

LEASING GUIDELINES

Applicants' Name(s):

Property Address:

LEASE POLICIES & PROCEDURES

Welcome and thank you for choosing a Foothills Properties rental property. The property you have selected will be removed from the available market temporarily for two (2) business days' ONLY, pending completion and submittal of application documents. Exceptions to this policy must be approved by the Broker.

Foothills Properties' Standard of Practice includes a thorough Tenant screening outlined below:

Agency Disclosure: Foothills is the sole and exclusive agent of the Landlord/Owner of the properties listed for rent or lease and represents the Landlord/Owner's interest in any and all transactions related to the rent or lease of said property as well as any future potential sale of the property between Landlord/Owner and Tenant/Buyer. In the event Landlord/Owner and Tenant/Buyer desire to enter into a contract for sale of property, Foothills shall by contract represent Landlord/Owner/Seller but may also represent Tenant/Buyer in all Sale Contracts and Transactions at all parties' discretion.

Fair Housing: Foothills welcomes all applicants, complies with Federal, State and Local Fair Housing Rules and does not discriminate in the rental of properties on the basis of age, sex, race, religion, marital/familial status, disability, color, creed, ethnicity, national origin, gender identity, or sexual or gender orientation.

Application Accuracy: Foothills will rely upon the Rental Application as an inducement for entering into a rental agreement or lease of real property. If any facts in the application prove to be untrue or inaccurate in the sole discretion and determination of Foothills Properties, Foothills may terminate tenancy immediately and collect any damages incurred including reasonable attorney's fees resulting therefrom. The Rental Application and Third Party Guaranty are an integral part of the rental agreement and will be used in conjunction with all legally binding documents and/or agreements. After executing a Lease Agreement with Foothills, tenant is responsible for reporting any changes in the personal information contained therein, including but not limited to change of name, phone number(s), email address, financial and employment information within 48 hours.

Application:

- The Rental Application must be completed, signed and returned with a completed Lease Agreement and all applicable Addenda within two (2) days.
- All prospective Residents eighteen (18) years and older who must submit a Rental Application.
- The non-refundable Application Fee is \$50.00 per applicant which covers the cost of processing the application, obtaining credit report, Court Reports, Bankruptcy Report, Social Security and Address Verification Report, Landlord Verifications, Employment Verifications and other clerical costs. The Application Fees must be paid by Cashier's Check, Money Order or Credit / Debit Card (Fees apply) or Cash upon submission of each application.
- Earnest Money equal to a Full Month's Rent is due at time of application and will be credited to funds due at lease commencement.

Identification Required:

- Each applicant will be required to provide with the application two forms of identification including one (1) photo ID. Samples of acceptable ID are shown below:
- Official Photo ID – Driver's License, State Issued Photo Id, Military ID, unexpired Passport, Official U.S. Government Visa, Military Dependents ID Card or other similar identification.
- State Voter Registration Card, Original Social Security card; school ID card, original or certified copy of birth certificate, Certification of Birth Abroad issued by the Social Security Administrations, Native American Tribal Document or other similar document.

Payment of Funds:

- Prior to Lease approval and at move in all funds must be paid by Cashier's Check, Money Order or Credit or Debit Card (A 4% Service Fee is charged for all Credit Card Payments and a \$5 Service Fee is charged for all Debit Cards.)
- Exception: The Application Fee may be paid in Cash and may NOT be combined with Earnest money or other payments.
- Personal Checks will be accepted for the second month's rent and thereafter, unless a personal check does not clear. Thereafter rent must be paid with certified check, money order or Credit Card (there is a Fee for Credit card transactions).

Approval Requirements and Process: The approval process contains a rating process based on the following criteria:

