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DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS OF RECORD
OF
SUNLAND OWNERS ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS:

That Declarant, SUNLAND ASSOCIATES, a General Partnership of the State of Washington, being the owner of certain property situate in proximity to the City of Sequim, Clallam County, State of Washington, as more particularly described in Exhibit "A" attached hereto, and by this reference incorporated herein and made a part hereof, having established a general plan for the improvement and development of the above-described property, does hereby establish the covenants, conditions, reservations and restrictions upon which and subject to which all lots and portions of such lots shall be improved or sold and conveyed by it as owner thereof. Each and every one of such covenants, conditions, reservations and restrictions is and all are for the benefit of each owner of land in such portion of the above-described property as shall be platted for residential or other use, or any interest therein, and shall inure to and pass with each and every parcel of such platted property, and shall bind the respective successors in interest of the present owner thereof. These covenants, conditions, reservations and restrictions are and each thereof is imposed upon such lots, all of which are to be construed as restrictive covenants running with the title to such lots and with each and every parcel thereof.

ARTICLE I

Definitions

Section 1. "Association" shall mean and refer to Sunland Owners Association, a Washington corporation, organized pursuant to the Washington Non-Profit Corporation Act (R.C.W. 24.03).

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities of a fee simple title to any lot which is a part of the properties, including contract purchasers and/or sellers in accordance with the provisions of the Articles of Incorporation of the Association, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to those portions of the real property, including condominium units contained within any plat or plats filed with the Auditor of Clallam County, Washington, as final and accepted plats for the respective portion of the property hereinafter described, together with any such additions thereto as may hereafter be brought within the jurisdiction and control of the Association.

Section 4. "Common area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The common areas shall be such as are shown on the final recorded plat as so filed and shall include but shall not be limited to swimming

pools, parks and playgrounds, beach areas, tennis courts, community clubs, open areas, green belts, access roads, streets and alleys, and all other areas within said recorded plat which are open to use by any member of the Association, his family, or invitees. The golf course shall not be deemed a common area.

Section 5. "Public service" shall mean and refer to those services normally rendered for the peace, safety and protection of persons residing within the platted subdivision, including, but not necessarily limited to, police and fire protection, and common areas and street lighting, clean up, and sanitation.

Section 6. "Utilities" shall mean and refer to sewage disposal, garbage disposal, underground telephone and electricity, and the furnishing of potable water for domestic and related use to the lots within the platted subdivision.

Section 7. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common areas.

Section 8. "Declarant" shall mean and refer to SUNLAND ASSOCIATES, a General Partnership, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 9. "Assessments" shall be deemed to be charges levied by the Association on an annual basis, although collected by the month, quarterly, or semi-annually, against each and every lot, tract, condominium unit, or parcel in the platted subdivision irrespective of multiple ownership and to be used to defray the costs of the installation or acquisition of capital improvements for public service and utilities, as hereinbefore defined, and the operation and maintenance thereof including reserves for depreciation, replacement and obsolescence.

Section 10. "Dues" shall mean those charges collected from Association members to be used to defray the administrative costs and expense of the Association, and the operation and maintenance of its properties, services, common areas, and those amenities which are open to use on a family or individual basis to the general Association membership as an adjunct of such membership, such as, community club, swimming pools, tennis courts, parks and playgrounds, beach area, and other like common facilities. It shall not be deemed to include membership in Sunland Golf and Country Club, nor shall the payment of such dues as are herein referenced entitle any member to the use of Sunland Golf and Country Club facilities or Golf Course without payment of the monthly membership fee as fixed from time to time by Sunland Golf and Country Club, Inc., a Washington corporation.

Section 11. "Sunland Owners Association" shall mean that certain non-profit association composed of Declarant and the following purchasers of lots in the Sunland project:

(a) The purchaser of a lot located within the properties described in Exhibit "A" hereto attached.

(b) Any purchaser of a lot located within the properties described in Exhibit "B" hereto attached.

(c) Any purchaser of a lot in any subsequent division of Sunland which, by the terms of any Supplemental Declaration, Conditions, Covenants, or Restrictions duly filed with the Clallam County Auditor, is made subject to these Declarations of Covenants, Conditions, and Restrictions of Record.

(d) Membership in the Association is inseparably appurtenant to ownership of any lot or lots described in Exhibits "A" or "B", or brought within the terms and conditions of these Declarations by reason of the filing of a Supplemental Declaration subjecting such additional properties to the same.

ARTICLE II

Property Rights

Section 1. Owner's Easements of Enjoyment. Every owner shall have the right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common area.

(b) The right of the Association to suspend the voting rights and the right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid and for a period, not to exceed 60 days, for any infraction of its published rules and regulations.

(c) The right of the Association to dedicate or transfer all or any part of the common area, of the utilities, or of the responsibility for the furnishing of public services to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.

Section 2. Conformance to Plat. All structures erected on any lot or lots within said platted subdivision shall strictly conform to the final plat as recorded in the office of the Auditor of Clallam County, Washington, insofar as type of structure and intended use be concerned. Areas within said recorded plat have been laid out for specific use. No non-conforming use shall be permitted within any such area without prior approval of the Declarant or its successor assigns.

