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CITY OF POULSBO

COVEN \$61.00 Kitsap Co. WA

Name and Full Address

City of Poulsbo  
P.O. Box 98  
Poulsbo, WA 98370

Please print neatly or type information.

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

Document Title(s):

Declaration of Covenants, Conditions, Restrictions, and  
Reservations for Poulsbo Place Phase II

Additional reference #'s on page: \_\_\_\_\_

Reference Number(s) of related documents: \_\_\_\_\_

Grantor(s):

David R. Smith, Poulsbo Place Phase II

Additional Grantors on Page: \_\_\_\_\_

Grantee(s):

Additional Grantee on Page: \_\_\_\_\_

Legal Description (abbreviated form: i.e. Plat name, lot, block, section, township, range, quarter/quarter).

SW 1/4, SW 1/4, Sec 14, T.26N, R.1E, W.M.

Assessor's Property Tax Parcel/Account Number: 142601-3-134-2002

I, \_\_\_\_\_, am requesting an emergency nonstandard recording for an additional fee of \$50.00 as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.

Signature: \_\_\_\_\_

EXCISE TAX EXEMPT MAY 1 2006

DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS, AND RESERVATIONS  
FOR  
POULSBO PLACE II

A Master Redevelopment Planned Community

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS FOR POULSBO PLACE II is dated for reference purposes as of APRIL 27, 2006 and is declared and published by the POULSBO PLACE II OWNERS ASSOCIATION, a Washington nonprofit corporation.

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Schedule A Plat of Poulsbo Place II  
Schedule B Plat showing Divisions 5, 6, 7, and 8  
Schedule C Remote Assigned Spaces  
Schedule D HOA Budget and Dues

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1. DEFINITIONS.

1.1. Words Defined.

For the purposes of this Declaration and any amendments hereto, the following definitions shall apply.

1.1.1. Architectural Control Committee shall mean the Board, as defined below, or a committee by that name designated by the Board.

1.1.2. Articles shall mean the articles of incorporation of the Association defined below.

1.1.3. Association shall mean the Owners Association described in Article 6 of this Declaration.

1.1.4. Board shall mean the board of directors of the Association.

1.1.5. Bylaws shall mean the bylaws of the Association in the form attached hereto as Schedule B, as they are from time to time by amended.

1.1.6. Common Areas shall mean all of the property other than the Lots, as defined below, shown on the plat of Poulsbo Place II, which shall include without limitation all walkways or trails, tot lots, bus stops, private roads, driveways and alleys, parking not otherwise assigned to individual Lots and open spaces, all as shown on the plan attached hereto as Schedule B. Private roads and alleys are easements over lots that are to be treated as common areas. Common areas shall also include Limited Common Areas which are assigned parking spaces.

1.1.7. Declarant shall mean Phase II LLC, a Limited Liability Company, and its successors, and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

1.1.8. Declaration shall mean this Declaration of Covenants, Conditions, Restrictions, and Reservations for Poulsbo Place II as it may from time to time be amended.

1.1.9. Eligible Holder shall mean a holder of a first mortgage on a Lot that has requested notices under Section 7.4.

1.1.10. Eligible Insurer or Guarantor shall mean an insurer or governmental guarantor of a first mortgage that has requested notices under Section 7.2.

1.1.11. FHA shall mean the Federal Housing Administration.

1.1.12. FHLMC shall mean Federal Home Loan Mortgage Corporation.

1.1.13. First Mortgage and First Mortgages shall mean, respectively, (a) a recorded mortgage on a Lot that has legal priority over all other mortgages thereon, and (b) the holder, insurer or guarantor of a first mortgage.

- 1.1.14. FNMA shall mean Federal National Mortgage Association.
- 1.1.15. House shall mean the residential structure built on a Lot in the subdivision.
- 1.1.16. Limited Common Area shall mean those portions of the Common Areas assigned hereunder to and for the exclusive use of specific Lots, including without limitation, assigned parking spaces assigned pursuant to Section 3.3 hereof.
- 1.1.17. Live-work Unit shall mean a combination of a residential unit and work unit built on a Lot in the subdivision.
- 1.1.18. Lot shall mean any one of the Lots in Poulsbo Place II..
- 1.1.19. Managing Agent shall mean the person designated by the Board under Section 8.4.
- 1.1.20. 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.
- 1.1.21. Mortgagee shall mean the beneficial owner, designee of the beneficial owner, insurer or guarantor of an encumbrance on a Lot created by a 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 a Lot.
- 1.1.22. Owner shall mean the record owner, whether one or more persons, of fee simple title to a Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.
- 1.1.23. Person shall mean an individual, corporation, partnership, association, trustee, or other legal entity.
- 1.1.24. Plat shall mean the Plat for Poulsbo Place, Phase II, after it is recorded.
- 1.1.25. Poulsbo Place II shall mean the subdivision to be created in one major phase which, when coupled, will fully occupy the property described in Schedule A. Property in this phase may be subjected to the provisions of this Declaration in smaller increments as shown on Schedule A-1, and as such are approved for final plat recordation by the City of Poulsbo. When the final plat for Poulsbo Phase II which covers all divisions of the property described in Schedule A is recorded, Poulsbo Place II shall also mean all the property covered by said divisions up to and including all of the property described in said Schedule A. Lot 305 of the preliminary plat for Poulsbo Place II is specifically excluded from this Declaration of Covenants, Conditions, Restrictions, and Reservations.
- 1.1.26. Structure shall mean any building, fence, well, pole, driveway, walkway, patio or the like.
- 1.1.27. Subdivision shall mean the Lots and the Common Areas in Poulsbo Place II.
- 1.1.28. VA mean the Veterans Administration.

1.2. Form of Words.

The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and neuter pronouns shall be used interchangeably.

**2. SUBMISSION OF THE PROPERTY TO THIS DECLARATION:  
DEVELOPMENT IN PHASES AND DIVISIONS.**

**2.1. Submission of Property.**

Declarant, being the sole owner of the property comprising the proposed Plat of Poulsbo Place II, makes this Declaration for the purpose of submitting each Division thereof, as the final plat thereof is recorded, to this Declaration and declares that the Divisions, including all Lots, except Lot 305 and Common Areas therein, shall be held, used, conveyed, encumbered, leased, occupied, rented, and improved subject to the covenants, conditions, restrictions, reservations, and easements stated in this Declaration, all of which shall be deemed to run with the land and be a burden and benefit to the Declarant and all persons who own or acquire an interest in the subdivision or any part thereof, and their grantees, successors, heirs, executors, administrators and assigns.

**2.2. Development in Phases and Divisions.**

Declarant proposes to develop the subdivision in one major phase, and in multiple Divisions within the phase, upon the property described in Schedules A. Phase II, consisting of Parcel B, will contain approximately 141 Lots plus additional Common Areas, which Lots and Common Areas will be subjected to the provisions of this Declaration by Divisions. This Declaration shall be effective immediately with respect to Divisions 5 of Parcel B and shall be effective with respect to each subsequent division within Parcel B upon the recording of the final plat for that Division. When any such Division is so recorded, all of the Common Areas, including the facilities thereon shall be for the use and benefit of the owners in the subdivision and all of the owners shall share in the expenses of maintaining, repairing and replacing them as may be necessary. Lot 305 of the preliminary plat of this subdivision is excluded from these CC and R's.

**3. COMMON AREAS.**

**3.1. Description.**

The Common Areas of the subdivision consist of the land not included within the Lots as shown on the Plat of Poulsbo Place, Phase II, including without limitation all walkways and trails, tot lots, bus stops, private roads, alleys and open spaces. Private roads and alleys are part of the Lots, but exist as a result of easements running with the land, and are maintained by the home owners association. Common areas also include all Limited Common Areas as defined in Section 1.1.16 above. All Common Areas are subject to maintenance and utility easements, except for the units themselves.

**3.2. Conveyance to Association.**

Declarant shall convey the Common Areas to the Association by Statutory Warranty Deed.

**3.3. Use/Assigned Remote Parking Spaces.**

Each owner shall have the right to use the Common Areas in common with all other owners. The right to use the Common Areas and facilities shall extend not only to each owner, but also to his agents, servants, tenants, family members, invitees, contract purchasers, and licensees. The right to use the Common Areas shall be governed by the provisions of this Declaration, the Bylaws, and the rules and regulations of the Association. Each unit which does not include a second parking space within its Lot shall have a remote space permanently assigned to it as set forth herein in Schedule C which parking space shall be for the sole and exclusive use of the owner of said unit.



3.4. Maintenance.

The Association shall be responsible for maintaining the Common Areas, including the common access easements for roads and alleys serving all homes.

3.5. Alteration.

Nothing shall be altered or constructed in or removed from any Common Area, except upon the prior written consent of the Board.

3.6. Transfer.

Without the approval of all of the owners and first mortgagees, the Common Area may not be abandoned, partitioned, subdivided, encumbered, sold, or transferred by the Association, any owner or any third party; except that upon the consent of two-thirds of the owners, the Association, as evidenced by an instrument signed in recordable form by at least two-thirds of the owners, the Association may dedicate or transfer, or grant an easement over, all or part of any Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the owners.

4. RESTRICTIONS ON USES OF LOTS.

4.1. Initial Improvements.

No structure shall be erected, altered, placed or maintained on any Lot unless it shall comply with the following:

4.1.1. All structures on a Lot shall be of permanent construction, and no temporary structure, trailer, tent, garage, outbuilding or other similar device shall be placed on any Lot except with the prior written consent of the Architectural Control Committee incident to and during the construction of a permanent structure on the Lot. No temporary structure shall be used as a residence.

4.1.2. Prior to placing any structure or making an improvement on a Lot and prior to clearing and grading a Lot (unless any such work shall be performed by Declarant in which case such work shall be deemed to have been approved), the plans and specifications for the structure or improvement shall be submitted to and approved by the Architectural Control Committee as provided in Section 4.2 or 4.3, as the case may be. When constructed or placed on the Lot, the improvement and structure shall substantially conform to the plans and specifications as approved by the Architectural Control Committee.

4.1.3. The construction, alteration, repair or reconstruction of any structure on a Lot shall be diligently prosecuted until completion and, in any event, the exterior of the structure shall be completed and finished within nine months after commencement of construction.

4.1.4. Each residence on a Lot shall be at least eight hundred (800) square feet of enclosed area devoted to living purposes. The general exterior appearance of each residence shall be compatible with the appearance of surrounding existing residences and shall not be altered in any way without the prior approval of the Architectural Control Committee as provided in Section 4.2.

4.1.5. Each improved Lot shall be landscaped and graded to present a harmonious transitional appearance from Lot to Lot. Landscaping shall be completed and shall substantially



conform to plats approved by the Architectural Control Committee as provided in Section 4.3. No changes shall be made to the landscaping, except for the normal or routine maintenance and the planting of annual flowers, without the prior approval of the Architectural Control Committee.

