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RETURN ADDRESS:

JAMES F. TOPLIFF
Evans, Craven & Lackie, P.S.
818 W. Riverside Ave., Ste. 250
Spokane, WA 99201-0910

**AUDITOR'S NOTE:
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Is A Copy**

Document Title:

**DECLARATION ESTABLISHING COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS FOR RIVER RANCH ON THE LITTLE SPOKANE**

Grantor:

KULEANA, LLC, a Washington limited liability company

Grantee:

KULEANA, LLC, a Washington limited liability company

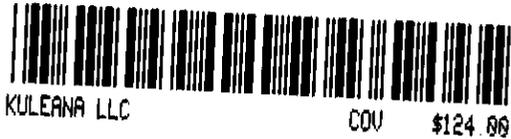
Legal Description:

- A portion of the W1/2 of Section 34, Township 28 North, Range 43 East, W.M., Spokane County, Washington to include Assessors Tax Parcel Numbers 38345.9036, 38342.9035, & 38341.9007.
- Complete legal description on Exhibit "A" attached hereto and by this reference incorporated herein.

Habitat Management Plan:

- Biology Soil & Water, Inc. (BSW) Letter of Habitat Management Plan Elements for River Ranch on the Little Spokane Planned Unit Development (PUD) on Exhibit "B" attached hereto and by this reference incorporated herein.

R. E. Excise Tax Exempt
Date 4-19 2007
Spokane County Treas.
By MCH



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ARTICLE XIV: HABITAT MANAGEMENT PLAN ELEMENTS

The Habitat Management Plan Elements listed below are hereby adopted in the Declaration of Protective Covenants of the River Ranch on the Little Spokane PUD.

- 14.1 Habitat Management Plan Elements
- 14.1.1 The PUD shall form a Homeowners Association
- 14.1.2 The slope below the bluff provides important wildlife habitat and N-S travel corridors and shall not be developed as lots.
- 14.1.3 Disturbed areas shall be reseeded with native grasses.
- 14.1.4 Homeowners shall manage noxious weeds as mandated by RCW 17.10 and Spokane County.
- 14.1.5 Residents shall restrain free-ranging pets.
- 14.1.6 Dirt Bikes and all-terrain vehicles shall be prohibited off primary access roads.
- 14.1.7 The Declaration of Protective Covenants shall state that each lot on the northwest side of the PUD (Lots 9-22, Block 1) shall retain a 100-foot protected habitat easement extending south from the 1810-foot elevation contour of each lot.
- 14.1.8 All equipment to the development of the final plat shall be kept out of all designated open space areas. Equipment operation shall also be prohibited north of the southern most extent of the habitat easement boundary on the northwest edges of lots 9-22.

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**DECLARATION ESTABLISHING
COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR RIVER RANCH ON THE LITTLE SPOKANE
("DECLARATION")**

This Declaration is made this 26th day of February, 2007, by KULEANA, LLC, a Washington limited liability company ("Developer"), and RIVER RANCH HOMEOWNERS ASSOCIATION, a Washington nonprofit corporation ("Association"), collectively as "Declarants". Declarants are the owners of or have authority with regard to real property commonly referred to as River Ranch on the Little Spokane. The Association is a nonprofit corporation organized as a homeowners association with rights, duties and responsibilities under this Declaration.

The real property covered by this Declaration is legally described on Exhibit "A" attached hereto.

ARTICLE I: RECITALS

1.1 **Real Property Description.** Developer is the owner and developer of real property located in Spokane County, Washington, included within all of the property commonly known as River Ranch on the Little Spokane, located in Spokane County, Washington, as described on Exhibit "A" attached hereto ("Property").

1.2 **Development.** Developer intends to develop those portions of said real property, which are made subject to this Declaration, generally in accordance with the maps and plans approved under the zoning and subdivision ordinances and regulations of the County of Spokane and the State of Washington. In order to facilitate the development of said real property, Developer may record, in Developer's sole discretion, Supplemental Declarations, which subject additional portions of said real property to this Declaration. Each development phase shall constitute a "Parcel", as defined below. As a Parcel is approved under said zoning and subdivision ordinances and regulations, the filing of said Supplemental Declaration shall make such Parcel subject to this Declaration. The Property described in Exhibit "A" attached hereto and incorporated herein by this reference is a Parcel as of the execution of this Declaration and is subject to this Declaration.