Section 3. Uniform General Requirements. The following uniform general requirements shall apply throughout all parts of the platted subdivision except where necessary modification by implication or to conform with the intent of the platted subdivision and/or the Developer-Declarant:

(a) Easements; Easements and rights-of-way are hereby expressly reserved for the creation, construction and maintenance of utilities, such as gas, water, telephone, electricity, sewers, storm drains, public,

quasi-public, and private, as well as for any public, private or quasi-public utility, or function deemed necessary or expedient for the public health and welfare. Such easements or rights-of-way shall be confined to the rear five (5) feet of every lot and five (5) feet along the side of every building plot, and along all streets within the subdivision.

(b) Building Plans: Plans and specifications for all structures must be first submitted to Declarant, or its duly authorized agent, or to its successors or assigns, for written approval as to the quality of workmanship and materials, harmony of external design, size and existing structures, and as to location with respect to topography and finish grade elevation prior to the commencement of any construction in such subdivision; PROVIDED, that when all of the lots within the subdivision as platted shall have been sold, then all such plans and specifications thereafter shall be submitted to the Board of Directors of the Association or to such committee, agent or employee as the Association may from time to time delegate for the purpose of examining and reviewing such plans and specifications and passing upon their conformity with these requirements and of the recorded plat.

(c) Signs: No sign of any kind shall be exhibited in any way on or about the property of such subdivision without the written approval of Declarant or its duly authorized agent, except one professional sign of not more than one (1) square foot, one sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period, and except for signs in commercial or mixed commercial zones advertising accredited businesses. This restriction shall not apply to signs of Declarant used as sales aids, direction, or the like in connection with the marketing and developing of the platted subdivision.

(d) Animals: No husbandry of either animals or fowls shall be conducted or maintained in such platted subdivision; PROVIDED, HOWEVER, that house pets only shall be excluded from this restrictions.

(e) Fences: No fence or hedge shall be erected or maintained on the property of such subdivision which shall unreasonably restrict or block the view from an adjoining lot or which shall materially impair the continuity of the general landscaping plan of such subdivision.

(f) Trucks and Trailers: Trucks and trailers shall not be parked on the public streets, alleys, rights-of-way or in the common areas in such manner as to obstruct the free flow of traffic. The parking of trucks and house trailers shall at all times be subject to the control of the Board of Directors who shall, from time to time, publish rules and regulations controlling the use of the property within the platted subdivision, whether private or common, for the parking of trucks, trailers and mobile homes.

Section 4. Prosecution of Work: The work construction on all buildings and structures shall be prosecuted diligently and continuously from commencement of construction until exteriors of such buildings are completed and painted or otherwise suitably finished. Exterior work on any building shall be completed within six (6) months from the start of construction. Said construction shall conform with the requirements of the applicable city, county and state agencies and architectural conditions, as hereinafter set forth.

Section 5. Architectural Conditions: The following guidelines will be used by the Architectural Committee in approving building plans. It is realized that with passing time, these general criteria may change in keeping with changes in building materials, methods of construction and architectural concepts:

- (a) In general, all dwellings will be single-story, except on sites which lend themselves to daylight basements and will not block view from other lots. Views from all lots will be safeguarded to the extent possible. Building heights shall be such as are fixed by the Architectural Committee in its review and evaluation of plans and specifications submitted to such committee in accordance with the provisions of Section 6 of this article.
- (b) All garages or carports must be attached to the principal dwelling unit except when attachment is prevented by unusual topography and upon approval of the Architectural Committee.
- (c) Abundant use of outdoor decks and patios will be encouraged.
- (d) The use of new materials on all exterior surfaces will be required unless approved otherwise by the Architectural Committee. Used brick, however, will be permitted.
- (e) The orientation and location of dwellings on lots within the platted subdivision shall be reviewed by the Architectural Committee to the end that all dwellings are kept as compatible as possible in accord with their natural surroundings and with each other.

Section 6. Architectural Committee: The Architectural Committee shall be appointed by the Board of Directors of the Association and shall consist of as many persons, but in no event less than three (3), as the Board shall deem appropriate; provided, the powers of such committee shall be exercised by Declarant until such time as (1) all lots within the platted subdivision have been sold; or, (2) Declarant shall have requested the Association to appoint such Architectural Committee, such committee has thereupon been appointed, and the authority of such committee, as herein set forth, has been delegated to that committee; provided, further, the Declarant may, at its election, at all times, have the right to designate one appointee to such committee. Members of the Architectural Committee shall serve at the pleasure of the Board of Directors of the Association and may be removed and replaced with or without cause at the discretion of such Board. The duties of the Architectural Committee shall be as follows:

- (a) Except as otherwise provided herein, a majority of the members of the committee shall have the power to act on behalf of the committee without the necessity of a meeting and without the necessity of consulting the remaining members of the committee. The committee shall act only upon written instruments setting forth

the action taken, which instruments shall be signed by the members of the committee consenting to the action and present thereat.

