Purchase Price of the Property shall be \$ _____ and is documented further in the attached Schedule B.

3. **FINAL CLOSING TERMS.** The final closing terms of this Lease shall be determined at the time of Lessor's closing on the purchase of the Property from the third-party seller ("Lessor's Closing"). *Closing Costs.* Any actual closing costs incurred by the Lessor and not accounted for in the Purchase Price shall be separately invoiced to the Lessee by Lessor's Servicer. The Lessee hereby consents to these additional charges and shall pay them promptly in accordance with the due date indicated on the invoice or statement provided by Lessor's Servicer. *Change in Closing Terms.* Should the terms of the closing of the Lessor's FHA Mortgage change, the Monthly Payment (as defined in Section 7) and closing costs due from Lessee may change accordingly. Lessee acknowledges that such changes will be included in subsequent monthly payments and hereby consents to the changes and shall pay them promptly in accordance with the due date indicated on the invoice or statement provided by Lessor's Servicer.
4. **MOVE IN.** Except as provided elsewhere in this Lease, possession of the Property by the Lessee shall be coordinated between the Lessee, the closing office and the Lessee's agent ("Move In").
5. **TERM.** The Term of this Lease shall be five (5) years from Lessor's Closing unless earlier terminated by entering into Seller Financing provided by the Lessor (known as the "Link Home Loan") or terminated in accordance with the terms and conditions of this Lease.
6. **TERMINATION.** This Lease shall automatically terminate upon entering into a Link Home Loan provided by the Lessor. Alternatively, Lessee may terminate this Lease by providing a minimum of 60 days' written notice with move-out beginning after the 36th month of the Term. The Lessor may terminate this Lease upon proper notice to the Lessee in connection with a default of any of Lessee's obligation under this Lease. Upon termination of this Lease for any reason, no amounts shall be due or refunded to the Lessee for any amounts previously paid under this Lease.
7. **MONTHLY PAYMENT.** The Lessee's "Monthly Payment" is inclusive of the principal, interest, mortgage insurance, property taxes, payment warranty and homeowners insurance (together, the "PITI," and provided on Schedule B attached hereto) as determined by Lessor's Servicer (as defined in Section 30) for the FHA Mortgage, plus an interest rate premium of up to 2% above the pricing of the Lessor's FHA Mortgage. The PITI shall be disclosed in the closing disclosure provided by the Lessor's participating mortgage lender and included as Schedule C, attached hereto. Should the PITI increase during the Term for any reason, including but not limited to increases in property taxes and insurance policies, the Monthly Payment will increase to reflect the change. The Lessee understands and acknowledges that said changes are made by Lessor's Servicer and outside Lessor's control and that the Lessee must pay the increased Monthly Payment in accordance with the terms of this Lease. The Lessee's first Monthly Payment along with any pro-rated Monthly Payment is due via wire transfer no later than (a) the signing of this Lease or (b) at least 2 business days before Lessee's Move In, whichever is earlier.
8. **TERMS OF PAYMENT.** Monthly Payments are due each month on or before the 1st of the month for which the payment is being made (the "Due Date") and must be submitted electronically to Lessor's Servicer. Monthly Payments shall continue during the Term until such time as the Lessee enters into the Link Home Loan or vacates the Property with proper notice as provided herein.
9. **LATE PAYMENTS.** If any payment obligation under this Lease (including the Monthly Payment) is not paid when due, the Lessee shall be in default. The Lessee shall pay a late charge of \$195, or the maximum amount allowable under applicable law, whichever is less, for each Monthly Payment that remains unpaid more than 5 days after its Due Date. This late charge shall be paid to the Lessor as liquidated damages in lieu of actual damages; not as a penalty. Should any payment obligation not be made within 10 days of the Due Date, Lessor may issue a Notice of Default (as described in Section 16) and assess additional charges, including interest at the lesser of 18% per annum, or the maximum amount allowed by law. If the Lessee

fails to cure the default, a Notice of Termination shall be given, which provides the Lessor the option to terminate this Lease and regain possession of the Property (as outlined further in Sections 17 and 18).