Upon Recordation of this Declaration, Developer and Association desire to submit and subject the Property described on Exhibit "A" attached hereto, together with all buildings, improvements and other permanent fixtures of whatever kind now or hereafter located thereon, and all easements, rights, appurtenances and privileges belonging or in any way pertaining thereto (all of which constitute a part of the "Property" as hereinafter defined), to the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights contained herein. Declarants further desire to establish and authorize a plan of development to be implemented by Developer pursuant to, and under the authority of, the Declaration.



Declarants deem it desirable to establish covenants, conditions and restrictions upon the Property and each and every portion thereof, and certain mutually beneficial easements, restrictions and obligations with respect to the proper use, occupancy and enjoyment thereof, all for the purposes of enhancing the quality of life within the Property.

Declarant also deems it desirable for the efficient management of the Property to create an owners' association to which will be delegated and assigned the powers of owning, managing, maintaining and administering the Common Areas within the Property; administering and enforcing these covenants, conditions, restrictions and easements; collecting and disbursing funds pursuant to the Assessments and charges hereinafter created; and the performance of such other acts as are herein provided or which generally benefit its Members, the Property, and the Owners of any interests therein.

River Ranch Homeowners Association, a nonprofit corporation, has been incorporated under the laws of the State of Washington for the purpose of exercising the powers and functions of an Association for the Property.

Declarant desires and intends that the Owners, mortgagees, beneficiaries and trustees under trust deeds, occupants and all other Persons hereafter acquiring any interest in the Property shall at all times enjoy the benefits of, and shall hold their interests subject to, the covenants, conditions, restrictions, liens, assessments, easements, privileges and rights set forth in the Declaration, all of which are declared to be in furtherance of a plan to promote and protect the Property.

1.3 Conditions. Any development plans for any of the real property now or hereafter covered by this Declaration, in existence prior to or following the effective date of this Declaration, are subject to change at any time by Developer, in Developer's sole discretion, and impose no obligations on Declarant as to how said real property is to be developed or improved. Any purchaser of a Building Lot within a Parcel acknowledges that said Building Lot is subject to the above-referenced zoning and subdivision ordinances and regulations and such other governmental ordinances and regulations, and approvals hereunder as may be in effect or as may from time to time be imposed. Said purchaser acknowledges familiarity with the same, constructively or otherwise.

1.4 Other Declarations. There may be other Declarations, as amended or restated, with respect to other real property which may utilize or make reference to the words "River Ranch". The same shall not be confused with, nor shall the same have any force or effect upon River Ranch on the Little Spokane or this Declaration.

1.5 Purpose. The purpose of this Declaration is to set forth the basic restrictions, covenants, limitations, easements, conditions and equitable servitudes (collectively "Restrictions") that apply to the Property now or hereafter covered by this Declaration. The Restrictions are designed to preserve the value, desirability and attractiveness of said Property, to ensure a well-integrated, high-quality development, and to guarantee adequate maintenance of any common area and improvements in a cost effective and administratively efficient manner.



ARTICLE II: DECLARATION

Declarant hereby declares that those portions of the Property brought within the jurisdiction hereof, described on Exhibit "A," and as provided herein, and each Building Lot, parcel or portion thereof, is and/or shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following terms, covenants, conditions, easements and restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale thereof, and to enhance the value, desirability and attractiveness thereof. The terms, covenants, conditions, easements and restrictions set forth herein shall run with the land, and with each estate therein, and shall be binding upon all persons having or acquiring any right, title or interest in said Property or any Building Lot, parcel or portion thereof; shall inure to the benefit of and be binding upon Declarant, Declarant's successors in interest and each grantee or owner and such grantee's or owner's respective successors in interest, and may be enforced by Developer, by any owner or such owner's successors in interest, or by the Association, as hereinafter defined, against any other owner, tenant or occupant of said Property.

Notwithstanding the foregoing, no provision of this Declaration shall be construed so as to prevent or limit Developer's right to complete development of said Property and to construct improvements thereon, nor Developer's right to maintain model homes, construction, sales or leasing offices or similar facilities (temporary or otherwise) on any portion thereof, including any common area or any public right-of-way, nor Developer's right to post signs incidental to construction, sales or leasing, nor Developer's right to modify plans for said Property.

