

***DECLARATION OF PROTECTIVE
COVENANTS, CONDITIONS & RESTRICTIONS***

CAMPUS HIGHLANDS

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Campus Highlands Division I

THIS INDENTURE AND DECLARATION running with the land, initially made this 21 day of February 1989, by THE QUADRANT CORPORATION, a Washington corporation ("Declarant"),

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, Declarant is the owner in fee of certain real property (the "Real Property") legally described as:

and the Declarant hereby covenants, agrees and declares that all of said properties and Housing units constructed thereon are and will be held, sold and conveyed subject to the following covenants, conditions, restrictions, easements and reservations, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of said Properties for the benefit of all of Properties and the owners thereof and their heirs, successors and assigns. These covenants, conditions, restrictions, easements and reservations are negative easements which shall run with the Real Property and shall be binding on all parties having or acquiring any right, title or interest

in the Real Property or any part thereof, and shall inure to the benefit of each owner thereof and shall survive and continue to run with the Real Property and not be discharged by a sale of the Real Property or any portion thereof in the manner described in RCW 84.64.460. Acceptance of an interest in a Lot or a Housing Unit and Lot shall be deemed acceptance of the terms and provisions of this Declaration.

The Developer is also the owner or may become the owner of certain real property which is adjacent to the Real Property described above. Said adjacent real property, or a portion thereof, may be subjected to the terms and provisions of this Declaration of Protective Covenants, Conditions and Restrictions at the option of the developer as hereinafter provided,

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

NOW, THEREFORE, Declarant hereby declares as follows:

Article One - Definitions

For purposed of the Declaration and the Articles and Bylaws of the Association certain words and phrases have particular meanings which are as follows:

1. "Association" shall mean Campus Highlands Homeowners Association, a Washington nonprofit corporation, its successors and assigns.
2. "Common Areas" shall mean those portions of the "Properties" owned or to be owned by the Association for the common use and enjoyment of Association Members.
3. "Declaration" shall mean this Declaration of Protective Covenants, Conditions and Restrictions.
4. "Developer" shall mean The Quadrant Corporation, or a person or entity to which they assign their rights as Developer.
5. "Housing Unit" shall mean the buildings occupying a Lot.
6. "Lot" shall initially refer to one of Lots 25 through 77, Plat of Campus Highlands - Division I as described herein. At such time as additional adjacent real property may be subjected to the Declaration, "Lot" shall include those lots shown on and included in the plat of said additional property.
7. "Member" shall mean every person or entity that holds a membership in the Association.
8. "Owner" shall mean the record owner of a Lot, whether one or more persons or entities, but excluding those having such interest merely as security. A real estate contract purchaser shall be deemed the Owner.
9. "Properties" shall initially mean the Real Property. If additional adjacent real property is subjected to the Declaration, "Properties" shall mean the real property described in the plats of both Division I and the plat or plats of said additional adjacent real property.
10. "Institutional First Mortgagee" shall mean a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company or state or federal agency which holds a first mortgage or deed of trust against a lot or housing unit thereon.

Article Two - Phased Development

Section One:

Initially only Real Property described herein shall be subjected to the Declaration. The Developer hereby reserves for itself, its successors or assigns, the right to subject said additional adjacent real property to the terms and provisions of this Declaration, grant to the Owners of Lots located on said adjacent real property, after it is subjected to the Declaration, all of the rights and benefits to which Members of the Association are entitled, and the owners of Lots located on the Real Property hereby covenant and agree to burden the Real Property and adjacent real property with all of the duties, responsibilities, costs and expenses related to the management, (Administration, maintenance and improvement of the Common Areas and Such additional Common Areas which are included in the adjacent property. The Developer hereby reserves for itself, its successors or assigns, the right to develop said additional adjacent property without C\f subjecting it to the terms and provisions of the Declaration.

Section Two:

Until said additional adjacent real property shall be subjected to the Declaration, said property shall not be subject to the terms and provisions of this Declaration. This Declaration shall not give the Association or any Lot Owners any rights in said adjacent real property until it is subjected to the Declaration. At such time as the said adjacent real property shall be subjected to the terms and provisions of this Declaration, said adjacent real property shall become part of the Properties and Lot Owners shall automatically become members of the Association and shall be entitled to all of the rights and benefits and subject to all of the obligations of the Members of the Association. All Common Areas in the adjacent property shall likewise become the property of the Association and shall be managed, administered, maintained and improved in the same manner as all common areas of the Association, and all members shall be assessed for the costs of such Common Areas in the adjacent property in the same manner as all other Common Areas of the Real Property.

Section Three:

Any such additional adjacent real property shall be deemed added hereto by the filing for record of an amendment to this Declaration so stating together with a plat of the phase to be added.

Article Three - Management of Common Areas and Enforcement of Protective Covenants, Conditions and Restrictions

Section One:

The community areas by this instrument are dedicated to the Association as the owner thereof. However, during the development period, the Association and the community area shall, for all purposes, be under the management and administration of the developer.

a. The development period for the Real Property shall be that period of time from the date of recording of this Declaration until 120 days after the date upon which 75% of the lots in Division I have been sold by the Developer or any shorter period, as determined by the Developer, but no longer than a period ending five (5) years from the recording of this Declaration.

b. If the Developer adds additional adjacent real property to this Declaration, the development period for each additional adjacent property added shall run from the date of recording of the final plat for the additional parcel until 120 days after this date upon which 75% of the lots in that parcel have been sold by the developer or any shorter period as determined by the developer but no longer than a period ending five (5) years from the date of recording of the final plat approval for that additional land.

Section Two:

Developer may, at its option and at such time as Developer deems appropriate, select a temporary board of three (3) to five (5) persons who own, or are purchasers of lots. This temporary board shall have the full authority and all rights, responsibilities, privileges, and duties to manage the Association under this Declaration and By-Laws, and shall be subject to all provisions of the Declaration and By-Laws, provided, that after selecting any such temporary board, the Developer in the exercise of its sole discretion, may at any time terminate such temporary board and resume its management authority or select a new temporary board.

Section Three:

These requirements and covenants are made in order to ensure that the properties and the Association will be adequately administered in the initial phases of development, and to ensure an orderly transition of association operations.

Section Four:

At the expiration of Developer's management authority during the development period, the Association shall have the sole authority and obligation to manage and minister the common areas and to enforce these covenants, conditions and restrictions. Such authority shall include all authority provided for in the Association's Articles, By-Laws, rules and regulations, as initially adopted, or as the same may hereafter be amended, and all the authority granted to the Association by this Declaration, either directly or by necessary implication.

Section Five:

Developer may, at its option and at such time as Developer deems appropriate, select a temporary Transportation Coordinator who shall have the full authority and all rights, responsibilities, privileges and duties to perform the duties of the Transportation Coordinator as outlined in the Articles and Bylaws of the Association, and which are assigned by Metro from time-to-time, provided, that after selecting such temporary Transportation Coordinator, the Developer, in exercise of its sole discretion, may at any time terminate such Transportation Coordinator and resume the responsibilities of Transportation Coordinator during the period which precedes management and administration of the Association by the Lot Owners,

Article Four - Membership

Every person or entity who is an Owner of any Lot shall become a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. All Members shall have rights and duties as specified in this Declaration, and in the Articles and Bylaws of the Association.

Article Five - Voting Rights

Members shall be entitled to one vote for each Lot owned. When more than one person or entity owns an interest in any Lot, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. The voting rights of any Member may be suspended as provided in the Declaration, or the Articles or Bylaws of the Association.

Article Six - Property Rights in Common Areas

Every Member shall have a right, easement of enjoyment in and to, and an easement for ingress and egress over and upon the Common Areas owned by the Association, which rights and easements shall be appurtenant to and shall pass with the title to every Lot, subject to the following restrictions:

- (a) The right of the Association to limit the number of guests of Members, and to adopt rules and regulations;
- (b) The right of the Association to exclusive use and management of said Common Areas for utilities such as pipes, wires, conduits, and other utility equipment, supplies and material;
- (c) The rights reserved to the Developer in the Declaration?
- (d) The other restrictions, limitations and reservations contained or provided for in the Declaration and the Articles and Bylaws of the Association.

Article Seven - Maintenance and Common Expenses

Section One:

The Association shall maintain the Common areas owned by it.

Section Two:

Each Lot Owner hereby covenants and agrees to maintain his respective Lot and the Housing Unit located thereon in the same condition as a reasonably prudent homeowner would maintain his own home so that the Real Property will reflect a high pride of ownership. All Lots have recorded easements two and one-half feet on either side of all side Lot lines and seven feet on either side of all rear Lot lines for drainage as well as utilities, and each Lot Owner shall perform the maintenance and upkeep of any drainage swales and/or underground drain lines and catch basins installed by the Developer on their Lot which are servicing the yard drainage needs on more than one Lot. If any Lot Owner shall fail to conduct maintenance on his Lot or the Housing Unit located thereon, or fails to maintain the Lot and Housing Unit in the same condition as a reasonably prudent homeowner, or in a manner which preserves the drainage for other Lots, the Association shall have the right to notify said Lot Owner in writing of the maintenance required. If said maintenance shall not be performed within (30) days of the date said notice is delivered to the non-performing Lot Owner, the Association shall have the right to provide such maintenance, and to levy an assessment against the non-performing Lot Owner and his Lot for the cost of providing said maintenance. Said assessment shall constitute a lien against the Lot owned by the non-performing Lot Owner and may be collected in the same manner as any other monthly or special assessment and, if not paid within thirty (30) days after said assessment is levied, the Association shall have all remedies for collection as provided in Article Nine of the Declaration.

