

AFTER RECORDING MAIL TO:

Sunland Division 17 Owners Association
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Document Title

Amendment 3 to Sunland Division 17 Owners Association CC&Rs

Grantor:

Sunland Division 17 Owners Association

Grantee:

Public

AMENDMENT 3
Covenants, Conditions, and Restrictions (CC&Rs)
SUNLAND DIVISION 17 OWNERS ASSOCIATION

*Amendment 3 approved by the membership in accordance with Section 23
of the Division SunLand Owners Association CC&Rs on September 14, 2016*

STATEMENT OF INTENT

WHEREAS, the Sunland Division 17 planned unit development has developed over a period of years through adoption and recording of various Phases and declarations: and

WHEREAS, the existing Covenants, Conditions, and Restrictions (CC&Rs) had been uniformly adopted throughout the SunLand Division 17 development on September 9, 2014 and duly recorded as Clallam County Auditor File # 2014-1312401,

WHEREAS, these amended CC&Rs were approved by over 60% of the Total Voting Power of the membership, as required by Section 23, on September 14, 2016 at the Annual Meeting held on September 14, 2016.

Now, therefore, the following amended Covenants, Conditions, and Restrictions (CC&Rs) are hereby established and approved with respect to all units, and real property interests. Said properties are more particularly described in Exhibit A attached hereto.

These Covenants amend and supersede in their entirety those Covenants, Conditions and Restrictions (CC&Rs) previously adopted as affecting the properties which are subject hereto.

These Covenants, Conditions and Restrictions (CC&Rs) shall run with the land and shall be binding upon all owners of each unit or other real property interest, their heirs, successors and assigns.

WHEN RECORDED RETURN TO:
Sunland Division 17 Owners Association
P.O. Box 1655
Sequim, WA, 98382-4328

SUNLAND DIVISION 17 OWNERS ASSOCIATION

Introduction to the CC&Rs

(Added per Amendment 1, effective July 1, 2014)

Five official documents govern the administration and operations of Sunland Division 17 Owners Association. These are listed below in descending authority:

Washington State Statutes (RCW 64.38 and associated titles) define the limits and latitudes of homeowner associations and are the primary source for their authority.

Articles of Incorporation establish the nonprofit corporation and introduce its legal name, purpose, and organization.

The Declaration of Covenants, Conditions & Restrictions (CC&Rs) describes the rights and obligations of the membership to the Association and the Association to the membership. The CC&Rs are provided to every Division 17 unit owner. They cover, but are not limited to, restrictions on the use of the property; member and Association maintenance duties; enforcement powers; lender protection provisions; assessment obligations and lien/collection rights; duty to insure; and dispute resolution. CC&Rs can be amended only by a vote of the general membership.

The Board is authorized to adopt **Rules and Regulations** as are necessary to enforce the CC&Rs for the benefit of the members and the Association.

Bylaws govern the internal operations of the Association and address such provisions as the several powers of the Board; members and officers of the Board; rules for meetings, notices and elections; financial management and reporting; record keeping; appointment of member committees, etc. Provisions in the current bylaws permit amendments to be made by the Board or by the general membership. The Board on behalf of the Association and its members shall exercise all the powers enumerated in RCW 64.38.020.

Conformity to Law: The Sunland Division 17 Owners Association Board of Directors shall in all actions, regard and performance act in conformity with Washington State Law.

No provision in these documents discriminates against or places restrictions on individuals protected under state statutes RCW 64.38.028, "Discrimination Provisions in Governing Documents."

The operating principles of the Board commit Directors to respect one another and their homeowner neighbors, to approach issues with a willingness to understand alternative perspectives, and to strive for openness and transparency in their deliberations and decision making. In return homeowners are asked to remember that Board members are serving as volunteers. They need homeowner support and assistance to be successful.

Unless otherwise stated, whenever masculine pronouns are used in this document, they pertain to both men and women.

**AMENDED DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS (CC&Rs) FOR SUNLAND DIVISION 17
LOTS 1-67** *(Revised per Amendment 1, effective July 1, 2014)*

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made and executed this 26th day of March, 2008 by KEVIN W. ESTES, authorized officer and Member of Kevin Estes Homes, LLC, a Washington Limited Liability Company. (Declarant).

WITNESSETH

Declarant is the holder of fee simple title to certain real property in Clallam County, State of Washington, described in Exhibit A attached hereto and incorporated by reference herein.

The purpose of this Declaration is to submit the Property to, and to establish for the Declarant's own benefit and for the mutual benefit of all future Owners or occupants of the Property, or any part thereof, certain easements and rights in, over and upon said Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct, and maintenance thereof.

Declarant intends that the Owners, Mortgagees, occupants, and all other persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of and shall hold their interests subject to the rights, easements, privileges and restrictions hereinafter set forth, all of which are declared to be in furtherance of the Development to promote and to protect the Property, and are established for the purpose of enhancing value, desirability and attractiveness thereof. It is the intent that the overall property will be platted in phases, of which this Declaration covers Phase 6. There will be only one Owners Association covering all future phases with covenants identical to this one.

NOW, THEREFORE, Declarant does hereby publish and declare that all of the Property is held and shall be held, used, conveyed, encumbered, leased, rented, occupied and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations, which shall be deemed to run with the land and shall be a burden and benefit to Declarant, its successors of assigns, and any and all persons acquiring or owning an interest in and to any portion of the Property, their grantees, successors, heirs, executors, administrators and assigns.

1. DEFINITIONS

Certain terms, as used in this Declaration, shall be defined as follows, unless the context clearly indicates a different meaning thereof.

1.1 "Architectural Control Committee" committee so described in Section 10.1 hereof.

1.2 "Assessment" means all amounts levied by the Board against Unit owners for the payment of common expenses and such other sums as may be specifically assessed pursuant to the terms of the CC&Rs and all sums chargeable to an owner by an association in accordance with RCW 64.38.020. *(Revised per Amendment 2, effective September 9, 2014)*

1.3 "Association" shall mean the Association of Owners under the name of "Sunland Division 17 Owners' Association," and its successors.

1.4 "Board of Directors" and "Board" shall each mean the governing body of the Association.

1.5 "Bylaws" govern the internal operations of the Association and address such provisions as the several powers of the Board; members and officers of the Board; rules for meetings, notices and elections; financial management and reporting; record keeping; appointment of member committees, etc. Provisions in the current bylaws permit amendments to be made by the Board or by the general membership. The Board on behalf of the Association and its members shall exercise all the powers enumerated in RCW 64.38.020. *(Revised per Amendment 1, effective July 1, 2014)*

1.6 "Common Areas" refers to all developed or undeveloped real property owned by the Association for the common use and enjoyment of the owners. *(Revised per Amendment 1, effective July 1, 2014)*

1.7 "Common Expenses" shall mean the cost of administering, maintaining, repairing and operating portions of the Association's Property. *(Revised per Amendment 1, effective July 1, 2014)*

1.8 "Completed Unit" shall mean a Unit which consist of a completed residential structure for which a Certificate of Occupancy has been issued by the appropriate local governmental housing inspection or certification agency. *(Revised per Amendment 1, effective July 1, 2014)*

1.9 "Declarant" shall mean Kevin Estes Homes, LLC.

1.10 "Declaration" shall mean this instrument.

1.11 "Development" shall mean Sunland Division 17, which contains a maximum potential of 139 units. *(Revised per Amendment 1, effective July 1, 2014)*

1.12 "Development Period" shall mean that period of time commencing with the filing of this Declaration of Record and terminating upon the earlier of such time as (a) all of the Units have been constructed and purchased by an individual owner and title conveyed, and/or (b) such date as may be indicated in a declaration to such effect executed and filed by Record by the Declarant.

