

RULES & REGULATIONS
FOR
TOUCHMARK AT GRAPETREE HOMEOWNERS ASSOCIATION
Housing for Persons 55 Years of Age and Older

The following Rules and Regulations were adopted by the Board of Directors at a meeting on April 26, 2018 by the affirmative vote of at least a majority of the directors and became effective at the time they were adopted. The purpose of the Rules and Regulations is threefold:

1. Ensure compliance with the laws and regulations governing housing for persons fifty-five (55) years of age and older;
2. Clarify and strengthen the CC&Rs and other Governing Documents as they pertain to common property, improvements and maintenance of Owners' dwellings and Building Lots, and the conduct of Members and their guests; and,
3. Provide enforcement procedures for all Governing Documents.

These Rules and Regulations are binding upon all Owners and occupants within Grapetree and their guests. Owners are responsible for the actions of occupants and guests and for their compliance with all the Governing Documents of the Association. Owners shall be responsible for informing these individuals of the Governing Documents and shall take such action as may be required to secure compliance when violations occur.

The 2017 CC&Rs¹ and the Bylaws² authorize the Grapetree³ Association Board of Directors ("Board") to adopt these Rules and Regulations. Proposed additions or amendments to the Rules and Regulations must be submitted to the Board in writing and will be considered at the next scheduled Board meeting or at a special meeting if warranted. Adoption of any addition or amendment to the Rules and Regulations shall be implemented by majority vote of the Board and will be effective upon adoption unless another effective date is selected by the Board at the time of adoption.

To avoid undue hardship, the Board may allow limited exceptions to the Rules and Regulations in the Board's sole discretion.

Capitalized terms used in these Rules and Regulations that are not defined herein have the meanings given them in the CC&Rs.

¹ Amended and Restated Declaration of Covenants, Conditions, Restrictions, and Easements for Touchmark at Grapetree, recorded on August 28, 2017, under Spokane County Auditor's Recording File No. 6634823.

² Amended and Restated Bylaws of Touchmark at Grapetree Homeowners Association.

³ "Touchmark at Grapetree" is abbreviated to "Grapetree" throughout these Rules & Regulations. The Touchmark at Grapetree Homeowners Association may be referred to as the "Grapetree Association" or the "Association."

A.: General Rules

A.1. Housing for Persons 55 Years of Age and Older (See CC&Rs Section 7.2)

Grapetree operates as housing for persons 55 years of age and older and, therefore, the Association and all Members shall comply with the requirements set forth below in Part E: Rules & Regulations for Housing for Persons 55 Year of Age and Older.

A.2. Residential Use (See CC&Rs Section 7.1)

Dwellings and Building Lots in Grapetree may only be used for single-family residential purposes. Not more than one dwelling unit may be located on any Building Lot. The inclusion of living quarters for a live-in caretaker, whether or not incorporating a secondary kitchen or other food preparation area, shall not be construed to violate this restriction so long as the dwelling is permitted as and has the appearance of a single-family dwelling and the live-in caretaker quarters do not have a separate entrance.

A.3. Commercial Enterprise/Business (See CC&Rs Section 7.1)

No trade, craft, business, profession, commercial or manufacturing enterprise or business or commercial activity of any kind shall be conducted or carried out anywhere within Grapetree, nor shall any goods, equipment, vehicles, including buses, trucks, and trailers of any description, or materials or supplies used in connection with any trade, service, or business, wherever the same may be conducted, or any vehicles in excess of 20,000 pounds gross weight (including buses, trucks, and trailers of any description) used for private purposes, be kept, parked or stored, dismantled or repaired anywhere within Grapetree. Home office activities are permitted within the limitations described in Section 7.1 of the CC&Rs.

A.4. Yard, Garage, and Estate Sales (See CC&Rs Section 7.1)

Yard and garage sales are prohibited.

An estate sale may be conducted entirely within a dwelling on a Building Lot in the event the Building Lot is to be sold due death of the Owner or the Owner's move to a nursing home or senior care facility; provided, written approval of the Board must be obtained as to the date, time, duration, frequency, traffic, parking, signage, and gate access proposed. Application for such approval must be submitted at least 14 days before the beginning of any proposed sale. A fee of \$250 will be due to the Association upon approval of an estate sale application; provided, the fee will be refunded if the sale is not held. Any such sale must be conducted by a licensed, professional management company.

A.5. Offensive or Unlawful Activities (See CC&Rs Section 7.4)

No noxious, illegal, or offensive activities shall be carried out in any dwelling or in any part of the property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance or which shall, in any way, increase the rate of insurance for the Association or other

Owners, or cause any insurance policy to be canceled, or to cause a refusal to renew the same, or which will impair the structural integrity of any building.

A.6. Vehicles and Parking (See CC&Rs Section 7.5, 7.6, and 7.14)

1. No passenger vehicle, including automobile, pickup, or van, or truck, cargo trailer, or other wheeled personal property intended for conveyance of humans or cargo, whether or not self-propelled ("vehicle"), shall be parked anywhere in Grapetree outside of the garage of a dwelling, except that a vehicle may be parked in a driveway on a Building Lot or in designated parking areas on the streets for a period not to exceed 48 hours. For purposes of determining whether a vehicle has been parked in excess of 48 hours, any periods of parking of the vehicle will be considered continuous unless between such periods the vehicle is absent from Grapetree for a period of at least 48 consecutive hours; parking in multiple locations within Grapetree without an absence of at least 48 consecutive hours will be construed as a single period of parking. The Board may grant exceptions to this restriction in its sole discretion on a case-by-case basis, including without limitation: to extend the parking period; to allow for reasonable parking by live-in caretakers; to allow for circumstances in which parking within the garage of a dwelling is unavailable due to construction, repairs, or maintenance work; or in other circumstances deemed appropriate in the Board's sole discretion.
2. No motor home, fifth-wheel, boat, trailer, camper, or other recreational vehicle shall be parked anywhere in Grapetree outside of the garage of a dwelling, except that a recreational vehicle may be parked in a driveway on a Building Lot or in designated parking areas on the streets for a period not to exceed 24 hours for loading, unloading and cleaning. For purposes of determining whether a recreational vehicle has been parked in excess of 24 hours, any periods of parking of the recreational vehicle will be considered continuous unless between such periods the recreational vehicle is absent from Grapetree for a period of at least 72 consecutive hours; parking in multiple locations within Grapetree without an absence of at least 72 consecutive hours will be construed as a single period of parking. Any deviation must have advance Board approval, granted at its sole discretion.
3. No vehicle shall be used as a residence temporarily or permanently anywhere within Grapetree.
4. No vehicle shall be parked in such a way as to impede the flow of traffic, driveway ingress/egress, mail delivery, access by emergency vehicles, street services, and garbage services.
5. No work vehicle larger than a standard-size pick-up truck or van may be parked within Grapetree overnight outside of the garage of a dwelling. Habitual parking of such vehicles within Grapetree overnight outside of the garage of a dwelling is not permitted.
6. No Owner shall permit any vehicle which is in an extreme state of disrepair, as defined in the CC&Rs, to be abandoned or to remain parked anywhere in Grapetree outside of the garage of a dwelling, for a period in excess of 48 hours.