Section Three:

Certain expenses shall be paid by the Association for the benefit of all Lot Owners and shall be referred to as Common Expenses. The Common Expenses shall be paid by the Association from funds collected from assessments paid by Lot Owners as hereinafter provided. The Common Expenses shall include, but shall not be limited to, the following:

- (a) The expense of maintaining the Common Areas;
- (b) The real property taxes upon the Common Areas;
- (c) The cost of maintaining all required insurance coverage on the Common Areas;
- (d) The cost of any repairs or replacement of the Common Areas;

- (e) Utility charges attributable to the Common Areas owned by the Association;
- (f) The cost of operating the recreational facilities;
- (g) The cost of maintaining entrance improvements, including, but not limited to, signs, lights, fences, walls, plantings and landscaping;
- (h) The cost of maintaining landscaped islands or medians;
- (i) Costs associated with establishing and coordinating a transportation management plan which educates the Lot Owners and encourages their use of transit and ride-sharing facilities; and
- (j) Any other expense which shall be designated as a Common Expense in the Declaration or from time to time by the Association.

Section Four:

Water service and street lighting service shall be furnished by Federal Way Water & Sewer District, or its successors and assigns, to all lots covered by this Declaration. All such lots shall benefit from street lighting service, directly or indirectly, and each Lot Owner shall be required to pay street lighting monthly service charges. Unpaid charges for street lighting and for water service shall be a lien upon any lot or lots for which such charges remain unpaid for a period of fifteen (15) days from the date billed, provided notice of intent to file a lien shall be given to the Lot Owner at least ten (10) days prior to the filing of such lien with the King County Records and Elections Office.

Article Eight - Assessments

Section One:

Each Lot shall be subject to monthly assessments or charges and certain special assessments in an amount to be determined by the Association,

Section Two:

The Board of Directors of the Association shall determine the amount of monthly assessment necessary to pay Common Expenses. The amount of monthly assessment may be increased or decreased periodically as may be necessary from time to time to provide properly for payment of the Common Expenses. The amount of such monthly assessments shall be equal for all Lots subject to said monthly and special assessments? except that the monthly assessment for Lots owned by Developer which do not have a completed residence thereon shall not exceed Five Dollars (\$5) per month. The Association shall create and maintain from regular monthly assessments a reserve fund for replacement of those common areas which can reasonably be expected to require maintenance or replacement,

Section Three:

The Association shall, upon written demand, furnish a certificate in writing setting forth whether the assessment on a specified Lot has been paid. A reasonable charge may be made for the issuance of the certificate.

Section Four:

In addition to the monthly assessments authorized above, the Association, by and through its Board of Directors, may levy, in any year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of facilities in the Common Areas, including the necessary fixtures and personal property related thereto, provided, however, Lots owned by the Developer which do not have a completed residence shall not be subject to special assessments and the Developer shall not be obligated to pay any special assessments. Assessments may be made based upon the estimated cost of such work, prior to the work's commencement, provided such estimate has been provided by a licensed contractor retained by the Board for the purpose of such estimate.

Section Five:

At such time as additional Lots are subject to assessment by virtue of having been subjected to these Protective Covenants, Conditions and Restrictions, the monthly assessment for all Lots subject to assessment shall be reduced so as to reflect a proportional reduction based on the increased total Lots obligated to contribute to the Association budget.

Article Nine - Collection of Assessments, Enforcement of Declaration, Attorney's Fees and Costs

Section One:

All assessments, together with interest hereon and cost of collection thereon, as herein provided, shall be a charge on the land and will be a continuing lien upon the Lot against which each such assessment is made. Said lien shall have all the incidents of a mortgage on real property. Each such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due.

Section two:

If any assessment is not paid within thirty (30) days after its due date, the assessment shall bear interest from said date at 18%, or, in the event that 18% exceeds the maximum amount of interest that can be charged by law, then the highest permissible rate as provided for the law. Each member hereby expressly vests in the Association, or its Agents, the right and power to bring all actions against each Member personally for the collection of such assessments as a debt and to enforce lien rights of the Association by all methods for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in like manner as a mortgage of real property, and such member hereby expressly grants to the Association the power of sale in connection with such liens. The liens provided for in this section shall be in favor of the Association, and shall be for the benefit of the Association. The Association shall have the power to bid at a foreclosure sale and to acquire, hold, lease mortgage and convey any Lot obtained by the Association. In the event the Association employs an attorney to enforce said liens, or the collection of any amounts due, or to enforce compliance with or specific performance of the Articles or By laws of the Association, rules or regulations adopted by the Association, or the provisions of the Declaration, the prevailing party in said action shall be entitled to the award of reasonable attorney's fees and costs incurred.

Section Three:

In the event any Member shall be in arrears, in the payment of the assessments due or shall be in default of the performance of any of the terms of the Articles and Bylaws of the Association, the rules or regulations adopted by the Association, or the Declaration for a period of thirty (30) days, said Member's right to vote shall be suspended and shall remain suspended until all CQ payments are brought current and all defaults remedied. In addition, the Association shall have such other remedies against such delinquent Members as may be provided in the Articles, Bylaws or Declaration.

Article Ten - Building, Use and Architectural Restrictions

Section One:

The Developer hereby reserves for itself, its successors and assigns, the right to exercise any and all powers and controls herein given to the Board of Directors or its authorized representative in this Article of the Declaration. Said reserved right shall automatically terminate when the Developer no longer owns any Lot, or at such earlier time as said reserved right is relinquished to the Board of Directors of the Association. Each Lot shall be subject to this reserved right and the Developer and each Owner shall take subject thereto.

Section Two:

Except as to construction, alteration, or improvements performed by the Developer, no construction activity of any type including clearing and grading, cutting or transplanting of natural vegetation may begin on a Lot or Common Area and no building, structure or other improvement shall be erected, placed or altered on any Lot or Common Area until, at a minimum, the building plans, specifications and plot plans showing the nature, kind, shape, height, materials, exterior color and location of such building, structure or other improvement have been submitted and approved in writing by the Board of Directors of the Association or its authorized representative as to harmony of exterior design and location in relation to and its effect upon surrounding structures and topography. The minimum finished square footage of any house shall not be less than 1,200 square feet of ground coverage and have a living area of not less than 1700 square feet unless approved by the Board of Directors of the Association or its authorized representative. Further, no fences, hedges or walls shall be erected or altered and no exterior changes of any kind shall be made to any building including, but not limited to, exterior color changes, additions or alterations until such written approval shall have been obtained.

If the Board of Directors or its authorized representative shall fail to notify the Owner of its action for a period of thirty (30) days following the date of the submission of the required items to the Board of Directors, or its authorized representative, the Owner may proceed with the proposed work notwithstanding the lack of written approval by the Board of Directors or its authorized representative.

Section Three:

No trailer, recreational vehicle, basement, tent, shack, garage, barn or other outbuilding or buildings or any structure of a temporary character erected or placed on the Properties shall at any time be used as living quarters except as hereinafter specifically authorized.

Section Four:

No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to other Lot Owners.

Section Five:

No animal, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except cats, dogs, birds or fish may be kept if they are not kept, bred or maintained for any commercial purpose, and they shall not be kept in numbers or under conditions reasonably objectionable in a closely built-up residential community. Animals shall not be allowed to roam loose outside the limits of any Lot on which they are kept.

Section Six:

No sign of any kind shall be displayed to public view on any Lot, except upon written approval of the Board of Directors, its authorized representative, or Developer as herein provided.

Section Seven:

The exterior of any building, structure or other improvement, including front yard landscaping, shall be completed within nine (9) months from the commencement of construction so as to present a finished appearance when viewed from any angle, and all construction materials and debris shall be removed,

Section Eight:

No unsightly conditions shall be permitted to exist on any Lot. unsightly conditions shall include, without limitation, laundry hanging or exposed in view for drying, litter, trash, junk or other debris; inappropriate, broken or damaged furniture or plants; non decorative gear, equipment, cans, bottles, ladders, trash barrels and other such items, and no awnings, air conditioning units, heat pumps or other projections shall be placed on the exterior walls of any Housing Unit unless prior written approval shall have been obtained as provided in the Declaration. Trash containers shall be properly screened and shielded from adjacent properties and roadways.

Section Nine:

No radio or television antenna or transmitting tower or satellite dish shall be erected.

Section Ten:

Except as hereinafter expressly provided, the Common Areas and/or streets located on the Properties shall not be used for the overnight parking of any vehicle other than private family automobiles; and no boat, boat trailer, house trailer, camper, truck or other recreational vehicle or similar object, or any part thereof, shall be stored or permitted to

remain on any Lot, or the Common Areas, or on any part of the Properties, unless the same is stored or placed in a garage, except as specified in Article 10, Section Sixteen.