1.13 "Manager" shall mean a manager or corporation designated by the Board of Directors to direct the administration and management of the Common areas and the exterior of the completed units.

1.14 "Mortgage" shall mean a mortgage or deed of trust or other security interest encumbering a Unit.

1.15 "Mortgagee" shall mean the holder of a mortgage.

1.16 "Owner" shall mean the person or persons holding legal title to a Unit of Record, or in the event any Unit is sold under Real Estate Installment Sales Contract, the vendee or/vendees under said contract of Record, including any natural person, corporation, partnership, association, trustee or other legal entity.

1.17 "Party Walls" shall mean all interior walls of the Unit which directly abut upon the common boundary of and serve to divide two or more Units.

1.18 "Plans" shall mean the survey map and building plans of the Development as placed of Record, as amended.

1.19 "Property" shall mean the entire parcel of real property in the development and all improvements, buildings, structures, easements, rights and appurtenances belonging thereto and located thereon. *(Revised per Amendment 2, effective September 9, 2014)*

1.19.2 "Proxy" shall mean a document that permits absent unit owners to participate and vote in membership meetings by completing an Association proxy form designating a member who shall vote in his stead. *(Added per Amendment 1, effective July 1, 2014)*

1.20 "Record" (verb) shall mean to file or to indicate that the item to which such term pertains has been filed with the Recording Officer of Clallam County, Washington.

1.20.2 "Reserve Study" means an in-depth evaluation of a property's physical components and an analysis of its reserve funds. A Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis. Based on a thorough on-site inspection, a Reserve Study details anticipated replacements or repairs to common-area elements and recommends an annual reserve funding plan to cover these expenditures for the next 30 years. *(Revised per Amendment 1, effective July 1, 2014)*

1.20.3 "Reserve Component" means a common element whose cost of maintenance, repair, or replacement is infrequent, insignificant, and impractical to include in an association's annual budget. *(Added per Amendment 1, effective July 1, 2014)*

1.20.7 "State Statutes" (RCW 64.38 and associated titles) refers to the State of Washington codes which provide consistent laws regarding the formation and legal administration of homeowner associations and non-profit corporations. *(Revised per Amendment 1, effective July 1, 2014)*

1.21 "SunLand Owners Association," also referred to as SLOA, shall mean the Washington nonprofit corporation in which the members are owners of properties in SunLand described on Exhibit "A" to Amended Declaration of Covenants recorded under Clallam County Recording No. 2006-1188992. *(Revised per Amendment 2, effective September 9, 2014)*

1.22 "Total Voting Power" shall mean one hundred percent (100%) of all the votes assigned to the owners, with one (1) vote per unit, including one (1) vote for each Developer-owned unsold or undeveloped unit. *(Revised per Amendment 1, effective July 1, 2014)*

1.23 "Unit" means a physical portion of the real property located within the Association's jurisdiction designated for separate ownership of single-family residential structures which have been constructed or are to be constructed in the development. "Unit" shall mean any one (1) of the units. Most structures in the Division 17 Association shall contain two (2) Units. *(Revised per Amendment 1, effective July 1, 2014)*

1.24 "Special Declarant Rights" shall mean, individually and collectively, the rights reserved for the benefit of the Declarant to complete improvements described on the Survey Map and Plans, maintain sales and management offices, model Units, and signs.

2. NAME

The name by which the Development shall hereafter be known is Sunland Division 17 also known as Division 17.

3. PERIOD OF DECLARANT CONTROL AND TRANSITION DATE.

Period of Declarant Control ends Sept, 30 2012. *Revised per Amendment 1, effective July 1, 2014)*

4. COMMON AREAS

4.1 The Common Areas shall consist of all portions of the Property not comprising (a) those portions of the Property upon which it is indicated that Units are to be constructed, but which have not been erected, and (b) the Completed Units, as the same are actually constructed, and (c) those portions of Division 17 designated as Clallam County road Right-of-way. Each Unit shall have, as inseparable appurtenant thereto, no more than a one/one-hundred and thirty-ninth undivided fee interest in the Common Areas, to be held in common with other Owners in the Development, and which shall be the percentage of undivided interest in the Common Areas referred to in this Declaration. *(Revised per Amendment 1, effective July 1, 2014)*

4.2 Boundary Lines. The boundary lines of a completed Unit are the exterior surfaces of the perimeter walls (including Party Walls), windows, doors, roof and deck which abut directly upon the living space thereof, and except for Party Walls (which shall be owned in common by the Owners of the adjoining Completed Units), such boundary lines shall be at such point as the perimeter walls, windows, doors, roof and decks meet with the corresponding surfaces of an adjoining Completed Unit, as determined by extension of the centerline of Party Walls.

5. EASEMENTS

The Units and Common Areas shall have and be Subject to the following easements and rights.

5.1 Each Unit shall have appurtenant thereto nonexclusive easements (a) in the Common Areas designated for such purposes for ingress to, egress from, utility services for and support of such Unit, (b) in other Common Areas for use according to their respective purposes, and (c) in the adjoining Unit sharing Party Walls for support.

5.2 If any portion of the Common Areas should encroach upon any Unit, or should any Unit encroach upon any other Unit or any portion of the Common Areas, all because of minor deviations from the Plans resulting from initial construction, settling or shifting, a valid easement for such encroachment and its use and maintenance shall exist.

5.3 The Common Areas may be employed for such reasonable uses as may be incident to the construction of the Units, and the repair, reconstruction, maintenance, reservation and reasonable protection of same by the Developer or any Owner, and their respective agents and independent contractors.

5.4 Maintenance of road right-of-ways in Association. *(Deleted per Amendment 1, effective July 1, 2014)*

5.5 The common areas shall have and be subject to a blanket easement for all utilities, including, but not limited to electrical, telephone, television, storm drains, sanitary sewers and irrigation lines, together with the right of private and public agencies to have ingress and egress to maintain, repair and replace said utilities. Restoration shall be the responsibility of the agency involved.

5.6 Members and guests of the Sunland Golf and Country Club are granted the right of ingress and egress to retrieve out-of-bounds golf balls from the common areas adjacent to all golf course fairways. *(Revised per Amendment 2, effective September 9, 2014)*

6. NON DIVISION OF PERCENTAGE INTEREST

The percentage interests in the Common Areas appurtenant to each Unit shall have a permanent character, shall not be altered without the consent of all Owners expressed in a duly recorded amendment to this Declaration, shall not be separated from such Unit, and shall be deemed to be conveyed or encumbered with such Unit even though not expressly mentioned or described in the conveyance or other instrument. The Common Areas shall remain undivided, and no right shall exist to partition or divide any part thereof, except as otherwise expressly and specifically stated herein.

7. ASSOCIATION

Operation of the Development shall be by an incorporated Association which shall be organized and shall fulfill its functions pursuant to the following provisions.

7.1 Voting. The voting power of the Owner of each Unit shall be equal (i.e., each Unit shall be allocated one (1) vote, including units not completed. An Owner (including Declarant) of more than one Unit shall have the vote appertaining to each Unit owned. No votes allocated to any Unit owned by the

Association may be cast, and in determining the percentage of votes required to act on any matter, the votes allocated to the Association shall be disregarded.

7.2 Powers of the Association. The Association shall be the governing body for all of the Owners for the maintenance, repair, replacement, administration and operation of the Property, as provided in this Declaration and the Bylaws. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the Owners, in accordance with the provisions of the Declaration and Bylaws. Each Owner shall be a member of the Association so long as he or she shall be an Owner, and such membership shall automatically terminate when he or she ceases to be an Owner. The new Owner succeeding to such ownership interest shall likewise succeed to such membership in the Association.

