

AMENDMENT TO DECLARATION
OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CAMPUS HIGHLANDS

WHEREAS, a certain Declaration of Protective Covenants, Conditions, and Restrictions for Campus Highlands was recorded on February 22, 1989, under Recording No. 8902220509, in the records of King County, State of Washington, for the purpose of protecting the value and desirability of the planned unit development known as Campus Highlands; and

WHEREAS, said Declaration has been amended by instruments recorded in the records of King County, State of Washington on March 3, 1989, under Recording No. 8903031070, on September 8, 1989, under Recording No. 8909081089, on March 9, 1990, under Recording No. 9003091390, on July 22, 1991, under Recording No. 9107221353, and on July 22, 1991, under Recording No. 9107221364; and

WHEREAS, said Declaration consists of covenants running with the real property, and any and all portions thereof, which is sometimes referred to as the Properties and which is legally described as follows:

Lots 25 through 77, Campus Highlands - Division 1, as recorded in Volume 144 of Plats, pages 51 through 58, inclusive, records of King County, Washington; and

Lots 1 through 60, Campus Highlands - Division 2, as recorded in Volume 147 of Plats, pages 82 through 86, records of King County, Washington; and

Lots 25 through 28, Campus Highlands - Division 3, as recorded in Volume 150 of Plats, pages 67 through 71, inclusive, records of King County, Washington; and

Lots 1 through 86, Campus Highlands - Division 4, as recorded in Volume 154 of Plats, pages 23 through 28, inclusive, records of King County, Washington; and

Lots 21 through 89, Campus Highlands - Division 5, as recorded in Volume 156 of Plats, pages 94 through 100, inclusive, records of King County, Washington;

WHEREAS, pursuant to Article Nineteen, Section Three, of the Declaration, the Declaration may be amended by the vote of sixty seven percent (67%) of the Owners;

NOW THEREFORE, the President and the Secretary of Campus Highlands Homeowners Association certify that the Declaration has been amended in the following particulars:

A. *The following Sections are added to Article One of the Declaration:*

11. "Articles" means and refers to the articles of incorporation of the Association filed with the Secretary of State of the State of Washington, as they may be amended from time to time.

12. "Assessment" means and refers to all sums chargeable by the Association against a Lot, including without limitation regular and special assessments, fines imposed by the Association, interest and late charges on any delinquent account, costs of collection, including reasonable attorney's fees, incurred by the Association in connection with the collection of a delinquent Owner's account, costs, including reasonable attorney's fees, incurred in connection with the enforcement of the Governing Documents, and all other sums payable by an Owner to the Association pursuant to the Governing Documents, unless the context clearly indicates otherwise.

13. "Community Wide Standard" means and refers to a standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. The Board shall have the power and discretion to determine the existence, nature and extent of a Community Wide Standard.

14. "Governing Documents" means and refers to the Declaration, the Articles, the Bylaws, and the Rules and Regulations of the Association adopted pursuant to the Declaration and Bylaws, as the same may be lawfully amended and/or adopted from time to time.

15. "Improvement" means and refers to any building, outbuilding, garage, wall, carport, fence, sign, apparatus, and any other structure or projection from a structure, of any kind, whether of a temporary or permanent nature, and any landscaping, placed or to be placed on or about a Lot, including any grading, excavation, tree removal or other site work related to any of the foregoing.

16. "Maintenance Violation" means and refers to a failure by an Owner or Resident to perform any Maintenance Work ordered by the Board or a Violation of any of the provisions of Article Seven, Section Two of the Declaration which may be determined after notice and an opportunity for a hearing to constitute a Maintenance Violation.

17. "Maintenance Work" means and refers to the landscaping, gardening, maintenance and repair of any Lot and any Improvement thereon.

18. "Majority" or "Majority of Owners" means and refers to Owners of more than fifty percent (50%) of the Lots in the Properties.

19. "Renting" or "Leasing" a Lot means the granting of a right to use or occupy a Lot, for a specified term or indefinite term (with rent reserved on a periodic basis), in exchange for the payment of rent (that is, money, property or other goods or services of value); but does not mean and include joint ownership of a Lot by means of joint tenancy, tenancy-in-common or other forms of co-ownership.

20. "Resident" means and refers to any Owner, Tenant or other person who co-occupies a Lot with an Owner or Tenant or occupies or uses a Lot by, through or under an Owner or Tenant.

21. "Rules and Regulations" means and refers to the rules and regulations adopted by the Board or adopted by a Majority of Owners as provided in Article Fifteen of the Declaration.