4.1.6. The structures on each Lot shall also conform to the restrictions contained on the Plat and in these Covenants, Conditions and Restrictions.

#### 4.2. Building Plans.

Unless constructed by or on behalf of Declarant, no structure shall be erected or constructed nor any structure remodeled or altered on any Lot unless a complete set of building plans, specifications and site plan (which shall include the purpose, shape, height, materials and location of the structure) shall have been submitted to and approved by the Architectural Control Committee. The plans and specifications shall be submitted in a form satisfactory to the Architectural Control Committee, which may withhold its approval by reason of its reasonable dissatisfaction with the location of the structure on the Lot, color scheme, finish, architecture, height, impact on view from another Lot or Lots, appropriateness of the proposed structure, materials used therein, or because of its reasonable dissatisfaction with any other matter which, in the reasonable judgment of the Architectural Control Committee, would render the proposed structure inharmonious with the general plan of the development of the subdivision or with the other structures nearby. In the event the Architectural Control Committee fails to approve or disapprove plans within thirty days after the plans and specifications have been submitted to it, approval shall be deemed to have been denied.

#### 4.3. Landscaping Plan.

Unless performed by or on behalf of Declarant, no Lot shall be graded, landscaped, planned or improved unless the general landscaping plan has been submitted to and approved by the Architectural Control Committee. All grading, landscaping, planting or improvement to the surface of the lot shall conform to such plan or to a revised plan which has been submitted to and approved by the Architectural Control Committee in the same manner as building plans are approved.

#### 4.4. Exterior Appearance.

In order to preserve a uniform exterior appearance of the houses, the Architectural Control Committee shall prescribe the types and colors of stain or paint for the exterior of the houses. No owner may modify the exterior of a house, or screens, doors, or other portions of a house visible from outside without the prior written consent of the Architectural Control Committee or in accordance with the rules or regulations of the Architectural Control Committee. All garage doors shall be kept closed except when the movement of vehicles or incidental use or activities require a garage door to be temporarily left open. Permanent window coverings shall be installed within 30 days of the closing of the purchase of any house. The use of sheets or other temporary window screens or coverings shall not be allowed after the first thirty days of occupancy.

#### 4.5. Maintenance of Houses and Lots.

Each owner shall, at the owner's expense, keep the exterior of the owner's house and Lot in a clean and sanitary condition, free of rodents and pests, and in good order, condition and repair and shall do all redecorating, painting and repair at any time necessary to maintain the appearance and condition of a level substantially identical to the other houses and Lots. The Association shall provide routine lawn and landscaping maintenance on the front and rear yards of each Lot. Each owner shall be responsible for all other lawn and landscape maintenance. Each Lot has its own irrigation system, though the Association will provide routine maintenance.



In the event an owner fails to so maintain the owner's house or Lot, the Board may, after 30 days' written notice to the owner, have such maintenance done and specially assess the owner the cost thereof. The Association shall be responsible for maintaining in good repair the utility lines serving the houses. With the approval of at least sixty-seven percent (67%) of the owners, the Board may, from time to time, do such maintenance or repair to the Lots or the houses as the owners may approve. Each owner will bear an equal share of the cost of such maintenance or repair, except for special assessments attributable to an owner who fails to maintain properly his house or Lot in relation to the other houses or Lots.

#### 4.6. Entry for Maintenance and Repairs.

The Association and its agents or employees may go upon any Lot to undertake the routine lawn, landscaping and garage maintenance described herein and effect repairs, improvements, replacements, or maintenance deemed by the Board to be necessary in the performance of its duties or to do necessary work that the owner has failed to perform. Except in cases of great emergency that preclude advance notice, the Board shall cause the owner to be given notice and an explanation of the need for entry as far in advance as is reasonably practical. Such entry shall be made with as little inconvenience to the owners and occupants as practical. Any damage caused by such entry shall be repaired by the Association as a common expense unless the repairs or maintenance were necessitated by the acts or default of the owner or occupant of the Lot involved, in which event the costs of the repairs or maintenance shall be specifically assessed to the owner of that Lot.

#### 4.7. Residential Use and Rental Restrictions.

4.7.1. The residential only units are intended for and restricted to use as a single-family residences only on an ownership, rental or lease basis, and for social recreational or other reasonable activities normally associated with such use. No unit shall be rented by the Owner thereof for a period of less than three (3) months. Any and all tenants shall be subjected to the terms of this Declaration. The Board shall be empowered to terminate any tenancy where the tenants, after seven (7) days notice to such tenants and the Owner of the subject House, fails to bring such tenancy into compliance herewith. The Declarant may use houses it owns as sales and management offices and as models for sales. The Declarant shall also be entitled to post such signs, banners or other display materials promoting the development and the sale of houses therein as it deems appropriate.

4.7.2. The business and commercial use of the work space of the Live-work unit shall be governed by the zoning and other applicable ordinances with the City of Poulsbo's municipal code. Rental restrictions shall be the same as 4.7 for tenancies in the work spaces.

4.7.3. Rental restrictions for the work spaces of live work units are as follows:

1. No business offering alcoholic beverages for sale to be consumed on site; packaged wine and beer sales are permitted.
2. No auto or motorcycle repair or sales are allowed.
3. Excessive noise is not allowed.
4. Hours of operation are limited to 7 a.m. to 6 p.m. all week for retail and 7 a.m. to 10 p.m. all week for quiet office work.
5. No pet or pet grooming establishments, though pet food stores are allowed.

4.7.4. The live-work Units shall not be used for conducting: medical, laboratory; food processing (except in connection with a permitted use); manufacturing activities; wholesale or retail sales of pornographic literature, photographs or movies; card room; dance hall, pool hall; video arcade or other similar form of amusement center; musical school or studio; adult motion picture theater; laundry, dry-cleaning; dyeing or rug cleaning plant; jail; hotel, apartment hotel and motel; liquor store (except for wine sales); taxidermy shop; retail pet shop or animal clinic; work release center, or drug rehabilitation.

4.7.5. The delivery or shipment of merchandise, supplies, and fixtures to and from the live-work unit shall be accomplished in a manner that shall not unreasonably interfere with the security of the residential units.

4.7.6. The Owners of the live-work Units shall not allow or permit any continuing vibration ("Vibration") or any offensive or obnoxious and continuing noise ("Noise") or any offensive or obnoxious and continuing odor ("Odor") to emanate from the Unit into the Residential Units, nor shall the Owner allow or permit any machine or other installation therein to constitute a nuisance or otherwise to unreasonably interfere with the safety or comfort of any of the Owners of other Units. Upon the failure of the Owner of the Commercial Unit to remedy Noise or Vibration after Notice and Opportunity to be Heard, the Board may at its option either: (1) cure such condition at the Owner's cost and expense; or (2) pursue any other available legal or equitable remedy. Upon the failure of the Owner to remedy Odor after Notice and Opportunity to be Heard, the Board may at its option either: (1) attempt to resolve the matter by agreement with the Owner; or (2) submit the matter to arbitration by a panel of three independent arbitrators, in which case one arbitrator shall be chosen by the Board, the second arbitrator shall be chosen by the Owner, and the third arbitrator shall be chosen by the other two arbitrators: Construction, remodeling and maintenance of the live-work Unit and activities reasonably necessary to accomplish the same shall not be deemed to be Vibration, Noise or Odor within the meaning of this subsection. Conditions in existence at the time of conveyance of any Residential Unit shall not be deemed to be Vibration, Noise or Odor within the meaning of this subsection.

4.7.7. The Owners of the live-work units shall not use nor occupy the Unit nor occupy the Unit nor do or permit anything to be done thereon in any manner which shall make it impossible for the Association to carry any insurance required or reasonably deemed to be necessary, or which will invalidate or unreasonably increase the cost thereof or which will cause structural injury to the building, or which would constitute a public or private nuisance or which will violate any laws, regulations, ordinances or requirements of the federal, state or local governments or of any other governmental authorities having jurisdictions over the Property.

4.7.8. The Owner of the live-work Unit shall bear the expenses relating to any changes in utility service necessitated by the use of the Unit.

#### 4.8. Parking.

Parking of motor vehicles within the subdivision is prohibited except as described herein. The driveway and parking space between each Lot and the street may be used by the owner or occupant of the Lot and the owner's or occupant's guests to park operable passenger motor vehicles so long as the sidewalk is not blocked thereby. Trucks, campers, trailers, boats, motorcycles or vehicles not in current use shall not be parked outside in the subdivision. Common Area parking spaces shall be used for the parking of operable passenger automobiles pursuant to rules and regulations adopted by the Board. The Board may prohibit or restrict the parking of automobiles owned by owners or their tenants in the parking spaces held for common parking. The Board may, after complying with applicable laws, cause any vehicle or other thing removed at the risk and cost of the owner thereof.

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#### 4.9. Signs.

No signs of any kind shall be displayed to the public view of any Lot without the prior consent of the Board. Declarant shall provide a location for the posting of notices regarding the sale or renting of Houses. The Board may remove and destroy any sign placed in the subdivision in violation of this provision. This provision shall not apply to Declarant during the initial sale of Lots. This provision shall not apply to the work portion of the live-work units in their frontal area—applicable codes in the City of Poulsbo Body of Law shall apply.

4.9.A. Signs exception of the work portion of the live-work unit. Signs are allowed facing the street that the work space fronts according to the following restrictions:

1. Signs may include lettering and graphic art on or displayed in the front window of the work-unit as well as an exterior sign hung from the overhang of the recessed porch area.
2. Signs may not have neon or any other internal lighting mechanism, but may be illuminated by a remote light. All exterior lights belonging to a work unit shall not cause a glare of light into any residential unit.

#### 4.10. Pets.

No animals, birds, reptiles, or living creatures of any kind (herein referred to as "pets") shall be kept on any Lot or in any Common Area except subject to rules and regulations adopted by the Board or Bylaws adopted by the Association. No pet kennels or exterior dog runs shall be allowed. No household shall have more than one dog and two cats at any time, except that a third cat may be kept only so long as at least one shall be kept primarily indoors. Nothing herein shall preclude the Board from adopting more stringent rules on the maximum number of pets should it deem such action necessary or advisable. The Board may at any time require the removal of any pet which it finds is disturbing other owners or tenants unreasonably, and may exercise this authority for specific pets even though other pets are permitted to remain. No commercial raising, breeding, training or dealing in pets shall be conducted on any Lot.

