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RETURN TO:
LAW OFFICES OF BRUCE A. BUSKIRK
4110 Kitsap Way Suite 204
Bremerton, WA 98312

DECLARATION OF PROTECTIVE COVENANTS,
RESTRICTIONS, EASEMENTS AND AGREEMENTS
FOR THE PLAT OF

SUMMERWIND

RECITALS:

A. Declarant owns certain real property located in the County of Kitsap, State of Washington, which property and improvements are commonly known as SUMMERWIND, and is herein referred to as the "Project", and is more particularly described as follows:

LOTS B, C AND D OF SHORT PLAT NO. 4688 RECORDED MARCH 29, 1993 UNDER AUDITOR'S FILE NOS. 9303290324 AND 9303290327, BEING A PORTION OF THE SOUTHWEST QUARTER, SECTION 15, TOWNSHIP 25 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON;

ALSO LOTS B, C AND D OF SHORT PLAT NO. 4687-R1 RECORDED OCTOBER 8, 1993 UNDER AUDITOR'S FILE NOS. 9310080261 AND 9310080262, AN AMENDMENT OF AUDITOR'S FILE NOS. 9303290328 AND 9303290323, BEING A PORTION OF THE SOUTHWEST QUARTER, SECTION 15, TOWNSHIP 25 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON.

This describes all property which will be within the Plat of SUMMERWIND when it is fully developed. The proposed Plat of Summerwind, Division 1, has been recorded with the Kitsap County Auditor under Volume 28 of Plats, Pages 83-93 under Auditor's Recording No. 1406280309. The entire legal description set forth above contains not only the legal description of Division A of the Plat of Summerwind, but the legal description of Lots G, H and I reflected on the Plat of Summerwind, which lots are subject to the Covenants, Restrictions, Easements and Agreements contained in this Declaration.

B. A conceptual site plan of the preliminary Plat/PUD of Summerwind is attached hereto as Exhibit "A" for reference purposes only. The development depicted on Exhibit "A" is conceptual only and is not to be construed as a binding development site plan of the Declarant. Attached hereto and incorporated by reference herein as Exhibit "B" is an overview of the Plat recorded as reflected in Recital A. above. Tracts G, H and I as depicted in

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Exhibit "B" and on the face of the Plat recorded as reflected in Recital A. above will be further subdivided.

C. For the benefit of the Project and as an inducement to lenders and investors to make and purchase loans secured by Lots within the Project, Declarant agrees to provide herein for a method of caring for the Project.

NOW, THEREFORE, Declarant hereby declares that the Project and Lots as described herein shall be held, conveyed, encumbered, hypothecated, leased, rented, used, occupied and improved subject to the easements and covenants reflected on the face of the Plat and to the following uniform covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights-of-way, liens, charges and equitable servitudes, all of which are hereby declared, established, expressed and agreed: (1) to be for the benefit and protection of the Project, its desirability, value and attractiveness; (2) to be for the benefit of the Owners and mortgagees of the Lots in the Property; (3) to run with the land and be binding upon all parties having or acquiring any right, title or interest in the Property or any part thereof; (4) to inure to the benefit of every portion of the Project and any interest therein; and (5) to inure to the benefit of and be binding upon each heir, successor and assignee in interest of each Owner and of Declarant.

ARTICLE I

INTERPRETATION

1.1 Liberal Construction

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation and maintenance of the Project.

1.2 Covenant Running With Land

It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, binding on Declarant, its successors and assigns, all subsequent owners of the Property, together with their grantees, successors, heirs, executors, administrators, devisees or assigns.

1.3 Declarant is Original Owner

Declarant is the original Owner of all Lots and Property and will continue to be deemed the Owner thereof except as conveyances or documents changing such ownership regarding specifically described Lots are filed of record.

1.4 SANCTIONS

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Captions given to the various Articles and Sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof.

1.5 Definitions

1.5.1 "Association" shall mean the association of Lot Owners provided for in Article 7 and its successors and assigns.

1.5.2 "Board" shall mean the Board of Directors of the Association provided for in Article 8.

1.5.3 "Common Area" shall mean all real property (including the improvements thereto) now or hereafter owned by the Association for the common use and enjoyment of the Owners and shall in all events exclude each of the Lots within the Project. Upon the recording of the Declaration, the Common Area to be owned by the Association at the time of the conveyance of the first Lot is described on the face of the Plat (as depicted in Exhibit "B" attached hereto and incorporated by reference herein) and recorded as set forth in Recital A. above as Lots A, B, C, D, E, F, J, K, L, M and N. Until Lots G, H and I as depicted on the Plat of Summerwind recorded as set forth in Recital A. above are developed, each of said Lots shall be considered one Lot owned by the Declarant for all purposes under this Declaration, including, but not limited to, assessments.

1.5.4 "Declarant" shall mean the undersigned (being the sole Owner of the real property described above in Recital A, Description of the Land) and its successors and assigns if such successors or assigns should acquire more than one Lot from the Declarant, and by written instrument in recordable form, be specifically assigned the rights and duties of Declarant.

1.5.5 "Declaration" shall mean this declaration and any amendments thereto.

1.5.6 "Home" shall mean and refer to any structure located on a Lot, which structure is designed and intended for use and occupancy as a residence by a single family.

1.5.7 "Limited Common Area" shall mean and refer to real property owned in common by, and for the joint use of, two or more (but less than all) of the Lot Owners and shall in all events exclude each of the Lots within the Project and exclude the Common Area owned by the Association as defined in Section 1.5.3. Upon recording of the Declaration, initially no Limited Common Areas have been established.

1.5.8 "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property, excluding Common Areas. Ownership of a Lot shall include ownership of the

Home and improvements now or hereafter constructed on such lot. It is anticipated that future divisions of Summerwind will be developed in general along the lines depicted on Exhibit "A". Until Lots G, H and I as depicted on the Plat of Summerwind recorded as set forth in Recital A. above are developed, each of said Lots shall be considered one lot owned by the Declarant for all purposes under this Declaration, including, but not limited to, assessments. When Lots G, H and I are developed and said lots are broken down into additional lots, those lots shall have the same definition as set forth in this paragraph 1.5.8 for a "lot".

1.5.9 "Mortgage" shall mean a recorded mortgage or deed of trust that creates a lien against a lot and shall also mean a real estate contract for the sale of a lot.

1.5.10 "Mortgagee" shall mean the beneficial owner, or the designee of the beneficial owner, of an encumbrance on a lot created by mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of lot. A mortgagee of the Project and a mortgagee of a lot are included within the definition of mortgagee.

1.5.11 "Mortgage Foreclosure" shall include a deed of trust sale, a deed given in lieu of such foreclosure or sale and a forfeiture of a real estate contract.

1.5.12 "Mortgagee of a Lot" shall mean the holder of a mortgage on a lot, which mortgage was recorded simultaneous with or after the recordation of this Declaration. Unless the context requires otherwise, the term "Mortgagee of a Lot" shall also be deemed to include the mortgagee of the Project.

1.5.13 "Mortgagee of the Project" shall mean the holder of a mortgage on the real property which this Declaration affects, which mortgage was recorded prior to the recordation of this Declaration. The term "Mortgagee of the Project" does not include mortgagees of the individual lots.

1.5.14 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Property, and shall include any person of record holding a vendee's interest under a real estate contract for the purchase of a lot. Each Owner shall be a member of the Association and may be referred to herein as a Member. Any person or entity having such an interest merely as security for the performance of an obligation shall not be considered an owner.

1.5.15 "Person" shall include natural persons, partnerships, corporations, associations and personal representatives.

1.5.16 "Plat Map" shall mean that diagram attached hereto as Exhibit "B" which depicts the lay-out of the Lots on the Property.

1.5.17 "Property," "Project," or "Premises" shall mean the real estate described above in Recital A, Description of the Land, and all improvements and structures thereon, including such additions thereto as may hereafter be brought within the jurisdiction of the Association.

1.6 Percentage of Mortgagees

For purposes of determining the percentage of first mortgagees approving a proposed decision or course of action, a mortgagee shall be deemed a separate mortgagee for each Lot on which it holds a mortgage that constitutes a first lien on said Lot.

1.7 Percentage of Owners

For purposes of determining the percentage of Owners approving a proposed decision or course of action, an Owner shall be deemed a separate Owner for each Lot owned.

1.8 Inflationary Increase in Dollar Limits

The dollar amounts specified in Articles 9 and 10 may, in the discretion of the Board, be increased proportionately by the increase in the consumer price index for the City of Seattle, Washington, for All Urban Consumers, prepared by the United States Department of Labor for the base period, January 1, 1985, to adjust for any deflation in the value of the dollar.

ARTICLE II

OWNER'S PROPERTY RIGHTS

2.1 Owner's Easement of Enjoyment of Common Areas

Every Owner shall have a non-exclusive right and easement, in common with all Owners, of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

2.1.1 The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

2.1.2 The right of the Association to suspend the voting rights and right to use of the Common Areas by an Owner for any period during which any assessment against his Lot remains unpaid and for a period not to exceed sixty (60) days for any

infraction of its published rules and regulations. Until all Class B membership terminates, the Association shall be required to exercise its right to suspend the voting rights or, and the right to the use of the recreational facilities by, a member for non-payment of an assessment, upon the request of the Declarant.

2.1.3 The rights of the Association to dedicate or transfer all or any part of the Common Area, including easements across said properties, to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3rds) of the Owners and two-thirds (2/3rds) of each class of members has been recorded and the provisions of Article 13 hereof have been observed.

2.1.4 The right of the Association to limit the number of guests of members;

2.1.5 The right of the Association, in accordance with this Declaration and its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, but the rights of such mortgagee in said property shall be subordinate to the rights of the Owners hereunder.

2.1.6 The right of the Association to take such steps as are reasonably necessary to protect any such mortgaged property against foreclosure, including, but not limited to, the right to charge admission and other fees as condition to continued enjoyment by the members and, if necessary, to open enjoyment of such properties to the public; and

2.1.7 Until all Class B membership terminates, the exercise of all of the rights and powers set forth in subsections 2.1.1, 2.1.2, 2.1.4, 2.1.5 and 2.1.6 shall require the prior written approval of Declarant.

2.2 Delegation of Use

Any Owner may delegate, (in accordance with the Bylaws), his right of enjoyment to the Common Area and facilities, and to the Limited Common Areas, to the members of his family, his tenants, or contract purchasers who reside on the Property, and subject to regulation by the Association to his temporary guests.

ARTICLE III

OBLIGATIONS OF OWNERS

3.1 In General

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Summerwind

Each owner shall comply strictly with all provisions of the Declaration.

3.2 Specific Duties

Subject to the provisions of Section 9.7, each Owner at said Owner's sole cost and expense, shall promptly and continuously maintain, repair, replace and restore said Owner's Lot (including the yard and landscaping) and Home and other improvements located thereon, in good, clean, attractive, safe and sanitary condition and in full compliance with all applicable governmental laws, rules and regulations and the provisions of this Declaration and the rules and regulations of the Association.

3.3 Restrictions on Storage

No Owner shall park or store or allow any tenant or invitee or guest to park or store any trailers, boats, motor homes, recreational vehicles, or trucks having a gross weight in excess of 4,000 pounds or any disabled or inoperable motor vehicles on the Premises (other than completely within an enclosed garage, including a roof on said garage, or within such other enclosure as may be approved in advance by the Board of Directors or the Architectural Control Committee) for more than forty-eight (48) consecutive hours. Violations shall subject such vehicles to public impound, at the expense of the Owner thereof.

ARTICLE IV

PARTY WALLS

4.1 General Rules of Law Apply/Ownership

Each wall which is built as part of the original construction of the Homes upon the Property and placed on the dividing line between the Lots shall constitute a party wall governed by the provisions of this Article. The term party wall shall include the wall as constructed from the top of the foundation to the ceiling. Each Owner of a Home that shares a party wall with another Home shall own to the middle of the party wall connecting the Owner's Home to the adjacent Home.

4.2 Sharing Repair and Maintenance

Except as elsewhere set forth herein, the cost of reasonable repair and maintenance of a party wall shall be shared by the Owners equally. Repair and maintenance shall include treatment for pest infestation as necessary, replacement of studs or other structural portions of the wall which wear out and any other repair which is commonly conducted on the interior of a structural wall. The exterior wallboard surface of the party wall which faces the interior of an Owner's Home shall be maintained and

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repaired by that Owner, unless its damage or destruction was caused by the negligence or willful act of the adjacent Owner in which event the provisions of paragraph 4.3 shall apply.

4.3 Destruction by Fire or Other Casualty

If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owner thereafter makes use of the wall, he shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner to require the Owner whose negligence or willful act or omission caused the party wall to be destroyed or damaged to pay the entire cost of said repair.

4.4 Weatherproofing

Notwithstanding any other provision of this Article, an Owner whom, by his negligent or willful act, causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

4.5 Right to Contribution Runs with Land

The right of any Owner to contribution from any other Owner (and the obligation of any Owner for contribution) under this Article shall be appurtenant to the land and shall pass to each Owner's successors in title.

4.6 Arbitration

In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. The arbitrators shall be persons with experience in the construction or real estate field and shall reside in Kitsap County, Washington. They shall make their decision based on the provisions of this Article, or if a particular situation is not covered by this Article, by the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions.

ARTICLE V

ARCHITECTURAL CONTROL, LIMITATION ON USE OF LOT

5.1 Construction and Exterior Alteration or Repair

5.1.1 All yard and landscaping and all buildings and structures (including, without limitation, concrete or masonry walls, rockeries, fences, swimming pools, if any, or other

structures) to be constructed within the Property, and all exterior alterations and repairs (including, but not limited to, re-roofing or repainting) of any buildings or structures on the Property and visible from the Common Area, public street or any other Lot must be approved by the Board of Directors of the Association, or by an Architectural Control Committee (ACC) composed of three (3) or more representatives appointed by the Board; provided, until all Class B membership terminates, Declarant, at its option, may exercise all of the rights and powers of the Board under Section 5.1 including, without limitation, the appointment of members of the ACC. Complete plans and specifications of all such proposed buildings, structures, fences, walls and exterior alterations and repairs, showing the nature, kind, shape, height and materials of the proposal, together with detailed plans showing the proposed location of the same on the particular building site and other data requested by the ACC, shall be submitted to the ACC before construction, alteration or repair is commenced. Construction, alteration or repair shall not be commenced until written approval thereof is given by the ACC. Any exterior modifications in accordance with plans and specifications developed by the Declarant and filed with the Board of Directors at the time of transfer (pursuant to Article 8.2) will be deemed approved exterior modifications.

5.1.2 The ACC will review submittals as to the quality of workmanship and materials planned and for conformity and harmony of the external design with proposed or existing structures on neighborhood residential Lots or buildings sites, and as to location of the building with respect to topography, finish grade elevation and building setback restrictions.

5.1.3 In the event the ACC fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, such approval will not be required.

5.1.4 All plans and specifications for approval by the ACC must be submitted in duplicate, at least ten (10) days prior to the proposed construction or exterior alteration or repair starting date. The maximum height of any building shall be established by the ACC as part of the plan approval and shall be given in writing together with approval.

5.1.5 The ACC may require that said plans or specifications shall be prepared by an architect or a competent house-designer, approved by the ACC. One complete set of said plans and specifications shall in each case be delivered to and permanently left with the ACC. All buildings or structures shall be erected or constructed, and all exterior alterations or repairs made, by a contractor, house builder or other person or entity approved by the ACC.