7.3 Board of Directors. The Board of Directors shall consist of not less than three (3) members. The initial Board of Directors shall consist of the individuals named in the Articles of Incorporation of the Association. In the event of any dispute or any question of interpretation or application of the provisions of the Declaration and Bylaws, the determination thereof by the Board of Directors shall be final and binding on each of such Owners.

7.4 Bylaws. The Board of Directors of the Association shall, within sixty (60) days following the establishment of the Association, adopt the initial Bylaws for the governing of the affairs of the Association, the holding of meetings thereof, and the operation, administration, use and enjoyment of the Property, and shall specify therein the composition and duties of the Board of Directors and the Manager with respect thereto. The Bylaws may be amended by the Board of Directors, or as otherwise subsequently provided in any amendments thereto.

7.5 Proxy Voting. At any meeting of Owners, all Owners, including Declarant, shall be entitled to cast their votes in conformity with the allocation specified in Section 7.1 hereof. Any owner may attend and vote at such meeting in person or by proxy. Proxies shall be in writing, signed by the Owner, and filed with the Board of Directors or Manager. The last Owner of Record shall be entitled to vote until the Board of Directors or Manager has received actual notice of the conveyance by the new Owner.

7.6 Multiple Ownership. Where there is more than one Owner of any Unit, any or all of such persons may attend any meeting of the Association, but it shall be necessary for all said Owners who vote to act unanimously in order to cast the vote assigned to their Unit. Any designation of proxy to act for such persons must be signed by all such persons.

7.7 Meetings. The presence at any meeting of the holders of a majority of the Total Voting Power shall constitute a quorum. In the event a quorum is not present at any meeting, the holders of voting rights present, though less than a quorum, may adjourn the meeting to a date not later than sixty (60) days thereafter, and give notice thereof to all of the Owners and other persons entitled for special meetings, and at such subsequent meeting, the holders of one-third (1/3) of the Total Voting Power shall constitute a quorum for the purpose of voting on issues specified in such notice.

8. BUDGET, EXPENSES AND ASSESSMENTS

8.1 The Board of Directors shall, from time to time, and at least annually prepare a budget for the Association, estimate the Common Expenses expected to be incurred, less any previous over assessments, and levy Assessments against each Unit in proportion to the Unit's percentage of undivided interest in the Common Areas, except as provided in Section 8.4 hereof. The Board of Directors shall advise each Owner in writing of the amount of Assessments payable by him or her, and furnish copies of each budget indicating the Common Expenses and any other items on which such Assessments are based to all Owners, and, if so requested, to their respective Mortgagees.

8.2 Common Expenses shall include: (Revised per Amendment 1, effective July 1, 2014)

- (a) Expenses of administration;
- (b) Expenses of maintenance, repair or replacement of the exterior of all of the non-Developer owned units, except for party walls and glass in windows, skylights and doors and except the surfaces of decks which are subject to wear from use by Unit Owner or Occupant;
- (c) Expenses of maintenance, repair, replacement, and landscaping of the Common Areas;
- (d) Cost of insurance or bond required by this Declaration and the Bylaws;
- (e) Billings for utilities servicing the Common Areas;
- (f) A general operating reserve;
- (g) A reserve account for replacements and deferred maintenance;
- (h) Any deficit in amounts assessed and collected for the payment of Common Expenses for any prior period; and
- (i) Any other items properly chargeable as expenses of the Association.

8.3 In addition to Common Expenses, special assessments may be levied to pay other costs related to the operation, use, development, maintenance and repair of the Property, so long as such costs do not result in the Association conducting any business or otherwise engaging in any undertaking for profit, and so long as any such special assessments first receive the approval of persons holding not less than sixty percent (60%) of the Total Voting Power, for such assessments not in excess of Twenty-five Thousand Dollars (\$25,000), or seventy-five percent (75%) of the Total Voting Power, for such Assessments in excess of Twenty-five Thousand Dollars (\$25,000).

8.4 All Owners shall be jointly and severally obligated to pay the Assessments levied against their respective Units by the Board of Directors pursuant to this Declaration and the Bylaws. Such obligations shall be personal and survive any transfer, conveyance or lease of such Owner's Unit, and, with respect to conveyances of the fee, unless expressly provided to the contrary in the contract of sale, shall be prorated as of the date the deed or contract to the Unit is filed of Record. The Declarant shall be assessed as the Owner of any Unit owned by it provided, however, as to Units owned by the Declarant which are not completed Units, such liability of the Declarant shall be limited to that portion of the Common Expenses which do not pertain to the insuring, maintenance and repair of the Completed Units. The Board of Directors shall levy the Assessments against the Units from time to time, but at least annually, and shall take prompt action to collect from an Owner any Assessments due which remains unpaid by him or her for more than thirty (30) days from the date its payment is due. Any Assessment which is not paid within said thirty (30) days shall be deemed delinquent and shall bear interest and or penalties as set by the Board of Directors. The Common Expenses shall be paid from sums received by virtue of the Assessments. *(Revised per Amendment 1, effective July 1, 2014)*

9. COLLECTION OF ASSESSMENTS

9.1 Unpaid Assessments shall constitute a lien on each Unit against which the Assessment was made, and the Owner of such Unit shall pay such Assessment before the same is delinquent. The Board of Directors, or the Manager, may initiate an action or other efforts to enforce payment of any delinquent Assessment and in such event the Owner liable therefore shall pay all costs and expenses incurred incident thereto, including a reasonable sum as attorneys' fees, with or without litigation, all of which shall be secured by the lien herein provided.

9.2 The lien for assessments shall be prior to all other liens except tax liens on a Unit in favor of any governmental assessing unit or special district, and all unpaid sums on Mortgages of Record against a Unit made in good faith and for value; provided that after foreclosure of such Mortgage transfer in lieu thereof and the establishment of title to the Unit as a result thereof, all unpaid assessments thereafter accruing shall constitute a lien on the Unit enforceable as herein provided.

9.3 Tenant Obligation on Overdue Assessments. *Deleted per Amendment 1, effective July 1, 2014*

10. ARCHITECTURAL AND BUILDING CONTROL

10.1 The Property and each and every portion thereof may be improved only by the construction of Units in the areas designated therefore on the Plans, subject to boundary, location and square footage deviations from the Plans as the Declarant may, in its sole and absolute discretion, deem appropriate or desirable. All such construction, and all additions, alterations, repairs, replacements, restorations, decorations and maintenance of and to the Units and to any other portions of the Property, and all fencing and screening thereof and planting and landscaping thereto, shall be undertaken and performed in strict conformance with such rules and regulations as may be adopted from time to time by the Architectural Control Committee. Said Committee shall be comprised of three members, all of whom, and their replacements, if any, shall be designated by Kevin Estes Homes, L.L.C. for the Development Period, and after said Period shall be appointed for three-year terms, to expire one per year, by the Board of Directors. Said Committee shall approve in advance the design and materials to be employed in all proposed construction, additions, alterations, repairs, replacements, restorations, decorations and maintenance, and may require such plans and specifications to be submitted at the expense of the petitioning Owners, as it may reasonably determine appropriate, in acting upon requests for approvals. All rules, standards and regulations adopted by such Committee shall apply uniformly to all Units, except for minor deviations inherently resulting from an approved design of a Unit, and except for reasonable variances which would result in noncompliance with any state or local planning, environment, zoning or building code or regulation shall not be so granted. If, at any time, said Committee should not exist, all of the functions thereof shall be performed by the Board of Directors. The Architectural Control Committee shall cooperate with and solicit the suggestions of the Architectural Control Committee of the Sunland Owners' Association.