10. **NON-SUFFICIENT FUNDS.** The Lessee shall be charged a fee of \$125, or the maximum amount allowable under applicable law for, whichever is less, for any payment that is returned for any reason. Should the Lessee make 3 or more payments that are returned for any reason, the Lessee will be required to make all future payments using certified funds or through an alternate payment method as prescribed by the Lessor's Servicer. If any returned payments result in the Lessee's Monthly Payment not being paid when due, the Lessee will be in default.
11. **SELLER FINANCING.** The Lessee may purchase the Property at any time during the Term using Lessor's Link Home Loan, also described as "Seller Financing," under which the Lessee becomes the buyer and the Lessor becomes the seller of the Property. A copy of the Link Home Loan is attached hereto as Exhibit A for Lessee's reference. To qualify for the Link Home Loan, the Lessee must: a) make a minimum of 18 monthly payments on time and without a late payment in excess of 15 days past the due date; b) complete the required Homeownership Counseling and c) not be in default of any provisions of this Lease. For the benefit of the Lessee, the Link Home Loan includes a financing option allowing a qualified borrower the ability to purchase the Property by assuming the Lessor's FHA Mortgage and providing funds for the difference between the payoff amount of the Link Home Loan and the amortized balance of the Lessor's FHA Mortgage. Lessor makes no representation as to the Lessee's ability to qualify for the Link Home Loan or to subsequently assume the Lessor's FHA Mortgage.
12. **LINK HOME LOAN AMOUNT.** The amount of the Link Home Loan is equal to the Purchase Price plus any financed amounts, fees, interest, or expenses charged or incurred by the Lessor in connection with the FHA Mortgage during and after Lessor's Closing and not separately invoiced by the Lessor and paid for by the Lessee. The terms of the Link Home Loan are established by the Lessor at the time of the Lessor's Closing. If Lessee enters into the Link Home Loan with Lessor, the Lessee will assume the remaining outstanding principal balance of the Link Home Loan as if Lessee made the monthly payments up and until the date the Lessee becomes the "Buyer" under the Link Home Loan. Entering into a Link Home Loan provides a first mortgage for the loan amount (as defined in the Link Home Loan) with a 40-year amortization and a fixed interest rate. The interest rate and original principal amount are included in Schedule B, attached hereto. No additional down payment will be required to enter into the Link Home Loan. An administrative fee of \$1,595, plus closing, and recording costs will be charged to the Lessee. Any amounts due from Lessee for payments or advances made by Lessor for maintenance, repairs, homeowners association dues or otherwise are due and payable prior to closing.
13. **HOMEOWNERSHIP COUNSELING.** Prior to Move In, the Lessee must complete the Homebuyer Education class offered online through eHome America (www.ehomeamerica.org) or other approved agency at their own cost and expense and provide a certificate of completion to the Lessor. The Lessee must also participate in an online post-purchase homeownership counseling program ("Homebuyer Planning") at their own cost and expense with a qualified housing counseling agency selected by the Lessor. This Homebuyer Planning is conducted by HUD-approved counselors and includes financial planning, home care, credit management, and mortgage readiness counseling. If, at any time during the Term, the Lessee has difficulty paying the Monthly Payment on time, the Lessee may be required to use hardship counseling services as identified by the Lessor before any Lessor accommodations will be considered. The Lessee's personal information collected by Homebuyer Planning may be shared with the counseling agency and Lessor's Servicer. Any fees for such services not directly paid by or billed to the Lessee will be included in the closing costs, or if closed, included in the Monthly Payment.

