



El Dorado Hills Premier Property Management Company

To Our Valued Prospective Tenant,

We are approached all the time with the question, “How do you go about selecting a Tenant for a rental- What’s the process?” Well, this memo will attempt to explain the process and give you the information you will need to expedite the application process.

The normal time needed to make a decision is between 1 to 2 business days. This will depend on many factors, our office workload, and the response time from your current landlord, your previous landlord, and your employer. Each adult that will live at the property must fill out an application. We require an original color copy photo ID of every applicant’s driver’s license and Social Security card.

Be sure to fill out the attached Application honestly and completely. Please be aware we also screen applicants for evictions or criminal convictions. We will never rent to an applicant that has been evicted. We make our best judgment calls regarding criminal convictions.

Bear Flag Property Management will run your credit report. Although we are looking for applicants with credit scores of at least 680, we understand that credit situations are sometimes explainable. We look at the whole picture the applicant presents (reasons for credit problems, landlord histories, Foreclosure and Short Sale situations, income level, cash reserves, etc.). If we decline an applicant for any reason due to credit, we will send a letter that describes how to receive a free copy of your credit report, and where to go to correct any misinformation.

There are times that we will receive multiple, qualified applications for the same property in a very short period of time. It’s important to submit your complete application in a timely manner due to selections being made on a first qualified first served basis. Once we have a qualified approved application, they will have 24 hours to confirm intent to proceed before selecting another approved applicant. Any approved application will be good for 60 days.

The most important way we safeguard against future tenant problems and/or evictions is careful tenant screening. Our screening process may take a bit little longer – but when we approve a tenant, we look forward to a lasting, positive relationship.

Thank you in advance for your interest, patience, and cooperation. We look forward to being of service to you and your housing needs.

APPLICATION DOES NOT CREATE A LEASE. This application, even if accepted, shall under no circumstances be considered a lease agreement between Applicant and Landlord, or an offer to lease. No lease shall exist between Applicant and Landlord unless and until the parties enter into a formal Lease Agreement and Applicant pays all required fees, deposits, and advance rent.

AUTHORIZATION TO DO CREDIT AND BACKGROUND CHECK. Applicant hereby authorizes Landlord and Landlord's authorized agents to do whatever background and credit check on Applicant Landlord or Landlord's agents deem appropriate. This may include among other things obtaining one or more credit reports on Applicant. Such credit report(s) may be obtained before and during the term of the Lease and after the expiration or termination of the Lease as part of any effort to collect rent, costs, fees, and charges owing under such Lease. Applicant acknowledges that merely requesting such reports may lower Applicant's credit score and Applicant expressly consents to the same.

USE OF INFORMATION. The information in this application or obtained as a result of the authorization given herein by Applicant will not be sold or distributed to others. However, Landlord and Landlord's agents may use such information to decide whether to lease the Property to Applicant and for all other purposes relative to any future lease agreement between the parties including the enforcement thereof.

COMMITMENT TO EQUAL and FAIR HOUSING. Landlord and Landlord's agents are committed to providing equal housing opportunities to all rental applicants regardless of race, color, religion, national origin, sex, handicap, familial status, or other protected status. Bear Flag Property Management welcomes qualified Section 8 voucher holders who have been approved for the Section 8 program by the local housing authority.

REASON FOR DENIAL. If this Application is denied, Landlord or Landlord's agent shall within ten (10) days thereafter and upon the written request of applicant, state the basis for said denial to Applicant.

FALSIFICATION OF APPLICATION. Any falsification in Applicant's paperwork will result in the automatic denial of Application. In the event that an Applicant falsifies his/her paperwork, owner has the right to hold all deposits and fees paid to apply towards liquidated damages.

1. Occupancy Guidelines – The following occupancy standards apply based on 2 persons per bedroom, plus one per home, One Bedroom Three Persons Two Bedroom Five Persons Three Bedroom Seven Persons Four Bedroom Nine Persons Five Bedroom Eleven Persons * Residents who exceed these occupancy standards during the lease term will be required, upon the end of the current lease term, to either: i. Transfer into another available home which has more bedrooms; or ii. Move out Rent for the new home will be at the rental rate at the time the lease is entered into for the new home.

2. Age – Applicants must be 18 years of age or older unless deemed to be an adult under applicable law with respect to the execution of contracts. In respect to property jurisdiction within state law some applicants will be required to provide current proof of emancipation.

