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RETURN ADDRESS:

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Document Title(s) (or transactions contained therein):	
1.	Declaration of Covenants, Conditions, Restrictions and Easements for Salishan
2.	
Grantor(s) Name (last, first, and initials):	
1.	Salishan
2.	
<input type="checkbox"/> Additional Names on Page _____ of Document	
Grantee(s) Name (last, first, and initials):	
1.	The Public
2.	
<input type="checkbox"/> Additional Names on Page _____ of Document	
Legal Description (Abbreviated i.e. lot/block and plat or section, township and range)	
Sections 14, 15 and 22 of Township 20 N Range 2 E.	
<input type="checkbox"/> Legal Description is on Exhibit A of Document.	
Reference Number(s) of Documents Assigned or Released:	
1.	Plat recording number: _____
<input type="checkbox"/> Additional Reference Numbers on Page _____ of Document	
Assessor's Tax Parcel / Account Number(s)	
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[Salishan CCRs (4)]

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SALISHAN

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

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SALISHAN

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

This Declaration of Covenants, Conditions, Restrictions and Easements for Salishan ("Declaration") is made this 23rd day of MAY, 2006 by the Housing Authority of the City of Tacoma, a housing authority organized under RCW Ch. 35.82 ("Declarant").

ARTICLE 1 DECLARATION

1.1 Overall Purpose.

Declarant owns the real property described on Exhibit A (the "Property"). It intends to create a general plan of development for the master planned residential community known as Salishan. This Declaration provides for the overall development, administration, maintenance, and preservation of the community. Initially, the Declaration applies only to land described on Exhibit "A", which is the first phase of Salishan, but the Declaration provides a procedure for the future expansion of Salishan to include additional phases on the property described on Exhibit B. An integral part of the development plan is the creation of the Salishan Association. This Association is comprised of all owners of real property within the Property. The Association will operate and/or maintain various common areas and community improvements, and administer and enforce this Declaration. The Declaration is adopted for the mutual and reciprocal benefit and protection of all present and future Owners, invitees and tenants within Salishan. It is intended to protect the value of the Property within Salishan and to insure that the Property will be planned, developed, used and improved under high standards of architecture, site planning, engineering, design, construction and maintenance.

1.2 Declarant's Unique Interest

Declarant is a housing authority organized under state law for the purpose of fostering and maintaining affordable housing for low income persons and families. Consistent with that purpose, portions of the Property are currently subject to restrictive covenants for the benefit of the United States of America acting by and through the Secretary of Housing and Urban Development ("HUD"), requiring that

such portions be operated and maintained consistent with HUD regulations and other restrictions. Declarant also has additional obligations to HUD and others under other contracts and regulations. This Declaration is intended and shall be interpreted to further those purposes and obligations. In part to fulfill Declarant's legal purpose and obligations, it will retain ownership of substantial portions of the Property, leasing such portions to other entities that will construct and maintain housing. Because of its ongoing ownership, obligations and interest, Declarant will have a special and permanent role in the Association.

1.3 Binding Effect.

All property described on Exhibit A ("the Property"), and any additional land that is later made a part of the Property as set forth below, shall be owned, conveyed, and used subject to all of the provisions of this Declaration, which shall run with the title to such property. Except as otherwise specifically provided, this Declaration shall be binding upon all persons having any right, title or interest in any portion of the Property, their heirs, successors and assigns.

ARTICLE 2 DEFINITIONS

For purposes of this Declaration, terms shall be defined as follows:

2.1 Areas of Common Responsibility.

"Areas of Common Responsibility" shall mean all of the real and personal property the Association maintains relating to the Property. The term includes the Common Areas such as parks and wetland tracts (see definition of Common Areas in 2.8 below), most of which are owned by the Association. It also includes other areas for which the Association has or assumes maintenance responsibility, such as landscaped medians within street right-of-ways. These other areas can be made the Association's responsibility by the Declaration, any Supplemental Declaration, or other applicable covenants, contracts or agreements. The term "Areas of Common Responsibility" also includes any Improvements associated with such areas. The property that initially makes up the Areas of Common Responsibility is described on Exhibit C to this Declaration.

2.2 Articles of Incorporation.

"Articles of Incorporation" shall mean the articles of incorporation of Salishan Association as filed with the Washington Secretary of State, and as they may be amended.

2.3 Association.

“Association” shall mean Salishan Association, a Washington non-profit corporation, its successors and assigns.

2.4 Assessments

“Assessments” shall mean the charges levied by the Association under Article 6, in the following categories:

2.4.1 Base Assessment. “Base Assessment” shall mean assessments levied on all Units subject to assessment under Article 5 to fund Common Expenses.

2.4.2 Special Assessments. “Special Assessments” shall mean assessments levied under Section 6.6.

2.4.3 Specific Assessments. “Specific Assessments” shall mean assessments levied under Section 6.7.

2.5 Board of Directors.

“Board of Directors” shall mean the body responsible for administration of the Association, selected as provided in the Declaration and the Bylaws, and serving as the Board of Directors under Washington law.

2.6 Builder.

“Builder” shall mean any Person who purchases one or more Units for the purpose of constructing dwellings for later sale or rent to consumers, or who purchases one or more parcels of land within the Property for further subdivision, development and/or resale in the ordinary course of such Person’s business.

2.7 Bylaws.

“Bylaws” shall mean the Bylaws of Salishan Association (attached to this Declaration as Exhibit D) as they may be amended.

2.8 Common Area.

“Common Area” shall mean all real and personal property, including easements, which the Association owns or leases, or in which it otherwise holds possessory or use rights for the common use and enjoyment of the Owners. Without limitation, Common Areas include parks, stormwater facilities (including biofiltration swales), wetlands and wetland buffers, landscaped tracts, common mailboxes, irrigation systems, entry monuments, signage, and other property

conveyed to the Association by Declarant. The term Common Areas includes Improvements on such areas. Common Areas are included within the term "Areas of Common Responsibility (see 2.1 above), but that term also includes other property such as median strips that are maintained by the Association but are not owned by the Association.

2.9 Common Expenses.

"Common Expenses" shall mean the actual and estimated expenses incurred or anticipated to be incurred by the Association for the general benefit of all Owners, including any reasonable reserve, all as may be found necessary and appropriate by the Board under this Declaration, the Bylaws and Articles of Incorporation.

2.10 Community-Wide Standard.

"Community-Wide Standard" shall mean the standard of conduct, maintenance or other activity generally prevailing throughout the community of Salishan. Such standard shall initially be established by Declarant and may contain objective and subjective elements, and may evolve as development of Salishan progresses.

2.11 Construction Committee.

"Construction Committee" shall mean the committee described in Article 8 with responsibility for the review of construction in Salishan.

2.12 Declarant.

"Declarant" shall mean the Housing Authority of the City of Tacoma and any successor or assign who takes title to any portion of the Property for the purpose of development and/or sale, but only if such successor or assign is designated as Declarant in a recorded instrument executed by the immediately preceding Declarant. Upon such designation of a successor Declarant, all rights of the former Declarant to such status under this Declaration shall cease, and there shall only be one "Declarant" at any one point in time.

2.13 Declaration.

"Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions and Easements for Salishan as it may be amended or supplemented.

2.14 Design Guidelines.

"Design Guidelines" shall mean the Salishan Design Guidelines adopted pursuant to Section 8.4 below as they may be amended.

2.15 Governing Documents.

“Governing Documents” shall mean collectively the Declaration, the Articles, the Bylaws, the Design Guidelines and the Rules and Regulations.

2.16 Improvement.

“Improvement” shall mean any structure, building, sign, fence, wall, landscaping or other planting, parking area, driveway, stormwater system or other utility, and any other improvement located on any portion of the Property.

2.17 Long Term Leases.

“Long Term Leases” shall mean leases of land and buildings for at least 30 years by Declarant to others. The Long Term Leases in the first phase of development are described on Exhibit E.

2.18 Maintenance and Maintain.

“Maintenance” and “Maintain” as used in connection with the obligations of the Association and Owners shall include regular maintenance, as well as repair and replacement.

2.19 Member.

“Member” shall mean a Person who owns a Unit and is therefore a member of the Association under this Declaration.

2.20 Mortgage.

“Mortgage” shall mean a mortgage, deed of trust, deeds to secure debt, or any other form of security instrument affecting title to any Unit. A “Mortgagee” shall refer to a beneficiary or holder of a Mortgage.

2.21 Owner.

“Owner” shall mean one or more Persons who hold the record title to any Unit, but excluding any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, the purchaser (rather than the fee owner) will be considered the Owner. Special provisions for the Owners of parcels that are the subject of Long Term Leases are set forth in Section 3.4 below.

2.22 Ownership Unit.

“Ownership Unit” shall mean a single-family dwelling Unit, attached or detached: (a) initially constructed for the purpose of sale to an individual, family or housekeeping unit; or (b) already owned by Declarant and sold to an individual, family or housekeeping unit. The Ownership Units in the first phase of development are designated on Exhibit E. The designation of Ownership Units is established based on initial construction as set forth on Exhibit E, and the fact that an Ownership Unit may, at some time, be rented does not change that designation.

2.23 Person.

“Person” shall mean a natural person, a corporation, a partnership, a limited liability company, a trustee, or any other legal entity.

2.24 Property.

“Property” shall mean the real property described on Exhibit A, together with such additional property as may be subjected to this Declaration under Article 14.

2.25 Rental Unit.

“Rental Unit” shall mean a single-family dwelling Unit, attached or detached, initially constructed for the purpose of rental to an individual, family or housekeeping unit. The Rental Units in the first phase of development are designated on Exhibit E.

2.26 Rules and Regulations or Rules.

“Rules and Regulations” or “Rules” shall mean rules and regulations adopted by the Board under authority of the Governing Documents.

2.27 Salishan.

“Salishan” shall mean the master planned community known as Salishan developed by Declarant, including Rental Units, Home Ownership Units, community facilities, parks and open spaces.

2.28 Senior Housing Units.

“Senior Housing Units” are Rental Units that are age-restricted consistent with the Fair Housing Act, 42 USC 3601 et seq. Senior Housing Units are distinguished from other Rental Units only for purposes of establishing Base Assessments under Section 6.4. In all other respects, Senior Housing Units shall be treated as Rental Units.

2.29 Supplemental Declaration.

“Supplemental Declaration” shall mean an amendment or supplement to the Declaration, filed under Article 14, which subjects additional property to the Declaration and/or imposes additional or modified covenants, conditions or restrictions.

2.30 Unit.

“Unit” shall mean a portion of the Property, whether improved or unimproved, that may be independently owned or occupied, and that is intended for development, use and occupancy as an attached or detached housing residence for a single family. The term shall also refer to the land, if any, which is part of the Unit as well as any Improvements thereon. In the case of a building within a condominium, apartment or other structure containing attached dwellings, each dwelling shall be deemed a separate Unit. Special provisions for Units which are the subject of Long Term Leases are set forth in Section 3.4 below.

Until dwelling units are completed and ready for occupancy, a parcel of vacant land, or land on which improvements are under construction, shall be deemed to contain the number of Units designated for such parcel on the preliminary plat or site plan most recently approved by the City of Tacoma.

2.31 Use Restrictions.

“Use Restrictions” shall mean the initial Use Restrictions set forth in Exhibit “F” as they may be amended under Article 9.

ARTICLE 3 THE ASSOCIATION AND ITS MEMBERS

3.1 Function of Association.

The Association is the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility, including the Common Area. The Association is also the entity primarily responsible for enforcement of the Declaration. The Association shall perform its functions in accordance with the Declaration, the Articles and the Bylaws, applicable City of Tacoma Codes and Washington law.

3.2 Membership.

Every Owner shall be a Member of the Association. There shall be only one membership per Unit. If more than one person owns a Unit, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in the Bylaws. All such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner that is not a natural person may be exercised by the officer, director, partner, trustee, or other individual designated from time to time by the Owner in a written instrument provided to the secretary of the Association. Special provisions concerning property subject to Long Term Leases are set forth in Section 3.4.

3.3 Voting Rights.

The primary means by which Owners will exercise power is through election of Directors as described below. As to any matters on which Owners vote directly, including the election of representative Directors, each Owner shall have one vote for each Unit owned by such Owner. Each Unit is allotted one vote regardless of the number of Persons who own the Unit. If the Owners of a Unit are unable to agree as to a vote, they shall forfeit their right to vote on that issue.

3.4 Special Provision Regarding Long Term Leases.

Declarant's intention is to execute Long Term Leases of certain parcels to other entities that will construct and maintain Rental Units. The Long Term Leases in the first phase of development are designated on Exhibit E. In such cases, the Declarant, as the Owner of the land and buildings, shall have all voting rights for the Units. However, the Declarant may agree in writing to assign all or any part of the voting rights associated with the Units to the tenant under the Long Term Lease. Notwithstanding any other provision of the Governing Documents, the tenant under a Long Term Lease shall have all obligations of the Owner under the Governing Documents as to the leased parcel, including, but not limited to, the obligation to pay assessments, the obligation to maintain the Unit, and all obligations with respect to use and improvement of the Units, and use of the Common Areas. As to all such obligations under the Governing Documents, the term "Owner" shall include the Long Term Lease tenants.

3.5 Management of Common Areas and Enforcement of Declaration.

The Association shall have the sole authority and obligation to manage and administer the Common Areas, and the primary authority to enforce this Declaration. Such authority shall include all authority provided for in the Articles, Bylaws, Rules

and Regulations and all the authority granted the Association by the Declaration either directly or by necessary implication.

3.6 Indemnification of Officers, Directors and Others.

To the extent allowed by Washington law, the Association shall indemnify and hold harmless every member, officer, director and committee member against all damages, liabilities and expenses, including attorney's fees, reasonably incurred in connection with any suit or proceeding (including settlement if approved by the Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member.

ARTICLE 4 BOARD OF DIRECTORS

4.1 Authority of the Board.

The Board, for the benefit of the Owners, shall have all of the powers and duties necessary for the administration of the Association's affairs and for the execution of the Association's rights and responsibilities as set forth in the Governing Documents and as provided by law. The Board may do all things not reserved by law or the Governing Documents exclusively to the Members.

4.2 Number of Directors.

The size and make up of the Board are intended to reflect: the different interests of Rental and Ownership Unit Owners, Declarant's unique interest as described in Section 1.2 above, and the fact that the Association will expand and change as the community grows over time.

4.2.1 Initial Board. Initially, the Board shall be comprised of three (3) Directors, one representing the Ownership Units and two (2) representing the Rental Units. The Declarant shall appoint the Rental Unit Directors. The Declarant shall appoint a Builder Owner purchasing at least 5 Units as the initial Ownership Unit Director, to serve until a new director is elected as described in section 4.2.2.

4.2.2 Election. After at least 50 Ownership Units have been sold to Owners who are not Builders, the Association shall call a meeting at which the Owners of Ownership Units shall elect the new Ownership Unit Director to serve a two-year term. Thereafter, the Ownership Unit Directors shall be elected as described in the Bylaws. The Declarant shall continue to appoint the Rental Unit Directors.

4.2.3 Increase to Five. When additional property is first added to the Property under Article 14, the number of directors shall be increased to five (5).

Two (2) Directors representing the Ownership Units shall be elected by the Owners of such Units as described in the Bylaws, and the Declarant shall appoint three (3) Directors representing the Rental Units.

4.2.4 Further Increases. At any time, the Board may, by resolution, increase the number of directors to a maximum of nine (9) and identify the manner in which the additional directors are selected, provided that at all times, at least 20% and no more than 33-1/3% of the directors shall be elected by the Ownership Unit Owners. The remaining directors shall be appointed by Declarant.

4.2.5 Declarant Appointment of Non-Voting Directors. To ensure that the Board considers the views of a diverse community, the Declarant shall have the right to appoint up to 3 non-voting directors. The Declarant must notify the Association in writing of any such appointment.

4.3 Rules and Regulations.

The Board is empowered to adopt Rules and Regulations (a) governing the use of the Common Areas; (b) establishing procedures for Association activities and governance; (c) establishing sanctions for violations of the Governing Documents, including monetary fines that shall, if unpaid, become Specific Assessments against the Owner's Unit; and (d) concerning other matters relating to the Association's authority. All Owners shall be given written notice of the adoption and amendment of the Rules and Regulations, and the Secretary of the Association shall maintain a copy of the current Rules and Regulations for inspection by Members.

4.4 Delegation to Manager.

The Board may delegate any of its managerial duties, powers, or functions to any person, firm, entity or corporation (the "Manager"); provided that any management agreement may be terminated by the Association:

- (a) For cause upon thirty (30) days advance written notice; and
- (b) Without cause upon ninety (90) days advance written notice;

The term of any such management agreement may not exceed one (1) year and may be renewable by agreement of the parties for successive one (1) year periods.

The Members of the Board shall not be liable for any omission or improper exercise by the Manager of any duty, power, or function so delegated by written instrument executed by a majority of the Board.

ARTICLE 5 MAINTENANCE AND COMMON EXPENSE

5.1 Maintenance of Areas of Common Responsibility.

5.1.1 The Association shall maintain, consistent with the Community-Wide Standard and requirements of the City of Tacoma land use approvals, the Areas of Common Responsibility which shall include, but need not be limited to:

5.1.1.1 the Common Area, which includes parks, stormwater facilities (including biofiltration swales), wetlands and wetland buffers, landscaped tracts, common mailboxes, irrigation systems, entry monuments, signage, and other property conveyed to the Association by Declarant. There exist wetland buffer mitigation areas within Tract B, between R Street and the T Street gulch, that are Areas of Common Responsibility. The Association shall take care to maintain those areas where wetland buffer exists, as naturally vegetated, unmowed buffer areas, not parkland. The Salishan Buffer Plant Schedule included in Exhibit C provides the list of approved plants to be maintained in the buffer areas.

5.1.1.2 landscaping in median strips, the bioswales, and any structures installed by the Builder or the Association in, over or across the bioswales, related stormwater facilities, and other areas maintained under agreements between the Association and the City of Tacoma. The bioswales shall be maintained consistent with the Maintenance Checklist for Bioinfiltration Swales attached as Exhibit F

5.1.1.3 to the extent, and at the discretion of the Board, the Association may mow and edge grass areas as originally installed in front and side yards of Ownership Units only. All other front and side yard maintenance, including irrigation, fertilization, weeding, and care of other plantings and features shall be the responsibility of the Owner.

