

Residency Standards

Luma Apartment Homes

Thank you for your application! To assist you with your decision on your new home, we are providing a list of guidelines used to qualify applicants for residency in our communities. Nothing contained in these requirements shall constitute representation by Quarterra that all residents and occupants currently residing in our community have met or currently meet these guidelines.

Quarterra utilizes a 3rd party vendor, VERO, to conduct our background screening. Please allow up to 3 business days for their review to be finalized.

Qualification standards include but are not limited to the following criteria.

IDENTIFICATION. Each applicant who is 18 years of age or older, or an emancipated minor with written proof of legal emancipation, must complete an application and be qualified in accordance with these residency standards.

All applicants are required to provide a valid government-issued photo ID at the time the application is submitted to our screening partner, VERO. As part of our screening process, we verify and validate applicant identities. We attempt to complete this process electronically based on the name, address, date of birth and other identifying biometric information.

INCOME. Prior to final approval, all income must be verified. The gross monthly income of all Leaseholders will be considered jointly (combined) and must equal no less than 2.3 times the monthly rental rate of the apartment. Applicants with Section 8 or VASH vouchers or other federal, state, or local public assistance or rental subsidies will be income evaluated based only on the applicant's share of the stated monthly rent, rather than the entire rental amount. We will accept all lawful, verifiable income paid directly to a resident or to a representative of a resident or paid to a housing owner or landlord on behalf of a resident, including federal, state, or local public or rental assistance, and federal, state, or local housing subsidies. Bit Coin, and other cryptocurrencies are not verifiable at this time, therefore not acceptable.

If Employed- provide one of these or more if needed to show appropriate income to rent ratio:

- In the case of a recent job change (fewer than two pay stubs), last year's W-2(s), plus the most recent pay stub from current employer will be accepted.
- If additional funds are needed to qualify for income, irregular income such as gratuities, commissions, bonuses, etc. will be considered as long as we can verify it. Examples of verification: If you are paid a monthly bonus, we would like to see a pattern of that frequency in the form of a minimum of 2 paychecks. If you receive a quarterly bonus, we will need to verify with a minimum of 2 quarters of paychecks. If overtime is being considered, it will be averaged from your YTD total for the entire year.
- A current monthly bank statement or statements showing a minimum of the 2 most recent employer direct deposits equaling the rent to income criteria for your community.

If you are an applicant who is starting a new job, but has not yet been paid, you must provide both:

- You may provide a copy of an official offer letter for employment. The letter must indicate a start date within 45 days of the expected move-in date.
- A current monthly bank statement or statements showing a minimum of the 2 most recent employer direct deposits equaling the rent to income criteria for your community.

If you are self-employed, not employed, or retired, we will accept one of the following as proof of income:

- Must provide the previous year's personal income tax return and most recent two months of personal bank/financial statements as evidence of sufficient income of at least 2 times the rental amount for six (6) months.
- The last three consecutive bank statements showing cash assets (from statement end date) totaling at least 2 times the

monthly rent for six (6) months. Statements must be in PDF format or have a URL (if printed from online.) If unable to provide PDF or URL, an official bank stamp provided by the financial institution will suffice.

- A Social Security Benefits Letter, SSA-1099; Benefits Statement, or a Social Security Administration (SSA) Notice of Change in Payment. Benefits letter must be dated no more than 14 months from the date of application.
- Income Assistance Benefit Statement (this document name will vary by state).
- A statement of annuity account payment showing regular annuity income.
- A statement from the financial aid office of a college or university that shows loans and/or grants awarded for living expenses beyond tuition and other school expenses.

Applicants may also provide any Alternative Sources of Income if the documents are verifiable and lawful. Examples of Alternative Sources of Income are:

- A Social Security Benefits Letter, SSA-1099: Social Security Benefit Statement, or an SSA Notice of Change in Payment
- An order of alimony or child support. If no order exists, but alimony or child support is collected, three months' most recent consecutive bank statements (or check copies) showing regular deposits of alimony, or child support can be provided.
- Unemployment benefits, Retirement Programs, or Child Support payments; the Aged, Blind or Disabled Case Assistance, or Refugee Case Assistance Programs showing the ability to meet income requirements.
- A statement of annuity account payment showing regular annuity income.
- A statement from the financial aid office of a college or university that shows loans and/or grants awarded for living expenses beyond tuition and other school expenses.
- Any Federal, State, local government, private or nonprofit administered benefit program

GUARANTORS. If an applicant does not meet the income requirements, but meets all other criteria, the application will be conditionally approved with a qualified guarantor. A guarantor must pay an application processing fee and sign a Guarantor Addendum. Criteria includes the following:

A Guarantor (no more than one person may guarantee a lease) may provide one of the following:

- The last two consecutive pay stubs from current employer showing evidence of 4.5 times the rental rate.
- In the case of a recent job change (fewer than two pay stubs), last year's W-2 plus the most recent pay stub from current employer.
- If self-employed, the last three consecutive bank statements showing cash assets totaling at least 4.5 times the rental rate for 3 months.
- A Guarantor must live within the United States and meet all credit and income requirements.
- Any other proof of any other legal, verifiable income.

CREDIT HISTORY. Our credit reporting agency evaluates credit and rental history against indicators of future rent payment performance. An unsatisfactory finding may result in the requirement of an additional deposit, guarantor, or denial.