7. In the event of a violation of the restrictions described paragraphs 1-6 of this Section A.6, the Board will attempt to identify the Owner whose vehicle, or whose guest's vehicle, is in violation, and:

A. In the case of violations described in paragraphs 1 and 3 of this Section A.6, the Board will give written warning that the vehicle will be towed if the violation does not cease within 48 hours from the time the notice is placed on the vehicle and a copy delivered to the Owner or the Owner's residence, if identified.

B. In the case of violations described in paragraph 2 of this Section A.6, the Board will give written warning that the vehicle will be towed if the violation does not cease within 24 hours from the time the notice is placed on the vehicle and a copy delivered to the Owner or the Owner's residence, if identified.

C. In the case of a violation of paragraph 4 of this Section A.6, no written notice is required and the Board may cause the vehicle to be towed immediately; provided, the Board shall attempt to give verbal notice of the intent to tow the vehicle.

D. In the case of a violation of paragraphs 5 or 6 of this Section A.6, the Board will give written warning that the vehicle will be towed if the violation does not cease within five days from the time the notice is placed on the vehicle and a copy delivered to the Owner or the Owner's residence, if identified.

E. The cost of towing and storing a vehicle will be charged to the Owner identified as described above and may result in imposition of a Limited Assessment if not timely paid.

8. No form of maintenance may be performed on any vehicle or equipment within Grapetree except as follows: Owners may wash their vehicles in their driveway; vehicle or equipment maintenance may be performed in the Owner's garage with the garage door closed, provided such maintenance may be safely performed under such conditions.

A.7. Maintenance of Building Lots, Dwellings and Other Improvement (See CC &Rs Section 7.7)

The Association will provide basic landscape and irrigation maintenance on Building Lots with completed dwellings. However, Owners are responsible for maintaining their Building Lots, dwellings and other improvements in good order and repair. Such maintenance includes, but is not limited to; keeping in good and proper condition all painting, siding, roofing and exterior elements of dwellings, and keeping exterior areas such as decks, patios, porches, lawns and gardens free of clutter and excess items including, but are not limited to; maintenance and construction equipment. A reasonable amount of patio furniture and barbecue equipment is allowed. Each owner will maintain in good working order any water, sanitary sewer or stormwater facilities serving only the Owner's Building Lot whether located within or without the Building Lot, and natural gas, electrical, or telecommunications connections between the Building Lot and/or the dwelling and the service provider.

See Section A for Landscape services and A.7B for Irrigation services provided by the Association. Owners' responsibilities include, but are not limited to; weeding landscape not controlled by weed emergent measures, removing dead trees/shrubs, deadheading annual flowers and trimming roses. Maintaining bushes and small trees as necessary in-between the Association's pruning schedules. Trim and/or remove vegetation, trees, and/or bushes that interfere or damage irrigation and/or inhibit lawn maintenance. Maintain and trim all trees in excess of 12 feet in height. Maintain ground cover including, but are not limited to; bark and gravel.

The Owners of natural area landscape and building lots not improved with completed dwellings are responsible for keeping grass cut to less than 9 inches, free of all weeds, debris, and refuse including, but is not limited to, landscape and construction waste. Other items meeting the reasonable approval of the Board may be implemented from time to time.

A. Landscape Services. Descriptions, frequency and timing are periodically updated by the Association and posted on the website grapetreehoa.com under Community, Landscape Documents.

Association Services include, but are not limited to; pruning small trees less than 12 feet. tree dormant disease spray, shrub bed pre & post-emergent weed control, small tree and shrub insect spray, lawn granular fertilizer, weed spray for lawns, lawn aeration, small tree and shrub fertilizer, Necrotic Ring Spot treatment, curb crack weed sprays, flower bed/lawn clean-ups, shrub pruning, lawn mows and trimming and entry bed maintenance.

B. Irrigation Services. All work and repairs directly associated with turning the irrigation system on and off for the season, and any repairs associated therewith, are the responsibility of the Association. Owners who have individual irrigation control systems, the property Owner must have someone on-site available to assist irrigation technician on the turn on/off days. This includes turning irrigation water switch on and off. Should the irrigation technician not have access to individual controls and an additional trip be required to do so, the Owner will be charged for the extra trip. Owners will be notified by email in advance of turn on/off days.

Except for irrigation system repairs due to Owner negligence, including landscape vegetation and contractor damage, and water features, the Association assumes all repairs costs, including drip systems for flower beds and pots and individual control boxes.

Any irrigation improvements initiated by an Owner for landscape improvements are the Owner's responsibility and at the Owner's expense. Such Owner-initiated irrigation improvements to the central control irrigation system, must be coordinated with Grapetree's irrigation service provider. Subsequent maintenance of those improvements will be assumed by the Association.

Any request for individual irrigation upgrades must be approved by the Architectural Review Committee. Approval may be requested by completing the Architectural Review Approval form, which can be found on the Grapetree website, grapetreehoa.com, under the "Form" section.

Seasonal watering schedules are maintained by the Association. Residents should refrain from adjusting their own irrigation controls. Should irrigation issues occur, Owners should request irrigation adjustment and repair through website portal.

A.8. Antennas and Service Facilities (See CC&Rs Section 7.8)

Exterior antennas and satellite receivers and transmission dishes are prohibited except to the extent expressly mandated by the Federal Communication Commission rules. While discouraged, exceptions for television broadcast dishes may be approved, providing the dish location is approved by the ARC and minimizes visibility of the dish from streets and/or adjacent dwellings within Grapetree.

A.9. Clotheslines (See CC&Rs Section 7.8)

No exterior clothesline may be erected on any Building Lot.

