

Echo Summit Properties, LLC
Residency Applicant Selection Guidelines and Criteria

1. **Required Rental Applications.** Rental applications must be processed simultaneously on all prospective Tenants 18 years of age and older. In addition, any person over the age of 18 who occupies or intends to occupy the premises regularly for a period of in excess of one week must complete a rental application, pay a non-refundable application fee, and meet all application criteria.
2. **Verification of Applicant Information.** Applicant agrees that landlord may verify all information provided by applicant. Landlord shall not be held liable for any adverse consequences of or to applicant arising from landlord's verification of information provided by applicant.
3. **Non-Refundable Application Fee.** A non-refundable application fee must be paid for each prospective resident 18 years of age or older. The payment of this application fee shall, in no way whatsoever, guarantee that an applicant will be approved for residency.
4. **Application Approval.**
 - a. **Execution of Lease Agreement.** In the event that the application is approved, applicant has 2 business days to execute lease agreement and remit certified funds, after which time, landlord will process the next application in line, which may result in applicant losing its right to lease the premises and forfeit the applicant's application fee. If applicant refuses to sign a lease agreement and occupy the premises for which applicant submitted its application, for any reason whatsoever, the landlord shall retain application fee as liquidated damages for the loss opportunity to rent to others and other expenses incurred as a result of the applicant's refusal.
 - b. **Schedule of Move in to Premises.** Move in to premises must be scheduled within 14 days of approval of application or within 14 days of the posted available date, whichever is sooner.
5. **Approval Criteria.** All applications for residency will be evaluated using the following criteria:
 - a. **Complete and Accurate Information.** Any applicant who omits requested information, or provides false, misleading or inaccurate information in their rental application will be rejected and the application fee will not be refunded. Truthfulness, accuracy and completeness in providing requested application information is, among other things, a requirement for approval as a resident.
 - b. **Identification.** Applicants must provide a current (not expired) government issued and valid United States or State (within the United States) issued driver

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license or photograph identification card sufficient for the Landlord, in Landlord's reasonable discretion, to establish with certainty the applicant's identification.

- i. **Lawful Presence for Non-US Citizen Applicants.** All applicants who are not US citizens must provide sufficient documentation, in the reasonable discretion of the Landlord, to establish applicant's lawful presence in the state wherein the premises is situated. Landlord may use the "lawful presence criteria" established by the Colorado Department of Regulatory Agencies, Division of Real Estate, for determining the lawful presence of real estate licensees, to determine the applicant's lawful presence. Notwithstanding said criteria, any lawful presence documentation provided must be current (not expired).
- ii. **Other United States Citizenship and Immigration Services ("USCIS") Lawful Presence Forms of Identification.** Non US Citizens may also provide the following USCIS forms (must be current, not expired) to demonstrate lawful presence:
 - (1) I-551;
 - (2) I-766;
 - (3) I-766A; or
 - (4) I-94 and a valid passport and visa.
- c. **Maximum Occupancy.** 2 persons per bedroom plus 1. Example: 1 bedroom limit is 3 people, 2 bedroom limit is 5 people, 3 bedroom limit is 7 people. In the event of an adoption, birth, custody change, or other addition of a minor to the household occurs causing the occupants to exceed the maximum occupancy limit, residents will have until the expiration of the lease term to either comply with the occupancy limits or vacate the premises.
- d. **References.** Landlord may, in Landlord's reasonable discretion, require that the applicant provide a reasonable number of credit, tenancy, and/or financial references for the Landlord to verify the applicant's rental and payment history. Failure to provide said references may result in the denial of applicant's application.
- e. **Consumer Credit Report FICO Score and Other Considerations.**
 - i. **Comprehensive Credit Report.** To be considered for residency, applicant must authorize Landlord to obtain a comprehensive credit report ("CCR"), at applicant's expense, from one or more independent credit

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reporting agencies to evaluate each applicant's credit. In addition, the CCR may include information regarding judgments, unlawful detainer actions/evictions and other information deemed relevant by the Landlord in its decision to offer residency to the applicant.

- ii. **Minimum FICO Score.** In order to be considered for residency, each applicant must have a Fair Isaac Corporation score or substantially similar rating, as determined in the reasonable discretion of the Landlord (collectively "FICO score") of 550 or higher.
 - (1) **Mitigating Factors.** In the event that applicant's FICO score is less than 550, the Landlord may, subject to the applicant meeting all other residency criteria, approve the applicant for residency if either:
 - (a) the applicant provides a suitable guarantor/co-signer with a FICO score in excess of 680 who agrees to be liable for all obligations under the lease. This requirement shall apply for each and every applicant with a FICO score of less than 550 notwithstanding the fact that other applicants for residency in the same premises have a FICO score equal to or in excess of 550; OR
 - (b) for each and every applicant with a FICO score of less than 550, the security deposit shall be increased by a factor of one. For example, if two applicants apply for residency of a premises and one has a FICO score of less than 550; yet, the other's FICO score is 550 or greater, the security deposit shall be doubled. If two out of three applicants for the same premises have a FICO score of less than 550, the security deposit shall be tripled, and so forth.
- iii. **Previous Unlawful Detainer Actions/Evictions.**
 - (1) **One Eviction.** Applicants with only one unlawful detainer action/eviction in applicant's history in which applicant was evicted from a residential rental premises shall be denied residency unless applicant provides documentation satisfactory to the Landlord which, in the reasonable discretion of the Landlord, demonstrates that another unlawful detainer action/eviction is substantially unlikely.