Your application will be denied for the following credit-related items, to include but not limited to:

- You have an outstanding balance owed to another apartment community, however, COVID-19 rental debt (as defined by California law) will not be a factor in determining your approval status at our community.
- Fico score under 555

- Utility debt or balance over \$250
- Open Bankruptcy/Dismissed Bankruptcy within the last 12 months
- Open Tax Lien
- Unpaid rental debt over \$100
- Rental Collection over \$3000
- Open Repossession

Credit ranges for approval consideration are as follows:

- 650 and above- Approved credit score
- 556-649- Neutral credit score
- 555 and under- Declined credit score

A neutral credit score may result in the requirement of an additional deposit or fee, or a guarantor.

Applicants with no credit may apply with a qualified guarantor.

An applicant with no credit, or a limited amount of credit, but meets all other criteria, may obtain a Lease Guarantor or pay a deposit equal to one (1) month's rent.

RENTAL HISTORY. Our screening company will review your rental history.

Denials will result for the following (but may not be limited to):

- You have an outstanding balance owed to another apartment community, however, COVID-19 rental debt (as defined by California law) will not be a factor in determining your approval status at our community.
- Under current eviction
- Adjudicated evictions within 3 years

CRIMINAL HISTORY. We conduct comprehensive background checks that include criminal history searches for the preceding (7) years. Applicants with a felony conviction against person or property, or any applicant with a felony conviction for the sale or manufacture of a controlled substance, may be denied. Prior to denial of any applicant based on criminal background, we will conduct an individualized assessment of each applicant to determine whether the applicant poses a current direct threat to resident safety or property. In accordance with the 2016 HUD Guidance and the California Fair Housing Regulations, the individualized assessment will consider relevant mitigating information such as: (1) the facts or circumstances surrounding the criminal conduct; (2) the age of the individual at the time the conduct occurred; (3) evidence that the individual has maintained a good tenant history before and after the conviction or conduct; and (4) evidence of rehabilitation efforts including satisfactory compliance with all terms and conditions or parole and/or probation; successful completion of parole, probation, mandatory supervision, or Post Release Community Supervision; a Certificate of Rehabilitation under Penal Code Section 4852.01; or other conduct demonstrating rehabilitation, such as maintenance of steady employment; (5) other relevant facts or circumstances surrounding the criminal conduct and/or conduct after the conviction or (6) any other mitigating factors that the applicant wants considered. Applicants who are denied may dispute the decision within fourteen (5) days of the denial and details for disputing will be provided in an Adverse Action letter.

OCCUPANCY GUIDELINES. We follow the California Department Fair Employment & Housing Guideline, maximum of 2 persons per bedroom, plus one additional person for the unit, unless otherwise affected by federal, state, or local law.

FAIR HOUSING STATEMENT. Quarterra and the Owner are committed to compliance with all federal, state, and local fair housing laws. It is our policy to comply with all laws prohibiting discrimination, including those that prohibit discrimination based on race, color, religion, national origin, sex, familial status, handicap, disability, marital status, age, ancestry, source of income, sexual orientation, gender, gender identity, gender expression, medical condition, genetic information, citizenship, immigration status, primary language

spoken, veteran and/or military status, any arbitrary basis, or any other basis protected by applicable federal, state, or local laws.

PETS and ANIMALS. We love pets and animals and want them to be happy in their new home. We do have some breed restrictions for pets which include full and mixed canines of the following breeds: Pit-Bull Terrier, Pit-Bull mix, Rottweiler, Rottweiler mix, Doberman, Doberman mix, German Shepherd, Presa Canario, Wolf-Hybrid, Mastiff, Cane Corso, Great Dane, Alaskan Malamute and Staffordshire Terrier. Exotic pets are not permitted, and illegal pets are not allowed. Assistance animals for persons with disabilities and emotional support animals are not considered to be pets but do require advance written approval. We will handle all requests for accommodation, including requests for assistance and ESA, in accordance with fair housing laws.

ADA STATEMENT. Quarterra and the Owner are committed to compliance with the fair housing laws regarding modifications and accommodations for persons with disabilities. We will handle any requests for modifications and/or accommodations in accordance with relevant fair housing laws.

FRAUD ALERT. In the event there is a Social Security Number warning or alert of any kind as a result of the background screening, we will require proof of a Social Security number, plus one other valid government- issued Identification card. **If we discover evidence of suspected fraud (such as identity theft) in the application process, we will report the suspected fraud to local police and will fully cooperate with any subsequent investigation and/or prosecution.**

DENIAL OF APPLICATION. You understand that if you do not meet our rental selection criteria, or if you fail to answer any question or give false information, we may reject your application, retain application fees, and possibly all or a portion of the application deposit as liquidated damages for our time and expense. In the event your application fee, deposit, or any other upfront fee is returned as an "NSF", your application and residency will be denied, and the balance will be reported to the credit agency. Providing falsified or fraudulent information, and if your upfront fees/deposits were returned as an NSF, you will be disqualified from reapplying at an Quarterra community for a minimum of one year following the denied application.

REFUND OF DEPOSIT. Applicant(s) have 24 hours from the date of the reservation to cancel and receive a full refund of the paid deposit. After 24 hours, you will be charged the daily rental value from the deposit for the number of days that they unit was kept off the market. Deposits will be refunded if the application is declined. Application fees are non-refundable.

Signature of Applicant:	Date
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Signature of Applicant:	Date
Quarterra Representative/Agent for Owner:	Date