A.10. Flags and Signs (See Section CC&Rs Section 7.9)

Except as permitted in this Section, no sign, flag or other display shall be erected or maintained on any Building Lot, including those visible through window of any building or dwelling. A single "For Sale" sign not exceeding 24" X 36" may be displayed on Building Lot while its Owner is actively marketing the Building Lot for sale. No more than three political signs total and no more than one political sign per candidate or ballot measure may be displayed concurrently. Each political sign may not exceed three square feet. The political signs should be placed away from property lines so that it is obvious which property is associated with it. Political signs may be displayed up to three weeks prior to Election Day and shall be removed within 48 hours following Election Day. As used in this Rule and in the CC&Rs, "political signs" are those signs advocating for a specific candidate or ballot measure. The official United States flag (i.e., a field of 50 white stars on a blue background in the upper left corner, with 13 stripes alternating red and white on the remainder) may be displayed in a manner consistent with the Federal Flag Display law, 4 U.S.C. 1 and as permitted under RCW 64.38.033. Sports team flags may be displayed only on game days.

A.11. Animals (See CC&Rs Section 7.10)

Two household pets such as cats or dogs may be kept provided that they are not kept, bred, or maintained for commercial purposes and that they are kept under reasonable control at all times. Dogs must be kept on a leash at all times when in any Common Areas. Cats are not to be permitted to roam free. Owners are required to clean up after pets, whether their own or their

guests', if such pets soil anywhere within Grapetree other than the Owner's Building Lot. Owners shall not permit their pets to damage the lawn or other landscaping of any Common Area by habitually soiling the same locations.

Owners must clean up pet waste on their own Building Lots with such frequency as required to prevent pet waste from creating a nuisance for occupants or users of neighboring Building Lots or Common Areas. Each Owner with a dog is urged to establish an inconspicuous location on their Building Lot in which to encourage their dog(s) to soil, thereby avoiding unsightly damage to lawn areas.

Owners are responsible for control of their pets at all times and must assure that their pets do not cause an annoyance or a nuisance to others.

The Board may order the removal from the property of any individual animals kept in violation of the CC&Rs or found to be a nuisance based upon, but not limited to, anti-social behavior, aggression, excessive barking, or the Owner's repeated failure to control the animal in Common Areas or clean up animal waste in a timely manner.

Companion animals, service animals and any similar class or category of animals ("Service Animals") are allowed within Grapetree to the full extent required under applicable law, rule, regulation and other legal requirements. Service Animals must be controlled, prevented from constituting an annoyance or nuisance, and cleaned up after in a timely manner to the same extent as any other household animal.

For the safety of everyone and for the cleanliness of Grapetree, owners and guests are prohibited from feeding or otherwise caring for wildlife within the boundaries of Grapetree. Such wildlife includes but is not limited to: deer, marmots, wild turkeys, stray cats, dogs, etc.

A.12. Seasonal Lighting (See CC&Rs Section 7.11)

Seasonal holiday lighting and decorations are permissible and shall be removed within 30 days after the celebrated holiday, unless removal is reasonably delayed due to inclement weather conditions, in which case such lighting should not be turned on after such 30-day period.

A.13. Common Area Insurance (See CC&Rs Section 7.12)

Nothing shall be done or kept in any Building Lot or portion of the Common Area that will increase the cost or cause cancellation of insurance to the Common Area.

A.14. Leasing of Buildings (See CC&RS Section 7.13)

No Owner may lease or rent ("lease" or "leasing") such Owner's Building Lot or any portion of the dwelling thereon without prior written consent of the Board, which may be withheld in the Board's sole discretion; the Building Lots are intended to be purchased and held primarily for owner occupancy. Leasing may be permitted only in exigent circumstances and for limited periods of time, including time periods when an Owner may be required to relocate to another area in connection with the Owner's employment, a requirement that an Owner temporarily move from the Property to obtain medical or convalescent care, or temporarily after an Owner moves from the dwelling and while the dwelling is being marketed for sale. An Owner may not

enter into a lease agreement until after the Board has giving its written consent based on the Owner's circumstances. The Board's consent will be limited to a duration stated in the Board's written consent; the Association may evict any tenant residing in a dwelling after expiration of the Board's consent. Unless a waiver is explicitly granted in the Board's written consent to the lease of the dwelling, any permitted tenancy must include at least one occupant who is 55 years of age or older.

All lease agreements shall be in writing and subject to the Governing Documents, with a default by the tenant in complying with the Governing Documents constituting a default under the lease agreement. If any lease does not contain the foregoing provision, such provision shall nevertheless be deemed to be a part of the lease and binding upon the Owner and the tenant by reason of their being stated in these Rules and Regulations. The Owner of said dwelling shall provide the lessee a copy of the Governing Documents: the Articles, Bylaws, CC&Rs, and Rules and Regulations. Copies of all leases shall be delivered to the Association before the tenancy commences. Any lease or rental agreement under which rent is paid to the Unit Owner, rent must be calculated and paid in monthly increments – no hourly, daily or weekly rental shall be permitted. If any lessee (including such lessee's family or co-occupant) violates or permits the violation by his guests and invitees of any provisions hereof or of the Bylaws or CC&Rs, and the Board determines that such violations have been repeated and that a prior notice to cease has been given, the Board may give notice to the lessee and the Owner of such dwelling to immediately and permanently cease such violations; and if the violation is thereafter repeated, the Board shall have the authority, on behalf and at the expense of the Owner, to evict the tenant if the Owner fails to do so after Notice from the Board and an Opportunity to be Heard. The Board shall have no liability to an Owner or lessee for any eviction made in good faith. The Association will charge the Owner of the dwelling for any costs incurred by it in connection with such eviction, including reasonable attorney's fees, which costs will constitute a Limited Assessment against the Owner and the Owner's Building Lot if not paid in a timely manner.

A.15. Owners Insurance Requirements (See CC&Rs Section 7.15)

Each Owner is responsible for obtaining insurance on their Building Lot and improvements as well as their contents. Each Owner shall provide all risk or special cause of loss coverage in an amount equal to the full replacement cost of the dwelling on the Owner's Building Lot with a deductible not to exceed \$5,000. Any Owner whose dwelling or other improvements are destroyed or materially damaged by a covered cause shall promptly submit a claim to the Owner's insurance carrier and shall promptly rebuild or repair the destroyed or damaged improvements.

A.16. Garbage and Refuse Disposal Garbage and Refuse Disposal

All garbage and refuse must be kept in sanitary containers as approved and provided by the refuse company and such containers must be concealed from view of other dwellings, streets, and common areas except on days designated for collection. All other refuse containers, plastic bags, woodpiles or storage piles must also be concealed.

A.17. Fences

With the exception of perimeter fences around Grapetree, as approved by the ARC, only underground invisible fences for pets may be installed on any Building Lot.

Walls or shrubs are permitted to allow patio privacy, but only with the approval of the ARC.