- (b) All plans shall be approved by the Architectural Committee. The Committee shall recognize that there can be an infinite number of architectural concepts and ideas for the development of the property. Sunland Owners Association wishes to encourage the formulation of such concepts and ideas. Nevertheless, for the protection of all members of the Association, the Architectural Committee shall make certain that any development of a residential lot will be consistent with the general plan for the development of the Sunland subdivision.
- (c) The Architectural Committee shall have thirty (30) days from the date of submission of any plan to approve or reject the same. In the event no such action be taken by the committee within said thirty (30) day period, then such plans and specifications shall be deemed to have been approved by the committee. A like requirement shall apply in the case of the filing of revised plans and specifications, or plans which provide for the modification, rebuilding, or revision of existing structures.
- (d) Upon completion of any improvement, the property owner shall promptly notify the committee in writing. The committee shall have a period of sixty (60) days from the date of the posting of notice in which to examine and inspect the improvement for the purpose of determining whether it complies with the plans and specifications as approved by the Architectural Committee. In the event such inspection is made, and the committee shall determine that such improvement does not comply with such plans and specifications, it shall notify the property owner within such sixty (60) day period, whereupon the property owner within such time as the committee shall specify, not less than thirty (30) days, however, in any event from the date of notice, either remove such improvement, or alter the same so that it shall comply with the plans and specifications as submitted and approved by the committee. In the event the committee fails to act within said sixty (60) day period, the improvement shall conclusively be deemed to conform to such plans and specifications and to have been accepted by the committee.

Section 7. Care and Appearance of Premises: The property owner shall maintain the improvements on their premises and the grounds of such premises in a neat and attractive manner, and in particular, shall keep the grass and weeds cut, shall control the growth and spread of alder trees, the shrubbery pruned and dead trees, shrubbery or plants removed. Property owners shall maintain the exterior of improvements on their premises in a good state of repair and condition. If neglected, the Architectural Committee shall have the right to remove said objectionable material and to invoice the property owner for the cost and expense of such removal.

Section 8. View: It is important that property owners shall restrict the height of improvements on the premises and the height of trees and vegetation growing thereon to the end that the view of other property owners shall be preserved to the greatest extent reasonably practical. Limitation as to the height of improvements has been established by these declarations, and the Architectural Committee shall have the responsibility of determining whether trees or other vegetation on the premises unreasonably interfere with the view of other

properties. In any case in which the Committee shall determine that there is such interference, it shall send a notice in writing to the property owners, which notice shall set forth the extent to which the trees or other vegetation shall be pruned or removed. If within thirty (30) days after the posting of such notice, the property owners have not caused such trees or other vegetation to be pruned or removed to the extent required by this committee, the Association may, at its own expense, cause such work to be done, either at its own expense or at the expense of the property owners who have requested that the pruning or removal of such trees or other vegetation be undertaken by the Association. This provision, however, shall not apply to existing vegetation at the time of the purchase of the lot or lots in question.

Section 9. Lot Size and Set Backs, Residential. No more than one single-family dwelling unit shall be constructed per lot. Setbacks from the front property line, the rear property line, and side lot lines, and the location of structures upon corner lots shall be in accordance with regulations appertaining thereto as from time to time promulgated by Clallam County, Washington. In the absence of the adoption by Clallam County of specific regulations relating thereto, set back requirements shall be fixed by the Architectural Committee. In the event mobile homes are permitted to be permanently placed upon any lot within a platted division the location, screening, size, appearance, and all matters having to do with the maintenance of a uniform and attractive appearance shall be subject to rules and regulations promulgated by the Architectural Committee and which rules and regulations shall incorporate therein any rules or regulations regulating the use of mobile homes as adopted by Clallam County, Washington.

Section 10. Minimum Dwelling Size. The minimum size of the interior floor space of all single-family dwelling units (exclusive of home site, carport, breezeways, patios and porches) shall be 1000 square feet.

Section 11. Areas Zoned Commercial. In addition and supplemental to the uniform general restrictions, the following covenants, easements, reservations and requirements will apply to and govern the erection and maintenance of commercial and mixed commercial buildings, all of which are limited and restricted to those sections and areas of such subdivision as are platted and zoned for that purpose.

- (a) **Set Backs:** Set backs in commercial zones, and the location of structures upon lots located within those sections of the platted subdivision set aside for commercial use shall be in accordance with regulations promulgated therefore from time to time by Clallam County, Washington. In the absence of any such regulations set backs and structure location upon such lots shall be fixed and determined by the architectural committee.
- (b) Buildings erected on lots in the commercial or mixed commercial area shall be limited to stores, offices, business buildings, commercial enterprises, hotels, motels, restaurants, taverns and lounges, and theatres.
- (c) All structures erected must be first approved by the Architectural Committee and shall be of wood, brick, cement block, stone masonry, or cement masonry construction or a combination thereof and shall include adequate toilet facilities for owners and occupants and their employees and where applicable, the public.