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The ACC shall have the right to refuse to approve any design, plan or color for such improvements, construction, or exterior alteration or repair visible from a public street, Common Area or any other Lot which is not suitable or desirable, in the ACC's reasonable opinion, aesthetic or otherwise, in that it is not in harmony with other improvements or structures.

5.1.6 In so passing upon such design, the ACC shall have the right to take into consideration the suitability of the proposed building, structure or alteration, the material of which it is to be built, the exterior color scheme, the site upon which it is to be erected, the harmony thereof with the surroundings, and the effect or impairment that said building, structure or alteration will have on the view or outlook of surrounding building sites (it being the intent that all views be preserved to all practical degrees), and any and all factors, which, in the ACC's reasonable opinion, shall effect the desirability or suitability of such proposed structure, improvements, or exterior alteration or repair.

5.1.7 The ACC shall have the right to disapprove the design or installation of a swimming pool or any other recreational structure or equipment visible from the Common Area or any other Lot which is not suitable or desirable, in the ACC's reasonable opinion, aesthetic or otherwise. In so passing upon such design or proposed installation, the ACC shall have the right to take into consideration the visual impact of the structure and the noise impact of the related activities upon all of the properties located in close proximity to the proposed structure, pool or equipment. Any enclosure or cover used in connection with such a recreational structure or equipment, whether temporary, collapsible, seasonal, or whatever, shall be treated as a permanent structure for the purposes of these covenants, and shall be subject to all the conditions, restrictions, and requirements as set forth herein for all building structures.

5.1.8 The provisions of Section 5.1 shall not apply to Declarant, to the successors and assigns of Declarant's status as Declarant, or to builders who are approved by Declarant, provided that said construction shall be consistent with the quality required under Section 5.1.

5.2 Sales Facilities of Declarant

Notwithstanding any provision in this Declaration to the contrary, Declarant (its agents, employees and contractors) shall be permitted to maintain during the period of sale of Lots and/or Homes upon such portion of the Property (other than Lots sold by Declarant) as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Lots and Homes, including but not limited to, a business office, storage area,

signs; model units, sale office, construction office, and parking areas for all prospective tenants or purchasers of the Declarant.

5.3 Common Drive and Walks

Common drives, walks and paths shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except by express written consent of the board.

5.4 Residential Use

All Lots and improvements located thereon shall be used, improved and devoted exclusively to residential use. Nothing herein shall be deemed to prevent the Owner from leasing a Lot and improvements subject to all of the provisions of the Declaration. No structures or buildings of any kind shall be erected, altered, placed or permitted to remain on any Lot other than one single-family dwelling for single-family occupancy only, and a carport or garage, which dwelling, carport and garage comply with all applicable governmental requirements and provisions of this Declaration. No mobile homes or prefabricated homes shall be placed on any Lot.

5.5 Nuisances

No nuisance shall be permitted to exist or operate upon any Lot or improvement thereon so as to be detrimental to any other Lot or Property in the vicinity thereof or to its occupants.

5.6 Garbage and Trash Removal

No Lot shall be used as a dumping ground for rubbish, trash or garbage. Garbage and trash containers shall be buried or shall be located abutting rear or sides of house and shall be contained within an enclosure. The design and material of said enclosure shall be in keeping with the general appearance of the house and its design must receive prior approval by the Board or the ACC.

5.7 Pets

No animal, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except: that cats, dogs, birds or other household pets may be kept if they are not kept, bred or maintained for any commercial purpose; and that such pets shall not be kept in numbers or under conditions reasonably objectionable in a closely built-up residential community or in violation of the reasonable rules and regulations of the Association. The reasonable rules and regulations may include rules limiting the number of pets of any Owner, requiring an Owner to clean animal waste or prohibiting an Owner from keeping a particular pet on his Lot.

5.8 Signs

No signs shall be displayed to the public view on any Lot except one professional sign of not more than five square feet advertising the property or sale or rent, or signs used by Declarant or another home builder to advertise the property during the construction and sales period.

5.9 Rental Lease

5.9.1 With respect to the leasing, renting, or creation of any kind of tenancy of a Lot and improvements thereon by its Owners, such Owners shall be prohibited from leasing or renting less than the entire Lot or improvements thereon, or leasing or renting (with the exception of a Mortgagee in possession of a Lot and improvements thereon following a default in a first Mortgage, a foreclosure proceeding or any deed of trust sale or other arrangement in lieu of a foreclosure) for a term of less than thirty (30) days; and all lease or rental agreements shall be in writing and be subject to the Declaration and Bylaws (with a default of the tenant in complying with the Declaration and Bylaws constituting a default under the lease or rental agreement).

5.9.2 If a Lot or Home is rented by its Owner, the Board may collect, and the tenant or lessee shall pay over to the Board, so much of the rent for such Lot or Home as is required to pay any amounts due the Association hereunder by the Owner, plus interest and costs, if the same are in default over thirty (30) days. The renter or lessee shall not have the right to question payment over to the Board (provided the Board explain in its correspondence to the tenant the reason for requesting the direct payment), and such payment will discharge the lessee's or renter's duty of payment to the Owner for rent, to the extent such rent is paid to the Association, but will not discharge the liability of the Owner, and the Lot or Home under this Declaration, for assessments and charges, or operate as an approval of the lease. The Board shall not exercise this power where a receiver has been appointed with respect to the Lot or its Owner; nor in derogation of any rights a Mortgagee of such Lot may have with respect to such rents. Other than as stated herein, there are no restrictions on the right of any Owner to lease or otherwise rent his Home.

5.10 Zoning Regulations

Zoning regulations, building regulations, environmental regulations, and other similar governmental regulations applicable to the Properties subject to this Declaration shall be observed. In the event of any conflict between any provision of such governmental regulations and the restrictions of this Declaration, the more restrictive provisions shall apply.

5.11 Business Use

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No business of any kind shall be conducted on any Lot with the exception of the business of Declarant in developing and selling all of the Lots. No building or structure shall be used for any business, industry, home occupation or commercial enterprise of any kind or nature, including, but not limited to, daycare use or as a residence where the elderly are cared for hire.

5.12 Temporary Residence

No outbuilding, basement, tent, shack, garage, trailer or shed or temporary building of any kind shall be used as a residence either temporarily or permanently.

5.13 Antenna/Satellite Dishes

No antenna or satellite dishes shall be affixed to any exterior wall or roof or be placed on any Lot in such a way as to be visible from the Common Area or any other Lot without the written approval of the ACC.

5.14 Building Setback Requirements

No building shall be located on any Lot that does not comply with existing governmental front, side and rear lot line setback requirements. Furthermore, if the appropriate governmental entity or agency should grant a variance from otherwise applicable setback requirements, the provisions of such variance shall control over conflicting provisions of this Section.

5.15 Oil and Mining Operations

No oil drilling, oil development operations, oil refining quarrying or mining operations of any kind shall be permitted upon or in any Lot; nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected maintained or permitted upon any Lot.

5.16 Sewage Disposal

No individual sewage disposal system shall be permitted on any Lot.

5.17 Lot Size

No residential structure shall be erected or placed on any Residential Lot which has a lot area of less than that required by the governmental entity or agency having jurisdiction.

5.18 View Easement

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Each Lot or Home shall have a view easement over each other Lot or Home to preserve and protect the view from each Lot or Home. The Board or ACC shall have the right to trim trees or shrubbery that in the reasonable opinion of the ACC or Board interfere with the view from any Lot or Home, provided prior written notification is provided to the Owner.

5.19 Hazardous Waste

No Owner shall use, store, own, possess or control hazardous substances on any Lot which directly or indirectly result in the Lot or any of the project property becoming contaminated with said substances. Each Owner agrees upon notification to clean up from their Lot or any other property any contamination caused by said Owner's activities, including, without limitation, the use, storage, ownership, possession or control of hazardous substances, including, without limitation, any remedial action required by applicable governmental authorities. The responsible Owner further agrees that he will be solely responsible for all costs and expenses relating to the clean-up of hazardous substances from his Lot or any other properties which become contaminated with hazardous substances as a result of the Owner's activities on his Lot. The Owner agrees to indemnify, defend and hold the Association and all other Owners harmless from and against any and all claims, demands, damages, losses, liens, liabilities, penalties, fines and other proceedings and costs and expenses (including attorney's fees) arising directly or indirectly from or out of, or in any way connected with the Owner's activities referenced herein.

The term hazardous substances shall mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by any federal, state or local environmental statute, regulation or ordinance presently in effect or that may be promulgated in the future, as such statutes, regulations and ordinances may be amended from time to time.

ARTICLE VI

OWNERSHIP OF COMMON AREAS

At the time of initial recordation of the Declaration, the Common Areas (as defined in Section 1.5.3) within the Project, which are hereby conveyed to the Association, generally include roadways, curbs and sidewalks, landscaped areas, drainage systems and detention pond. Such Common Areas for all purposes shall be under the control, management and administration of the Declarant until all Class B membership terminates, and under the control, management and administration of the Association thereafter.

ARTICLE VII

OWNER'S ASSOCIATION/MEMBERSHIP/VOTING RIGHTS

7.1 Establishment

There is hereby created an association to be called SUMMERWIND HOMEOWNERS' ASSOCIATION (referred to hereinafter as the "Association").

7.2 Forms of Association

The Association shall be a nonprofit corporation formed and operated pursuant to Title 24 Revised Code of Washington.

7.3 Membership

Qualification for, and transfer of membership in the Association shall be governed by the Articles of Incorporation and Bylaws of the Association. However, every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

7.4 Voting

Voting by members of the Association shall be governed by the Articles of Incorporation and Bylaws of the Association. The Association shall have two classes of voting membership:

CLASS A: Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

CLASS B: The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the earlier of the following dates:

(a) the date on which a total of seventy-five percent (75%) of the Lots have been conveyed by Declarant; or

(b) the date on which Declarant's management power ceases as provided in Section 8.2 of the Declaration.

7.5 Meetings, Audits, Notices of Meetings

Audits, meetings and notices of meetings shall be governed by the Articles of Incorporation and Bylaws of the Association.

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7.6 Bylaws of Association

Bylaws for the administration of the Association and Property, and to further the intent of this Declaration, shall be adopted by the Owners at a regular or special meeting. However, Declarant may adopt initial Bylaws. In the event of any conflict between the provisions of the Bylaws and this Declaration, this Declaration shall control.

ARTICLE VIII

MANAGEMENT OF THE ASSOCIATION

8.1 Owner's Covenant. The Owners covenant and agree that the administration of the Project shall be in accordance with the provisions of this Declaration and the Bylaws of the Association which are made a part hereof.

8.2 Management by Declarant

The Property shall be managed by the Declarant until the earlier of (a) the day when all Class B membership terminates pursuant to Section 7.4; or (b) the date on which Declarant elects to permanently relinquish all of its authority under this Section 8.2 by written notice to all owners. The Association shall be organized as follows, in the exercise of the sole discretion of the Declarant:

8.2.1 So long as no temporary board is then entitled to exercise management authority under Section 8.2.7, Declarant, or a managing agent selected by Declarant, shall have the power and authority to exercise all the rights, duties and functions of the Board, including but not limited to, enacting reasonable administrative rules, contracting for the required services, property and insurance, and collecting and expending all assessments and Association funds.

8.2.2 Declarant may at such time as Declarant deems appropriate select a temporary board of adequate size to handle the affairs of the Association, comprised of persons who own or are purchasers of Lots, or are officers of corporations, trusts, partnerships or other entities owning or purchasing such Lots. This temporary board shall have full authority and all rights, responsibilities, privileges and duties to manage the Premises under this Declaration and Bylaws and shall be subject to all provisions of the Declaration and Bylaws; provided, that, after selecting any such temporary board, Declarant in the exercise of its sole discretion may at any time terminate such temporary board, and reassume its management authority under Section 8.2.1 or select a new temporary board under this Section 8.2.2.

8.2.3 Pursuant to Section 8.2.1 the Declarant or managing agent selected by Declarant, or pursuant to Section 8.2.2 a temporary board selected by Declarant, shall have the exclusive right to contract for goods and services, payment for which is to be made from any common or maintenance funds. The Association may not, however, be bound directly or indirectly to any contracts or leases without a right of termination exercisable without cause and without penalty at any time after transfer or control to the Board elected pursuant to Section 8.3, upon not more than ninety (90) days notice to the other party to the contract. These requirements and covenants are made in order to assure that the Premises will be adequately administered in the initial phases of development, and to assure an orderly transition to Association operations.

8.3 Management by Elected Board of Directors

At the expiration of Declarant's management authority under Section 8.2, administrative power and authority shall vest in a Board of Directors elected from among the Lot Owners. The number of directors shall be specified in the Bylaws and shall be sufficient to adequately handle the affairs of the Association. The Board may delegate all or any portion of its administrative duties to a manager, managing agent or officer of the Association, or as otherwise may be provided in the Bylaws. The Board shall elect from among its members, a president who shall preside over meetings of the Board and the meetings of the Association.

8.4 Board Organization and Operation

The organization and operation of the Board shall be governed by the Articles of Incorporation and Bylaws of the Association.

ARTICLE IX

AUTHORITY AND DUTIES OF THE BOARD

On behalf and acting for the Association, the Board (or the Declarant or Declarant's managing agent as provided in Section 8.2 hereof, hereinafter the Board) for the benefit of the Project and the Owners, shall enforce the provisions of this Declaration and the Bylaws, and shall have all powers and authority permitted to the Board under this Declaration, including, but not limited to, the following.

9.1 Assessments

The Board shall establish and collect regular assessments (and to the extent necessary and permitted hereunder, special assessments) to defray expenses attributable to carrying out its duties hereunder and maintain an adequate reserve fund for the maintenance, repair and replacement of those portions of the Common

Areas or facilities which must be maintained, repaired or replaced on a periodic basis, which reserve shall be funded by the above assessments.

9.2 Service

The Board may obtain the services of persons or firms as required to properly manage the affairs of the Project to the extent deemed advisable by the Board including legal and accounting services, property management services as well as such other personnel as the Board shall determine are necessary or proper for the operation of the Common Area, whether such personnel as the Board shall determine are necessary or proper for the operation of the Common Area, and whether such personnel are employed directly by the Board or are furnished by the manager or management firm or agent.

9.3 Utilities

The Board shall obtain water, sewer, garbage collection, electrical, telephone, gas and any other necessary utility service, including utility easements, as required for the Common Area.

9.4 Insurance

The Board shall obtain and pay for policies of insurance or bonds providing Common Area casualty and liability coverage, and for fidelity of Association officers and other employees, the requirements of which are more fully set forth hereinafter.

9.5 Maintenance and Repair of Common Area/Drainage System

The Board shall perform or cause to be performed, and pay for the costs of painting, maintenance, repair and all landscaping and gardening work for: the Common Area, any improvements located on Common Areas, including any fences (the maintenance and repair of which is not the responsibility of Owners thereunder); drainage systems and storm drainage facilities (whether located on Lots or the Common Area); furnishings and equipment for the Common Area and the detention pond facility utilized by the Project and by the Plat (regardless of whether such maintenance and repair work is performed at the direction of the Board or by a governmental entity). The foregoing shall be performed as the Board shall determine are necessary and proper to keep the Property in a good, clean, attractive, sanitary and safe condition and in full compliance with applicable governmental laws, rules and regulations and the provisions of this Declaration.

