

SCREENING CRITERIA AND DISCLOSURE

The following Application Agreement must be signed by all applicants prior to signing a lease contract.

Application Processing and Timeframes:

If you fully complete the application, pay the Non-Refundable Application Fee and provide us with all the documentation we request, we can process your application within 3 business days. You will be contacted immediately upon determination of approval or denial. All applicants over the age of 18 must submit a fully completed, dated and signed rental application and pay the Non-Refundable Application fee.

No rental property will be held vacant for more than two (2) weeks, unless approved by Management.

Required Information:

1. Complete and accurate Application Form
2. Legible Copy of Driver's License or Government Issued Photo ID
3. Proof of income: Your two most recent pay stubs, W2, if you are employed, or last 2 years' tax returns if you are self-employed or if you work in a cash industry.
4. Photos of your pet(s).

Upon receipt of your rental application, application fee, and all supporting documents, you can expect and hereby authorize us to: (1) check your credit report; (2) check the public records for any past evictions; (3) verify your employment; (4) verify your references; and (5) do a criminal background check.

If your application is approved, you will have 24 hours to pay your Earnest Money Deposit: Earnest Money Deposit equals to one month's rent plus \$95 lease administration fee. Payment must be in the form of certified funds: cashier's check or money order and delivered to our office.

All initial funds, Earnest Money Deposit, first month's rent must be paid by cashier's check or money order payable to "LREI Property Management, LLC". Payments made in subsequent months may be by check.

Upon approval and receipt of your Earnest Money Deposit, we will prepare your lease which you will be required to sign within 3 business days from receipt. Once your application is approved and the Earnest Money Deposit is paid, your Earnest Money Deposit becomes non-refundable. The Earnest Money Deposit will not be refunded to applicant and will be forfeited if Applicant:

- Fails to sign the lease.
- Fails to provide additional funds required.
- Does not take occupancy on the scheduled move-in date.

Deposits and Fees:

1. Security Deposit not to exceed 1 month to 1 ½ times the monthly rent (Actual amount may vary)
2. \$40 Non-Refundable Application Fee per adult (18 or older)
3. \$20 Pet Application Fee per Pet if applicable (does not apply to service animals)
4. \$95 Lease Administration Fee
5. Risk Mitigation Admin Fee as applicable, see below.

6. Purchase MSI Renter's Insurance or willingness to obtain a qualified policy.
7. Due at Lease Signing, \$200 Animal Administration Fee Per Approved Animal.
8. Due Monthly, \$25.00 Animal Administration Fee per Pet Accepted.

Resident Selection Criteria:

LREI Property Management, LLC is committed to equal housing and we fully comply with the Federal Fair Housing Act (FFHA). We do not discriminate against persons because of race, color, religion, sex, disability, familial status, national origin, or age. We also comply with all state and local fair housing laws. We offer application forms to everyone who requests one. Each occupant over the age of 18 must complete an application and pay the **\$40.00** application fee.

Approval is based on these EIGHT factors:

- Credit History
- Employment Verification and History
- Income Verification
- Rental Verification and History
- Criminal Background Check
- Sex Offender Registry
- Pet Screening
- Eviction History

Identification: Each applicant is required to provide a copy of a legible Government issued photo identification card. A photo of your identification card can be attached to the online rental application or sent to: Leasing@lreilc.com

Income Verification: Income should be at least three (3) times the monthly rent and verifiable from a lawful source of income including but not limited to: employer through pay stubs, tax returns, and/or bank statements, social security, grants, pension or any form of federal, state, or local assistance or housing assistance. Self-employed income may also be verified with a CPA-prepared financial statement or tax returns. Your employment history should reflect a minimum of 6 months with your current employer. Transfers or relocations must have correspondence showing an accepted job offer. Any verification fees required by the employer must be paid by applicant. Applicants who do not meet the above employment or income requirements may require a co-signer or an approval contingent upon collection of last month's rent at move-in.

Employment Verification and History: We require verifiable employment history for at least the past three (3) years. You must be a permanent employee (not temporary or probationary). If you are self-employed, retired, or not employed, we can accept such documents as signed tax returns (2 years minimum), bank statements, etc. that provide proof of applicant's ability to pay the rent.