22. "Tenant" means and refers to a tenant, lessee, renter or other non-owner occupant of a Lot who does not co-occupy the Lot with an Owner.

23. "Violation" means and refers to any default by an Owner, Tenant, or other Resident under the Governing Documents, and any failure of an Owner, Tenant or other Resident to comply with any requirement or restriction of the Governing Documents or a decision of the Board adopted pursuant to the Governing Documents, including a decision made after any hearing required or permitted under the Declaration.

B. Article Fifteen of the Declaration is hereby deleted and the following new Article Fifteen is substituted in its place:

ARTICLE FIFTEEN

Rules and Regulations Section One; Adoption of Rules and Regulations.

The Association membership by the affirmative vote of a majority of Owners, or the Board, at a duly called regular or special meeting, may from time to time adopt reasonable Rules and Regulations necessary or desirable to ensure compliance with or supplement the covenants, conditions and restrictions of the Declaration, to set or codify Community Wide Standards, to administer the Association, or to regulate the use, occupancy and maintenance of the Lots and the Common Area for the common good of the Lot Owners, and to promote the comfortable use and enjoyment of the Properties and the welfare of the Owners and Residents. A Rule submitted to the

Owners for adoption may be proposed by (1) by the Board, or (2) by written request signed by Thirty Percent (30%) of the Lot Owners. The text of any Rule proposed for adoption at an Owners' meeting shall be included in the notice of the meeting. When adopted, the Rules and Regulations shall be binding upon all Lot Owners and Residents of the Properties.

Section Two: Amendment of Rules and Regulations.

The Board or Lot Owners may from time to time amend any Rules and Regulations in the same manner as is provided for adoption; provided, however, that the Board shall not have the power: (1) to amend any Rule or Regulation adopted by the membership in a manner inconsistent with the action of the membership; or (2) to adopt any Rule or Regulation which has been defeated by the vote of a Majority of Owners; or (3) to adopt any Rule or Regulation which is inconsistent with a Rule or Regulation adopted by a Majority of Owners.

Section Three: Distribution of Rules and Regulations.

The Rules and Regulations shall be stated in writing and shall be made available to each Lot Owner, Tenant, Resident, Lender or other party having a legitimate interest in them, upon request to the Secretary or Manager of the Association. The Association may charge a reasonable fee for the cost of complying with the request.

C. Article Sixteen of the Declaration is hereby deleted and the following new Article Sixteen is substituted in its place:

ARTICLE SIXTEEN COMPLIANCE WITH DECLARATION

Section One: Strict Compliance.

Each person who occupies a Lot within the Properties as an Owner, a Tenant, or a Resident, shall comply strictly with the provisions of the Governing Documents and with all decisions of the Board (referred to in the Declaration as "Board Decisions") adopted pursuant to the Governing Documents, including a decision made after a hearing required under the Declaration. The acceptance of a deed, conveyance, or lease, or the entering into occupancy of any Lot shall constitute an agreement that the provisions of the Governing Documents, as they may be amended from time to time, are accepted and ratified by that Owner, Tenant or Resident and all provisions of the Governing Documents shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in the Lot, as though the provisions were recited and stipulated at length in each and every deed, conveyance or lease of the Lot.

Section Two: Failure to Insist on Strict Performance No Waiver.

The failure of the Board or Manager in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of the Governing Documents, or to exercise any right or option contained in the Governing Documents, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of that term, covenant, condition or restriction, but the term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board or Manager of any Assessment from an Owner with knowledge of any breach shall not be deemed a waiver of a breach, and no waiver by the Board of any provision of the Governing Documents shall be deemed to have been made unless expressed in writing and signed by the appropriate officers on behalf of the Board.

Section Three: Enforcement Procedures.

In the event of any Violation by an Owner, Tenant, or other Resident, including a Maintenance Violation, the Association shall have all of the rights and remedies which may be provided for in the Governing Documents, or which may be available at law or in equity.

Section Four: Internal Enforcement Procedures.