14. **CONTRACT CONTINGENT ON ACQUISITION OF TITLE.** The Lessee acknowledges that unless the Property is already owned by the Lessor, this Lease is contingent upon the Lessor acquiring title to the Property under the related purchase and sale agreement negotiated by the Lessee with a third-party seller of the Property. In the event Lessor does not acquire title within 60 days of the expected closing date through no fault of the Lessor, the Lessor may void this Lease. The Lessor shall not be liable to the Lessee for any damage caused by the Lessor's failure to acquire title to the Property. Should the Lessor void this Lease, all funds advanced to the Lessor by the Lessee will be refunded, less the underwriting fee and direct costs Lessor incurred, such as credit, inspection, appraisal fees or forfeited earnest money. The Lessor has no liability for any refund due to the Lessee from any third-party, including but not limited to the third-party seller of the Property, the lender, a builder, or contractors.
15. **DELAYED OCCUPANCY.** The Lessor shall not be liable to the Lessee for any damages or costs incurred as a result of a delay in occupancy of the Property for up to 90 days from the date of Lessor's Closing on the Property, so long as such delay was not the direct result of any intentional act or inaction of the Lessor. During such delay, the Lessee shall not be responsible for the payment of any additional Monthly Payments, but payments shall promptly resume when the delay has been cleared and the Lessee informed of its ability to occupy the Property. Should occupancy of the Property be delayed for 91 days or longer, the Lessee may opt to terminate this Lease by delivering written notice to Lessor, but Lessor shall not be liable to the Lessee for any refunds, damages, or other expenses associated with the delay or this Lease.
16. **LESSEE'S DEFAULT.** In the event of the Lessee's failure to perform any covenant or condition contained in this Lease (including paying the Monthly Payment on time and maintaining the Property in accordance with Section 20), the Lessee will be in default. Lessee shall also be in default if: (a) the Lessee is determined to be insolvent; (b) Lessee files a petition under any section or chapter of the Bankruptcy code or any similar law or statute of the United States; (c) a creditor records a judgement against the Lessee without an agreed upon settlement, or (d) the Lessee is found to conduct, or have conducted, illegal activity on the Property, or to cause or create any violation of local housing (including HOA) rules and regulations. Upon Lessor being made aware of any default, the Lessor shall provide the Lessee with written notice describing such default in detail ("Notice of Default") and, unless otherwise provided elsewhere in this Lease, give the Lessee 10 days from the date of the notice to cure such default ("Cure Date"). If the Lessee fails to cure the default by the Cure Date, then a Notice of Termination (as described below) shall be delivered to the Lessee.
17. **NOTICE OF TERMINATION AND REMEDIES.** In the event the Lessee fails to cure all defaults by the Cure Date, the Lessor shall issue a Notice of Termination describing the defaults in detail and the Lessor's available remedies ("Notice of Termination"). Lessor's remedies include, but are not limited to, the following: reclaim the Property for the Lessor's benefit; evict the Lessee; foreclose on the Property; require payment of the entire balance of the Purchase Price, including any additional or outstanding fees and charges within 30 days from the end of the Second Cure Date; or amend this Lease with terms it deems acceptable for the increased risk associated with the Lessee ("Lessor's Remedies"). Upon delivery to the Lessee of a Notice of Termination, the Lessee shall have an additional 10 days to cure all defaults ("Second Cure Date") described in the Notice of Termination. If the Lessee again fails to cure all defaults, the Lessor shall notify the Lessee of its chosen remedy by issuing the Lessee with a "Notice of Remedy." Nothing contained herein shall be deemed to limit any available remedy to the Lessor in law or at equity.
18. **EFFECT OF TERMINATION.** Unless the Lessor's chosen remedy is to amend this Lease under different terms, the Lessee shall be required to vacate the premises within 10 days of receipt of the Notice of Remedy. Should Lessee fail to vacate the Property as required by the Notice of Remedy, the Lessor has the right to initiate legal action to evict the Lessee and obtain vacant possession of the Property. Upon termination of this Lease by Lessor, the Lessee forfeits its rights to the Property and to any and all

payments previously made or due under or in order to secure this Lease. Further, the Lessor reserves the right to recover any unpaid amounts and financial losses resulting from any other actions of the Lessee, including but not limited to, financial losses, physical damage to the Property whether or not intentional or caused by the Lessee, and deferred maintenance related to the Property, and Property turnover costs. The Lessee shall be responsible for all costs related to Lessor's legal actions directly caused by or related to Lessee's default under this Lease.