10.2 No construction in the Development may be commenced prior to the approval thereof by the Architectural Control Committee and prior to compliance with the provisions of Section 10.1 hereof. No building materials may be stored on any portion of the Property until such approval has been granted, and in any event for no more than two (2) weeks prior to the commencement of construction. Once construction has commenced on any unit, the same shall be diligently pursued, and shall be completed in not less than ten (10) months thereafter.

10.3 No term or provision hereof shall be interpreted or construed as requiring the Declarant to construct any Units, or, with respect to any construction undertaken by it, to adhere strictly to the locations and square footage indicated on the Plans; provided, however, any deviations from the Plans shall be first approved by the Architectural Control Committee and reflected in amended Plans filed of Record following the completion of such construction.

10.4 All setbacks to be determined by county code.

10.5 No sign of any kind shall be exhibited in any way on or about any unit of Division 17, any common area, or near any entrances to Sunland Development except one professionally made sign, no larger than 18"x24" that is advertising said property for sale or rent. Said signs are allowed only until the property is sold (Sold/Closed or Occupied). This restriction shall not apply to the Declarant or signs of his agent used as sales aids, direction, or the like in connection with marketing and developing the platted subdivision.

10.6 No construction work to commence earlier than 7:00 a.m. or continue later than 7:00 p.m. except for emergency repairs that must be undertaken to mitigate damage or loss of property, or repair of utilities.

10.7 Street lights using photo electric cells to control their dusk-to-dawn operation, of common design selected and approved by the Declarant and/or the Division 17 Architectural Control Committee, will be placed in front of each unit at street side. The exact location of street lights will be determined by Declarant or the Division 17 Architectural Control Committee. Mail boxes located and of a design approved by USPS will be provided for all Units. *(Revised per Amendment 1, effective July 1, 2014)*

11. SUNLAND OWNERS' ASSOCIATION (SLOA)

Division 17 Owners shall have full memberships in SLOA and the rights and privileges appertaining to such membership, each of the Owners, so long as he or she owns a Unit, shall be a member thereof. Such membership shall be inseparably appurtenant to the Units, and each of the Owners, upon becoming members, shall observe all of the restrictions and conditions and perform all of the covenants applicable to such membership, including, without limitation, the payment of common and special assessments levied by SunLand Owners' Association.

12. MORTGAGES

12.1 Each Owner shall have the right, subject to the provisions herein, to make a separate Mortgage or encumbrance on his or her respective Unit, together with its percentage of undivided interest in the Common Areas. No Owner shall have the right or authority to make or create, or cause to be made or created, any Mortgage or encumbrance or other lien on or affecting the Property or any part thereof, except to the extent of his or her Unit and his or her respective ownership in the Common Areas.

12.2 The liens created hereunder upon any Unit and such Unit's percentage of undivided interest in the Common Areas shall be subject, subordinate, and inferior to the rights of the holder of any Mortgage of Record upon such interest made in good faith and for value, provided that after foreclosure sale or subsequent to the delivery of a deed in lieu of foreclosure the Association's lien rights created under Section 9.1 hereof shall exist with respect to the interest of the purchaser at such foreclosure sale or the interest of the grantee taking the deed in lieu of foreclosure to secure all Assessments levied subsequent to the date of such purchase or the date such grantee obtains title, and said lien, if claimed, shall have the same effect and be enforced in the same manner as provided pursuant to Section 9.1 and the Bylaws.

12.3 An Owner may pledge or assign his or her voting rights to a Mortgagee. In such a case, the Mortgagee or his or her designated representative shall be entitled to receive all notices to which the Owner is entitled hereunder and to exercise the Owner's voting rights to the extent pledged from and after the time that Mortgagee shall give written notice of such pledge or assignment to the Board of Directors, until the earlier of the release by the Mortgagee of such pledge or the Mortgage. In the event more than one such pledge is made, the Board of Directors shall recognize only the one of which it was first notified as above provided.

12.4 In the event that a notice of default is given to the Association by any Mortgagee holding a Mortgage which is a first lien on a Unit, then, and in that event, and until the default is cured, the right of the Owner of such Unit to vote shall automatically be transferred to the Mortgagee giving the notice of default.

12.5 No amendment of this Declaration shall be effective to modify, change, limit or alter the rights expressly conferred upon Mortgagees in this instrument with respect to any unsatisfied Mortgage duly filed of Record, unless the amendment shall be consented to in writing by the holder of such Mortgage.

13. DELEGATION TO MANAGER

The Declarant or its designee shall be the first Manager of the Development and shall hold that office at the Declarant's option for a period not exceeding the Development Period, subject to satisfactory service, on reasonable compensation to be established by the Declarant. Subject to this provision, the Board of Directors may delegate any of its managerial duties, powers, or functions to any person, firm or corporation to act as Manager of the Development, provided that any such delegation shall be revocable upon the reasonable notice (not to exceed ninety (90) days), with the period thereof, not to exceed three (3) years, to be fixed by the Board of Directors. The members of the Board of Directors shall not be liable for any omission or improper exercise by the Manager of any such duty, power, or function so delegated by written instrument executed by a majority of the Board of Directors. In the absence of any appointment, the Chairman elected by the Board shall act as Manager.

14. OWNER'S OBLIGATION TO MAINTAIN

14.1 Each Owner shall, at his or her sole expense, keep the interior of his or her Unit (including Party Walls) and its equipment, appliances, and appurtenances, and all glass in windows and doors, and all surfaces of decks which are subject to wear from use, in good order, condition and repair and in clean and sanitary condition, and shall do all redecorating, painting, and varnishing which may at any time be necessary to maintain the good appearance and condition of the interior of his or her Unit. In addition to decorating and keeping the interior of the Unit in good repair, each Owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heaters, fans, heating equipment, lighting fixtures, fireplaces, refrigerators, dishwashers, ranges, or other appliances that may be in his or her Unit.

14.2 No Owner shall, without first obtaining written consent of the Architectural Control Committee, make, or permit to be made, any structural alteration, improvement or addition in or to his or her Unit or in or to the exterior of the Unit or any Common Areas, or make permit any change to any natural drainage or remove or disturb any natural trees or shrubbery. The Owners shall do no act nor any work that will impair the structural soundness or integrity of the Unit or any Party Wall or safety of the Property without the written consent of all of the Owners. The Owners shall not paint or decorate any portion of the exterior of the Units or any of the Common Areas, make changes or additions to the entrances of any Unit or employ any exterior lighting which was not part of a Completed Unit as originally constructed, without first the written approval of the Architectural Control Committee. The Architectural Control Committee shall have absolute discretion to grant, deny, modify and condition any such approval for any reason whatsoever, including aesthetics, the preservation, or the integration of the Units into a common architectural or decorative theme in the Development, or the preservation of views.

14.3 If, due to the act or neglect of an Owner, or of a member of his or her family or his or her household pet or of a guest or other authorized occupant or visitor of such Owner, damage shall be caused to the Common Area or to a Unit or Units owned by others, or to any Party Wall, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then such Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board of Directors *(Revised per Amendment 1, effective July 1, 2014)*

14.4 To the extent not inconsistent with the express provisions hereof, the common law rules and then current statutes pertinent to the Party Walls shall control the respective rights of the Owners in regard to the ownership, maintenance, and repair thereof and the liability of the respective Owners with respect thereto.