ARTICLE III

Membership

Section 1. Who are Members? Every owner in fee, contract purchaser, or grantor under deed of trust of one or more platted lots shall be deemed for all purposes to be a member of the Association and shall be subject to the payment of annual dues. Each and every platted lot shall likewise be subject to assessment in the manner herein provided. Membership shall be inseparably appurtenant to the lot owned or being purchased by the member, and upon the transfer of ownership or the making of a contract for the sale of such lot, the membership appurtenant thereto shall be deemed to be transferred to the contract purchaser or grantee. No membership may be conveyed or transferred in any other way inter vivos. In the event of the death of a member, his membership passes in the same manner and to the same persons as does the property itself. Membership shall be transferred only in the manner provided in the Articles of Incorporation, and the By-Laws. Classes of membership shall be those as are set forth in the Articles of Incorporation as the same now exist or may hereafter be from time to time amended. Lot owners or purchasers shall have one membership regardless of the number of lots owned or purchased and the interest of each member shall be equal to that of any other member and no member may acquire any interest which will entitle him to any greater voice, vote or authority in the corporation than any other member. The purchaser under a contract of purchase shall be deemed to be an owner for membership purposes. If any tract or tracts are held by two or more persons, the several owners of such interests shall be entitled, collectively, to cast one vote. The vote for any membership owned by a single marital community shall be cast by the husband if both spouses be present, otherwise by the wife, without presentation of authority. No member may withdraw except upon the transfer of title to or contracting for the sale of the lot or lots to which his membership is appurtenant. No compensation shall be paid by the Association upon the transfer of membership and no member whose membership is transferred shall be entitled to share or participate in any of the property or assets of the Association.

Section 2. Dues: For the purpose of financing those charges incurred by reason of the activities of the membership and the construction and acquisition, and operation and maintenance of the common areas, as hereinbefore defined, each member shall be required to pay annual dues to the Association at the time and in the manner and amount as fixed by the Board of Directors pursuant to the By-Laws of the Association.

Section 3. Effect of Forfeiture Upon Dues: In the event any contract for the purchase of a lot, parcel, or tract within the platted subdivision, or in the event of a foreclosure of a mortgage therein against, the Association, or the Declarant, as the case may be, shall have a cause of action against the defaulting contract purchaser or mortgagor, for all sums due, delinquent and unpaid as and for membership dues as herein provided. Provided, that upon such forfeiture or foreclosure, the contract vendor, or purchaser at sale, shall not be obligated for the payment of any dues then due, delinquent and unpaid, and such vendor or purchaser at sale shall take the same free and clear of any lien therefor. This provision shall apply to the Declarant or any other subsequent contract vendor or mortgagee. Provided, nothing herein contained shall limit the Association, or the Declarant, as the case may be, from exercising its right of lien, and the enforcement thereof, in accordance with the terms and conditions in this Declaration and in the By-Laws of the Association contained, against a contract purchaser or mortgagor whose contract has not been declared forfeit or against whose property foreclosure proceedings have not been instituted, nor against an owner in fee of any such lot, parcel, or tract.

ARTICLE IVCovenant for Assessments

Section 1. Type of Assessments: The assessments herein provided for shall consist of the following classes:

- (a) Assessments, the proceeds of which are accumulated in trust over a stipulated period of time to be used in the construction of certain capital improvements as set forth herein;
- (b) Special assessments which may be levied only in a particular year or which may be levied over an extended period of years and which are to be used for the purpose of amortizing monies borrowed for the purpose of constructing, installing, or acquiring certain betterments for the furnishing of utility or other service to the members as hereinafter enumerated or which may from time to time be imposed by the Board of Directors in the manner provided in the By-Laws of the Association.
- (c) Annual assessments, even though collected on a basis other than annually, imposed as charges for the operation and maintenance of diverse utilities, common areas and other services. Such assessments shall include therein reasonable amounts for repair and replacement of utilities furnished to the members and for obsolescence and depreciation.
- (d) Assessments imposed upon an individual member of the Association by reason of certain special services rendered such member.
- (e) Emergency assessments made necessary by reason of common disaster, or gross necessity.

Section 2. Purposes of Assessments. The assessments herein provided for to be levied by the Association from time to time shall be used exclusively to promote the recreation, health, safety and the welfare of the members of the Association and for the improvement and maintenance of the common areas and the lots and residences or other structures situated upon the property, and for the purpose of providing for the furnishing of utilities and other public services to the properties of the Association and its members.

Section 3. Creation of the Lien and Personal Obligation of Assessments: The Declarant for each lot owned within the properties hereby covenants and each owner of any lot by acceptance of a deed or the entry into a contract of purchase therefore, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agree to pay to the Association any and all assessments or charges levied against the property. Such assessments shall be established and collected as in the Articles of Incorporation, By-Laws and this Declaration more particularly provided. From and after the fixing of the assessments or assessment hereinabove enumerated by the Board of Directors of the Association, in the manner in said By-Laws more particularly provided, such assessment or assessments shall be and become a charge upon the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment together with interest, cost, and a reasonable attorney's fee, shall also be the personal obligation of the person who was the owner in fee, contract purchaser, and/or contract vendor of such property at the time of the imposition of the assessment charge. In the event property be transferred subject to delinquent assessments, both the prior owner and the successor in title shall jointly or severally be liable for

the payment of any such delinquencies.

Section 4. Enforcement of Lien and Collection of Assessments: In the event any assessment or assessments shall remain delinquent for a period of thirty (30) days from the date of its imposition, the same may be collected, at the option of the Association, as follows:

- (a) Ten (10) days notice in writing shall be given to the delinquent owner, contract purchaser, and contract vendor to the effect that unless such assessment is paid within ten (10) days, any and all utility services will be forthwith severed and shall remain severed until such assessment be paid; or,
- (b) Collection of such assessment may be made by such lawful method of enforcement, judicial or extra-judicial, as is provided by law; or,
- (c) By foreclosure of lien by suit commenced in the name of the Association in like manner as mortgages of real property are foreclosed. In any such action, the lien here imposed shall be prior to all other liens except (1) tax liens upon property in favor of any assessing unit and/or special district, and (2) all sums unpaid on all mortgages of record. In any suit or action brought to foreclose the lien herein claimed, or for collection in any other manner whatsoever, in addition to the amount of the assessment or assessments, the Association may collect interest at the highest legal rate on the delinquency from date of impressment to date of collection, costs of suit, and a reasonable attorney's fee.