9.6 Lot and Lot Improvement Maintenance - Owner's Responsibility

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In the event an owner of any lot in the Property shall fail to maintain the premises and the improvements situated thereon in accordance with Section 3.2, the Association, after approval by two-thirds (2/3rds) vote of the Board of Directors, shall have the right through its agents and employees to enter upon said parcel and to repair, maintain, and restore the lot and the exterior of the buildings and any other improvements erected thereon, including landscaping and grounds. The cost of such exterior maintenance shall be added to and become part of the assessment to which such lot is subject.

9.7 Lot and Lot Improvement Maintenance - Association's Responsibility

9.7.1 Roof, Gutter, Downspout and Siding Replacement and Repair, Exterior Repainting

Notwithstanding that a Lot Owner has the primary duty under Section 3.2 to maintain and repair said Owner's Home, the Association shall have the primary duty as to each Home to replace, repair and care for roofs, gutters, downspouts and exterior building surfaces (including painting and siding) in accordance with the following provisions:

(a) Such roof, gutter, downspout and siding replacement and repair and exterior repainting for each Home shall be performed at such times as the Board considers necessary to preserve and protect the appearance and condition of the Home as part of a systematic program based on the estimated useful life of each Home roof, gutter, downspout and siding and exterior repainting. All roof and yard drains must be directed so as to not adversely affect adjacent properties.

(b) The cost of replacing or repairing the roof, gutters, downspouts and siding and repainting the exterior of each Home shall be borne by the Owner of such Home. However, the Board shall create and maintain from the regular annual assessment of such Owner a reserve fund for the estimated future cost of such replacement, repairs and repainting. The Board shall attempt to calculate the contributions of said reserve fund so that sufficient funds are on deposit to pay the estimated costs of such replacement and repainting at the end of the estimated useful life of such roof, gutter, downspout and siding and exterior painting. The reserve fund so created for each such Home shall be the primary source of payment of the actual cost of roof, gutter or downspout replacement and exterior painting for such Home; but, if the reserve fund so created should at any time prove insufficient, the Owner of a particular Home shall be assessed for the amount of such insufficiency. Although the reserve funds so created for all Homes may be commingled in a single depository account, a separate ledger record shall be maintained with respect to the reserve accumulated for each such Home. Notwithstanding any other provision of this

Declaration, the Declarant shall have no responsibility to contribute to a reserve fund for Homes owned by it, provided Declarant shall maintain said Homes in the same standard as required for all other Homes within the project.

(c) Nothing herein shall prohibit the Board from requiring any Owner or group of Owners to perform the maintenance and repair obligations imposed on the Association in Section 9.7.1. In the event that the Board shall require an Owner to so perform, the Board shall nonetheless, in its sole discretion, approve the persons who shall actually perform said work and the methods and materials to be used. The Board may also promulgate such rules and regulations pertaining to such work as it may desire and shall have the right to approve and accept such work as having been performed in a first class and workmanlike-manner. In the event the Board shall reasonably refuse to accept such work, the Board may cause said work to be modified or redone to the extent that it shall meet Board standards. Upon approval of such work, the Board shall disburse such reserve funds as are necessary to pay for said work and to assess the Owner for any deficiency.

9.7.2 Yard and Landscaping The Association shall have the right to regulate and maintain yards and landscaping in accordance with the following provisions:

(a) The Association shall be responsible for maintaining (in accordance with the standards established by the Board or the ACC) the yard and landscaping of each Lot including grass cuttings, garden bed weeding and tree and shrub replacement. The cost of maintaining the yard and landscaping shall be paid as part of the annual assessment provided for under Article 10.

(b) Nothing herein shall prohibit the Board from requiring or permitting any Owner, at said Owner's expense, to perform the maintenance obligations imposed on the Association in Section 9.7.2. In the event that the Board shall require or permit an Owner to so perform, the Board or the ACC shall nonetheless, in its sole discretion have sole right to establish the standards, rules and regulations pertaining to such landscaping and maintenance work.

9.8 Lien/Encumbrance

The Board may pay any amount necessary to discharge any lien or encumbrance levied against the Common Areas or any part thereof which is claimed to or may, in the opinion of the Board, constitute a lien against the Common Areas, rather than merely against the interest therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it, and any costs and expenses (including court costs and attorney fees) incurred by the Board by reason of such lien or liens shall

be specifically charged against the Owners and the Lots responsible to the extent of their responsibility.

9.9 Enforce Declaration

The Board shall enforce the applicable provisions of the Declaration for the management and control of the Project.

9.10 Contracts

The Board shall contract for materials and/or services to carry out its responsibilities provide herein.

9.11 Financial Statements

The Board shall prepare or cause to be prepared at least annually (or more frequently if desired by the Board), a balance sheet and an operating (income/expense) statement for the Association, copies of which shall be distributed to each of the Owners within thirty (30) days after the accounting date. The operating statement shall include a schedule of assessments received and receivable, identified by the number of the Lot and the name of the Owner so assessed. The Board may require that an external audit be prepared annually by an independent public accountant within ninety (90) days following the end of each fiscal year.

9.12 Payment for Materials, Services, Etc.

The Board shall have the authority to pay for any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to secure by law, or which in its opinion shall be necessary or proper for the operation of the Common Area or for the enforcement of this Declaration; provided that if for any reason such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for particular Lots or their Owners, the cost thereof shall be specifically charged to the Owner of such Lots.

9.13 Non-Profit

Nothing herein contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the Owners or any of them.

9.14 Exclusive Right to Contract

The Board shall have the exclusive right to contract for all goods and services, payment of which is to be made from the maintenance fund. The Board may delegate such powers subject to the terms hereof.

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9.15 Acquisition of Property

The Board may, from common funds of the Association, acquire and hold in the name of the Association, for the benefit of the Owners, tangible and intangible personal property and real property and interests therein, and may dispose of the same by sale or otherwise; and the beneficial interest in such Property shall be owned by the Association and such Property shall thereafter be held, sold, leased, rented, mortgaged or otherwise dealt with for the benefit of the common fund of the Association as the Board may direct. The Board shall not, however, in any case acquire by lease or purchase real or personal property (including capital additions and improvements, but excluding the making of repairs, restoration and replacement of portions of the Common Areas) valued in excess of Five Thousand Dollars (\$5,000) except upon a majority vote of the Owners, or valued in excess of Twenty-Five Thousand Dollars (\$25,000) except upon a seventy-five percent (75%) affirmative vote of the Owners, with such vote being cast in person or by proxy at a meeting called for such purpose, or if no such meeting is held, the written consent of all of the Owners.

9.16 Right of Entry

The Association, Board and its agents or employees, may enter any Lot when necessary in connection with any maintenance, landscaping or construction for which the Board is responsible or in the event of emergencies. Such entry shall be made with as little inconvenience to the Owners as practical, and any damage caused thereby shall be repaired by the Board out of the common expense fund if the entry was due to an emergency or for the purpose of maintenance or repairs to Common Areas. If the emergency repairs or maintenance were necessitated by or for the Lot entered or its Owners, or requested by its Owners, the costs thereof shall be specifically charged to such Lot. Non-emergency entry shall be during daylight hours only.

9.17 Attorney-in-Fact

Each Owner, by the mere act of becoming an Owner or contract purchaser of a Lot, shall irrevocably appoint the Association as his attorney-in-fact, with full power of substitution, to take such action as reasonably necessary to promptly perform the duties of the Association and Board hereunder, including but not limited to the duties to maintain, repair and improve the Property, to deal with the Property upon damage or destruction, and to secure insurance proceeds.

9.18 Borrowing of Funds

In the discharge of its duties and the exercise of its powers as set forth in Article 9, but subject to the limitations set forth therein, the Board may borrow funds on behalf of the

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Association and to secure the repayment thereof encumber, subject to the limitations set forth in this Declaration (including Article 18), the Common Areas and facilities.

9.19 Additional Powers of Association

In addition to the duties and powers of the Association, as specified herein, and elsewhere in this Declaration, but subject to the provisions of this Declaration, the Association, acting through its Board, shall have the power to do all other things which may be deemed reasonably necessary to carry out its duties and the purposes of this Declaration including, but not limited to, capital improvements, obtaining of appropriate insurance and bonds, and the adoption of additional bylaws and rules and regulations governing the Association and Owners. In the event of conflict between this Declaration and any such additional Bylaws or rules and regulations, the provisions of this Declaration shall prevail.

ARTICLE X

COMMON EXPENSES AND ASSESSMENTS

10.1 Creation of the Lien and Personal Obligation Assessments

The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (1) annual assessments or charges and (2) special assessments for capital improvements, reconstruction or other special purposes, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Lot or Property and shall be a continuing lien upon the Property against which each such assessment is made. 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 property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless the lien for such delinquent assessments had been properly recorded prior to title transfer or unless expressly assumed by them. Provided, however, that in the event of a sale of any Lot which is charged with the payment of an assessment or assessments payable in installments, the person or entity who is the Owner immediately after the date of any such sale shall be personally liable only for the amount of the installments which become due on and after said sale.

10.2 Purpose of Assessments

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The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners, their guests and invitees, and shall be used to improve, protect, operate and maintain the Project, improvements, landscaping and structures located thereon and Common Area and to provide for performance of the duties of the Board.

10.3 Estimated Expenses

Within sixty (60) days prior to the beginning of each calendar year or such other fiscal year as the Board may adopt, the Board shall: (a) estimate the annual assessments for particular Lots to be paid during such year, (b) make provisions for creating, funding and maintaining reasonable reserves for contingencies and operations, for maintenance, painting, repair, replacement, and acquisition of Common Areas and Facilities; and (c) take into account any expected income and any surplus available from the prior year's operating fund. Without limiting the generality of the foregoing but in furtherance thereof, the Board shall create and maintain from regular annual assessments a reserve fund for replacement of those Common Areas or elements which can reasonably be expected to require replacement prior to the end of the useful life of the Project. The Board shall calculate the contributions to said reserve fund so that there are sufficient funds therein to replace each Common Area or element covered by the fund at the end of the estimated useful life of each such Common Area. The Declarant or initial Board may at any suitable time establish the first such estimate.

If the sum estimated and budgeted at any time proves inadequate for any reason (including nonpayment of any Owner's assessments) the Board may at any time levy additional annual assessments, which shall be assessed to the Owners in like proportions. However, the Board may not in any fiscal year levy additional annual assessments to defray the costs of any action or undertaking on behalf of the Association which in the aggregate exceeds five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the vote or written consent or a majority of the Owners other than Declarant and further provided that no additional annual assessments may be levied by the board unless they are approved by at least fifty-one percent (51%) of all lot Owners (excluding the Declarant). The budget may be reviewed and revised by the membership at any annual meeting, or any special meeting called for such purpose, but if not so reviewed or if no charge made, shall be deemed approved.

Special assessments may be levied, provided they are approved by at least fifty-one percent (51%) of all lot Owners (excluding the Declarant). Any special assessment must be approved by fifty-one percent (51%) of the lot Owners of the Homeowners Association. The provisions herein with respect to special

assessments do not apply in the case where the special assessment against an Owner is a remedy utilized by the Board to reimburse the Association for costs incurred in bringing the Owner and his Home and/or Lot into compliance with the provisions of this Declaration.

10.4 Annual Assessments

10.4.1 Maximum Annual Assessment Until January 1 of the year immediately following the conveyance of the first Lot to an Owner or until the commencement of the next fiscal year as Declarant may determine, the maximum annual assessment shall be Nine Hundred and no/100 Dollars (\$900.00) per Lot.

10.4.2 Increases in Annual Assessments

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner or until commencement of the next fiscal year, the maximum annual assessment may not, without a vote of the membership as provided below be increased above the maximum annual assessment for the previous year by more than the percentage increase in the Consumer Price Index published by the United States Department of Labor Bureau of Labor Statistics for the Seattle Metropolitan area, all items base year 1985.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner or the commencement of the next fiscal year, the maximum annual assessment may be increased above the amount provided in subparagraph (a) above by a vote of two-thirds (2/3rds) of each class or members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

10.5 Special Assessments for Capital Improvements

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment for the purpose of defraying, in whole or in part, the cost or any construction, reconstruction, repair, acquisition or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto provided that any such assessment should have the agreement of two-thirds (2/3rds) of the vote of each class of members who are voting in person or by proxy at a meeting duly called for this purpose and provided further that any assessment for acquisition shall be subject to the limitations of Section 9.15. Neither annual nor special assessments may be used for the construction of capital improvements until the Declarant relinquishes control pursuant to Article 8.2.

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10.6 Exception to Maximum Assessment Limitation

The limitations on maximum annual assessments under Section 10.4, and special assessments under Section 10.5 shall not apply with respect to a special assessment against a member imposed by the Board to reimburse the Association for costs incurred in bringing the Owner of the Home and/or lot into compliance with the provisions of this Declaration.

10.7 Notice and Quorum for Any Action Authorized Under Sections 10.4 and 10.5

Written notice of any meeting called for the purpose of taking any action authorized under Section 10.4 or 10.5 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

10.8 Uniform Rate of Assessment

Both annual and special assessments must be fixed at a uniform rate for all Lots, except for special assessments against an Owner imposed by the Board to reimburse the Association for costs incurred in maintaining Limited Common Areas and in bringing the Owner or his Home and/or Lot into compliance with the provisions of this Declaration.

10.9 Date of Commencement of Annual Assessments; Due Dates

The annual assessments provided for herein shall commence as to all Lots on the first day of the month following either the date on which the first Lot is conveyed by Declarant or the date the date of the conveyance of the Common Area to the Association, whichever date last occurs. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Assessments for each Lot Owner shall begin on the date said Owner closes the transaction in which he requires right, title or interest in the Lot. Assessments for the initial month shall be prorated if closing occurs on other than the first of the month. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board.

10.10 Payment by Owners

Each Owner shall be obligated to pay its share of common expenses and special charges made pursuant to this Article to the treasurer for the Association. Annual assessment and special assessments shall be paid in full on or before the due date established by the Board and shall be payable annually or in equal monthly installments on or before the first day of each month during each year or in such other reasonable manner as the Board shall designate. Any assessment or charge which remains unpaid for at least thirty (30) days shall bear interest at the rate of twelve percent (12%) from due date until paid. In addition, the Board may impose a late charge in an amount to be determined by the Board, not exceeding Ten Dollars (\$10.00) for each day any unpaid assessment or charge has remained delinquent for more than fifteen (15) days.

→ 10.11 Accounts

The Board shall require that the Association maintain one or more institutional depository accounts. Promptly upon receipt, the Board shall deposit assessments collected to the accounts. All such assessments and charges shall be collected and held in trust for and administered and expended for the benefit of the Owner. The Board shall have exclusive control of said accounts and shall be responsible to the Owners for maintenance of accurate records thereof at all times. No withdrawal shall be made from said accounts except to pay for the charges and expense authorized by the provisions of this Declaration.

10.12 Omission of Assessment

The omission by the Board or the Association to fix the estimate for assessments and charges hereunder for the next year before the expiration of any current year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration or a release of the Owner from the obligation to pay the assessments and charges or any installment thereof for that or any subsequent year. The assessment and charge fixed for the preceding year shall continue until a new assessment or charge is fixed.

10.13 Records

The Board shall cause detailed and accurate records of the receipts and expenditures of the Association to be kept specifying and itemizing the maintenance and repair expenses and any other expense incurred. Such records and any resolutions authorizing the payments involved shall be available for examination by any Owner at convenient hours of week-days.

10.14 Declarant Liability

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Except as to reserve accounts governed by Section 9.7, so long as Class B votes shall exist pursuant to Section 7.4, Declarant shall pay seventy-five percent (75%) of annual or special assessments charged against Lots which are still owned by Declarant and which are not improved with a completed Home or, if improved with a completed Home, are unoccupied. Upon termination of Class B voting power, Declarant shall thereafter pay one hundred percent (100%) of all assessments levied against Lots or Homes owned by it.

