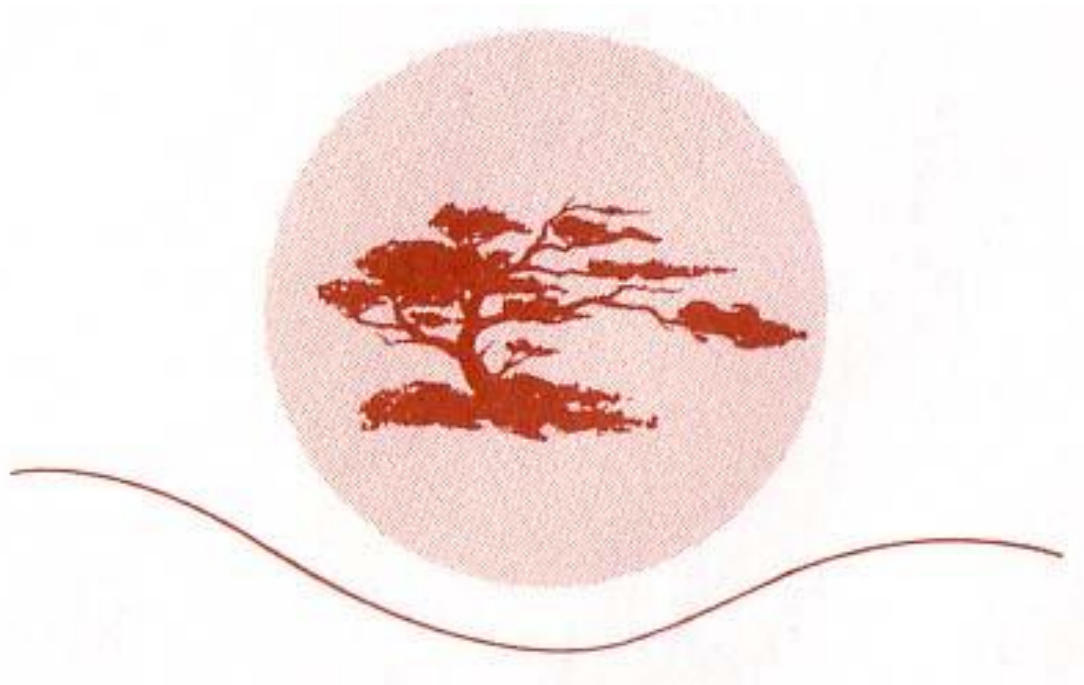


Salishan Hills

Declaration



The management of Salishan Hills provides these documents as a service to unit owners. The Board has attempted to incorporate the latest revisions to all documents. However, if a person is reviewing these documents for other than

general informational purposes, he/she is encouraged to consult an attorney and obtain the actual recorded Plan, Declaration, and Bylaws from the Lincoln County Recorder's office.

This document incorporates the original Declaration filed 1-17-76 in Lincoln County, Oregon, Book 63, Pages 1895-1901 and the Amendments filed 12-4-93 in Lincoln County, Oregon, Book 272, Pages 1605-1609.

THE SALISHAN HILLS DECLARATION

AS AMENDED AT THE ANNUAL MEETING OF JULY 1993 AND REGISTERED IN LINCOLN COUNTY, OREGON, DECEMBER 4, 1993, SUBJECTING SALISHAN HILLS I TO THE PLAN OF SALISHAN HILLS

By instrument dated January 17, 1976 and recorded on January 28, 1976 in Book 62 of the Records of Deeds of Lincoln County, Oregon at Page 309, SALISHAN HILLS, INC., an Oregon corporation, "the Developer", has established the Plan of Salishan Hills.

The Plan of Salishan Hills contemplates that Developer will organize within Salishan Hills a number of residential areas.

Developer has determined upon a development plan for Salishan Hills. The plan contemplates that Salishan Hills will be a community with diverse types of dwelling arrangements. Homes within Salishan Hills will be attractive either for permanent residence or for recreational use. Owners of homes within Salishan Hills will have available common areas for their use as set forth in the Plan of Salishan Hills.