5.1.1.4 maintenance of street trees as originally installed in street rights-of-way, but not including irrigation which is the obligation of the adjoining Owner.

5.1.1.5 replacement and repair of sidewalks in public right-of-way. Routine maintenance of sidewalks such as removal of ice and snow, and cleaning shall be the response of the adjoining Owner. Any damage caused by the acts or omissions of an Owner shall be the responsibility of that Owner.

5.2 Maintenance of Units.

The maintenance of individual Units shall be the sole responsibility of the Owners of the Unit. Any action necessary or appropriate to the maintenance of such

individual Units, including but not limited to building exteriors and roofs, yard areas, parking areas and walks, utilities and landscaping, and the payment of property taxes shall be the sole responsibility of the individual Unit Owners. Each Owner shall maintain its respective Unit in a neat and orderly manner consistent with the Community Wide Standard. In addition, each Owner shall have the responsibilities reserved to Owners under Section 5.1 above, and shall carry out those responsibilities consistent with the Community-Wide Standard.

If any Owner should fail to maintain its Unit in such a condition, the Association shall have the right to notify said owner in writing of the maintenance work required. If said work is not performed within 30 days of such notice, the Association shall have the right to enter onto the offending Unit, provide such work, and to levy a Specific Assessment against the Unit Owner and the Unit for the cost of providing such work under Section 6.7.

In case of Senior Housing, the standard for the condition of the property, the terms for providing notice of required repairs, and the procedure to complete those repairs shall be controlled by the Long Term Lease agreement.

5.3 Maintenance of the Public Rights-of-Way.

Except as provided in Section 5.1, Owners shall be obligated to maintain the parking strip area of the right-of-way adjoining their Unit consistent with City of Tacoma Codes.

5.4 Maintenance of Storm Detention System.

All Owners shall maintain in proper working order all roof drains, storm drains and stormwater conveyance systems located on or in the Unit.

5.5 Common Expenses.

Certain expenses shall be paid by the Association for the benefit of all Owners and shall be referred to as "Common Expenses." The Association shall pay the Common Expenses from the fund established by assessments paid by Unit Owners as described in this Declaration. Common Expenses shall include but not be limited to:

5.5.1 The expense of maintaining the Areas of Common Responsibility.

5.5.2 The real property and other taxes upon the Common Areas.

5.5.3 The cost of maintaining insurance coverage, including insurance on the Common Areas, all as required by the Declaration or deemed appropriate by the Board.

5.5.4 Utility charges attributed to the Areas of Common Responsibility.

5.5.5 The cost of maintaining entrance improvements to Salishan, including but not limited to, signs, lights, fences, walls, plantings and landscaping.

5.5.6 The cost of maintaining common drainage facilities both temporary and permanent.

5.5.7 The cost of maintaining water-quality monitoring programs if established.

5.5.8 The cost of Salishan security measures as deemed appropriate by the Association.

5.5.9 The costs of administrating the Association, and all expenses incurred in carrying out its powers and duties.

5.5.10 Any other expense reasonably related to the health, safety and welfare of the Owners, guests, business invitees, employees and licensees of Salishan and which shall be designated as a Common Expense in this Declaration or from time to time by the Association.

ARTICLE 6 ASSESSMENTS

6.1 Creation of Assessments.

There are hereby created three types of assessments for Association expenses: (a) Base Assessments to fund Common Expenses for the general benefit of all Units; (b) Special Assessments as described in Section 6.6; and (c) Specific Assessments as described in Section 6.7. Each Owner, by acceptance of a deed or recording a contract of sale or Long Term-Lease for any portion of the Property, is deemed to covenant and agree to pay these assessments as levied from time to time by the Association. (As to property subject to a Long-Term Lease, the assessments shall be paid by the tenant as described in Section 3.4.) The Association shall, on request, furnish to any Owner a written certificate setting forth whether Assessments have been paid for any particular Unit, on advance payment of a reasonable processing fee as set by the Board.

All Assessments, together with interest at a rate set by the Board (not to exceed 18% or the highest rate allowed by Washington law, if less) from the date of delinquency, late charges, costs, and reasonable attorney's fees and court costs, shall be a charge and a continuing lien upon each Unit against which the Assessment is made until paid, as more particularly provided in Section 6.8. However, Declarant's

property may not be subjected to a lien, as provided in Section 6.8.2. Each such Assessment, with interest, late charges, costs of collection, including reasonable attorney's fees and court costs, also shall be the personal obligation of the Person who was the Owner of such Unit at the time the Assessment was made. If title to a Unit is transferred, the grantee shall be jointly and severally liable for Assessments and charges due at the time of conveyance, except that a first Mortgagee who obtains title to a unit by exercising rights under the Mortgage shall not be liable for previously accrued Assessments and related charges.

6.2 Payment of Assessments.

Assessments shall be paid in a manner and by dates fixed by the Board. The Board may allow payment of Assessments in installments. Unless the Board otherwise provides, one-twelfth of the Base Assessment and of any Neighborhood Assessments shall be due in advance on the first day of each calendar month. If any Owner is delinquent in paying any Assessments or charges levied on the Unit, the Board may require all unpaid Assessment installments to be paid immediately. No Owner may exempt himself or herself from liability for Assessments by non-use of Common Areas, abandonment of the Unit or any other means. The obligation to pay Assessments is a separate and independent covenant of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed for any alleged failure of the Association to take any action required of it, or for inconvenience or discomfort arising from repairs, improvements or other actions of the Association.

6.3 Declarant Assessments.

Until Assessments have commenced under Section 6.9 on at least one-half of the Units, the Declarant may elect annually to pay the Association either (a) regular Assessments on all of its Units on which Assessments have not commenced, notwithstanding the commencement date under Section 6.9, or (b) the difference between the amount of Assessments collected from other Units and the necessary expenditures of the Association during the fiscal year. Unless Declarant otherwise notifies the Board at least 60 days before the beginning of a fiscal year, Declarant shall continue to pay on the same basis as the preceding fiscal year. Declarant's obligations hereunder may be satisfied in cash, by "in kind" contributions of services or materials, or by a combination of these.

The Association is specifically authorized to enter into subsidy contracts and/or contract for "in kind" contributions of services and materials with Declarant or others for payment of Common Expenses.

6.4 Computation of Base Assessment.

6.4.1 Budget. At least 60 days before the beginning of each calendar year, the Board shall prepare a budget for the estimated Common Expenses of the Association during the coming year, including capital contributions in accordance with reserve fund budgets prepared under Section 6.5. The Base Assessment shall be levied in aggregate amounts reasonably expected to produce income equaling the total budgeted Common Expenses. In determining Assessments, the Board may consider other sources of funds available to the Association. In addition, the Board shall take into account the number of Units subject to Assessment under Section 6.9 on the first day of the fiscal year for which the budget is prepared and the number of Units reasonably anticipated to become subject to Assessment during the fiscal year.

The Board shall send to each Owner a copy of the budget and notice of the amount of the Base Assessment against such Owner's Unit at least 30 days before the beginning of the fiscal year. The budget and Assessments shall be effective unless disapproved at a meeting by a vote by Owners representing at least 51% of the Units. There shall be no obligation to call a meeting to consider the budget unless a petition of the Members, as provided for special meetings in the Bylaws, is presented to the Board within ten days after delivery of the notice of Assessment. If a budget is disapproved or the Board fails to determine the budget for any year, then the budget for the preceding year shall continue until a new budget is established.

6.4.2 Allocation Among Units. In fixing the Base Assessment, the Association shall allocate the Common Expenses among the Ownership Units, the Senior Housing Units, and the Rental Units that are not Senior Housing Units ("Other Rental Units") based upon the relative amount of the Property land area (not including public streets and alleys and Common Areas) allocated to each Unit type. For example, if 30 acres are set aside for Ownership Units, 10 acres for Senior Housing Units, and 60 acres for Other Rental Units, 30% of the Common Expenses would be allocated to Ownership Units, 10% to Senior Housing Units, and 60% to Other Rental Units. The land area allocations for the first phase of Salishan are set forth on Exhibit E. Once this allocation has been made, the Board shall calculate Base Assessments as follows:

6.4.2.1 Ownership Units. The Board shall have the authority to fix the Base Assessment for Ownership Units subject to assessment so that such Units equitably share the amount allocated to Ownership Units as described above. In fixing such Base Assessments, the Board need not assess each Ownership Unit the same amount, and may lower the Base Assessment for certain Ownership Units based on Owners' income, housing affordability, lower expected use of Common Areas, or other factors deemed fair by the Board. However, in no event shall the Base Assessment for any Ownership Unit be less than 50% of the Base Assessment for any other Ownership Unit;

and the Base Assessment shall not be reduced for more than 33% of the Ownership Units.

6.4.2.2 Senior Housing Units. The Association shall calculate the Base Assessment for Senior Housing Units subject to Assessment so that each Senior Housing Unit pays an equal share of the amount allocated to Senior Housing Units as set forth above.

6.4.2.3 Rental Units. The Association shall calculate the Base Assessment for Rental Units other than Senior Housing Units subject to Assessments so that each such Rental Unit pays an equal share of the amount allocated to Rental Units as set forth above.

6.5 Reserve Budget and Capital Contribution.

The Board shall annually prepare reserve budgets which take into account the number and nature of replaceable assets owned or maintained by the Association, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in Base Assessments capital contributions in amounts sufficient to meet these projected needs.

6.6 Special Assessments.

In addition to Base Assessments and Specific Assessments, the Association may levy Special Assessments from time to time to cover expenses greater or different than those budgeted. Except as otherwise specifically provided in this Declaration, Special Assessments must be approved by the affirmative vote or written consent of Owners representing at least 51% of the Units. Special Assessments shall be paid in a manner and by dates fixed by the Board, and shall be allocated in the same manner as Base Assessments. The Board may allow payment in installments extending beyond the fiscal year in which the Special Assessment is approved.

6.7 Specific Assessments.

The Board may specifically assess against particular Units expenses incurred by the Association to provide special benefits, items, or services (a) on request of an Owner, or a group of Owners for a special benefit, item, or service; (b) pursuant to the Association's maintenance rights under Section 5.2 above; (c) made necessary by the conduct of the Owner or its licensees, invitees, or guests; or (d) necessary to bring the Unit, into compliance with this Declaration, the Articles, the Bylaws, or the Rules and Regulations. Such Specific Assessments may be levied by the Board after notice to the affected Owners and an opportunity for a hearing.

6.8 Lien for Assessments.

6.8.1 General. Except as noted in 6.8.2 below, the Association shall have a lien against each Unit to secure payment of delinquent assessments, interest, late charges and costs of collection (including attorney's fees and court costs). Such lien shall be prior and superior to all other liens, except: (a) the liens for taxes and governmental assessments which by law are superior, and (b) the lien of any Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment and foreclosure in the same manner as a Mortgage.

The Association may bid for a Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. When a Unit is owned by the Association following foreclosure, (a) no right to vote shall be exercised on its behalf, (b) no Assessments shall be levied on it, and (c) each other Unit shall be charged, in addition to its usual Assessment, its pro rata share of the Assessment that would have been charged to such Unit had it not been acquired by the Association. The Association may sue to recover a money judgment for unpaid Assessments and related charges, including attorney's fees, without foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the Assessment lien or relieve such Unit from the lien for any Assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to foreclosure of the Mortgage, it shall not be liable for the unpaid share of the Assessments that became due prior to such acquisition of title. Such unpaid share of Assessments shall be deemed to be common expenses collectible from Owners of all Units including such acquirer, its successors and assigns.

6.8.2 Declarant's Property. Since Declarant's property may not, by law, be subjected to a lien, the provisions of 6.8.1 shall not apply to any property owned by Declarant. However, the leasehold interest of a tenant under a Long Term Lease of such property shall be subject to a lien as described above. Such lien shall be subject to provisions of Section 6.8.1.

6.9 Date of Commencement of Assessments.

The obligation to pay Assessments shall commence as to each Unit (after the Board first determines a budget and levies Assessments) as follows: (a) as to each Ownership Unit, upon the first day of the month following the first conveyance; and (b) as to the Rental Units in any building, upon the first day of the month following occupancy of the first Unit in such building. The first annual Base Assessment levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time Assessments commence on the Unit.

6.10 Failure to Assess.

Failure of the Board to fix the Assessment amounts or rates or to deliver Assessment notices shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as for the prior year until a new Assessment is made, at which time any shortfalls in collections may be assessed retroactively.

6.11 Capitalization of Association.

Upon acquisition of record title to a Unit by the first Owner other than a Builder (or in the case of an Rental Housing Unit, at the time of first occupancy), a contribution shall be made by or on behalf of the purchaser or tenant to the working capital of the Association in an amount equal to one-sixth (1/6) of the annual Base Assessment for the Unit. This amount shall be in addition to, and not in lieu of, the annual Base Assessment levied on the Unit and shall not be considered an advance payment thereof. This amount shall be collected at the closing (or occupancy) of the Unit and disbursed to the Association for use in covering operating and other expenses incurred by the Association under the terms of this Declaration and the Bylaws. The Board in its discretion may exempt certain Ownership Units from the obligation to pay this contribution based on Owners' income, housing affordability, lower expected use of Common Areas, or other factors deemed fair by the Board.

6.12 Exempt Property.

The following Property is exempt from payment of Base Assessments, Specific Assessments, and Special Assessments: (a) all property dedicated to and accepted by any governmental entity (excluding Declarant) or public utilities, including without limitation, public streets, sidewalks and public parks; and (b) Common Areas.

ARTICLE 7 EASEMENTS

7.1 Easements for Use and Enjoyment.

7.1.1 Every Owner of a Unit shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to each Unit, subject to:

- (i) the right of the Association to establish reasonable rules and regulations for the use, operation, and maintenance of the Common Areas including their use and enjoyment by an Owner, and the Owner's tenants, guests and invitees;

(ii) the right of the Association to dedicate or transfer all or any portion of the Common Areas subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by the affirmative vote of at least seventy-five percent (75%) of the total voting power of the Association.

(iii) any restrictions imposed by the City of Tacoma in its approvals for Salishan.

7.1.2 Any Owner may delegate such Owner's right of use and enjoyment in and to the Common Areas and facilities located thereon to such Owner's tenants, guests and invitees and, if the Unit is leased, the Owner shall be deemed to have made a delegation of all such rights to the tenants.

7.2 Easements for Utilities.

There is hereby reserved to the Declarant and the Association blanket easements upon, across, above and under all portions of the Property for access, ingress, egress, installation, repairing, replacing and maintaining all utilities serving Salishan or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone and electricity, as well as storm drainage. It shall be expressly permissible for the Declarant, the Association, or the designee of either, as the case may be, to install, repair, replace and maintain or to authorize the installation, repairing, replacing and maintaining of such wires, conduits, cables and other equipment related to such utility or service. In no event, however, shall any utility installed pursuant to this easement interfere with any building that is, or is being, constructed on a Unit. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Board shall have the right to grant such easement.

7.3 Easement for Entry.

The Association and its agents shall have the right, but shall not be obligated, to enter upon any property within Salishan for emergency, security and safety reasons, which right may be exercised by the Association's representative, and all police officers, fire fighters, ambulance personnel and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right to enter to cure any condition which may increase the possibility of a fire, slope erosion, flooding or other hazard in the event an Owner or occupant fails or refuses to cure the condition upon request by the Association.

7.4 Easement for Maintenance.

Declarant hereby expressly reserves a perpetual easement for the benefit of the Association across such portions of Salishan, determined in the sole discretion of the Association, as are necessary to allow for the maintenance to be performed by the Association under the Declaration. Such maintenance shall be performed with a minimum of interference to the quiet enjoyment of Owner's property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense.

7.5 Easement for Signs.

There is hereby reserved to the Declarant and the Association an easement for ingress, egress, installation, construction, and maintenance of entry signs for Salishan, over and upon any Unit as more fully described on any recorded final plat for Salishan. The easement and right herein reserved shall include the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around such signs and the right to grade the land under and around such signs.

7.6 Construction and Sale Period Easement.

Notwithstanding any provisions contained in the Governing Documents, Declarant reserves an easement across the Property for Declarant and any Builder approved by Declarant to maintain and carry on, upon such portion of Salishan as Declarant may reasonably deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient or incidental to Declarant's and such Builder's development, construction and sales activities related to Salishan. This includes, without limitation: (i) the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on or in Salishan, including, without limitation, any Unit; (ii) the right to tie into any portion of Salishan with driveways, parking areas and walkways; (iii) the right to tie into and/or otherwise connect and use (without a tap or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, cable, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over Salishan; (iv) the right to carry on sales and promotional activities in Salishan; (v) and the right to construct and operate business offices, signs, construction trailers, and sales offices. Rights exercised under this reserved easement shall be exercised with a minimum of interference to the quiet enjoyment of affected property, reasonable steps shall be taken to protect such property, and damage shall be repaired by the Person causing the damage at its sole expense. This Section shall not be amended without the Declarant's express written consent.

ARTICLE 8 ARCHITECTURAL STANDARDS

8.1 General.

(a) No Improvements (including staking, clearing, excavation, grading and other site work), exterior alteration of existing Improvements (including painting), placement or posting of any object or thing on the exterior of any Unit (e.g., fences, signs, antennas, satellite dishes, clotheslines, lighting, temporary structures, artificial vegetation, exterior sculptures, and fountains), or planting or removal of plants, trees, or shrubs on any Unit is allowed except in compliance with this Article and with the approval of the Construction Committee.

(b) An Owner may remodel or redecorate the interior of buildings in any manner desired, repaint the exterior of structures in accordance with the originally approved color scheme, or rebuild structures in accordance with originally approved plans and specifications without approval under this Article. Any modifications to the interior of porches, patios and similar portions of a Unit visible from outside the Unit, and modifications to enclose garages, porches or patios as living space shall require approval under this Article. Any request to enclose a garage must include plans for a replacement garage on the Unit. If approval of a garage enclosure is granted by the Construction Committee, such approval may be conditioned on the construction of a replacement garage.

(c) Upon completion of any work performed in compliance with this Article and the Design Guidelines, an Owner may request and the Association shall provide a written certificate in recordable form stating that such work was completed in compliance with this Article and the Design Guidelines. The Association may charge the Owner for the reasonable costs of providing such certificate.