Section 5. Uniform Rate of Assessment: All assessments herein provided for shall be uniform within each class of ownership; i.e. residential, commercial or mobile home. Provided, where, by the nature of any business being conducted upon such property, larger than normal use is made of any utility furnished or service rendered, in that event, the assessment for that particular property upon which the business is located may be adjusted upward as the Board of Directors in their discretion shall determine. Unless otherwise provided herein, assessments may be collected on a monthly, quarterly, semi-annual or annual basis at the discretion of the Board of Directors of the Association.

ARTICLE V

Utilities - Sewage Disposal System

Section 1. Plan for Sewage Disposal. The ultimate plan of sewage disposal for the Sunland project is the construction of sanitary sewers, together with sewage treatment facilities, as necessary, to handle the entire development. Declarant proposes to accomplish the construction of the system and the sewage treatment facility through municipal authorities. The construction of such system is dependent upon two factors. These factors are the interest of the municipal district or political subdivision which is to handle such construction, maintenance and operation, and the wishes of the owners of property within the area to be affected thereby. Assessments for the cost of construction of such system will depend upon its cost, method of construction, number of users, and other variables which at this time cannot be determined with any accuracy. It is believed, however, that the costs will approximate the normal costs of sewer construction of rural type sewers under LID systems or statutory sewer districts. The operation and maintenance assessment will vary according to system requirements, number of users, and other determinant factors. Monthly rates and charges should be compatible with those for operation of like rural sanitary sewer systems.

While developer makes no warranty or representation with respect to the approximate date of the commencement of the construction of such system, it is developer's opinion that such construction will be, in all probability, undertaken within not to exceed thirty-six (36) months from the date of the filing of these Declarations.

Section 2. Present Method of Sewage Disposal. The Olympic Health District has approved for use within all platted subdivisions of Sunland, as of the date of these Declarations, the individual septic tank - drain field effluent disposal system. Soil tests and analysis have been conducted by District and by Declarant which indicate that all properties within the divisions which have been platted and filed of record as of date hereof, does or can be made to percolate sufficiently to comply with minimum standards as set by the District. Therefore, this method is proposed to be used in respect of all platted divisions as set forth in the descriptions attached hereto as Exhibit "A" and Exhibit "B". However, if, as, and when, a sewage disposal system is made available for use within other areas of the Sunland project, the District, the County, or other governmental authority, may, within its jurisdiction, declare the continued use of the individual septic tank - drain field effluent disposal system to be hazardous to the health and welfare of the County, and of the persons resident within the Sunland project and adjacent areas, and require, upon such terms and conditions as may reasonably impose, that each and every lot owner then using the individual septic tank - drain field effluent disposal system to connect to the sanitary sewer system within such time and upon such conditions as the District, or other supervising governmental authority, fixes.

(a) Other methods such as chemical systems, systems providing for the destruction by burning, or other devices, for the disposal of effluent may be used subject to first obtaining approval for such use from the Olympic Health District.

ARTICLE VI

Utilities - Water System

Section 1. Capital Improvements: The water system will be designed, constructed and installed by the Declarant without cost to any lot owner or purchaser. The Declarant does not propose to offer for sale or sell any lots until such time as water is available to any such lot or lots. The Declarant, at its election, agrees to set aside and convey to the Association, following its formation, or at such time as the Association and Declaration may deem expedient, the entire water system and its appurtenances, or, it may retain the same and either provide for maintenance and operation in the furnishing of water by means of Declarant's officers, agents, and employees, or licensees, or may, again at Declarant's election, lease said system to the Association upon such terms and conditions as may be mutually agreed upon.

Section 2. Operation and Maintenance: The Declarant, or in the event the Association accedes to the ownership or operation of the water system shall fix a monthly service charge to be collected which shall be assessed against each and every lot within the platted subdivision for the purpose of defraying operation and maintenance costs of the water system. Such assessment shall be levied and collected against each lot commencing on the first day of the month following the date of purchase by an owner or purchaser, PROVIDED, at the election of the Declarant,

or the Association, as the case may be, the levying of assessments may be deferred until such time as improvements are placed upon the affected lot.

ARTICLE VII

Common Use Areas, Services and Facilities

Section 1. Community Swimming Pool and Tennis Courts. Declarant will construct a swimming pool and tennis courts as shown on the overall plan. These facilities, when constructed, will be maintained and operated by the Association or, if the Association have insufficient funds therefor, by the Declarant until such time as the Association is capable of taking over the maintenance and operation thereof. Declarant agrees to convey to the Association such facilities, and the land upon which same are situate, at such time as all properties within the project have been sold, or at such earlier date as Declarant may elect. Operation and maintenance of the facilities shall be paid for by the collection of annual dues from Association members. In the event the Declarant continues to maintain and operate said facilities, then the Association, upon collection of such annual dues, shall remit same to the Declarant in such amount as shall be mutually agreed upon between the Association and Declarant.

