

VERDE GROVES HOMEOWNERS ASSOCIATION
P.O. BOX 25466
TEMPE, AZ 85285
(480) 820-3451 (800) 678-9936 (480) 820-7441 (FAX)

Dear Prospective Purchaser,

As you are probably already aware, *Verde Groves* is an *age-restricted* community. Generally this means that it is required that in at least eighty percent (80%) of the homes at least one of the occupants is fifty-five (55) years of age or older. And at *Verde Groves*, all homes must be occupied by at least one person forty (40) years of age or older and no one under the age of nineteen may permanently occupy a home. Twenty percent (20%) may be occupied by persons all of whom are under the age of fifty-five (55) [as long as at least one person is forty (40) years of age or older] without the loss of exemption. [Please see reverse of page for further explanation and discussion.]

Enclosed in this resale and disclosure package are three forms: the *Age Restriction Verification* form which is to be filled out and returned at close of escrow, should you finalize the purchase of a *Verde Groves* property, the *Notification of Occupancy Change* which you are to keep and fill out in the future should there be any change in occupancy, and the *Notice/Application of Sale, Transfer or Lease* [to be discussed below]. It is important not only to fill out the form(s), but to support that information with the requested documentation. And remember, the Fair Housing law is concerned with the *AGE OF OCCUPANTS* rather than age of owners.

The most obvious method for age identification would be a valid driver's license issued by any state, province, or other issuing authority. For example, if a couple owns and lives in the home, please photocopy each of your driver's license or other age identification document—on a single sheet if you prefer—and send it to the address above with all applicable information provided. Be sure the photocopy is legible as to birth date/age and make a second copy [or more] for your convenience to use as part of possible future surveys conducted by the Association.

This information and future surveys—the frequency of which to be determined by the Association Board of Directors—are necessary in order for the community to retain its status as an *age-restricted* community in conformance with federal and state law, and are considered, under authority of our Association's CC&R's and/or other governing documents, to be *mandatory*. The failure to fully and accurately execute the respective forms shall be considered a violation of the CC&Rs and may be enforced against accordingly.

Also please remember that pursuant to the CC&R's, property is not to be sold or otherwise transferred or leased if the property is to be occupied only by individuals under the age of fifty-five (55) without first giving notice and making application to the Association through its Board of Directors as to that sale, transfer or lease, so that it can be assured that that transaction does not jeopardize our community's legally permitted status as an *age-restricted* community. For your convenience, there is also enclosed a *Notice/Application of Sale, Transfer or Lease* form to be used in that circumstance.

This letter intends to further clarify the significance and meaning of the 80/20 percentage split referenced in the first paragraph.

The twenty percent (20%) allowance means that, at a maximum that percentage of residences may be occupied by persons all of whom are under the age of fifty-five (55) without the loss of our status as an *age-restricted* community. It does not mean that persons under the age of fifty-five (55) have a *right* to occupy up to the twenty percent (20%); or that you as a potential seller or lessor have a *right* to sell or lease when it would result in the property being occupied only by individuals under the age of fifty-five (55) up to the twenty percent (20%); or that the Association is obligated to approve a sale or lease just because at any particular point in time less than twenty percent (20%) of the residences are occupied only by individuals under the age of fifty-five (55).

Per our CC&Rs, Article 10, § 10.4:

The Board...shall have the right and option, at the Board's sole discretion, to allow a Residential Dwelling to be occupied only by individuals under the age of fifty-five (55)...

This means that the Board of Directors has the sole discretion to approve or disapprove any sale or lease that would result in the property being occupied only by individuals under the age of fifty-five (55), even to the extent of adopting a policy disallowing any sale or lease unless at least one of the occupants is fifty-five (55) years of age or older. If the Board strived through the process of approving or disapproving sales or leases to achieve [as near as possible] one hundred percent (100%) occupancy of residences of at least one person fifty-five (55) years of age or older to demonstrate its intent and effort to provide housing for persons fifty-five (55) or older and maintain its *age-restricted* status, it could do so.

