RESIDENT SELECTION GUIDELINES

INTRODUCTION

The purpose of these guidelines is to establish fair and equitable practices for selecting residents to occupy housing units managed by the Presidio Trust (Trust).

NON-DISCRIMINATION

When considering an applicant for residency in the Presidio, the Trust and its management agent (Management Agent), will not discriminate against any individual or household because of race, color, creed, national or ethnic origin or ancestry, religion, sex, sexual orientation, gender identification, age, disability, handicap, health status, military status, marital status or presence of children, source of income or any other arbitrary basis. No criteria will be applied or information considered pertaining to attributes of behavior that may be imputed by some to a particular group or category. All criteria will be applied equitably and all information considered about an applicant will be related solely to the attributes and behavior of the applicant and the individual members of a household as they may affect residency in the Presidio.

SELECTION CRITERIA

In order to protect every occupant's health, safety and right to the peaceful enjoyment of the Presidio, and to protect and preserve the Presidio's natural character and cultural and recreational resources, the Trust reserves the right to select residents based on certain non-discriminatory criteria.

A. Occupancy Standard

The maximum number of residents permitted to occupy a unit is two per Trust-designated bedroom.

B. Income Eligibility

A household's income must be sufficient to pay the required rent and other ongoing expenses. Annual gross combined household income must equal at least 2.5 times the annual rent. The Trust requires third-party income verification. Annual gross household income includes, without limitation:

- Salary;
- Pensions;
- Child support and alimony;
- Public assistance;
- Student financial aid;

- Assets such as real estate, stocks, bonds, annuities, IRAs, etc.

C. Credit, Prior Tenancies and Criminal History

The Trust requires a credit history for every adult applicant. By using the Social Security Number (or, in the case of a resident alien etc., the Individual Taxpayer Identification Number) of each adult applicant, the Management Agent will obtain a credit report and will determine whether the applicant has a pattern of late payments or if legal action has been initiated against the applicant for debts owed. The result of such determinations may be grounds for ineligibility as a resident. Examples of poor credit may include, without limitation:

- Any credit account in the past four years reflecting payments more than 90 days late;
- Any credit account that has been sent to collection within the last four years;
- Any collection judgment or lien filed within the past 36 months;
- Any open bankruptcy within the last five years;
- Any collection filed for non-payment of rent or for damaged rental property;
- Any eviction or unlawful detainer/ejectment action;
- Any current or pending notice to cure, to cure or quit, or to pay or quit;
- Any real estate short sale;
- Any material distortion of the truth by the applicant on a prior rental application;
- Any failure to pay any sum owed to the Trust within 30 days of the date of demand by the Trust.

The Management Agent will contact current and previous landlords. The Management Agent will consider the statements made by those landlords regarding the applicant's tenancy. Those statements may be part of the basis for acceptance or rejection of an applicant. In addition, the Management Agent will research unlawful detainer records to determine each applicant's history as a tenant. Conduct indicating a past or present inability or unwillingness to pay rent or a mortgage on time or to meet other financial obligations - including, without limitation, unlawful detainer/ejectment actions due to material non-compliance with a lease - will be considered grounds for ineligibility. Each applicant will be provided an opportunity to respond to any reports obtained by the Management Agent, including those that indicate an unlawful detainer/ejectment action or foreclosure.

The Management Agent will check the criminal records for each adult applicant. Any felony conviction will be grounds for rejection of an applicant. A misdemeanor conviction will be grounds for rejection of an applicant if the offense involves physical violence to persons or property, domestic violence, sexual abuse, illegal weapons possession, any form of assault, breaking and entering, theft or burglary. Furthermore, any conviction that might indicate a potential impact to the health or safety of other occupants, visitors to the Presidio or Trust employees or contractors, or their right to the peaceful enjoyment of the Presidio will be grounds for rejection of an applicant. Where criminal records exist, and to the

extent permitted by law, applicants will be provided with the records and an opportunity to respond.

The cost of such credit and background checks shall be borne by the applicant. The current cost of such checks is $46.00 per applicant.

D. Other Grounds for Ineligibility

In addition to the above criteria, an applicant may be rejected for disruptive, aggressive or anti-social behavior toward Presidio occupants, visitors, the Management Agent, or Trust employees or contractors; for any violation of the terms and conditions of a current or prior lease, license, permit or contract between the applicant and the Trust; or for providing false or misleading information on the application or during the qualification process.

E. Lease Renewals

These guidelines apply to lease renewals as well as to initial resident selection, except that credit and background checks may or may not be performed at the time of a lease renewal unless the composition of the household has changed.

F. Review of Eligibility Determination

An applicant who is determined to be ineligible based upon the criteria outlined in these guidelines may request an informal review of the Management Agent's determination and may present additional facts and evidence for consideration during the review. A vacant unit will not be held off of the market pending such review.

PRIORITY FOR SELECTION

Priority for households where all applicants meet the selection criteria will be established according to the following groups in descending order:

A. Full-time Presidio-based public safety employees, including police officers, dispatchers or similar public safety workers. Full-time is considered 32 hours per week.

B. Full-time Letterman Digital Art's (LDA) or its authorized subtenants' employees, subject to the limitations set forth in the agreement between the Trust and LDA. Full-time is considered 32 hours per week.

C. Full-time Presidio-based employees of non-residential tenant organizations, subject to certification by the Trust. Full-time is considered 32 hours per week.

D. General public - applicants who are not part of priority groups "A," "B," or "C".

Household information will be reviewed annually to determine whether the residents remain in their original priority group. If the residents are no longer a member of group "A," "B," or "C," the household will be reclassified as group "D," general public.

PROCESSING HOUSING INTEREST FORMS

A housing interest form will be mailed or distributed to any person making a request (this form is available on-line). As each housing interest form is received, it will be logged, filed according to date and time, and prioritized according to the Priority for Selection outlined above. If necessary, a waiting list will be developed according to the date and time housing interest forms are received. The Priority for Selection categories will be used in developing the waiting list. Each completed housing interest form received will be reviewed and evaluated unless there are no rental units available and the waiting list has reached maximum capacity. Households are encouraged to update/modify their housing interest form as needed.

A household will be offered housing based upon the completion date of their housing interest form and the availability of housing units that meet the criteria summarized on the completed housing interest form. If a household is offered a unit that meets the criteria on the housing interest form but then declines the unit, the household will maintain its position on the waiting list. If a household declines three offers of units, the household will be removed from the waiting list. In such case, the household may re-activate its housing interest form, but it will be logged and filed according to the date and time the re-activated form is received.

The Trust may decide to engage in a competitive bid process for some units, in which case the bidders may not be drawn from a waiting list.

If a household is interested in the offered housing, they will be required to complete a Holding Deposit and Application Fee Agreement and will be required to complete the Application for Admission within three calendar days of executing a Holding Deposit and Application Fee Agreement.

Applicants will be notified in writing if their application is rejected for any reason.