Developer proposes to establish and maintain a high standard for the improvement of private areas within Salishan Hills to the end that property within Salishan Hills will have a continuing value for those who acquire it.

On April 13, 1976, Developer filed a plat entitled Salishan Hills I, which plat is recorded in Book 12 of the Records of Plats of Lincoln County, Oregon at Page 15. The area described on such plat is an area in which homes will be single-family houses on individual lots. Developer now wishes to subject the area known as Salishan Hills I described on such plat to the Plan of Salishan Hills and to make provision for the conditions upon which private areas within such property may be used.

NOW, THEREFORE, Developer does hereby declare and provide as follows:

SECTION 1 - Definitions

When used herein the terms referred to below shall have the following meanings:

- 1.1 "Salishan Hills I" is that property described on the plat of Salishan Hills I identified above.
- 1.2 Incorporation by reference. Each of the terms defined in Section 1 of the Plan of Salishan Hills shall have the meanings set forth in such Section 1.
- 1.3 "Improvement" shall mean every building or structure of any kind, fence, wall, driveway, sewage facilities or other product of construction if it is on or in respect of land.

SECTION 2 - Establishment of Salishan Hills I

2.1 Plan of Salishan Hills. Pursuant to Section 2.1 of the Plan of Salishan Hills, Developer hereby declares as follows:

(a) All property within Salishan Hills I shall be subject to and entitled to the benefits of all of the terms, benefits, covenants, conditions and restrictions contained in the Plan of Salishan Hills. Among other things, each unit owner shall enjoy the easements set forth in Section 2.3 and 2.4 thereof, will be required to pay the maintenance assessments for which provision is made in Section 5 thereof, will be subject to the fines and penalties for which provision is made in Section 9 and property owned by them will be subject to liens as provided in Section 9.

(b) Each numbered lot shown on the plat of Salishan Hills I shall constitute a private area for purposes of the Plan of Salishan Hills. Each such lot shall constitute a "unit" within the meaning of Section 1.17 of the Plan of Salishan Hills. The owner of each lot shall be a "unit owner" within the meaning of Section 1.18 of the Plan of Salishan Hills.

(c) Areas designated on the plat of Salishan Hills I as "Tract B" shall be common areas for all purposes of the Plan of Salishan Hills.

(d) Areas designated on the plat of Salishan Hills I as Tract A shall be private ways for all purposes of the Plan of Salishan Hills.

Section 3 - Declaration as to Restrictions on the Use of Private Areas and Common Areas Within Salishan Hills I

3.1 Declaration of restrictions. All private areas and common areas, if any, within Salishan Hills I are held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved only in accordance with the provisions made in this instrument and in the Plan of Salishan Hills.

3.2 Use and occupancy of private areas. Each unit owner within Salishan Hills I shall be entitled to the exclusive use and benefit of each unit owned by him, except as otherwise expressly provided herein and in the Plan of Salishan Hills.

3.3 Provisions affecting construction and alteration of improvements in private areas. No person shall construct or reconstruct any improvement, or alter or refinish the exterior of any improvement on any unit, make any excavation or fill on a unit, make any change in the natural or existing surface drainage of a unit or install a utility line, outside antenna or other outside wire on a unit unless such person has first obtained the consent thereto of the Design Committee.

3.4 General provisions for and restrictions on use of private areas.

(a) Maintenance. The grounds of and improvements on each unit shall be maintained in a clean and attractive condition in good repair and in such fashion as to eliminate any fire or other potential hazard.

(b) Residential use. No buildings other than a single-family dwelling unit, a garage for private use and a guest house or servants' quarters may be constructed on any unit. Any guest house or servants' quarters may be used only by the immediate family or servants of the unit owner or the lessee of a unit and by his guests. No single family dwelling, guest house, or servants' quarters may be rented or leased for a term of less than 90 consecutive days. The rent/lease agreement form shall be filed with the Manager. Subleasing is prohibited.