#### 4.11. Offensive Activity/Uses Generating Traffic/Garage Sales.

No noxious or offensive activity, nor any activity including, without limitation, a day care facility or the conducting of a garage sale, which generates traffic beyond that normally associated with a single family residence, shall be conducted on any Lot or Common Area, nor shall anything be done therein that may be or become an annoyance or nuisance to any other Owner. Home occupations which generate traffic beyond that normally associated with a single family residence shall be similarly prohibited. No signs of any kind which advertise or provide notice of home occupations shall be allowed. Lawns shall be mowed by Owners only between the hours of 10:00 a.m. and 3:00 p.m. except that the live-work units work areas are not subject to this provision.

#### 4.12. Conveyances and Rentals Notice Required.

The right of an Owner to sell, transfer, rent, or otherwise convey a Lot shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association of the Board, or anyone acting on their behalf except that no Owner shall rent his or her House for a period less than three (3) months. An Owner intending to sell or rent a Lot shall deliver a written notice to the Board. In the case of a sale, such notice shall be delivered at least two 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. 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.

4.13 Conversion of Garages to Residential Use Prohibited.

No garage shall be converted to residential use or used for personal habitation. No garage doors shall be removed or otherwise converted into a permanent, nonmovable wall structure.

5. OWNERS ASSOCIATION.

5.1. Form of Association.

The Owners of Lots shall constitute an Owners Association. The Association will be a nonprofit corporation formed under the laws of the state of Washington and will be known as the Poulsbo Place II Owners Association. It will be governed by a board of directors of not fewer than three nor more than nine directors who need not be Owners. The rights and duties of the members and of the corporation shall be governed by the provisions of this Declaration.

5.2. Articles and Bylaws.

Declarant will adopt Articles of Incorporation and will propose to the initial Board of Directors the adoption of Bylaws in the form attached hereto as Schedule B to supplement this Declaration and to provide for the administration of the Association and the property and for other purposes not inconsistent with this Declaration. Amendments to the Articles and Bylaws shall be governed by Article 14, below.

5.3. Qualification for Membership.

Each fee Owner of a Lot (including Declarant) shall be a member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of a Lot, provided, that if a Lot has been sold on contract, the contract purchaser shall exercise the rights of the Owner for purposes of the Association, this Declaration, and the Bylaws, except as hereinafter limited, and shall be the voting representative unless otherwise specified. Ownership of a Lot shall be the sole qualification for membership in the Association.

5.4. Classes of Voting Members:

Class A. Class A members shall be all Owners except Declarant and shall be entitled to one vote for each Lot owned. If more than one person is an Owner of a Lot, all Owners shall be members of the Association. The vote for the Lot shall be cast as they shall determine, but the sum total of their vote shall be one vote for each Lot owned.

Class B. The Class B member shall be the Declarant and shall be entitled to three votes for each vote owned. The Class B membership shall cease and shall convert to a Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

5.5. Transfer of Membership.

The Association membership of each Owner (including Declarant) shall be appurtenant to the Lot



giving rise to such membership, and shall not be transferred in any way except upon the transfer of title to the Lot and then only to the transferee of title to the Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association to the new Owner.

5.6. Voting Representative.

An Owner may, by written notice to the Board, designate a voting representative for the Lot. The voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Board from a person having an Ownership interest in a Lot, or by actual notice to the Board of the death or judicially declared incompetence of any person with an Ownership interest in the Lot, except in cases in which the person designated is a mortgagee of the Lot. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney-in-fact for the Owner under a durable power of attorney, and the administrators or executors of an Owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each Lot shall be the group composed of all of its Owners. If a Lot is owned by husband and wife and only one of them is at a meeting, the one who is present will represent the marital community.

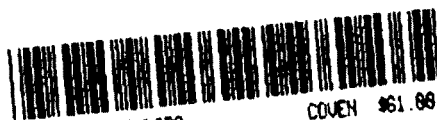
5.7. Pledged Votes.

An Owner may, but shall not be obligated to, pledge his or her vote on all issues or on specific issues to a mortgagee. If an Owner is in default under a first mortgage on the Lot for 90 consecutive days or more, the mortgagee shall automatically be authorized to declare at any time thereafter that the Owner has pledged his or her vote on all issues to the mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a mortgagee, only the vote of the mortgagee will be recognized on the issues that are subject to the pledge.

5.8. Annual and Special Meetings.

There shall be an annual meeting of the members of the Association in the first quarter of the fiscal year at such reasonable place and time as may be designated by written notice from the Board delivered to the Owners no less than 15 days before the meeting. The financial statement for the preceding year and the budget the Board has adopted for the current year shall be presented at the annual meeting for the information of the members. Special meetings of the members of the Association may be called at any time, in the manner provided in the Bylaws, for the purpose of considering matters which require the approval of all or some of the Owners, or for any other reasonable purpose. Any first mortgagee of a Lot may attend or designate a representative to attend the meetings of the Association.

5.9. Audits. As soon as is convenient after the close of each fiscal year the Board shall have an audited financial statement prepared for that year. The audit shall be made by a certified or licensed public accountant who is not a member of the board or an Owner. The audit shall be completed in time for the Association's annual meeting and in any event within 90 days following the end of the fiscal year. The Board, or persons having 35% of the voting power of the Association, may require that an audit of the Association and management books be presented at any special meeting. An Owner, at his or her expense, may at any reasonable time conduct an audit of the books of the Board and Association. Upon written request of FHA, FHLMC, FNMA, or VA if it is the holder, insurer, or guarantor of a mortgage, the Association shall prepare and furnish within a reasonable time an audited financial statement of the Association for the preceding fiscal year.



5.10. Books and Records

The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Association, in a form that complies with generally accepted accounting principles.

5.11 Inspection of Association Documents, Books and Records.

The Association shall make available to Owners, mortgagees, prospective purchasers and their prospective mortgagees, and the agents or attorneys of any of them, current copies of this Declaration, the Articles, the Bylaws, other rules governing the HOA, and other books, records, and financial statements of the Association, and the most recent annual audited financial statement, if one is prepared. "Available" shall mean available for inspection upon request, during normal business hours or under other reasonable circumstances. The Association may require the requesting party to pay a reasonable charge to cover the cost of making the copies.

5.12 City of Poulsbo Required Conditions.

The Association shall notify the Poulsbo Planning Director prior to the adoption of any amendment to these CC&R's. The Planning Director shall have the right to object, on behalf of the City, to the adoption of any amendment that the Director determines to be inconsistent with any condition lawfully placed upon Poulsbo Place II by the City. If the Planning Director makes such an objection, then the amendment objected to may not be adopted. Notwithstanding any of the other adopted or effective until the Planning Director has been notified and has consented to such amendment.

The City of Poulsbo is expressly intended to be a third party beneficiary of the covenants set forth in Sections 1.6, 3.4, 4.8, 4.13, and 5.12 of these Covenants, Conditions, Restrictions, and Reservations. The City of Poulsbo shall have the right, but not the obligation, to enforce such covenants in order to ensure that the conditions of approval imposed upon Poulsbo Place II by the City are met.

Poulsbo Place II must notify the City of Poulsbo Planning Director of any amendment to the CC&R's, and that the City shall have the authority to object to any modification that is inconsistent with any condition lawfully placed upon the subdivision by the City of Poulsbo.

Parking: Residents shall be limited to the number of vehicles designated for their own lot and sign a statement of understanding to that effect at the time of purchase. Residents shall utilize their garages for parking of vehicles rather than solely for storage.

Storm system: The Homeowner's Association, or individual lot owners, as applicable, shall be responsible for maintenance of the storm system to the extent described on Sheet 1 of 9 of the recorded Final Plat drawings. Additional stormwater treatment units may be required by the City per Plat Conditions of Approval. The City will determine if maintenance of the units will be the responsibility of the City or the Homeowner's Association. All maintenance shall be in accordance with city codes and standards set by the Public Works Director.

6. NOTICES:

6.1. Form and Delivery of Notice.

All notices given under the provisions of this Declaration or the Bylaws or rules or regulations





of the Association shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, the notice shall be deemed to have been delivered upon being deposited in the United States mail, first class, postage prepaid, addressed to the person entitled to such notice at the most recent address known to the Board. Notice to the Owner of any Lot shall be sufficient if mailed to the address of the Lot if no other mailing address has been given to the Board. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board shall be given to Declarant until the Transition Date and thereafter shall be given to the president or secretary of the Association.

#### 6.2. Notice to Holders, Insurers and Guarantors.

An eligible holder, insurer, or guarantor of a mortgage is, respectively, any holder, insurer or guarantor of a mortgage on a Lot that files with the secretary of the Board a written request that it be given copies of the notices listed below. The request must state the name and address of the eligible holder, insurer, or guarantor and the Lot number. Until such time thereafter that the eligible holder, insurer, or guarantor withdraws the request or the mortgage held, insured or guaranteed by the eligible holder, insurer, or guarantor, as the case may be, is satisfied, the Board shall send to the eligible holder, insurer, or guarantor timely written notice of (a) any proposed transfer of any part of the Common Areas or termination of professional management of the subdivision; (b) any condemnation loss or casualty loss that affects a material portion of the Common Areas or that affects any Lot on which an eligible holder has a first mortgage; c.) any delinquency which has continued for 60 days in the payment of assessment or charges owned by an Owner of a Lot on which an eligible holder had a mortgage; d.) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; e.) Any proposed action that would require the consent of a specified percentage of eligible holders pursuant to Article 14, below.

### 7. AUTHORITY OF THE BOARD.

#### 7.1. Adoption of Rules and Regulations.

The Board is empowered to adopt, amend, and revoke on behalf of the Association detailed administrative rules and regulations necessary or convenient from time to time to insure compliance with the general guidelines of this Declaration and to promote the comfortable use and enjoyment of the subdivision. The rules and regulations of the Association shall be binding upon all Owners and occupants and all other persons claiming any interest in the subdivision.

#### 7.2. Enforcement of Declaration, Etc.

The Board shall have the power and the duty to enforce the provisions of this Declaration, the Articles, the Bylaws, and the rules and regulations of the Association, as the same may be lawfully amended from time to time, for the benefit of the Association. If a legal action is brought to interpret or enforce compliance with the provisions of this Declaration, the Articles, the Bylaws, or the rules or regulations of the Association, the prevailing party shall be entitled to judgment against the other party for its reasonable expenses, court costs, and attorney's fees in the amount awarded by the court.

#### 7.3. Goods and Services.

The Board shall acquire and pay for as common expenses of the Association all goods and services reasonably necessary or convenient for the efficient and orderly functioning of the subdivision. The goods and services shall include (by way of illustration and not limitation) utility services for the Common Areas; policies of insurance and fidelity bonds; legal and accounting services; maintenance, repair, landscaping, gardening, and general upkeep of the Common Areas and

portions of the houses and Lots for which the Association resumes responsibility; and all supplies, materials, fixtures, and equipment that are in the Board's judgment necessary or desirable for the operation of the subdivision and enjoyment of it by the Owners. The Board may hire such full-time or part-time employees as it considers necessary.