Until Lots G, H and I as depicted on the Plat of Summerwind recorded as set forth in Recital A. above are developed, each of said Lots shall be considered one Lot owned by the Declarant for all purposes under this Declaration, including, but not limited to, assessments.

10.15 Lien Indebtedness

In the event any annual or special assessment attributable to a particular Lot remains delinquent for more than thirty (30) days, the Board may, upon fifteen (15) days written notice to the Owner of such Lot, accelerate and demand immediate payment of all, or any portion of the assessments and charges which the Board reasonably determines will become due during the next succeeding twelve (12) months with respect to such Lot. Each annual and special assessment shall be the joint and several personal debt and obligation of the Owner of Lots for which the same are assessed or charged as of the time the assessment or charge is made and shall be collectible as such. The amount of any assessment or charge, whether annual or special, assessed or charged to any Lot and the Owner or purchaser of any Lot, plus interest at the rate of twelve percent (12%) per annum, and costs, including reasonable attorney's fees, shall be a lien upon such Lot and the improvements situated thereon upon the recording of a Notice of Assessment in the office where real estate conveyances are recorded for the county in which this Project is located. The lien for payment of such assessments and charges shall have priority over all other liens and encumbrances, recorded or unrecorded, limited as provided in Section 18.1. Suit to recover a money judgment for unpaid assessments or charges shall be maintainable without foreclosure or waiver of the lien securing the same.

10.16 Notice of Creation of Assessment Lien

The Notice of Assessment shall not be filed or record unless and until the Board or a person designated by it, shall have delivered to the defaulting Owner, not less than fifteen (15) days prior to the recordation of such Notice of Assessment, a written Notice of Default and a demand to cure same within said fifteen (15) day period.

10.17 Certificate of Assessment

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A certificate executed and acknowledged by the treasurer or the president of the Board, or an authorized agent thereof, if neither the president nor treasurer is available, stating the indebtedness for assessments and charges or lack thereof secured by the assessment lien upon any Lot shall be conclusive upon the Board and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith. Such a certificate shall be furnished to any Owner or any encumbrances of a Lot within a reasonable time after requests in recordable form, at a reasonable fee. Unless otherwise prohibited by law, any encumbrances holding a lien on a Lot may pay any unpaid assessments or charges with respect to such Lot, and, upon such payment, shall have a lien on such Lot for the amounts paid of the same rank as the lien of his encumbrance.

10.18 Foreclosure of Assessment Lien: Attorney's Fees and Costs

The Declarant, Manager, or Board may initiate action to foreclose the lien of any assessment on behalf of the Association. In any action to foreclose a lien against any Lot for nonpayment of delinquent assessments or charges, any judgment rendered against the Owners of such Lot in favor of the Association shall include a reasonable sum for attorney's fees and all costs and expenses reasonably incurred in preparation for or in the prosecution of said action, in addition to taxable costs permitted by law.

10.19 Homestead Waiver

Each Owner hereby waives, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption law in effect at the time any installment of maintenance charges become delinquent or any lien is imposed pursuant to the terms hereof.

10.20 Curing of Default

The Board shall file and record a satisfaction and release of the lien created by a Notice of Assessment filed and recorded in accordance with this Article upon timely payment or other satisfaction of all delinquent assessments set forth in the Notice and all other assessments which have become due and payable following the date of such recordation with respect to the Lot as to which such Notice of Assessment was filed and recorded together with all costs, late charges and interest which have accrued thereon. A fee of twenty dollars (\$20.00) covering the cost of preparation and recordation shall be paid to the Association prior to such action. The satisfaction of the lien created by the Notice of Assessment shall be executed by any Director of the Association or by any authorized representative of the Board. For the purposes

of this paragraph, the term costs shall include costs and expenses actually incurred or expended by the Association in connection with the cost of preparation and recordation of the Notice of Assessment and in efforts to collect the delinquent assessments secured by the lien and a reasonable sum for attorney fees.

10.21 Remedies Cumulative

The remedies provided are cumulative. The Board may pursue them concurrently, as well as any other remedies available under law although not expressed herein.

10.22 Rights of Board - Waiver of Owners

Each Owner hereby vests in the delegates to the Board or its duly authorized representatives the right and power to bring all action at law, including lien foreclosures whether judicially or by power of sale or otherwise against any Owner(s) for the collection of delinquent assessments in accordance herewith. Each owner hereby expressly waives any objection to the enforcement in accordance with this Declaration of the obligation to pay assessments as set forth.

10.23 Assessment Deposit

A Lot Owner other than Declarant, may be required by the Board or by the managing agent, from time to time, to make and maintain a deposit of not more than the total of either one (1) annual assessment if the annual assessments is payable on an annual basis or three (3) annual assessment installments if annual assessments are payable on a monthly or other periodic basis; plus either one (1) special assessment if the special assessment is payable on an annual basis or three (3) special assessment installments if special assessments are payable on a monthly or other periodic basis. Such deposit may be collected as are other assessments and charges. Such deposit shall be held in a separate fund, be credited to such Owner and be for the purpose of establishing a working capital fund for the initial Project operations and a reserve for delinquent assessments. Resort may be had thereto at any time when such Owner is ten (10) days or more delinquent in paying his assessments and charges to meet unforeseen expenditures, to acquire additional equipment or services deemed necessary or desirable by the Board or as a credit against any annual or special assessments to become due from such Owner. Said deposits shall not be considered an advance payment of annual assessments. All or any portion of such deposit may at any time be refunded to the Owner by the Association in the discretion of the Board, such refund being made as a cash refund or a credit against assessments, subsequently to become due or a combination thereof.

10.24 Continuing Liability for Assessments

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No Owner may exempt himself from liability for his annual or special assessments by abandonment of his lot or the use of any of the Common Area.

10.25 Exempt Property

The following property subject to this Declaration shall be exempt from the assessments created herein:

10.25.1 All properties dedicated to and accepted by a local public authority; and

10.25.2 All common and Limited Common Properties.

ARTICLE XI

INSURANCE

11.1 Insurance Coverage

The Board shall obtain and maintain at all times as a common expense a policy or policies and bonds of liability insurance of the property insurance covering all of the Homes and Common Area (and Common Area improvements), including common personal property and supplies belonging to the Association which shall include at a minimum:

11.1.1 Casualty Fire Insurance with extended coverage (including vandalism, malicious mischief, sprinkler leakage, debris removal, windstorm and water damage endorsement), in an amount equal to the full insurable current replacement value (without deduction for depreciation and exclusive of land foundation excavation and other items normally excluded from coverage) of each of the Homes and of the Common Areas (and Common Area improvements). Such insurance shall include within its coverage all portions of the structures, including all structural interior components, but shall not be required to include the personal property of any Owner. The Association shall be named as insured. Nothing herein shall preclude the Board from obtaining such other fire and casualty insurance as the Board shall determine to give substantially equal or greater protection. All insurance shall be obtained from an insurance carrier rated Triple A (and rated as in Class VI or better financial condition) by Best's Insurance Reports or equivalent rating service, and licensed to do business in the State of Washington.

11.1.2 Liability General comprehensive liability insurance insuring the Board, the Association, the Owners, Declarant, and managing agent against any liability to the public or to the Owners or Homes, and their invitees, or tenants, incident to the ownership or use of the Common Area (including but not limited to owned and non-owned automobile liability, water damage,

host liquor liability, liability for property of others and legal liability arising out of lawsuits related to employment contracts or the Association), the liability under which insurance shall be in an amount determined by the Board after consultation with insurance consultants, but not less than One Million Dollars (\$1,000,000.00) covering all claims for personal injury and/or property damage arising out of a single occurrence (such policy limits to be reviewed at least annually by the Board and increased in its discretion). Such insurance shall contain appropriate provisions or endorsements precluding the insurer from denying the claim of an Owner because of the negligent acts of the Association or another Owner.

11.1.3 Workmen's Compensation Workmen's compensation insurance to the extent required by the applicable law.

11.1.4 Fidelity Bonds Fidelity bonds naming the members of the Board, the manager, and its employees and such other persons as may be designated by the Board as principals, and the Association as obligee in an amount equal to at least one hundred fifty percent (150%) of the estimated maximum funding, including reserve funds in the custody of the Association or management agent at any given time during the term of each bond, provided that in no event shall the aggregate amount of such bond be less than three (3) months aggregate assessments for all Lots plus reserves. Such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definitions or employee or similar expression.

11.1.5 Personal Property Insurance against loss of personal property of the Association by fire, theft and other losses with deductible provisions as the Board deems advisable.

11.1.6 Other Insurance Such other insurance as the Board deems advisable, provided that notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for similar projects established by Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Authority, Veteran's Administration, or other governmental or quasi-governmental agencies involved in the secondary mortgage market, so long as any such agency is a mortgagee or Owner of a Lot within the project, except to the extent such coverage is not available or has been waived in writing by such agency.

11.2 Owner's Additional Insurance

Each Owner may obtain, at his own expense, additional insurance respecting: the contents of his Home; any portion of such Home not covered by the policies obtained under Section 11.1;

and the Owner's liability incident to the ownership or use of such Home and Lot. Each Owner shall obtain, at his own expense, general comprehensive liability insurance, with minimum limits of one hundred thousand dollars (\$100,000.00) per person.

11.3 Insurance Proceeds

Insurance proceeds, from policies obtained by the Association, for damage or destruction to any part of the Property shall be paid to the Board on behalf of the Association which shall segregate such proceeds from other funds of the Association for use and payment as provided for in Article 12. The Association acting through its Board shall have the exclusive authority to settle and compromise any claim under insurance obtained by the Association, and the insurer may accept a release and discharge of liability made by the Board on behalf of the named insureds under the policy.

11.4 Additional Provisions

The Board shall obtain insurance policies and bonds which

(a) Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counter-claims, apportionment, proration, or contribution or assessment by reason of, any other insurance obtained by or for any Owner or any mortgagee;

(b) Contain no provision relieving the insurer from liability for loss because of any act or neglect that is not within the control of the Association or because of any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no control;

(c) Contain a waiver of subrogation by the insurer as to any and all claims against the Association, the owner of any Home and/or their respective agents, employees or tenants, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured. Despite any provision giving the insurer the right to restore damage in lieu of a cash settlement such option shall not be exercisable without the prior written approval of the Association, or when in conflict with the provisions of any insurance trust agreement to which the Association is a party, or any requirement of law;

(d) Contain no provision (other than insurance conditions) which prevent mortgagees from collecting insurance proceeds;

(e) May not be cancelled or modified substantially without at least ten (10) days prior written notice to the Association and each holder of a first mortgage listed in the insurance policy as a scheduled holder of first mortgage;

(f) Contains, if available, an agreed amount and Inflation Guard Endorsement.

ARTICLE XII

DAMAGE OR DESTRUCTION RECONSTRUCTION

12.1 Common Areas

In the event of loss, damage or destruction to any part of the Common Areas (or improvements thereto), the Board shall promptly, repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property lost, damaged or destroyed, the Association shall make a special assessment against all Lot Owners to cover the amount of such insufficiency.

12.2 Homes

12.2.1 Reconstruction In the event of damage or destruction by fire or other casualty, for which the Association must maintain insurance under Section 11.1.1, to any Home, the Board (or if it so designates, the Owner thereof) shall, upon receipt of the insurance proceeds, repair or rebuild such damage or destroyed portions of the Home in a good workmanlike manner substantially the same as the original plans and specifications of said Home. In the event that the Board shall designate the Owner as the party to repair or rebuild the Home, the Association shall nonetheless hold all insurance proceeds in trust and shall distribute funds from time to time to pay for work found acceptable to that date, as would a commercial lender in the normal course of business.

12.2.2 Insufficient Insurance Proceeds to Complete Reconstruction

In the event proceeds of insurance shall be insufficient for any reason to adequately complete the reconstruction or repair of an Home, the amount of such insufficiency shall be treated and collected as a special assessment against the Owner pursuant to Article 10 hereof.

ARTICLE XIII

EASEMENTS

13.1 Association Functions

There is hereby reserved to Declarant and the Association, or their duly authorized agents and representatives, such easements as are necessary to perform the duties and obligations of the Association as are set forth in the Declaration,

or in the bylaws, and rules and regulations adopted by the Association.

13.2 Easements Over Common Areas

The Board, on behalf of the Association and all members thereof, shall have authority to grant (in accordance with applicable government laws and regulations) utility, road and similar easements, licenses and permits, under, through or over the Common Area, which easements the Board determines are reasonably necessary to the ongoing development and operation of the Property.

13.3 Access to Public Streets

Each Owner and his guests and invitees shall have a perpetual, non-exclusive easement across the Common Areas and across all roadways constructed within the project, thereby providing access throughout the Property and to public streets.

13.4 Utility Easements

An easement is reserved under and upon Lots as may more particularly be set forth in Exhibit A or as shown on the Plat Map for utility installation and maintenance, including but not limited to, underground electric power, telephone, water, sewer, drainage, gas and necessary equipment, together with the right to enter upon the Lots at all times for said purposes. Additional utility easements may be reserved and be recorded as are required by governmental subdivisions. Within these easements, no structure, planting, or other material shall be planted or permitted to remain which may damage, interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements; the easement area of each Lot and all improvements shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility is responsible.

13.5 Construction and Maintenance Easement

There is hereby reserved to Declarant and the Association, or their duly authorized agents and representatives, a permanent construction and maintenance easement to allow the Declarant and/or Association or their duly authorized agents and representatives to perform construction and maintenance within the Common Area. This easement shall be permanent and shall run five (5) feet on each side of all Common Areas.

13.6 Project Entry Signs

On each Lot adjacent to a roadway entrance into the Project or roadway intersection within the Project, and on such

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portion of said Lot as determined by Declarant, the Declarant or the Association may at any time erect (and the Association as a common expense may thereafter maintain, repair and replace) such Project entry, identification, street and direction signs (and landscaping and improvements relating thereto) as Declarant and the Association deem necessary and appropriate.

13.7 Encroachments

Each Lot and all Common Areas are hereby declared to have an easement over all adjoining Lots and Common Areas for the purpose of accommodating any encroachment due to the engineering errors, error in original construction, reconstruction, repair, settlement of shifting or movement of any portion of the building, or any other similar cause, and any encroachment due to building overhang, projection, driveways, patios, decks, or sidewalks. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settling or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful act or acts with full knowledge of said Owner or Owners. In the event a Lot or Common Areas are partially or totally destroyed, and then repaired or rebuilt, the Owners agree that minor encroachments over adjoining Lots and Common Areas shall be permitted, and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. The foregoing encroachments shall not be construed to be encumbrances affecting the marketability of title to any Lot.

ARTICLE XIV

LIMITATION OF LIABILITY

14.1 Liability for Utility Failure, Etc.

Except to the extent covered by insurance obtained by the Board pursuant to Article 11, neither the Association nor the Board (or the Declarant or Declarant's managing agent exercising the powers of the Board) shall be liable for (a) failure of any utility or other service to be obtained and paid for by the Board; (b) injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust or sand which may lead or flow from outside, from any parts of a building, from any of its pipes, drains, conduits, appliances, equipment, or from any other place; or (c) for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance or orders of governmental authority. No diminution or abatement of common expense assessments shall be claimed or allowed for any such utility or service failure, for such injury or damage, or for such inconvenience or discomfort.