19. **ENCUMBRANCES.** The Lessee understands and acknowledges that the Lessor has obtained an FHA Mortgage on the Property to effectuate this Lease with the Lessee. A copy of the closing disclosure for the Lessor's FHA Mortgage, showing the original outstanding principal balance and the name and address of the lender, is attached hereto as Schedule C.
20. **MAINTENANCE AND REPAIRS.** As it is the Lessee's intention to purchase the property, Lessee agrees to maintain the Property as would be expected of any reasonable homeowner, and at a minimum, with any applicable homeowners association requirements and in accordance with the Lessor-provided guidelines, the latter of which is attached hereto as Schedule D. The Property shall be covered by a home warranty approved by the Lessor and paid for by the Lessee throughout the Term. Lessee shall provide the Lessor's Servicer proof of home warranty coverage on each anniversary date from the date of the Lessor's Closing. Should the Lessee not renew or provide proof of warranty coverage 30 days prior to the anniversary date, then Lessor may force-place coverage with a vendor of its choice and charge the Lessee the cost in their Monthly Payment. An administrative fee of \$125 will be charged should the Lessor be required to force-place coverage. Lessee is responsible for all costs of maintenance as well as deductibles for use of the home warranty and any insurance claims. Lessor retains the right to have the Property inspected by a third-party inspector at its option periodically but with no less than 48-hour notice to the Lessee. Should Lessor or Lessor's Servicer be required to administer maintenance or repairs, then charges for such services along with a reasonable administrative fee will be added to the Lessee's Monthly Payment. A schedule of such fees is available upon request.

Failure by the Lessee to maintain the Property as specified herein shall be a default under this Lease causing the Lessor to deliver a Notice of Default to the Lessee and beginning the Lessee's 10-day cure period. Notwithstanding anything in this Lease to the contrary, if Lessee fails to cure all defaults by the Cure Date, the Lessor, in its sole and reasonable discretion, may have any maintenance or repairs completed and charge the Lessee for said maintenance and repairs in the Monthly Payment. At its election and without additional notice, the Lessor may also issue a Notice of Termination.

21. **DESTRUCTION OR CONDEMNATION OF THE PROPERTY.** The parties agree and acknowledge that the risk of loss in connection with (i) any damage or destruction, in whole or part, that may occur to the Property, or (ii) any proceedings to take or condemn the whole or part of the Property for public or quasi-public use under any statute, or by the right of eminent domain, shall be borne by the Lessee to the extent allowable by law. As the legal title holder, the Lessor shall be the recipient of any insurance or government payout with respect to the casualty loss or property taking, respectively, and the Lessee shall be liable to the Lessor for payment of any difference between an insurance or government payout and the full amount of the Purchase Price. Any insurance or government payment that is paid to the Lessee is in error and the Lessee shall promptly turn over such payment to the Lessor. The parties acknowledge and agree that the Lessee is intended to receive the full benefit of these payouts when the Lessee fulfills its obligations under this Lease. The Lessee shall continue to make full and timely Monthly Payments despite any damage, destruction, or condemnation of the Property resulting in the partial or complete inability of the Lessee to occupy the Property.

22. **PROPERTY IMPROVEMENTS.** The Lessee agrees that all buildings, fixtures, and improvements currently on or subsequently added to the Property may not be removed but will remain on the Property so long as the Lessor holds legal title to the Property. Should the Lessee consider financing or leasing any improvements to the Property (such as solar energy equipment) or making any structural changes to the Property, the Lessor's advance written approval is required, and all work must be performed by licensed and bonded contractors. Service fees will apply for approved improvements with the amount determined by Lessor based on the type of work to be performed.
23. **CONDITION OF PROPERTY.** In connection with the acquisition of the Property by the Lessor, the Lessee had the right and opportunity to inspect the Property using an independent third-party home inspector. Through its inspection the Lessee has direct knowledge of the condition of the Property, and the Lessee provides its unconditional acceptance and approval of the condition by entering into this Lease. The Lessor is under no obligation to make any improvements or repairs prior to or during the Term of this Lease. No Lessor disclosure will be provided to the Lessee. The Lessor is not, nor has Lessor ever been, an occupant of the Property. The Property is being offered to the Lessee "AS IS."

LESSEE ACKNOWLEDGES THAT PRIOR TO SIGNING THIS LEASE, LESSEE HAS PERSONALLY INSPECTED THE PROPERTY AND/OR HAD THE PROPERTY INSPECTED BY A LICENSED THIRD-PARTY HOME INSPECTOR. THE LESSEE ACCEPTS THE CONDITION OF THE PROPERTY FOR LESSEE'S USE 'AS-IS' AND SHALL MAKE NO CLAIMS OF ANY KIND AGAINST THE LESSOR IN RELATION TO OR IN CONNECTION WITH THE CURRENT OR FUTURE CONDITION OF THE PROPERTY.