(c) Temporary structures. Temporary structures which have been approved by the Design Committee shall be permitted on a unit during the period of construction of a dwelling house. However, any such

temporary structure shall be removed within 30 days after completion of the dwelling house or within one year after the date upon which the temporary structure was erected, whichever period first expires.

(d) Appearance. All garbage, trash, cuttings, refuse, garbage and refuse containers, oil tanks, clothes lines and other service facilities, shall be screened from view, from neighboring units and from common areas in a manner approved by the Design Committee.

(e) Signs. No signs shall be placed or kept on any unit other than signs stating the name of the occupant and the address of the unit except that in the event an owner wishes to advertise his unit for sale or lease he may do so provided that he shall use for that purpose a sign provided by or approved by the Administrator and placed at a location specified by the Administrator.

(f) View. In some cases it will be important that unit owners restrict the height to improvements on their units and the height of vegetation and trees growing thereon to the end that the view of other unit owners shall be preserved to the greatest extent possible. Limitation as to the height of improvements will be accomplished through the provisions contained in Section 3.3. The Design Committee shall have the responsibility for determining what trees or other vegetation on a unit unreasonably interfere with the view of other unit owners. It is not the intention to remove trees or vegetation, which were on the property when it sold. The intent is to possibly control growth in the future. In any case in which the Design Committee shall determine that there is such interference it shall send a notice in writing to the unit owner on whose unit the offending trees or vegetation are located, which notice shall set forth the extent to which trees or vegetation shall be pruned or removed. If within 30 days of receipt of such notice the unit owner of the unit to which notice has been addressed has not caused the trees or other vegetation to be pruned or removed to the extent required by the Design Committee, the Administrator of Salishan Hills may direct the work to be done at the expense of the unit owner who has requested the pruning or removal of such trees or other vegetation.

(g) Offensive activities. No offensive activity shall be carried on in any unit nor shall anything be done or placed upon any unit which interferes with or jeopardizes the enjoyment of other units or common areas.

3.5 Uses prohibited without Design Committee consent. Unless the consent of the Design Committee has first been obtained none of the following shall be done on any unit or any common area:

(a) No exterior lighting or noise-making devices shall be installed or maintained.

(b) No trees larger than 6 inches in diameter shall be removed; also no trees or vegetation, the removal of which would adversely effect drainage or erosion control, shall be removed. No trees, shrubs or other vegetation shall be planted that will obstruct the view of other owners.

3.6 Uses prohibited without the consent of the Administrator. Except with the consent of the Administrator of Salishan Hills, no unit or common area, if any, in Salishan Hills I shall be used in any of the following ways:

(a) No trailer, truck camper, motor home, boat or boat trailer shall be placed or kept thereon if visible from any other unit or from roadways or common areas.

(b) No animals of any kind shall be raised, kept or permitted other than a reasonable number of domestic household pets which are not kept, bred or raised for commercial purposes and which are reasonably controlled so as not to be a nuisance to other units. Pets will be subject to Rules and Regulations as provided for in the Plan of Salishan Hills

(c) No commercial activities of any kind shall be carried on unless specific approval has been granted by the Administrator.

(d) No exterior fires shall be permitted other than properly contained barbecue fires. No trash disposal fires shall be allowed.

(e) No person shall reside thereon until construction of the main residence thereon has been substantially completed, except as provided in Section 3.4(c).

(f) The Administrator may make rules and regulations of general applicability governing the extent to which any of the foregoing shall be permitted and which shall become a part of the Salishan Hills Rules and Regulations.

Section 4 - Design Committee Consent

In all cases in which Design Committee consent is required hereunder the following provisions together with the provisions contained in the Plan of Salishan Hills shall apply.

4.1 Major construction. In the case of initial or substantial additional construction of a dwelling the unit owner shall first give the Design Committee notice of his intentions and obtain from the Design Committee any site studies it has made of the unit owner's parcel. Thereafter the unit owner shall proceed to prepare and submit to the Design Committee such plans and specifications for the proposed work as the Committee may require. Material required by the Committee may include, but not necessarily be limited to, the following:

(a) A plot plan including contours, location of existing trees, plants and other significant natural features, grading and drainage plan, proposed removal of trees, landscaping plan, location of utility installations, location of all improvements, driveways and parking areas.