14.2 No Personal Liability

So long as a Board member, Association committee member, Association Officer, Declarant or Declarant's managing agent exercising the powers of the Board, has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, no such person shall be personally liable to any Owner, or other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of such person; PROVIDED, that this section shall not apply where the consequences of such act, omission, error or negligence are covered by insurance obtained by the Board pursuant to Article 11.

14.3 Indemnification of Board Members

Each Board member or Association committee member, or Association Officer, or Declarant or Declarant's managing agent exercising the powers of the Board, shall be indemnified by the Owners against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of being or having had such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; PROVIDED, that, in the event of such settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association.

ARTICLE XV

COMPLIANCE WITH DECLARATION

15.1 Enforcement

15.1.1 Compliance of Owner Each Owner shall comply strictly with the provisions of this Declaration and with the Bylaws and administrative rules and regulations adopted by the Association (as the same may be lawfully amended from time to time). Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board (acting through its officers on behalf of the Owners), or by the aggrieved Owner on his own against the party (including an Owner or the Association) failing to comply.

15.1.2 Compliance of Lessee Each Owner who shall rent or lease his Lot shall insure that the lease or rental agreement will be in writing and subject to the terms of this Declaration, Articles of Incorporation, if any, and Bylaws. Said agreement shall further provide that failure of any lessee to comply with the provisions of said documents shall be a default under the lease.

15.2 No Waiver of Strict Performance

The failure of the Board in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, or of any Bylaws, administrative rules or regulations, or to exercise any right or option combined in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board of any assessment from an Owner, with knowledge of any such breach shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board. This action also extends to the Declarant or Declarant's managing agent, exercising the powers of the Board during the initial period of operation of the Association and the Project development.

15.3 Right of Entry

Violation of any provisions, conditions, restrictions, covenants, reservations or easements contained herein, shall give to Declarant, its successors, or the Association, the right to enter upon the Property as to which such violation exists and to abate, correct and remove, at the expense of the Owner thereof, any erection, thing or condition that may be or exists thereon contrary to the intent of the provisions hereof. Such entry shall be made only after three (3) days notice to said Owner (without notice in the event of an emergency) and with as little inconvenience to the Owner as possible, and any damage caused thereby shall be repaired by the Association, Declarant, or its successors or the Association shall be deemed guilty of any manner of trespass by such entry, abatement or removal.

15.4 Owners' Right to Enforce Covenants

Each Owner shall have the right to enforce any of the covenants and agreements set forth in this Declaration.

ARTICLE XVI

TERM OF DECLARATION - COMPLIANCE WITH RULE AGAINST PERPETUITIES AND RESTRAINTS OF ALIENATION

The covenants, restrictions and other provisions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument executed in accordance with Article 18.5 herein shall be recorded, cancelling or terminating this Declaration.

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ARTICLE XVII

AMENDMENTS

17.1 Declaration Amendment

Amendments to the Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Except as otherwise specifically provided for in this Declaration, any proposed amendment must be approved by a majority of the Board prior to its adoption by the Owners. Amendments may be adopted at a meeting of the Owners if seventy-five percent (75%) of the Owners vote for such amendment, or without any meeting if all Owners have been duly notified and seventy-five percent (75%) of the Owners consent in writing to such amendment. In all events, the amendment when adopted shall bear the signature of the president of the Association. Amendments once properly adopted shall be effective upon recording with the Kitsap County Auditor. In addition to the amendments set forth in Article 18, any amendment to a provision of the Declaration establishing, providing for, governing or regulating the following shall require the consent of the Declarant (so long as Class B voting continues) and of seventy-five percent (75%) of the Owners and seventy-five percent (75%) of the mortgagees: voting; assessments, assessment liens or subordination of such liens; reserves for maintenance, repair, and replacement of Common Areas; insurance or bonds; use of Common Areas; responsibility for maintenance or repairs; expansion or construction of the project or the addition, annexation, or withdrawal of property to or from the Project; boundaries of Lot; converting of Lots into Common Areas or vice versa; leasing of Lots; provisions for benefit of first mortgagees or holders, insurers, or guarantors or first mortgages; the interest in Common Areas; or imposition of any right of first refusal or similar restrictions on the right of an Owner to sell transfer or otherwise convey a Lot; provided that a mortgagee who fails to respond within thirty (30) days of written request to approve an amendment shall be deemed to have approved the request. So long as Declarant owns one or more Lots, then without Declarant's prior consent no provision hereof which confers upon Declarant a right, power or privilege not conferred upon Owners generally may be amended. It is specifically covenanted and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions, and restrictions contained herein which may be affected and any or all clauses of this Declaration unless otherwise specifically provided in the section being amended or the amendment itself.

17.2 Plat Map

Except as otherwise provided herein, the Plat Map may be amended by revised versions or revised portions thereof referred to and described as to affect in an amendment to the Declaration

adopted as provided for herein. Copies of any such proposed amendment to the Plat Map shall be made available for the examination of every Owner. Such amendment to the Plat Map shall also be effective once properly adopted upon recordation in the appropriate county of office in conjunction with the Declaration amendment.

17.3 Amendments to Conform to Construction

Declarant upon Declarant's sole signature, and as attorney-in-fact for all Lot Owners with an irrevocable power coupled with an interest, may at any time, until Declarant no longer controls the Project pursuant to Article 8.2, file an amendment to the Declaration and to the Plat Map to conform data depicted herein to improvements as actually constructed and to establish, vacate and relocate utility easements, access road easements and parking areas. Once Declarant no longer controls the Project, said amendments shall be approved pursuant to the provisions of Article 17.1 above.

17.4 Amendments to Conform to Lending Institution Guidelines

So long as Declarant continues to control the Project pursuant to Article 8.2, the Declarant on his signature alone as an attorney-in-fact for all Lot Owners with an irrevocable power coupled with an interest, may file such amendments to the Declaration as are necessary to meet the then requirements of Federal National Mortgage Association, Veteran's Administration, Federal Home Loan Mortgage Corporation, or other agencies, institutions, or lenders financing and/or title insuring the purchase of a Lot from the Declarant. Once Declarant no longer controls the Project, said amendments shall be approved pursuant to the provisions of Article 17.1 above.

ARTICLE XVIII

MORTGAGE PROTECTION

18.1 Priority of Mortgagees

Notwithstanding all other provisions hereof, the liens created under this Declaration upon any Lot for assessments shall be subject to tax liens on the Lot in favor of any assessing unit and/or special district and be subject to the right of the secured party in the case of any indebtedness secured by first lien Mortgages which were made in good faith and for value upon the Lot. Where Mortgagees of the Lot or other purchaser of a Lot obtains possession of a Lot as a result of Mortgage foreclosure or deed in lieu thereof, such possessor and its successors and assigns shall not be liable for assessments by the Association chargeable to such Lot which becomes due prior to such foreclosure or deed in lieu

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thereof, but will be liable for the common expenses and assessments accruing after such foreclosure or deed in lieu thereof. For the purpose of this section, the terms "second party", "mortgage" and "mortgagee" shall not mean a real estate contract or the vendor, or the designee of a vendor, thereunder, or a mortgage or deed of trust (or mortgagee or beneficiary thereunder) securing a deferred purchase price balance owed with respect to a sale by an individual Lot Owner, other than Declarant.

18.2 Effect of Declaration Amendments

No amendment of this Declaration shall be effective to modify, change, limit or alter the rights expressly conferred upon Mortgagees in this instrument with respect to any unsatisfied Mortgage duly recorded unless the amendment shall be consented to in writing by the holder of such mortgage. Any provision of this Article conferring rights upon Mortgagees which is inconsistent with any other provision of this Declaration shall control over such other inconsistent provisions.

18.3 Right of Lien Holder

A breach of any of the provisions, conditions, restrictions, covenants, easement or reservations herein contained shall not affect or impair the lien or charge of any bona fide Mortgage made in good faith and for value of any Lots provided however, that any subsequent Owner of the Lot shall be bound by these provisions where such Owner's title was required by foreclosure or trustee's sale or otherwise.

18.4 Management Agreements

In the event that professional management is employed by the Association, the agreement with such professional manager (and any agreement for the providing of goods and/or services between the Association and Declarant) shall: permit cancellation by the Association for cause upon thirty (30) days written notice; permit termination by either party without cause and without penalty or payment of a termination fee on ninety days (90) or less written notice; and have a term not in excess of one (1) year, renewable by agreement of the parties for successive one-year periods.

18.5 Abandonment of Subdivision Status

The Association shall not, without prior written approval of one hundred percent (100%) of all first mortgagees (based upon one vote for each first mortgage-owned) and Owners of record, seek by act or omission to abandon or terminate the subdivision status of the Project as approved by the governmental entity having jurisdiction, or without seventy-five (75%) percent of all first mortgagees (based upon one (1) vote for each first mortgage owned)

and Owners or record, seek by act or omission to abandon, encumber, sell or transfer any of the Common Areas.

10.6 Change in Declaration, Bylaws or Ratio of Assessments

The Association shall not make any material amendment to the Declaration or Bylaws (including the manner or extent of ownership of the Common Areas or the ratio of assessments therefor) without prior written approval of seventy-five percent (75%) of all first mortgagees (based upon one vote for each first mortgage owned) or Owners of record, and without unanimous approval of the mortgagee(s) of the Lot(s) for which the assessment share(s) would be changed.

10.7 Change in Manner of Architectural Review and Maintenance Within Project: Insurance and Use of Proceeds

The Association shall not, without prior written approval of seventy-five percent (75%) of all first mortgagees (based upon one vote for each first mortgage owned) or Owners:

(a) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Homes, the exterior maintenance of Homes, maintenance of the Common Area, walkways, fences and driveways, or the upkeep of lawns and plantings in the development;

(b) fail to maintain insurance as required by Article 11;

(c) use hazard insurance proceeds for other than as provided by Article 11.

10.8 Insurance

10.8.1 With respect to a first mortgage of a Lot or Home, the Board shall:

(a) If requested, furnish mortgagee with a copy of any insurance policy or evidence thereof which is required to be maintained pursuant to Article 11;

(b) Require any insurance carrier to give the Board at least thirty (30) days' written notice before cancelling including cancellation for premium non-payment, reducing the coverage of limits, or otherwise substantially modifying any insurance required to be maintained pursuant to Article 11;

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(c) Give such mortgagee written notice of any loss or taking affecting Common Areas (or the Home on which such mortgagee has a lien), if such loss or taking exceeds Ten Thousand Dollars (\$10,000.00).

18.9 Payments by First Mortgagees

First mortgagees of any Lot may jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Areas and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Areas. First mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

18.10 Copies of Notices

The Association shall give written notice that an Owner/mortgagor of a Lot has for more than sixty (60) days failed to meet any obligation under this Declaration to the first mortgagee of such Lot. Any first mortgagee shall, upon request be entitled to receive written notice of: (1) all meetings of the Association and be permitted to designate a representative to attend all such meetings; (2) any condemnation loss or casualty loss affecting a material portion of the project or the Lot on which it holds a mortgage; (3) any lapse cancellation or material modification of insurance policies or fidelity bonds maintained by the Association.

18.11 Inspection of Books

Owners, first mortgagees, insurers and guarantors of the first mortgage on any Lot shall be entitled to inspect at all reasonable hours of weekdays (or under other reasonable circumstances) and within a reasonable time following request, the books and records of the Association, including current copies of the Declaration, Bylaws and other rules governing the Project, and other books, records and financial statements of the Owner's Association. Upon written request, the holders of fifty-one percent (51%) or more of first mortgages shall be entitled to receive at their expense (if an audited statement is not otherwise available) an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association. The Owner's Association shall also make available to prospective purchasers, mortgagees, insurers, and guarantors, at their request, current copies of the Declaration, Bylaws, and other rules governing the condominium, and the most recent annual audited financial statement, if such is prepared.

ARTICLE XIX

MISCELLANEOUS
A. E. # = 9411170020
E. E. # = 0836 FR 2338

19.1 Notices

19.1.1 Delivery of Notices and Documents Any written notice, or other document as required by this Declaration, may be delivered personally or by mail. If by mail, such notice, unless expressly provided for herein to the contrary with regard to the type of notice being given, shall be deemed to have been delivered and received forty-eight (48) hours after a copy thereof has been deposited in the United States mail, postage prepaid, addressed as follows:

(a) If to an Owner, other than Declarant, to the address of any Lot in the Project owned by him in whole or in part, or to the address last furnished by such Owner to the Board for the purpose of giving notice and delivering documents. Each Owner, other than Declarant, shall file in writing with the Board promptly upon becoming an Owner, his address for the purpose of giving notice and delivering documents and shall promptly notify the Board of any subsequent change of address.

(b) If to Declarant, whether in its capacity as an Owner, or in any other capacity, the following address (unless Declarant shall have advised the Board in writing of some other address): P.O. Box 963, Silverdale, Washington 98383.

(c) Prior to the organizational meeting, notices to the Board shall be addressed to the address set forth in (b) above. Therefore, notices to the Board shall be addressed to an address to be posted by the Board at all times in a conspicuous place. In addition, from and after the organizational meeting, notice of the address of the Association shall be given by the Board to each Owner, within a reasonable time after the Board has received actual notice of such Owner's purchase of a Lot.

19.2 Conveyances: Notice Required

The right of an owner to sell, transfer, or otherwise convey his Lot shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An Owner intending to sell a Lot shall deliver a written notice to the Board, at least two (2) weeks before closing, specifying the Lot being sold; the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and the estimated closing date. Provided, however, the failure of an Owner to provide such notice shall not nullify or otherwise adversely affect any Lot sale. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the Lot, whether or not such information is requested.

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19.3 Remedies Cumulative

The remedies provided are cumulative and the Board may pursue them concurrently, as well as any other remedies which may be available under law although not expressed herein.

19.4 Successors and Assigns

This Declaration shall be binding upon and shall inure to the benefit of the heirs, personal representatives, grantees, lessees, subleases and assignees of the Owners.

19.5 Joint and Several Liability

In the case of joint ownership of a Lot, the liability of each of the Owners thereof in connection with the liabilities and obligations of Owners, set forth in or imposed by this Declaration, shall be joint and several.

19.6 Mortgagee's Acceptance

19.6.1 Priority of Mortgage This Declaration shall not initially be binding upon any Mortgagee of record at the time of recording of said Declaration but rather shall be subject and subordinate to said mortgage.

19.6.2 Acceptance Upon First Conveyance Declarant shall not consummate the conveyance of title of any Lot until said Mortgagee shall have accepted the provisions of this Declaration and made appropriate arrangements for partial release of Lots from the lien of said Mortgagee. The issuance and recording of the first such partial release by said Mortgagee shall constitute its acceptance of the provisions of this Declaration and the status of the Lots remaining subject to its Mortgagee as well as its acknowledgment that such appropriate arrangements for partial release of Lots has been made; provided, that, except as to Lots so released, said mortgage shall remain in full effect as to the entire Property (excluding Common Areas).

19.7 Severability

The provisions hereof shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

19.8 Effective Date

The Declaration shall take effect upon recording.

19.9 Approval

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As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veteran's Administration: annexation of additional properties; dedication of Common Area; and amendment of this Declaration of Covenants, Conditions and Restrictions.

19.10 Maintenance of Retention Pond/Drainage Facilities

19.10.1 Maintenance of Retention Pond The Association shall pay as a common expense a prorata share of the cost of maintaining and repairing that certain retention pond facility utilized by the Project and by the Plat, regardless of whether such maintenance and repair work is performed by a homeowner's association or by a governmental entity. Such prorata share shall be a fraction, the numerator of which is the number of Lots in the Project and the denominator of which is the total number of Lots within all plats or projects utilizing such detention pond facility.