(d) All dwellings constructed or reconstructed and any exterior remodel on any Unit shall be designed by and built in accordance with the plans and specifications prepared by a licensed architect or other professional approved by the Construction Committee, and shall be constructed of new construction materials on-site, unless otherwise approved by the Construction Committee. All dwellings and all improvements or remodels of dwellings or other structures on a Unit shall be constructed in compliance with all applicable building codes, and the Owner of such Unit shall obtain all permits required by law.

(e) This Article shall not apply to (a) activities of Declarant, or (b) Improvements or modifications to Common Area, by or on behalf of the Declarant or Association. This Article may not be amended without Declarant's written consent so long as Declarant owns any land subject to this Declaration, or which it may unilaterally submit to this Declaration.

8.2 Architectural Review.

Administration of the Design Guidelines and review of applications for construction and modifications under this Article shall be handled by the Construction Committee described below. Committee members need not be Owners and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established by the Board. The Board may establish reasonable fees for review of applications and require them to be paid prior to review.

8.3 Construction Committee.

The Construction Committee shall consist of at least three, but not more than five, persons and shall have exclusive jurisdiction over all construction, modifications, additions or alterations on any Unit. Until a date 3 years following the recording of the last final plat in Salishan (including all of the property described on Exhibit B), Declarant may appoint all members of the Construction Committee who shall serve at its discretion. There shall be no surrender of this right prior to that time, except by a recorded instrument executed by Declarant. Upon expiration of such right, the Board shall appoint the members of the Construction Committee, who shall serve at its discretion.

8.4 Guidelines and Procedures.

(a) Declarant shall prepare initial design, development and construction guidelines and application and review procedures (the "Design Guidelines"), which may contain general provisions applicable to all of the Property, and specific provisions which vary from one portion of the Property to another, depending on the location, characteristics, and intended use. The Construction Committee, acting on behalf of the Board, shall adopt the Design Guidelines at its initial meeting and, thereafter, shall have sole and full authority to amend them without consent of the Owners. Any amendments shall not apply to completed applications for approval of work submitted before the amendment, and shall not require modifications to or removal of any previously approved work. The Design Guidelines shall at all times be consistent with the Declaration.

(b) The Construction Committee shall make the Design Guidelines available to Owners, Builders and others who seek to work on any portion of the Property and all such Persons shall conduct their activities in accordance with such Design Guidelines.

(c) Plans and specifications consistent with the Design Guidelines showing the nature, kind, shape, color, size, materials, and location of all work shall be submitted to the Construction Committee for review and approval. In reviewing

each submission, the Construction Committee may consider the quality of materials, workmanship and design, harmony of external design and material with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, and other factors, as well as the Design Guidelines. The Construction Committee shall approve or disapprove any application within 50 days after submission of all information and materials reasonably requested. If the Construction Committee fails to so act, the owner may give notice of intention to go forward. If the Committee fails to approve or disapprove within 50 days after receipt of such notice, the application shall be deemed approved. However, no approval, whether expressly granted or implied, shall be inconsistent with any objective standard of the Declaration or of the Design Guidelines unless a variance has been granted in writing by the Construction Committee under Section 8.6. If the Construction Committee disapproves an application, it shall provide the applicant with a written report stating the reasons for disapproval not more than 20 days after disapproval.

8.5 No Waiver of Future Approvals.

The approval of any proposals, plans, specifications, drawings or other matters in any one instance shall not be deemed a waiver of any right to withhold subsequent approval of any similar proposals, plans, specifications, drawings, or matters.

8.6 Variances.

The Construction Committee may authorize variances in writing from its Design Guidelines, but only: (a) consistent with any standards for variance set forth in the Design Guidelines themselves, (b) when unique circumstances, such as unusual topography, natural obstructions, aesthetic or environmental conditions necessitate the variance, and (c) when construction in accordance with the variance would be consistent with the purposes of the Declaration and compatible with existing and anticipated uses of adjoining property. Inability to obtain, or the terms of, any governmental approval, or the terms of any financing shall not be considered a hardship warranting a variance.

8.7 Limitation of Liability.

The Construction Committee shall not be responsible for the structural integrity or soundness of approved work, or for ensuring compliance with building codes and other governmental requirements nor for ensuring that all dwellings are of a particular quality, size or value. Neither Declarant, the Association, the Board, any committee, or member of any of them shall be liable for any injury, damages or loss arising out of the manner or quality of approved work. The Association shall defend,

indemnify and hold harmless, the members of the Construction Committee as provided in Section 3.6.

8.8 Enforcement.

Any construction, alteration or other work done in violation of this Article shall be deemed nonconforming. On written request from the Board or Declarant, Owner shall, at its own expense, cure such nonconformance to the satisfaction of the requester, or restore the Property to substantially the same condition as existed prior to the nonconforming work. If an Owner fails to so cure or restore, the Board, Declarant or their designees may do so at the Owner's expense and assess the cost against the affected Unit as a Specific Assessment under Section 6.7.

Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with this Article may be excluded by the Board from the Property, subject to any notice and hearing procedures in the Bylaws. In such event, neither the Association, its officers, directors or agents shall be held liable to any Person for exercising the rights granted by this paragraph. In addition, the Board may, on behalf of the Association, pursue all legal and equitable remedies available to enforce this Article and the decisions of the Construction Committee.

ARTICLE 9 USE GUIDELINES AND RESTRICTIONS

9.1 Plan of Development; Applicability; Effect.

Declarant has created Salishan as a master planned community which includes residential uses, community uses and open space property. The Property, as part of Salishan, is subject to land development, architectural, and Design Guidelines as set forth in Article 8, and also to restrictions governing land use, individual conduct and actions upon the Property, as provided in this Article 9.

All provisions of the Declaration and of any Rules adopted by the Board shall also apply to all occupants, tenants, guest and invitees of any Unit. The Owner shall make reasonable efforts to cause all occupants of his or her Unit to comply with these provisions. Every Owner shall be responsible for its violations and resulting losses to the Association and to any other Member caused by such violations, although the occupants also are fully liable and may be sanctioned for such violations and losses. Any lease on any Unit shall provide that the tenant and all occupants of the leased Unit shall be bound by the terms of this Declaration, the Bylaws, and the Rules of the Association.

Declarant has created Salishan's general plan of development in order to protect all Owners' quality of life and collective interests, the aesthetic and environment within the Property, and the vitality of and sense of community within Salishan, all subject to the Board's ability to respond to changes in circumstances, conditions, needs and desires within the community.

Declarant has created initial Use Restrictions on Exhibit G which contain general provisions applicable to all of the Property, as well as specific provisions that may vary within the Property, depending upon the location, characteristics, and intended use. The Board shall provide, without cost, a copy of the Use Restrictions and any other Rules then in effect to all new Members at the time of acquisition of a Unit, and to any Mortgagee upon request.

9.2 Board Power.

Subject to the terms of this Article, and to its duty of care and undivided loyalty to the Association and its Members, the Board may adopt, modify, cancel, limit, create exceptions to, or expand the Use Restrictions set forth in Exhibit G. However, with respect to the Senior Housing Units, no use restriction, except those currently set forth in Exhibit G, may be adopted without the prior written approval of HUD, Office of Housing. The Board shall conspicuously publish notice of any such proposal at least five business days prior to the Board meeting at which it will be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to action being taken. The Board shall have all powers necessary and proper, subject to its exercise of sound business judgment and reasonableness, to effect the duties contained in this section.

The Board shall send a copy of any proposed new Use Restrictions or amendment to each Owner at least 30 days prior to its effective date. The Use Restriction shall become effective unless disapproved at a meeting by Owners representing at least 51% of the Units. The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon petition of Members as required for special meetings in Article 2.4 of the Bylaws.

9.3 Members' Powers.

Members, at a special meeting duly called for such purpose as provided in Article 2.4 of the Bylaws, may adopt, repeal, modify, limit and expand Use Restrictions by a vote of Owners representing at least 51% of the Units. However, with respect to the Senior Housing Units, no use restriction, except those currently set forth in Exhibit G may be adopted without the prior written approval of HUD, Office of Housing. This provision does not authorize the Members to modify or repeal the Design Guidelines (Article 8) or the Declaration.

9.4 Owner's Acknowledgement.

All Owners are subject to the Use Restrictions and are given notice that (a) their ability to use their privately owned property is limited thereby, and (b) the Board may add, delete, modify, create exceptions to, or amend the Use Restrictions in accordance with Sections 9.2, 9.3 and 4.3. EACH OWNER BY ACCEPTANCE OF A DEED ACKNOWLEDGES AND AGREES THAT THE USE AND ENJOYMENT AND MARKETABILITY OF HIS OR HER PROPERTY CAN BE AFFECTED BY THIS PROVISION AND THAT THE USE RESTRICTIONS AND RULES MAY CHANGE FROM TIME TO TIME.

9.5 Rights of Owners.

Except as may be contained in the Declaration or in the Initial Use Restrictions set forth in Exhibit G, neither the Board nor the Association may adopt any Use Restriction in violation of the following provisions:

(a) Equal Treatment. Similarly situated Owners and residents shall be treated similarly and in compliance with all fair housing laws.

(b) Speech. No Use Restriction shall abridge the rights of Owners and occupants to display on their Unit political signs and symbols of the kinds normally displayed in or outside of residences located in residential neighborhoods in individually owned property, except that the Association may adopt reasonable time, place and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and occupants.

(c) Religious and Holiday Displays. No Use Restriction shall interfere with the right of Owners to display on their Unit religious and holiday signs, symbols, and decorations of the kinds normally displayed in or outside of residences located in residential neighborhoods, except that the Association may adopt reasonable time, place and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and occupants.

(d) Household Composition. The Association or Board shall make no Use Restriction that interferes with the freedom of occupants to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit, to the extent not prohibited by law.

(e) Activities Within a Unit. Neither the Association nor the Board shall make any Use Restriction that interferes with the activities of the residents carried on indoors, except that the Association may prohibit activities not normally associated

with property restricted to residential use, and it may restrict or prohibit any activities that impose monetary costs on the Association or other Owners, that create a danger to the health or safety of other occupants, that generate excessive noise or traffic, that create unsightly conditions visible outside the Unit, that block the views from other Units, or that create an unreasonable source of annoyance.

(f) Pets. No Use Restriction prohibiting the keeping of ordinary household pets shall be adopted by the Board or Association over the objection of any Owners expressed in writing to the Association. However, the Association or Board may adopt reasonable regulations designed to minimize the damage and disturbance to other Owners and occupants, including regulation requiring damage deposits, waste removal, leash control, noise controls, occupancy limits based on size and facilities of the Unit and fair share of the Area of Common Responsibility. The Association and Board specifically have the authority to limit the number of pets that may be allowed in a Unit. Nothing in this provision shall prevent the Association from requiring removal of any animal that presents an actual threat to health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance. Nothing in this provision shall prevent any Owner from imposing further restrictions on pet ownership on or in its Unit.

(g) Alienation. The Association or Board shall not adopt Use Restrictions that prohibit transfer of any Unit, or require a consent period for the Association or Board for transfer of any Unit, for any period greater than one month. The Association or Board shall not impose any fee on transfer of any Unit greater than an amount reasonably based on the cost of the transfer to the Association.

(h) Reasonable Rights to Develop. Neither the Association nor the Board shall adopt any Use Restriction or take any action that would unreasonably impede Declarant's right to develop in accordance with the master plan for Salishan.

(i) Special Housing. Neither the Association nor the Board shall take any action that would preclude the use and establishment of a group home or other housing program for children, disabled persons or homeless persons that otherwise complies with this Declaration.

ARTICLE 10 INSURANCE

10.1 Required Coverages.

The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably

available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available.

10.1.1 Blanket property insurance covering the full replacement cost of all insurable Improvements under current building ordinances and codes on the Common Area and within the Areas of Common Responsibility to the extent that Association has assumed responsibility in the event of a casualty, regardless of ownership;

10.1.2 Commercial general liability insurance on the Areas of Common Responsibility, insuring the Association and its Members with limits of (if generally available at reasonable cost, including primary and any umbrella coverage) at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage, or such additional coverage and higher limits which a reasonably prudent person would obtain;

10.1.3 Workers compensation insurance and employers liability insurance, if and to the extent required by law;

10.1.4 Directors and officers liability coverage;

10.1.5 Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than an amount equal to one-sixth of the annual Base Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

10.1.6 Such additional insurance as the Board, in its best business judgment, determines advisable.

Premiums for all insurance on the Areas of Common Responsibility shall be Common Expenses.

10.2 Policy Requirements.

The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Pierce County, Washington area. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 10.1. In the event of an insured loss,

the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner and their Units as a Specific Assessment.

All insurance coverage obtained by the Board shall:

10.2.1 be written with a company authorized to do business in Washington which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

10.2.2 be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members;

10.2.3 not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

10.2.4 contain an inflation guard endorsement;

10.2.5 include an agreed amount endorsement, if the policy contains a co-insurance clause;

10.2.6 provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area as a Member in the Association (provided, this provision shall not be construed as giving an Owner any interest in the Common Area other than that of a Member);

10.2.7 provide a waiver of subrogation under the policy against any Owner or household member of an Owner;

10.2.8 include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and

10.2.9 include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association.

In addition the Board shall use reasonable efforts to secure insurance policies which provide:

10.2.10 a waiver of subrogation as to any claims against the Association's Board, officers, employees and its manager, the Owners and their tenants servants, agents, and guests;

10.2.11 a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

10.2.12 an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal; and

10.2.13 a cross liability provision.

10.3 Restoring Damaged Improvements.

In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed in a timely manner unless Members representing at least 75% of the total votes in the Association and Declarant, so long as it owns any portion of the property, decide not to repair or reconstruct. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed. If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members or the Persons entitled to use the damaged or destroyed property, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments or Specific Assessments as appropriate to cover the shortfall.

ARTICLE 11 MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Property. In addition, as noted in Section 11.10, certain provisions are for the benefit of certain Tax Credit Members of tenants under Long Term Leases. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

11.1 Notices of Action.

An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

11.1.1 Any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

11.1.2 Any delinquency in the payment of Assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating, to such Unit or the Owner or Occupant which is not cured within 60 days;

11.1.3 Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

11.1.4 Any proposed action that would require the consent of a specified percentage of Eligible Holders.

11.2 Special FHLMC Provision.

So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least 67% of the first Mortgagees or Members representing at least 67% of the total Association voting power consent, the Association shall not:

11.2.1 By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for

utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

11.2.2 Change the method of determining the obligations, assessments, dues, or other charges that may be levied against an Owner of a Unit (a decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of the Property regarding assessments for expansion areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by the Declaration);

11.2.3 By act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance or maintenance of Units and the Common Areas the (the issuance and amendment of Design Guidelines, Use Restrictions under Article 8, procedures, or Rules shall not constitute a change, waiver, or abandonment within the meaning of this provision);

11.2.4 Fail to maintain insurance, as required by this Declaration; or

11.2.5 Use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

11.3 Other Provisions for First Lien Holders.

To the extent not inconsistent with Washington law:

11.3.1 Any restoration or repair of the Property after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

11.3.2 Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

11.4 Amendments to Documents.

The following provisions do not apply to amendments to the constituent documents or termination of the Association as a result of destruction, damage, or condemnation pursuant to Sections 11.3.1 and 11.3.2, or to the addition of land in accordance with Article 14.

11.4.1 The consent of Members representing at least 67% of the votes and of Declarant so long as it owns any land subject to this Declaration, and the approval of the Eligible Holders of first Mortgages on Units to which at least 67% of the votes of Units subject to a Mortgage appertain, shall be required to terminate the Association.

11.4.2 The consent of Members representing at least 67% of the votes and of Declarant, so long as it owns any land subject to this Declaration, and the approval of Eligible Holders of first Mortgages on Units to which at least 51% of the votes of Units subject to a Mortgage appertain, shall be required to materially amend any provisions of the Declaration, Bylaws, or Articles of Incorporation, or to add any material provisions thereto which establish, provided for, govern, or regulate any of the following:

- (i) voting;
- (ii) assessments, assessment liens, or subordination of such liens;
- (iii) reserves for maintenance, repair, and replacement of the Common Area
- (iv) insurance or fidelity bonds;
- (v) rights to use the Common Area;
- (vi) responsibility for maintenance and repair of the Property;
- (vii) expansion or contraction of the Property or the addition, annexation, or withdrawal of Property to or from the Association;
- (viii) boundaries of any Unit;
- (ix) leasing of Unit;
- (x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Unit;

- (xi) establishment of self-management by the Association where professional management has been required by an Eligible Holder;
- (xii) any provisions included in the Governing Documents which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Units.

11.5 No Priority.

No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

11.6 Notice to Association.

Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

11.7 Construction of Article 11.

Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under this Declaration, the Bylaws, or Washington law for any of the acts set out in this Article.

11.8 Amendment by Board.

Should the Federal National Mortgage Association or FHLMC subsequently delete any of its respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board without approval of the Owners, may record an amendment to this Article to reflect such changes. However, with respect to the Senior Housing Units, Article 11 will not be amended without the prior written approval of HUD, Office of Housing.

11.9 Provisions for Tax Credit Members of Tenants Under Long Term Leases.

The following provisions apply to Tax Credit Partners holding at least a ninety percent (90%) interest in a tenant under a Long Term Lease who file a written request with the Association. A tenant who meets these requirements is an "Eligible Tenant" under the provisions set forth below.

11.9.1 An Eligible Tenant shall be entitled to receive the timely written notices described in Section 11.1.1, through 11.1.4.

11.9.2 The consent of any Eligible Tenant shall be required for any of the actions described in Sections 11.2.1 through 11.2.5.

11.9.3 In addition to the Eligible Holder approval described in Sections 11.3.1 and 11.3.2, the described actions shall also require the approval of Eligible Tenants.

11.9.4 The consent of any Eligible Tenant shall be required for the amendments described in Section 11.4 as set forth in that section.

11.10 Failure of Mortgagee or Eligible Tenant To Respond.

Any Mortgagee or Eligible Tenant who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee or Eligible Tenant within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee or Eligible Tenant by certified or registered mail, return receipt requested.

ARTICLE 12 ENFORCEMENT

12.1 Payments in Arrears.

If any Owner is in arrears on the payment of an assessment due or is in breach under the Declaration, the Rules and Regulations of the Association, or the Bylaws for a period of 30 days, such Owner's right to vote shall be suspended and shall remain suspended until all payments are brought current and all breaches remedied. In addition, the Association shall have any other remedies against such delinquent Owners as may be provided for by the Articles, Bylaws, the Declaration, or the Rules and Regulations.