#### 7.4. Managing Agent.

The Board may contract with an experienced professional managing agent to assist the Board in the management and operation of the subdivision and may delegate such of its powers and duties to the managing agent as it deems to be appropriate, except as limited herein. If FHLMC or other similar agency or corporation, the procedure for terminating professional management and assuming self-management is set forth in Article 14, below. Only the Board can approve an annual budget or a supplemental budget, and only the Board can impose a special assessment on a unit or authorize foreclosure of an assessment lien. Any contract with a managing agent shall have a term no longer than one year (but may be renewable by agreement of the parties for successive one-year periods) and shall be terminable by the Board without payment of a termination fee, either (1) for cause, on 30 days' written notice, or (2) without cause, on not more than 90 days' written notice.

#### 7.5. Protection of Property.

The Board may spend such funds and take such action as it may from time to time deem necessary to preserve the property, settle claims, or otherwise act in what it considers to be the best interests of the subdivision or the Association.

### 8. BUDGET AND ASSESSMENTS FOR COMMON EXPENSES.

#### 8.1. Fiscal Year.

The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year.

#### 8.2. Preparation of Budget

Not less than 30 days before the end of the fiscal year the Board shall prepare a budget for the Association for the coming year. In preparing its budget the Board shall estimate the common expenses of the Association to be paid during the year, make suitable provision for accumulation of reserves, and shall take into account any surplus or deficit carried over from the preceding year and any expected income to the Association.

#### 8.3. Agreement to Pay Assessments.

The Declarant for each Lot owned agrees, and each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so stated in the deed, is deemed to agree to pay the Association the assessments and changes set forth in this Declaration. Residential units will all be assessed equally. Live-work units will pay additional assessments.

#### 8.4. Maximum Annual Assessments.

Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be as set forth in Schedule D hereto. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum



assessment may not be increased each year more than ten percent above the maximum authorized assessment for the previous year without a vote of two-thirds of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. The Board shall have the authority to fix the annual assessment at an amount not in excess of the maximum.

8.5. Special Assessments for Capital Improvements.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement on the Common Areas, including fixtures and personal property, related thereto, provided that any such assessment shall have the asset of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for that purpose.

8.6. Special Notice and Quorum Requirements for Authorizing Increases in Assessments.

In order to call a meeting to authorize an increase in the maximum assessment or the imposition of a special assessment, written notice of the meeting shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of the members or of proxies entitled to cast sixty percent of 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.

8.7. Payment of Monthly Assessments.

On or before the first day of each calendar month each Owner shall pay or cause to be paid to the treasurer of the Association the assessment against the Lot for that month. Any assessment not paid within thirty days after the first day of the calendar month for which it is due shall be delinquent and subject to late charges, interest charges, attorneys' fees and collection procedures as provided in Article 9, below.

8.8. Proceeds Belong to Association.

All assessments and other receipts received by the Association on behalf of the subdivision shall belong to the Association.

8.9. Failure to Assess.

Any failure by the Board or the Association to make the budget and assessments hereunder before the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owners from the obligation to pay assessments during that or any subsequent year, and the monthly assessment amount established for the preceding year shall continue until a new assessment is established.

8.10. Certificate of Unpaid Assessments.

Upon the request of any Owner or mortgagee of a Lot, the Board will furnish a certificate in recordable form stating the amount, if any, of unpaid assessments charged to the Lot. The certificate



shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the certificate in favor of all purchasers and mortgagees of the Lot who reply on the certificate in good faith. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificate.

## 9. LIEN AND COLLECTION OF ASSESSMENTS.

### 9.1. Assessments Are a Lien: Priority.

All unpaid sums assessed by the Association for the share of the common expenses chargeable to any Lot and any sums specially assessed to any Lot under the authority of this Declaration or the Bylaws (together with interest, late charges, costs, and attorneys' fees in the event of delinquency) shall constitute a continuing lien on the Lot from the date the assessment became due until fully paid. The lien for such unpaid assessments shall be subordinate to tax liens on the Lot in favor of any assessing unit and/or special district, and to all sums unpaid on all mortgages of record, but shall have priority over all other liens against the Lot. A mortgagee of a mortgage of record of a Lot that obtains title through a mortgage foreclosure or deed of trust sale, or by taking a deed in lieu of foreclosure of sale, or a purchaser at a foreclosure sale, or the Administrator of Veterans Affairs if he is grantee of a deed in lieu of foreclosure, shall take the Lot free of any claims for the share of common expenses or assessments by the Association chargeable to the Lot that became due before taking title, but will be liable for the common expenses and assessments that accrue after taking title; in which event the Lot's past-due share of common expenses or assessments shall become new common expenses chargeable to all of the Owners, including the mortgagee or foreclosure sale purchaser and their successors and assigns, in proportion to their respective percentages of undivided interest in the Common Areas and facilities; however, the Owner shall continue to be personally liable for such past-due assessments, as provided in Section 9.3. For the purpose of this section, the terms "mortgages" and "mortgagees" shall not mean real estate contracts or a vendor or a designee or assignee of a vendor under a real estate contract.

### 9.2. Lien May be Foreclosed.

The lien for delinquent assessments may be foreclosed by suit by the managing agent or the Board, acting on behalf of the Association, in like manner as the foreclosure of a mortgage of real property. The managing agent or the Board, acting on behalf of the Association, shall have the power to bid on the Lot at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same.

### 9.3. Assessments are Personal Obligation.

In addition to constituting a lien on the Lot, all sums assessed by the Association chargeable to any Lot (together with interest, late charges, costs and attorneys' fees in the event of delinquency) shall be the personal obligation of the Owner of the Lot when the assessment is made. Suit to recover personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them. An Owner may not waive or otherwise avoid liability for assessments provided for herein by non-use of the Common Areas or abandonment of the Owner's Lot.

### 9.4. Late Charges and Interest on Delinquent Assessments.

The Board may from time to time establish late charges and a rate of interest to be charged on assessments that may thereafter become delinquent. In the absence of another established non-usurious rate, delinquent assessments shall bear interest at the rate of 12% per annum.



9.5. Suspension of Voting Privileges and Right to Use Recreational Facilities.

The Association may, upon ten days' notice, suspend the voting privileges and right to use any recreational facility located on the Common Areas of any member who is delinquent in paying assessments, which suspension shall last until the member is current in paying his assessments.

9.6. Recovery of Attorneys' Fees and Costs.

The Association shall be entitled to recover from the delinquent Owner its reasonable attorneys' fees and costs in the event the Board retains an attorney to assist it in collecting a delinquent assessment. In any action to collect delinquent assessments, the prevailing party shall be entitled to recover as a part of its judgment a reasonable sum for attorneys' fees and expenses reasonably incurred in connection with the action, in addition to taxable costs permitted by law.

9.7. Remedies Cumulative.

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

9.8. Security Deposit.

An Owner who has been delinquent in paying his monthly assessments for three of the five preceding months may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three months' estimated monthly assessments, which shall be collected and shall be subject to penalties for nonpayment as are other assessments. The deposit shall be held in a separate fund, credited to such Owner, and may be resorted to at any time when such Owner is ten days or more delinquent in paying his assessments.

10. ENFORCEMENT.

The Association, or any Owner, shall have the rights to enforce, by any proceeding at law or in equity, all restrictions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. The failure of the Association, or any Owner, in any instance to insist upon the strict compliance with this Declaration or the Bylaws or rules and regulations of the Association, or to exercise any right contained 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 any term, covenant, condition or restriction. The receipt by the Association of payment of an assessment from an Owner, with knowledge of a breach by the Owner, shall not be a waiver of the breach. No waiver by the Association of any requirement shall be effective unless expressed in writing and signed by the Association.

11. LIMITATION OF LIABILITY AND INDEMNIFICATION.

11.1. Liability for Utility Failure. Etc.

Except to the extent covered by insurance obtained by the Board, neither the Association nor the Board shall be liable for the failure of any utility or other service to be obtained and paid for by the Association; or for 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 or from any parts of the buildings, or from any of their pipes, drains, conduits, appliances, or equipment, or from any other



place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of common expense assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

#### 11.2. No Personal Liability.

So long as a Board member, or Association committee member, or Association officer, or the managing agent has acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such person, no such person shall be personally liable to any Owner, or to any other person, 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 is covered by insurance obtained by the Board.

#### 11.3. Indemnification.

Each Board member and Association committee member and Association officer, and the managing agent shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he or she may be a party, or in which he may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not he or she holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of insurance and except in such cases wherein such person is adjudged guilty of willful misfeasance in the performance of his or her duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

### 12. INSURANCE.

The Board shall cause the Association to purchase and maintain at all times as a common expense a policy or policies and bonds necessary to provide property insurance; comprehensive liability insurance; fidelity bonds; worker's compensation insurance to the extent required by applicable laws; insurance against loss of personal property of the Association by fire, theft, or other causes with such deductible provisions as the Board deems advisable; insurance, if available, for the protection of the Association's affairs; and such other insurance as the Board deems advisable. The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance shall be obtained from insurance carriers that are generally acceptable for similar projects, licensed to do business in the state of Washington, and meet the specific requirements of FNMA and FHLMC regarding the qualifications of insurance carriers. All such insurance policies and fidelity bonds shall provide that coverage may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days' prior written notice to any and all insured named therein, including Owners, holders of mortgages, and designated services of mortgagees.

### 13. OTHER EASEMENTS.

#### 13.1. In General.

Each Lot has an easement in and through each other Lot and the Common Areas for all support elements and utility, wiring, heat, and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the subdivision.



13.2. Access Easements Reserved by Declarant.

Declarant reserves an access easement over, across, and through the Common Areas of the subdivision for the purpose of completing any unfinished houses on the Lots or other improvements, exhibiting and preparing Lots for sale, and making repairs required pursuant to any contract of sale.

13.3. Utility Easements Granted by Declarant.

Declarant grants to each company or municipality providing utility services to the subdivision or to the Owners of Lots an easement across the Common Areas and Lots for the installation, construction, maintenance, repair and reconstruction of all utilities serving the subdivision or the Owners, including, without limitation, such utilities services as water, sanitary sewer, storm sewer, electricity, cable television and telephone, and an easement for access over the Common Areas and Lots of the subdivision to the utility service facilities.