Section 2. Common Areas. Certain common areas may be set aside within the several plats for use as parks and playgrounds, beach areas, or other public areas where members and their invitees may from time to time congregate or make use of. The Association shall be empowered to collect from the members reasonable fees to be established from time to time by the Association for the individual use of such special areas where the facilities are the type to be generally used by a limited number of members of the Association. In other instances, where the type of facility is such as to be available to all members on a general user basis the Association may for this purpose levy and collect annually dues for the purpose of the operation and maintenance thereof. The amount of such dues shall be fixed from time to time by the Board of Directors of the Association as the need therefor develops. The provisions of this paragraph shall be applicable in the event Declarant shall construct a community clubhouse or hall for use by Association members.

ARTICLE VIII

Reserves

Section 1. Reserves for Depreciation and Obsolescence. Wherever herein it is provided that the Association may levy and collect an assessment or dues for any of the several enumerated purposes, such assessment or dues may include therein, at the election of the Board of Directors of the Association, a reasonable amount to be set aside as a reserve for depreciation and obsolescence and for repair and replacement, together with needed capital improvements, of any of the services, facilities, or utilities which the Association may from time to time furnish or cause to be furnished. To this end, accounts shall be established into which shall be paid from time to time such funds as the Board of Directors of the Association shall designate, the same to be accumulated for the aforementioned purposes. Such accumulation shall be invested from time to time by the Treasurer at the direction of the Board of Directors.

Section 2. Time for Payment of Certain Assessments, and Date of Commencement of Assessment. Assessments levied or charges made for the furnishing of garbage and refuse disposal services shall be imposed only upon those properties which are improved and

which by reason thereof have need of and use for such services. Assessments shall commence as of the first day of the month following the improvement of the property to the extent that such garbage and refuse disposal services are required. Assessments and dues for common areas, including swimming pools, parks and playgrounds, and for public services shall be assessed pro rata by the Board of Directors against each and every lot within the platted subdivision or each and every member of the Association, as the case may be, on the first day of the month following the commencement of the furnishing of such services or the availability for use of the common area or facility. Those persons who shall be responsible for and the date specifically mentioned shall be fixed by the Board of Directors of the Association from time to time as need arises.

ARTICLE IX

Duration of Covenants, Reservations and Restrictions

Section 1. The covenants, restrictions and reservations and servitudes herein set forth shall continue in full force and effect from the date of their filing until the first day of January 2000 A.D. after which time they shall be automatically extended for successive periods of ten (10) years each, respectively.

ARTICLE X.

Covenants and Restrictions to Run With Land

Section 1. Who is Bound By? All of the covenants, restrictions, reservations and servitudes set forth herein shall run with the land and the grantees, by accepting the deed to such premises, accepts the same subject to such covenants, restrictions, reservations and servitudes and agrees for himself, his heirs, administrators and assigns to be bound by each such covenants, restrictions, reservations and servitudes, jointly, separately and severally.

Section 2. Jointly and Severally Enforceable. Each and every one of the covenants, restrictions, reservations and servitudes contained herein, shall be considered to be an independent and separate covenant and agreement and in the event any one or more of such covenants, restrictions, reservations and servitudes shall for any reason be held to be invalid or unenforceable, all remaining covenants, restrictions, reservations and servitudes shall nevertheless remain in full force and effect.

Section 3. Enforcement. The Declarant, the Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, the Declarant, or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XI.

Amendment

This Declaration may be amended at any annual or special meeting so called for that purpose by the approving vote of not less than sixty-six and two-thirds (66 2/3%) percent of the lot owners voting in person or by proxy at any duly called meeting.

ARTICLE XII.

Conveyance of Rights and Remedies under this Declaration to Owners Association

Upon such time as the Owners Association is incorporated and has organized itself in the manner provided in its Articles, has adopted By-Laws, elected officers and directors, and is ready to undertake the obligation of enforcing these declarations, then Declarant agrees to convey to the Association all rights to enforce these covenants, conditions, reservations, and restriction and upon such conveyance being made, the Association shall have and shall succeed to all rights and duties with the same powers as if the Association had been named as the sole Declarant.

ARTICLE XIII.

Attorneys Fees

In any action brought by the Association against any lot owner to enforce any term, condition or covenant herein contained, or by the lot owner against the Association to require the Association to enforce the same, the prevailing party shall be entitled to recover, in addition to costs, a reasonable sum fixed by the Court as and for an attorney's fee.

ARTICLE IX.

Merger - Successor in Interest

Section 1. Merger. The existing SUNLAND OWNERS ASSOCIATION, an unincorporated Association, is, by vote of the members thereof, merged into this Association, which assumes all rights, privileges, duties, obligations, and the liabilities of said former Association, with respect to the operation and maintenance of the water system serving the present members of SUNLAND HOMEOWNERS ASSOCIATION.

Section 2. - Successor in Interest. The provisions of the Sales Contract as used by Albert Balch and Jess Taylor for the sale of properties described in Exhibit B, provides for the formation of a non-profit corporation to be known as SUNLAND COMMUNITY CLUB, INC. Such non-profit corporation was never formally organized. It is intended that the herein Association be the successor in interest of such Association, and assume all rights, duties and obligations which said Association would have performed had it been duly and regularly incorporated.