24. **INSURANCE.** The Lessee shall be responsible for all insurance premiums and use fees or deductibles. The Lessor agrees to maintain property hazard insurance on the Property. Property hazard insurance premiums are included in the Monthly Payment paid by the Lessee and forwarded to the insurance carrier by the Lessor's Servicer. Should the premiums increase during the Term, the Monthly Payment will increase accordingly. Any separate charges by the insurance carrier not included in the Monthly Payment shall be paid directly by the Lessee or separately invoiced to the Lessee by Lessor's Servicer. The Lessee hereby consents to these additional charges and shall pay them promptly in accordance with the due date indicated on the invoice or statement provided by Lessor's Servicer. The Lessee shall maintain personal property insurance for items the Lessee places inside or on the Property. The Lessor recommends that the Lessee's insurance policy include loss of use coverage in the event Lessee is required to vacate the Property due to property damage or condemnation.

The Lessor shall not be responsible for any damage or injury to the Property, the Lessee, or any guest, invitee, or trespasser, or to the personal property of any of the foregoing, or for any costs associated therewith, including but not limited to insurance policy deductibles and attorney's fees, no matter the cause of the damage and whether or not covered by an insurance policy. The Lessor or Lessor's Servicer shall charge a fee of \$125 per disbursement if it is required to administer any claims of behalf of the Lessee. Should the claim involve multiple repairs or an extended repair timeframe of more than 7 days, Lessor's fee will increase and be determined based on the scope of repairs. In the event that an insurance carrier approves a claim that limits occupancy of the Property, the Lessee shall continue to fulfill its obligations under this Lease, including paying the Monthly Payment.

25. **PROPERTY TAXES AND ASSESSMENTS.** The Lessee shall be responsible for payment of all property taxes and assessments, which shall be included in the Monthly Payment. The Lessor's Servicer shall forward the Lessee's payment of property taxes and assessments to the appropriate taxing authority. The Lessee shall be responsible for all property tax increases, which shall be passed on to the Lessee as an increase in the Monthly Payment or be separately invoiced to the Lessee by Lessor's Servicer. If the Lessee becomes aware of any separate charges or assessments made by taxing authorities against the Property and not paid by the Lessor's Servicer, Lessee shall pay the taxing authority directly and notify the

Lessor's Servicer of such payment. Should the Lessor or the Lessor's Servicer be required to administer any payments on behalf of the Lessee, a fee of \$125 per occurrence, in addition to the related charge and late fees, shall be charged to the Lessee.