13.4. Road and Alley Easements are as Shown on Exhibit A.

13.5 Side Yard Easements.

Side yard easements will benefit and burden the following lots:

BENEFITTED LOT #	BURDENED LOT#
169	168
172	173
175	174
176	175
177	176
178	177
179	178
180	179
181	182
182	183
183	184
184	185
185	186
189	188
190	189
191	190
192	191

Side yard easements for the live-work units are for the mutual use of each of the two units adjacent to the set of steps in between the live-work units that serve as access to the residential area.

Units 194 and 195 will have reciprocal side yard easements for their stair access; the same for each of the following pair of units: 195 and 196; 200 and 201. Unit 103 has access to the stairs serving the common path along the southern boundary of Division 5. Units 198 and 199 have access to the stairs in the Oak Tree Plaza to the residential area and unit 202 has access to stairs to the sidewalk along Sunset that leads to the residential area.

## 14. AMENDMENTS OF DECLARATION OR PLAT OR BYLAWS.

### 14.1. Procedures.

An Owner may propose amendments to this Declaration or the Plat or the Bylaws to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners of 20% or more of the Lots, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for the consideration at their next regular or special meeting for which timely notice may be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all persons, (including eligible holders) entitled to receive notices. Upon the adoption of an amendment and the obtaining of any necessary consents of eligible holders of mortgages as provided below, the amendment will become effective when a certificate of the amendment, executed by two officers of the Association, has been recorded in the public records.

### 14.2. Percentages of Consent Required.

The percentages of consent of Owners and mortgages required for adoption of amendments to the Declaration, Plat, Articles, and Bylaws are as follows:

14.2.1. The consent of Owners holding at least 67% of the votes in the Association and the consent of eligible holders of mortgages on Lots that have at least 51% of the votes of Lots subject to eligible holder mortgages shall be required to materially amend any provisions of the Declaration, Plat, Articles, and Bylaws, or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following: a.) voting; b.) assessments c.) reserves for maintenance, repair, or replacement of the Common Areas and other areas for which the Association is responsible; d.) insurance or fidelity bonds; e.) rights to use Common Areas; f.) responsibility for maintenance and repair of any portion of the subdivision; g.) expansion or contraction of the subdivision or addition, annexation, or withdrawal of property to or from the subdivision; h.) changes of boundaries of any Lot; i.) convertibility of Lots into Common Areas j). leasing of Lots; k). establishment of self-management of the subdivision after professional management has been required by FHA, FNMA, VA, FHLMC, or other similar agency or corporation; or l.) any provisions which are for the express benefit of holders of first mortgages.

14.2.2. The unanimous consent of all Owners the consent of eligible holders of first mortgages on Lots that have at least 51% of the votes of Lots subject to eligible holder mortgages shall be required to adopt any amendment altering the share of assessment attributable to any Lot.

14.2.3. All other amendments shall be adopted if consented to by a majority of the Owners.

14.2.4. An eligible holder who receives a written request to consent to an addition or amendment who does not deliver or post to the requesting party a negative response within 50 days shall be deemed to have consented to such request.





15. DURATION.

The covenants, conditions, and restrictions of this Declaration shall run with and bind the property and shall inure to the benefit of and be enforceable by the Owners, their respective legal representatives, heirs, successors, and assigns, for a period of twenty years from the date this Declaration is recorded, after which time the covenants, conditions and restriction shall be automatically extended for successive periods of ten years each unless an instrument signed by a majority of the then Owners and all of the first mortgagees has been recorded agreeing to terminate the covenants, conditions and restrictions.

16. SEVERABILITY.

The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not effect the enforceability of any other provision, if the remainder complies with or affects the common plan.

17. EFFECTIVE DATE.

This Declaration shall take effect upon recording.

18. ASSIGNMENT BY DECLARANT.

Declarant reserves the right to assign, transfer, sell, lease, or rent all or a portion of the property then owned by it and reserves the right to assign all or any of its rights, duties, and obligations created under this Declaration.

DECLARANT

PHASE II, LLC

By:

*David R.A. Smith*  
DAVID R.A. SMITH  
Managing Partner

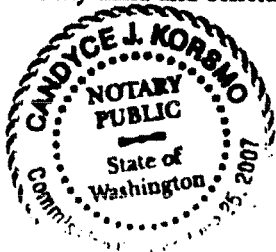
STATE OF WASHINGTON)

County of Kitsap )

: ss

I certify that I know or have satisfactory evidence that DAVID R.A. SMITH is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

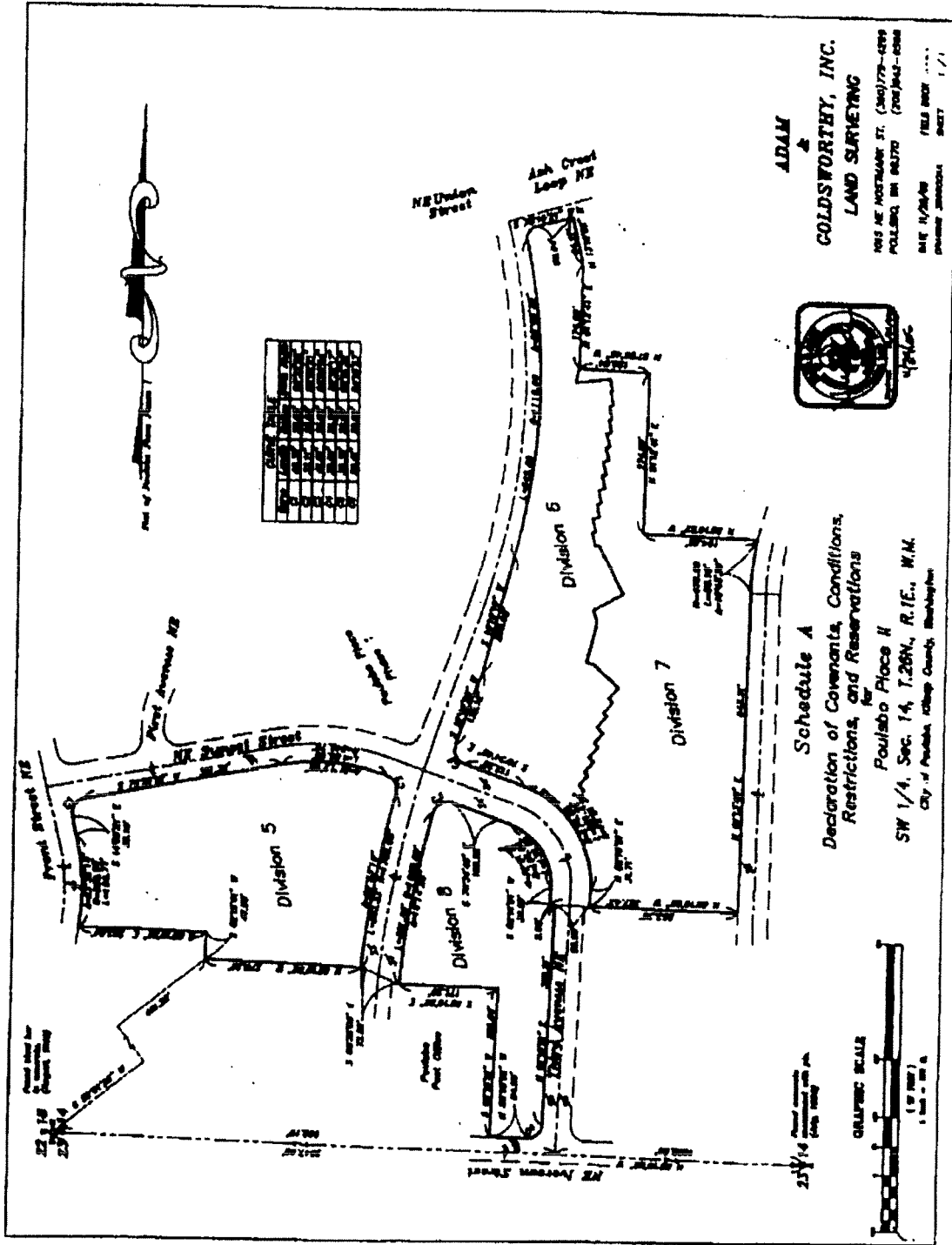
Given under my hand and official seal this 27 day of April, 2006.



*Candice J. Koromo*  
NOTARY PUBLIC In and for the  
State of Washington, residing at:

Poulsbo  
My commission expires: 05/25/2007

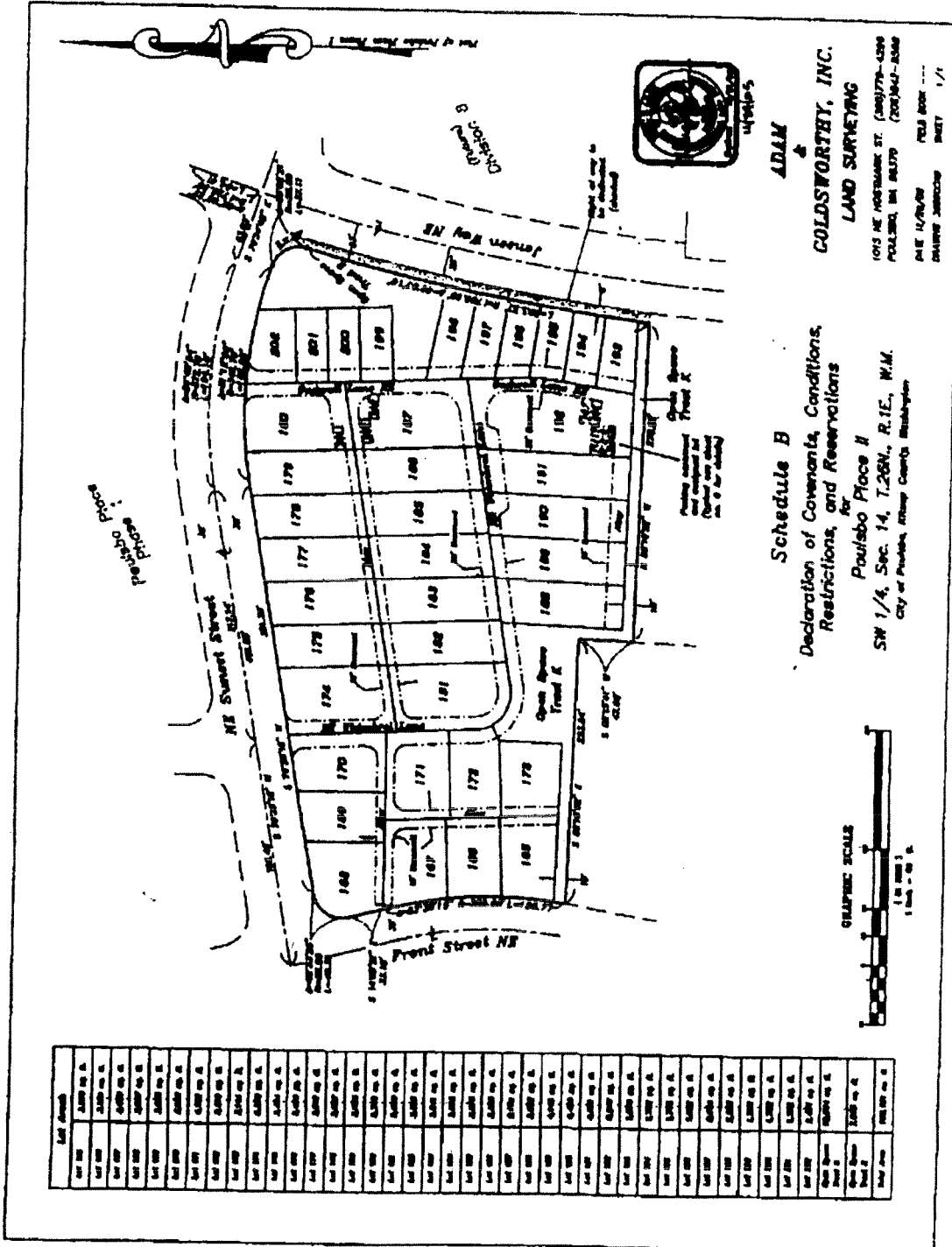
200605010254  
Page: 23 of 30  
05/01/2006 02:07P  
CITY OF POULSB0 COVEN 061.00 Kitsap Co, WA