Section 3. - Limitation of Liability. Nothing herein contained, however, shall be deemed to require the declarant, or this Association, to perform any term, condition, or covenant, or agreement as set forth in said referenced Real Estate Contract between Albert Balch and Jess Taylor with respect to any properties described in Exhibit D hereto. Declarant has, by its agreement with the successor in interest of Albert Balch, and its immediate vendor, Dorcas Taylor, individually, and as Executrix of the Estate of Jess Taylor, deceased, agreed to the construction of certain common areas and facilities limited to swimming pool and tennis court. To the extent that declarant shall determine it advisable to construct other facilities and common areas (although declarant has agreed that members of the Association shall have the free use of the beach access area owned by declarant) members of the Association shall have the right of use thereof, subject to the payment of such dues as are fixed from time to time by the Association, for the maintenance and operation of all common areas and facilities. It is understood,

however, that there is no obligation imposed upon declarant to construct any such facilities other than the said swimming pool and tennis courts. The declarant has likewise undertaken to complete construction of an 18 hole golf course for use by the members of the Association, upon terms and conditions imposed by the owners of such golf course, all as more hereinafter particularly set forth. It is declared by these declarations, however, that said golf course is owned by declarant and/or SUNLAND GOLF AND COUNTRY CLUB, INC., a Washington corporation, organized for profit, and is not to be deemed a common area or facility owned by the members of this Association or by the Association.

ARTICLE X

SUNLAND GOLF AND COUNTRY CLUB, INC.

Section 1. Election of Membership In. At the time of contracting for the purchase of any lot described in Exhibit A hereto attached, or any lot or condominium unit which may hereafter be brought under this declaration, by supplemental filing, or which is located within the Sunland project, the purchaser shall elect, upon such Earnest Money Agreement, as to whether or not such purchaser desires to become a member of SUNLAND GOLF AND COUNTRY CLUB, INC., a Washington corporation. Upon so electing, purchaser agrees to pay the annual membership fee to SUNLAND GOLF AND COUNTRY CLUB, INC., as the same is invoiced from time to time. An election having been so made, will be irrevocable, and shall be appurtenant to lot ownership and shall be deemed to be a covenant running with the land, to be transferred and passed on in the manner herein provided for the transfers of membership in the Association. In like manner, lot owners and Association members who have purchased lots located within the properties described in Exhibit B hereto attached may become members, signing an Application therefor as provided by SUNLAND GOLF AND COUNTRY CLUB, INC. Upon acceptance of such Application that member/purchaser shall become a like member as though hereinabove described, subject to the same rights, duties, obligations and liabilities with reference to such membership being appurtenant to ownership and being a covenant running with the land, and in transferring project properties.

Section 2. Non-Owner Members. Nothing herein contained shall prohibit or in any way restrict or limit SUNLAND GOLF AND COUNTRY CLUB, INC., from solicitation and acceptance of membership in SUNLAND GOLF AND COUNTRY CLUB, INC. and all the rights and duties and privileges thereunto appurtenant, from persons who are not members of the Association, or who are not owners of lots located within the Sunland project. The amount of initial membership fee, and the monthly assessments and dues shall be such as are from time to time fixed in the exclusive and sole discretion of SUNLAND GOLF AND COUNTRY CLUB, INC.

Section 3. Open Play. Nothing herein shall be deemed to restrict SUNLAND GOLF AND COUNTRY CLUB, INC., its owners, and operators, assigns and successors in interest, from permitting open play on the golf club owned by said SUNLAND GOLF AND COUNTRY CLUB, INC., at such times and upon such conditions and for such fees, as SUNLAND GOLF AND COUNTRY CLUB, INC., may from time to time fix and determine.

Section 4. Incidence of Membership Do Not Include Ownership.

Anything herein contained to the contrary notwithstanding, membership in, and payment of dues and fees to SUNLAND GOLF AND COUNTRY CLUB, INC., shall vest and no right of ownership whatsoever in such member, such members rights being limited solely to use of such facilities in the manner provided and upon such reasonable terms, rules, and regulations and may be fixed by SUNLAND GOLF AND COUNTRY CLUB, INC., or any committee or committees of members thereof. It is declared that the fee ownership of the golf course, the clubhouse, pro shop, and all equipment used in and about its maintenance and operation, are the sole and exclusive property of SUNLAND GOLF AND COUNTRY CLUB, INC. or the declarant, as the case may be.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have hereunto set their hands and seals on this the 30th day of June 1971.

SUNLAND ASSOCIATES, a
General partnership

By *A. R. [Signature]*

General Partner

STATE OF WASHINGTON)
COUNTY OF Ingham : SS

On this day personally appeared before me S. P. [Signature],
to me known to be the General Partner of SUNLAND ASSOCIATES, a General
Partnership, and 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 30th day of
June 1971.

[Signature]
Notary Public in and for the State
of Washington, residing at [Address]

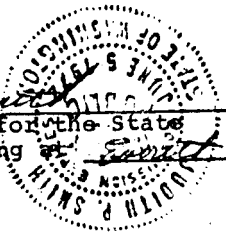


EXHIBIT "A"

PARCEL A:

ALL OF ALBERT BALCH AND JESS TAYLOR'S SUNLAND, CLALLAM COUNTY, WASHINGTON, ACCORDING TO PLAT THEREOF RECORDED IN VOLUME 5 OF PLATS, PAGE 42, EXCEPT LOTS 1 THROUGH 22 OF BLOCK 3 AND LOTS 1 THROUGH 15 OF BLOCK 4.