Section Eleven: Setbacks.

No building shall be located on any Lot nearer to the front lot line or nearer to the side street than the minimum building setback lines shown on the recorded plat. In any event, no building shall be located on any Lot nearer than 20 feet to the front line, or nearer than 15 feet to any side street line. No building shall be located nearer than 5 feet to an interior lot line (side yard lot line). No building shall be located on an interior Lot nearer than an average of 10 feet to the rear lot line. For purposes of this covenant, eaves, steps and open porches shall not be considered a part of a building, provided, however, that this shall not be construed to permit any portion of a building on a Lot to encroach upon another Lot.

Section Twelve: Roofs.

Roofs on all buildings must be finished with cedar shakes or shingles unless approval for use of other material is granted by the Board or its authorized representatives.

Section Thirteen:

Driveways. All driveways shall be concrete unless approval for use of other material is granted by the Board or its authorized representatives.

Section Fourteen: Fences.

No fence, wall or hedge shall be erected or placed on any lot unless prior written approval has been obtained as provided in this Declaration, except that nothing shall prevent the erection of a necessary retaining wall the top of which does not extend more than two feet above the finished grade at the back of said wall. Fences bordering common areas shall be of stained cedar or redwood, not to exceed six feet in height, with finished side facing common areas. No chain link fencing shall be visible from any street or common area. All fences shall be per approved standard fence design.

Section Fifteen:

Except for builder's temporary sales offices and model homes, no Lot shall be used for other than one detached single family dwelling with parking for not more than three cars, and no trade, craft business, commercial or manufacturing enterprise or business or commercial activity of any kind shall be conducted or carried on upon any lot or within any building located on a lot; nor shall any goods, materials or supplies used in connection with any trade, service or business, wherever the same may be conducted, be kept or stored, outside any building on any lot; nor shall any goods, used for private purposes and not for trade or business be kept or stored outside any building on any lot.

Section Sixteen: Vehicles.

No recreation vehicles, including but not limited to boats, campers and trailers, whether operable or not of any kind shall be parked, stored, maintained, or constructed on any lot or street.

Notwithstanding the foregoing, Lot Owners who have guests visiting them intending to stay in a camper, trailer, or other form of recreational vehicle, may secure written permission from the Board of Directors or its authorized representative, for said guests to park said vehicle upon the Lot owned by said Lot Owner or the public street adjacent to said Lot for a period of up to two weeks. Said privilege shall only exist, however, after the written permission has been obtained from the Board of Directors or its authorized representative.

The Board of Directors or its authorized representative shall give written notice of a violation to the Lot owner or occupant and said Lot Owner or occupant shall have ten (10) days from the date of receipt of said written notice to take whatever actions are necessary to remedy said violation. If said Lot Owner shall not comply within said ten-day period, the Board of Directors or its authorized representative is hereby granted the right to remove at the expense of the owner thereof, any boats, trailers, campers, trucks, recreational vehicles, or similar items which are parked or stored in violation of the terms and provisions hereof. Said Lot Owners hereby grant to the Association an express easement for the purpose of going upon the Lots of said Lot Owners or public streets for the purpose of removing said boat, trailers, campers, trucks, recreational vehicles, or similar items which are parked or stored in violation of the terms and provisions hereof.

Section Seventeen: Signs.

All signs and advertising devices for display to public view are prohibited except one sign, not to exceed 18 inches by 24 inches, advertising the Lot (whereon posted) for sale or rent by the owner thereof, or such owner's authorized agent. In addition to other rights reserved to the Developer or its successors or assigns in the Declaration, the Developer hereby reserves for itself, its successors or assigns so long as it owns any lot, the right to maintain upon the Properties such signs as in the sole opinion of the Developer are required, convenient or incidental to the merchandising and sale of lots.

Article Eleven - Easements

Section One:

There is no easement of view, light or air expressed or implied from the terms and provisions of this Declaration over, upon or across any portion of the Properties.

Section Two:

Each Lot is, and the Common Areas are, subject to an easement for encroachments created by construction settlement and overhangs as designed or constructed by the Developer, and to a valid easement for said encroachments and for maintenance of the same as long as the encroachments remain.

Article Twelve - Mortgage Protection

Section One:

As used in this Article Twelve, references to mortgage or mortgages shall be deemed to include deeds of trust.

Section Two:

Notwithstanding and prevailing over any other provisions of the Declaration, the Association's Articles of Incorporation or Bylaws, or any rules, regulations or management agreements, the following provisions shall apply to and benefit each Institutional First Mortgagee given for the purpose of obtaining funds for the construction or purchase of a Housing Unit on any Lot or the improvement of any Lot.

Section Three:

The Institutional First Mortgagee entitled to the protection hereof shall not in any case or manner be personally liable for the payment of any assessment or charge, nor for the observance or performance of any covenant, restriction, regulation, rule, Association Article of Incorporation or Bylaw, or management agreement, except for those matters which are enforceable by injunctive or other equitable actions, not requiring the payment of money, except as hereinafter provided.

Section Four:

During the dependency of any proceeding to foreclose said mortgage, the Institutional First Mortgagee or the receiver, if any, may exercise any or all of the rights and privileges of the Owner of the mortgaged Lot, including but not limited to the right to vote as a Member of the Association to the exclusion of the Owner's exercise of such rights and privileges.

Section Five:

At such time as said mortgagee shall become entitled to possession of the Lot, said mortgagee shall be subject to all of the terms and conditions of the Declaration, and the Articles, Bylaws, rules and regulations of the Association, including but not limited to the obligation to pay for all assessments and charges accruing thereafter, in the same manner as any Owner; provided, however, said mortgagee's shall acquire the title to said Lot free and clear of any lien authorized by or arising out of any provisions of the Declaration which secure the payment of any assessment for charges accrued prior to the date said mortgagee became entitled to possession of the Lot.

Section Six:

If it is deemed necessary by the Association, any unpaid assessment against a Housing Unit foreclosed against may be treated as a common expense of other Lots. Any such unpaid assessment shall continue to exist as a personal obligation of the defaulting Owner of the respective Lot to the Association.

Section Seven:

The liens for assessments provided for in this instrument shall be subordinate to the lien of any mortgage, deed of trust, or other security interest placed upon a Lot or housing unit as a construction loan security interest or as a purchase price security interest, and the Association will, upon demand, execute a written subordination document to confirm the particular superior security interest.

Section Eight:

Any Institutional First Mortgagee shall have the right on request therefore to :

- (a) Inspect the books and records of the Association during normal business hours;
- (b) Receive an annual audited CT. Financial statement of the Association within (90) days following the Q end of any fiscal year; and
- (c) Receive written notice of all meetings UJ of the Association and designate a representative to attend all such meeting.

Section Nine:

The Association shall not, without the prior y written approval of sixty-seven percent (67%) of Institutional First Mortgagees, seek to abandon or terminate the project for reasons other than substantial destruction or condemnation of the property.

Section Ten:

Institutional First Mortgagees shall be entitled to timely written notice of:

- (a) Substantial damage or destruction of any housing unit or any part of the Common Areas or facilities
- (b) Any condemnation or eminent domain proceedings involving any housing units or any portion of Common Areas or facilities;
- (c) Any default by an Owner under this Declaration or the Articles, By-Laws or rules and regulations of the Association which is not cured within thirty (30) days;
- (d) Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any housing unit on which it holds the mortgage?
- (e) Ten (10) days' prior written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (f) Any proposed action ' that requires the consent of a specified percentage of Institutional First Mortgagees.

Article Thirteen - Management Contract

Each member hereby agrees that the Association may enter into such agreements for the performance of any or all of the functions of the Association with such persons or entities as the Association shall deem fit and proper in its judgment and discretion; provided, however, any agreement for professional management of the Properties, or any other contract providing for services by the Developer must provide for termination by either party without cause or payment of a termination fee on ninety (90) days, or less, written notice and the maximum contract term shall be three (3) years.

Article Fourteen - Insurance and Condemnation

Section One:

The Association shall purchase as a Common Area Expense and shall have authority to and shall obtain insurance for the Common Areas against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement in the event of damage or destruction. It shall also obtain a comprehensive public liability — policy covering the Common Areas. Said comprehensive public liability coverage shall be in an amount to be determined by the Association, but shall not be less than \$1,000,000 concerning all claims for personal injury and/or property damage arising out of a single occurrence.

Following the development period, all such insurance coverage shall be written in the name of the Association as trustee for each of the members of the Association. Costs of insurance obtained by the Developer during the development period shall be a Common Area expense. The Association shall review the adequacy of the Associations insurance coverage at least annually. All policies shall including a standard mortgagee's clause and shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days prior written notice to any and all insured's named therein, including Owners and Institutional First Mortgagees.

Section Two:

In addition to the aforementioned insurance carried by the Association, every Owner, at his own expense, shall insure his own Housing Unit against loss or damage by fire or other hazards in an amount equal to the full replacement value thereof, during any construction period and thereafter.