12.2 Owners and Association Rights and Remedies.

Any Owner and the Association shall have all rights and remedies available to it in law and in equity to enforce this Declaration, the Articles and Bylaws against any non-complying Owner. The prevailing party in any such action shall have the right to collect attorneys' fees, court costs and other expenses of litigation, in addition to any damages that may be awarded, including any such fees and expenses incurred on appeal.

12.3 Owner Indemnity.

Each Owner shall indemnify, defend and hold the Association harmless from and against all losses, liabilities, claims (including mechanics' or materialmen's losses), costs (including attorneys' fees), actions or damages incurred by the Association as a result of any breach of this Declaration or the Rules and Regulations by such Owner, or arising out of any personal injury or property damage caused by or arising out of such Owner's use of the Common Area. This indemnification does not extend to injury or damage arising from the actions or inactions of Owners, tenants, guests and other invitees, except to the extent that such injury or loss are also caused by the actions or inactions of the Owner.

12.4 Violation Deemed to Create a Nuisance.

Every violation of this Declaration or any part thereof is hereby declared to constitute a nuisance, and every remedy provided by law or equity may be exercised to abate such nuisance.

12.5 No Waiver or Rights to Enforce.

The failure of Declarant, the Association or any Owner to enforce any of the covenants, conditions or restrictions contained in this Declaration shall in no event be deemed or construed to be a waiver of the right to do so for subsequent violations or of the right to enforce any other covenants, conditions or restrictions.

ARTICLE 13 DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

13.1 Alternative Method for Resolving Disputes.

Declarant, the Association, its officers, directors, and committee members, all Persons subject to this Declaration, any Builder, and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes involving the Property, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances or disputes described in Section 13.2 ("Claims") to the procedures set forth in Section 13.2 in lieu of filing suit in any court.

13.2 Claims.

Unless specifically exempted below, all Claims arising out of or relating to the interpretation, application or enforcement of the Governing Documents, or the rights, obligations and duties of any Bound Party under the Governing Documents or

relating to the design or construction of improvements on the Property shall be subject to the provisions of Section 13.3.

Notwithstanding the above; unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 13.3:

13.2.1 any suit by the Association against any Bound Party to enforce the provisions of the Governing Documents;

13.2.2 any suit by the Association to obtain equitable relief (*i.e.*, temporary restraining order, injunction, or specific performance) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Articles 8 and Article 9 and the Use Restrictions;

13.2.3 any suit by a Bound Party for declaratory or injunctive relief which seeks a determination as to applicability, enforcement, clarification, or interpretation of any provisions of the Declaration;

13.2.4 any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim that would constitute a cause of action independent of the Governing Documents if the amount in controversy exceeds Five Thousand Dollars (\$5,000.00), which amount shall be increased in proportion to increases in the Consumer Price Index for Seattle-Tacoma for All Urban Consumers, All Items, from the date of recordation of this Declaration to the date of any such claim;

13.2.5 any suit in which any indispensable party is not a Bound Party;

13.2.6 any suit as to which any applicable Statute of Limitations would expire within 180 days of giving the Notice required by Section 13.3.1, unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article; and

13.2.7 any suit for unlawful detainer initiated by any Owner.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 13.3.

13.3 Mandatory Procedures.

13.3.1 Notice. Any Bound Party having a Claim (“Claimant”) against any other Bound Party (“Respondent”) (collectively, the “Parties”) shall notify each Respondent in writing (the “Notice”), stating plainly and concisely:

- (i) the nature of the Claim, including the Persons involved and Respondent's role in the claim;
- (ii) the legal basis of the Claim (*i. e.*, the specific authority out of which the Claim arises);
- (iii) Claimant’s proposed remedy; and
- (iv) that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

13.3.2 Negotiation and Mediation.

- (i) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.
- (ii) If the Parties do not resolve the Claim within 30 days of the date of the Notice (or within such other period as may be agreed upon by the Parties) (“Termination of Negotiations”), Claimant shall have 30 additional days to submit the Claim to mediation under the auspices of any Pierce County dispute resolution center or, if the Parties otherwise agree, to an independent agency providing dispute resolution services in the area.
- (iii) If Claimant does not submit the claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.
- (iv) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within 30 days

after submission of the matter to the mediation, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings (“Termination of Mediation”). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

- (v) Within five days of the Termination of Mediation, the Claimant shall make a final written settlement/demand (“Settlement Demand”) to the Respondent, and the Respondent shall make a final written settlement offer (“Settlement Offer”) to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement Offer, Respondent shall be deemed to have made a “zero” or “take nothing” Settlement Offer.

13.3.3 Final and Binding Arbitration.

- (i) If the Parties do not agree in writing to a settlement of the Claim within 15 days of the Termination of Mediation, the Claimant shall have 15 additional days to submit the Claim to arbitration in accordance with the Rules of Arbitration contained in Exhibit H or such rules as may be required by the agency providing the arbitrator. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons other than Claimant.
- (ii) This subsection 13.3.3 is an agreement to arbitrate and is specifically enforceable under Washington’s applicable arbitration laws. The arbitration award (the “Award”) shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under Washington laws.

13.4 Allocation of Costs, of Resolving Claims.

Each Party shall bear its own costs, including attorneys fees, and each Party shall share equally all charges rendered by the mediator(s) and all filing fees and costs of conducting the arbitration proceeding (“Post Mediation Costs”).

Any Award which is equal to or more favorable to Claimant than Claimant's Settlement Demand shall add Claimant's Post Mediation Costs to the Award, such costs to be borne equally by all Respondents. Any Award which is equal to or less favorable to Claimant than any Respondent's Settlement Offer shall award to such Respondent its Post Mediation Costs, except as otherwise provided in this subsection.

13.5 Enforcement of Resolution.

If the parties agree to a resolution of any Claim through negotiation or mediation in accordance with Section 13.3 and any Party thereafter fails to abide by the terms of such agreement, or if any Party fails to comply with any Award after arbitration, then any abiding or complying Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in Section 13.3. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award, including, without limitation, attorneys' fees and court costs.

ARTICLE 14 EXPANSION OF SALISHAN

14.1 Expansion by Declarant.

14.2.1 Exhibit A Property. Until such time as any portion of the property described on Exhibit A is sold to a third party, Declarant may subject such portion to additional covenants and easements all of which shall run with the title to such property. Any such additional covenants and easements shall be set forth in a Supplemental Declaration.

14.2.2 Exhibit B Property. Declarant may, from time to time, make subject to the provisions of this Declaration all or any portion of the property described in Exhibit B, including portions which are not contiguous to other portions of Salishan, by recording a Supplemental Declaration describing the additional property to be subjected. A Supplemental Declaration recorded pursuant to this Section shall not require the consent of any person except the owner of such property, if other than Declarant. Nothing in this Declaration shall be construed to require Declarant or any successor to subject additional property to this Declaration or to develop any of the property described in Exhibit B in any manner whatsoever.

14.2 Additional Covenants and Easements.

Declarant may subject any portion of the property described on Exhibit B to additional or modified covenants and easements and may identify new Areas of Common Responsibility which the Association will be obligated to maintain and insure. Such additional covenants and easements will be set forth in a Supplemental Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of the Declaration as it applies to the added property in order to reflect the different character and intended use of such property. A portion of the property described on Exhibit B is designated on the site plan approval by the City of Tacoma as a "Neighborhood Core" and that plan allows non-residential use in that area. Any Supplemental Declaration concerning the Neighborhood Core may establish different provisions for assessment, voting rights and other matters based on the non-residential uses, and such property may, in Declarant's discretion, be relieved of any or all assessment obligation.

14.3 Expansion by the Association.

The Association may also subject additional property to the provisions of this Declaration by recording a Supplemental Declaration describing the additional property. Any such Supplemental Declaration shall require the affirmative vote of Owners having more than 50% of the votes of the Association and the consent of the owner of the property. In addition, so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 14.1, Declarant's consent shall also be necessary. The Supplemental Declaration shall be signed by the President and Secretary of the Association.

ARTICLE 15 AMENDMENTS

15.1 By Declarant.

In addition to specific amendment rights granted elsewhere in this Declaration, (and except as set out in Sections 9.2 and 9.3 and Article 11 with respect to HUD, Office of Housing, until conveyance of the first Unit to an Owner other than Declarant, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation or judicial determination; (b) to enable any reputable title insurance company to issue title insurance company to issue title insurance coverage on the Units; (c) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans to make, purchase, insure or guarantee mortgage loans on the Units; or (d) to satisfy the

requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely affect the title to or use of any Unit unless the Owner shall consent in writing.

15.2 By Members.

Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners representing 75% of the total votes in the Association.

15.3 Validity and Effective Date.

No amendment may remove, revoke, or modify any right or privilege of Declarant without Declarant's written consent (or the assignee of such right or privilege). If an Owner consents to any amendment to this Declaration, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment. Any amendment shall become effective upon recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

ARTICLE 16 HUD COVENANT

Portions of the Property are subject to Declarations of Restrictive Covenants in favor of HUD and recorded under Pierce County Auditor's Numbers 200501140171, 200501140172 and 200501140173. These Declarations and any subsequent Declarations of Restrictive Covenant required by HUD in connection with the development of Salishan are referred to as the "HUD Covenants". The provisions of this Declaration and any Supplemental Declaration under Article 14 shall be subordinate to the HUD Covenants. Declarant shall have the authority to unilaterally execute and record any instrument required by HUD to establish the priority of the HUD Covenants.

ARTICLE 17 MISCELLANEOUS

17.1 Waiver.

The failure to enforce any covenant contained in this Declaration shall not be deemed a waiver of the right to enforce such a covenant.

17.2 Severability.

If any covenant contained in this Declaration is held invalid, the remainder of the Declaration shall not be affected and shall continue in full force and effect.

17.3 Captions.

The captions in the Declaration are inserted only as a matter of convenience and for reference, and in no way describe, define or limit the intent of this Declaration. The captions are not to be used in interpreting this Declaration.

17.4 Municipal Ordinances.

This Declaration shall in no way restrict the effect of any ordinance adopted by a municipal corporation having jurisdiction over any portion of the Property subject to this Declaration.

17.5 Interpretation.

The Association shall have the authority to determine all questions arising in connection with this Declaration and to construe and interpret the provisions of this Declaration.

The undersigned have executed this Declaration on the dates listed below.

HOUSING AUTHORITY OF THE CITY
OF TACOMA

Date: 5.22.06

By: Michael Mire
MICHAEL MIRE

Its: Exec. Director

The undersigned are tenants under Long-Term Leases as described in this Declaration. Each of the undersigned tenants consents to the Declaration and agrees that its respective Long-Term Lease shall be subject and subordinate to the Declaration.

SALISHAN ONE LLC, a Washington
Limited Liability Company

By: Harris Hefman
HARRIS HEFMAN

Date: 5/23/06

Its: MEMBER

SALISHAN TWO LLC, a Washington
Limited Liability Company

By: [Signature]
Its: Member

Date: 5/23/06

SALISHAN THREE LLC, a Washington
Limited Liability Company

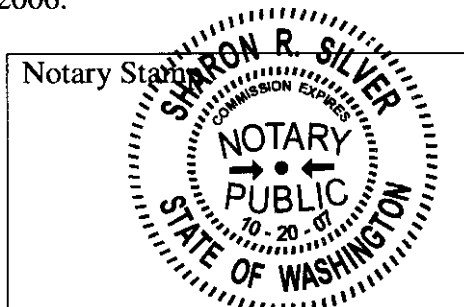
By: [Signature]
Its: Member

Date: 5/23/06

STATE OF WASHINGTON)
)
) :SS
COUNTY OF PIERCE)

On this day personally appeared before me Michael Micre-,
the Executive Director of the HOUSING AUTHORITY OF THE CITY OF
TACOMA, to me known to be the individuals described in and who executed the
within and foregoing instrument, and acknowledged that they signed the same as
their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 2nd day of May,
2006.



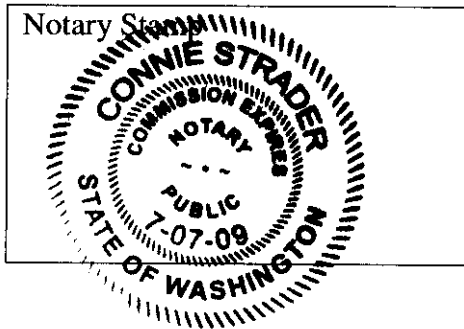
Sharon R. Silver

Sharon R. Silver
Type/Print Name
Notary Public in and for the State of
Washington, Residing at Pierce County
My appointment expires: 10/20/07

STATE OF WASHINGTON)
)
 :SS
 COUNTY OF ~~PIERCE~~ KING)

On this day personally appeared before me HARRIS HOFFMAN, to me known to be the Managing Member of SALISHAN ONE LLC, the limited liability company described and that s/he executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument on behalf of said limited liability company.

GIVEN under my hand and official seal this 23rd day of May, 2006.

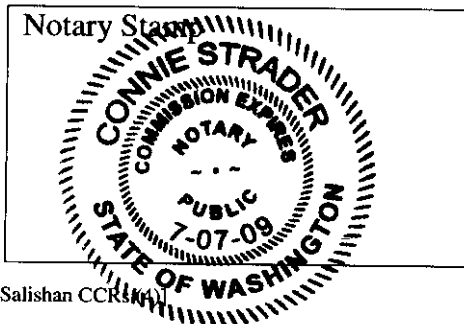


Connie Strader
 Type/Print Name CONNIE STRADER
 Notary Public in and for the State of
 Washington, Residing at EDMONDS
 My appointment expires: 7-7-09

STATE OF WASHINGTON)
)
 :SS
 COUNTY OF ~~PIERCE~~ KING)

On this day personally appeared before me HARRIS HOFFMAN, to me known to be the Managing Member of SALISHAN TWO LLC, the limited liability company described and that s/he executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument on behalf of said limited liability company.

GIVEN under my hand and official seal this 23rd day of May, 2006.

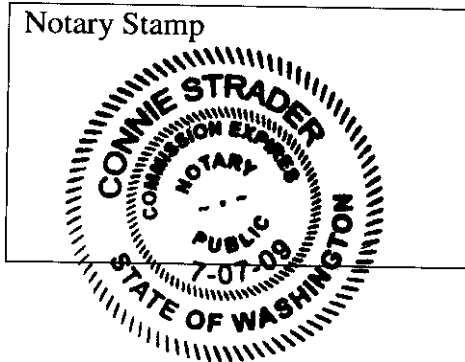


Connie Strader
 Type/Print Name CONNIE STRADER
 Notary Public in and for the State of
 Washington, Residing at EDMONDS
 My appointment expires: 7-7-09

STATE OF WASHINGTON)
)
) :SS
 COUNTY OF ~~PIERCE~~ KING)

On this day personally appeared before me HARRIS HOFFMAN, to me known to be the Managing Member of SALISHAN THREE LLC, the limited liability company described and that s/he executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that s/he was authorized to execute said instrument on behalf of said limited liability company.

GIVEN under my hand and official seal this 23rd day of May, 2006.



Connie Strader
 Type/Print Name CONNIE STRADER
 Notary Public in and for the State of
 Washington, Residing at EDMONDS
 My appointment expires: 7-7-09

EXHIBIT "A"
LEGAL DESCRIPTION OF AREA 1 OF SALISHAN

LEGAL DESCRIPTION

THAT PORTION OF PORTLAND AVENUE FIRST ADDITION ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 17 OF PLATS, PAGES 82A THROUGH 82G, INCLUSIVE, RECORDS OF PIERCE COUNTY AUDITOR, LYING NORTH OF THE CENTERLINE OF EAST 44TH STREET, AS DELINEATED ON SAID PLAT.

EXCEPT THAT PORTION THEREOF LYING NORTHWESTERLY OF TRACT A, AS DELINEATED ON SAID PLAT.

TOGETHER WITH THOSE PORTIONS OF STREETS AND ALLEYS, ABUTTING UPON SAID PREMISES AND ATTACHED THERETO BY OPERATION OF LAW, AS VACATED BY THE CITY OF TACOMA ORDINANCE NO. 27229 AND RECORDED UNDER RECORDING NUMBER 200405190826, RECORDS OF PIERCE COUNTY AUDITOR.

ALSO TOGETHER WITH ALL DEDICATED STREETS AND ALLEYS LYING WITHIN SAID PORTLAND AVENUE FIRST ADDITION AND LYING NORTHERLY OF THE CENTERLINE OF EAST 44TH STREET, WHICH HAVE NOT BEEN VACATED BY SAID ORDINANCE NO. 27229.

EXCEPT THOSE PORTIONS CONVEYED TO THE CITY OF TACOMA BY DEED RECORDED UNDER RECORDING NUMBER 2926807.

ALL SITUATE IN THE EAST HALF OF SECTION 15, TOWNSHIP 20 NORTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN, CITY OF TACOMA, STATE OF WASHINGTON.

EXHIBIT "B"
ENTIRE PROPERTY DECLARANT MAY ADD TO
SALISHAN

Description of Salishan Area 2

That portion of Portland Avenue First Addition to Tacoma, according to plat recorded in Book 17 of Plats, Page 82, in Pierce County, Washington, lying south of the centerline of East 44th Street as delineated in said plat,

Together with the Replat of Tract "E" of said Plat, recorded in Book 18 of Plats, Page 60, in Pierce County, Washington,

Together with street and alley vacations attached thereto by Ordinance No. 27229, filed under Recording Number 200405190826,

Except Tract "L" of said Plat of Portland Avenue First Addition,

Except those portions conveyed to the City of Tacoma by deeds recorded under Recording Number 2926807 and 8512200123 which is a rerecording of deed recorded under Recording Number 8504300513.

Description of Salishan Area 3

Blocks 1 through 9, Portland Avenue Second Addition to Tacoma, according to plat recorded in Book 18 of Plats at Page 61, in Pierce County, Washington.

AND

Blocks 1 through 6, Portland Avenue Third Addition to Tacoma, according to plat recorded in Book 27 of Plats at Page 8, in Pierce County, Washington.

AND

Blocks 1 through 4, Portland Avenue 4th Addition to Tacoma, according to plat recorded in Book 30 of Plats at Pages 17, 18 and 19, in Pierce County, Washington.