PARCEL B:

ALL OF ALBERT BALCH AND JESS TAYLOR'S SUNLAND DIVISION NO. 2, CLALLAM COUNTY, WASHINGTON, ACCORDING TO PLAT THEREOF RECORDED IN VOLUME 5 OF PLATS, PAGE 43, EXCEPT THE FOLLOWING LOTS IN THE FOLLOWING BLOCKS:

BLOCK 5 -- LOTS 1 THROUGH 35, 37 AND 38;
 BLOCK 6 -- LOTS 2 THROUGH 6, AND 8 THROUGH 31;
 BLOCK 7 -- LOTS 1, 3, 4, 11, 12, 14, 15, 16, 19, 20, 21 AND 24;
 BLOCK 8 -- LOTS 5, 10, 11, 12, 14, 15, 17 AND 18;

PARCEL C:

ALL OF ALBERT BALCH AND JESS TAYLOR'S SUNLAND DIVISION NO. 4, CLALLAM COUNTY, WASHINGTON, ACCORDING TO PLAT THEREOF RECORDED IN VOLUME 5 OF PLATS, PAGE 53, 54, 55, 56 AND 61, EXCEPT THE FOLLOWING LOTS IN THE FOLLOWING BLOCKS:

BLOCK 9 -- LOTS 1, 2, 4, 5, 6, 7, 8, 40, 43, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 71, 72, 74 AND 75;
 BLOCK 10 -- LOTS 1, 2, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 AND 16;
 BLOCK 12 -- LOTS 20 THROUGH 23 AND 25 THROUGH 40, BOTH INCLUSIVE;
 BLOCK 20 -- LOTS 1, 2, 4, 5, 7, 11, 12, 13, 14, 15, 16, 17, 18, 19 AND 20;
 BLOCK 21 -- LOTS 2 AND 4.

PARCEL D:

ALL OF ALBERT BALCH AND JESS TAYLOR'S SUNLAND DIVISION NO. 5, CLALLAM COUNTY, WASHINGTON, ACCORDING TO PLAT THEREOF RECORDED IN VOLUME 5 OF PLATS, PAGE 57, EXCEPT THE FOLLOWING LOTS IN THE FOLLOWING BLOCKS:

BLOCK 11 -- LOTS 8, 44, 45, 46, 49 AND 50;
 BLOCK 12 -- LOTS 1, 2, 3, 4, 5, 9, 11, 13, 15, 18, 19, 53, 55, 56, 57, AND 58;

PARCEL E:

ALL OF ALBERT BALCH AND JESS TAYLOR'S SUNLAND DIVISION NO. 6, CLALLAM COUNTY, WASHINGTON, ACCORDING TO PLAT THEREOF RECORDED IN VOLUME 5 OF PLATS, PAGE 65, EXCEPT THE FOLLOWING LOTS IN THE FOLLOWING BLOCKS:

BLOCK 13 -- LOTS 1, 2 AND 4;
 BLOCK 14 -- LOTS 7 AND 12;

EXHIBIT "B"

The following parcels in Albert Balch and Jess Taylor's Sunland, Clallam County, Washington, according to plat thereof recorded in Volume 5 of Plats, pages 42 through 65:

DIVISION 1: Lots 1 through 22 of Block 3 and Lots 1 through 15 of Block 4.

DIVISION 2: Block 5 -- Lots 1 through 35, 37 and 38;
Block 6 -- Lots 2 through 6, and 8 through 31;
Block 7 -- Lots 1,3,4,11,12,14,15,16,19,20, 21 and 24;
Block 8 -- Lots 5,10,11,12,14,15,17 and 18;

DIVISION 4: Block 9 -- Lots 1,2,4,5,6,7,8,40,43,50,51, 52,54,55,56,57,58,59,60,61,62, 63,71,72,74, and 75;
Block 10-- Lots 1,2,6,7,8,9,10,11,12,13, 14,15 and 16;
Block 12-- Lots 20 through 23 and 25 through 40, both inclusive;
Block 20-- Lots 1,2,4,5,7,11,12,13,14, 15,16,17,18,19 and 20;
Block 21-- Lots 2 and 4.

DIVISION 5: Block 11-- Lots 8, 44, 45, 46, 49 and 50;
Block 12-- Lots 1,2,3,4,5,9,11,13,15,18, 19,53,55,56,57, and 58;

DIVISION 6: Block 13-- Lots 1, 2 and 4;
Block 14-- Lots 7 and 12

*See Amendments
filed Oct 8, 1981
Set Val. 6/11 page 535*

FILED FOR RECORD AT THE REQUEST
OF MICHAEL NATIONAL TITLE INS. CO.
RECORDED IN RECORDS OF CLALLAM CO.
1971 JUL -1 P. 13:18

404446

1971 357 233
L. C. THORNTON, AUDITOR
CLALLAM COUNTY, WASH.
BY *[Signature]*

Mail TO:

S. P. Putnam.
1801 Hewitt - Room 207
Commerce Building
Everett, Washington
98201