26. **MEMBERSHIP IN HOMEOWNER'S ASSOCIATION.** Where applicable, the Lessee must be a member and abide by the covenants, conditions, and restrictions of any homeowner's association ("HOA") with which the Property is associated. The Lessee is responsible for all dues, fees, and assessments, including transfer charges, from the HOA ("HOA Fees"). Non-payment of HOA Fees by the Lessee is a default under this Lease for which the Lessor will issue a Notice of Default. If the Lessee fails to pay HOA Fees when due, the HOA may put a lien the Property. Should the Lessor's Servicer be required to complete any HOA authorization forms on the Lessee's behalf, a fee of \$125 per occurrence shall be charged. Should the Lessor's Servicer be forced to pay HOA Fees on the Lessee's behalf, a fee of \$125 per payment, in addition to the HOA Fees, shall be charged to the Lessee. Should the Lessee fail to comply with the obligations under HOA requirements and the Lessor or Lessor's Servicer is required to respond or process compliance documents or notifications matters, a fee of up to \$125 per item shall be charged. Should Lessor or Lessor's Servicer be required to administer HOA related issues or payments then charges for such services along with a reasonable administrative fee will be added to the Lessee's Monthly Payment. A schedule of such fees is available upon request.
27. **UTILITIES.** The Lessee is responsible for payment of all utilities, cable, and internet services, including any assessments, deposits, fees, and transfer charges, that local providers of those services may charge ("Utility Charges"). Notwithstanding the foregoing, upon request of the Lessor, the Lessee shall immediately authorize any such local service provider to release account information related to the Lessee's account and the Property to the Lessor. Non-payment of Utility Charges by the Lessee is a default under this Lease for which the Lessor will issue a Notice of Default. If the Lessee fails to pay Utility Charges when due, the Lessor may have such services terminated, unless precluded by law. Should the Lessor's Servicer be required to complete any authorization forms on the Lessee's behalf, a fee of \$125 per occurrence shall be charged. Should the Lessor's Servicer be forced to pay Utility Charges on the Lessee's behalf, a fee of \$125 per payment, in addition to the Utility Charges, shall be charged to the Lessee. Should Lessor or Lessor's Servicer be required to administer utility services or payments for such services, then charges for such services, along with a reasonable administrative fee, will be added to the Lessee's Monthly Payment. A schedule of such fees is available upon request.
28. **SMOKING, PET AND ANIMAL LIMITATION.** Lessee agrees not to smoke or permit others to smoke in or within 10 feet of the Property. Lessee shall not keep any pets - dogs, cats, fish, or any other animal - in or about the Property without written permission from the Lessor and in compliance with any applicable HOA policies or requirements on unacceptable pet breeds. Lessee agrees to pay for all damage from permitted pets, including fumigation and mitigation for pet urine. On an annual basis as well as prior to vacating the Property, Lessee will hire and pay for a professional service to clean the carpets and treat the Property for any required fumigation, odor elimination, or flea infestations.
29. **HOME PAYMENT PROTECTION.** Included with this Lease and effective upon the Lessee's signature of the HPPC and Move In is a 36-month Home Payment Protection contract ("HPPC"). The HPPC is a payment warranty that covers up to 50% of the Lessee's Monthly Payments for up to for up to three consecutive months over two or more distinct occurrences over each 36-month period, in the event the Lessee experiences an eligible hardship. An eligible hardship may include Lessee's loss of employment, reduction in household income, disability, or loss of life. To submit a claim, the Lessee must work with a homeownership counselor and submit all required documents as required by the HPPC issuer's underwriter. There is a six-month waiting period after closing before a claim is qualified. Home Payment Protection is issued by a third-party and the Lessor does not guaranty nor represent that any coverage will be provided in connection with any claim made by the Lessee. Premiums for the first 12 or 24 months of

HPPC are included in closing costs and in the Monthly Payment beginning in the 13th or 25th month. The Lessee should carefully review the terms of the HPPC for details.

30. **LESSOR'S SERVICER.** This Lease shall be serviced by Trio Residential, LLC on behalf of the Lessor ("Lessor's Servicer" or "Servicer"). Trio Residential may contract with additional subcontractors and sub-servicers in addition to the mortgage servicer for the Lessor's FHA Mortgage.
31. **CHANGE IN CIRCUMSTANCE.** The Lessee is required to immediately notify the Lessor upon any significant change in Lessee's financial condition, including loss or change in job, adverse credit actions, judgments, tax liens, bankruptcy filings or other condition which could impact the Lessee's ability to pay the Monthly Payment or payoff or refinance this Lease.
32. **NOTICES.** Any notice or communication required or permitted under this Lease shall be sufficiently given if delivered in person or by certified mail, to the addresses listed above or to such other address as one party may have furnished to the other party in writing. Notice to the Lessor shall be provided to the Lessor's Servicer at the address provided herein. The notice shall be deemed received when delivered or on the third day after mailing if not signed for. Electronic notice via email or posting to the Lessee's payment portal is an accepted form of notice for all actions other than a Notice of Termination.
33. **ASSIGNMENT.** The Lessor may assign or transfer its rights under this Lease as may be required in the conduct of its business without the consent of the Lessee. The Lessee may not assign or transfer this Lease or their rights hereunder for any reason without prior written consent of the Lessor.
34. **ATTORNEY FEES.** If any payment obligation, including maintenance costs, under this Lease is not paid when due, the Lessee promises to pay all costs of collection, including reasonable attorney fees, whether or not a lawsuit is commenced as part of the collection process.
35. **ENTIRE CONTRACT.** This Lease contains the entire agreement of the parties and there are no other promises, conditions, understandings, or agreements, whether oral or written, relating to the subject matter of this Lease. This Lease may be modified or amended in writing, so long as all parties obligated under this Lease sign such modification or amendment.
36. **SEVERABILITY.** If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited. If any such portion cannot be rewritten as such, then it shall be stricken, and the remaining provisions shall continue to be valid and enforceable.
37. **INDEMNIFICATION.** Lessor assumes no liability for injury to the Lessee, Lessee's guests, or invitees, or trespassers. To the extent permitted by law, the Lessee agrees to indemnify, hold harmless, and defend Lessor and Lessor's agents from and against any and all losses, claims, liabilities, and expenses, including reasonable attorney fees, which Lessor may incur in connection with, arising out of, or resulting from any Property defects, whether known or unknown, now or hereafter occurring, and from Lessee's possession, use, or misuse (including the conducting of illegal activity) of the Property, or any breach of this Lease by the Lessee.
38. **TAX EXEMPTION.** As an instrumentality of government, the Lessor may be entitled to claim the Property for exemption from property taxes as well as other exemptions, however, the Monthly Payment will not be adjusted for such exemptions.
39. **LESSOR DISCLOSURES.** All Lessor Disclosures for the Property were reviewed, received, and acknowledged by the Lessee in connection with the purchase agreement between the Lessee and third-party