(b) Working drawings and specifications for all construction.

(c) Drawings showing elevations, exterior materials and exterior color scheme of all improvements.

(d) The Design Committee will consider requests for approval only from owners of Salishan Hills property. Approvals of the Design Committee may not be transferred. The Design Committee shall render its decision with respect to the proposal within 30 days after it has received all material required by it with respect thereto.

4.2 Minor Work. In the case of minor additions or remodeling, change of existing exterior color scheme or exterior material, removal or planting of trees, shrubs or other vegetation, or any work not referred to in Section 4.1 above, the unit owners shall submit to the Design Committee such plans and specifications for the proposed work as the Committee determines to be necessary to enable it to evaluate the proposal. The Design Committee shall render its decision with respect to the proposal as quickly as is reasonably possible but in no event later than 30 days after it has received all material required by it with respect thereto. A lack of response within 30 days would constitute an approval.

4.3 Design Committee discretion. The Design Committee may in its sole discretion withhold consent to any proposed work if the Committee finds that the proposed work would be inappropriate for the particular unit or incompatible with the high design standards that Developer intends for Salishan Hills. Considerations such as siting, shape, size, color, design, height, impairment of the view from other parcels within Salishan Hills or other effect on the enjoyment of other parcels or common areas, disturbance of existing terrain and vegetation, and any other factors which the Design Committee reasonably believes to be relevant, may be taken into account by the Committee in determining whether or not to consent to any proposed work. The Salishan Planned Development is exempt from Lincoln County yard setback requirements by a variance granted June 22, 1970. The Design Committee for Salishan Hills shall be the governing body.

4.4 Design Committee's failure to act. In the event the Design Committee fails to render its decision with respect to any proposed work within the time limits set forth above, the Committee shall conclusively be deemed to have consented to the proposal.

4.5 Effective period of consent. Design Committee consent to any proposed work shall automatically be revoked one year after issuance unless construction of the work has commenced or the unit owner has applied for and received an extension of time from the Design Committee.

4.6 Completion of authorized work. Unless the consent of the Design Committee has first been obtained, the residential building constructed on a unit must be completed within a period of one year from the date upon which construction of the same was commenced.

4.7 Notice upon completion. Promptly after completion of any work covered by Section 4.1 herein the unit owner shall give written notice of completion to the Design Committee. Within 30 days after receipt of such notice the Committee shall inspect the completed work and give written notice to the unit owner of any respects in which the completed work fails to conform to the plans and specifications therefore as consented to by the Design Committee and is found to be objectionable by the Design Committee. The Design Committee shall specify in such notice a reasonable period, not less than 30 days, in which the owner may remedy the nonconformance. In the event a notice of nonconformance and requirement of cure is not given within such 30-day period, the Committee shall conclusively be deemed to have consented to the work as completed.

4.8 Appeal of Design Committee decisions. Any owner who disagrees with a decision of the Design Committee may submit a written appeal to the Salishan Hills Board of Directors. Such written appeal must be filed within 30 days from the written notification to the owner of the Design Committee decision. The Board of Directors must act within 30 days of receipt of the appeal. The judgement of the Board of Directors shall be final. A lack of response within 30 days to the written appeal to the Board of Directors would constitute an approval of that appeal.

SECTION 5 - Classification of Lots and Reservation of Easements

Each lot in Salishan Hills I shall be classified in accordance with Section 1.17 of the Plan of Salishan Hills into two parts - the "buildable area" and the "open area". The primary view shall also be indicated. The classification of each lot and indication of the primary view shall be made not later than the time of and shall be described in the conveyance of the lot by Developer to the unit owner, provided, however, that the classification may thereafter be changed with the approval of the Design Committee by an instrument executed and acknowledged by the unit owner and the Administrator of Salishan Hills and recorded in the Deed Records of Lincoln County, Oregon.