EXHIBIT "C"
AREAS OF COMMON RESPONSIBILITY

Block	Area (sq ft)							Description
	Bioswale	Conveyance swale	Culverts (linear ft)	Planter Strip	Front Yard	Park	Wetland/Buffer	
1					4731.64			Front yards of lots 1 through 12
1				3234				Planter strip along south side of Block 1, incl short planter strip extensions into parks on east and west side
2					1806.21			Front yards of lots 1 through 3
2				1390				Planter strip along west side of Block 2, incl short planter strip extensions into open areas on north and south sides
3					5877.71			Front yards of lots 1 through 11
3				3408				Planter strip along west side of Block 3, incl short planter strip extension in open area on south side
4				3077				Planter strips (3) along west and south sides of Block 4, incl short planter strip extension into open area on the north side
5					8937.58			Front yards of lots 1 through 20
5				2800				Planter strip along north side of Block 5, in front of Lots 10 through 20
5	1225							Bioswale along south side of Block 5, bordering Lot 10
5	1492.19							Bioswale on east side of Lot 1
5			34.1					Drainage pipe under entry to alleyway off "New Street 1"
5			36.94					Drainage pipe extending from bioswale east of Lot 1, into East "R" St.
5		3937						Conveyance swale south side of Block 5, extending along east side of Lot 1
6					3587.98			Front yards of Block 6, Lots 4 through 12
6				1040.68				Planter strip along west side of Block 6
6				1747.71				Planter strip along north side of Block 6
6				1118.6				Planter strip along south side of Lot 3 (Block 6)
6						71782.87	2089.44	Park (Tract C) located east of Block 6 housing units, including wetland
6			34.84					Drainage pipe under alleyway entrance at East 39th St., between Lots 5 and 6 (Block 6)
6			40.11					Drainage pipe under alleyway entrance at East 39th St., between Lots 3 and 4 (Block 6)
6	964.22							Bioswale south of Lot 6
6		660.75						Conveyance swale bordering the front yards of Lots 4 and 5
7					4971.06			Front yards of Lots 1 through 7, and Lots 10 and 11
7				3627.69				Planter strips to north, east, and west of Block 7
7	2729.5							Bioswales (2) along south side of Block 7
7			33.62					Drainage pipe extending west from bioswale south of Lot 8

[Salishan CCRs (4)]

Block	Area (sq ft)							Description
	Bioswale	Conveyance swale	Culverts (linear ft)	Planter Strip	Front Yard	Park	Wetland/Buffer	
7		573.9						Conveyance swale south side of Block 7, bordering Lots 5 through 7
7			65.01					Drainage pipes (2) in front of Lots 5 through 7
7			29.91					Drainage pipe extending from bioswale bordering Lot 4
7			37.28					Drainage pipe under entry to alleyway off East 40th St. between Lots 7 and 8
8					1704.71			Front yards of Lots 1 through 9, and Lots 13 through 16
8				887.46				Planter strip along west side of Block 8, bordering Lots 10 through 12
8				2171.75				Planter strip along north side of Block 8
8				910.86				Planter strip along east side of Block 8
8	2238.43							Bioswales (2) along south side of Block 8
8			33.66					Drainage pipe extending west from bioswale south of Lot 10
8		2045.28						Conveyance swale on south side of Block 8, bordering Lots 5 through 9
8			38.64					Drainage pipe under entry to alleyway off East 41st St. between Lots 9 and 10
8			35.63					Drainage pipe from bioswale south of Lot 4 under entry to alleyway between Lots 4 and 5
9					4035.64			Front yards of Lots 1 through 10
9					2273.11			Front yards of Lots 14 through 18
9				2431.89				Planter strip north side of Block 9
9				837.8				Planter strip east side of Block 9
9				888.94				Planter strip west side of Block 9 (bordering Lots 11 through 13)
9	1242.31							Bioswale south of Lot 11
			33.66					Drainage pipe extending west from bioswale south of Lot 11
9	911.22							Bioswale south of Lot 4
9		2310.1						Conveyance swale extending along south side of Lots 5 through 10
9			37.29					Drainage pipe under entry to alleyway off East 42nd St., between Lots 10 and 11
9			35.04					Drainage pipe under entry to alleyway off East 42nd St., between Lots 4 and 5
10					6163.29			Front yards of Lots 1 through 10
10					2380			Front yards of Lots 14 through 19
10				793.77				Planter strip on west side of Block 10 - alongside Lots 11 through 13
10				2495.29				Planter strip on north side of Block 10
10				738.35				Planter strip on east side of Block 10
10				4644.78				Planter strip on south side of Block 10
11				2367.76				Planter strip on north side of Block 11
11				718.01				Planter strip on east side of Block 11
11				793.36				Planter strip on west side of Block 11
11				4408.76				Planter strip on south side of Block 11
12					1451.59			Front yards of Lots 4, 5, 9, and 10
12				1616.68				Planter strip on north side of Block 12
12				698.45				Planter strip on east side of Block 12
12	1201.39			917.64				Planter strip on west side of Block 12
12	1061.3							Bioswale bordering Lot 6 to the south
								Bioswale bordering Lot 3 to the south

[Salishan CCRs (4)]

Block	Area (sq ft)							Description
	Bioswale	Conveyance swale	Culverts (linear ft)	Planter Strip	Front Yard	Park	Wetland/Buffer	
12		486.9						Conveyance swale bordering Lots 4 and 5 to the south
12			34.48					Drainage pipe under entry to alleyway from East 40th St. between Lots 5 and 6
12			38.65					Drainage pipe under entry to alleyway from East 40th St. between Lots 3 and 4
13					7212.54			Front yards of Lots 4 through 21
13				885.75				Planter strip along east side of Block 13 (bordering Lots 1 through 3)
13				2527.68				Planter strips (3) along north side of Block 13
13				827.86				Planter strip along west side of Block 13
13		3136.06						Conveyance swale along south side of Block 13
13	1105.9							Bioswale on south side of Lot 3
13			37.8					Drainage pipe under entry to Block 13 alleyway off East 41st St.
14					950.28			Front yards of Lots 4 and 5
14				3397.25				Planter strip along north side of Block 14
14				889.35				Planter strip along east side of Block 14
14						12322.49		Park (Tract D) - western portion of Block 14
14				756.56				Planter strip west of Park (Tract D)
14	2278.83							Bioswale bordering southern portion of Park (Tract D) and Lot 6
14		711.96						Conveyance swale in front of Lots 4 and 5 (to the south)
14	1217.9							Bioswale area south of Lot 3
14			34.6					Drainage pipe under entry to alleyway between Lots 5 and 6
14			35					Drainage pipe under entry to alleyway between Lots 3 and 4
15					1957.49			Front yards of Lots 8 through 11
15				2003.07				Planter strip north side of Block 15
15				793.78				Planter strip east side of Block 15
15				760.01				Planter strip west side of Block 15
15	882.46							Bioswale south side of Lot 6
15	1217.8							Bioswale south side of Lot 3
15		694.74						Conveyance swale south of Lots 4 and 5
15			73.99					Drainage pipes (2) from bioswales to conveyance swales, south side
15			39.55					Drainage pipe between conveyance swales, south side
16				1740.21				Planter strip bordering north side of Block 16
16				809.76				Planter strip bordering east side of Block 16
16				760.01				Planter strip bordering west side of Block 16
16	1149.04							Bioswale along south side of Lot 5
16	1074.5							Bioswale along south side of Lot 3
16		492.97						Conveyance swale along south side of Lot 4
16			34.78					Drainage pipe under alleyway entry from Harper St., between Lots 4 and 5

Block	Area (sq ft)							Description
	Bioswale	Conveyance swale	Culverts (linear ft)	Planter Strip	Front Yard	Park	Wetland/Buffer	
16			38.91					Drainage pipe under alleyway entry from Harper St., between Lots 3 and 4
16			32.62					Drainage pipe under Harper St., extending from SE corner of Lot 3
17	18453.05							Bioswale west of Block 17 - Portland Ave. side
17			29.14					Drainage pipe in center of bioswale
17			73.34					Drainage pipe under East 40th St. from Block 17 bioswale to the north
17				2997.92				Planter strips (5) along east side of Block 17
18	19501.67							Bioswale west of Block 18 - Portland Ave. side
18			34.29					Drainage pipe in center of bioswale
18				1488.96				Planter strip along south side of Block 18, including small extension on south side of bioswale
18				1021.27				Planter strip along north side of Block 18
18				3027.24				Planter strips (3) along east side of Block 18 (East "Q" St. side)
18			75.05					Drainage pipe under East 43rd between bioswales blocks 17 & 18
19				6599.25				Planter strips (3) on east, west, and north sides of Block 19
19				765.47				Planter strips (3) extending from south side of Block 19
20				7412.54				Planter strips (3) on east, west, and north sides of Block 20
20				2990.98				Planter strip extensions (7) southern side of Block 20, along East 44th St.
N/A				6081.84				Median/planter strip in Boulevard 1, between blocks 19 and 20
N/A				4058.98				Median/planter strips (2) in Boulevard 1 between Harper St and 43rd St
N/A			71.08					Drainage pipe from the median strip in Boulevard 1, between blocks 19 and 20
N/A	17182.5							Bioswale in median of Boulevard 1 (runs from East 40th to East 43rd)
N/A			80					Drainage pipe running between bioswales on Blvd. 1, across East 43rd
N/A			23.68					Drainage pipe in Boulevard 1 bioswale at East 41st
N/A	4716.68							Bioswale in median of Boulevard 1 (from East 39th to East 40th)
N/A			90					Drainage pipe between Boulevard 1 bioswales across East 40th
N/A			89.76					Drainage pipe from Block 12 across Boulevard 1 at East 40th
N/A			89.7					Drainage pipe from Block 13 across Boulevard 1 at East 41st
N/A			89.71					Drainage pipe from Block 14 across Boulevard 1 at East 42nd
N/A			91.57					Drainage pipe from Block 15 across Boulevard 1 at East 43rd
N/A	17640.84					47944.84	34372	Park area surrounding Block 2 (extending from Block 1 to the north and Block 3 to the south) which is part wetland buffer, including 6 bioswale areas
			181					Drainage pipes (5) in park area north of Block 2

[Salishan CCRs (4)]

Block	Area (sq ft)							Description
	Bioswale	Conveyance swale	Culverts (linear ft)	Planter Strip	Front Yard	Park	Wetland/Buffer	
			108.2					Drainage pipes (4) in park area south of Block 2
N/A							17522	Wetland/buffer extending behind Block 3 to the east
N/A	2053.41					7680.41		Park area south of Block 3 including a bioswale area
			38.67					Drainage pipes (2) in park area south of Block 3
N/A	2612.6					47199.8		Park (including a bioswale area) on north side of East 40th extending eastward from Portland Ave. around corner, and northward to Block 1
N/A			91.13					Drainage pipe in bioswale north of Block 17 - from stormwater detention pond northward
	104152.74	15049.66	2182.43	102360.97	58040.83	186930.4	53983.44	TOTALS

Salishan Buffer Plant Schedule

3-2306

TREES

ACER CIRCINATUM

VINE MAPLE

ACER MACROPHYLLUM

BIG LEAF MAPLE

AMELANCHIER ALNIFOLIA

SERVICE BERRY

ARBUTUS MENZIESII

MADRONA

CORNUS NUTTALLII 'EDDIE WHITE
WONDER'

PACIFIC DOGWOOD

CRATEAGUS DOUGLASII

HAWTHORN

PSEUDOTSUGA MENZIESII

DOUGLAS FIR

QUERCUS GARRYANA

GARRY OAK

RHAMNUS PURSHIANA

CASCARA

TAXUS BREVIFOLIA

WESTERN YEW

THUJA PLICATA

WESTERN RED CEDAR

SHRUBS

HOLODISCUS DISCOLOR

OCEAN SPRAY

MAHONIA AQUIFOLIUM

OREGON GRAPE

PHILADELPHUS LEWISII

MOCK ORANGE

RIBES SENGUINEUM

RED FLOWERING CURRANT

ROSA NUTKANA

NOOTKA ROSE

SYMPHORICARPUS ALBUS

SNOWBERRY

VACCINIUM OVATUM

EVERGREEN HUCKLEBERRY

VACCINIUM PARVIFOLIUM

RED HUCKLEBERRY

GROUND COVER

ACHLYS TRIPHYLLA

VANILLA-LEAF

ARCTOSTAPHYLOS UVA-URSI

KINNIKINNICK

BLECHNUM SPICANT

DEER FERN

FRAGARIA VESCA

WILD STRAWBERRIES

GAULTHERIA SHALLON

SALAL

POLYSTICHUM MUNITUM

SWORD FERN

EXHIBIT “D”
BYLAWS
OF
SALISHAN ASSOCIATION

Article 1.
Name, Principal Office, and Definitions

1.1 Name. The name of the Association shall be Salishan Association (the “Association”).

1.2 Principal Office. The principal office of the Association shall be in Tacoma, Washington. The Association may have such other offices as the Board may determine or as the affairs of the Association may require.

1.3 Definitions. Capitalized terms used in these Bylaws shall have the same meaning as set forth in the Declaration of Covenants, Conditions, Restrictions and Easements for Salishan, as amended (the “Declaration”), unless the context shall otherwise require.

Article 2.
Association: Membership, Meetings, Quorum, Voting, Proxies

2.1 Membership. Each Owner of a Unit, as set forth in the Declaration, shall be a Member of the Association.

2.2 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members designated by the Board.

2.3 Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Subsequent regular annual meetings shall be held at least 60, but not more than 120, days after the close of the Association’s fiscal year on a date and at a time set by the Board.

2.4 Special Meetings. The President may call special meetings and shall call a special meeting if so directed by resolution of the Board or upon a petition signed by Members representing at least ten percent of the Units.

2.5 Notice of Meetings. Written notice stating the place, day and hour of any meeting of the Members shall be delivered personally or sent by mail to each Member entitled to vote at such meeting, not less than ten nor more than 50 days before the date of such meeting, by or at the direction of the director, officer or other person calling the meeting. In the case of a special meeting, or when otherwise required by law or these Bylaws, the purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. If mailed, the notice of a meeting shall be deemed delivered when deposited in the U.S. mail addressed to the Member at his or her address as it appears on the records of the Association, with postage prepaid.

2.6 Waiver of Notice. Waiver of meeting notice of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting either before or after the meeting. Attendance at any meeting by a Member shall be deemed waiver of notice by such Member, unless such Member objects to the lack of proper notice at the time the meeting is called to order.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present for the meeting, a majority of the Members present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five nor more than 30 days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business that might have been transacted at the meeting originally called may be transacted. If a time and place for the reconvened meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the reconvened meeting after adjournment, notice of the time and place for such meeting shall be given to Members in the manner prescribed for regular meetings.

2.8 Voting. The voting rights of the Members are set forth in the Articles and the Declaration, and such voting rights provisions are specifically incorporated in these Bylaws. Voting for the election of directors to be elected by the Members may be by ballots mailed to the Members. Ballots shall be returned to the Secretary by the date specified on the ballot. The Board shall determine the method of voting, the form of all ballots, the wording of questions thereon and the deadline for return of ballots. The Board may include on ballots any questions on which it seeks an advisory vote. Any other matters may be voted on by mail-in ballot to the extent allowed by law.

2.9 Proxies. At all meetings of the Members, Members may vote in person or by proxy. Each proxy shall be in writing, dated, signed and filed with the Secretary prior to the meeting for which it is to be effective. Proxies may be delivered to the Secretary by personal delivery or U.S. mail, or via telecopy to any Board member or the property manager. Unless otherwise provided in the proxy, a proxy shall cover all votes which the Member giving such proxy is entitled to cast. If there is a conflict between two or more proxies purporting to cover the same

voting rights, the later dated proxy shall prevail; or, if dated the same date, both shall be deemed invalid. No proxy shall be valid more than 11 months after its execution unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance of the Member's Unit.

2.10 Majority. As used in these Bylaws, the term "majority" shall mean those votes of the Members or other group as the context may indicate totaling more than 50% of the total number of votes cast. Except as otherwise provided in these Bylaws or in the Declaration or Articles, the majority of votes cast by Members, or other group as the context may indicate, shall determine all resolutions, actions and transactions taken by the Association or such other group.

2.11 Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of the Members representing a majority of the Units shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of Members leaving less than a quorum.

2.12 Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Article 3. Board of Directors

A. Composition and Selection

3.1 Number of Directors.

The size and make up of the Board are intended to reflect: the different interests of Rental and Ownership Unit Owners, Declarant's unique interest as described in Section 1.2 of the Declaration, and the fact that the Association will expand and change as the community grows over time.

3.1.1 Initial Board. Initially, the Board shall be comprised of three (3) Directors, one representing the Ownership Units and two (2) representing the Rental Units. The Declarant shall appoint the Rental Unit Directors. The Declarant shall appoint a Builder Owner purchasing at least 5 Units as the initial Ownership Unit Director, to serve until a new director is elected as described in section 3.1.2.

3.1.2 Election. After at least 50 Ownership Units have been sold to Owners who are not Builders, the Association shall call a meeting at which the Owners of Ownership Units shall elect the new Ownership Unit Director to serve a

two-year term. Thereafter, the Ownership Unit Directors shall be elected, as described below. The Declarant shall continue to appoint the Rental Unit Directors.

3.1.3 Increase to Five. When additional property is first added to the Property under Article 14 of the Declaration, the number of directors shall be increased to five (5). Two (2) Directors representing the Ownership Units shall be elected by the Owners of such Units, and the Declarant shall appoint three (3) Directors representing the Rental Units.

3.1.4 Further Increases. At any time, the Board may, by resolution, increase the number of directors to a maximum of nine (9), and identify the manner in which the additional directors are selected, provided that at all times, at least 20% and no more than 33-1/3% of the directors shall be elected by the Ownership Unit Owners. The remaining directors shall be appointed by Declarant.

3.1.5 Declarant Appointment of Non-Voting Directors. To ensure that the Board considers the views of a diverse community, the Declarant shall have the additional right to appoint up to 3 non-voting directors. The Declarant must notify the Association in writing of any such appointment.

3.2 Nomination of Directors. Except as to directors selected by the Declarant, nominations for election to the Board may be made by a Nominating Committee. The Nominating Committee, if established, shall consist of a chairman, who shall be a member of the Board, and three or more Members who own Ownership Units ("Ownership Unit Members"). The Nominating Committee shall be appointed by the Board not less than 30 days after the election of directors to serve a term of one year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations of Ownership Unit Members for election to the Board as it shall in its discretion determine, but in no event less than the number of positions to be filled. Nominations shall also be permitted from the floor if elections are held at a meeting. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

3.3 Election and Term of Office. There shall be no cumulative voting. The candidates receiving the most votes cast by Ownership Unit Members shall be elected. The directors elected shall hold office until their respective successors have been elected or selected as provided herein and take office or until their sooner death, resignation or removal from office. Prior to any election, the Board shall establish staggered terms of 1, 2 or 3 years for elected directors to ensure continuity on the Board. Directors may be elected to serve any number of consecutive terms.