A.18. Speed Limit

All streets in Grapetree are private streets and the speed limit on these streets has been established by the Board as twenty (20) miles per hour. It is expected that all owners and their guests as well as all construction vehicles and commercial vehicles will observe this speed limit. Signs are posted to remind all drivers of this speed limit. Owners and/or offenders associated with an Owner will be notified and the Owner may be fined in accordance with these Rules and Regulations, after Notice and an Opportunity to be Heard.

A.19. Sports Equipment

Basketball hoops, skateboard ramps, playground equipment or other similar equipment is not permitted unless used for a particular neighborhood event approved by the Board.

A.20. Solicitors

Grapetree is for residents and guests only. Solicitors are not allowed within the boundaries of Grapetree. In order to prevent such soliciting, Owners contacted by solicitors should ask those individuals to leave Grapetree.

A.21. Gate Usage

Owners will be issued individual gate codes from the management company or an agent authorized by the Board. If unauthorized or excessive use is detected, gate codes may be changed with notice to the Owner. It is preferable to allow guests into Grapetree by means of telephone entry.

A.22. Quiet Time

Owners and other occupants of dwellings are expected to be considerate of their neighbors and not create loud or obnoxious noises between the hours of 10:00 PM and 7:00 AM. Owners are responsible for ensuring compliance by their contractors and guests.

A.23 Transfer Fees

Whenever a Building Lot or dwelling is sold in Grapetree, a Transfer Fee of one-hundred dollars (\$100) will be assessed by the management company payable at closing of escrow. This fee will be used to cover the cost of transfer paperwork from one owner to another. While the selling Owner and buyer may agree as to allocation of the Transfer Fee between themselves, the Transfer Fee is an Assessment against the selling Owner.

B.: Construction and Alterations (See CC&Rs Section 7.3):

B.1. General

Each owner is responsible for ensuring compliance with the CC&Rs, Architectural Design Guideline (“ADG”), and any aspect of these Rules and Regulations related to construction or maintenance activity on the Owner’s Building Lot or dwelling by the Owner, contractors, or others. Implementation of the ADG will be the responsibility of the Architectural Review Committee (“ARC”). Imposition of Limited Assessments or other sanctions for noncompliance with the ADG and related provisions of the Governing Documents will be managed by the Board, in consultation with the ARC, and in accordance with the terms of these Rules and Regulations.

Except with prior written permission by the ARC and in compliance with the ADG, the owner is prohibited from: constructing any dwelling or other improvement on any portion of the property, including within the Building Lot; installing, constructing or replacing any improvement that is visible from outside of the dwelling; and, changing the appearance, design, materials, color, or other exterior feature of their dwelling or other improvement on their Building Lot. The word “improvement” includes landscaping, paving, and fencing.

Dwelling construction for all Building Lots (other than those owned by a Declarant) shall commence with 120 days of purchase, and construction must be completed (i.e., a certificate of occupancy issued) within eight months of construction commencement. Landscaping shall be completed within three months after issuance of the certificate of occupancy. The ARC may relax or allow variance from these provisions if it determines good cause exists, such as weather-related delay. The Owner must notify the Board of Commencement of Construction within five days thereafter.

B.2. Outbuildings and Temporary Structures

Only single-family dwellings for which plans have been approved by the ARC and which have been properly permitted by all governmental bodies with jurisdiction may be erected on any Building Lot. No recreational vehicle, camper, trailer, basement, tent, garage, or other temporary structure may be used as a residence, and no other buildings or structures of any kind may be placed or constructed on any Building Lot. An Occupancy Permit must be issued by the jurisdiction issuing the building permit prior to any person occupying the dwelling.

B.3. Construction and Other Work/Delivery Vehicle and Equipment Access

Construction and other work/delivery vehicles and equipment must enter and exit Grapetree through the south gate; provided, all such vehicles and equipment entering and exiting Grapetree for purposes of site improvements and construction of dwellings on the Upper Lots shall utilize the north gate, unless the nature of the vehicle makes the use of such gate infeasible due to the turns before and after the gate. It is the responsibility of the Owner of each dwelling or Building Lot to advise the contractors and other third parties of this requirement and

to assure that this requirement is followed. Entry through the back gate may be permitted/required by the Declarant.

B.4. Construction Activity and Permitted Hours for Work

While a new dwelling is under construction or improvements, repairs or maintenance are being performed on an existing dwelling or Building Lot, the Owner shall ensure compliance with the following regulations by all contractors, in addition to any other or further regulations imposed by the Architectural Design Guidelines:

1. Construction materials must be stored in a neat, orderly manner.
2. Garbage and other debris must be removed by Friday every week.
3. Concrete truck clean-out must be done outside of Grapetree.
4. Construction work is permitted on the following days and hours:

Monday through Saturday: 7:00 AM to 5:00 PM

Sunday: No exterior construction work permitted. Interior work is permitted, provided noise and traffic is kept to a minimum: any Owner repeatedly allowing noise and traffic on Sundays that is reasonably disturbing to other Owners may be barred from further work on Sundays by order of the Board.

B.5. Solar Energy Panels

No individual solar energy panels shall be permitted on any Building Lot in the Properties unless such system is designed, located, constructed, and equipped in accordance with the requirements and standards and recommendations of all applicable governmental authorities and the following guidelines and requirements. If the solar energy panels are used to heat water, the panels and installation shall be certified by the Solar Rating Certification Corporation or another nationally recognized certification agency. If the solar energy panels are used to generate electricity, the panels and installation need to meet all applicable safety and performance standards established by the national electric code, the institute of electrical and electronics engineers, accredited testing laboratories, such as underwriters laboratories, and, where applicable, rules of the utilities and transportation commission regarding safety and reliability.

For purposes of this rule, "Solar energy panels" means a panel, device or system or combination of panels, devices or systems that relies on direct sunlight for use in: (1) the heating or cooling of a structure or building; (2) the heating or pumping of water; or (3) the generation of electricity.

The following guidelines and requirements are to be followed:

1. No part of the roof-mounted solar energy panels may be visible above the roof line.
2. A solar energy panel may only be attached to the slope of a roof facing a street if:

- A. it conforms to the roof slope by being mounted parallel to the roof slope and projecting no more than 6" above the roof plane; and,
 - B. the top edge of the solar energy is parallel to the top edge of the roof ridge.
- 3. The solar energy panel frame, support brackets, or any visible piping or wiring shall be painted the same color as the adjacent roof, wall, or trim surface to which it is mounted.
 - 4. Ground-mounted solar energy panels are not allowed due to the restricted Lot sizes in Grapetree.
 - 5. Owners who install solar energy panels must indemnify or reimburse the Association or its Members for loss or damage caused by the installation, maintenance, or use of a solar energy panels.
 - 6. Solar energy panels must be screened to prevent access by birds and other animals between the solar energy panel (including any frame, support brackets and mounting hardware) and the roof or other surface to which it is mounted.
 - 7. The Owner of any dwelling with solar energy panels must cause the solar energy panels to be cleaned no less than once per year.
 - 8. The solar energy panels must be removed if no longer in use.
 - 9. Installation of solar energy panels is subject to ARC approval for compliance with these requirements and generally applicable Architectural Design Guidelines.