ADAM  
**GOLDSTORBY, INC.**  
 LAND SURVEYING

185 NE HORTSMAN ST. (509)778-4299  
 PULLMAN, WA 99174 (509)342-0088  
 DATE 11/28/09 FILED 2009 11/11  
 COUNTY JEFFERSON SHEET 1/1

**Schedule A**  
 Declaration of Covenants, Conditions,  
 Restrictions, and Reservations  
 for  
 Foulabo Place II  
 SW 1/4, Sec. 14, T.28N., R.1E., M.M.  
 City of Poulsbo, Clallam County, Washington



Lot	Area
Lot 160	2,400 sq. ft.
Lot 161	2,400 sq. ft.
Lot 162	2,400 sq. ft.
Lot 163	2,400 sq. ft.
Lot 164	2,400 sq. ft.
Lot 165	2,400 sq. ft.
Lot 166	2,400 sq. ft.
Lot 167	2,400 sq. ft.
Lot 168	2,400 sq. ft.
Lot 169	2,400 sq. ft.
Lot 170	2,400 sq. ft.
Lot 171	2,400 sq. ft.
Lot 172	2,400 sq. ft.
Lot 173	2,400 sq. ft.
Lot 174	2,400 sq. ft.
Lot 175	2,400 sq. ft.
Lot 176	2,400 sq. ft.
Lot 177	2,400 sq. ft.
Lot 178	2,400 sq. ft.
Lot 179	2,400 sq. ft.
Lot 180	2,400 sq. ft.
Lot 181	2,400 sq. ft.
Lot 182	2,400 sq. ft.
Lot 183	2,400 sq. ft.
Lot 184	2,400 sq. ft.
Lot 185	2,400 sq. ft.
Lot 186	2,400 sq. ft.
Lot 187	2,400 sq. ft.
Lot 188	2,400 sq. ft.
Lot 189	2,400 sq. ft.
Lot 190	2,400 sq. ft.
Lot 191	2,400 sq. ft.
Lot 192	2,400 sq. ft.
Lot 193	2,400 sq. ft.
Lot 194	2,400 sq. ft.
Lot 195	2,400 sq. ft.
Lot 196	2,400 sq. ft.
Lot 197	2,400 sq. ft.
Lot 198	2,400 sq. ft.
Lot 199	2,400 sq. ft.
Lot 200	2,400 sq. ft.
Lot 201	2,400 sq. ft.
Lot 202	2,400 sq. ft.
Lot 203	2,400 sq. ft.
Lot 204	2,400 sq. ft.

**Schedule C**

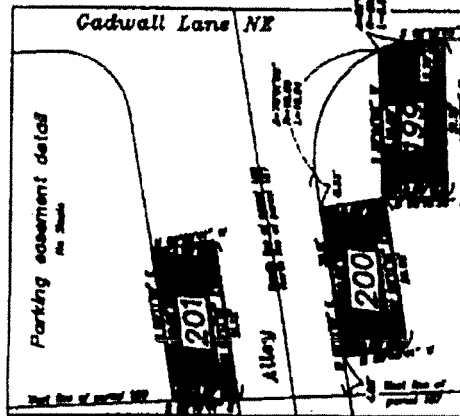
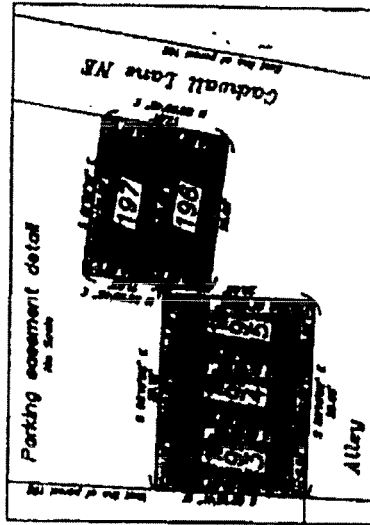
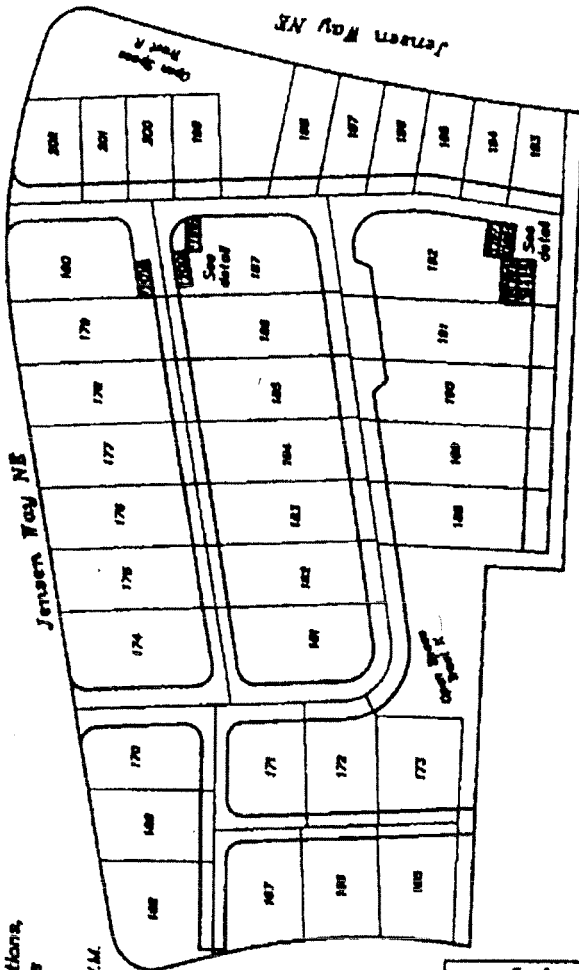
**Declaration of Covenants, Conditions, Restrictions, and Reservations**

For

**Poultice Place II**

SW 1/4, Sec. 14, T.26N., R.1E., W.M.

City of Poultice, Orange County, Washington



**ADAM & GOLDSWORTHY, INC.**  
**LAND SURVEYING**

1010 NE HOUSTON ST. (360)778-4499  
 POULSBORO, NH 03070 (603)642-8888

DATE: 11/24/06 FIELD BOOK: 1/1  
 DRAWING: JAC/DCS SHEET: 1/1

GRAPHIC SCALE



200605010254

Page: 28 of 38

85/01/2006 02:07P

CITY OF POULSBORO

COVEN #61.00 Kitsap Co., WA

**POULSBO PLACE II, DIVISION 5  
HOMEOWNERS ASSOCIATION  
OPERATION BUDGET**

**SCHEDULE D - PAGE 1**

**INCOME**

ASSESSMENT		
*RESIDENTIAL PER LOT @68X38412		\$31,008.00
**WORK UNIT PER LOT @ 15X10X12		<u>1800</u>
<b>TOTAL INCOME</b>		<b>\$32,808</b>

**EXPENSES**

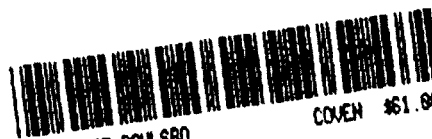
ADMINISTRATION		
MANAGEMENT FEE 13X68X12		\$5,928
LEGAL		600
AUDIT & TAX PREPARATION		600
MAINTENANCE		
LANDSCAPE MAINTENANCE		17400
IRRIGATION MAINTENANCE		1200
UTILITIES		
WATER		1200
OTHER		
INSURANCE-LIABILITY		3000
TRANSFERS TO RESERVE FUND		<u>2760</u>
<b>TOTAL COMMON EXPENSES</b>		<b>\$32,688</b>
<b>NET CASH FLOW</b>		<b><u>\$120</u></b>

**1. MAJOR MAINTENANCE RESERVE REQUIREMENTS**

ITEM	EST. COST	EST. LIFE YRS	ANNUAL PMT TO FUND
STREETS, SIDEWALKS & STORM	\$27,600	10	\$2,760

\* LOTS 165-192 RESIDENTIAL ONLY - MONTHLY HOA DUES = \$68/MO.

\*\* LOTS 193-202 LIVE/WORK - MONTHLY HOA DUES 68+16 = \$83/MO.


 200605010254  
 Page: 29 of 30  
 05/01/2006 02:07P  
 Kitsap Co, WA  
 CITY OF POULSBO COVEN \$61.00

POULSBO PLACE II, DIVISION 6			
ANNUAL BUDGET AND			
ASSESSMENT FOR EACH UNIT			
SCHEDULE D - PAGE 2			
LOTS	ANNUAL ASSESSMENT	MONTHLY ASSESSMENT	
165	816	68	
166	816	68	
167	816	68	
168	816	68	
169	816	68	
170	816	68	
171	816	68	
172	816	68	
173	816	68	
174	816	68	
175	816	68	
176	816	68	
177	816	68	
178	816	68	
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187	816	68	
188	816	68	
189	816	68	
190	816	68	
191	816	68	
192	816	68	
193	996	83	
194	996	83	
195	996	83	
196	996	83	
197	996	83	
198	996	83	
199	996	83	
200	996	83	
201	996	83	
202	996	83	



200605010254

Page: 38 of 38

05/01/2006 02:07P

CITY OF POULSBO

COVEN \$61.00

Kitsap Co, WA

**RETURN ADDRESS:**

David Smith  
P.O. Box 1306  
Bremerton, WA. 98337



200606190244

Page: 1 of 3

06/19/2006 01:27P

Kitsap Co, WA

ADD \$34.00

**DOCUMENT TITLE** *FIRST ADDENDUM TO*  
Declaration of Covenants, Conditions, Restrictions and Reservation  
*KITSN ASN 200605010254*

**APPLICANT**

Phase II LLC  
David R. A. Smith, Managing Partner

**LEGAL DESCRIPTION**

SW ¼, SW ¼, Sec. 14, T.26N., R. 1E., W.M.

**ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER**  
142601-3-109-2003

**FIRST ADDENDUM TO  
DECLARATION OF COVENANTS, CONDITIONS  
RESTRICTIONS, AND RESERVATIONS  
FOR  
POULSBO PLACE II**

**A Master Redevelopment Planned Community**

The Declaration of Covenants, Conditions, Restrictions, and Reservations for POULSBO PLACE II dated April 27, 2006, recorded under Kitsap Auditor No. 200605010254, is amended as follows:

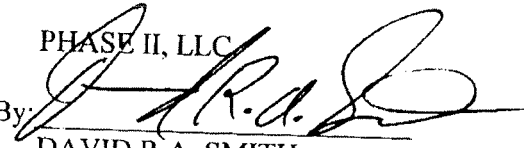
On Page 7, paragraph 4.79 is added after paragraph 4.78 and before paragraph 4.8 as follows:

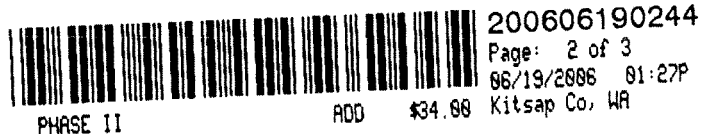
In order for the Owners of the live-work units to occupy the "work" portion of the live-work units, the following fire sprinkler requirements must be met:

1. The fire sprinkler system required under IBC Chapter 9, Section 903 for NFPA 13D must be installed in the "work" portion of the live-work units and in good working order.
2. A tenant improvement permit in accordance with city codes must be obtained by Owner from the city of Poulsbo.
3. Declarant, Phase II LLC, shall "stub" into the "work" portion of the live-work units for this fire sprinkler system from the existing domestic water system for the live-work units.

DECLARANT

PHASE II, LLC

By:   
DAVID R.A. SMITH  
Managing Partner



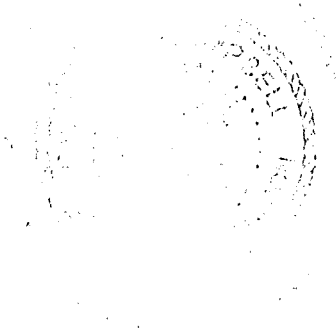


State of Washington) :ss  
County of Kitsap )

On this day personally appeared before me **DAVID R.A. SMITH**, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.


GIVEN under my hand and official seal this 6th of June, 2005.

Cyndy M. Campbell  
Cyndy M Campbell  
NOTARY PUBLIC in and for the  
State of Washington, residing at:  
Olathe  
My Commission expires: 10/15/08



PHASE II  
200606190244  
Page: 3 of 3  
ADD \$34.00  
06/19/2006 01:27P  
Kitsap Co, WA

After Recording Return to:  
Phase II, LLC  
P. O. Box 1306  
Bremerton, Washington 98311

 200610020310  
Page: 1 of 3  
10/02/2006 03:32P  
Kitsap Co, WA  
PACIFIC NW TITLE ADD \$34.00

**SECOND ADDENDUM TO  
DECLARATION OF COVENANTS, CONDITIONS  
RESTRICTIONS, AND RESERVATIONS  
FOR  
POULSBO PLACE II**

**A Master Redevelopment Planned Community**

The Declaration of Covenants, Conditions, Restrictions, and Reservations for POULSBO PLACE II dated April 27, 2006, recorded under Kitsap Auditor No. 200605010254, is amended as follows:

On page 5, there shall be added after the last sentence to 4.4. Exterior Appearance, the following:

Each duplex shall have a uniform exterior paint color and uniform roof, both as to color and composition, all as approved by the Architectural Control Committee of the Homeowners Association.

On page 6, paragraph 4.7.3. (4) is amended to read as follows:

4. Hours of operation are limited to 7 a.m. to 8 p.m. dally during non-daylight savings time periods and 7 a.m. to 9 p.m. during daylight savings time periods for retail, and 7 a.m. to 10 p.m. all week throughout the year for quiet office work.

On page 8, paragraph 4.9.A.1. is amended to read as follows:

1. Signs may include lettering and graphic art on or displayed in the front window of the live-work units.

On page 8, paragraph 4.9.A. after 2., the following is added:

3. A vertical sign may be placed on the wall adjacent to the front window of the live-work units.

4. Lettering may be placed on the vertical flap of the awning over the front window of the live-work units.

5. Signage on the inside walls of the front door frame of the live-work units is allowed so that vehicle traffic will be able to see the identity of the business from either side of the business.

6. All signs must be constructed by professional sign makers and be of good quality.

7. All signage must adhere to the City of Poulsbo's regulations and approval process. There shall be added after 4.13. on page 9 a new section which reads as follows:

4.14. Restrictions on Use of Common Areas in Front of Units 199-202.

Commercial usage of the Oaktree Plaza common area in front of units 199-202 will be subject to the same regulations that are applied to the "Front Street" Shops by the City of Poulsbo for the sidewalk area in front of the shops, and may not extend beyond the width of the unit and ten feet out from the storefront, without the prior approval of the Homeowners Association. Any commercial activity conducted by an owner in the common area must be cleaned and/or restored to its prior condition at the conclusion of that activity. All commercial displays, furniture, etc., must have prior approval by the Homeowners Association prior to its use in the common area.

DECLARANT

PHASE II, LLC

By

  
DAVID R.A. SMITH

Managing Partner

State of Washington)  
  :88  
County of Kitsap            )

On this day personally appeared before me **DAVID R.A. SMITH**, to me known to be the individual described in and 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 27<sup>th</sup> of September, 2006.



Martha J. Lyda  
NOTARY PUBLIC In and for the  
State of Washington, residing at:  
Kingston  
My Commission expires: 02/26/10

 200610020310  
Page: 3 of 3  
10/02/2006 03:32P  
PACIFIC NW TITLE            ADD   \$34.00   Kitsap Co, WA

PHASE II, LLC  
P.O. BOX 1306  
BREMERTON, WA 98311



PACIFIC NW TITLE

ADD

\$33.00

200610230264

Page: 1 of 2

10/23/2006 01:18P

Kitsap Co, WA

**After Recording Return to:**  
**Phase II, LLC**  
**P. O. Box 1306**  
**Bremerton, Washington 98311**

**THIRD ADDENDUM TO  
DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS, AND RESERVATIONS  
FOR  
POULSBO PLACE II**

**A Master Redevelopment Planned Community**

The Declaration of Covenants, Conditions, Restrictions, and Reservations for POULSBO PLACE II dated April 27, 2006, recorded under Kitsap Auditor No. 200605010254, is amended as follows:

There shall be added after 4.14 a new section, 4.15, which reads as follows:

**4.15 Changes to Live-Work Unit Provisions.**

All provisions relating to the live-work units, which include sections 4.7.2, 4.7.3, 4.7.4, 4.7.5, 4.7.6, 4.7.7, 4.7.8, 4.9.A, and 4.14 shall not be altered, modified, expanded, or diminished in any way without the unanimous consent of the live-work unit owners and the approval of the Architectural Control Committee.

DECLARANT

PHASE II, LLC.

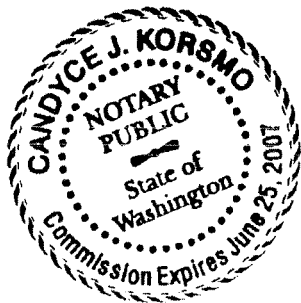
*[Handwritten Signature]*

By: DAVID R.A. SMITH  
Managing Partner


State of Washington)  
                                  :ss  
County of Kitsap        )

On this day personally appeared before me DAVID R.A. SMITH, to me known to be the individual described in and 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 16 of October, 2006.



Candace J. Korsmo  
NOTARY PUBLIC in and for the  
State of Washington, residing at:  
Paulsbo  
My Commission expires: 6/25/2007

 200610230264  
Page: 2 of 2  
10/23/2006 01:18P  
Kitsap Co, WA  
PACIFIC NW TITLE                   ADD   \$33.00



**AFTER RECORDING RETURN TO:**

City of Poulsbo  
PO Box 98  
Poulsbo, WA 98370

**Document Title(s):**

Fourth Addendum to Declaration of Covenants, Conditions,  
Restrictions, and Reservations for Poulsbo Place II

**Reference Number(s) of Documents Assigned or Released:**

N/A

**Grantor(s):** (Last name first, then first name and initials)

1. Smith, David, for Phase II, LLC
2. Keenan, Barry, for Phase II, LLC

**Grantee(s):** (Last name first, then first name and initials)

1. The Public

**Legal Description:** (abbreviated: Lot, Block, Plat, or Section - Township - Range)

SW 1/4, SW 1/4 and NW 1/4, SW 1/4, Sec. 14, T. 26 North, R. 1E, W.M.

**Assessor's Property Tax Parcel/Account Number(s):**

142601-3-140-2004

After Recording Return to:  
Phase II, LLC  
P.O. Box 1306  
Bremerton, Washington 98311

**FOURTH ADDENDUM TO  
DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS, AND RESERVATIONS  
FOR  
POULSBO PLACE II**

**A Master Redevelopment Planned Community**

The Declaration of Covenants, Conditions, Restrictions and Reservations for Poulsbo Place II dated April 27, 2006, recorded under Kitsap Auditor No. 200605010254, is amended as follows, pursuant to Article 14:

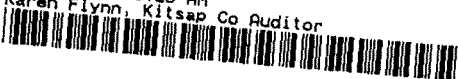
**Article 3.4 Maintenance**

The Association shall be responsible for maintaining the Common Areas, including the common access easements for roads and alleys serving all homes. Enforcement of the parking restrictions on private roads and easements shall be the responsibility of the Homeowners Association.

**Article 13.4.1 Fifteen Foot Wide Easements.**

All 15-foot wide access/utility easements shall be designated as one-way in the northbound direction. Appropriate signs shall be posted conforming to the Manual or Uniform Traffic Control and as determined by the City Engineer. No parking shall be allowed within the easements. The easements shall remain free of any obstructions at all times. The 15-foot wide access/utility easements shall be considered private access/utility easements. They shall not be considered as

POULSBO CITY OF  
Covenants Rec Fee: \$ 34.00  
04/12/2007 08:29 AM  
Karen Flynn, Kitsap Co Auditor  
200704120001  
Page: 2 of 3





public or private alleys, streets, or roads and shall not be named. A minimum width of 12 feet shall be paved and provision shall be made for the conveyance of storm water.