15. USE AND LIMITATIONS UPON USE. No part of the property shall be used for other than residential purposes.

15.1 Usage of Units.

(a) Each Unit is intended for and restricted to use as a single family residence only, on an ownership, or lease basis, and for social, recreational, or other reasonable activities normally indigenous to such use, and for the purposes of operating the Association and managing the association if required. Units may not be used for timeshare purposes or sold or leased on a timeshare basis. In addition to the foregoing, Declarant may use Unit (s) it owns as sales office, management offices, and models for sales of Units.

(b) No animals shall be raised, bred or kept in any unit, except for dogs, cats or other household pets of any Owner, provided that they are not kept for any commercial purposes and provided further that they shall be kept in strict accordance with the administrative rules and regulations relating to household pets from time to time adopted or approved by the Board of Directors, and provided that they shall not in the judgment of the Board of Directors, constitute a nuisance to others. All pets must be on a leash at all times when outdoors and not allowed to run loose or to bark to the point of annoyance during daytime and nighttime hours. Owners of pets shall be responsible to immediately clean up their pets' droppings.

(c) No unlawful, immoral, noxious or offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall, in the judgment of the Board of Directors, cause unreasonable noise or disturbance to others.

(d) Each Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Unit which may increase the rate or cause the cancellation of insurance on such Unit or any other Unit or on the Common Areas. No Owner shall display, hang, store or use any signs, clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible through his windows from the outside (other than draperies, curtains or shades of customary nature and design, which shall have an exterior appearance in accordance with the rules and regulations adopted by the Architectural Control Committee), or paint or decorate or adorn the outside of his Unit, or inside outside his Unit any canopy or awning, our outside radio or television antenna (except for the small 18" or less satellite dishes), or other equipment, fixtures or items of any kind, without the prior written permission of the Architectural Control Committee.

(e) No Owners shall operate any machines, appliances, accessories or equipment in such manner as to cause in the judgment of the Board of Directors, an unreasonable, disturbance to others.

(f) Burning of trash, waste material, or other combustible debris will not be allowed within Division 17, except that Declarant may from time to time burn small amounts of combustible non-toxic construction waste as deemed necessary. Such burns will be undertaken only when prevailing weather conditions are favorable for health and safety and the burn is monitored.

(g) Propane tank will be screened from view by the use of fences or living hedges. Either must be approved by the Division 17 Architectural Control Committee.

15.2 Common Areas. The Common Areas shall be used only for access, ingress and egress to and from the respective Units by the respective Owners or tenants residing therein, and their guests, household help and other authorized visitors, and for such other purposes which are incidental to the residential use of the respective Units. The use, maintenance and operation of the Common Areas shall not be obstructed, damaged or unreasonably interfered with by any Owner, or other such person, nor shall any trash, rubbish, garbage, lawn rakings or shrubbery clippings be placed thereon, nor shall there be kept, parked or stored there on any trailers, trucks, campers, mobile homes, boats or boat

trailers, except in areas specifically designated therefore by the Board of Directors; except that construction/office trailers and construction equipment will be allowed to be placed on the common areas during the development period. Such construction office trailers not to exceed 24 feet. All automobiles shall be parked only in those portions of the Common Areas designated therefore by the Board, and no vehicle which is inoperable or in state of disrepair shall be kept, parked or stored thereon, nor shall the same be the subject of any major repairs while therein located.

15.3 Golf Course. A golf course is intended to be built surrounding, but not as a part of or controlled by, Division 17. However, changing demographics and/or economic conditions may render that course of action unwise. In that event, the resulting open space would become an acquisition of Division 17. Ownership of this acquisition is shared equally by the membership of Division 17. *(Revised per Amendment 2, effective September 9, 2014)*

15.4 Transition Buffer. *(Deleted per Amendment 1, effective July 1, 2014)*

15.5 House Rules. All Owners shall recognize and be bound by the house rules governing the details of the operation of the Development and the use of the Common Areas, as may be adopted by Declarant and as the Board of Directors may from time to time adopt and amend. Each Owner shall fully observe and perform the same and be responsible for their strict observance and performance by the Owner's lessees (including subleases) and agents of said Owner. A copy of the house rules and of each amendment thereto shall be delivered to each Owner or sent to each Owner in the manner set forth for notices in the Bylaws.

16 LIMITATIONS OF LIABILITY

16.1 Liability for Utility Failure, Etc. Except to the extent covered by insurance obtained by the Board of Directors none of the Association Officers, the Board, or the Managing Agent shall be liable for the failure of any utility or other service to be obtained and paid for by the Board, any injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust, or sand which may leak 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 for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of government authority. No diminution or abatement of common expense assessments shall be claimed or allowed for utility or service failure or for such injury for any such inconvenience or discomfort. *(Revised per Amendment 1, effective July 1, 2014)*

16.2 Personal Liability. So long as a Board member, Association committee member, Association Officer or the Managing Agent has acted in good faith, with ordinary and reasonable care (and in the case of Board officers /Board-appointed members, with the care required of a fiduciary of the Owners), without willful or intentional misconduct, upon the basis of such information as is then possessed by such person. No other person, including the Association, shall be held liable for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person. This section shall not apply where the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Board. *(Revised per Amendment 1, effective July 1, 2014)*

17. INDEMNIFICATION

Indemnification of Board Members, Association Officers, and Committee Members. Each Board Member, Association Committee Member, Association Officer, and the Managing Agent shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by holding or having held the position of Board member, Association Officer, Association committee member, Managing Agent, 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 to the extent 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 interest of the Association; and further provided that nothing contained in this section shall be deemed to obligate the Association to indemnify any Owner who is or has been a Board member or Officer of the Association to indemnify any duties or obligations assumed or liabilities incurred by he or she under or by virtue of the Association. *(Revised per Amendment 1, effective July 1, 2014)*

18. INSURANCE

18.1 Insurance upon the Property shall be purchased by the Association for the benefit of the Association, the Owners and their respective Mortgagees, as their interest may appear. Master policies shall be obtained by the Association providing for individual certificates of insurance to be issued to each Owner showing the amount of insurance applicable to his respective Unit, with additional provisions for loss payable endorsements in favor of Mortgagees if such Unit in such form as may be satisfactory to the Mortgagees. Such insurance coverages shall be written in the name of, and the proceeds thereof shall be payable to, the Association, as trustee for each of the Owners in their respective percentages of undivided interest in the Common Areas as established in this Declaration

(a) Casualty Insurance. The Units and all personal property included in the Common Areas shall be insured in an amount equal to full replacement value, including the foundation costs, as determined annually by the Board of Directors, subject to any requirements which may be imposed by Mortgagees of the Units. Such coverage shall afford the following types of protection:

(i) Fire Insurance with Extended Coverage. Insurance which shall afford protection against loss or damage due to fire or other hazards covered by a standard fire insurance policy with an extended coverage endorsement.

(ii) Vandalism and Malicious Mischief. The Property shall be insured against loss or damage due to vandalism and malicious mischief, if such insurance is deemed practical by the Board of Directors. **(iii) Earthquake.** Insurance may be purchased to afford protection against loss or damage due to earthquake and optional perils, if such insurance is deemed practical by and in the sole and absolute discretion of the Board of Directors.

(b) Flood Insurance. Flood insurance, in such form and amounts as may be required by the Federal Insurance Administration of the United States Department of Housing and Urban Development.

(c) Liability. Liability insurance, which shall be purchased with limits of at least \$1,000,000 and such higher coverage as the Board of Directors shall determine advisable, which policies shall name as insured the individual Owners and the Association, its officers and employees.