B.6. Entry upon Building Lots Under Construction

Owners and their guests and family members are discouraged from entering upon Building Lots owned by others during construction of a dwelling without an invitation from the Owner or contractor and accompaniment by a guide: such activity may constitute trespassing. These sites can be dangerous, and the insurance of the developer, contractor, and/or Owner may not provide coverage for injuries to unaccompanied visitors. Notwithstanding the foregoing, the Grapetree Association is not responsible for preventing trespassing upon the Building Lots. All Owners and their contractors should take proper precautions to secure the job site and keep the Building Lot free of debris and, to the extent feasible, dangerous conditions.

C.: Assessments and Financial Enforcement

C.1. Section 1 Assessments (See CC&Rs Section 1.3)

Each Owner of a Building Lot in Grapetree is obligated to pay when due appropriate Regular Assessments, Declarant Assessments, Special Assessments and/or Limited Assessments made by the Association. The following is a summary of the types of Assessments provided for in the CC&Rs.

C.2. Regular Assessment (See CC&Rs Section 13.2.1.)

The proceeds from Regular Assessments are used to pay for all costs and expenses incurred by the Association for maintenance and repairs of all Association-owned infrastructure; Common Areas maintenance and improvements; landscaping and snow removal; sewer, water, garbage and street lighting; Association legal, accounting and management expenses; and, Association liability and property insurance. Landscaping expenses include landscape maintenance and irrigation maintenance and repair for all dwellings. Regular Assessments are computed annually based on a budget developed by the Board in cooperation with the management company, and presented to Members for ratification. Regular Assessments will typically be due monthly, and the Association will notify the Owners of any changes in the Regular Assessment prior to the due date of the first installment thereof.

C.3. Declarant Assessments of (See CC&Rs Sections 13.3 and 13.3.1)

In lieu of Regular Assessments, both Touchmark and Lexington Homes are assessed for Building Lots and/or Spec Homes owned by them.

C.4. Special Assessment in (See CC&Rs Section 13.4)

In the event the Board shall determine that its Regular Assessment for a given calendar year is or will be inadequate to meet the permitted expenses of the Association, the Board shall determine the approximate amount necessary to defray such expenses and levy a Special Assessment, which shall be allocated to the Owners and Building Lots in the same manner as Regular Assessments.

C.5. Limited Assessment in (See CC&Rs Section 13.5)

In addition to Regular and Special Assessments, the Board may levy a Limited Assessment against any Owner: as a remedy to reimburse the Association for costs incurred in bringing the Owner and/or the Owner's Building Lot into compliance with the Governing Documents including CC&Rs and the Architectural Design Guidelines; to reimburse the Association for damage to any improvement on the Common Areas caused by the Owner or the Owner's family member or guest; or as a fine, penalty, late charge, costs, attorney's fees, or interest related to the Owner's noncompliance with the Governing Documents.

D.: Payment of Assessments and Fines (See CC&Rs Section 13)

D.1. Notice and Assessment Due (See CC&Rs Section 13.7)

The due dates for installment payments of the Regular Assessment and any Special Assessment shall be the first day of each calendar month, unless the Board sets some other due date or schedule. There is a grace period until the 10th day after the due date of each payment. Any installment not paid in full before the end of the grace period will incur a late charge of the greater of \$25 or 5% of the unpaid portion of such installment. Interest will begin to accrue at 12% per annum on any installment or portion thereof past due more than one month, plus any late fees thereon, and will continue to accrue through the date full payment is received. By way of example only, if an Assessment is due on the 1st day of a month, the grace period runs through the 10th of that month, a late charge is due on the 11th, and interest will begin to accrue on the Assessment and late charge on the 1st day of the following month.

If any sum owing by an Owner to the Association is past due, the following steps will be taken:

1. A reminder letter and notice of late charge will be sent when the sum is one month past due.
2. A Pending Lien Notice will be sent when the sum is two months past due. A fee of \$50 will be charged for this Notice and included in the amount owing on the Notice.
3. A Notice of Lien will be recorded with the Spokane County Recorder when the sum past due is equal to or greater than one half of the annual Regular Assessments on the Owner's Building Lot. A fee of \$125 will be charged for this Notice of Lien, plus recording costs. The Owner will be also required to pay the costs of preparing and recording a release of lien in order to bring the Owner's account current.
4. Foreclosure of the Association's lien, litigation, assignment to a collection agency, or other means of collection of the sums past due may be initiated if the outstanding balance exceeds an amount equal to one year's Regular Assessments; all fees and costs incurred will be charged to the delinquent party including actual attorney fees and costs incurred by the Association.
5. Any monies paid which do not cover all past due assessments plus late charges and other penalties will be applied in the following priority:
 - A. Attorney fees and costs
 - B. Assessments
 - C. Fines and penalties
 - D. Late charges
 - E. Interest
6. For purposes of this Section D.1, the term "Regular Assessment" shall include Declarant Assessment.

D.2. Governing Documents Enforcement and Fines

Except in the event of violations described in Section D.3 below, the following steps will be taken in the enforcement process:

1. If a violation of any provision of the CC&Rs and/or these Rules and Regulations occurs, a courtesy notice will be issued. If the violation is corrected within the time frame in the notice of at least 15 days the issue will be considered resolved.