19.10.2 Maintenance of Drainage Facilities

(a) If at any time Kitsap County reasonably determines that maintenance or repair work is required to be done to the existing, approved storm drainage facilities installed on the property described above and located outside of any public rights-of-way (which will mean repair or clean out of the existing system only to the same standards as originally installed and approved), the Director of the Department of Public Works shall give the current owners seven (7) days notice that the County intends to perform such maintenance or repairs, or to have them performed by others.

If the current owners have not completed or are not diligently pursuing the repair or maintenance of the system and it becomes necessary for Kitsap County to perform the work, the current owners will assume responsibility for the cost of such maintenance or repair and will reimburse the County within thirty (30) days of receipt of the invoice. Overdue payments will require payment of interest at the current legal rate for liquidated judgments, and any costs or fees incurred by the County, should any legal action be required to collect such payments, will be borne by the parties responsible for said reimbursements.

(b) If at any time Kitsap County reasonably determines that the existing and approved storm drainage system on the property poses a hazard to life and limb, or endangers property, or adversely affects the safety and operations of a public way, due to failure, damage or non-maintenance of the existing on-site storm system, and that the situation is so adverse as to preclude written notice to said owners, the Director of the Department of Public Works may take the measures necessary to eliminate the hazardous situation (which will mean repair or clean

out of the existing system only to the same standards as originally installed and approved) provided the Director has first made a reasonable effort to locate said owners before acting.

The current owners will assume responsibility for the cost of such maintenance or repair; and will reimburse the County within thirty (30) days of receipt of the invoice. Overdue payments will require payment of interest at the current legal rate for liquidated judgments, and any costs or fees incurred by the County, should any be borne by the parties responsible for said reimbursements.

(c) The owner shall keep the Kitsap County Public Works Department informed at all times as to the name, address and telephone number of the contact person responsible for the performance of maintenance or repair work to the storm drainage facilities.

These covenants are intended to protect the value and desirability of the real property described above, and to benefit all the citizens of Kitsap County. They shall run with the land and be binding on all parties having or acquiring from the current owners or their successors, any right, title or interest in the property or any part thereof, as well as their heirs, successors and assigns.

They shall inure to the benefit of each present or future successors in interest of said property or any part thereof, or interest therein, and to the benefit of all the citizens of Kitsap County.

Kitsap County, by the recording of this Declaration, shall be granted a covenant allowing Kitsap County to inspect the drainage facilities and/or retention pond and perform any maintenance it deems necessary to insure that the drainage system and/or retention pond is performing properly, provided that the County shall first notify the Association and provide the Association a reasonable period of time to perform the work necessary to insure that the drainage facilities and/or retention pond are performing properly.

19.11 Maintenance of Park A

A certain park known as Park A is located on the Bucklin Ridge just west of the Project. Park A is owned by the Bucklin Ridge Homeowners Association and is depicted on Exhibit "A". The Association shall pay as a Common Expense a prorata share of the cost of maintaining Park A provided that the Summerwind Homeowners Association is given proportional representation on the Bucklin Ridge Homeowners Association equal to its pro rata obligation regarding maintenance of Park A. Such prorata share shall be a fraction, the numerator of which is the number of Lots

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in the Project and the denominator of which is the total number of Lots within all plats or projects utilizing such Park A. Members of the Association and Lot Owners shall have the same rights of use of Park A as they do the Common Areas. The Association shall not be required to pay any funds as Common Expenses for maintaining Park A until a Shared Use and Maintenance Agreement satisfactory to the Summerwind Homeowners Association is entered.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first herein above written.

STAFFORD CONSTRUCTION, INC.

KEYBANK

Brien Stafford

Ken Prauw, V.P.

BRIEN STAFFORD, President *C.S.*

KEN PRAUW, V.P.
(As Lender Only)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me BRIEN STAFFORD, to me known to be the President of Stafford Construction, Inc. who executed the within and foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 20th day of October, 1994.



Susan A. Clout
Print Name: SUSAN A. CLOUT
NOTARY PUBLIC in and for the
State of Washington, residing
at Bellevue
My commission expires: 12/29/95

STATE OF WASHINGTON)
) ss.
COUNTY OF King)

On this day personally appeared before me Ken Prauw *Bank*, to me known to be the Vice President of Key who executed the within and foregoing instrument and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 20th day of October, 1994.



Susan A Clow
Print Name: SUSAN A. CLOW
NOTARY PUBLIC in and for the
State of Washington, residing
at Issaquah
My commission expires: 12/29/95

4749\cc&rs.vja

A.F. #: 9411170020
REEL 0836 FR 2344

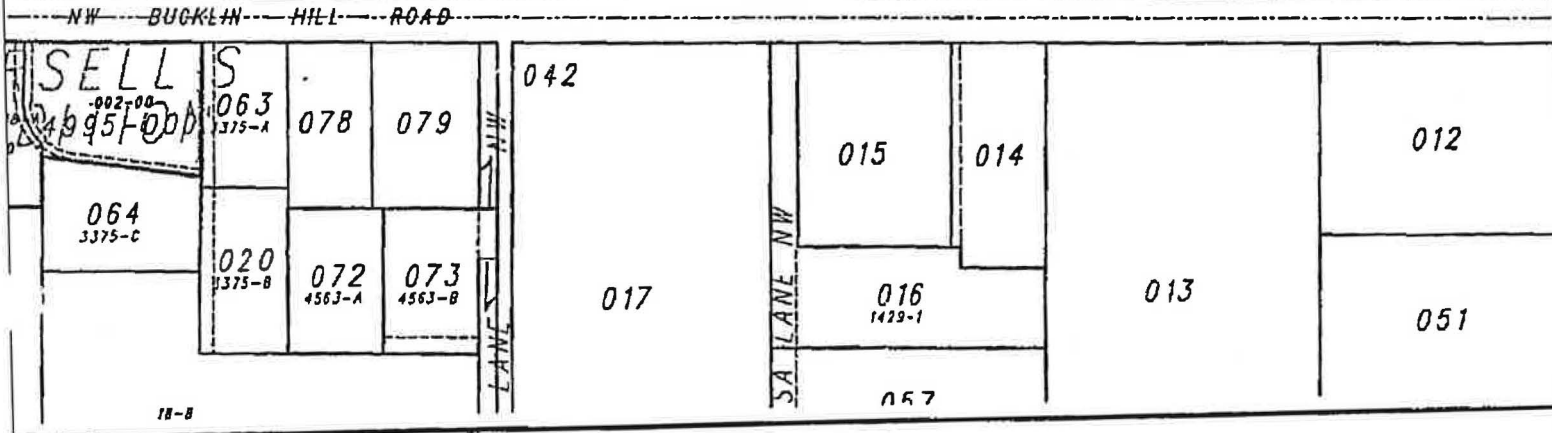
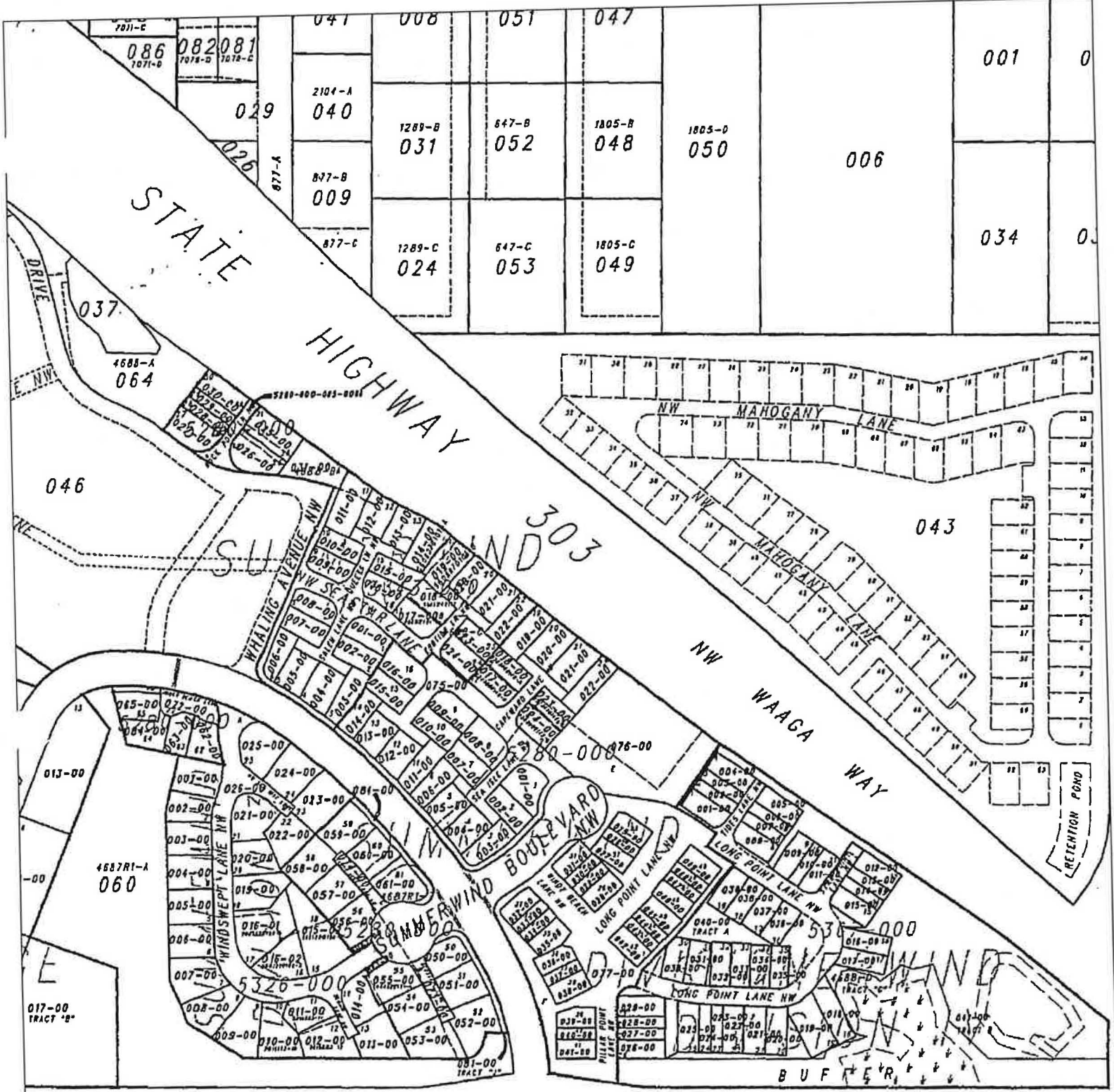
Callahan & Co.
LAW OFFICES OF BRUCE A. BUSKIRK
4110 Grand Way Suite 204
Bremerton, WA 98312

DECLARATION OF PROTECTIVE COVENANTS
RESTRICTIONS, EASEMENTS AND AGREEMENTS
FOR THE PLAT OF

SUMMERWIND

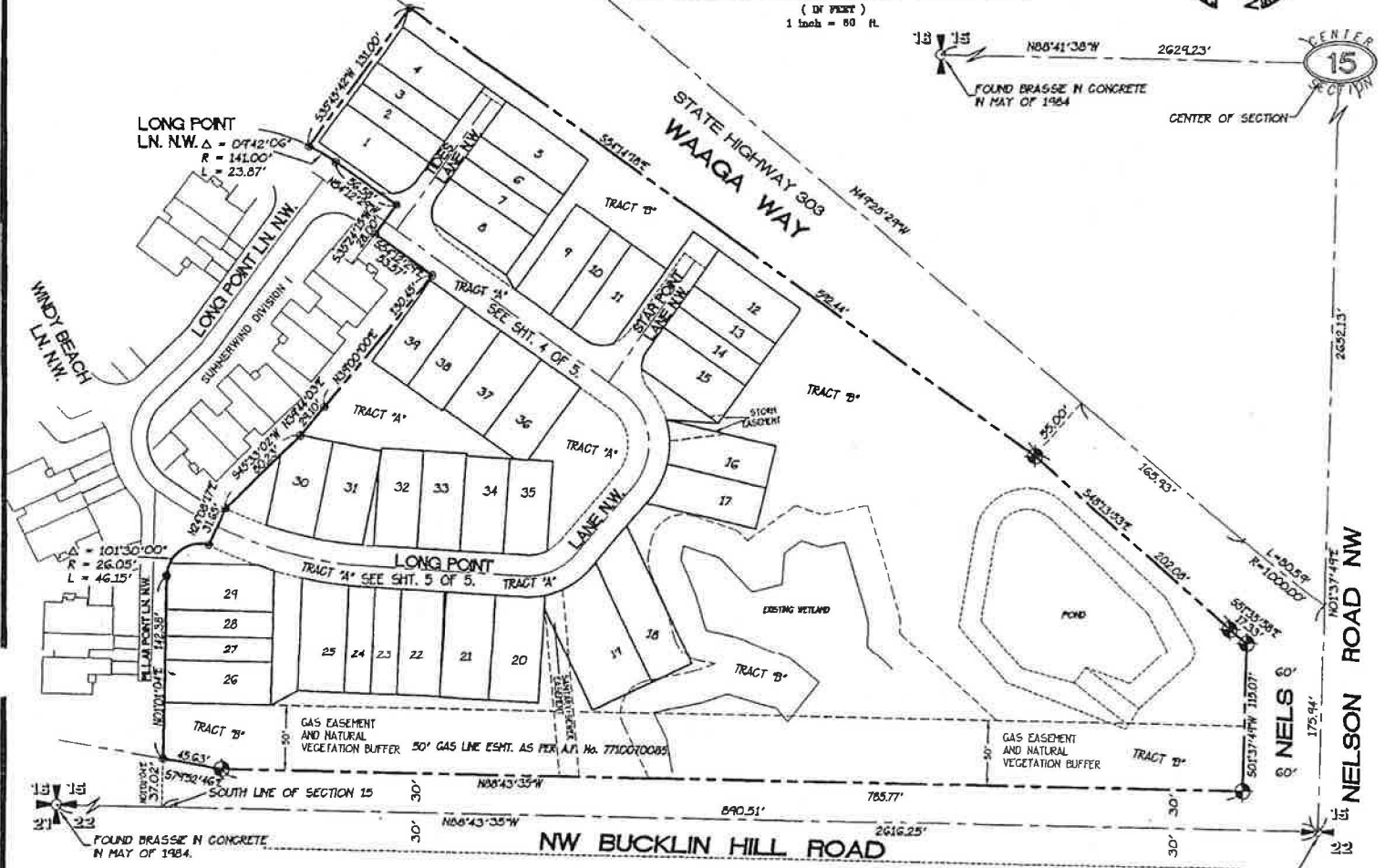
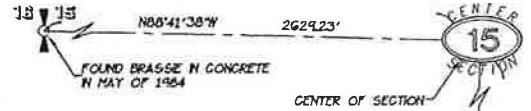
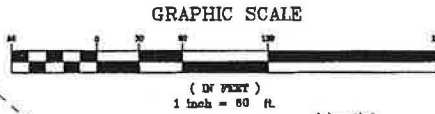
KITSAP COUNTY
\$63.00 CHCK
FILED-BY: BRUCE A BUSKIRK
NOV 17 1994 10:34 AM
KAREN FLYNN, AUDITOR
CLERK: FREEMAN

A. F. #: 9411170020
REEL 0836 FR 2290



SUMMERWIND DIVISION IV

A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 25 NORTH, RANGE 1 EAST, W.M. IN KITSAP COUNTY, WASHINGTON.
A REPLAT OF TRACT 'G', SUMMERWIND DIVISION I, VOL. 28, PG. 83 - 82.