16.4.1 Hearing Board. There is hereby constituted a Hearing Board which is authorized and empowered, pursuant to procedures set forth in Article Sixteen, Section Four, to investigate, hear and determine all complaints concerning Violations by any Owner, Tenant, or other Resident and to order compliance with the applicable provision of the Governing Documents or Board Decision. The Hearing Board shall be comprised of the members of the Board of Directors of the Association. In addition, two (2) alternates shall be selected from among the members of the Association by the Board each year to serve on the Hearing Board in the event of the temporary absence or disqualification of a member of the Hearing Board. Any member of the Board who is incapable of impartial, disinterested and objective consideration of the case shall disclose this to the Board and shall remove himself or herself from participation in the proceedings and have it so recorded in the minutes. By a majority vote of the entire Board, the Board may decide to have a complaint pursuant to this Article heard by a Temporary Hearing Board, the composition of which shall be determined by the Board. The Temporary Hearing Board may be composed of three homeowners designated by the Board. The Temporary Hearing Board may include one or more members of the Board of Directors, and one or both of the alternate members of the Hearing Board. In the alternative, in the discretion of the Board, the Temporary Hearing Board may be comprised of an outside arbitrator designated in accordance with the real estate arbitration rules of the American Arbitration Association or the rules of any master association or non-profit corporation established for the purpose of community association dispute resolution. For all purposes, the powers and the duties of a Temporary Hearing Board shall be identical to those of the Hearing Board in connection with any matter referred to it by the Board.

16.4.2 Authority. The Hearing Board is authorized and empowered to investigate, hear and determine all complaints concerning Violations, and to order compliance with the applicable provisions of the Governing Documents, or with a Board Decision. The Hearing Board is further authorized and empowered to levy and impose a reasonable fine, in an amount not to exceed the maximum rate established by resolution of the Board, against any person whom it finds to have committed a Violation, and to require the non-prevailing party to reimburse the Association and any other prevailing party for its costs, including reasonable attorney's fees, incurred in connection with the Violation. The Hearing Board may order the Respondents to take such action as the Hearing Board shall deem necessary and appropriate to remedy or abate the Violation. If the Respondents fail to take any action ordered by the Hearing Board to remedy the Violation within such reasonable time period as is designated in the order, the Association or its authorized agents shall then have the right to enter upon the Owner's Lot to perform any acts for the purpose of remedying or abating the matter set forth in the notice. This shall include removing any vehicle, or other item improperly parked, kept or stored on the Lot or other portion of the Properties in violation of any of the provisions of the Governing Documents and placing such item or items in storage at the Owner's cost and risk. Neither the Association nor its agents shall be liable for trespass in connection with any action taken pursuant to this Section. Fines and costs levied under this Article Sixteen, Section Four, including without limitation the costs to the Association of remedying any Violation, shall constitute special Assessments which shall be the personal obligation of the Respondents against whom they are assessed, shall be secured by a lien upon any Lot belonging to or occupied by such person, and shall be collectable in the manner provided for in Article Nine of this Declaration.

16.4.3 Notice of Violation. Without limitation on any other remedy which the Association may have in the case of a Violation, the Association, or an Owner by

written complaint to the Association, may invoke the internal, non-judicial enforcement procedure specified in Article Sixteen, Section Four. In connection therewith, the Association shall notify the Owner of any Lot involved and any Tenant or other Resident who is also believed to be responsible for the Violation (collectively referred to in the Declaration as "Respondents") in writing of the specific Violation(s), which notice shall state that the Respondents have the right to a hearing before the Hearing Board with regard to the matters of non-compliance set forth in the notice. The notice may state that from and after a specified date subsequent to the date of the hearing provided for in the notice, the Board or its authorized agents may enter upon the Owner's Lot for the purpose of remedying or abating a Maintenance Violation or for the purpose of removing any vehicle, or other items improperly parked, kept or stored on the Lot or other portion of the Properties in violation of any of the provisions of the Governing Documents and placing such item or items in storage at the Owner's cost and risk.

16.4.4 Default. If the Respondents fail to remedy the Violation within seven (7) days after receipt of the notice (or within any greater time period specified in the notice), or, in the alternative, fail to deliver written notice to the Hearing Board, within seven (7) days from receipt of the notice, requesting a hearing before the Hearing Board with regard to the Violation set forth in the notice, the Hearing Board may render a decision in the matter specifying any appropriate remedies which the Hearing Board would be authorized by Paragraph 16.4.2 to impose after a hearing on the matter.

16.4.5 Conduct of Hearing. If the Respondents request a hearing before the Hearing Board, the Hearing Board shall schedule a hearing and shall provide the Respondents with at least seven (7) days written notice as to the date, time and place thereof. The hearing shall be conducted informally under the control of the president of the Association, or a chairman designated by a Temporary Hearing Board which does not include the president. At the hearing the Respondents will have an opportunity to discuss with the Hearing Board the merits of the claims set forth in the Association's original notice of Violation. Any other person having information bearing on whether or not a Violation exists or has been committed may also present that information to the Hearing Board.