2. If the violation is not corrected within the time allowed, a final notice of violation will be issued with a stated deadline for correction of the violation. If the violation is not corrected prior to the deadline, a notice of fine will be issued. Repeat similar violations occurring within six months will not receive courtesy letters prior to the fine. The schedule of fines is as follows:

- | | |
|---|----------|
| A. First violation, if not corrected by deadline: | \$100.00 |
| B. Second similar violation: | \$150.00 |
| C. Third & subsequent violations: | \$200.00 |

3. If a recreational vehicle parking violation occurs, a courtesy notice will be issued, providing for no more than 24 hours to move the vehicle. If the violation is not corrected within the time allowed, a final notice will be issued and a fine imposed retroactive to the date of the first courtesy notice. For repeated similar violations within a six-month period the fine schedule is as follows:

- | | |
|--|------------------|
| A. First parking violation | \$50.00 per day |
| B. Second parking violation | \$100.00 per day |
| C. Third and subsequent parking violations | \$150.00 per day |

If the owner disputes the violation or imposition of the fine, the owner may submit a written request for hearing within seven (7) days after receipt of the final notice of violation. If a hearing is not timely requested, the right to dispute the violation and fine will be deemed waived. If a hearing is requested, the violation and fine will be determined at a hearing conducted by one or more members of the Board, and their decision shall be final. As to any violation of a continuing nature, additional fines shall be levied until the violation is corrected; after consideration of the nature and severity of the violation, the Board may determine the interval for imposition of repeat fines, including without limitation, daily, weekly or monthly, although daily shall be the default except for street parking violations. Unpaid fines will be subject to interest and enforcement as described in Section D.1, except: a Notice of Lien and foreclosure, litigation and/or collection may occur at any time after a fine is more than 60 days past due, in the

discretion of the Board; and, fines will accrue interest at 12% per annum after one month, but not late fees.

D.3. Enforcement Process and Fines for Violation of ARC Rules (See CC&Rs Section 7.3)

Construction or other improvements or changes to Building Lots and dwellings without ARC approval can have a significant, long-term impact on the neighboring owners and their properties, and the Grapetree community as a whole. Any improvement covered by the Architectural Design Guidelines that is performed without prior approval of the ARC constitute a separate violation for each day such work on such improvement continues, or the resulting improvement remains in existence.

1. If the Owner has applied for ARC approval and the ARC has denied the application in writing, no courtesy notice will be given before a notice of violation is issued. The Board, in its sole discretion, may suspend daily fines for the violation if the Owner agrees to promptly restore the Building Lot or dwelling to its condition prior to commencement of the unapproved work; provided, such suspension will become effective only as to daily fines accruing on or after the date of commencement of such restoration work, and will only remain in effect if the restoration work is diligently pursued to completion. The Board may reinstate any suspended fines in the event the foregoing conditions are not met.

2. If the owner has not applied for ARC approval, a notice will be issued to the owner, and the owner will be given an opportunity to apply for ARC approval; provided, all work on the improvement must cease immediately upon delivery of the courtesy notice and may not recommence unless ARC approval is given for the improvement.

A. Failure to immediately cease work on an unapproved improvement after receipt of the notice will result in issuance of a notice of violation and imposition of daily fines retroactive to the date of commencement of work on the improvement; provided, work solely for the purpose of making conditions safe or weathertight may continue after issuance of the courtesy notice if the owner notifies the ARC of the purpose, nature, and approximate duration of such work.

B. The owner's application for ARC approval must comply with all requirements of the Architectural Design Guidelines. If the ARC denies the application for the improvement, the owner shall promptly commence work to restore the Building Lot or dwelling to its condition prior to commencement of the work on the improvement; failure to do so will result in issuance of a notice of violation and imposition of daily fines retroactive to the date of commencement of work on the improvement.

C. The Board, in its sole discretion, may suspend daily fines for the violation if the owner does promptly commence such restoration work, and any such suspension will only remain in effect if the restoration work is diligently pursued to completion. If the ARC grants approval for the improvement, no daily fine for the violation will be imposed;

however, to avoid encouraging improvements without making application for ARC approval, the Board shall impose a one-time fine in an amount determined in the sole discretion of the Board, but not less than \$200.

3. Daily fines for making improvements without ARC approval are as follows:

Landscaping: \$50 per day, first 30 days.

All other improvements: \$100 per day, first 30 days.

All fines double after 30 days.

4. Unpaid fines will be subject to interest and enforcement as described in Section D.1, except: a Notice of Lien and foreclosure, litigation and/or collection may occur at any time after a fine is more than 60 days past due, in the discretion of the Board; and, fines will accrue interest at 12% per annum after one month, but not late fees.

E.: Rules & Regulations for Housing for Persons 55 Year of Age and Older

E.1. Introduction

Grapetree is a community intended for people 55 years of age and older. Federal and state law permit the Grapetree Association to enforce the age restrictions contained in the CC&Rs so long as certain criteria are met – most importantly, that at least 80% of the homes in Grapetree have at least one occupant who is 55+. However, the law does not require the Grapetree Association to allow 20% of the homes in Grapetree to lack an occupant who is 55+. On the contrary, as permitted by law, the CC&Rs and these Rules and Regulations require that every home in Grapetree have at least one 55+ occupant unless a hardship waiver has been granted.

These rules require that Owners intending to sell their homes in Grapetree and their buyers must submit certain forms and include certain language in their purchase and sale agreements, in order to ensure that homes are marketed as 55+ homes and to verify the ages of intended buyers.

As required by federal regulations, and to ensure compliance with the 55+ restrictions, all Owners of homes in Grapetree must reply to age verification surveys by the Association. The federal regulations require these surveys to be done at least once every two years: the Grapetree Association intends to perform surveys every other year, and will not perform surveys more than once per year.

It is important to note that, while the rules in this Part E require 55+ occupancy, rather than ownership by a 55+ owner, there are effectively few situations where ownership by a person under 55 will be desirable because leasing is prohibited in Grapetree.

If less than 80% of the homes in Grapetree have at least one 55+ occupant, the Grapetree Association will lose its ability to enforce any age restrictions. That would have a drastic impact on the nature of the community in which we have all chosen to live. The age restrictions in the CC&Rs are specifically enforceable, and the Grapetree Association will take such action as is required to ensure they remain enforceable, up to and including filing lawsuits to prevent occupancies by households without a 55+ member or evicting violators.

This Section E.1 is a summary only, stated in simplified terms for ease of reading. To the extent this summary conflicts with the specific policies and rules stated in the remainder of this Part E, the specific policies and rules control.

E.2. Policy Statement

In order to remain a 55+ community, federal law and regulations require that a minimum of 80% of the dwellings within Grapetree be occupied by at least one person who is 55 years of age or older. Section 7.2 of the CC&Rs requires all voluntary sales of dwellings in Grapetree to result in occupancy by at least one person who is 55 years of age or older. This requirement regarding sales is intended to help ensure compliance with the 80% minimum 55+ occupancy.