FOR NOTES AND LEGAL DESCRIPTION SEE SHIT 2 OF 5.



FOUND BRASSE IN CONCRETE IN MAY OF 1984
Kitsap County, July 30, 1995



3041084
Page: 3 of 5
89/17/87 83:31P
Kitsap Co, WA

JOB # 90717-4

Apex Engineering PLLC

2801 South 25th, Suite 200
Tacoma, Washington 98409-7479
(206) 473-4494 FAX: (206) 473-0589

SUMMERWIND DIVISION IV

A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 25 NORTH, RANGE 1 EAST, W.M. IN KITSAP COUNTY, WASHINGTON.
A REPLAT OF TRACT 'G', SUMMERWIND DIVISION I, VOL. 28, PG. 83 - 92.



GRAPHIC SCALE



BUFFER CURVE DATA

CURVE	TRAILER	LENGTH	DATA
W1	25.00'	14.31'	15.00'
W2	25.00'	31.00'	24.00'

BUFFER LINE DATA

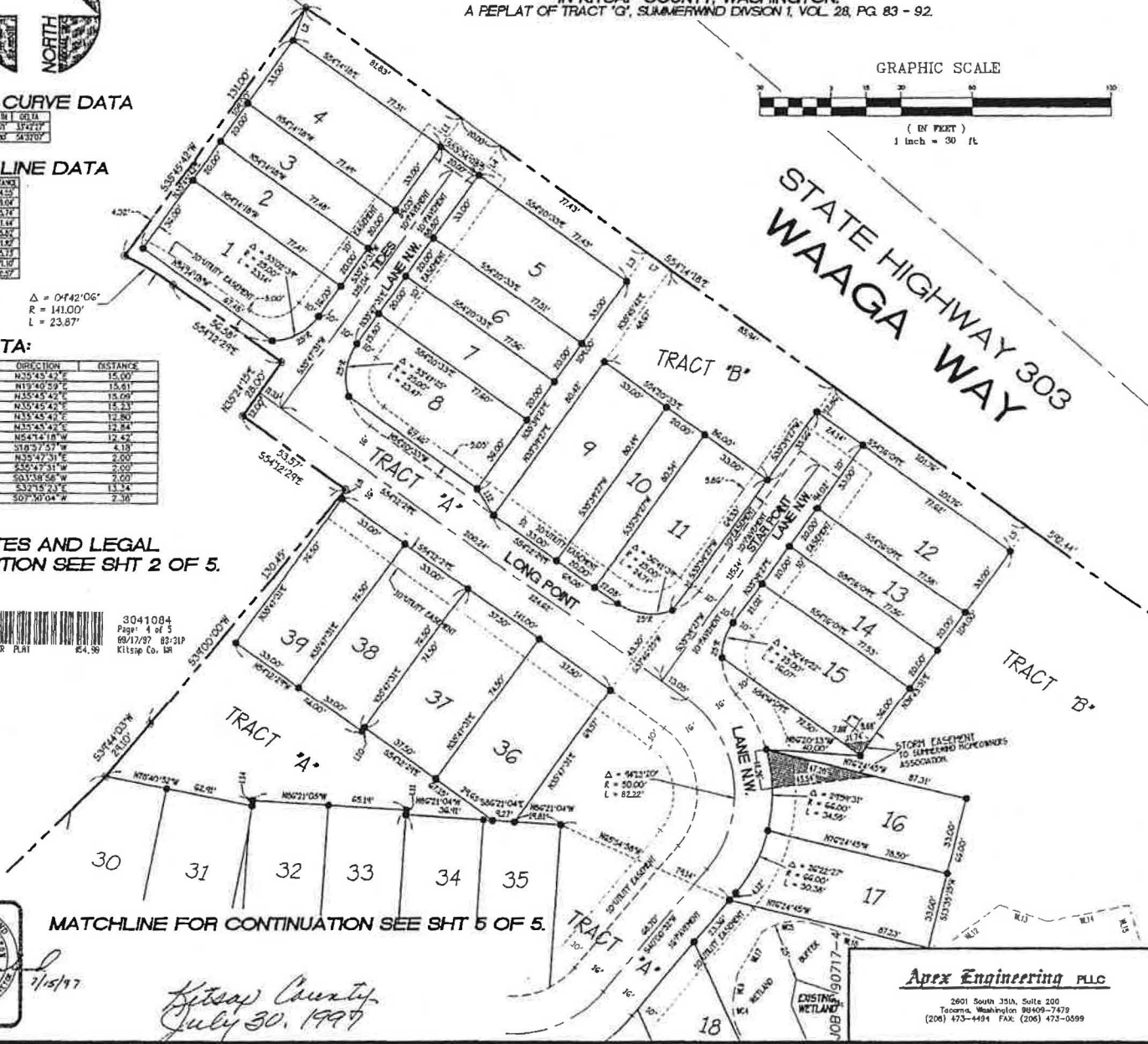
LINE	DIRECTION	LENGTH
W1	N25°45'42"E	15.00'
W2	N89°59'27"E	3.04'
W3	S27°42'12"E	15.74'
W4	S44°37'12"E	11.44'
W5	N33°45'42"E	4.19'
W6	S27°42'12"E	15.74'
W7	N78°15'17"E	6.73'
W8	S12°26'12"E	7.10'
W9	N78°15'17"E	6.73'

$\Delta = 04'42''06''$
 $R = 141.00'$
 $L = 23.87'$

LINE DATA:

LINE	DIRECTION	DISTANCE
L1	N25°45'42"E	15.00'
L2	N18°40'59"E	15.61'
L3	N33°45'42"E	15.09'
L4	N33°45'42"E	15.23'
L5	N33°45'42"E	12.80'
L6	N33°45'42"E	12.84'
L7	N54°42'18"W	12.42'
L8	S18°27'53"W	4.19'
L9	N33°47'31"E	2.00'
L10	S39°47'31"W	2.00'
L11	S33°13'23"E	11.34'
L12	S33°13'23"E	11.34'
L13	S33°13'23"E	11.34'
L14	S07°30'04"E	2.30'

FOR NOTES AND LEGAL DESCRIPTION SEE SHT 2 OF 5.



MATCHLINE FOR CONTINUATION SEE SHT 5 OF 5.

Kitsap County
July 30, 1997

Apex Engineering PLLC

2601 South 35th, Suite 200
Tacoma, Washington 98409-7478
(206) 473-4494 FAX: (206) 473-0599

SUMMERWIND DIVISION IV

A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER
OF SECTION 15, TOWNSHIP 25 NORTH, RANGE 1 EAST, W.M.
IN KITSAP COUNTY, WASHINGTON.
A REPLAT OF TRACT 'G', SUMMERWIND DIVISION 1, VOL. 28, PG. 83 - 92



GRAPHIC SCALE



LINE DATA:

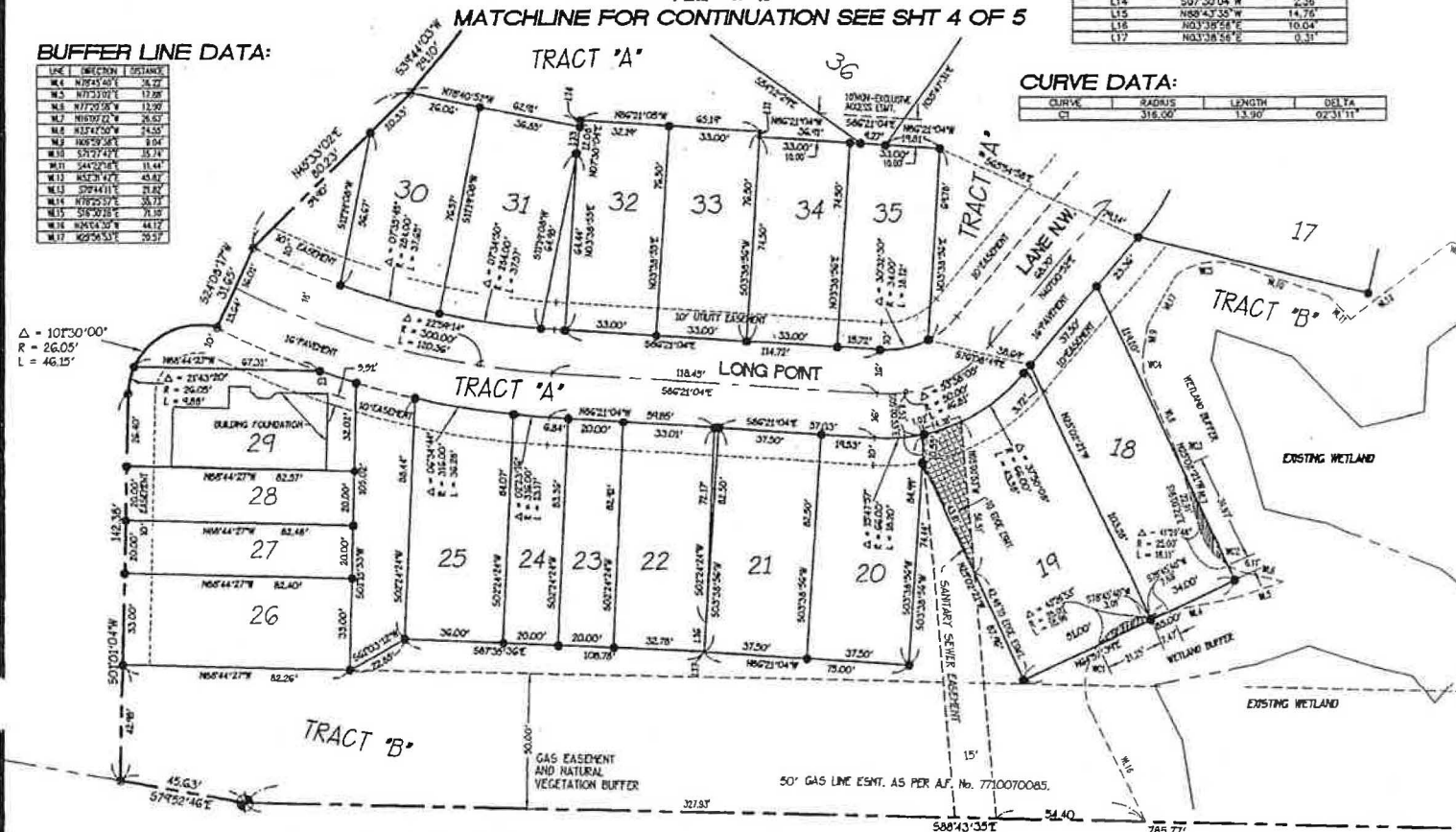
LINE	DIRECTION	DISTANCE
L11	S01°38'54" W	2.00'
L12	N03°38'56" E	2.00'
L13	S07°30'04" W	9.72'
L14	S91°30'04" W	2.30'
L15	N88°43'33" W	14.76'
L16	N03°38'56" E	10.04'
L17	N03°38'56" E	0.31'

BUFFER LINE DATA:

LINE	DIRECTION	DISTANCE
M1	N03°38'56" E	26.72'
M2	N77°31'01" E	17.08'
M3	N77°31'01" W	12.99'
M4	N06°30'02" W	26.67'
M5	N32°42'50" W	24.55'
M6	N06°30'02" E	8.04'
M7	S71°27'49" E	15.74'
M8	S44°20'18" E	11.44'
M9	N52°28'47" E	43.87'
M10	S27°44'11" E	21.50'
M11	N76°29'18" E	26.72'
M12	S28°20'18" E	71.10'
M13	N04°54'33" E	44.12'
M14	S28°20'18" E	20.57'

CURVE DATA:

CURVE	RADIUS	LENGTH	DELTA
C1	318.00'	13.90'	02°31'11"



NW BUCKLIN HILL ROAD

FOR NOTES AND LEGAL DESCRIPTION SEE SHT 2 OF 5.

BUFFER CURVE DATA:

CURVE	RADIUS	LENGTH	DELTA
M5	25.00'	23.80'	54°21'07"
M4	25.00'	14.76'	33°42'27"
M3	25.00'	3.30'	07°42'27"
M2	25.00'	26.72'	87°29'26"
M1	25.00'	45.74'	104°50'19"



Kitsap County
July 30, 1997.
Apex Engineering PLLC
2801 South 35th, Suite 200
Tacoma, Washington 98409-7479
(206) 473-4404 FAX: (206) 473-0599

JOB # 90717-4

VALID
COPY

COPY FOR YOUR INFORMATION
FROM JAMES A. PROVINCE

BYLAWS
OF
SUMMERWIND ASSOCIATION

ARTICLE I

NAME AND LOCATION. The name of the corporation is Summerwind Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 16016 - 118th Place N.E., Bothell, Washington 98011, but meetings of members and directors may be held at such places within the State of Washington, County of Kitsap, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Summerwind Association, its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property described in the Declaration of Protective Covenants, Restrictions, Easements and Agreements and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property (including the improvements thereto) now or hereafter owned by the Association for the common use and enjoyment of the Owners and shall in all events exclude each of the Lots within the Project. Upon the recording of the Declaration, the Common Area to be owned by the Association at the time of the conveyance of the first Lot is described on the face of the Plat as Lots A, B, C, D, E, F, J, K, L, M and N. Until Lots G, H and I as depicted on the Plat of Summerwind recorded as set forth in the Declaration are developed, each of said Lots shall be considered one Lot owned by the Declarant for all purposes including, but not limited to, assessments.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property, excluding Common Areas. Ownership of a Lot shall include ownership of the

12. 11/11/88

a. Summerwind "11/11/88"

Home and improvements now or hereafter constructed on such Lot. Until Lots G, H and I as depicted on the Plat of Summerwind recorded as set forth in the Declaration are developed, each of said Lots shall be considered one Lot owned by the Declarant for all purposes including, but not limited to, assessments.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, and shall include any person of record holding a vendee's interest under a real estate contract for the purchase of a Lot. Each Owner shall be a member of the Association and may be referred to herein as a Member. Any person or entity having such an interest merely as security for the performance of an obligation shall not be considered an Owner.

Section 6. "Declarant" shall mean and refer to Stafford Construction, Inc., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development and by written instrument in recordable form, be specifically assigned the rights and duties of Declarant.

Section 7. "Declaration" shall mean and refer to the Declaration of Protective Covenants, Restrictions, Easements and Agreements applicable to the Properties recorded under Kitsap County, Washington Auditor's Recording No. 9411170020.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of seven o'clock, p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing

a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of six (6) directors, who need not be members of the Association, provided that until the Declarant no longer controls the Project pursuant to Section 8.2 of the Declaration, the affairs of the Association shall be managed by a board of three (3) directors, who need not be members of the Association.

Section 2. Term of the Office. At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. 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. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held three (3) times per calendar year without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be

regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty 60 days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) 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; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

(f) perform any other duties required of them under the Declaration, including, but not limited to, those duties enumerated at Article IX of the Declaration.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) 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 when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained;

(h) perform any of the duties required under the Declaration.

ARTICLE VIII

DIRECTORS INDEMNIFICATION

Section 1. Right to Indemnification. Each person who was, or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, officer or agent of the corporation or, while a director, officer, or agent, he or she is or was serving at the request of the corporation as a director, trustee, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, trustee, officer, employee or agent or in any other capacity while serving as a director, trustee, officer, employee or agent, shall be indemnified and held harmless by the corporation to the full extent permitted by applicable law as then in effect, against all expense, liability and loss (including attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in

settlement) actually and reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, trustee, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in this Article with respect to proceedings seeking to enforce rights to indemnification, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the board of directors of the corporation. The right of indemnification conferred in this Article VIII shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only upon delivery to the corporation of any undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Article VIII or otherwise.