3. Credit – A credit report will be completed on all applicants to verify credit ratings. Income plus verified credit history will be entered into a credit scoring model to determine rental eligibility and security deposit levels. Unfavorable accounts which will negatively influence this score include, but are not limited to: collections, charge-off, repossession, and current recent delinquency; and open bankruptcies will result in an automatic denial of the application. **ADDITIONAL APPLICATION DEPOSITS WILL BE REQUIRED FOR ALL CREDIT RECOMMENDATIONS BELOW AN ACCEPT LEVEL, NOT INCLUDING A DENY RECOMMENDATION.** Refer Credit Recommendation occurs on applicants with little or no credit history. In such cases, additional checks for rental and income/employment will be completed. If the criteria are met in these checks, an additional deposit will be required. On rental history, applicant must have 12 months of positive rental history within the past 24 months. (Please refer to Clause 8 of this document for detailed information on rental history requirements.) When no rental history exists, an additional deposit is required. A criminal background check must be approved before further approval consideration is given.

4. Income – Gross income for all applicants in one home will be combined and entered into the credit scoring model for income eligibility. All applicants will be asked to produce consecutive and most-recent pay stubs for the last 4 weeks from Application Date. If handwritten pay stubs are supplied, the documents must be validly notarized to be deemed sufficient. Applicants must have a minimum combined gross income of 3.5 times the monthly rent. Additional sources of verifiable income may be considered. These sources may include: child support, grants, pensions, GI benefits, disability, trust funds, social security and savings accounts. Some credit scoring results will necessitate further income verification. In such instances, verification with employer will be completed or applicant may be asked to produce additional financial statements/records.

5. Employment – If applicant is to begin work shortly, the applicant must provide a “letter of intent” to hire from the employer.

6. Self-Employment, Retired or Unemployed – Such applicants must provide the previous year’s income tax return and the previous two month’s bank statements, or twelve months of financial statements and must exhibit no negative references. Seasonal employment must be verified by providing the prior year’s tax return.

7. Criminal History – A criminal background check will be conducted for each applicant and occupant ages 18 years or more. The application will be denied for any felony conviction up to six (6) years prior to the application date, or any felony conviction for sex- and terrorism-related offences regardless of time. All criminal records are evaluated from the date of disposition, regardless of the applicant’s or occupant’s age at the time such offense was committed. Please remember that this requirement does not constitute a guarantee or representation that residents or occupants currently residing in our homes have not been convicted of or subject to deferred adjudication for a felony or sex offense requiring registration under applicable law; there may be residents or occupants that have resided in one of our homes prior to this requirement going into effect; additionally, our ability to verify this information is limited to the information made available to us by the resident background and credit reporting services used.

8. Rental History – Some credit scoring results will necessitate an evaluation of verifiable rental or mortgage payment history for the last 24 months. In these instances, applicant

must have a minimum of 6 months cumulative verifiable rental or mortgage payment history within the last 24 months. In such instances, if a previous landlord cannot be contacted, 6 consecutive months of proof of payment must be verified and a copy of the lease contract must be provided. Applicants not having verifiable rental or mortgage history will have to pay an additional deposit equal to one month's rent. When applications also depend on the results of a rental history investigation for an approval/ denial determination, applications for residency will automatically be denied for the following reasons: i. An outstanding debt to a previous landlord or an outstanding NSF check must be paid in full ii. A breach of a prior lease, or a prior eviction, or an applicant or occupant in the process of eviction iii. More than 1 late payment and/or 1 NSF within 6 months or late payments and/or NSFs within a year

9. Guarantors – Guarantors will be accepted for applicants who do not meet the required rent-to- income ratio or denied on credit. Only one guarantor per house is permissible. For guarantor supported applications, an additional application deposit will be required. The deposit level will be based on the credit analysis. The guarantor will be required to complete an application and pay a full application fee. Guarantors must have a gross monthly income of 4 times the monthly market rent and meet all other qualifying criteria identified in this screening policy. The guarantor will be required to sign the lease as a Leaseholder. Guarantors may be relatives or an employer; friends may not serve as a Guarantor. Guarantor must live in the same county as the property is located.

10. Animals - No more than three animals are allowed per home. Animals must be no less than six (6) months of age. Pet fees and/or deposits will be charged. Additional Renter's Insurance required which includes the pet. Aquariums will be allowed with a 20- gallon maximum only with proof of insurance for the entire term of the lease.

11. Vehicles - Vehicles must be operational and have current registration and inspection. Boats or trailers are not allowed at any time unless approved in writing by landlord.

12. Renter's Insurance Requirement Renter's Insurance is required with a minimum of \$100,000 of Personal Liability Insurance coverage with Landlord identified as a "Party of Interest" or "Interested Party" (or similar language as may be available) on the renter's liability insurance policy. Residents are required, to obtain and maintain renter's insurance policy covering loss or damage of personal property. Additional Renter's Insurance is required with any tenant with an animal.

13. Water Furniture – Water furniture will only be allowed with proof of fully paid insurance for the term of the lease.

14. Deposit Levels – The results of the credit score will determine the amount of Security Deposit.

Best regards,
Bear Flag Property Management
DRE #02112378 NMLS ID: 2150634