(d) Other Insurance. Other types of insurance, including, but not limited to, Workman's Compensation, glass coverage, fidelity bonds and others reasonably related to the uses and occupation of the Property and the Development, shall be purchased as the Board of Directors may from time to time determine appropriate or which may be required by law.

(e) Endorsements. The Board of Directors may obtain where appropriate, cross- liability endorsements to cover liabilities of Owners as a group to an individual Owner. (Amended as of date of record)

18.2 The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in at least the amounts herein required, and including insurance for such other risks, of a similar or

dissimilar nature, as they in their discretion deem desirable. Premiums for such insurance shall be Common Expenses and all of said insurance shall be governed by the following provisions:

(a) All policies shall be written with a company licensed to do business in the state of Washington and holding a rating of "AAA" or better by Best's Insurance Reports, or an equivalent rating by an authority comparable thereto.

(b) Exclusive authority to adjust losses under policies hereinafter in force in the Development shall be vested in the Board of Directors or its authorized representative and subject to approval by any Mortgagee involved.

(c) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with additional insurance purchased by individual Owners or their Mortgagees (d) Each Owner shall notify the Board of Directors of all improvements made or to be made by the Owner of his Unit, the value of which is in excess of \$1,000.

(d) Any Owner who obtains individual insurance policies covering any portion of the Property within his Unit shall be required to file a copy of such individual policy or policies with the Board of Directors within 30 days after purchase of such insurance.

(e) The Board of Directors shall be required to make every effort to secure insurance policies that will provide for the following:

(i) A Waiver of subrogation by the insurer as to any claim against the Board of Directors, the Manager, their respective agents, servants and employees.

(ii) A provision to the effect that the insurance cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors, or the Manager without a prior demand in writing that the Board of Directors or Manager cure the defect.

(iii) A "no other insurance" clause which excludes individual Owners' policies from consideration in determining payments for insured losses.

(f) An annual insurance review shall include an appraisal of the Units and other improvements in the Development by a representative of the insurance carrier writing the master policy.

(g) Each Owner shall be responsible for his own insurance on the interior and contents of his Unit, his additions and improvements thereto and decorating and furnishing and personal property therein, his personal property stored elsewhere on the Property and his personal liability to the extent not covered by liability insurance for all the Owners obtained as a part of the Common Expenses as above provided.

18.3 Insurance Deductible. (Added per Amendment 3, effective September 14, 2016)

The deductible is the amount which the insured is liable for paying on each submitted claim for damages, loss, injury, etc., before a claim is adjusted and paid by the insurance company. The deductible will be expressed either as a specified dollar amount or a percentage of the coverage amount.

(a) If the loss originates in a common area or a result of structure failure (e.g. exterior of building, such as the roof or siding), the HOA will pay the deductible when the damage exceeds the insurance deductible limit.

(b) If the loss originates within a unit, then the unit owner asserting or benefitting from the claim is responsible for paying uninsured amounts, including the deductible, when the damages exceed the insurance deductible limit.

(c) The deductible payment shall be paid by the unit owner directly to the Division 17 Owners Association, as will any proceeds from the Association's insurance claim, with the Board acting as trustee with authority as described in subsection 18.2 (b) of these declarations."

19. DAMAGE AND DESTRUCTION: RECONSTRUCTION

19.1 Initial Board Determinations. In the event of damage or destruction to any part of the Property, the Board of Directors shall promptly, and in all events within sixty (60) days after the date of damage or destruction, make the following determinations with respect thereto, employing such advice as the Board deems proper:

19.1.1 The nature and extent of the damage or destruction, together with an inventory of the improvements and property directly affected thereby.

19.1.2 A reasonably reliable estimate of the cost to repair and restore the damage and destruction, which estimate shall, if reasonably practicable, be based upon two or more firm bids obtained from responsible contractors.

19.1.3 The anticipated insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer.

19.1.4 The amount, if any, that the estimated cost of repair and restoration exceeds the anticipated insurance proceeds therefore and the amount of Assessment to each Unit if such excess were paid as a Common Expense and assessed against all the Units in proportion to their percentage of interest in the Common Areas.

19.1.5 The Board's recommendation as to whether such damage or destruction should be repaired or restored.

19.2 Notice of Damage or Destruction. The Board shall promptly, and in all events within sixty (60) days after the date of damage or destruction, provide each Owner, and each Mortgagee which has theretofore requested notice, with notice, with a written notice summarizing the initial Board determinations made under Section 18.1. If the Board fails to do so within said sixty (60) days, then any Owner or Mortgagee may make the determinations required under Section 19.1 and give the notice required under this Section 19.2.

19.3 Definitions, Restoration, Emergency Work.

19.3.1 As used in this Section 18, the words "repair," "reconstruct," "rebuild" or "restore" shall mean restoring the Units and other portions of the Property and improvements thereon to substantially the same condition in which they existed prior to the damage or destruction, with each Unit and the Common Areas having substantially the same vertical and horizontal boundaries as of such time. Modifications to conform to then applicable governmental rules and regulations or available means of construction may be made.

19.3.2 As used in this Section 18, the term "emergency work" shall mean that work which the Board deems reasonably necessary to avoid further damage, destruction or substantial diminution in value to any Unit and to reasonably protect the Owners from hazardous conditions and from liability from the condition of the property.

19.4 Restoration By The Board.

19.4.1 Unless persons holding seventy-five percent (75%) of the Total Voting Power previously elect not to repair or reconstruct, the Board shall promptly repair and restore the damage and destruction, use the available insurance proceeds therefore, and pay for the actual cost of repair and restoration in excess of insurance proceeds, which excess proceeds shall be treated as a Common Expense and be assessed against all Units in proportion to their percentages of interest in the Common Areas.

19.4.2 The Board shall have the authority to employ architects and attorneys, advertise for bids, let contracts to contractors and others, and to take such other action as is reasonably necessary to effectuate the repair and restoration, and to treat the costs of same as Common Expense.

19.5 Decision Not to Restore; Disposition.

19.5.1 In the event of a decision under Section 18.4.1 not to repair and restore damage and destruction, the Board may nevertheless expend such of the insurance proceeds and Assessment funds as the Board deems reasonably necessary for emergency work (which emergency work may include but is not necessarily limited to removal of the damaged or destroyed Units and clearing, filling and grading the Property), and the remaining (net) insurance proceeds, if any, and the Property shall thereafter be held and distributed as follows:

19.5.2 The Property and net insurance proceeds shall be owned in common by the Owners and shall no longer be subject to this Declaration.

19.5.3 The undivided interest in the Property and net insurance proceeds owned in common which pertains to each Owner shall be the percentage of undivided interest previously owned by such owner in the Common Areas, as to that portion thereof attributable to the Common Areas, and to the relative fair market value of such Owner's Unit vis-à-vis all of the Units, as to that portion thereof attributable to the Units, said fair market values to be determined as of the time immediately preceding the casualty by an M.A.I, appraiser approved by persons having sixty percent (60%) of the Total Voting Power.

19.5.4 Any Mortgages or liens affecting any of the Units shall be deemed transferred in accordance with their existing priorities to the percentage of the undivided interest of the Owner in the Property.

19.5.5 The Property shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance of the Property, if any, shall be considered as one fund; such fund shall be divided into separate shares, one for each Owner in a percentage equal to the percentage of undivided interest owned by each such Owner in the Common Areas, as to that portion thereof attributable to the Common Areas, and to the relative fair market value of such Owner's Unit vis-à-vis all of the Units, as to that portion thereof attributable to the Units, said fair market values to be determined as of the time immediately preceding the casualty by an M.A.I, appraiser approved by persons having sixty percent (60%) of the Total Voting Power. After first paying out of the respective share of each Owner, to the extent sufficient for the purpose, all Mortgages and liens of Record on the undivided interest in the Property owned by such Owner, the balance remaining in each share shall be distributed to each Owner in the respective portion above indicated.