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- (2) **Multiple Evictions.** Applicants with multiple unlawful detainer actions/evictions in applicant's history shall be denied residency.

iv. **Previous Unsatisfied Judgment or Collections.**

- (1) Applicants with two or less unsatisfied judgments or collection matters on applicant's history may be approved for residency if the applicant fully satisfies said judgment and/or collections, and provides sufficient documentation, in the reasonable discretion of the Landlord, of such.
- (2) Applicants with three or more unsatisfied judgments or collection matters in applicant's history may be denied residency.

v. **Pending Bankruptcy.**

- (1) **Chapter 7.** An applicant with a pending Internal Revenue Code ("IRC") Chapter 7 bankruptcy which has not been dismissed or discharged shall be denied residency.
- (2) **Chapter 11 or 13.** An applicant with a pending IRC Chapter 13 or Chapter 11 (in the case of an applicant or co-applicant which is a business, if any) bankruptcy shall be considered for residency only if the applicant can provide documentary evidence satisfactory to the Landlord, in the Landlord's reasonable discretion, that the applicant has made all applicant's bankruptcy plan payments substantially in compliance with all bankruptcy payment plan requirements.

- f. **Requirements of Co-Signer/Guarantor.** In the event that the Landlord has cause to consider one or more co-signers/guarantors, each co-signer/guarantor must agree, in writing, to be fully liable for all obligations under the lease, complete an application, pay an application fee and, in all respects, qualify as an applicant except that, in addition to the application criteria:

- (i) must have a FICO score in excess of 680; and
- (ii) will not be a leaseholder and will not have access to the premises

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g. **Criminal Charges or Convictions.**

- i. **Felony.** An applicant with a current history of any pending charge (charge which is still in a pending status prior to final disposition), conviction, guilty plea, or no contest plea involving a felony level crime will be rejected for residency.
- ii. **Misdemeanor.** An applicant with a current history of any pending charge (charge which is still in a pending status prior to final disposition), conviction, guilty plea, or no contest plea involving a misdemeanor level crime of the following type will be rejected for residency:
 - (1) crimes involving sex, indecency, bodily exposure or related offenses, regardless of whether applicant is required to register as a sex offender or not;
 - (2) crimes involving violence to humans, animals or property;
 - (3) crimes involving fraud, deceit or moral turpitude;
 - (4) crimes involving domestic violence or family relations;
 - (5) crimes against minors;
 - (6) crimes against animals or involving cruelty to animals;
 - (7) crimes involving, in any manner whatsoever, illegal (either from a state or federal standard) drugs or controlled substances; and
 - (8) any crime which, in the absolute discretion of the Landlord, demonstrates the applicant's propensity:
 - (a) not to comply with the terms of the lease; or
 - (b) to pose the risk of potential harm to the premises, neighboring properties, occupants of neighboring properties or the property of said occupants.

h. **Minimum Income Requirements:**

- i. **Minimum Income.** Applicants must provide sufficient documentation, in

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the reasonable discretion of the Landlord, to substantiate a combined monthly income (all applicants for the premises) of 3 times the effective monthly rent for the premises.

No applicants will be considered for residency that cannot at least provide adequate substantiation of income of at least 2 times the monthly effective rent. In the event that all applicants can only provide adequate substantiation for income of at least 2 (but not 3) times the monthly effective rent, the Landlord may, subject to the applicants meeting all other residency criteria, approve the applicants for residency if either:

- (a) the applicants provide a suitable guarantor/co-signer with a FICO score in excess of 680 who agrees to be liable for all obligations under the lease; OR
- (b) the security deposit requirement shall be doubled.

ii. **Proof of Income.** Landlord may accept one or a combination of the following documentation, or other documentation which, in the reasonable discretion of the Landlord, substantiates the minimum income requirements:

- (1) Recent pay stubs from a current employer which documents at least two months of income;
- (2) Fully executed offer of employment letters from employer on employer's letterhead with contact information for employer (telephone number, address and email address), prior year W2 and most recent pay stub;
- (3) Two recent monthly bank statements;
- (4) Pension fund payments from 401(k) or investment fund accounts;
- (5) Court ordered alimony and/or child support payments;
- (6) Proof of government payments (e.g. welfare, disability, social security, etc.);
- (7) Proof of retirement income;

- (8) Proof of self-employment income (e.g. prior year's tax return, financial statements, bank statements, etc.) and of ownership of entity wherein applicant is self-employed;
 - (9) Proof of student loan income; or
 - (10) Proof of sufficient housing payment assistance voucher.
- i. **Insurance Requirements.** If the premises has a minimum insurance requirement, prior to occupancy, applicant must provide proof of insurance. Failure to do so will result in the rescission of any offer of residency to an applicant.
- j. **Pet Restrictions.** Landlord may deny residency to an applicant who owns or has custody of a pet which, in the reasonable discretion of the Landlord, is of a dangerous or vicious breed, or which is outlawed or restricted by any authority with jurisdiction over the premises.
- k. **Regulatory or Other Requirements of Specific Premises.** In the event that an applicant is applying for residency for a premises which has specific occupancy requirements or restrictions, the applicant must meet said requirements or restrictions. Landlord may require any reasonable documentation or evidence to substantiate applicant's intended compliance with said requirements/restriction or exemption therefrom.