Section Three:

The Association shall obtain fidelity bonds which shall afford coverage to protect against dishonest acts on the part of officers, directors, managers, volunteers, trustees, and employees of the Association or the managing agent and all other persons who handle or are responsible for handling funds of the Association and be in an amount equal to three (3) months' assessments on all Lots, including reserve funds. All such fidelity bonds shall name the Association as an Oblige, contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression, and provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to any and all insured named therein, including Owners and Institutional First Mortgagees.

Section Four:

In the event of the damage or destruction of the Common Areas covered by insurance written in the name of the Association, the Association may, upon receipt to the insurance proceeds, and to the extent of such proceeds contract to rebuild or repair such damaged or destroyed portions of the Common Areas to as good a condition as they were when the loss occurred, provided, however, that the Association's election not to rebuild the Common Areas shall require the approval of two-thirds (2/3) of the Association. The Association may in its sole discretion contract with any licensed contractor for reconstruction or rebuilding of such destroyed portions of the Common Areas.

In the event of damage or destruction by fire or other casualty to any Housing Unit, the owner thereof shall, upon receipt of the insurance proceeds, contract to repair or rebuild such damage or destroyed portions in a good workmanlike manner in conformance with the original plans and specifications of said Housing Unit. Plans and specifications for such damage or destroyed Housing Unit may be modified and said damage or destroyed Housing Unit may be reconstructed in accordance with said modified plans and specifications if the Owner of said damaged or destroyed Housing Unit secures the approval of the Association or the Developer, as the case may be provided in this Declaration. In the event such Owner refuses or fails to commence such repair or rebuilding within thirty (30) days after such damage or destruction, unless such period is otherwise extended by the Association, the Association is hereby authorized by such Owner, if the Association so desires, to repair, rebuild or clear and clean up any such Housing Unit. The Association shall first obtain an estimate of the cost of performing such repair, rebuild or clearing/clean up work as is necessary, such estimate to be performed by a licensed contractor approved by the Board for such purpose. Upon provision of the estimate, the Association may assess the Lot Owner: for the cost or the proposed improvements, and such assessment shall become a lien in the manner described in Article Nine, Any rebuilding shall be done in a good and workmanlike manner in conformance with the original plans and specifications. The Owner shall pay the Association the amount reasonably necessary to perform such repairs and reconstruction, and the Housing Unit shall continue to be subject to the lien for such amount until it is paid in full. The Association may, at any time, enforce its rights as provided in the Declaration for collection of the assessment and foreclosure of the lien,

Section Five:

5.1 Consequence of Condemnation; Notices. If at any time or times during the continuance of the Housing Unit ownership pursuant to this Declaration, all or any part of the Property shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in advance thereof, the provisions of this Section 5 shall apply, and notice of the proceeding or proposed acquisition shall promptly be given to each Owner and to each Institutional First Mortgagee.

5.2 Proceeds. All compensation, damages, or other proceeds there from, the sum of which is hereinafter called the "condemnation award" shall be payable to the Association. The condemnation award shall be apportioned among the Owners as directed by the Association who shall fairly and promptly allocate and distribute such condemnation award. If the entire property is condemned or taken, ownership in the Common Areas shall terminate. The condemnation award shall then be distributed among the Owners in like proportions.

Article Fifteen - Rules and Regulations

The Association and/or its Board of Directors is hereby authorized and empowered to adopt rules and regulations governing the use of the Properties and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof. All Lot Owners shall be given written notice of said rules and regulations and said rules and regulations shall be posted in a conspicuous place in the Common Areas.

Article Sixteen - Remedies and Waiver

Section One:

The remedies provided herein for collection of any assessment or other charge or claim against any Member, for and on behalf of the Association, or Developer, are in addition to, and not in limitation of, any other remedies provided by law.

Section Two:

The failure of the Association or the Developer or of any of their duly authorized agents or any of the Owners to insist in any one or more instances upon the strict performance of or compliance with the Declaration or any of the Articles, Bylaws or rules or regulations of the Association, or to exercise any right or option contained therein, or to server any notice or to institute any action or summary proceedings, shall not be construed as a waiver or relinquishment of such right for the future, but such right to enforce any of the provisions of the Declaration or of the Articles, Bylaws or rules or regulations of the Association shall continue and remain in full force and effect. No waiver of any provision of the Declaration or of the Articles, Bylaws, rules or regulations of the Association shall be deemed to have been made, either expressly or implied, unless such waiver shall be in writing and signed by the Board of Directors of the Association pursuant to authority contained in a resolution of said Board of Directors.

Article Seventeen - Benefits and Burdens Run with the Land

The covenants, restrictions, reservations and conditions contained herein shall run with the land and shall be binding upon the Properties and each portions thereof and all persons owning, purchasing, leasing, subleasing or occupying any Lot on the Properties, and upon their respective heirs, successors and assigns. After the date on which the Declaration has been recorded, these covenants, restrictions, reservations and conditions may be enforced by the Association or Developer which shall have the right to enforce the same and expend Association monies in pursuance thereof and also may be enforced by the Owner of any Lot.

Article Eighteen - General Provisions

Section One:

The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section Two:

The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not affect the remaining portions of this Declaration or any part hereof, all of which are inserted conditionally on their being held valid in law and in the event that one or more of the phrases, sentences, clauses, paragraphs or sections contained herein should be invalid, this Declaration shall be construed as if such invalid phrase, sentence, clause, paragraph, or section had not been inserted.

Section Three:

These covenants, restrictions, reservations and conditions shall remain in full force and effect for a period of twenty (20) years from the date hereof. Thereafter, they shall be deemed to have been renewed for successive terms of the (10) years, unless revoked or amended as hereinabove provided.

Section Four:

In the event that any provision or provisions of this Declaration violate the rule against perpetuities, such provision or provisions shall be construed as being void and of no effect as of twenty-one (21) years after the death of the last surviving incorporator of the Association, or twenty-one (21) years after the death of the last survivor of all of the said incorporators' children and grandchildren who shall be living at the time this instrument is executed, whichever is later.

Section Five:

In the event the Association employs an attorney to enforce any provision of the Declaration, the Articles or Bylaws of the Association, or rules and regulations adopted by the Association, the prevailing party in said action shall be entitled to the award of reasonable attorney's fees and costs incurred in said action.

Section Six:

Any notice required by the Declaration or the Articles or Bylaws of the Association or the rules and regulations adopted by the Association shall be deemed properly given if mailed by ordinary mail to the last address furnished to the Developer or the Association, and said notices shall be deemed given when deposited in a United States Post Office.

Article Nineteen - Amendment and Revocation

Section One:

This instrument may be amended, and partially or completely revoked only as herein provided or otherwise provided by law.

Section Two:

During the development period, the Developer may amend this instrument only to add additional phases and to comply with the requirements of the Federal National Mortgage Association, Government National Mortgage Association, Veterans Administration or Federal Home Loan Mortgage Corporation or establish and revise a Transportation Management Plan simply by recording an acknowledged document setting forth specifically the provisions amending this instrument.

Section Three:

This Declaration may be amended at any annual meeting of the Association, or at a special meeting called for such purpose, if sixty-seven percent (67%) or more of the Owners vote for such amendment, or without such meeting if all Owners are notified in writing. Notice of any proposed amendment shall be given to all Owners not less than ten (10) days prior to the date of the annual meeting or of any special meeting at which the proposed amendment shall be considered. Notwithstanding any of the foregoing, fifty-one percent (51%) of all Institutional First Mortgagees who have requested notification of amendments must give prior written approval to any material amendment to the Declaration By-Laws, including any of the following:

- 3.1 Voting rights;
- 3.2 Assessments, assessment liens and subordination of such liens;
- 3.3 Reserves for maintenance, repair and replacement of Common Areas;
- 3.4 Insurance or fidelity bonds; 3.5 Responsibility for maintenance and repair;
- 3.6 Expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project;
- 3.7 The boundaries of any Lot;
- 3.8 Leasing of Housing Units other than as set forth herein;
- 3.9 Imposition of any restrictions on the right of an Owner to sell or transfer his or her Lot;
- 3.10 Decision by the Association to establish self-management when professional management had been required previously by an Institutional first Mortgagee;
- 3.11 Restoration or repair (after hazard damage or partial condemnation) in a

manner other than that specified in this Declaration.

3.12 Any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or;

3.13 Any provisions which are for the express benefit of Institutional First Mortgagees.

Section Four:

Amendments shall take effect only upon recording with the Recorder of King County.

IN WITNESS WHEREOF, the Declarant has hereunto set its hand and corporate seal this 7th day of February____1989. THE QUADRANT CORPORATION

Vice President

STATE OF WASHINGTON COUNTY OF KING

IN WITNESS WHEREOF, I have here unto set my hand and affixed my official seal the day and year in this certificate above written.

On this 21 day of February, 1989, before me the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Robert Holman to me known to be the Vice President of THE QUADRANT CORPORATION, the corporation that executed the within and foregoing instrument and he acknowledged to me that he signed the same as the free and voluntary act and deed of said corporation, for the uses and purposed therein mentioned, being authorized so to do, and the corporate seal affixed is the seal of said corporation.

Notary Public in & for the State of Washington residing at Mercer Island.