1. **Sufficient Income:** Including but not limited to Verifiable income from either employment or retirement income or investments; Sustainable history of employment; Gross Monthly Income should be three times the rental amount per month. Income may be combined by multiple Applicants for the same Dwelling Unit.
2. **Verifiable Good Credit:** Credit reports will be checked with a national credit bureau. Experian Risk Score and FICO Score will be used in the credit approval process.
3. **Previous Rental History:** Rental history will weigh heavily on the approval rating. Foothills will make a reasonable attempt to contact previous landlord(s) and/or mortgage holder(s) submitted by Applicant; however, the ultimate responsibility for supplying this information to Foothills lies with the Applicant. **Foothills reserves the right to decline tenancy on the basis of our inability to contact the references provided.**
4. **Employment Verification:** Foothills will make a reasonable attempt to contact Current or Previous Employers as submitted by Applicant; however, the application can NOT be processed without this information and the ultimate responsibility for supplying this information is with the Applicant. Pay Stubs may be used in conjunction with employer verification. If Applicant is self-employed or retired, Foothills will accept Federal Tax Records or Banking or Investment Statements.
5. **Monthly Income to Rent and Monthly Income to Debt:** These ratios are calculated in the rental approval process. Also checked and rated are Tax Liens, Collection accounts. Medical and Student Loans collections will not normally be counted against the applicant. Delinquent Accounts are scored. Because Bankruptcy and Foreclosures affect the credit scoring these items are reviewed, they may be questioned, but as a general rule they are not normally counted as a negative in the approval process.
6. **Tenant Background:** The following reports will be obtained to verify the information on the application: National Court Report (criminal courts), Bankruptcy Report, Eviction Report, OFAC and Social Security/Address Verifications.
7. **Complete & Accurate Application:** The application must be completed in its entirety. Incomplete applications will cause rejection of the application until it is filled out completely. This will delay processing or result in a denial of the application and the Lease. Falsified applications may be rejected without further notice and if discovered after lease approval, will be considered a Material Breach of the Lease and could be grounds for eviction.
8. **Approval Time Frame:** Foothills will make every effort to process applications within 48 hours of submission; however processing can take several days due to inability to reach previous landlords, employers or other references. Applicants are encouraged to check on the status of an application, particularly if you have not received a response from Foothills within 72 hours (3 business days) of submission. Applications will not be "pre-screened" outside the standard process under any circumstances. All applications submitted become the property of Foothills Properties.

You've placed a Property on Hold – What Happens Next?:

1. Once all verifications and credit and background reports are obtained, the entire package is processed for qualification, and submitted to Broker and Owner for approval. Depending upon response from employer and/or previous landlords, the process can take 48 to 72 hours.
2. Property Manager will contact you with approval and schedule a move-in appointment at the Foothills office to review Move-In Packet, pay any funds due, pick up keys and remotes (if applicable).

Payment of remaining Funds and obtaining Keys and Remotes:

1. At move in all funds must be paid by Cashier's Check, Money Order or Credit or Debit Card (A 4% Service Fee is charged for all Credit Card Payments and a \$5 Service Fee is charged for all Debit Cards.)
2. Tenant Move-In Requirements Form must be submitted with utility account info in order to receive Keys and Remotes.
3. If you are unable to comply with the above for any reason, the property will be placed back on the market.

Moving in – Move in Packet:

1. Your Move-In Packet will contain a copy of your executed Lease, the Tenant Handbook, Covenants Conditions and Restrictions (CCR's) and other materials, as well as your keys and remotes (as applicable). Be sure to keep information for your reference throughout your Tenancy.
2. You will also be provided with a Move-In Inspection Checklist. This must be completed, signed and returned to the Foothills offices within 5 Business Days of Move-in and countersigned as received by a Foothills employee or it will not be considered as a valid Inspection. The Checklist is extremely important when you move out. Foothills tries very hard to be fair and reasonable about the charges to a Tenant's Security Deposit upon move out, and this form is very helpful in protecting you from issues that should not be your cost.
3. Finally, your Move-in packet will contain information on setting up your Tenant Portal on our website as well as information on Rent Track, Foothills' Tenant program to build your credit while paying your rent.

Guarantors: At Foothills sole discretion, Applicants who do not meet the minimum requirements may continue the rental process by supplying a Third Party Guarantor as an inducement to rent. The criteria for a Guarantor are the same as the Tenant except that that the monthly income is 3 times the combined Guarantors rent or mortgage and the Tenants rent. The Third Party Guarantor will need to fill out an Application and the Third Party Guaranty. The Processing Fee for a Third Party Guaranty is \$50.00 per Guarantor. If the Guarantor is married both spouses must sign the form. Guarantors residing outside of Arizona will not be accepted.

Upon approval, Tenant will be notified and the Earnest Money deposited within 3 Banking Days as required by Arizona Statute.

Maximum Time Lapse Between Lease Writing and Start of Lease Term (or Occupancy): The lease beginning date shall be no more than 21 days from lease approval unless the property is occupied at lease writing. If occupied the lease beginning date (first rental period) shall be no more than 15 days from the date the property is ready for occupancy. The lease beginning date may not be extended without approval of the property's landlord during the lease approval process. If the property is not in move-in condition at the beginning of the lease, the date may be extended to allow for completion of the make-ready process.

Occupancy Guidelines: Foothills follows the occupancy guidelines set by the Arizona Attorney General under Fair Housing Standards of: 2 persons per bedroom. Example: In a 3 bedroom property the maximum occupancy is 6 persons.

Pet Policy: Where pets are permitted, the following general conditions apply:

- No Puppies or Kittens are permitted – pets must be 1 year old or older, pets must be house broken. Pet damage as pet damage is **NOT** normal wear and tear and Tenant will be charged for all related damage.
- Pet weight limits and number of pets may be mandated by some Community Associations or Landlords.
- Known aggressive breeds of dogs may be rejected by Community Associations or Landlord's Insurance Carriers.
- A general limit of two animals per rental unit applies, there may be exceptions for a 3rd or 4th pet, but over four is never permitted.
- Pet Rent per month is \$15.00 per pet. There are no exceptions! This is in addition to the monthly rent.