20. CONDEMNATION

20.1 Provisions for Condemnation. If at any time or times during the continuance of the Development all or any part of the Property shall be taken or condemned by any public or quasi-public authority, or sold or otherwise disposed of in lieu or in avoidance thereof, the provisions of the paragraph shall apply. All compensation, damages, or other proceeds there from, the sum of which is hereinafter called the "condemnation award," shall be payable to the Association to be held and applied as herein

provided. Provision may be made for any insurance trustee named in act in the event of damage and destruction to act also in the event of condemnation in accordance herewith.

20.2 Complete Taking. In the event that the entire Property is taken or condemned, or sold or otherwise disposed of in lieu or in avoidance thereof, the condemnation award shall be apportioned among each of the Owners in proportion to their respective percentages of undivided interest in the Common Areas, as to that portion thereof attributable to the Common Areas, and to the relative fair market value of such Owner's Unit vis-à-vis all of the units, as to the portion thereof attributable to the Units, said fair market values to be determined as of the time immediately preceding such taking by an M.A.I., appraiser approved by persons having sixty percent (60%) of the Total Voting Power; provided, that if a standard different value of the Property as a whole is employed to measure the condemnation award in the negotiation, judicial decree, or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable. On the basis of the foregoing principle, the Board shall, as soon as practicable, determine the share of the condemnation award to which each Owner is entitled. Said proceeds shall then be distributed in accordance with the requirements of law applicable thereto.

20.3 Partial Taking. In the event that less than the entire Property is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, each owner shall be entitled to a share of the condemnation award to be determined in the following manner:

20.3.1 Allocation of Award. As soon as practicable the Board shall, reasonably and in good faith, allocate the condemnation award between compensation, damages or other misdeeds.

20.3.2 Allocation for Common Areas. The Board shall apportion the proper part of the amounts so allocated by the taking of or injury to the common areas which in turn shall be apportioned among Owners in proportions to their respective undivided percentage interest in the Common Areas.

20.3.3 Allocation for Severance Damages. The total amount allocated to severance damages shall be apportioned to those Owners of Units which were not taken or condemned.

20.3.4 Allocation for Taking of Unit. The respective amounts allocated to the taking of or injury to a particular Unit, or improvements an Owner had made within his own Unit shall be apportioned to the Owner of the particular Unit involved. In the event more than one Unit is taken, the amounts allocated therefore shall be based upon the relative fair market values of the portions thereof so condemned, said fair market values to be determined as of the time immediately preceding such taking by an M.A.I., appraiser approved by all or the Owners of the Units wholly or partially taken, or, if they fail to so agree within thirty (30) days after such taking, by persons having sixty percent (60%) of the Total Voting Power.

20.3.5 Consequential Damages. The amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Board reasonably determines to be equitable in the circumstances.

20.3.6 Follow Formula Established. If an allocation of the condemnation award is already established in negotiation, judicial decree, or otherwise, then in allocating the condemnation award the Board shall employ such allocation to the extent it is relevant and applicable.

20.3.7 Distribution of Proceeds. Distribution of apportioned proceeds shall be jointly made to the Owners and their respective Mortgagees.

20.3.8 Repair, Reconstruction. Any repair or reconstruction necessitated by condemnation may be carried out as provided in Section 18.4.1 of this Declaration. The Board may retain such portion of

condemnation award proceeds due to each Owner and Mortgagee and apply the same or the required portion thereof as necessary to discharge the Owner's liability, if any, for contribution to the repair or reconstruction or for any special assessment arising there from.

21. SUBDIVISION AND COMBINATION OF UNITS AND COMMON AREAS AND FACILITIES

A resolution adopted by the persons having seventy-five percent (75%) of the Total Voting Power may provide for the subdivision or combination, or both, of the Unit or Units or of the combination, or both, and any such resolution shall also provide in conjunction therewith for the appropriate amendments to this Declaration, the Bylaws, or any other documents or agreements affected thereby, provided that the space combined or subdivided shall, after such subdivision or combination, have the same percentage of interest in Common Areas that such space had prior to such subdivision or combination, unless such percentage is changed by appropriate amendment in accordance with Section 22 hereof. No such subdivision or combination shall be effected without the written consent of each Mortgagee whose lien encompasses, in whole or in part, any portion of any Unit being so combined or subdivided being first delivered to the Board of Directors. No subdivision or combination of any Unit or any other portion of the Property may be effected except through compliance with the provisions of this Section and applicable State and County Regulations.

22. REMOVAL

The Owners may agree, by an affirmative vote of persons having one hundred percent (100%) of the Total Voting Power, and with the consent of all Mortgagees of Record, to remove the Property from the provisions of the Declaration. In such event, their Mortgages shall be transferred to the respective percentages of the individual interest of the owners in the Property, which shall be the respective percentages previously owned by such Owners in the Common Areas, and the Property shall be deemed to be removed from the Declaration upon filing of Record an instrument to that effect signed by all of the Owners and said Mortgagees of Record.

23. AMENDMENT

This Declaration may be amended by an instrument in writing setting forth such amendment, consented to by persons having sixty percent (60%) of the Total Voting Power and certified by the secretary of the Board of Directors; provided, however, that this Declaration shall not be amended to alter the percentage of undivided interest of any Unit in the Common Areas, nor shall Sections 6, 18.4, 18.5, 19.2, 19.3, 20 or 21 be amended, without the consent of persons having one hundred percent (100%) of the Total Voting Power; and provided further, no amendment modifying the rights of Mortgagees shall be effective unless such amendment is executed by all Mortgagees of Record. The amendment accomplished pursuant hereto shall be effective upon the filing of such instrument of Record.

24. SEVERABILITY

The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the creation and operation of this development. The provisions hereof shall be deemed independent and severable, and the invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

25. PERPETUITIES

If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful, void or violable for violation of the rule against perpetuities, then such provision shall continue only twenty-one (21) years after the death or the survivor or the now living descendants of the President of the United States as of the date this instrument is filed of Record, and the same shall be automatically extended for successive periods of twenty (20) years thereafter.

26. RIGHTS AND OBLIGATIONS

Each Grantee of Declarant by the acceptance of a Unit deed and each purchaser under any contract for such deed of conveyance accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration, as stipulated at length in each and every deed of conveyance.

27. ENFORCEMENT

The terms, covenants and conditions hereof may be enforced by the Board of Directors, the Manager or any Owner, and each of such persons may obtain legal, equitable and injunctive relief for a breach thereof by any person. Failure to enforce such provision at any given time or by any given party shall not be deemed a waiver of any person's right to enforce the same or obtain appropriate relief for the Breach thereof. In any such action, the prevailing party shall be entitled to be reimbursed by the losing party for the costs of bringing or defending such action, including reasonable attorney's fees, and including such costs and fees as may be incurred on appeal.

28. PHASING

28.1 Reservation of Development Rights. Declarant reserves the right, individually and collectively, ("Development Rights") to add real property or improvements, create additional Units, Common Elements and/or Limited Common Elements within the real Property, subdivide Units and/or convert Units into Common Elements. Declarant proposes to develop the real property in phases (singularly, a "Phase," and collectively, "Phases"). There are subsequent Phases ("Subsequent Phases") possible (see Exhibit A, attached).