Campus Highlands Amendment Number 5 to Declaration of Protective Covenants, Conditions and Restrictions

A. On February 22, 1989, The Quadrant Corporation, a Washington corporation as "Declarant" recorded with the King County Department of Records and Elections, King County Recording No. 8902220509, that certain Declaration of Protective Covenants, Conditions and Restrictions, Campus Highlands Division 1 ("Declaration"); and

B. In accordance with Article 2 of the Declaration, declarant is desirous of subjecting additional adjacent real property owned by declarant legally described as:

Lots 21 through 89 of Campus Highlands Division 5, according to the plat recorded at Volume 156 of Plats, pages 94 through 100 inclusive, records of King County, Washington shown on Exhibit A (plat map) which is attached hereto and by this referenced incorporated herein ("Division 5") to the terms and provisions of the declaration;

Now, therefore, as covenants running with the land, declarant hereby declares and amends the Declaration as follows:

1. In accordance with Article 2, Section 3 of the Declaration, Division 5 shall be and shall constitute a part of the properties which is subject to and governed by this Declaration. All rights, liabilities, terms and provisions of this Declaration shall inure to the benefit of and be binding upon Division 5 and any and all lots owners thereof, except as provided herein.

2. As it pertains to Campus Highlands Division 5, Lots 21 through 89, Article 10, Section 11 "setbacks" shall be deleted, and the following shall be substituted:

Setbacks All buildings located on any lot shall be placed in a manner to comply with the code and regulations of King County or any other applicable governmental authority having jurisdiction over the property. For the purposes of. this covenant, eaves, steps and open porches shall not be considered a part of a building, provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot, nor shall it be construed to permit any placement of a but building or structure nearer to a lot line than is permitted by the code and regulations of King County or of any other governmental authority having jurisdiction over the property.

3. Except as amended herein, the Declaration shall remain in full force and effect.

DATED this 22 day July, 1991. THE QUADRANT CORPORATION, Declarant

By: Skip Holman Its Vice President

STATE OF WASHINGTON, COUNTY OF KING

I CERTIFY that I know or have satisfactory evidence that Skip Holman is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that his was authorized to execute the instrument and acknowledged it as the Vice President of The Quadrant Corporation to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

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;

Amendment to Declaration

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:

Article One - Definitions

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, 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, and 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.

1 6.4.2 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 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. 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 therefore. 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 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.

DATED this 27 day of August 1993.

CAMPUS HIGHLANDS HOMEOWNERS ASSOCIATION President

to me known to be the President and Secretary of Campus Highland Homeowners Association, the Washington non-profit corporation that executed the within and foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the Association, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the instrument

FILED FOR RECORD AT THE REQUEST OF: Law Offices of James L. Strichartz 200 West Mercer Street #511 Seattle. WA 98119

DATED this 27 day of August _____ notary Public in and for the State of Washington, residing at

My commission expires

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. Section Two of Article Ten of the Declaration is hereby deleted and the following new Section Two of Article Ten is substituted in its place:

Section Two:

Except as to construction, alteration, or improvements performed by the Developer, no construction activity of any type including clearing and grading, or cutting or transplanting of natural vegetation may begin on a lot or Common Area; and no building, structure, or other improvement shall be erected, placed, or altered on any Lot or Common Area until, at a minimum, the building plans, specifications, and plot plans showing the nature, kind, shape, height, materials, exterior color, and location of such building, structure, or other improvement have been submitted and approved in writing by the Board of Directors of the Homeowners' Association or its authorized representative as to structural design, harmony of exterior design, and location in relation to and its effect upon surrounding structures and topography. The minimum finished square footage of any house shall not be less than 1200 square feet of ground coverage and have a living area of not less than 1700 square feet. Further, no fences, hedges or walls shall be erected, placed, or altered, and no exterior changes of any kind shall be made to any building, including, but not limited to, exterior painting, additions, or alterations, until such written approval shall have been obtained.

If the Board of Directors, or its authorized representative, shall fail to notify a submitting Owner of its action for a period of thirty days following the date of actual receipt of all required items by the Board of Directors, or its authorized representative, via Certified Mail, Return Receipt Requested; the Owner may then proceed with the proposed work notwithstanding the lack of written approval by the Board of Directors or its authorized representative if such proposed work conforms to written Association guidelines.

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

Section Six:

Any notice required by the Declaration or the Articles or Bylaws of the Association or the rules or regulations adopted by the Association, except as specified in ARTICLE TEN, Section Two, of the Declaration, shall be deemed properly given if mailed by first class mail to the last address furnished to the Developer or the Association, and said notices shall be deemed given when deposited in a United States Post Office.

C. 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.

DATED this 27 day of August 1993. CAMPUS HIGHLANDS HOMEOWNERS ASSOCIATION

ATTEST: The above amendment was properly adopted.

Alma Regan, Secretary

STATE OF WASHINGTON) COUNTY OF KING

On this 27 day of August, 1993, personally appeared before me, _____, to me known to be the President and Secretary of Campus Highlands Homeowners Association, the Washington non-profit corporation that executed the within and foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the Association, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the instrument. DATED this 27 day of August 1993

Campus Highlands Rules and Fines

These rules do not limit the Association from any other action(s) as allowed by the Declaration of Covenants, Conditions and Restrictions, but rather function to provide additional information as a service to members of the Association. Enacted rules are:

(1) The following, but not limited to the following, shall be deemed as a failure to maintain his respective lot To reflect a high pride of ownership under Article 7, Section 2 of the Declaration of Covenants:

- (A) Poorly maintained front, rear and / or side yards.
- (B) Grass/weeds at heights exceeding that of the clear cut common areas.
- (C) Landscape remaining incomplete two years or more beyond completion on the Housing unit.

(2) The following, but not limited to the following, shall be deemed as unsightly conditions under Article 10, Section 8 of the Declaration on the Covenants:

- (A) Any vehicle parked anywhere on a Lot other than on the driveway or in a garage.
- (B) Any container – trash, yard waste, or recycling – remaining visible from the street and/or adjacent properties after 8:00 a.m. on the day following pickup (currently 8 a.m. Tuesday); or any such container becoming so visible before 6:00 a.m. on the day preceding pickup (currently 6 p.m. Sunday).

(3) The following, but not limited to the following, shall be deemed as noxious or offensive activity under Article 10, Section 4 of the Declaration of Covenants:

- (A) Any vehicle parked overnight on the street in front of a neighbor's yard.

Fines are enacted as follows:

Any homeowner being found in violation of the Declaration of Covenants, Conditions, and Restrictions of Campus Highlands and having been notified in writing of said violation(s), shall be subject to a \$500 fine upon receipt of the third and each subsequent such notification for the same or a similar violation within a year.

Similar violations shall be deemed to be those governed within the same Article and Section of the Declaration.

Fines shall be in addition to other remedies and recovery of costs to which the Association is and/or shall be entitled according to the Declaration of Covenants and/or By-Laws of the Association and/or by law.

Such fines are assessments as described by the Article 9 of the Declaration of Covenants, and together with interest and collection costs, "will be a continuing lien upon the Lot against which each such assessment is made."

-- CHHOA BOARD OF DIRECTORS

New Rules Clarify Policies (9/8/1992)

At the request of homeowners, and in conformity with Article 12, Section 1.1 of the BY-LAWS of the CAMPUS HIGHLANDS HOMEOWNERS ASSOCIATION, the Board of Directors of the Association formally adopted additional rules on August 31st which became effective September 8, 1992.

Article 12, Section 1 of the BY-LAWS states that the Board has both “the power and duty” :“To adopt and publish rules consistent with the Articles of Incorporation, Declaration (of Covenants), and By-Laws, governing the use of ... properties, And the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.”

The following rules and fines have been enacted based on your suggestions and input, and in support of maintaining the beauty and integrity of our community. They are NOT a modification of our CC&Rs, but rather a clarification and reinforcing of them as directed by the By-Laws.

These rules do not limit the Association from any other action(s) as allowed by the Declaration of Covenants, Conditions and Restrictions, but rather function to provide additional information as a service to members of the Association. Additional rules enacted are:

(1) The following, but not limited to the following, shall be deemed as unsightly conditions under Article 10, Section 8 of the Declaration of Covenants:

(A) Firewood, compost bins, animal cages, or any other property kept or stored so as to be visible from the street in front of the property. (Any such items currently so located must be removed not later than September 30, 1992.)

(B) Hoses extended in the yard when not in use. (Hoses shall be stored neatly coiled adjacent to a faucet.)

(2) The following, but not limited to the following, shall be deemed as an advertising device for the display for public view under Article 10, Section 17 of the Declaration of Covenants:

Any business or product name, address, telephone number, trademark, service mark, slogan or logo visible on the exterior of a vehicle.

Vehicles bearing such advertising shall be parked so that advertising shall not be visible from the street or adjacent properties.

Notwithstanding, this rule shall NOT apply to identification of the make and/or model of the vehicle and its attachments; or to business vehicles parked temporarily in order that service or maintenance to a property may be performed.

