

ISSAQUAH HIGHLANDS BUYER'S RECEIPT AND CONSENT

Division: _____ Lot: _____

The undersigned Buyer at Issaquah Highlands acknowledges receipt and consents as follows:

1. Summary Notice of Governing Documents. Buyer acknowledges the recorded "Issaquah Highlands Summary Notice of Governing Documents and Developing Agreements" (**Recording No. 20051107000627 (Divisions 72, 73 and 74) or Recording No. 20021204000140 (Divisions 70, Lots 1-19 and Division 75, Lots 1-8)**), which is part of the title report for the home).
2. Homeowner Associations. Buyer acknowledges he/she is automatically a member of the Issaquah Highlands Community Association ("IHCA"), the homeowner association that includes all single-family homes, condominiums, townhouses and other owner-occupied residences in the overall Issaquah Highlands community. If Buyer is buying a condominium or if Buyer's builder has created a separate sub-association for certain homes, then Buyer may also be a member of a second association besides the IHCA.
3. Rules and Regulations. Buyer acknowledges receipt from Seller of the current "Use Restrictions and Rules" adopted by the Declarant or the IHCA that apply to Buyer's property. If there is a separate condominium or sub-association covering the home, then there likely will be an additional set of rules adopted by that separate association.
4. Pit Bull Dog Policy. The Rules and CC&Rs prohibit any resident of Issaquah Highlands from owning or possessing a Pit Bull dog except as allowed by the Grandfather Exception (dogs residing at Issaquah Highlands as of January 25, 2002) as defined in the Pit Bull Dog Policy adopted by the Issaquah Highlands Community Association on January 25, 2002.
5. Association Dues. Buyer acknowledges and agrees to pay the assessments (dues) related to Buyer's property which are properly established under the Declaration of CCRs and association documents that created the IHCA. If there is a separate condominium or sub-association covering the home, then there likely will be additional assessments (dues) adopted by that separate association. The IHCA dues for fiscal year 2008/2009 (7/1/08-6/30/09) is \$750.00 and the capitalization fee is \$125.00 (1/6th of the base assessment fee). The Neighborhood Assessment is \$252.22 per fiscal year (2008/2009).
6. Subscription to Community Network. Owners buying at Issaquah Highlands will be subscribers to the high-speed communications network that connects people at Issaquah Highlands and to the internet ["Network"]. This subscription requirement and the related fees are set forth in the Covenant for Community for Issaquah Highlands [Amended and Restated], dated effective May 19, 2003, and recorded under King County Recording No. 20040204000499, as amended ("Community Covenant"). The developer

may elect to continue to pay all the costs to operate and build out the Network until it is completed. After the developer is repaid its out-of-pocket costs, or sooner if the Highlands Council (described below) and developer agree, the developer will turn over the Network and all future revenue to the Highlands Council, for the benefit of the community. Thereafter the Highlands Council will determine the fees. The developer or the Highlands Council will determine the fees as provided in the Community Covenant. Homeowners who bought before the Community Covenant was recorded will also be offered the opportunity to participate by committing that their property and will subscribe on the same terms.

7. “Highlands Council.” The Highlands Council is a nonprofit organization formed to enhance the community and quality of life at Issaquah Highlands. The Highlands Council was created by the Community Covenant described above. It will conduct programs, events and a variety of activities for people at Issaquah Highlands. It may also own facilities such as the Network, a Village Hall and possibly future improvements. In addition to revenue from events, sponsorships and operation of the Network, the Council will receive a community enhancement fee from the resale of each home and from commercial and retail operations. The fee will be .25% of the sales price for residential properties. The annual fee for commercial and retail uses will be \$0.12/sq feet, with CPI adjustment. For apartments, the annual fee will be \$50 per unit, with CPI adjustment. The collected fees will be used solely for the enhancement of the community through the activities of the Council. Homeowners who acquired their property before the Highlands Council was established will also be offered the opportunity to participate by subjecting their property to the .25% resale requirement. Proceeds will be used to sponsor and coordinate various community enhancement activities, such as community education (local school support), environmental programs, special interest group or clubs, affordable housing and the community web site.

8. Homeowner’s Manual. Buyer acknowledges receipt of the homeowner’s manual for environmental and water quality protection.

9. Water. The City intends to convert all property owners in Issaquah Highlands from the City’s groundwater supply to the regional water supply system. The City’s user fees may increase as a result of the connection to the regional supply system.

10. Consent and Agreement to Comply. Buyer agrees to comply with items 1 through 9 above. Buyer also consents to and waives any objection to the (a) construction period and activities to complete the homes, commercial and other buildings, roads and facilities for Issaquah Highlands and (b) density and intensity of uses and development of the Issaquah Highlands project but only to the extent that such development and activities comply with the requirements of the Development Agreement and governing documents listed in item #1 above.

11. Flexible Development; Illustrative Plans. The Issaquah Highlands development plan under the Development Agreement has flexibility and may be amended during its build-out, which may be over a 20 to 30 year period. Development will include an integration of residential, municipal, community and retail and commercial uses along

with neighborhood greens, parks, pedestrian trails, areas of open space and wildlife/natural habitat area. The Grand Ridge Partnership and the home Seller may have illustrative plans and ideas for how Issaquah Highlands will develop over the years. However, neither the Grand Ridge Partnership, Seller, nor any broker or agent or other person, can represent or warrant the exact types, location or timing of future development that may occur.

12. Homes Adjacent to Open Space. Buyer acknowledges that open space areas adjacent to homes in Issaquah Highlands are owned by either King County or the City of Issaquah. Prior to the start of construction of your home, these areas were reviewed by an arborist to identify hazardous or diseased trees that were in proximity to structures within the division. The hazardous and diseased trees identified by the arborist were then removed. Buyer acknowledges and accepts that remaining trees in these areas may become hazardous in the future and that living adjacent to a forested area poses a potential risk from trees falling or blowing down.

13. Income Qualified Housing for Rent. Buyer acknowledges that Division 60 and Division 95 have been set aside for the City of Issaquah for the potential development of housing for rent to income qualified households earning various income levels below 80% of the median income in King County. Division 95 is located east of Division 93.

BUYER:

Dated: _____