Section 2. Right of Claimant to Bring Suit. If a claim under Article VIII of this Article is not paid in full by the corporation within sixty (60) days after a written claim has been received by the corporation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be twenty (20) days, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification under this Article upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the corporation), and thereafter the corporation shall have the burden of proof to overcome the presumption that the claimant is not so entitled. Neither the failure of the corporation (including its board of directors, independent legal counsel or its shareholders) to have made a determination prior to the commencement of such action that indemnification by the corporation (including its board of directors, independent legal counsel or its shareholders) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

Section 3. Nonexclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this

Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of shareholders or disinterested directors or otherwise.

Section 4. Insurance, Contracts and Funding. The corporation may maintain insurance, at its expense, to protect itself and any director, trustee, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Washington Business Corporation Act. The corporation may, without further shareholder action, enter into contracts with any director or officer of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of accounts; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE X

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 6 percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XIII

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the Summerwind Association, have hereunto set our hands this 12th day of December, 1994.

Darrell Erwin, President
Stafford Construction, Inc.
16016-118th Pl NE
Bothell, WA 98011




DARRELL ERWIN

Scott Loidhammer
Stafford Construction, Inc.
P.O. Box 705
Silverdale, WA 98383



SCOTT LOIDHAMMER

Jim Sansburn
Stafford Construction, Inc.
16016 118th Place N.E.
Bothell, WA 98011



JIM SANSBURN

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the Summerwind Association, a Washington corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 12th of December, 1994.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 12th day of December 1994.

Scott J. [Signature]
Secretary

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SECOND AMENDMENT TO BYLAWS

Pursuant to Article XIII, Section 1 of the Bylaws of Summerwind Association dated December 12, 1994, and as amended on December 16, 1998, the following are amendments to said Bylaws:

AMENDMENTS:

Article III, Section 1, Annual Meetings is amended by deleting the existing Article III, Section 1 and replacing the text of the section with:

The annual meeting of the Association shall be held in September of each year commencing September 2000 with each subsequent regular annual meeting of the members shall be held in the month of September with proper notification given to all members.

Article IV, Section 2, Term of the Office is amended by deleting the existing Article IV, Section 2 and replacing the text of the section with:

After the first annual meeting after Declarant no longer manages the Summerwind project, the members shall elect two directors for a term of one year, two directors for a term of two years and two directors for a term of three years; and at each annual meeting thereafter the members shall elect directors for a term of three years. Provided, the terms of the existing directors that would have expired in December 1999 at the annual meeting are hereby extended to the annual meeting of September 2000.

DATED this 8th day of March, 2000.

SUMMERWIND ASSOCIATION

By: Stewart T. Murphy
STEWART T. MURPHY, President

AFTER RECORDING RETURN TO:

Wolfe Law Offices
216 Sixth Street
Bremerton, WA 98337

WOLFE LAW OFFICE 200712050062
Amended Declaration Rec Fee: \$ 97.00
12/05/2007 01:18 PM
Karen Flynn, Kitsap Co Auditor Page: 1 of 8

SECOND AMENDMENT TO DECLARATION**Reference Numbers of Related Documents:**

9411170020, 3148902

Grantor: Summerwind Homeowners' Association

Grantee: N/A

Tax Parcel ID Number:

5408-000-034-0007 - See additional numbers on page 2

Legal Description:

LOTS 1-65, INCLUSIVE, SUMMERWIND DIVISION 1, ACCORDING TO PLAT RECORDED IN VOLUME 28 OF PLATS, PAGES 83-92, INCLUSIVE, RECORDS OF KITSAP COUNTY, WASHINGTON.

LOTS 1-30, INCLUSIVE, SUMMERWIND DIVISION TWO, ACCORDING TO PLAT RECORDED IN VOLUME 29 OF PLATS, PAGES 77-79, INCLUSIVE, RECORDS OF KITSAP COUNTY, WASHINGTON.

LOTS 1-25, INCLUSIVE, SUMMERWIND DIVISION 3, ACCORDING TO PLAT RECORDED IN VOLUME 28 OF PLATS, PAGES 234-236, INCLUSIVE, RECORDS OF KITSAP COUNTY, WASHINGTON.

LOTS 1-34, INCLUSIVE, AMENDED PLAT OF SUMMERWIND DIVISION IV, ACCORDING TO PLATS RECORDED IN VOLUME 30 OF PLATS, PAGES 91-95, INCLUSIVE, RECORDS OF KITSAP COUNTY, WASHINGTON.

continued on page 2

SECOND AMENDMENT
TO DECLARATION
Page 1 of 8

Additional Assessor's Tax Parcel Nos.:

5280-000-001-0009; 5280-000-002-0008; 5280-000-003-0007; 5280-000-004-0006;
 5280-000-007-0003; 5280-000-008-0002; 5280-000-009-0001; 5280-000-010-0008;
 5280-000-011-0007; 5280-000-012-0006; 5280-000-013-0005; 5280-000-014-0004;
 5280-000-015-0003; 5280-000-016-0002; 5280-000-017-0001; 5280-000-018-0000;
 5280-000-019-0009; 5280-000-020-0006; 5280-000-021-0005; 5280-000-022-0004;
 5280-000-023-0003; 5280-000-024-0002; 5280-000-025-0001; 5280-000-026-0000;
 5280-000-027-0009; 5280-000-028-0008; 5280-000-029-0007; 5280-000-030-0004;
 5280-000-031-0003; 5280-000-032-0002; 5280-000-033-0001; 5280-000-034-0000;
 5280-000-035-0009; 5280-000-036-0008; 5280-000-037-0007; 5280-000-038-0006;
 5280-000-039-0005; 5280-000-040-0002; 5280-000-041-0001; 5280-000-042-0000;
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 5408-000-032-0009; 5408-000-033-0008

SECOND AMENDMENT
 TO DECLARATION
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 Amended Declaration Rec Fee: \$ 87.00
 12/06/2007 01:16 PM

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SUMMERWIND ASSOCIATION

SECOND AMENDMENT TO DECLARATION

THIS AMENDMENT PERTAINS TO AND MODIFIES THE DECLARATION OF SUMMERWIND ASSOCIATION, FILED FOR RECORD IN 1994 UNDER AUDITOR'S FILE NO. 9411170020

Adopted this 16 day of November, 2007.

1. Purpose of Amendment

The purpose of this Amendment is to provide the Summerwind Association with lease limitations and restrictions to Homeowner Units. The Amendment set forth herein does not invalidate or supersede existing, inconsistent provisions of the original Declaration. An express purpose of this Amendment is to authorize the Board of the Summerwind Association to limit the amount of Homeowner Units leased within the Summerwind Association.

2. Paragraph 5.9.1 of the Declaration is hereby amended and shall read as follows:

5.9.1 With respect to the leasing, renting, or creation of any kind of tenancy of a Lot and improvements thereon by its Owners, such Owners shall be prohibited from leasing or renting less than the entire Lot, Homeowner Unit, or improvements thereon, or leasing or renting (with the exception of the Mortgagee in possession of a Lot, Homeowner Unit, or improvement thereon following a default in a first Mortgage, a foreclosure proceeding or any deed of trust sale or other arrangement in lieu of a foreclosure) for a term of less than twelve (12) months and no more than twenty-four (24)

SECOND AMENDMENT TO DECLARATION

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months; and all lease or rental agreements shall be in writing and be subject to the Declaration and Bylaws (with a default of the tenant in complying with the Declaration and Bylaws constituting a default under the lease or rental agreement).

3. <Insert after Paragraph 5.9.2>

Paragraph 5.9.3 Maximum Number of Rental Units/Procedures. No more than fifteen percent (15%) of Homeowner Units shall be leased or rented at any one time.

(1) To ensure that this limitation is not exceeded, any Owner who intends to lease his/her Homeowner Unit shall first send a written request to the Board at the following address:

Summerwind Association, Inc.
c/o Reid Property Management
P.O. Box 3823
Silverdale, WA 98383

(2) Upon receipt of a written request to lease, the Board shall notify the Owner within thirty (30) days if the Owner's request to lease has been accepted or denied.

(3) No Owner shall lease his/her Homeowner Unit until he or she receives written approval to do so from the Board. Upon approval, the Owner must supply the Board with a copy of the lease agreement at the above referenced address prior to the tenant occupying the Homeowner Unit.

(4) No Homeowner Unit may be leased without a written lease agreement acceptable to the Board in form and content, including, but not limited to, the inclusion of a clause whereby all tenants and occupants agree to be bound by the Association's governing documents, and the Rules and Regulations promulgated thereto, all of which the Association shall provide to the tenants and occupants for such reasonable fee as the Association may from time to time determine.

(5) Any Owner who rents or attempts to rent their Homeowner Unit without the written approval of the Board shall be responsible for all attorney's fees and costs to enforce this Section.

Paragraph 5.9.4 Out of State Ownership. Any owner residing out of state must employ the use of a Washington State licensed property management firm. The property management firm shall notify the Board of any changes in the tenants and provide contact information for any tenants in the Homeowner Unit. The Board may institute penalty for non-use of a licensed Washington State property management firm and not providing information on tenants in a timely manner.

Paragraph 5.9.5 Subletting. Subletting by tenants and/or occupants of a Homeowner Unit is not permitted.

Paragraph 5.9.6 Waiting List. If the maximum number of permitted Homeowner Units are leased or rented, then the Board shall establish and maintain a waiting list for Owners of Units that are not leased or rented who wish to begin leasing or renting their Units. At such time as the number of leased or rented Units drops below the maximum number of permitted leased or rented Units, the first Unit Owner on the waiting list shall be permitted to begin leasing or renting his or her Unit, the second Unit Owner on the waiting list shall move to the first position, and so forth. Following termination of a lease or rental agreement, a Unit Owner of a leased or rented Unit must execute a new lease or rental agreement for said Unit and the term of said new lease or rental agreement must commence within sixty (60) days of termination of the prior lease or rental agreement, or the Owner of said Unit will automatically lose his or her priority as a rental, and the Unit Owner must place his or her name on the bottom of the waiting list. The Board may adopt other such rules and regulations it deems necessary to administer the waiting list and other restrictions on leasing and rental of Units as set forth in this Section.

Paragraph 5.9.7 Effect of Sale or Transfer. Upon sale or transfer of any interest in any Homeowner Unit to a new Owner, except for transfers in foreclosure, a deed in lieu of foreclosure, and transfers for security purposes only, the new Owner of such Units shall not have any priority as a permitted rental and shall be subject to the limitations on the number of leased or rented Homeowner Units set forth herein. If the new Owner desires to lease or rent the Unit, said Owner shall place his or her name on the waiting list.

Paragraph 5.9.8 Attorney-in-fact. No Homeowner Unit may be leased unless pursuant to a written agreement acceptable to the Board in form and content, including, but not limited to, the inclusion of a clause whereby it shall be deemed during the period of such occupancy that the Member has irrevocably appointed and constituted the Association as the Owner's attorney-in-fact to seek, at the Owner's expense, the unlawful detainer (eviction), equitable relief and/or damages of and/or from such tenants and/or occupants upon any breach of said agreement or a violation of the Board's governing documents and/or Rules and Regulations promulgated pursuant thereto, provided that the Association first gives the Owner written notice of said violation and a reasonable period to affect the cure, which shall be no more than fifteen (15) days from the date of the written notice.

Paragraph 5.9.9 No Landlord-Tenant Relationship Exists. Other than the powers granted to the Association under Paragraph 5.9.8, in no event shall it be determined that a landlord-tenant relationship exists between the Association and a tenant of a Homeowner Unit.

Paragraph 5.9.10 Exceptions.

(1) Grandfathered Units. Homeowner Units leased at the time this instrument is recorded shall be defined as "Grandfathered Homeowners Units." Such Grandfathered Homeowners Units shall be exempt from the lease restrictions set forth in Section 5.9.3. If a Grandfathered Homeowners Unit is sold after the recording of this instrument, then the Homeowners Unit shall no longer be defined as a Grandfathered Homeowners Unit and Section 5.9.3 shall apply

(2) Emergencies/Hardships. Notwithstanding the restrictions on the number of leased or rented Units set forth in Section 5.9.3, upon written application by an Owner and written approval of the Board, the Association may permit one or more Homeowner Units to be leased or rented or rented in certain temporary, emergency circumstances, including but not limited to job relocation, disability, difficulty buying or selling another residence, and other circumstances deemed appropriate by the Board on a case-by-case basis. Such approval shall be granted for a maximum of twelve (12) consecutive months. No lease or rental agreement for a Homeowner Unit granted such approval shall be for a term that extends beyond the emergency period approved by the Board. If the Owner of such Homeowner Unit desires to continue to lease or rent the Unit after the end of such emergency period, the Owner shall place his or her name on the waiting list.

(3) Immediate Family Members. Homeowner Units that are occupied by an immediate family member of the Owner shall not be considered rental units and Section 5.9.3 shall not apply. Immediate family members include father, mother, sister, brother, son, and/or daughter. Any additional family members are excluded, but may be approved on a case-by-case basis upon written application by an Owner and written approval of the Board.



Dated this 16 day of November 2007.

By: [Signature]
President of Summerwind Association

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

On this 16 day of November, 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Tee Peterschmidt, to me known to be the President of the Summerwind Association that executed the 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 she is authorized to execute this instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.



[Signature]
Print Name: Joyce A. Miller
NOTARY PUBLIC in and for the State of
Washington, residing at Belfair
My Commission Expires: 3-10-2010

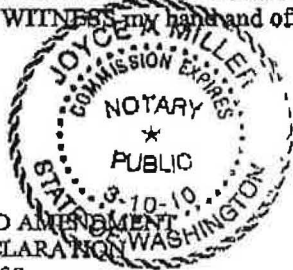
Dated this 16 day of November, 2007.

By: [Signature]
Vice President of Summerwind Association

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

On this 16 day of November, 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Michael Orshel, to me known to be the Vice President of the Summerwind Association that executed the 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 she is authorized to execute this instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.



[Signature]
Print Name: Joyce A. Miller
NOTARY PUBLIC in and for the State of
Washington, residing at Belfair
My Commission Expires: 3-10-2010

SECOND AMENDMENT
TO DECLARATION WASHINGTON
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Amended Declaration Rec Fee: \$ 97.00
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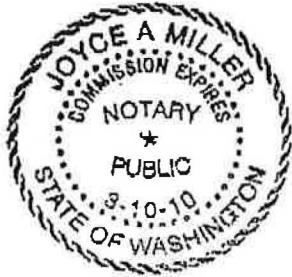
Dated this 26 day of November, 2007.

By: *Beth L. Sheldon*
Secretary of Summerwind Association

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

On this 26 day of November, 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Beth L. Sheldon, to me known to be the Secretary of the Summerwind Association that executed the 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 she is authorized to execute this instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.



Joyce A. Miller
Print Name: Joyce A. Miller
NOTARY PUBLIC in and for the State of
Washington, residing at Belfair
My Commission Expires: 3-10-2010

SECOND AMENDMENT
TO DECLARATION
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WOLFE LAW OFFICE 200712050062
Recorded Declaration Rec Fee: \$ 87.00
12/05/2007 01:16 PM
Karen Flynn, Kitsap Co Auditor
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