3.4. Removal of Directors and Vacancies. Any Ownership Unit Director owning Ownership Units may be removed, with or without cause, by the vote of Ownership Unit Members representing at least 67% of the Units owned by such

Members entitled to cast votes for the election of such director, but shall not be subject to removal by the Declarant. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall then and there be elected by the Ownership Unit Members to fill the vacancy for the remainder of the term of such director.

Any Ownership Unit Director owning Ownership Units who has three consecutive absences from Board meetings or who is delinquent in the payment of any Assessment or other charge due the Association for more than 30 days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. Any person appointed shall be an Ownership Unit Member. In the event of the death, disability or resignation of an elected director, a vacancy may be declared by the Board, and it may appoint a successor from the Ownership Unit Members, who shall serve for the remainder of the term of such director.

B. Meetings.

3.5. Organizational Meetings. The Board shall hold its first meeting within ten days after each annual election of directors.

3.6. Regular Meetings. Regular Board meetings of the Board may be held at such time and place as determined from time to time by Board Resolution, but at least one such meeting shall be held during each quarter. Notice of the time and place of the meetings shall be communicated to directors not less than four days prior to the meeting; provided, however, that notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. Notice of the regular schedule shall constitute notice of such meetings.

3.7. Special Meetings. Special Board meetings of the Board shall be held when called by written notice signed by the President of the Association or by a majority of the directors. The notice shall specify the time and place of the meeting and the nature of any business to be considered. Notice shall be given to each director by one of the following methods: (a) personal delivery, including commercial courier service; or (b) first class mail, postage prepaid; or (c) telecopy. All such notices shall be given at the director's telephone or fax number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a U.S. mailbox at least seven days before the time set for the meeting. Notices given by personal delivery or telecopy shall be delivered at least five days before the time set for the meeting.

3.8. Waiver of Notice. The transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before

or after the meeting each of the directors present sign a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting prior to its commencement about the lack of adequate notice.

3.9. Quorum of Board of Directors. At all Board meetings, a majority of the directors shall constitute a quorum for the transaction of business, and the vote of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting, at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, so long as any action taken is approved by at least a majority of the required quorum for that meeting. If any Board meeting cannot be held because a quorum is not present, a majority of the directors who are present may adjourn the meeting to a time not less than five nor more than 30 days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.10. Compensation. No director shall receive any compensation from the Association for acting as such; provided this Section shall not prevent any director from being reimbursed for expenses authorized by the Board to be incurred on behalf of the Association. Nothing herein shall prohibit the Association from compensating a director, or an entity affiliated with a director, for services or supplies furnished to the Association in a capacity other than as a director under a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board, excluding the interested director.

3.11. Conduct of Meetings. The President shall preside over all Board meetings, and the Secretary shall keep a minute book of Board meetings, recording therein all Board resolutions and all transactions and proceedings occurring at such meetings.

3.12. Open Meetings. All meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion unless permission for the Member to speak is granted by the Chair of the meeting. In such case, the Chair may limit the time any Member may speak. Notwithstanding the foregoing, the President may adjourn any Board meeting and reconvene in executive session, excluding Members, to discuss matters of a sensitive nature, such as a pending or threatened litigation, personnel matters, etc.

3.13. Action Without a Formal Meeting. Any action to be taken or that may be taken at a Board meeting may be taken without a meeting if a written

consent, setting forth the action so taken, is signed by all directors, and such consent shall have the same force and effect as a unanimous vote.

3.14. Telephone Participation. One or more directors may participate in and vote during any regular or special meeting of the Board by telephone conference call or similar communication equipment wherein all Persons participating in the meeting can hear each other at the same time, and those directors so participating shall be present at such meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

C. Powers and Duties

3.15. Powers. The board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do or cause to be done all acts and things as are not by the Declaration, Articles, or these Bylaws directed to be done and exercised exclusively by the Members.

In addition to the duties otherwise imposed, the Board shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, the following, in way of explanation but not limitation:

- (a) preparation and adoption, in accordance with applicable provisions of the Declaration, of budgets in which the contribution of each Owner to the expenses of the Association shall be established consistent with the Declaration;
- (b) making assessments to defray the expenses of the Association, establishing the means and methods of collecting such assessments, and establishing the period of any installment payments of the assessments;
- (c) providing for the operation, care, upkeep and maintenance of property as provided in the Declaration;
- (d) designating, hiring, and dismissing the personnel necessary for the operations of the Association, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in performing their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to operate the Association; provided, any reserve fund may be deposited, in the directors best judgment, in depositories other than banks;
- (f) making and amending rules;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, improvements or alterations as provided in the Declaration and these Bylaws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules of the Association and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, - as provided in the Declaration, and paying the premium cost of such insurance;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance, repair and other expenses incurred;

(m) making available to any prospective purchaser of a Unit, any Owner, and first Mortgagee, and the holder, insurers and guarantors of a first Mortgage on any Unit, current copies of the Declaration, the Articles, the Bylaws, rules-governing the Units and all other books, record, and financial statements of the Association.

3.16 Management. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize.

3.17 Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed.

(b) accounting and controls should conform to generally accepted accounting principles.

(c) cash accounts of the Association shall not be commingled with any other accounts.

(d) No remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association.

(e) Any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board.

(f) Annual financial statements, prepared in accordance with generally accepted accounting principles shall, not less than 120 days after the close of each fiscal year and, prior to the annual meeting, be distributed to all Members. The Board may, but is not required to, have the financial statement of the Association audited by an independent certified public accountant; provided, however, the Members, by resolution, may require that the financial statements be so audited as a Common Expense of the Association.

3.18 Borrowing. The Association, acting through the Board, shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Area of Common Responsibility without the approval of the Members. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Member approval in the same manner provided in the Declaration for Special Assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities or the total amount of borrowing exceeds or would exceed ten percent of the budgeted gross expenses of the Association for that fiscal year.

3.19 Delegation to Manager. The Board may delegate any of its managerial duties, powers, or functions to any person, firm, entity or corporation (the "Manager"); provided that any management Agreement may be terminated by the Association:

- (a) For cause upon thirty (30) days advance written notice; and
- (b) Without cause upon ninety (90) days advance written notice;

The term of any such management agreement may not exceed one (1) year and may be renewable by agreement of the parties for successive one (1) year periods.

The Members of the Board shall not be liable for any omission or improper exercise by the Manager of any duty, power, or function so delegated by written instrument executed by a majority of the Board.

3.20 Enforcement. The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Unit of the violating Owner (except the

Declarant's property), and to suspend an Owner's right to vote for violation of any duty imposed under the Declaration, these Bylaws, or any duly adopted rules; provided, however, nothing herein shall authorize the Association to limit ingress and egress to or from a Unit. In the event that any occupant of a Unit violates the Declaration, Bylaws or a rule and a fine is imposed, the fine shall first be assessed against the occupant with notice to the Owner. If the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, Bylaws or any rule shall not be deemed a waiver of the right of the Board to do so thereafter. All rights and obligations of the Board under this Section may be delegated to a covenants committee established by the Board.

Article 4. Officers

4.1 Officers. The officers of the Association shall be a President, Secretary and Treasurer, to be elected from among the members of the Board. The Board may appoint such other officers, including one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers, as it shall deem desirable. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2 Election - Term of Office and Vacancies. The officers of the Association shall be elected annually by the Board at the first Board meeting following each annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal, or otherwise, may be filled by the Board for the unexpired portion of the term.

4.3 Removal. Any officer may be removed by the Board with or without cause.

4.4 Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices under applicable law, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board.

4.5 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board.

4.6 Vice President. The Vice President, if any, shall act in the President's absence and shall have all powers, duties and responsibilities provided for the President when so acting.

4.7 Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board and shall have charge of such books and papers as the

Board may direct and shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with Washington law.

4.8 Treasurer. The Treasurer shall have primary responsibility for oversight of all financial matters for the Association, including preparation of the budget as provided for in the Declaration, preparation and delivery of the annual financial report, and assuring that the financial records of the Association have been maintained properly and in accordance with good accounting practices. The Treasurer may delegate all or part of the preparation and notification duties to a finance committee, a management agent, or both. 4.9. Resignation. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at such later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.10 Agreements, Contracts, Deed, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by one or more officers or by such other person or persons as may be designated by resolution of the Board.

Article 5. Committees

5.1 General. Committees are hereby authorized to perform such tasks as may be delegated to a committee under Washington law and to serve for such periods as may be designated by a Board resolution. Each committee shall operate under the terms of the Board resolution designating the committee and the rules adopted by the board governing such committee.

5.2 Covenants Committee. In addition to any other committees which may be established by the Board, the Board may appoint a Covenants Committee consisting of at least three and no more than seven members. Acting in accordance with the provisions of the Declaration, these Bylaws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held under Section 3.20.

5.3 Management Committee. The Board may establish a committee consisting of one or more of its members with the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between Board meetings.

Article 6. Miscellaneous

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise established by Board resolution.

6.2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Washington law, the Articles, the Declaration or these Bylaws.

6.3 Conflicts. If there are conflicts between the provisions of Washington law, the Articles, the Declaration and these Bylaws, the provisions of Washington law, the Declaration, the Articles and the Bylaws, in that order, shall prevail.

6.4 Books and Records.

(a) The Declaration, Bylaws and Articles, any amendments to the foregoing; the rules of the Association, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, Member of the Association, or by the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in the Units at the office of the Association or at such other place within the Property as the Board shall prescribe. The Board may establish reasonable rules with respect to notice to be given to the custodian of the records, hours and days when such an inspection may be made, and payment of the cost of reproducing copies of documents requested.

(b) Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical property owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association in furtherance of such director's duties as a director.

(c) No holder, insurer or guarantor of a first Mortgage on a Unit, director or Member of the Association, or any representative or agent of any of the foregoing shall make any use of, or allow any other person to make any use of, any Association documents copied pursuant to this Section 6.4, for any purpose not related to the Association or a Person's interest in or prospective interest in a Unit. This prohibition includes, but is not limited to, the use of the Membership register for advertising, solicitation or distribution of materials for any commercial purpose or any other purpose not related to the Association or a Member's interest in a Unit.

The Association, the Board or any Member shall have a right to enforce this provision as provided by these Bylaws, the Declaration or Washington law.

6.5 Notices. Unless otherwise provided in these Bylaws, all notices, demand, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally, by telecopy, or if sent by U.S. mail, first class postage prepaid:

(a) If to a Member, at the address which the Member has designated in writing and filed with the Secretary, or, if no such address has been designated, at the address of the Unit of such Member; or

(b) If to the Association, the Board or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members under this Section.

6.6 Amendment.

(a) Prior to the conveyance of the first Unit by Declarant to a Person other than a Builder, the Board may unilaterally amend these Bylaws. After such conveyance, the Board may amend these Bylaws with the consent of the Declarant but without a vote of the Members at any time if such amendment is (i) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) required by an institution or government lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Units; or (iv) necessary to enable any government agency or private insurance company to guarantee or insure mortgage loans on the Units; provided, however, any such amendment shall not adversely affect the title to any Unit without the written consent of the Owner. So long as the Declarant still owns property described in Exhibits A or B of the Declaration for development as part of the Property, it may unilaterally amend these Bylaws for any purpose, provided the amendment has no material adverse effect upon any substantive right of any Owner and does not adversely affect title to any Unit without the consent of its Owners.

(b) The Bylaws may also be amended upon a resolution duly adopted by the Board and approved by the affirmative vote of Members representing a majority of the Units and by the Declarant, so long as Declarant owns property in Exhibits A or B of the Declaration for development as part of the Property. Notwithstanding the above, the percentage of votes necessary to amend a specific

clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

CERTIFICATION

I hereby certify that I am the duly elected and acting Secretary of Salishan Association, a Washington corporation, and that the foregoing Bylaws constitute the original Bylaws of said Salishan Association, as duly adopted at a meeting of the Board of Directors thereof held on the _____ day of _____, 2005.

Secretary: _____

Date: _____

EXHIBIT "E"
LONG TERM LEASES,
OWNERSHIP UNITS AND RENTAL UNITS; ALLOCATION OF
ASSESSMENT AMONG UNIT TYPES

Unit No.	Street Name	Block	Lot	Ownership Type	Land Area Allocation for Common Expenses
			Long Term Leases/Rental Units		
3867	East R	4	1A	Long Term Leases/Rental Units	
3869	East R	4	1A	Long Term Leases/Rental Units	
3871	East R	4	1B	Long Term Leases/Rental Units	
3873	East R	4	1B	Long Term Leases/Rental Units	
3875	East R	4	1C	Long Term Leases/Rental Units	
3877	East R	4	1C	Long Term Leases/Rental Units	
3879	East R	4	1D	Long Term Leases/Rental Units	
3881	East R	4	1D	Long Term Leases/Rental Units	
3883	East R	4	1D	Long Term Leases/Rental Units	
3885	East 44th	4	1E	Long Term Leases/Rental Units	
3887	East 44th	4	1E	Long Term Leases/Rental Units	
3889	East 44th	4	1F	Long Term Leases/Rental Units	
3891	East 44th	4	1F	Long Term Leases/Rental Units	
1742	East 38th	6	1	Long Term Leases/Rental Units	
1744	East 38th	6	1	Long Term Leases/Rental Units	
1741	East 39th	6	2	Long Term Leases/Rental Units	
1745	East 39th	6	3	Long Term Leases/Rental Units	
1747	East 39th	6	3	Long Term Leases/Rental Units	
3917	Salishan Blvd.	7	8	Long Term Leases/Rental Units	
3915	Salishan Blvd.	7	8	Long Term Leases/Rental Units	
3907	Salishan Blvd.	7	9	Long Term Leases/Rental Units	
3905	Salishan Blvd.	7	9	Long Term Leases/Rental Units	
3903	Salishan Blvd.	7	9	Long Term Leases/Rental Units	
3901	Salishan Blvd.	7	9	Long Term Leases/Rental Units	
4017	Salishan Blvd.	8	10	Long Term Leases/Rental Units	
4015	Salishan Blvd.	8	10	Long Term Leases/Rental Units	
4007	Salishan Blvd.	8	11	Long Term Leases/Rental Units	
4003	Salishan Blvd.	8	12	Long Term Leases/Rental Units	
4001	Salishan Blvd.	8	12	Long Term Leases/Rental Units	
4117	Salishan Blvd.	9	11	Long Term Leases/Rental Units	
4115	Salishan Blvd.	9	11	Long Term Leases/Rental Units	
4107	Salishan Blvd.	9	12	Long Term Leases/Rental Units	
4103	Salishan Blvd.	9	13	Long Term Leases/Rental Units	

[Salishan CCRs (4)]

Unit No.	Street Name	Block	Lot	Ownership Type	Land Area Allocation for Common Expenses
4101	Salishan Blvd.	9	13	Long Term Leases/Rental Units	
4217	Salishan Blvd.	10	11	Long Term Leases/Rental Units	
4215	Salishan Blvd.	10	11	Long Term Leases/Rental Units	
4209	Salishan Blvd.	10	12	Long Term Leases/Rental Units	
4207	Salishan Blvd.	10	12	Long Term Leases/Rental Units	
4203	Salishan Blvd.	10	13	Long Term Leases/Rental Units	
4201	Salishan Blvd.	10	13	Long Term Leases/Rental Units	
4302	East R	11	1	Long Term Leases/Rental Units	
4304	East R	11	1	Long Term Leases/Rental Units	
4314	East R	11	2	Long Term Leases/Rental Units	
4316	East R	11	2	Long Term Leases/Rental Units	
1829	Harper	11	3	Long Term Leases/Rental Units	
1823	Harper	11	4	Long Term Leases/Rental Units	
1825	Harper	11	4	Long Term Leases/Rental Units	
1819	Harper	11	5	Long Term Leases/Rental Units	
1817	Harper	11	5	Long Term Leases/Rental Units	
4317	Salishan Blvd.	11	6	Long Term Leases/Rental Units	
4315	Salishan Blvd.	11	6	Long Term Leases/Rental Units	
4309	Salishan Blvd.	11	7	Long Term Leases/Rental Units	
4307	Salishan Blvd.	11	7	Long Term Leases/Rental Units	
4303	Salishan Blvd.	11	8	Long Term Leases/Rental Units	
4301	Salishan Blvd.	11	8	Long Term Leases/Rental Units	
1818	East 43rd	11	9	Long Term Leases/Rental Units	
1820	East 43rd	11	9	Long Term Leases/Rental Units	
1824	East 43rd	11	10	Long Term Leases/Rental Units	
1826	East 43rd	11	10	Long Term Leases/Rental Units	
1830	East 43rd	11	11	Long Term Leases/Rental Units	
4308	East R	11	12	Long Term Leases/Rental Units	
3902	Salishan Blvd.	12	1	Long Term Leases/Rental Units	
3904	Salishan Blvd.	12	1	Long Term Leases/Rental Units	
3908	Salishan Blvd.	12	2	Long Term Leases/Rental Units	
3910	Salishan Blvd.	12	2	Long Term Leases/Rental Units	
3914	Salishan Blvd.	12	3	Long Term Leases/Rental Units	
3916	Salishan Blvd.	12	3	Long Term Leases/Rental Units	
3913	East Q	12	6	Long Term Leases/Rental Units	
3911	East Q	12	6	Long Term Leases/Rental Units	
3907	East Q	12	7	Long Term Leases/Rental Units	
3903	East Q	12	8	Long Term Leases/Rental Units	
3901	East Q	12	8	Long Term Leases/Rental Units	
4002	Salishan Blvd.	13	1	Long Term Leases/Rental Units	

[Salishan CCRs (4)]