Expressed another way, it the Association's and the Board's responsibility—not individual sellers and purchasers, lessors and lessees—to be aware of the percentage split between residences occupied by at least one person fifty-five (55) years of age or older on the one hand, and those occupied only by individuals under the age of fifty-five (55) on the other, in order that *Verde Groves* maintain its status as an *age-restricted* community.

Please keep this in mind, and so inform your real estate agent should one be involved, in the event you are in a position to sell or lease your property.

Thank you for your cooperation.

Sincerely,
Verde Groves Board of Directors

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AGE RESTRICTION VERIFICATION

According to Article 10 of the Declaration of Covenants, Conditions, Restrictions and Easements for Verde Groves, it is intended for and operated for occupancy in at least eighty percent (80%) of its Residential Dwellings by at least one person fifty-five (55) years of age or older per Residential Dwelling and to qualify as "housing for older persons" pursuant to the Federal Fair Housing Act and rules issued by the Secretary of Housing and Urban Development (HUD). In addition, all Residential Dwellings must be occupied by at least one person forty (40) years of age or older, and no person who has not yet reached their nineteenth birthday shall reside permanently in the Project. This "Age Restriction Verification" is necessary to the operation and qualification of Verde Groves pursuant to the Fair Housing Act and HUD rules.

In the space provided below, Owner is to identify by name and age each **OCCUPANT** of the Lot. Please provide a photocopy of some form of government issued photo identification, or other age identification for each **OCCUPANT** and **ATTACH** to this document to be made a permanent part of the **OWNER'S** Lot file. This information is subject to verification.

**RESPONSE IS MANDATORY AND
REQUIRED BY THE ASSOCIATION TO CONFORM TO LAW**

_____ NAME	_____ AGE	_____ NAME	_____ AGE
_____ NAME	_____ AGE	_____ NAME	_____ AGE
_____ NAME	_____ AGE	_____ NAME	_____ AGE

Print Full Name of Owner

Street Address

Lot Number

Mailing address of Owner if different from above (City, State, Zip)

Signature of Owner

Date

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NOTIFICATION OF OCCUPANCY CHANGE

PLEASE COMPLETE THE FOLLOWING AND RETURN TO THE ASSOCIATION AT THE ABOVE ADDRESS IMMEDIATELY UPON ANY AND EVERY CHANGE IN OCCUPANCY

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_____ NAME	_____ AGE	_____ NAME	_____ AGE
_____ NAME	_____ AGE	_____ NAME	_____ AGE
_____ NAME	_____ AGE	_____ NAME	_____ AGE

Print Full Name of Owner

Street Address

Lot Number

Mailing address of Owner if different from above (City, State, Zip)

Signature of Owner

Date

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NOTICE/APPLICATION OF SALE. TRANFER OR LEASE

Pursuant to Article 10, § 10.4 of the Declaration of Covenants, Conditions, Restrictions and Easements for Verde Groves, the current Owner of the Residential Dwelling identified following is requesting approval of the transaction indicated, whereby as a consequence all occupants of the Residential Dwelling will be under the age of fifty-five (55):

Sale Lease Other Method of Transfer _____

Print Full Name of Current Owner

Street Address / Lot Number

Mailing address of Owner if different from above
(City, State, Zip)

Signature of Current Owner Date

Print Full Name of Proposed New Owner (or)
Primary Signer of Lease

In the space provided below, identify by name and age each proposed **OCCUPANT** of the Lot. Whenever possible, please provide a photocopy of some form of government issued photo identification, or other age identification for each proposed **OCCUPANT** and **ATTACH** to this document. This information is subject to verification.

NAME _____ AGE _____ NAME _____ AGE _____

NAME _____ AGE _____ NAME _____ AGE _____

NAME _____ AGE _____ NAME _____ AGE _____

FOR ASSOCIATION USE ONLY: Approved _____ Denied _____