It is the policy of Grapetree to enforce Section 7.2 of the CC&Rs by requiring that voluntary sales of dwellings be made only to buyers who have certified that there will be at least one 55+ occupant after their purchase. As of the date of these Rules and Regulations, Grapetree is made up of 100% 55+ households, and it is the policy of the Grapetree Association to maintain the highest percentage 55+ households reasonably achievable without causing undue hardship. Grapetree may not always be occupied exclusively by 55+ households, as some dwellings may not have a 55+ occupant due to circumstances beyond the control of the owners, whether due to death, divorce, disability, or similar circumstances. However, in the case of any voluntary transfer, Grapetree will insist upon certification that the transfer will result in at least one 55+ occupant. The Board has the power to grant exceptions to the strict enforcement of Section 7.2 of the CC&Rs under the hardship exception policy set forth in hereof.

The purpose of this Part E of the Rules and Regulations is to aggregate in one place for easy reference the age restriction policies adopted by the Association within the Rules and Regulations and the broad discretion permitted under the Act and HOPA. The Board of Directors of the Association, through the rule-making power granted to it by the CC&Rs, may add, delete or change its policies within the scope permitted by the Act and HOPA, Washington laws, or local laws. Throughout these Rules and Regulations, the terms "55 years of age or older," "at least 55 years of age," and "55+" all have the same meaning.

E.3. General

At least one resident per dwelling, per Building Lot must be 55+. Except temporarily, no person under 21 years of age may reside in Grapetree. Temporary shall mean 60 days or less in any period of 12 consecutive months.

Caregivers suitable for 55+ age care are allowed. Persons under 21 years of age residing with an Owner will be presumed not to be caregivers unless evidence to the contrary is provided to the Board by the Owner.

The Board may grant exceptions to prevent undue hardship under Section E.8.

If a dwelling has residents both 55+ and under 55, and the 55+ year-old resident(s) is or intends to be absent from the dwelling for six months or more in a period of 12 consecutive months, during which time the under-55 resident(s) will continue to reside in the dwelling, the Board may require the 55+ resident(s) to provide proof that the Grapetree dwelling remains his/her/their primary residence.

"Split residency" is not permitted. No person will be counted as occupying more than one residence within Grapetree. Spouses and/or registered domestic partners will be treated as both occupying the same residence.

E.4. Occupancy

1. By law, at least eighty percent (80%) of the occupied dwellings must be occupied by at least one person 55 years of age or older at all times. Grapetree requires that every occupied dwelling have at least one 55+ occupant at all times unless a hardship exception has been

granted. A dwelling shall be considered to be occupied by one person 55 years of age or older if:

- A. At least one occupant of the dwelling is 55 years of age or older; or,
 - B. If the dwelling is temporarily vacant, at least one of the occupants immediately prior to the date on which the dwelling was temporarily vacated was 55 years of age or older
2. Transfers by Sale. To ensure compliance with Grapetree's age restrictions when sales occur, prior to any sale of any Building Lot improved with a dwelling, or of any Building Lot upon which the buyer intends to cause a dwelling to be built, the seller shall:

A. Prior to advertising the dwelling or Building Lot for sale, or listing the dwelling or Building Lot with a real estate broker, the seller shall complete and submit to the Association and the management company for the Association a Notice of Intent to Sell in the form attached hereto as Exhibit "A."

B. Deliver to the seller's real estate broker a copy of the Notice to Broker and Buyer attached hereto as Exhibit "B," and instruct the broker to deliver a copy of said notice to any prospective buyer. If the seller is not using a real estate broker, the seller shall personally deliver to any prospective buyer a copy of the Notice to Broker and Buyer, not later than the date a written offer is made by either seller or buyer. The seller shall obtain the signature of the broker or buyer on a copy of the Notice to Broker and Buyer as confirmation of receipt, and shall promptly submit the signed copy to the management company.

C. Prior to the closing of the sale:

- (1) submit to the closing agent, if any, a letter in the form attached hereto as Exhibit "C" as supplemental closing instructions;
- (2) provide to the Board the certification of the buyer of the Building Lot in the form attached hereto as Exhibit "D." If the buyer cannot so certify, or will not execute the certification, then the seller shall not transfer the Building Lot to the buyer.

If the Board does not receive the certification of the buyer prior to closing, or if the buyer's certification does not demonstrate that the buyer's purchase will result in occupancy by at least one 55+ person, the Association will take action to prevent the sale from closing, or to prevent the buyer from occupying the dwelling or allowing occupancy by others if action cannot be taken in time to prevent closing.

D. If the Building Lot is listed with a real estate broker, provide to the Board the name, address, telephone number and email address of the listing broker within 72 hours after signing the listing agreement. The Board will cause notification of the buyer certification requirement to be transmitted to the listing broker. If the real estate broker was named in the Notice of Intent to Sell, duplicative notice is not required.

E. Include in any written agreement with the buyer of the Building Lot the provision set forth in Section E.7, below.

F. The requirements of this Section E.4 do not apply to the sale of a Building Lot being sold to a developer or builder for construction of a spec dwelling. However, these requirements do apply to any sale by a builder or developer selling a Building Lot to a buyer who intends to occupy the Building Lot after construction of a dwelling on such Building Lot, whether or not the builder or developer will be constructing the dwelling. Furthermore, the advertising requirements described in Section E.5, below, apply to all Building Lots and all sellers.

3. Other Voluntary Transfers. To ensure compliance with Grapetree's age restrictions when voluntary transfers occur other than by sale, including without limitation gifts and inheritance, the transferor and transferee shall complete and submit to the Association and the management company for the Association a completed and fully signed Non-Sale Transfer Notice and Acknowledgement in the form attached hereto as Exhibit "E." If the Board does not receive a completed and fully signed Non-Sale Transfer Notice and Acknowledgement prior to the transfer, or if the transferee's certification does not demonstrate that the transferee's ownership will result in occupancy by at least one 55+ person, the transferor shall not make the transfer. If the transferor nonetheless makes the transfer, the Association may take action to prevent the transferee from occupying the dwelling or allowing occupancy by others, as the case may be.

E.5. Public Posting and Advertisement (CC&R Section 7.2.1)

1. There shall be at least one public posting prominently displayed in common areas describing Grapetree as housing for persons 55 years of age or older.

2. All advertisements for the sale or display of the dwellings and Building Lots in Grapetree, including listings in any multiple listing service, shall clearly state that the dwelling and/or Building Lot is located within Grapetree and shall describe Grapetree as "housing for persons 55 years of age or older." Phrases such as adult living, adult community, or other similar phrases are strictly prohibited from use in the description of Grapetree and the dwellings and Building Lots therein.

3. All prospective purchasers and residents shall be advised in writing that the housing is for persons 55 years of age or older and that residency by persons under 21 years of age is prohibited, except temporarily.