Developer reserves for itself and its successors and assignees an easement on the entire open area portion of each within Salishan Hills I solely for the purpose of laying, maintaining and replacing under-the-ground water, electrical, telephone, television, sewage and other utility lines and facilities and developing, using and maintaining walking trails.

SECTION 6 - Miscellaneous

6.1 Amendment and repeal. With the consent of the Administrator of Salishan Hills any provisions of this Salishan Hills I Declaration may at any time be amended or repealed or provisions may be added by any of the following methods:

- (a) While Developer retains the beneficial ownership of 50 percent or more of the units within Salishan Hills I, by written consent of unit owners owning 75 percent of the units within Salishan Hills I; or
- (b) Unit owners owning 75 percent of the units within Salishan Hills may consent in writing to the amendment or repeal of a provision or to the addition of new provisions; or
- (c) Any association organized for Salishan Hills may consent to such amendment, repeal or addition.

The association shall be deemed to have consented to the amendment or repeal of a provision contained in this Salishan Hills I Declaration or to the addition of a new provision if the following procedure shall have been followed:

- (1) The board of directors of the association shall have adopted a resolution setting forth the proposed amendment, provision for repeal or proposed additional provision and directing that it be submitted to a vote at a meeting of the members, which may be either an annual or a special meeting.
- (2) Written notice setting forth the proposed amendment, provision for repeal or proposed additional provision, or a summary of the changes to be effected thereby, shall be given to each unit owner within Salishan Hills at least 60 days prior to the time of the meeting at which the proposed amendment, provision for repeal or proposed additional provision is to be considered.
- (3) At the meeting of the members at which the proposed amendment, provision for repeal or proposed additional provision is to be considered, the proposed amendment, provision for repeal or proposed additional provision shall be submitted to a vote of the members. The proposed amendment, provision for repeal or proposed additional provision shall be adopted upon receiving two thirds of the votes entitled to be cast by all of the members of the association.

No areas designated as common areas may be alienated by the association without the approval of all holders of mortgages or trust deeds on units within Salishan Hills.

Any amendment or repeal of a provision of this Salishan Hills I Declaration or additional provision shall become effective only upon the filing in the Records of Deeds of Lincoln County, Oregon, of a certificate of the president, secretary or assistant secretary of the Administrator of Salishan Hills setting forth in full the amendment,

amendments, additional provision or repeal approved as provided in this Section and certifying that said amendment, amendments, additional provision or repeal have been approved in the manner required therefore herein.

6.2 Duration. The covenants and provisions contained herein shall run with the land affected thereby and shall be and remain in full force and effect at all times with respect to all property included within Salishan Hills I and the unit owners thereof for an initial period of 45 years commencing with the date on which this Declaration is recorded. Thereafter such provisions and covenants shall continue to run with the land and be and remain in full force and effect at all times with respect to all property in Salishan Hills I affected thereby and the unit owners thereof for successive additional periods of ten years each. The continuation from the initial or any additional period into the next subsequent period shall be automatic and without the necessity of any notice or consent whatever, provided, however, that such provisions and covenants may be terminated at the end of the initial or any additional period by the method provided in Section 6.1 for the amendment, repeal or addition of a provision to this Salishan Hills I Declaration. Any such termination shall become effective upon the filing in the Records of Deeds of Lincoln County, Oregon, of a certificate of the president, secretary or assistant secretary of the Administrator of Salishan Hills certifying that termination as of a specified termination date has been approved in the manner required therefore herein not less than one year prior to the intended termination date.

6.3 Construction; severability; number; captions. This Salishan I Declaration shall be construed as an entire document to accomplish the purposes stated in the introductory paragraphs of this Declaration. Nevertheless, each provision of this Salishan Hills I Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision.

As used herein the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Salishan Hills I Declaration.

This document incorporates the original Declaration filed 1-17-76 in Lincoln County, Oregon, Book 63, Pages 1895-1901 and the Amendments filed 12-4-93 in Lincoln County, Oregon, Book 272, Pages 1605-1609.