When recorded return to:

Campus Highlands Homeowners' Association 25022 104th Ave SE Suite A Kent, WA 98031

THIS DOCUMENT INTENDS TO CORRECT AND CLARIFY RECORDED DOCUMENTS UNDER RECORDING NO'S 9301051409, 9301051410, 9301051411 , 9301051412, 9301051408.**

Declaration of Campus Highlands Rules

At the request of homeowners, and in conformity with Article 12, Section 1.1 of the BY-LAWS OF THE CAMPUS HIGHLANDS HOMEOWNERS ASSOCIATION, the Board of Directors of the Association formally adopted rules which became effective in 1992.

Article 12, Section 1 of the BY-LAWS states that the Board has both "the power and duty":

"To adopt and publish rules consistent with the Articles of Incorporation, Declaration (of Covenants), and By-Laws, governing the use of ... properties. . . . and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof."

Legal Description of Property. The real estate is legal1y described as to 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 25 through 77, Campus Highlands - Division 2, as recorded in Volume 147 of Plats, pages 82 through 86, inclusive, 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.

The following rules have been enacted based on homeowner suggestions and input, and in support of maintaining the beauty and integrity of our community. They are NOT a modification of our CC&Rs, but rather a clarification and reinforcing of them as directed by the By-Laws. Page 1 of 4

Declaration of Campus Highlands Rules

These rules do not limit the Association from any other action(s) as allowed by the Declaration of Covenants, Conditions and Restrictions, but rather provide additional information as a service to members of the Association. Enacted rules are:

(1) The following, but not limited to the following, shall be deemed as failure to maintain his respective lot ... to reflect a high pride of ownership under Article 7, Section 2 of the Declaration of Covenants:

- (A) Poorly maintained front, rear and/or side yards.
- (B) Grass/weeds at heights exceeding that of the clear-cut common areas.
- (C) Landscaping remaining incomplete two years or more beyond completion of the Housing Unit.

(2) The following, but not limited to the following, shall be deemed as unsightly conditions under Article 10, Section 8 of the Declaration of Covenants:

- (A) Any vehicle parked anywhere on a lot other than on the driveway or in the garage. (Homeowners ARE allowed to park on the street in front of their own property, subject to city ordinances.)
- (B) Any container -- trash, yard waste, or recycling --remaining visible from the street and/or adjacent properties after 8:00 a.m. on the day following pickup (currently 8 a.m. Tuesday); or any such container becoming so visible before 6:00 p.m. on the day preceding pickup (current by 6 p.m. Sun.).
- (C) Firewood, compost bins, animal cages, or any other property kept or stored so as to be visible from the street in front of the property.
- (D) Hoses extended in the yard when not in use. (Hoses shall be stored neatly coiled adjacent to a faucet.)

(3) The following, but not limited to the following, shall be deemed as noxious or offensive activity under Article 10, Section 4 of the Declaration of Covenants:

- (A) Any vehicle parked overnight on the street in front of a NEIGHBOR'S yard.

(4) The following, but not limited to the following, shall be deemed as an advertising device for display to public view under Article 10, Section 17 of the Declaration Covenants:

- (A) Any business or product name, address, telephone number, trademark, service

mark, slogan or logo visible on the exterior of a vehicle.

Vehicles bearing such advertising shall be parked so that such advertising shall not be visible from the streets or adjacent properties.

Notwithstanding, this rule shall NOT apply to identification of the make and/or model of a vehicle and its attachments; or to business vehicles parked temporarily in order that service or maintenance to a property may be performed.

(5) FINES are enacted as follows:

Any homeowner being found in violation of the Declaration of Covenants, Conditions, and Restrictions of Campus Highlands and having been notified in writing of said violation(s), shall be subject to a \$500 fine upon receipt of the third and each subsequent such notification for the same or a similar violation within any one year period.

Similar violations shall be deemed to be those governed within the same Article and Section of the Declaration.

Fines shall be in addition to other remedies and recovery of costs to which the Association is and/or shall be entitled according to the Declaration of Covenants and/or By-Laws of the Association and/or by law.

** Such Fines are assessments as described by Article 9 of the Declaration of Covenants, and together with interest and collection costs, "will be a continuing lien upon the Lot against which each such assessment is made."

IN WITNESS WHEREOF, the declarants have signed and sealed this Declaration this 23 day of February 1993. Campus Highlands Homeowners' Association

By Alma W. Regan, Its President.

ATTEST: Sherri Hicks Its Secretary.

STATE OF WASHINGTON. COUNTY OF KING

On this day personally appeared before me Alma W. Regan and Sheri Hicks to me known to be the President and Secretary of Campus Highlands Homeowners' Association. the corporation that executed the within and foregoing instrument; signed the same. and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and affirmed that they are authorized to do so on behalf of said corporation.

GIVEN under my hand and official seal this 23 day of February 1993.

NOTARY PUBLIC in and for the State of Washington, residing at ^^_____ My commission expires:
3/19/94

DECLARATION OF CAMPUS HIGHLANDS RULES

IN WITNESS WHEREOF, the declarants have signed and sealed this Declaration this 23 day of
February 1993.

Campus Highlands Homeowners' Association

By Alma W. Regan Its President. ATTEST Sherri Hicks Its Secretary.

On this day personally appeared before me Alma W. Regan and Sheri Hicks to me known to be the President and Secretary of Campus Highlands Homeowners' Association. the corporation that executed the within and foregoing instrument; signed the same. and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and affirmed that they are authorized to do so on behalf of said corporation.

GIVEN under my hand and official seal this 23 day of February 1993.

NOTARY PUBLIC in and for the State of Washington, residing at _____ My commission expires:
3/19/94

Campus Highlands Rules and Fines

These rules do not limit the Association from any other fiction (s) as allowed by the Declaration of Covenants, Conditions and Restrictions, but rather function to provide additional information as a service to members of the Association. Enacted rules are:

(1) The following, but not limited to the following, shall be deemed as failure to maintain his respective lot ... to reflect a high pride of ownership under Article 7, Section 2 of the Declaration of Covenants:

(A) Poorly maintained front, rear and/or side yards.

(B) Grass/weeds at heights exceeding that of the clear-cut common areas.

(C) Landscaping remaining incomplete two years or more beyond completion of the housing Unit.

(2) The following, but not limited to the following, shall be deemed as unsightly conditions under Article 10, Section 6 of the Declaration of Covenants:

(A) Any vehicle parked anywhere on a lot other than on the driveway or in the garage.

(B) Any container -- trash, yard waste, or recycling --remaining visible from the street and/or adjacent properties after 8:00 a.m. on the day following pickup (currently 6 a.m. Tuesday); or any such container becoming so visible before 6:00 p.m. on the day preceding pickup (currently 6 p.m. Sun.)

(3) The following, but not limited to the following, shall be deemed as noxious or offensive activity under Article 10, Section 4 of the Declaration of Covenants:

(A) Any vehicle parked overnight on the street in front of a neighbor's yard.

Fines are enacted as follows:

Any homeowner being found in violation of the Declaration of Covenants, Conditions, and Restrictions of Campus Highlands and having been notified in writing of said violation(s), shall be subject to a \$500 fine upon receipt of the third and each subsequent such notification for the same or a similar violation within a year. Similar violations shall be deemed to be those governed within the same Article and Section of the Declaration. Fines shall be in addition to other remedies and recovery of costs to which, the Association is and/or shall be entitled according to the Declaration of Covenants and/or By-Laws of the Association and/or by law. Such Fines are assessments as described by Article 9 of the Declaration of Covenants, and together with interest and collection costs, "will be a continuing lien upon the Lot against which each such assessment is made." --

CHHOA Board of Directors

New Rules Clarify Policies (9/8/1992)

At the request of the Homeowners , and in conformity with Article 12, Section 1.1 of the BY-LAWS OF THE: CAMPUS HIGHLANDS HOMEOWNERS ASSOCIATION, the Board of Directors of the Association formally adopted additional rules on August 31st which become effective September 8, 1992.

Article 12, Section 1 of: the BY-LAWS states that the Board has both "the power and duty": "To adopt and publish rules consistent with the Articles*of Incorporation, Declaration (of Covenants), and By-Laws, governing the use of ... properties, ... and the personal conduct of the members and their guests thereon and to establish penalties for the Infraction thereof."

The following rules and fines have been enacted based on your suggestions and input, and in support of maintaining the beauty and integrity of our community. They are NOT o modification of our CC&Rs, but rather a clarification and reinforcing of them as directed by the By-Laws.

These rules do not limit the Association from any oilier action(s) as allowed by the Declaration of Covenants, Conditions and ties frictions, but rather function to provide additional information as a service to members of the Association. Additional rules enacted are:

(1) The following, but not limited to the following, shall be deemed as unsightly conditions under Article 10, Section 8 of the Declaration of Covenants:

(A) Firewood, compost bins, animal cages, or any other property kept or stored so as to be visible from the street in front of the property. (Any such items currently so located must be removed not later than September 30, 1992.)

(B) Hoses extended in the yard when not in use. (Hoses shall be stored neatly coiled adjacent to a faucet.)

(2) The following, but not limited to the following, shall be deemed as an advertising device for display to public view under Article 10, Section 17 of the Declaration of Covenants:

Any business or product name, address, telephone number, trademark, service mark, slogan or logo visible on the exterior of a vehicle.