Unit No.	Street Name	Block	Lot	Ownership Type	Land Area Allocation for Common Expenses
4004	Salishan Blvd.	13	1	Long Term Leases/Rental Units	
4008	Salishan Blvd.	13	2	Long Term Leases/Rental Units	
4014	Salishan Blvd.	13	3	Long Term Leases/Rental Units	
4016	Salishan Blvd.	13	3	Long Term Leases/Rental Units	
4102	Salishan Blvd.	14	1	Long Term Leases/Rental Units	
4104	Salishan Blvd.	14	1	Long Term Leases/Rental Units	
4108	Salishan Blvd.	14	2	Long Term Leases/Rental Units	
4114	Salishan Blvd.	14	3	Long Term Leases/Rental Units	
4116	Salishan Blvd.	14	3	Long Term Leases/Rental Units	
1705	East 42nd	14	6	Long Term Leases/Rental Units	
1707	East 42nd	14	6	Long Term Leases/Rental Units	
1711	East 42nd	14	7	Long Term Leases/Rental Units	
1708	East 41st	14	8	Long Term Leases/Rental Units	
1706	East 41st	14	8	Long Term Leases/Rental Units	
1720	East 41st	14	9	Long Term Leases/Rental Units	
1722	East 41st	14	9	Long Term Leases/Rental Units	
1726	East 41st	14	10	Long Term Leases/Rental Units	
1728	East 41st	14	10	Long Term Leases/Rental Units	
4202	Salishan Blvd.	15	1	Long Term Leases/Rental Units	
4204	Salishan Blvd.	15	1	Long Term Leases/Rental Units	
4208	Salishan Blvd.	15	2	Long Term Leases/Rental Units	
4210	Salishan Blvd.	15	2	Long Term Leases/Rental Units	
4214	Salishan Blvd.	15	3	Long Term Leases/Rental Units	
4216	Salishan Blvd.	15	3	Long Term Leases/Rental Units	
1719	East 43rd	15	4	Long Term Leases/Rental Units	
1717	East 43rd	15	4	Long Term Leases/Rental Units	
1713	East 43rd	15	5	Long Term Leases/Rental Units	
1711	East 43rd	15	5	Long Term Leases/Rental Units	
4217	East Q	15	6	Long Term Leases/Rental Units	
4215	East Q	15	6	Long Term Leases/Rental Units	
1702	East 42nd	15	7	Long Term Leases/Rental Units	
1704	East 42nd	15	7	Long Term Leases/Rental Units	
4302	Salishan Blvd.	16	1	Long Term Leases/Rental Units	
4304	Salishan Blvd.	16	1	Long Term Leases/Rental Units	
4308	Salishan Blvd.	16	2	Long Term Leases/Rental Units	
4310	Salishan Blvd.	16	2	Long Term Leases/Rental Units	
4314	Salishan Blvd.	16	3	Long Term Leases/Rental Units	
4316	Salishan Blvd.	16	3	Long Term Leases/Rental Units	
1719	Harper	16	4	Long Term Leases/Rental Units	
1717	Harper	16	4	Long Term Leases/Rental Units	

[Salishan CCRs (4)]

Unit No.	Street Name	Block	Lot	Ownership Type	Land Area Allocation for Common Expenses
1715	Harper	16	4	Long Term Leases/Rental Units	
4315	East Q	16	5	Long Term Leases/Rental Units	
4313	East Q	16	5	Long Term Leases/Rental Units	
4307	East Q	16	6	Long Term Leases/Rental Units	
4303	East Q	16	7	Long Term Leases/Rental Units	
4301	East Q	16	7	Long Term Leases/Rental Units	
1714	East 43rd	16	8	Long Term Leases/Rental Units	
1716	East 43rd	16	8	Long Term Leases/Rental Units	
1720	East 43rd	16	9	Long Term Leases/Rental Units	
1722	East 43rd	16	9	Long Term Leases/Rental Units	
4002	East Q	17	1	Long Term Leases/Rental Units	
4004	East Q	17	1	Long Term Leases/Rental Units	
4006	East Q	17	1	Long Term Leases/Rental Units	
4008	East Q	17	1	Long Term Leases/Rental Units	
4032	East Q	17	2	Long Term Leases/Rental Units	
4030	East Q	17	2	Long Term Leases/Rental Units	
4018	East Q	17	2	Long Term Leases/Rental Units	
4016	East Q	17	2	Long Term Leases/Rental Units	
4022	East Q	17	2	Long Term Leases/Rental Units	
4024	East Q	17	2	Long Term Leases/Rental Units	
4026	East Q	17	2	Long Term Leases/Rental Units	
4104	East Q	17	3	Long Term Leases/Rental Units	
4102	East Q	17	3	Long Term Leases/Rental Units	
4118	East Q	17	3	Long Term Leases/Rental Units	
4116	East Q	17	3	Long Term Leases/Rental Units	
4112	East Q	17	3	Long Term Leases/Rental Units	
4110	East Q	17	3	Long Term Leases/Rental Units	
4108	East Q	17	3	Long Term Leases/Rental Units	
4138	East Q	17	4	Long Term Leases/Rental Units	
4136	East Q	17	4	Long Term Leases/Rental Units	
4124	East Q	17	4	Long Term Leases/Rental Units	
4122	East Q	17	4	Long Term Leases/Rental Units	
4128	East Q	17	4	Long Term Leases/Rental Units	
4130	East Q	17	4	Long Term Leases/Rental Units	
4132	East Q	17	4	Long Term Leases/Rental Units	
4204	East Q	17	5	Long Term Leases/Rental Units	
4202	East Q	17	5	Long Term Leases/Rental Units	
4216	East Q	17	5	Long Term Leases/Rental Units	
4214	East Q	17	5	Long Term Leases/Rental Units	
4212	East Q	17	5	Long Term Leases/Rental Units	

Unit No.	Street Name	Block	Lot	Ownership Type	Land Area Allocation for Common Expenses
4210	East Q	17	5	Long Term Leases/Rental Units	
4208	East Q	17	5	Long Term Leases/Rental Units	
4234	East Q	17	6	Long Term Leases/Rental Units	
4232	East Q	17	6	Long Term Leases/Rental Units	
4228	East Q	17	7	Long Term Leases/Rental Units	
4226	East Q	17	7	Long Term Leases/Rental Units	
4222	East Q	17	8	Long Term Leases/Rental Units	
4220	East Q	17	8	Long Term Leases/Rental Units	
4010	East Q	17	9	Long Term Leases/Rental Units	
4012	East Q	17	9	Long Term Leases/Rental Units	
4014	East Q	17	9	Long Term Leases/Rental Units	
4304	East Q	18	1	Long Term Leases/Rental Units	
4302	East Q	18	1	Long Term Leases/Rental Units	
4326	East Q	18	2	Long Term Leases/Rental Units	
4324	East Q	18	2	Long Term Leases/Rental Units	
4322	East Q	18	2	Long Term Leases/Rental Units	
4320	East Q	18	2	Long Term Leases/Rental Units	
4318	East Q	18	2	Long Term Leases/Rental Units	
4314	East Q	18	2	Long Term Leases/Rental Units	
4316	East Q	18	2	Long Term Leases/Rental Units	
4332	East Q	18	3	Long Term Leases/Rental Units	
4330	East Q	18	3	Long Term Leases/Rental Units	
4334	East Q	18	3	Long Term Leases/Rental Units	
4336	East Q	18	3	Long Term Leases/Rental Units	
4338	East Q	18	3	Long Term Leases/Rental Units	
4342	East Q	18	3	Long Term Leases/Rental Units	
4340	East Q	18	3	Long Term Leases/Rental Units	
4356	East Q	18	4	Long Term Leases/Rental Units	
4354	East Q	18	4	Long Term Leases/Rental Units	
4352	East Q	18	4	Long Term Leases/Rental Units	
4350	East Q	18	4	Long Term Leases/Rental Units	
4348	East Q	18	4	Long Term Leases/Rental Units	
4344	East Q	18	4	Long Term Leases/Rental Units	
4346	East Q	18	4	Long Term Leases/Rental Units	
4360	East Q	18	5	Long Term Leases/Rental Units	
4358	East Q	18	5	Long Term Leases/Rental Units	
4362	East Q	18	5	Long Term Leases/Rental Units	
4364	East Q	18	5	Long Term Leases/Rental Units	
4366	East Q	18	5	Long Term Leases/Rental Units	
4370	East Q	18	5	Long Term Leases/Rental Units	

Unit No.	Street Name	Block	Lot	Ownership Type	Land Area Allocation for Common Expenses
4368	East Q	18	5	Long Term Leases/Rental Units	
4382	East Q	18	6	Long Term Leases/Rental Units	
4380	East Q	18	6	Long Term Leases/Rental Units	
4378	East Q	18	6	Long Term Leases/Rental Units	
4376	East Q	18	7	Long Term Leases/Rental Units	
4374	East Q	18	7	Long Term Leases/Rental Units	
4372	East Q	18	7	Long Term Leases/Rental Units	
4312	East Q	18	8	Long Term Leases/Rental Units	
4310	East Q	18	8	Long Term Leases/Rental Units	
4308	East Q	18	9	Long Term Leases/Rental Units	
4306	East Q	18	9	Long Term Leases/Rental Units	
4326	Salishan Blvd.	19	1	Long Term Leases/Rental Units	
4328	Salishan Blvd.	19	1	Long Term Leases/Rental Units	
4330	Salishan Blvd.	19	1	Long Term Leases/Rental Units	
4336	Salishan Blvd.	19	2	Long Term Leases/Rental Units	
4338	Salishan Blvd.	19	2	Long Term Leases/Rental Units	
4340	Salishan Blvd.	19	2	Long Term Leases/Rental Units	
4343	East Q	19	3	Long Term Leases/Rental Units	
4345	East Q	19	3	Long Term Leases/Rental Units	
4335	East Q	19	4	Long Term Leases/Rental Units	
4337	East Q	19	4	Long Term Leases/Rental Units	
4325	East Q	19	5	Long Term Leases/Rental Units	
4327	East Q	19	5	Long Term Leases/Rental Units	
4329	East Q	19	5	Long Term Leases/Rental Units	
1714	Harper	19	6	Long Term Leases/Rental Units	
1716	Harper	19	6	Long Term Leases/Rental Units	
1720	Harper	19	7	Long Term Leases/Rental Units	
1722	Harper	19	7	Long Term Leases/Rental Units	
4326	East R	20	1	Long Term Leases/Rental Units	
4328	East R	20	1	Long Term Leases/Rental Units	
4330	East R	20	1	Long Term Leases/Rental Units	
4336	East R	20	2	Long Term Leases/Rental Units	
4338	East R	20	2	Long Term Leases/Rental Units	
4340	East R	20	2	Long Term Leases/Rental Units	
4346	East R	20	3	Long Term Leases/Rental Units	
4348	East R	20	3	Long Term Leases/Rental Units	
4350	East R	20	3	Long Term Leases/Rental Units	
4356	East R	20	4	Long Term Leases/Rental Units	
4358	East R	20	4	Long Term Leases/Rental Units	
1839	East 44th	20	4	Long Term Leases/Rental Units	

Unit No.	Street Name	Block	Lot	Ownership Type	Land Area Allocation for Common Expenses
1841	East 44th	20	4	Long Term Leases/Rental Units	
1829	East 44th	20	5	Long Term Leases/Rental Units	
1831	East 44th	20	5	Long Term Leases/Rental Units	
1833	East 44th	20	5	Long Term Leases/Rental Units	
1835	East 44th	20	5	Long Term Leases/Rental Units	
1819	East 44th	20	6	Long Term Leases/Rental Units	
1821	East 44th	20	6	Long Term Leases/Rental Units	
1823	East 44th	20	6	Long Term Leases/Rental Units	
1825	East 44th	20	6	Long Term Leases/Rental Units	
1809	East 44th	20	7	Long Term Leases/Rental Units	
1811	East 44th	20	7	Long Term Leases/Rental Units	
1813	East 44th	20	7	Long Term Leases/Rental Units	
1815	East 44th	20	7	Long Term Leases/Rental Units	
1805	East 44th	20	8	Long Term Leases/Rental Units	
1803	East 44th	20	8	Long Term Leases/Rental Units	
4365	Salishan Blvd.	20	8	Long Term Leases/Rental Units	
4367	Salishan Blvd.	20	8	Long Term Leases/Rental Units	
4355	Salishan Blvd.	20	9	Long Term Leases/Rental Units	
4357	Salishan Blvd.	20	9	Long Term Leases/Rental Units	
4359	Salishan Blvd.	20	9	Long Term Leases/Rental Units	
4345	Salishan Blvd.	20	10	Long Term Leases/Rental Units	
4347	Salishan Blvd.	20	10	Long Term Leases/Rental Units	
4349	Salishan Blvd.	20	10	Long Term Leases/Rental Units	
4335	Salishan Blvd.	20	11	Long Term Leases/Rental Units	
4337	Salishan Blvd.	20	11	Long Term Leases/Rental Units	
4339	Salishan Blvd.	20	11	Long Term Leases/Rental Units	
4325	Salishan Blvd.	20	12	Long Term Leases/Rental Units	
4327	Salishan Blvd.	20	12	Long Term Leases/Rental Units	
4329	Salishan Blvd.	20	12	Long Term Leases/Rental Units	
1816	Harper	20	13	Long Term Leases/Rental Units	
1818	Harper	20	13	Long Term Leases/Rental Units	
1822	Harper	20	14	Long Term Leases/Rental Units	
1824	Harper	20	14	Long Term Leases/Rental Units	
1828	Harper	20	15	Long Term Leases/Rental Units	
1830	Harper	20	15	Long Term Leases/Rental Units	
1834	Harper	20	16	Long Term Leases/Rental Units	
1836	Harper	20	16	Long Term Leases/Rental Units	
				TOTAL	57%
	Long Term Leases/Rental Units/Senior Housing Units				
1701	East 44th	19	8	Long Term Leases/Rental Units	

[Salishan CCRs (4)]

Unit No.	Street Name	Block	Lot	Ownership Type	Land Area Allocation for Common Expenses
				TOTAL	3%
				Ownership	
3788	East Q	1	1	Ownership	
3784	East Q	1	2	Ownership	
3780	East Q	1	3	Ownership	
3776	East Q	1	4	Ownership	
3772	East Q	1	5	Ownership	
3768	East Q	1	6	Ownership	
3765	East R	1	7	Ownership	
3769	East R	1	8	Ownership	
3773	East R	1	9	Ownership	
3777	East R	1	10	Ownership	
3781	East R	1	11	Ownership	
3785	East R	1	12	Ownership	
3801	East R	2	1	Ownership	
3805	East R	2	2	Ownership	
3809	East R	2	3	Ownership	
1763	East 38th	5	1	Ownership	
1759	East 38th	5	2	Ownership	
1755	East 38th	5	3	Ownership	
1751	East 38th	5	4	Ownership	
1747	East 38th	5	5	Ownership	
1743	East 38th	5	6	Ownership	
1739	East 38th	5	7	Ownership	
1735	East 38th	5	8	Ownership	
1731	East 38th	5	9	Ownership	
3799	East Q	5	10	Ownership	
3795	East Q	5	11	Ownership	
3793	East Q	5	12	Ownership	
3789	East Q	5	13	Ownership	
3785	East Q	5	14	Ownership	
3780	East R	5	15	Ownership	
3784	East R	5	16	Ownership	
3788	East R	5	17	Ownership	
3792	East R	5	18	Ownership	
3796	East R	5	19	Ownership	
3798	East R	5	20	Ownership	
1737	East 39th	6	4	Ownership	
1733	East 39th	6	5	Ownership	
3813	East Q	6	6	Ownership	

Unit No.	Street Name	Block	Lot	Ownership Type	Land Area Allocation for Common Expenses
3809	East Q	6	7	Ownership	
3805	East Q	6	8	Ownership	
3801	East Q	6	9	Ownership	
1730	East 38th	6	10	Ownership	
1734	East 38th	6	11	Ownership	
1738	East 38th	6	12	Ownership	
3802	East R	7	1	Ownership	
3806	East R	7	2	Ownership	
3810	East R	7	3	Ownership	
3814	East R	7	4	Ownership	
1819	East 40th	7	5	Ownership	
1815	East 40th	7	6	Ownership	
1811	East 40th	7	7	Ownership	
1812	East 39th	7	10	Ownership	
1816	East 39th	7	11	Ownership	
4002	East R	8	1	Ownership	
4006	East R	8	2	Ownership	
4010	East R	8	3	Ownership	
4014	East R	8	4	Ownership	
1831	East 41st	8	5	Ownership	
1827	East 41st	8	6	Ownership	
1823	East 41st	8	7	Ownership	
1819	East 41st	8	8	Ownership	
1815	East 41st	8	9	Ownership	
1812	East 40th	8	13	Ownership	
1816	East 40th	8	14	Ownership	
1820	East 40th	8	15	Ownership	
1824	East 40th	8	16	Ownership	
4102	East R	9	1	Ownership	
4106	East R	9	2	Ownership	
4110	East R	9	3	Ownership	
4114	East R	9	4	Ownership	
1835	East 42nd	9	5	Ownership	
1831	East 42nd	9	6	Ownership	
1827	East 42nd	9	7	Ownership	
1823	East 42nd	9	8	Ownership	
1819	East 42nd	9	9	Ownership	
1815	East 42nd	9	10	Ownership	
1816	East 41st	9	14	Ownership	
1820	East 41st	9	15	Ownership	

Unit No.	Street Name	Block	Lot	Ownership Type	Land Area Allocation for Common Expenses
1824	East 41st	9	16	Ownership	
1828	East 41st	9	17	Ownership	
1832	East 41st	9	18	Ownership	
4202	East R	10	1	Ownership	
4206	East R	10	2	Ownership	
4210	East R	10	3	Ownership	
4214	East R	10	4	Ownership	
1835	East 43rd	10	5	Ownership	
1831	East 43rd	10	6	Ownership	
1827	East 43rd	10	7	Ownership	
1823	East 43rd	10	8	Ownership	
1819	East 43rd	10	9	Ownership	
1815	East 43rd	10	10	Ownership	
1814	East 42nd	10	14	Ownership	
1818	East 42nd	10	15	Ownership	
1822	East 42nd	10	16	Ownership	
1826	East 42nd	10	17	Ownership	
1830	East 42nd	10	18	Ownership	
1832	East 42nd	10	19	Ownership	
1739	East 40th	12	4	Ownership	
1735	East 40th	12	5	Ownership	
1736	East 39th	12	9	Ownership	
1740	East 39th	12	10	Ownership	
1729	East 41st	13	4	Ownership	
1725	East 41st	13	5	Ownership	
1721	East 41st	13	6	Ownership	
1717	East 41st	13	7	Ownership	
1713	East 41st	13	8	Ownership	
1709	East 41st	13	9	Ownership	
1705	East 41st	13	10	Ownership	
1701	East 41st	13	11	Ownership	
1702	East 40th	13	12	Ownership	
1706	East 40th	13	13	Ownership	
1710	East 40th	13	14	Ownership	
1714	East 40th	13	15	Ownership	
1720	East 40th	13	16	Ownership	
1724	East 40th	13	17	Ownership	
1728	East 40th	13	18	Ownership	
1732	East 40th	13	19	Ownership	
1734	East 40th	13	20	Ownership	

Unit No.	Street Name	Block	Lot	Ownership Type	Land Area Allocation for Common Expenses
1738	East 40th	13	21	Ownership	
3831	East R	3	1	Ownership - Income Qualified	
3833	East R	3	2	Ownership - Income Qualified	
3837	East R	3	3	Ownership - Income Qualified	
3841	East R	3	4	Ownership - Income Qualified	
3845	East R	3	5	Ownership - Income Qualified	
3847	East R	3	6	Ownership - Income Qualified	
3851	East R	3	7	Ownership - Income Qualified	
3853	East R	3	8	Ownership - Income Qualified	
3859	East R	3	9	Ownership - Income Qualified	
3861	East R	3	10	Ownership - Income Qualified	
3863	East R	3	11	Ownership - Income Qualified	
1721	East 42nd	14	4	Ownership - Income Qualified	
1717	East 42nd	14	5	Ownership - Income Qualified	
1708	East 42nd	15	8	Ownership - Income Qualified	
1712	East 42nd	15	9	Ownership - Income Qualified	
1716	East 42nd	15	10	Ownership - Income Qualified	
1720	East 42nd	15	11	Ownership - Income Qualified	
				TOTAL	40%
				GRAND TOTAL	100%

EXHIBIT "F"

MAINTENANCE CHECKLIST FOR BIO-INFILTRATION SWALES

Weeding – As with any garden, bioinfiltration swales require weeding of unwanted plant materials. Weeding should be accomplished routinely and at least monthly.