Rental Verification and History: We verify residence history for the prior (3) years whether you currently own or rent. Applicants are responsible for providing information including the names, addresses, emails, and phone numbers, of Landlords with the dates of tenancy for the previous 3-5 years. Rental history must be verified from unbiased sources. Home ownership will be verified from a current credit report. We can accept base housing as rental history. Any evictions within the previous 5 years will be automatic grounds for denial. Broken leases will be considered on a case-by-case basis and a conditional approval may be required that would include collecting last month's rent at time of move-in.

Credit History: We will obtain a copy of your credit report. You cannot provide this to us, we will obtain this ourselves. Credit history should show that the resident has paid bills on time and does not have a history of debt "write-offs" or accounts that have gone into collection. Money owed to a previous landlord or utility company is cause for denial. Residency may also be denied due to poor credit history. Applicants who do not meet the above credit requirements may require a co-signer or an approval contingent upon collection of last month's rent at move-in.

Any credit score under 500, (330-499) will be declined due to bad credit.

Criminal, Evictions, and Sex Offense Database Check: We will check these databases for all occupants over 18. Convictions involving drugs, theft, or violence within 7 years are all grounds for denial of an application. Nor will we

accept applicants with outstanding criminal warrants charging any of the above offenses. Furthermore, we do not rent to any person required to register as a sex offender.

Pet Screening: No pets/service animals of any kind are permitted without first applying and completing the required paperwork. Service animals will require a completed profile through petscreening.com. LREI Property Management will change monthly pet fee during the lease term: \$25 per pet per month, except service animals. More than two pets per household will require specific owner approval. Fish, reptiles, and birds are all considered pets. No aquariums larger than 20 gallons are allowed. No ferrets or rodents allowed. Animal policies vary from one homeowner to another. Some owners do not permit animals, while others restrict type and/or size of allowable animals.

Co-signers: Co-signers are accepted at the manager's discretion only. They must complete an application, provide all documentation required of applicants, must meet all requirements and must sign the lease agreement.

Errors & Omissions: Every effort has been made to provide applicants with reliable and accurate information regarding the home you are applying for – however, changes can and do take place to cause inaccurate information to be accidentally presented. We encourage all tenants to verify schools, allowable pets, expected features, or any HOA concerns prior to signing a lease agreement. Any information posted in the in the listing advertisement does NOT constitute a written agreement or guarantee of the facts stated.

Landlord Approved Renter's Insurance Required: All Tenants are required to maintain property damage liability insurance on behalf of the Landlord and Property Manager. Coverage is required in the amount of One Hundred Thousand Dollars (\$100,000.00) for damage to both Landlord's and third parties' property with the provisions covering at least the perils of fire, smoke, explosion, accidental water discharge and sewer backup. Tenants are required to name LREI Property Management, LLC as an *"Interested Party"*.

Such a policy shall be written not contributing with, and not in excess of coverage that Landlord may carry and must waive all rights of subrogation against Landlord and Property Manager. It is agreed that Landlord carries insurance for its protection, and that the Tenant is not a beneficiary of such insurance. Tenant shall be responsible to Landlord for all costs of repair for damages as stated in the Lease regardless of existing Landlord insurance.

Tenants may *OPT OUT* of purchasing this required insurance through landlord's preferred insurance provider MSI, which is available for purchase through your tenant portal, at any time by providing written proof of the following three items:

1. Evidence of Required Insurance levels to show the Policy is in effect, when it will start & end, and who is named on the policy.
2. LREI Property Management, LLC must be named as an *"Additionally Interested"* party to the insurance binder provided by the tenant.
3. The Tenant Liability coverage must be equal to or greater than: \$100,000 in Tenant Liability Coverage to the Property.

Failure to Maintain Insurance: If the tenant's coverage for their independently self-procured tenant liability insurance is lapsed by either non-payment or non-renewal after lease execution, LREI Property Management will consider this a lease violation and can be grounds for eviction.

No Smoking: Smoking is not permitted inside the property.

Disabled Accessibility: Any concerns should be submitted in writing to the property manager. We must obtain Owner approval to allow modification of the premises.