28.2 Development of Subsequent Phases. Declarant may exercise Development Rights with respect to different parcels of Property at different times in Subsequent Phases but is not required to exercise Development Rights with respect to any particular parcel in any particular order or at all, nor, if any Development Right is exercised with respect to any portions of the Property subject thereto, Declarant must exercise that Development Right with respect to all or any portion of the remainder of the Property. If Declarant elects to exercise Development Rights in a Subsequent Phase, the completed Units shall reallocate the Allocated Interests among all Units. The Allocated Interest allocated to all Units shall be equal. Declarant may supplement Common Elements and Limited Common Elements included in a Subsequent Phase. The previously existing Association shall be merged into and become a part of the Subsequent Phase as a single unified Association. This Declaration and the Articles and Bylaws of the Association shall immediately become applicable to the land added (and inapplicable to the land withdrawn) by a Subsequent Phase.

Declarant shall no longer have the power to exercise any Development Rights TEN (10) years after the recording of the final plat for the last phase of the Property.

28.3 Joint Use and Maintenance of Common Elements. When (and if) any Property is added all of the Common Elements in each Phase will be for use and enjoyment of the entire Unit Owners and all of the Owners shall share in the subsequent expense of maintaining, repairing and replacing the Common Elements as may be necessary. In the case of subdivision of a unit, the Allocated Interest of the subdivided Unit shall be reallocated among the Units created by the subdivision in any reasonable and equitable manner prescribed by the Declarant.

Amendment 3, September 14, 2016
SunLand Division 17 CC&Rs

29. SALE, TRANSFER OR ASSIGNMENT

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

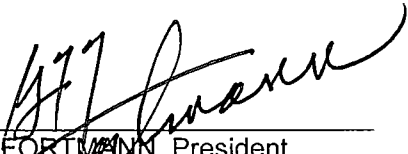
30. CONFORMITY TO LAW (Added per Amendment 1, effective July 1, 2014)

"Conformity to Law" The Sunland Division 17 Owners Association Board of Directors shall in all actions, regard and performance act in conformity with Washington State Law.

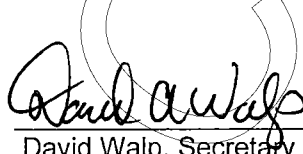
31. EFFECTIVE DATE

This Amended Declaration shall take effect upon the filing of same of Record.

IN WITNESS WHEREOF, the undersigned has executed this Amended Declaration of Covenants, Conditions and Restrictions (CC&Rs) on this 12th day of October, 2016.



GARY FORTMANN, President
Sunland Division 17 Owners Association



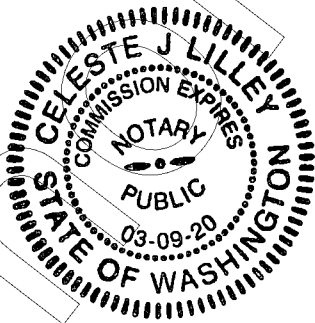
David Walp, Secretary
Sunland Division 17 Owners Association

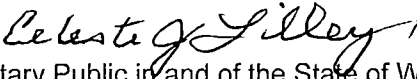
ACKNOWLEDGEMENT:

State of Washington
County of Clallam

This is to certify that on this 12th day of October, 2016, before me, a Notary Public in and of the State of Washington, duly commissioned and sworn, did personally appear ~~Susan R. Hamman~~ ^{Susan R. CR 16Apr 18} President and ~~Judy A. Field~~ ^{16Apr 18} Secretary of Sunland Division 17 Owners Association, a Washington Non-Profit Corporation, that executed the foregoing instrument, and acknowledge the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

Witness my hand and official seal the day and year first above written.




Notary Public in and of the State of Washington,
Residing at Sequim
My Appointment expires on 3-9-2020

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SUNLAND DIVISION 17**

EXHIBIT A

Lots 1-67 as recorded under Auditor's File Numbers, Records of Clallam County, Washington.

Ref. Auditor's file 981015640, 9/18/98, Phase 1; 2000-1054296, 10/25/00, Phase 2; 2002-1097076, 12/9/02, Phase 3; 2004-1130909, 4/6/04, Phase 4; and 2005-1163610, 8/25/05, Phase 5; 2008-1218331, 3/26/08, Phase 6 (the last and final Phase of Sunland Division 17)

AMENDMENTS

Amendment 1 - Ratified at the Division 17 Board of Directors meeting on **July 1, 2014**. Multiple revisions required as a result of the conversion of the Association from a Developer-owned/operated organization to an Owner-managed Association in accordance with paragraph 3.1 of these CC&Rs and the correction of minor grammatical, punctuation, and structure errors and inconsistencies in the original CC&Rs.

Amendment 2 - Ratified at the Division 17 Board of Directors meeting on **September 9, 2014**. Amendment required to reflect applicable updated/revised provisions in SLOA CC&Rs and to correct paragraphs 1.2 and 1.19 regarding Developer rights, requirements, and monetary obligations to reflect precepts outlined in the June 9, 2014 Memorandum For Record, Subject: Determination of Assessment Payments for Kevin Estes Homes (KEH) Units /Lots and KEH Payments for Division 17 Greenbelt Mowing & Maintenance. *Clallam County Auditor File # 2014-1312401 dated 9/23/14.*

Amendment 3 - Ratified at the Division 17 Board of Directors/Annual Meeting on **September 14, 2016**. Paragraph 18.3, Insurance Deductible, added to document.

*OK
10/23/18*

**SCRIVENER'S AFFIDAVIT FOR CORRECTION
NOTICE OF TYPOGRAPHICAL AND OTHER MINOR ERRORS**
Sunland Division 17 Owners Association
Covenants, Conditions, and Restrictions (CC&Rs)
Amendment 3 dated 14 September 2016

I, Cynthia L. Rhodes, 210 Cascadia Loop, SunLand North, Sequim, Washington 98382 duly swear and affirm that the Amendment 3 to the Covenants, Conditions, and Restrictions (CC&Rs) for SunLand Division 17 Owners Association contained the typographical / minor errors as described below. I further certify that this Affidavit is hereby created for the purpose of correcting said errors and to give notice of the following corrective information:

The Notary / Acknowledgement section of Amendment 3 to the CC&Rs, dated September 14, 2016, displays incorrect / outdated names for the President and Secretary of Division 17 Owners Association. The two incorrect names contained in paragraph 31 (Notary Acknowledgement Section) have been stricken from the paragraph and I have initialed and dated the corrective action on the original document. The appropriate Board of Directors' names are cited correctly in the signature section of Amendment 3.

In addition, the Clallam County Auditor's Recording Number for Amendment 2 to the Division CC&Rs was inadvertently omitted and has been incorporated into the Amendment Reference Section of the CC&Rs. No substantive or content changes to SunLand Division 17 CC&Rs Amendment 3 were made.

I hereby certify that I am knowledgeable of the Agreement and am the preparer / typist of the referenced Amendment 3 to the Covenants, Conditions, and Restrictions (CC&Rs) for SunLand Division 17 Owners Association, dated 14 September 2016.

Cynthia L. Rhodes 16 Apr 18
Cynthia L. Rhodes / Date
Division 17 Governing Documents Coordinator

State of Washington
County of Clallam

This is to certify that on this 16th day of April 2018, before me, a Notary Public in and of the State of Washington, Cynthia L. Rhodes duly signs and acknowledges the said instrument to be a free and voluntary act and deed, for the uses and purposes herein mentioned, and states that she is authorized to execute the said instrument.

Witness my hand and official seal the day and year first above written.

Richelle Nadine Bele
Richelle Bele

Notary Public in and of the State of Washington,

Residing at 2613 Peach Court
Sequim, Washington 98382
Port Angeles
My Commission Expires on 07/12/2021