4. These Rules shall be available to all occupants.

5. Fines.

A. Failure to include appropriate language in marketing materials including but not limited to brochures, newspaper advertising, internet advertising, multiple listing service listings, and open houses will be subject to fines. The fine schedule is as follows:

- (1) First offense: \$50.00. A first offense is only applicable to the first fine levied against a particular Owner for violation of these advertising rules; all subsequent violations by the same Owner will begin at \$100.00.
- (2) If not corrected within 48 hours an additional fine of \$100.00 will be levied.
- (3) Further fines of \$100.00 per day will be levied if materials are not corrected to comply with these rules.

B. It is the responsibility of the Owner to ensure compliance with this requirement by any party advertising the dwelling/Building Lot, and any fines will be assessed against the Owner. An Owner may not avoid a fine on the grounds that the violation was committed by a real estate broker or other third party with whom the Owner has contracted.

C. Unpaid fines will be subject to interest and enforcement as described in Section D.1, except: a Notice of Lien and foreclosure, litigation and/or collection may occur at any time after a fine is more than 60 days past due, in the discretion of the Board; and, fines will accrue interest at 12% per annum after one month, but not late fees.

E.6. Age Verification (CC&R Section 7.2.2)

1. As required by HUD regulations, at least once every two years, but not more often than annually, the Homeowners Association and/or management firm shall conduct a survey of all residents of dwellings to ensure compliance with the requirements set forth in Section E.3 above.

A. As part of the survey, the Homeowners Association shall require that all occupants of dwellings provide verification of the age of the occupants upon request by producing any of the following:

- (1) Drivers license
- (2) Birth certificate
- (3) Passport
- (4) Immigration Card
- (5) Military Identification
- (6) Any other state, local, national, or international official document containing a birth date of comparable reliability
- (7) A certification in an application, affidavit or other document asserting that at least one resident of the dwelling is 55 years of age or older

B. In the event a member of a dwelling refuses to comply with age verification, the Homeowners Association may consider the dwelling to be occupied by at least one person 55 years of age or older if there is sufficient evidence to support this conclusion. Such evidence may include:

- (1) Government Records or documents such as local household census
- (2) Prior Forms or Applications
- (3) A statement from an individual who has personal knowledge of the age of the occupants. The individual's statement must set forth the basis for the knowledge and be signed under the penalty of perjury.

2. The Homeowners Association shall maintain a complete record of reliable surveys conducted and a summary of such survey shall be made available for inspection upon request.

E.7. Purchase Agreements

Every purchase agreement entered into after the effective date of these Rules and Regulations for any dwelling, or for any Building Lot upon which the buyer intends to cause a dwelling to be constructed for the buyer's occupancy, shall contain a provision in substantially the following form, which may be in an addendum to such purchase agreement so long as signature lines for the buyer and seller appear below the provision, together with a copy of the Buyer 55+ Occupancy Certification attached hereto as Exhibit "D":

By signing this agreement, buyer/purchaser acknowledges that the subject property is within Grapetree, which is housing for persons 55 years of age or older. Sales that will not result in at least one occupant of the subject property who is at least 55 years of age are prohibited. The undersigned buyer/purchaser hereby represents and warrants that: 1) I have personal knowledge of the ages of the persons who will occupy the subject property after closing under this Agreement; and, 2) at least one of those persons will be 55 years of age or older on the date of closing. Seller's obligation to close under this Agreement is contingent upon buyer/purchaser's execution of a Buyer 55+ Occupancy

Certification in the form attached hereto as Exhibit "D." The foregoing contingency may be satisfied by buyer/purchaser's execution and delivery of the attached Buyer 55+ Occupancy Certification at any time prior to closing, but under no circumstances may seller waive such contingency. Touchmark at Grapetree Homeowners Association is an intended third-party beneficiary of this Agreement to the extent of seller's rights under this provision.

E.8. Exception

1. The Board may grant to an Owner a one-time waiver of the requirement that at least one resident in each dwelling on each Building Lot be 55+, if:

A. Either:

- i. The Owner was a co-owner of the Building Lot with a 55+ spouse, registered domestic partner, or co-occupant prior to the event that caused the 55+ spouse, registered domestic partner, or co-occupant to no longer reside in the dwelling on such Building Lot, and said dwelling was the Owner's primary residence prior to the

event described in the foregoing paragraph and has been such Owner's primary residence at all time since;

OR

ii. The Owner inherited the Building Lot, is of an age deemed suitable by the Board in its sole discretion, certifies that such Owner's household does not and will not include any person under the age of 21 years, and desires to make the dwelling on such Building Lot the Owner's primary residence;

AND

B. The Owner makes written application to the Board;

C. The Board determines that a hardship exists due to circumstances beyond the control of the Owner, that the Owner would suffer serious harm by virtue of said requirement, or that other good cause exists to grant an exception; and,

D. The Board further determines that a variance from said requirement would not detrimentally affect the other Owners, including without limitation, by causing Grapetree to fail to meet the minimum 80% 55+ occupancy requirement.

If all of the foregoing requirements are met, the Board may, in its discretion, grant the applying Owner written permission to occupy or continue occupying the dwelling, as the case may be, without occupancy by at least one 55+ person. In considering an application for hardship exception, in addition to other factors, the Board may consider real estate market conditions and the potential impact of an under-55 household on Grapetree. A dwelling having been on the market for an extended period will not, by itself, qualify as a hardship hereunder. The decision on an exception application is in the Board's sole discretion, and under no circumstances may the Board or the Association be compelled to grant an exception.

2. Any exception granted by the Board under this Section E.8 is a one-time, personal exception; that is, the exception may not be transferred to any other owner or occupant. After the granting of an exception, if the dwelling ceases to be the Owner's primary residence for any reason, the dwelling may not be occupied again without at least one 55+ resident unless another exception is granted by the Board pursuant to another exception application. If an Owner who has been granted an exception sells the Owner's Building Lot and dwelling, the buyer thereof is not exempt from any aspect of the 55+ Rules. The granting of an exception does not relieve an Owner of the advertising requirements or any other aspect of these 55+ Rules not explicitly described in this paragraph. The Board may require an Owner to sign an instrument acknowledging these limitations to an exception as a condition to granting an exception.

E.9. Statement of the Law and Intent

The Fair Housing Act (the "Act"), Title VIII of the Civil Rights Act, exempts "housing for older persons" from the Act's prohibition against discrimination because of familial status. Section 807(b)(2)(C) of the Act exempts housing intended and operated for occupancy by persons 55

Rules & Regulations as Amended Final
September 18, 2020

Unanimously Adopted by the Grapetree Homeowners Association Board of Directors on
September 18, 2020

<u>Bill Hansen</u>	<u>9/18/2020</u>
Secretary	Date