Vehicles bearing such advertising shall be parked so that such advertising shall not be visible from the streets or adjacent properties. Notwithstanding, tills rule shall NOT apply to identification of the make and/or model of the vehicle and its attachments; or to business vehicles parked temporarily in order that service or maintenance to a property may be performed.

Campus Highlands Rules and Fines

These rules do not limit the Association from any other action(s) as allowed by the Declaration of Covenants, Conditions and Restrictions, but rather function to provide additional information as a service to members of the Association. Enacted rules are:

(1) The following, but not limited to the following, shall be deemed as failure to maintain his respective lot ... to reflect a high pride of ownership under Article 7, Section 2 of the Declaration of Covenants:

A) Poorly maintained front, rear and/or side yards.

(B) Grass/weeds at heights exceeding that of the depth cut common areas. Landscaping remaining incomplete two years or more beyond completion of the Housing Unit.

(2) The following, but not limited to the following, shall be deemed as unsightly conditions under Article 10, Section 8 of the Declaration of Covenants

Any vehicle parked anywhere on a lot other than on the driveway or in the garage. Any container -- trash, yard waste, or recycling -- remaining visible from the street and/or adjacent properties after 8:00 a.m. on the day following pickup (currently 6 a.m. Tuesday); or any such container becoming so visible before 6:00 p.m. on the day preceding pickup (currently 6 p.m. Sun.)

3) The following, but not limited to the following, shall be deemed as noxious or offensive activity under Article 1U, Section 4 of the Declaration of Covenants:

(A) Any vehicle parked overnight on the street in front of a neighbor's yard.

Fines are enacted as follows:

Any homeowner being found in violation of the Declaration of Covenants, Conditions, and restrictions of Campus Highlands and having been notified in writing of said violation(s), shall be subject to a \$500 fine upon receipt of the third and each subsequent such notification for the same or a similar violation within a year.

Similar violation; shall be deemed to be those governed within the same Article and Section of the Declaration.

Fines shall be in addition to other remedies and recovery of costs to which the Association is and/or shall be entitled according to the Declaration of Covenants and/or By-Laws of the Association and/or by law.

Such Fines are assessments as described by Article 9 of the Declaration of Covenants, and together with interest and collection costs, "will be a continuing lien upon the Lot against which each such assessment is made." --

CHHOA Board of Directors

Vehicles bearing such advertising shall be parked so that such advertising shall not be visible from the streets or adjacent properties. Notwithstanding, this rule shall NOT apply to identification of the make and/or model of the vehicle and its attachments; or to business vehicles parked temporarily in order that service or maintenance to a property may be performed.

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:

Article One - Definitions

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 therefore. 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.

By-Laws of the Campus Highlands Homeowners Association

Article I – Name and Location

The name of the corporation is Campus Highlands Homeowners Association, hereinafter referred to as “Association”. The principal office of the Association shall be located at P.O. Box 130, Bellevue, Washington 98009, but meetings of the Directors and members may be held at such places within the State of Washington, County of King, and may be designated by the Board of Directors.

Article II - Definitions

Unless otherwise specified, all terms shall have the same meaning in these By-Laws as such terms have in the Declaration of Protective Covenants, Conditions & Restrictions, for Campus Highlands. The terms “owners” and “members” as herein shall be synonymous.

Article III – Members and Voting Rights

3.1 MEMBERSHIP. Every owner of a lot which is subject to assessment by the Association shall be a member of the Association.

3.2 VOTING RIGHTS. With regard to voting rights, reference is made to Article Five for the Declaration.

Article IV – Certificate of Membership

Certificates of membership in this Association may be issued to each member. If issued, the certificates shall be numbered and the respective members’ names shall be entered in the membership register of this Association as the certificates are issued. The certificate shall exhibit members’ names and shall be signed by the president and/or the secretary of the Association.

Article V - Ownership

No member shall have any right, title, or interest in or to the whole or any part of the property or assets of the Association and no member shall be entitled to either the whole or any part thereof in the event of termination of his membership in the Association.

Article VI – Meeting of Members

6.1 ANNUAL MEETING. The annual meeting of the members shall be held in the month of May of each year at a time and place established by the Board of Directors for the purpose of electing Directors and transacting such other business as may come before the meeting. If the election of Directors is not held on the date designated for the annual meeting of the members or any adjournment thereof, the election shall be held at a special meeting of the members as soon thereafter as is practicable.

6.2 SPECIAL MEETINGS. The president of the Board of Directors may call a special meeting of the members for any purpose. A special meeting of the members may also be called by the members having at least one-thirtieth (1/30) of the total ownership interest in the lots, and in the event such is the case, it shall be the duty of the secretary, upon request in writing by such members, to call such a meeting of the membership, to be held at such time and place as the secretary may fix, not less than ten (10) days no more than fifty (50) days after receipt of such request, and if the secretary shall neglect or refuse to issue such call within five (5) days of such receipt, the members making the request may issue the call, specifying therein the time and place of the meeting.

6.3 PLACE OF MEETINGS. All meetings shall be held at the principal office of the Association or such other places within King County, State of Washington, designated by the Board of Directors.

6.4 NOTICE OF MEETINGS. Written or printed notice stating the date, place, and hour of meetings, and in the case of special meetings, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) no more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the president or secretary or the members calling the meeting, to each member entitled to vote at such meeting. If the proposed action requires approval of Institutional First Mortgages pursuant to the Declaration, notice of the meeting at which such action will be voted upon by the members shall also be given to Institutional First Mortgages in the same manner. If

mailed, such notice shall deem to be delivered when deposited in the United States Mail addressed to the member at his address as it appears in the records of this Association with postage thereon prepaid.

6.5 QUORUM. Members holding twenty percent (20%) of the votes entitled to be cast at any meeting, represented in person or by proxy, shall constitute a quorum at the members' meeting. The vote of a majority of the votes entitled to be cast by the members present and represented by proxy at a meeting at which a quorum is present and necessary for the adoption of any matter voted upon by the members. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

6.6 PROXIES. At all members' meetings, a member may vote by proxy, executed in writing by the member or by his attorney in fact. Such proxies shall be filed with the secretary of the Association before or at the time of the meeting. Unless otherwise provided in the proxy, a proxy shall be invalid after eleven (11) months from the date of its execution.

6.7 SUSPENSION. The Association, through its Board of Directors, has the right to suspend voting rights and rights to the use of the community areas and recreational facilities, if any, by any owner of a lot for a period during which an assessment against his lot remains unpaid and for a period not to exceed thirty (30) days for any infraction of the Associations' published rules and regulations.

Article VII – Board of Directors

7.1 POWERS AND QUALIFICATIONS. The affairs of the Association shall be managed by a Board of Directors who need not be members of the Association, and during the development period, may be appointed by the Developer.

7.2 NUMBER. The Association shall, upon the completion of the development period, elect a board of Directors, who with the Association shall manage and administer the Property in accordance with the Declaration and By-Laws. The Board shall consist of five (5) members of the Association. During the development period, the Developer shall appoint all directors, and may appoint any persons the Developer chooses as Directors. The Developer may appoint a temporary Board of Directors as described in Article III, Section 2 of the Declaration. Each Director shall hold office for the term for which he is elected until his successor shall have been elected and qualified, unless appointed by the Developer. If appointed by the Developer, each Director shall retain office until a successor is appointed by the Developer, until a Director is chosen by vote at the end of the development period or until the Director resigns.

7.3 ELECTION AND TERM. After completion of the development period the members shall elect two Directors to serve a term of three (3) years, two Directors to serve a term of two (2) years, and one Director to serve a term of one (1) year or until his or their respective successors are elected and qualified. The terms shall be staggered to provide, as nearly as possible, for the election of one-third (1/3) of the Board of Directors to occur each year. At the expiration of any term, a Director may not be re-elected for at least one year after expiration of the term.

7.4 VACANCY. The Board of Directors shall have the power to fill by appointment any vacancy occurring in the Board and any directorship to be filled by any reason of any increase in the number of Directors as a result of amendment of these By-Laws. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office. Any Director appointed by the Board shall stand for election for the remainder of the specified term for such position at the next annual membership meeting.

7.5 REMOVAL. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association after the development period. The developer may remove a Director with or without cause, during the development period.

7.6 COMPENSATION. No Director shall receive compensation for any service he may render to the Association as Director. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties as Director, and may receive compensation and reimbursement for duties as Transportation Coordinator.

Article VIII – Meetings of the Board of Directors

8.1 ANNUAL MEETINGS. The annual meeting of the Board of Directors shall be held immediately after the annual membership meeting. Said meeting shall be held at the same place as the membership meeting unless some other place shall be specified by resolution of the membership at such meeting.

8.2 SPECIAL MEETING. Special meetings of the Board of Directors may be held at any place, at any time, within King County whenever called by the president or secretary or by any three members of the Board.

8.3 QUARTERLY MEETINGS. Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such place, date, and hour as may be fixed from time to time by resolution of the Board of Directors.