16.4.6 Decision of Hearing Board. The Hearing Board shall determine whether or not a Violation has taken place, what action, if any, need be taken by the Owner or other Respondents to remedy the Violation, and the time within which it must be accomplished. The Hearing Board shall also determine what fine, if any, should be levied against some or all of the Respondents on account of the past Violation, and what fine, if any, should be levied against some or all of the Respondents for a continuing failure to remedy the Violation after the date set by the Hearing Board therefor. The decision may also order any other remedies authorized by Section 16.4.2 which the Hearing Board deems appropriate. The decision of a majority of the members of the Hearing Board present at the time of the hearing will be binding upon the Association and the Owner. The decision of the Hearing Board shall be in writing and shall be mailed or delivered to the Respondents within a reasonable time after the hearing.

16.4.7 Developer Exemption. Notwithstanding anything to the contrary in this Article Sixteen, Section Four, the authority of the Hearing Board shall not apply to any Violation by the Developer, as that term is defined in Article One, Section 4 of the Declaration.

Section Five: Judicial Enforcement.

Failure to comply with a provision of the Governing Documents or a Board Decision shall be grounds for an action to recover sums due for damages, which shall include any fines and costs levied by the Hearing Board as provided in Section Article Sixteen, Section Four, and any costs incurred by the Association in connection with the proceedings before the Hearing Board. Such action shall be maintainable by the

Association (acting through the Board) on behalf of the Owners. Such Violation shall further be sufficient grounds for the issuance of injunctive relief in such an action. Nothing contained in the Declaration shall be deemed or construed as a waiver of the Association's right to bring a judicial action without first exhausting the Association's internal enforcement procedures in cases where the Board deems immediate judicial action to be necessary or appropriate. In the event that the Board fails or refuses, after demand by an aggrieved Owner, to take appropriate action to enforce compliance with any provision of the Governing Documents or any Board Decision, an aggrieved Owner on his or her own may maintain an action for damages or injunctive relief against the party (including an Owner or the Association) failing to comply. In any judicial action to enforce compliance with the Governing Documents or a Board Decision, the prevailing party, including the Association, shall be entitled to recover from the non-prevailing party, whether or not the action proceeds to judgment, its costs and a reasonable sum for attorney's fees incurred in connection with the action, in addition to taxable costs permitted by law.

Section Six: Enforcement Against Tenants and Residents.

The occupancy of a Lot by a Tenant and every Lease shall be subject to the Governing Documents of the Association. By entering into occupancy of a Lot a Tenant agrees to be bound by the Governing Documents. A breach of the Governing Documents by a Tenant shall be deemed to be a breach of his or her Lease. In the event of a Violation by a Tenant or other non-Owner Resident, then, in addition to all other remedies which it may have, the Board shall notify the Owner, and the Tenant or other Resident, of the Violation and demand that they be remedied through the Owner's efforts within twenty (20) days' after the notice. Said notice shall contain the particulars of the Violations, the name and address of any witness thereto, and the written statement of each witness. The Owner shall, within five (5) days of such notice, serve upon the Tenant in the manner provided by law, a notice to comply or quit. If the Violation is not remedied within the twenty (20) day period, then the Owner shall immediately thereafter, at his or her own cost and expense, institute and diligently prosecute an unlawful detainer action under the Washington Residential Landlord Tenant Act or any successor statute on account of the Violation(s). The unlawful detainer action shall not be compromised or settled without the prior written approval of the Board. In the event that the Owner fails to fulfill the foregoing obligation, then the Board shall have the right, but not the duty, to institute and prosecute an unlawful detainer action as attorney-in-fact for the Owner and at the Owner's sole cost and expense, including all legal fees incurred. The costs and expenses of the action shall be deemed to constitute Assessments secured by a lien on the Lot involved as well as the personal obligation of the Owner, and collection thereof may be enforced by the Board in the manner described in Article Nine of the Declaration. Each and every Owner does hereby automatically and irrevocably name, constitute, appoint and confirm the Association as his or her attorney-in-fact for the purposes described in this section.

*D. This Amendment to the Declaration shall take effect upon recording. The terms of this Amendment to the Declaration*shall control over and implicitly amend any inconsistent provision of the Declaration or the Bylaws of the Association. Except as amended by this instrument, the Declaration shall remain in full force and effect.*