seller prior to the Lessor's Closing. The Lessee should consult with its real estate agent or closing agent for any questions related to or connection with such disclosures. The Lessor is not responsible for providing any additional disclosures in connection with the subsequent transfer of Property from the Lessor to Lessee under this Lease.

40. OTHER PROVISIONS. *Governing Law and Jurisdiction.* This Lease shall be construed in accordance with the laws of the State of Washington. Further, the parties agree that this Lease may be enforced, and the parties accept jurisdiction in, King County, Washington, or the county in which the Property is located. *Joint Liability.* If more than one Lessee signs this Lease, each Lessee shall be jointly and severally liable for all obligations under this Lease. *Notice of Marketing Practices.* The Lessor reserves the right to use any imagery and specifications of the Property in its marketing, advertising, and promotional outreach. *Acknowledgment of Marketing Communications.* Lessee acknowledges that the Lessor and its servicers may use the Lessee's personal information to directly communicate through a variety of communication and marketing platforms, including email, newsletters, social media, and others as it deems appropriate. *Binding on Heirs and Successors.* All of the terms, covenants, and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding on the heirs, executors, administrator, successors and assigns of the parties, except as otherwise expressly provided herein. *Waiver.* The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease. *Lessee's Warranties.* Lessee represents that they have been truthful in their application for credit and will abide by the terms of the Lease. Should the Lessor discover that the Lessee was approved for this Lease through submission of fraudulent information, the Lessee may issue a Notice of Termination and retains the right to initiate immediate legal action to evict the Lessee and obtain vacant possession of the Property. *Public Record.* The Lessor is an instrumentality of government and subject to public records requests. *Relationship between the Parties.* The relationship between the parties is that of buyer and seller and not that of landlord and tenant.

41. DISPUTE RESOLUTION.

- a. *Arbitration.* With the exception of the termination of this Lease by the Lessor due to a default of the Lessee, all disputes, controversies or claims of any sort, arising out of or in any way relating to this Lease, its negotiation, and the services provided pursuant to it, whether based in contract, tort, statute, or any other legal or equitable theory (collectively "Disputes"), shall be resolved by settlement, or final and binding arbitration, or in and through a small claims court having jurisdiction over such disputes, at the discretion of the party initiating the Dispute. Each party is responsible for its own attorney's fees if the party chooses to be represented by an attorney except as provided in Section 34. Where permitted by applicable law, Lessee agrees to pay Lessor's travel and lodging expenses, should Lessor (or its representative) be required to be in attendance and should Lessor prevail in its case against the Lessee. Arbitration shall be conducted within the geographical limits of the applicable federal district court where the Property is located, or such other location upon which both parties mutually agree. The Commercial Arbitration Rules and Supplementary Procedures for Consumer-Related Disputes of the American Arbitration Association (the "Arbitration Rules") in effect at the time arbitration is demanded by either party shall govern the arbitration proceeding and the selection of one neutral arbitrator to preside over the proceeding. The arbitrator is empowered to decide all Disputes and all questions related to the enforceability and scope of these dispute resolution provisions, including but not limited to their validity, interpretation, and applicability. No arbitration may proceed on a class or representative basis, and the arbitrator may not consolidate any arbitration proceeding governed by these dispute resolution provisions with any other person's arbitration proceeding, and may not otherwise preside over any form of a representative or class proceeding. Under the Arbitration Rules, each party is required to pay certain administrative and arbitrator fees, which may be thousands of dollars. Each