8.4 NOTICE OF MEETINGS. No notice of annual meetings or of quarterly meetings of the Board of Directors shall be required. Notice of the time and place of any special meeting shall be given by the secretary or by the person or persons calling the meeting by mail, telegram, or by personal communication over the telephone or otherwise, at least three (3) days prior to the date on which the meeting is to be held. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a Director attends the meeting for the purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any meeting of the Board of Directors need be specified in the notice or any waiver of notice of any special meeting.

8.5 QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting in which a quorum is present shall be the act of the Board of Directors. At any meeting of the Board of Directors at which a quorum is present, any business may be transacted and the board may exercise all of its powers.

Article IX – Action by Written Consent

Any action required or permitted by the Articles of Incorporation, the By-Laws, the Declaration, or under the laws of the State of Washington, to be taken at a meeting of the Board of Directors of the Association may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Board of Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote and may be described as such.

Article X – Waiver of Notice

Whenever any notice is required to be given to any Director of the Association by the Articles of Incorporation, By-Laws or Declaration or by the laws of the State of Washington, a waiver thereof, in writing signed by the person or persons entitled to such notice, either before or after the time stated therein, shall be equivalent to giving of such notice.

Article XI – Nomination and Election of Directors

11.1 NOMINATION. Nomination for election to the Board of Directors shall be made by a nominating committee unless appointed by the Developer during the development period. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Article XII – Powers and Duties of the Board of Directors

12.1 The Board of Directors shall have the powers and duties necessary for the administration of the affairs thereof consistent with the purposes and objects set forth in the Articles of Incorporation, Declaration, and By-Laws, and pursuant to the laws of the State of Washington. Without prejudice to the generality of the foregoing, the Board of Directors shall have the power and duty:

12.1.1 To adopt and publish rules and regulations consistent with the Articles of Incorporation, Declaration, and By-Laws, governing the use of the common area and properties, if any, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

12.1.2 To exercise for the Association all powers, duties and authority vested in or delegated to this Association not reserved to the membership by the provisions of these By-Laws, the Articles of Incorporation, or the Declaration.

12.1.3 To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

12.1.4 To employ and remove at pleasure all officers, agents, employees, independent contractors, or such other persons as they deem necessary, prescribe their duties and fix their compensation.

12.1.5 To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting thereof.

12.1.6 To supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed.

12.1.7 As more fully provided in the Declaration, to set the annual budget and allocate the assessment rate, provided, however, the assessment rate is subject to all terms and conditions of the Declaration.

12.1.8 To procure and maintain adequate liability insurance and to procure adequate hazard insurance on property owned by the Association.

12.1.9 To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

12.1.10 To cause the common areas, if any, and any furniture, fixture, and mechanical equipment thereof to be administered, maintained, repaired, rebuilt or replaced in accordance and consistent with all applicable laws, ordinances, rules, and regulations now or hereafter made by any governmental authority, and with the provisions of the Articles of Incorporation of the Association, the Declaration, and these By-Laws.

12.1.11 To make such expenditures as the Board deems expedient, provided, however, that the members of the Association, by resolution adopted by a two-thirds (2/3) vote at any meeting of the members, may restrict the amount of expenditures which can be made by the Board without prior approval of the members. The Board of Directors shall not have power to borrow money on behalf of the Association in excess of ten percent (10%) of the asset value of the Association unless authorized by two-thirds (2/3) vote of the members of the Association at a meeting of the members.

12.1.12 To acquire by conveyance, contract, lease, or otherwise, property and rights of occupancy of property for the common benefit of the property of the members of the Association, to improve said property by the erection of structures and facilities to rent the same to members of the Association, all upon such terms and subject to such rules and regulations as the Directors may determine.

12.1.13 In the name of the Association to enforce and foreclose the lien of assessments of the Association as may be necessary for collection thereof.

12.1.14 To designate representatives to serve on the Architectural Control Committee, if any, and to enforce the provisions of restrictive covenants and declarations pertaining to the lands served by this Association, by the institution of litigation, or otherwise.

12.1.15 The Board of Directors may appoint a business manager who may exercise the authority of the Board between formal meetings of the Board, provided that all such authority so exercised shall be reported to the next meeting of the Board and submitted for approval by the Board, failing such approval, such actions of the business manager shall not be effective after the meeting of the Board of Directors at which considered except to the extent that formal continuing undertakings may have been made on behalf of the Association.

12.1.16 The Board of Directors shall appoint a Transportation Coordinator to perform such duties as described in the Transportation Management Plan, as established, recorded and amended.

12.1.17 The Board of Directors shall not make political or charitable donations of the Association funds or property.

12.1.18 The Board of Directors is not authorized to adopt or enforce discriminatory rules or regulation or restrictions, nor take any action based on race, religion, national origin, or sex.

Article XIII - Committee

The Board of Directors may create committees, by resolution or resolutions passed by a majority of the Board, which to the extent provided in said resolution or resolution or in other provisions of these By-Laws, shall have and may exercise the powers of the Board of Directors, or may perform advisory services as designated, regarding the management of the business and affairs of the Association.

Article XIV – Officers and their Duties

14.1 PRESIDENT. The president shall be the principal executive officer of the Association and, subject to the Board's control, shall supervise and control all of the business and affairs of the Association. When present he shall preside over all members' meetings and over all Board meetings. He shall have all of the general powers and duties which are usually vested in the office of President of a non-profit corporation.

14.2 VICE PRESIDENT. In the absence of the president or in the event of his inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president.

14.3 SECRETARY. The secretary shall: (a) keep the minutes of the members' and Board meetings, (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law, (c) be custodian of the Association records and of the seal of the Association, (d) keep a register of the post office address of each member as furnished to the secretary by each member, (e) and in general perform all duties incident to the office of secretary.

14.4 TREASURER. The treasurer shall have charge and custody of and be responsible for all funds and securities of the Association, receive and give all funds and securities of the Association, receive and give all receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these By-Laws, prepare an annual budget and statement of income and expenditures to be presented to the members at its regular annual meeting, and in general perform all the duties incident to the office of treasurer.

14.5 SALARIES. The salaries, if any, of the officers and Transportation Coordinator shall be fixed from time to time by the Board, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a member of the Association.

Article XV – Loans Prohibited

No loans shall be made by the Association to any officer or to the Board of Directors.

Article XVI – Contracts, Checks and Deposits

16.1 CONTRACTS. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

16.2 CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents, of the Association and in such manner as is from time to time determined by the Board.

16.3 DEPOSITS. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board may select.

Article XVII – Fiscal Year

The fiscal year of the Association shall end December 31st.

Article XVIII – Seal of the Association

The seal of this Association, if the Board of Directors determines a seal is necessary, shall consist of the name of the Association, the state of its incorporation, and the year of its incorporation.

Article XIX - Indemnification

To the full extent permitted by law, the Association shall indemnify any person who was or is a party or is threatened to be made a party to any civil, criminal, administrative or investigative action, suit or proceeding (whether brought by or in the right of the Association or otherwise) by reason of the fact that he is or was a Director, officer or Transportation Coordinator of the Association, or is or was serving at the request of the Association as a Director or officer of another association, against expenses (including attorney's fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding and the Board may, at any time, approve indemnification of any other person which the Association has the power to indemnify under the law. The indemnification provided by this section shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract.

Article XX - Amendments

These By-Laws may be altered, amended, or repealed, and new By-Laws may be adopted by the Board at any regular or special meeting of the Board provided there has been at least ten (10) days notice of the meeting, which notice shall include the proposed amendment to the By-Laws.

Article XXI – Books and Records

The Association shall keep current and complete books and records of account and shall have at least an annual audit, and shall keep minutes of the proceedings of its Board and committees having any authority of the Board.

Article XXII – Rules and Regulations

22.1 ADOPTION. The Board of Directors may, from time to time, and subject to the provisions of the Declaration, Articles of Incorporation, and these By-Laws, adopt, amend

and repeal rules and regulations in order to preserve the benefit of **Campus Highlands** for all owners, their families, invitees, licensees and lessees, and for guests.

22.2 PROMULGATION. The secretary shall mail a true and correct copy of all rules and regulations or amendments thereto, to each member of the Association as appears on the membership roll of the Association at his last known address, and shall enter upon the records of the corporation his certificate of such mailing.

22.3 EFFECTIVE DATE. Any such rule or regulation or amendment thereto, adopted by the Board of Directors shall be effective commencing at 12:01 a.m. on the fifth (5th) day following the date of such mailing, unless the Board of Directors in adopting the same shall specify some other effective date.

Article XXIII – Rules of Procedure

The rules of procedure at the meeting of the Board of Directors or of the Association shall be rules contained in Roberts' Rules of Order of Parliamentary Procedure, as amended so far as applicable and when not inconsistent with these By-Laws, the Articles of Incorporation, or with any resolution or the Board of Directors.

Article XXIV - Conflicts

In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control. In the case of any conflict between the Declaration and these By-Laws and the Articles, the Declaration shall control.

Certification of Adoption

The undersigned, being the Board of Directors of Campus Highlands Homeowners Association, hereby certify that the foregoing are the By-Laws adopted at the meeting of the Board of said Association held on the ___ day of _____, ____.