School Boundaries: School Enrollment concerns should be investigated prior to submitting your application. Applicants must verify their own school information with the school district. Because of the expansive growth in this region, school enrollments get capped and designation boundaries may change. We highly recommend you contact the local school district should any of the school boundaries be a concern for the home you would like to rent.

Sex Offenders: Applicants should satisfy their concerns regarding crime statistics or the presence of any sex offenders in the area, before applying. This information is available free of charge on the internet.

Reasons for Denial of Applications:

- If you failed to give proper notice when vacating a property.
- If previous landlord(s) would be unwilling to rent to you again for reasons pertaining to your behavior or that of any family member, guest (welcome or not), your pets, or any animal on the property during your tenancy.
- If you have had three or more late payments of rent within the last 12 months.
- If you have an unpaid collection filed against you by a Property Management Company.
- If an unlawful detainer action or eviction has occurred within the past five (5) years.
- If you have recently received a 7-day notice to vacate.
- If you have less than a 500 credit
- If you have had two (2) or more Non-Sufficient Fee checks within the last 12 months
- If you have allowed any person(s), not on the lease, to reside on the premises.
- If we are unable to verify your information, we must deny the application.
- No Businesses operated from property. If you have a home-based Business that you think we might approve please let the Property Manager know.
- If you violate any of our terms of service during this application process.
- If you have a felony conviction in the last 7 years per the reasons listed herein.

Start of Lease:

Vacant Homes --- LREI Property Management, LLC has a policy that all leases on vacant homes must begin within 14 days of application approval. We are unable to hold the home rent free without a lease agreement longer than that time.

Occupied Homes --- LREI Property Management, LLC will typically advertise a first available date with all the homes we manage. In some cases, those dates will need to change due to circumstances beyond our control. We ask the approved incoming tenant to be flexible in some cases. We understand the burden this can create and strive to advertise a solid date so incoming tenants can plan accordingly.

Move-In Orientation and Move-In Inspections: At the time of or prior to resident move-in, there will be a walk-through inspection and a new home orientation with one of our Property Managers. At minimum one resident must be present at the Move-In Orientation.

Any requested work orders must be submitted separately through your tenant portal on Buildium. Pest issues must be reported in the first 30 days.

The Property Manager will provide the tenant with a brief orientation and instruct them on basic home maintenance, including changing air filters, unclogging a garbage disposal, water cut-offs, smoke alarms, fuse & breaker box locations, and GFCI resets. The written report will include interior and exterior photos. The exterior will be documented with photos of all four sides of the home, the roof, any exterior equipment, and yard. Interior photos will be of each room, included equipment, any damaged or defective conditions, and an overall view of most areas. A copy of this report will be made available in your online tenant portal.

What We want our Tenants to Know:

- 1) LREI Property Management conducts periodic walk-throughs of the home you will live in. We take pictures of the interior and exterior of the home during those walk-throughs. This information is kept on record and shared with the owner. **If this standard walk through procedure is going to cause you a problem – we recommend you stop now and do not apply for one of our homes.**
- 2) During the last 30 days of your lease agreement – a sign and lockbox may be placed on the home and you will be required to show the home to prospective new tenants.

- 3) LREI Property Management, LLC is a **ZERO TOLERANCE** company regarding rent collection. Rent is due the 1st of each month, late the 2nd of each month. Late fees begin midnight on the 2nd of the month and will continue to accrue until paid. If rent has not been paid by that point, late fees will be applied with no exceptions. We encourage all tenants to pay via our online system for the most secure and traceable method of payment.

KEY POINTS TO SUMMARIZE FROM THIS DISCLOSURE:

- 1) The \$40.00 application fee per adult is NON-REFUNDABLE.
- 2) Your application can be cancelled – WITHOUT REFUND – for failing to abide by the above guidelines and terms as stated above.
- 3) All ANIMALS must be disclosed on the application and put into the Lease Agreement.
- 4) There is a \$25 Per Month Animal Administration Fee Per Approved Animal.
- 5) All OCCUPANTS must be disclosed on the application.
- 6) School Enrollment concerns are the responsibility of the Applicant.
- 7) There is NO SMOKING inside the property
- 8) Renter’s Insurance is REQUIRED

Upon completion of your Application, you will be notified in writing of your Approval / Denial / or Offer of Other Terms within 2-3 Business Days.