party is required to pay its portion of the required fees at least 10 business days prior to commencement of the arbitration.

- b. *Class Action and Jury Trial Waiver.* Each party to this Lease may bring a dispute against the other only in its individual capacity and not as a plaintiff or class member in any purported class or representative proceeding. Each party gives up or waives any right it may have to have any disputes between them resolved by a jury.
- c. *Process of Termination.* Should Lessor terminate this Lease, Lessor may elect to take any course of action permitted under state and local laws, including prosecuting a default within the local courts in the relevant jurisdiction, to enforce its rights under this Lease.

<<<SIGNATURE PAGE FOLLOWS>>>

SAMPLE

LESSEE:

LESSEE NOTICES AND SIGNATURES. By signing below, I am entering into this convertible lease agreement with the intention of purchasing the Property. I acknowledge that I will not become the Property owner unless and until I enter into the Lessor’s Link Home Loan financing or an alternative third-party financing. Should I elect not to purchase the Property, I must provide you with the required notice and vacate the Property within the terms of this Lease and the Move Out Guidelines (Schedule E). If I do move out, the funds I have paid will not be refunded unless otherwise noted in this Lease or in a separate agreement. I have read all pages of this Lease carefully and agree to all terms.

LESSEE GUARANTEE. By my signature below I jointly and severally guarantee payment and performance of all promises contained in this Lease. Should I default, the Lessor may proceed immediately against me, personally. My liability will be unconditional and will not be affected by any settlement or modification of this Lease, whether or not by operations of law. Should the Lessor be required to enforce this Guarantee, I agree to pay all expenses (including reasonable attorney’s fees and legal expenses) the Lessor may incur.

_____, Lessee _____, Lessee

STATE OF _____,

COUNTY OF _____,

On this ____ day of _____, _____ before me personally appeared _____ and _____ (Lessee(s)), to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed same as their free act and deed for the uses and purposes therein mentioned.

Witness my hand and official seal hereto affixed the day and year first above written.

Signature of Notary

Printed Name of Notary

Notary Public in and for the State of _____

My commission expires _____

LESSOR:

LESSOR GUARANTEE. By the signature below the Lessor guarantees that it has the right to lease and ultimately sell the Property under the terms agreed to in this Lease. The Lessor further guarantees it has the right to provide the Seller Financing for the benefit of the Lessee.

LESSOR:

Trio Residential LLC

By: Darryl Lewis, Program Administrator

STATE OF WASHINGTON,

COUNTY OF KING,

On this ____ day of _____, _____ before me personally appeared _____, Program Administrator, on behalf of Trio Residential LLC (Lessor), to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed same as their free act and deed for the uses and purposes therein mentioned.

Witness my hand and official seal hereto affixed the day and year first above written.

Signature of Notary

Printed Name of Notary

Notary Public in and for the State of Washington

My commission expires _____

**SCHEDULE A
LEGAL DESCRIPTION OF THE PROPERTY**

SAMPLE

**SCHEDULE B
CONVERTIBLE LEASE TERMS**

SAMPLE

**SCHEDULE C
CLOSING STATEMENT OF LESSOR'S PURCHASE OF THE PROPERTY**

SAMPLE

**SCHEDULE D
MAINTENANCE AND REPAIR GUIDELINES**

SAMPLE

**SCHEDULE E
MOVE-OUT GUIDELINES**

SAMPLE

**EXHIBIT A
LINK HOME LOAN**

SAMPLE