Watering – If the plants wilt during the heat of the day, but recover in the evening, watering is not necessary. The plants are simply conserving moisture. If they do not recover, watering is indicated. Another good rule of thumb is to stick a pencil or screwdriver about four inches into the soil. If the soil is moist at that depth, watering is not needed. If the soil is dry, and the grass was planted within the last three years, watering is necessary. Watering should occur in the evening. Sprinkle to provide approximately 1/4 to 1/2 inch of water (use a coffee can or similar container to collect and measure water during sprinkling).

Fertilization – No fertilization is necessary for the bioinfiltration swale. Fertilization may reduce the bioinfiltration swale's pollutant reduction effectiveness, lead to weak plant growth, promote disease and pest outbreaks, and inhibit soil life. There are millions of living organisms in the soil, including earthworms, helpful bacteria, and fungi – your bioinfiltration swale is more complex than it looks! Grass depends on these soil organisms to recycle nutrients, protect it from disease, and build loose fertile soil. But over-use of soluble fertilizers and pesticides can disrupt the bioinfiltration swale's balance, and may cause problems like hardening the soil and preventing breakdown of normal thatch.

Repairing Erosion – If erosion or bare spots occur, make an effort to find out the cause of the stress and correct the cause. Common causes of bare spots include foot or animal traffic and erosion from water flow. To prevent or remedy foot traffic, place shrubs or other woody vegetation in likely pathways. To remedy erosion from water, look for sources of concentrated flows and re-grade and provide vegetation to disperse the flow. Small amounts of cobble-sized rocks (3-6 inch diameter) may also be used to disperse water or protect areas where concentrated flow occurs, but the use of rock must be limited to less than 4 square feet for any problem area. If serious erosion problems occur, call the Managing Agent (253) 682-1650.

Seeding/Sodding – To restore dead vegetation, re-seed or re-plant the area with similar vegetation to the dead plants (e.g., ground cover for ground cover, shrubs for shrubs). Use plants from the attached plant list. Most native plants naturally go dormant during the late summer and fall, so if the entire area turns brown it may not indicate dead vegetation.

Pruning and Mowing – Shrubs and groundcover need trimming only if necessary for neatness. Grass in the bioinfiltration swale must be mowed for neatness and to discourage pests. Mowing must be more frequent in the growing season, to keep the length of the grass between 3 inches and 6 inches.

Standing Water – Bioinfiltration swales are designed to have water standing for several hours. If this period is routinely exceeded, the bioinfiltration swale may not be working properly. Should pooling water become a maintenance burden, minor steps can usually correct it. The soil beneath the bioinfiltration swale has been tested to make sure it can infiltrate water. Pooling water is usually caused by clogging or blockage of the surface layer. The surface blockage problem may be corrected by removing accumulated sediment on the surface and/or aerating the soil. If the problem is severe, tilling may be necessary, followed by re-seeding or sodding the grass layer to restore the bioinfiltration swale.

Trash, Debris, and Vegetation Debris – Runoff flowing into bioinfiltration swales may carry trash and debris with it. Plants may also shed debris (leaves, dead branches, etc.). Trash and debris should be removed regularly both to ensure that inlets do not become blocked and to keep the area from becoming unsightly.

Pet Waste – Pet waste should not be left to decay in bioinfiltration swales because of the danger of disease-causing organisms. EPA estimates that the droppings from 100 dogs over 2-3 days can contribute enough bacteria to a small lake or bay's watershed to temporarily render the water unsafe for swimming.

Soil Quality –The organically-amended soil is the bioinfiltration swale's key means for removing pollutants. To make sure it remains effective, the swale soil should be tested for organic content at least once every 10 years. Samples should be collected from at least 5 swales around the site (within each swale, composite 3 equal-sized soil subsamples), and each sample's organic content should be measured at a soil laboratory. The organic content should be at least 3 percent. If the organic content is less than 3 percent, addition of organic material is necessary. Mature compost should be added to produce an organic content of at least 5 percent within the top 2 feet of the swale soil layer. By calculating the weighted average organic content for the existing swale soils (tested as described here) and the compost (information supplied by the supplier), the amount of compost addition can be calculated. Swale soils should be amended by (1) removing and preserving plants (where possible), (2) placing compost on the soil surface, (3) tilling or mixing to a depth of 2 feet, and (4) replacing plants.

Maintenance Schedule for Bioretention

Table 1 is provided for guidance with respect to bioinfiltration swale operation. The schedule should be used as a guide only. The combination of diligent maintenance and simple pollution prevention practices will provide a superior system of water quality protection over conventional approaches.

Table 1: Example Maintenance Schedule for Bioinfiltration swales

Description	Method	Frequency	Time of the year
<u>SOIL</u>			
Inspect and Repair Erosion	Visual inspection; repair by hand	Inspect quarterly; repair when necessary	Quarterly
Check Soil Organic Content	Sample and lab analysis	10 years	Any; restore organic content
<u>PLANTS</u>			
Weed	By hand	At least monthly	Year-round
Water	By hand	As needed	May – October
Prune and Mow	By hand or power mower	As needed to keep grass length between 3 and 6 inches	Whenever needed
Stabilize and reseed bare spots	Visual inspection; repair by hand	Inspect quarterly; repair when necessary	Quarterly
Keep bioinfiltration swale free of debris, including trash, grass clippings, leaves, pet waste	By hand	Daily	Daily
<u>OVERALL</u>			
Inspect and Correct Standing Water	Visual	Quarterly	Quarterly

This document is based upon Prince George's County, Maryland, Department of Environmental Resources: Bioretention Manual, December 2002

Planting inside Bioswale ponds:

CAREX OBNUPTA
JUNCUS EFFUSUS
SCIRPUS CYPERINUS
IRIS PSEUDACORUS

SLOUGH SEDGE
SOFT RUSH
WOOL GRASS
WILD IRIS

Planting around Bioswale pond perimeter:

Gaultheria shallon

CORNUS STOLONIFERA 'SANTI'

CORNUS STOLONIFERA 'FLAVIRAMEA'

CORNUS STOLONIFERA 'MIDWINTER FIRE'

LONICERA PILEATA

MAHONIA REPENS

TAXUS CUSPIDATA 'EMERALD

SPREADER'

PRUNUS LAUROCERASUS 'MT.

VERNON'

SALAL

RED TWIG DOGWOOD

YELLOW TWIG DOGWOOD

RED TWIG DOGWOOD

PRIVET HONEYSUCKLE

CREEPING MAHONIA

EMERALD SPREADER

JAPANESE YEW

MT. VERNON LAUREL

EXHIBIT "G"

INITIAL USE RESTRICTIONS

The following Use Restrictions apply to the Property unless and until they are modified or repealed by the Association under Section 9.2 of the Declaration.

(a) General. Except as noted below, the Property shall be used only for residential uses and related community uses approved by the City of Tacoma. The Neighborhood Core as depicted on the Site Plan approved by the City of Tacoma (not in the Property as initially subjected to the Declaration, but within the expansion area described on Exhibit B) will contain non-residential uses. This restriction does not prohibit activities related to the construction, sale and rental of the Salishan project.

(b) Restricted Activities. The following activities are prohibited within the Property unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board:

(1) Parking of commercial vehicles, recreational vehicles, mobile homes, boats or other watercraft, or other oversized vehicles, equipment, stored vehicles or inoperable vehicles in places other than the enclosed garages. Guest recreational vehicles may be parked outside for up to 48 hours if registered with the Association in accordance with rules adopted by the Board.

(2) Maintenance or repair of any vehicle or equipment except in enclosed garages, and except for the occasional minor repair of a vehicle owned by a resident of the Unit where the vehicle is parked.

(3) Capturing, trapping, injuring or killing of wildlife within the Property, except in circumstances posing an imminent threat to the safety of persons using the Property or except as required or permitted by any applicable governmental authority.

(4) Chasing, injuring or killing of wildlife within the Property by pets of Owners or occupants of Units within the Property.

(5) Raising, breeding, or keeping of animals, livestock, or poultry of any kind, except that a reasonable number (as established by the Rules) of dogs, cats, or other usual and common household pets may be permitted in a Unit. However, no pets shall be permitted to roam free, or make objectionable noise,

endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Units. Any such pet shall be removed from the Property upon the request of the Board. If the pet owner fails to honor such request, the Board may remove the pet, in addition to any other remedy the Board may have to enforce these Restrictions.

(6) Obstruction of or rechanneling of drainage flows after installation of drainage swales, storm sewers, or storm drains, except that the Declarant and the Association shall have such right; so long as the exercise of such right does not materially diminish the value of or unreasonably interfere with the use of any Unit.

(7) Subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit, except with the approval of the Construction Committee and except that Declarant shall be permitted to subdivide or change the boundary lines of Units which it owns.

(8) Operation of a timesharing, fraction-sharing or similar program whereby the right to exclusive use of the Units rotates among participants in the program on a fixed or floating time schedule over a period of years.

(9) Any business, trade, or similar activity, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit to the extent that home occupations are allowed by the City of Tacoma's Code, subject to reasonable Rules the Board may adopt.

Neither subsection nor any other provision of these Use Restrictions shall restrict: any activity conducted by the Declarant or a Builder with respect to the development and sale of the Property; or the activities for the Neighborhood Core as depicted in the site plan approved by the City of Tacoma. Use Restrictions for the Neighborhood Core will be established by Declarant when Phase 2 is developed and set forth in a Supplemental Declaration under Section 14.

(10) Any garage sale, moving sale, rummage sale or similar activity, except in accordance with Rules the Board may adopt.

(11) Any construction, erection, placement or modification of any thing, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved, except in strict compliance with the provisions of Article 8 of the Declaration and the Design Guidelines. This shall include, without limitation, signs, swing sets and similar sports and play equipment; clotheslines; fountains, birdbaths and lawn statuary; flag poles and ornamentation; garbage cans, woodpiles; above-ground swimming pools, hot tubs or spas; docks, piers and similar structures; and hedges, walls, dog runs, animal pens, or fences of any kind.

Standard TV antennas and satellite dishes one meter in diameter or less shall be permitted at the Property; however, such over-the-air reception devices shall comply with Design Guidelines or other applicable Use Restrictions adopted by Declarant, the Construction Committee, the Board, or Association, pertaining to the means, method and location of TV antenna and satellite dish installation. Nothing in this section shall either (a) impair an Owner's authority under 47 C.F.R. Section 1.4000 or any successor law; or (b) empower the Construction Committee, the Board or the Association to impair such rights in violation of that law or any successor. Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a portion of the Property, should any master system or systems be utilized by the Association and require such exterior apparatus.

(12) Storage of items outside of the dwelling or enclosed garage, including portable play equipment and temporary storage bins or containers.

(13) Gardens, planters, and flower beds are permitted if neatly maintained consistent with the Community-Wide Standard regarding irrigation and any limitations of the Design Guidelines.

(c) Prohibited Conditions. The following shall be prohibited within the Property:

(1) Plants, animals, devices, or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property.

(2) Structures, equipment, or other items on the exterior portions of a Unit which have become rusty, dilapidated, or otherwise fallen into disrepair;

(3) Open-air burning or use of wood stoves except in compliance with applicable ordinances; provided, that outdoor cooking facilities, such as barbecues, are permissible subject to Rules the Board may adopt, and ordinances of the City of Tacoma; and

(4) Any activity by an Owner or occupant in violation of the City of Tacoma land use restrictions governing sensitive areas and perimeter or wetland buffers, or removal, or alteration of vegetation or fauna in such areas.

(5) Any activity involving hazardous substances, beyond normal household use, in violation of federal environmental laws.

EXHIBIT "H"

RULES OF ARBITRATION

1. Claimant shall submit a Claim to arbitration under these Rules by giving written notice to all other Parties stating plainly and concisely the nature of the Claim, the remedy sought and Claimant's submission of the Claim to arbitration ("Arbitration Notice").

2. The Parties shall select arbitrators ("Party Appointed Arbitrators") as follows: all the Claimants shall agree upon one Party Appointed Arbitrator, and all the Respondents shall agree upon one Party Appointed Arbitrator. The Party Appointed Arbitrators shall, by agreement, select one neutral arbitrator ("Neutral") so that the total arbitration panel ("Panel") has three arbitrators.

3. If the Panel is not selected under Rule 2 within 45 days from the date of the Arbitration Notice, any party may notify the nearest chapter of The Community Associations Institute, for any dispute arising under the Governing Documents, or the JAMS/Endispute, or such other independent body providing arbitration services, for any dispute relating to the design or construction of improvements at the Properties, which shall appoint one Neutral ("Appointed Neutral"), notifying the Appointed Neutral and all Parties in writing of such appointment. If either agency is unavailable or unable to provide such arbitration services, the Association or any Party may apply to any court of competent jurisdiction to appoint an arbitrator in accordance with Washington law. The Appointed Neutral shall thereafter be the sole arbitrator and any Party Appointed Arbitrators or their designees shall have no further duties involving the arbitration proceedings.

4. No person may serve as a Neutral in any arbitration in which that person has any financial or personal interest in the result of the arbitration. Any person designated as a Neutral or Appointed Neutral shall immediately disclose in writing to all Parties any circumstance likely to affect impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Bias Disclosure"). If any Party objects to the service of any Neutral or Appointed Neutral after receipt of that Neutral's Bias Disclosure, such Neutral or Appointed Neutral shall be replaced in the same manner in which that Neutral or Appointed Neutral was selected.

5. The Appointed Neutral or Neutral, as the case may be ("Arbitrator") shall fix the date, time and place for the hearing. The place of the hearing shall be within the Properties unless otherwise agreed by the Parties. In fixing the date of the hearing, or in continuing a hearing, the Arbitrator shall take into consideration the amount of time reasonably required to determine Claimant's damages accurately.

6. Any Party may be represented by an attorney or other authorized representative throughout the arbitration proceedings. In the event the Respondent fails to participate in the arbitration proceeding, the Arbitrator may not enter an Award by default, but shall hear Claimant's case and decide accordingly.

7. All persons who, in the judgment of the Arbitrator, have a direct interest in the arbitration are entitled to attend hearings. The Arbitrator shall determine any relevant legal issues, including whether all indispensable parties are Bound Parties or whether the claim is barred by the statute of limitations.

8. There shall be no stenographic record of the proceedings.

9. The hearing shall be conducted in whatever manner will, in the Arbitrator's judgment, most fairly and expeditiously permit the full presentation of the evidence and arguments of the Parties. The Arbitrator may issue such orders as it deems necessary to safeguard rights of the Parties in the dispute without prejudice to the rights of the Parties or the final determination of the dispute.

10. If the Arbitrator decides that it has insufficient expertise to determine a relevant issue raised during the arbitration, the Arbitrator may retain the services of an independent expert who will assist the Arbitrator in making the necessary determination. The scope of such professional's assistance shall be determined by the Arbitrator in that Arbitrator's discretion. Such independent professional must not have any bias or financial or personal interest in the outcome of the arbitration, and shall immediately notify the Parties of any such bias or interest by delivering a Bias Disclosure to the Parties. If any Party objects to the service of any professional after receipt of a Bias Disclosure, such professional shall be replaced by another independent licensed professional selected by the Arbitrator.

11. No formal discovery shall be conducted in the absence of express written agreement among all the Parties. The only evidence to be presented at the hearing shall be that which is disclosed to all Parties at least 30 days prior to the hearing; provided, no Party shall deliberately withhold or refuse to disclose any evidence which is relevant and material to the Claim, and is not otherwise privileged. The Parties may offer such evidence as is relevant and material to the Claim, and shall produce such additional evidence as the Arbitrator may deem necessary to an understanding and determination of the Claim. The Arbitrator shall be the sole judge of the relevance and materiality of any evidence offered, and conformity to the legal rules of evidence shall not be necessary. The Arbitrator shall be authorized, but not required, to administer oaths to witnesses.

12. The Arbitrator shall declare the hearings closed when satisfied the record is complete.

13. There will be no post-hearing briefs.

14. The Award shall be rendered immediately following the close of the hearing, if possible, and no later than 14 days from the close of the hearing, unless otherwise agreed by the Parties. The Award shall be in writing, shall be signed by the Arbitrator and acknowledged before a notary public. If the Arbitrator believes an opinion is necessary, it shall be in summary form.

15. If there is more than one Arbitrator, all decisions of the Panel and the Award shall be by majority vote.

16. Each Party agrees to accept as legal delivery of the Award the deposit of a true copy in the mail addressed to that Party or its attorney at the address communicated to the Arbitrator at the hearing.