Multiple Applications: Foothills procedure is that the first party to submit earnest money (the equivalent of one month rent and application fee of \$50 per applicant 18 and over) and provide appropriate information to create the lease will be accepted for processing. Additional parties will be placed in backup position.

Credit Reporting: Foothills reserves the right, in its sole discretion, to report to national credit reporting agencies any failure to fulfill any of the terms of any rental agreement, including any amendments, renewals or extensions thereof.

Subsequent

consumer credit reports may be obtained and utilized in connection with any update, renewal, modification, or extension of any Lease Agreement including any amendments thereto or regarding any collection matter pertaining to, arising from or in conjunction with, the rental or lease of a residence for which application was made.

Administrative Fee: Foothills charges a Lease Administration Fee of \$100 for each lease written and approved at time of initial occupancy, as well as a \$25 Lease Renewal Fee at the time of any Lease Renewal or Extension. These cover Foothills costs of administration of the lease agreement, handling of documents, entering the tenant into computer programs, generating lease correspondence, compliance to the Customer Identity Theft Acts, cost of Document and record storage, scanning of records, costs of shredding of records and other general costs in administering the lease.

Other Fees and Costs: During the lease period, following additional fees may be charged to the tenant as applicable:

- Lease Issues:
 - o \$25 Late Rent Notice (10-Day Quit or Pay Letter) to pay for administrative costs in generating letters and notices.
 - o \$50 Court Appearance for Special Detainer Action (eviction procedure) to pay for Brokers or Managers away from productive enterprise caused by driving to court and time in court.
 - o \$50 Eviction Lockout to pay for time to arrange for locksmith and to meet locksmith and constable at property plus the cost of re-keying or changing the locks.
 - o \$25 Security Deposit Collection – if not paid as agreed to pay for administrative time in collecting and posting.
 - o \$35 NSF Check Fee to pay bank charges and administrative fees.
 - o \$25 Utility Procedure Non-Compliance - per utility, per occasion for not placing utility in tenant's name for Foothills time in billing
 - o \$50 Lender Rent Verification for completing verification of rents for mortgage or other loan approval.
 - o \$100 Pets without approval in addition to the Pet fee of \$150 for a total of \$250 per pet as a penalty for the extra work created by the non-approved pet
 - o \$10 Duplicate copies of Leases or other documents for the time in copying and costs in sending.
- Property Management Issues:
 - o \$35 Missed Repair Appointment Fee for each vendor appointment not kept by tenant plus the missed call charged by the vendor for Foothills time and administrative costs involved in the rescheduling process.
 - o \$25 CC&R Violation letter for each letter received from the HOA (Home Owners Association) for failure to abide to the CC&R's for Foothills administrative and mailing costs. If it is later found that the HOA was in error the fee will be waived.
 - o \$50 HOA Meeting Appearance Fee each time a Foothills employee attends an HOA meeting as a result of Tenants actions or in actions in violation of the CC&R's of the HOA to pay the Foothills person for taking their time to attend on behalf of the propertyowner.

Rents Due and Late Fees: Rents are due at Foothills Properties office on or before the 1st day of the month, there are 3 days of grace, on the 4th the late fee of 20% will be applied.

Insurance-Owner/Landlord Responsibility: The Owner/Landlord's insurance provides protection for the Property Owner ONLY for perils of Fire and Flood to the structure and/or Owner's contents left on the premises, theft of Owner's Personal Possessions on premises (i.e. stove, refrigerator, washing machine, etc.) and liability for accidents on the property. This insurance does not protect tenant or tenant(s) possessions or tenant's liability.

Insurance – Tenant Responsibility: Tenants are responsible for: bodily injury to others, damage to personal property of Tenant and/or others from fire and lightening, explosion, theft, smoke damage, accidental leakage and overflow, electrical issues, windstorm and glass breakage, medical expenses for Tenant and/or others, cost of defense for claims

Tenant is advised that Landlord's insurance carrier may subrogate (attempt to collect) to Tenant or Tenant's insurance carrier any and all damages caused by Tenant or Tenant's Guests.

Tenant is urged to obtain Renters Insurance to protect Tenant, Tenant's possessions, and third party claims. Renters insurance is inexpensive and usually available from Tenant's auto insurance carrier. See FHP insurance referrals for additional sources.

The "LEASING GUIDELINES" are a part of the lease once executed and approved by reference herein.

APPLICANTS UNDERSTAND AND ACCEPT THE ABOVE TERMS:

	Dated		Dated
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