**Article 13.4.2 Twenty-two Foot Wide Easements.**

All 22-foot wide easements shall be considered as private roads and shall be designated as fire lanes. Parking within a fire lane shall be prohibited at all times. Signs and any other markings required by the Fire Marshall shall be installed per Fire Department specifications. Other appropriate signs shall be posted conforming to the Manual or Traffic Control and as determined by the City Engineer. The easements shall remain free of any obstructions at all times. A minimum width of 20 feet shall be paved and provision made for the conveyance of storm water.

Date: 2-6-07

[Signature]  
Association Officer

Date: 06-FEB-2007

[Signature]  
Association Officer

State of Washington)

: ss

County of Kitsap )

On this day personally appeared before me, David Smith and Barry Keenan, the Association Officers of Poulsbo Place II, to me known to be the individuals described in and 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 6th day of Feb, 2007.

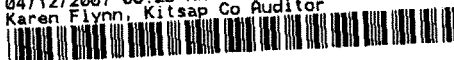


[Signature]  
NOTARY PUBLIC in and for the  
State of Washington, residing at:  
Bremerton WA  
My commission expires: 2-19-10

POULSBO CITY OF  
Covenants Rec Fee: \$ 34.00  
04/12/2007 08:29 AM  
Karen Flynn, Kitsap Co Auditor

200704120001

Page: 3 of 3



DAVID SMITH 200811170058  
Amended Covenants Rec Fee: \$ 44.00  
11/17/2008 12:40 PM  
Walter Washington, Kitsap Co Auditor

Page: 1 of 3

After Recording Return to:  
David Smith  
P.O. Box 2879  
Poulsbo WA 98370



**FIFTH ADDENDUM TO  
DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS, AND RESERVATIONS  
FOR  
POULSBO PLACE II**

**A Master Redevelopment Planned Community**

The Declaration of Covenants, Conditions, Restrictions and Reservations for Poulsbo Place II dated April 27, 2006, recorded under Kitsap Auditor No. 200605010254, is amended as follows, pursuant to Article 14:

**Article 3.4 Maintenance**

4.10 Pets

No animals, birds, reptiles, or living creatures of any kind (herein referred to as "pets") shall be kept on any Lot or in any Common Area except subject to rules and regulations adopted by the Board or Bylaws adopted by the Association. No pet kennels or exterior dog runs shall be allowed. No household shall have more than two dogs and two cats at any time, except that a third cat may be kept only so long as at least one shall be kept primarily indoors. Nothing herein shall preclude the Board from adopting more stringent rules on the maximum number of pets should it deem such action necessary or advisable. The Board may at any time require the removal of any pet which it finds is disturbing other owners or tenants unreasonably, and may exercise this authority for specific pets even though other pets are permitted to remain. No commercial raising, breeding, training or dealing in pets shall be conducted on any Lot.

After Recording Return to:  
David Smith  
Box 2879  
Poulsbo WA 98370-2879

**DOCUMENT TITLE**

Fifth Addendum to Declaration of Covenants, Conditions, Restrictions and Reservations  
Kitsap ASN 200605010254

**APPLICANT**

Phase II LLC  
David R.A. Smith, Managing Partner

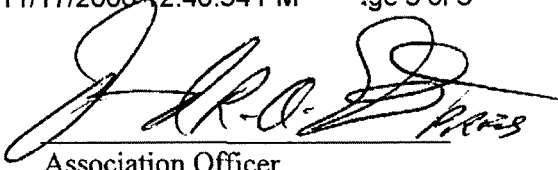
**LEGAL DESCRIPTION**

SW1/4, SW1/4, Sec. 14, T.26N, R.1E, W.M.

**ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER**

142601-3-109-2003

Date: 11-14-2008



Association Officer  
David R.A. Smith

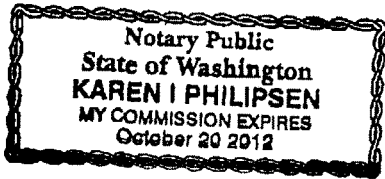
State of Washington)

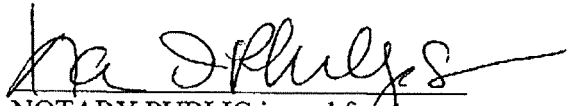
: ss

County of Kitsap )

On this day personally appeared before me, David R.A. Smith, the Association Officer of Poulsbo Place II, to me known to be the individuals described in and 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 14<sup>th</sup> day of November, 2008.



  
NOTARY PUBLIC in and for the  
State of Washington, residing at:  
Bainbridge Island  
My commission expires: 10/20/2012

Recording Requested By And  
When Recorded Mail To:  
John F. Mitchell  
SANCHEZ, MITCHELL & SCHOCK  
4110 Kitsap Way, Suite 200  
Bremerton, WA 98312-2401.

**Applicant** Poulsbo Place Owners Association

Jim Taylor, President

POULSBO PLACE II 201005190113  
Addendum Rec Fee: \$ 63.00  
05/19/2010 01:47 PM Page: 1 of 2  
Walter Washington, Kitsap Co Auditor

**SIXTH ADDENDUM  
TO  
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS  
FOR POULSBO PLACE II,  
A MASTER REDEVELOPMENT PLANNED COMMUNITY**

The Declarations of Covenants, Conditions, Restrictions and Reservations for Poulsbo Place II dated April 27, 2006, and recorded under Kitsap County Auditor's File No. 200605010254, are amended as follows:

**Based** upon a vote of all the property owners within the Divisions of Poulsbo Place II, which resulted in a vote more than sixty-seven percent (67%) in favor of separating Division 5 of Poulsbo Place II from the larger entity as required by paragraph 14.2.1 of said Covenants, Conditions, Restrictions and Reservations, and furthermore,

**Based** upon the written approval of the City of Poulsbo contained in its December 16, 2009 letter to Mr. David Rice representing the Poulsbo Place II Owners' Association as required by Section 4.5.12 of the Declarations, Covenants, Conditions, Restrictions and Reservations, a copy of which is attached hereto as Exhibit A.

**The Poulsbo Place II Owners' Association hereby amends** its heretofore filed Declaration of Covenants, Conditions, Restrictions and Reservations for Poulsbo Place II by removing therefrom Division 5, and adopting a separate Declaration of Place II, Division 5, in the form attached hereto as Exhibit B. Thereafter, the Division 5 property owners shall hold such elections and meetings as shall be required to establish Bylaws, Rules and Regulations and other documents as required by said Declaration of Covenants, Conditions, Restrictions and Reservations.

Dated this 19<sup>th</sup> day of May, 2010.

  
JIM TAYLOR, President  
Poulsbo Place II Owners' Association

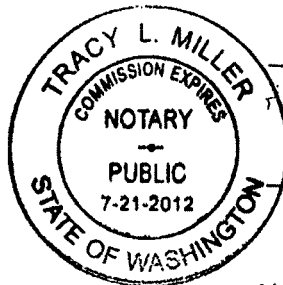
**WASHINGTON SHORT-FORM INDIVIDUAL ACKNOWLEDGMENT** (RCW 42.64.100)

State of Washington }  
County of Litsap } ss.

I certify that I know or have satisfactory evidence that Jim Taylor  
Name of Signer

is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 5/19/2010  
Month/Day/Year



Tracy L. Miller  
Signature of Notarizing Officer

Notary Public  
Title (Such as "Notary Public")

My appointment expires 7-21-2012  
Month/Day/Year of Appointment Expiration

Place Notary Seal Above

**OPTIONAL**

Although the information in this section is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

**Description of Attached Document**

Title or Type of Document: Addendum to CCR's

Document Date: 5.19.2010 Number of Pages: 1

Signer(s) Other Than Named Above: \_\_\_\_\_

Right Thumbprint of Signer


Top 2 fingers here



After Recording Return to:  
Poulsbo Place II Owners Association  
PO Box 1601  
Poulsbo, WA 98370

**Grantor** Poulsbo Place II Owners Association  
Carol Winkler, President

**POULSBO PLACE II**      **201601260127**  
Amended Covenants Rec Fee: \$ 74.00  
01/26/2016 01:39 PM      Page: 1 of 2  
Dolores Gilmore, Kitsap Co Auditor



**SEVENTH ADDENDUM TO  
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS  
FOR POULSBO PLACE II,  
A MASTER REDEVELOPMENT PLANNED COMMUNITY**

THE Declaration of Covenants, Conditions, Restrictions and Reservations for Poulsbo Place II dated April 27, 2006, recorded under Kitsap Auditor No. 200605010254, is amended as follows pursuant to Article 14:

**Article 6.1 Form and Delivery of Notice**

All notices given under the provisions of this Declaration or the Bylaws or rules or regulations of the Association shall be in writing and may be delivered either personally, by mail, or by electronic transmission to an address designated in writing by the owner. If delivery is made by mail, the notice shall be deemed to have been delivered upon being deposited in the United States mail, first class, postage prepaid, addressed to the person entitled to such notice at the most recent address known to the Board. Notice to the Owner of any Lot shall be sufficient if mailed to the address of the Lot if no other mailing address or email address has been given to the Board. Mailing addresses and email addresses may be changed by notice in writing to the Board. Notices to the Board shall be given to the president or secretary of the Association.

**Article 5.9 Audits.**

As soon as is convenient after the close of each fiscal year the Board shall have an audited financial statement prepared for that year. The audit may be waived annually by a 67% majority of votes cast by owners at a meeting at which a quorum is present. The audit shall be made by a certified or licensed public accountant who is not a member of the board or an Owner. The audit shall be completed in time for the Association's annual meeting and in any event within 90 days following the end of the fiscal year. The Board, or persons having 35% of the voting power of the Association, may require that an audit of the Association and management books be presented at any special meeting. An Owner, at his or her expense, may at any reasonable time conduct an audit of the books of the Board and Association. Upon written request of FHA, FHLMC, FNMA, or VA if it is the holder, insurer, or guarantor of a mortgage, the Association shall prepare and furnish within a reasonable time an audited financial statement of the Association for the preceding fiscal year.



Date: 1-25-16

*Carol Winkler*  
Carol Winkler, President

Date: 1/25/16

*Susan Watts*  
Susan Watts, Treasurer

State of Washington  
County of Kitsap

I certify that I know or have satisfactory evidence that Carol Winkler and Susan Watts are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

1-25-16  
Dated:

*Cheryl J. Haley*  
Signature

Certified Permit Tech  
Title

3-13-19  
My Appointment Expires

