

THE GROVES HOMEOWNERS, INC.

NEW MEMBER QUALIFICATIONS REQUIREMENTS

For the purpose of this Member Qualifications Requirements, the following definitions shall apply:

"The Groves Homeowners, Inc. (GHI)" means the non-profit mutual benefit corporation managed by the Groves Board of Directors.

"The Groves" means The Groves Manufactured Home community in Irvine, California.

"Prospective Member" means a person (or more than one person) attempting to qualify to become a Member in order to purchase a manufactured home in The Groves, and with the intention of residing in The Groves as the Member's principal place of residency;

"Manufactured Home" means a Member's manufactured home in The Groves;

"Member" means a person (or more than one person) who has: (i) satisfied the Corporation's qualifications requirements for membership, (ii) completed a new member interview and has been approved for membership, (iii) purchased a manufactured home, (iv) executed a Member Agreement, and (v) received, or is entitled to receive, a Certificate of Membership in The Groves community.

A. GENERAL

Prospective Members of manufactured homes in The Groves are required to meet minimum qualifications requirements for membership as set forth below.

All qualification requirements must be verified by presenting documentation acceptable to The Groves Homeowners Inc. Specifically, Prospective Members shall:

- (i) Provide a copy of Prospective Member's California driver's license or California DMV Identification;
- (ii) Provide a Credit Score (FICO) from an established credit reporting agency (e.g., Experian, TransUnion, Equifax); and
- (iii) Provide documentation to verify income as set forth in Paragraph B – INCOME REQUIREMENTS below.

Note: heirs or others who might temporarily acquire ownership of a member's manufactured home will not be able to establish residency in the Community unless they meet all of the requirements of this document and will therefore need to sell their ownership to those who do qualify. See Civil Code Sections 799.4 and 799.5 with respect to rights and responsibilities of heirs and joint tenants.

B. INCOME REQUIREMENTS

Prospective Members must provide satisfactory verification of income of at least \$59,000 Adjusted Gross Income (AGI) per year for a solo Cash buyer and, if applicable, an additional \$20,000 AGI per year for a secondary Cash buyer at the time of purchase. Solo Mortgage buyers must provide satisfactory verification of income of at least \$98,000 AGI per year and, if applicable, an additional \$20,000 AGI per year for a secondary Mortgage buyer at the time of purchase. Only one of the buyers must have a FICO score of at least 700.

1. Verifications shall include the following documentation:

- The most recent Federal tax returns - Required
- W-2 Forms or paycheck stubs - Required if applicable
- Bank, credit union or investment account statements - Required
- Notices of annuities – Required if applicable
- Social Security payments – Required if applicable
- Pensions – Required if applicable
- Trust income – Required if applicable
- Disability income - Required if applicable
- Residential / commercial property rental income - Required if applicable
- Retirement fund distributions – Required if applicable

2. No other form of income will be considered.

C. RESIDENCY

As a condition of issuing Certificates of Membership, which signify a Member's ownership, The Groves is required to verify that Prospective Members are residents of the State of California and will make The Groves their principal residence. Only the names of owners, who must meet all the requirements of this document, including residency at The Groves, may be listed on Certificates of Membership. Proof of residency is required within 60 days of close of escrow, and before the Certificate of Membership can be issued (without this Certificate, you cannot live here).

D. AGE REQUIREMENTS

The Groves is a Senior Citizen Community and the Community has implemented rules and regulations limiting residency based on age requirements for housing for older persons, pursuant to Section 799.5 of the Mobilehome Residency Law and the federal Fair Housing Amendments Act.

Except as permitted by law with respect to persons over 18 years of age who provide or require live-in care, the only person under age 55 who may reside with a Member in the manufactured home is the spouse or partner of a Member, provided the spouse or partner is over 45 years of age and is permitted by the Corporation to reside with the Member in the Community.

E. HEALTH

The Groves is not an assisted living facility, nor does The Groves provide medical, mental, nursing, health care services or treatment, or memory care of any kind. As a community of active senior adults, subject to applicable law, Prospective Members must attest that they are capable of caring for themselves without the aid of caregivers other than their spouses, life partners, or co-occupants who have been approved for membership.

F. PETS

The Groves has specific pet restrictions as defined in the Rules and Regulations.

G. PROSPECTIVE MEMBER REPRESENTATIONS

By signing page 4 of this document, Prospective Member(s) are providing the following representation:

"As a Prospective Member, I/we represent that I/we have read, understand and agree to comply with all of The Groves Bylaws, Rules and Regulations, New Member Agreement, and current residency, age and health requirements as stated in sections A through F above."

H. CONFIDENTIALITY

The Board and The Groves' Community Manager, will treat all qualification information as confidential and return any original documents of all submitted qualifications information to the Prospective Member upon completion of the review of a Prospective Member's application.

I. DISCRETIONARY AUTHORITY

The Board may approve or deny applications for membership based on the conditions herein. The Board, exercising prudent business judgment, may also approve or deny, in its sole and absolute discretion, applications based on other material factors, such as, but not limited to, history of bankruptcy, excess liabilities, or history of non-compliance either at The Groves or at another community.

The Board will give Prospective Members a written decision within three business days of receipt of all the qualification information and completion of the Member interview.

The Groves Homeowners, Inc.
New Member Interview

Interview conducted on: _____

Interview checklist: *<note that either B1 or B2 must be checked depending on the type of sale>*

- ___ A. California driver's license checked
- ___ B1. Income verified of at least \$59,000 AGI per year for a solo Cash buyer and, if applicable, an additional \$20,000 AGI per year for a secondary Cash buyer
- ___ B2. Income verified of at least \$98,000 AGI per year for a solo Mortgage buyer and, if applicable, an additional \$20,000 AGI per year for a secondary Mortgage buyer
- ___ C. Prospective member agrees that The Groves will be their principal residence
- ___ D. Prospective members and all residents meet age restrictions.
- ___ E. Prospective members attest that they meet health requirements
- ___ F. Prospective members understand that we have pet restrictions and agree to abide by them
- ___ G. Prospective members agree to the representation

By:

Community Manager or representative

Board member

Prospective Member

Prospective Member