ARTICLE III: DEFINITIONS

3.1 "Architectural Committee" shall mean the committee created by the Developer or Association pursuant to Article X hereof, and may be referred to herein and in the Design Guidelines as the "Committee".

3.2 "Articles" shall mean the Articles of Incorporation of the Association or other organizational or charter documents of the Association.

3.3 "Assessments" shall mean those payments required of Owners, excluding Declarants, including Regular, Special and Limited Assessments of the Association as further defined in this Declaration.

3.4 "Association" shall mean River Ranch Homeowners Association, a Washington non-profit corporation, its successors and assigns, established by Developer to exercise the powers and to carry out the duties set forth in this Declaration or any Supplemental Declaration.

3.5 "Association Rules" shall mean those rules and regulations promulgated by the Association governing conduct upon and use of the Property under the jurisdiction or control of



the Association, the imposition of fines and forfeitures for violation of Association Rules and regulations, and procedural matters for use in the conduct of business of the Association.

3.6 “Board” shall mean the Board of Trustees or other governing board or individual, if applicable, of the Association.

3.7 “Building Envelope” shall mean that portion of each Building Lot within which the entire Building Footprint and all Improvements (except as specifically provided otherwise in this Declaration) shall be constructed. The Building Envelope for each Building Lot shall be designated on a map prepared by and kept on file by the Architectural Committee. Approval of the Architectural Committee will be necessary if any portion of the Building Footprint is to be constructed outside of the designated Building Envelope.

3.8 “Building Footprint” shall mean the area of a Building Lot which is within the perimeter created by a vertical extension to the ground of the exterior walls of all enclosed portions of a building, including attached garages and enclosed decks, porches, solariums, and similar enclosed extensions, attachments and accessory structures. Not included in the footprint are unenclosed portions or extensions of buildings including but not limited to unenclosed decks, porches, eaves and roof overhangs.

3.9 “Building Lot” shall mean one or more Building Lots within a Parcel as specified or shown on any Plat and/or by any Supplemental Declaration, upon which Improvements may be constructed. With respect to Association voting rights, Building Lot shall also mean a lot so specified on any final plat or on any preliminary plat of the Property.

3.10 “Bylaws” shall mean the Bylaws of the Association.

3.11 “Common Area” shall mean all Property in which the Association holds an interest or which is held or maintained, permanently or temporarily, for the common use, enjoyment and benefit of the Owners, including the Recreation Area. Common Area may be established from time to time by Declarants on any portion of the Property by describing it on a Plat, by granting or reserving it in a deed or other instrument, or by designating it pursuant to this Declaration or any Supplemental Declaration. Common Area may also include easement and/or license rights.

3.12 “Declarant” shall mean KULEANA, LLC, a Washington limited liability company and RIVER RANCH HOMEOWNERS ASSOCIATION, a Washington nonprofit corporation. The term “Declarants” shall also include the successors in interest of the Declarants, or any person or entity to whom the rights under this Declaration are expressly transferred by Declarants or their successor(s).

3.13 “Declaration” shall mean this Declaration as it may be amended from time to time.

3.14 “Design Guidelines” shall mean the architectural standards, rules, regulations, restrictions and design guidelines adopted from time to time by the Architectural Committee.



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3.15 “Developer” shall mean KULEANA, LLC, a Washington limited liability company, its successors in interest, or any person or entity to whom rights and/or obligations under this Declaration are expressly transferred by Developer.

3.16 “Improvement” shall mean any structure, facility or system, or other improvement or object, whether permanent or temporary, which is erected, constructed or placed upon, under or in any portion of the Property, including but not limited to buildings, fences, streets, gates, drives, driveways, patios, paths, curbs, landscaping, signs, lights, mail boxes, electrical lines, pipes, pumps, ditches, waterways, recreational facilities, and fixtures of any kind whatsoever.

3.17 “Member” shall mean each person or entity holding a membership in the Association.

3.18 “Owner” shall mean the person or other legal entity that, as of the date hereof has, or hereafter acquires, fee simple interest, or a purchaser’s interest under a real estate contract, of record to a Building Lot which is a part of the Property after the date each plat phase is recorded, and sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation or Building Lots which have been accepted by Developer in exchange for a previously sold Building Lot.

3.19 “Parcel” shall mean a defined portion of the Property within which the contemplated development involves a common use or compatible uses, and which may have been designated as a Parcel by this Declaration or a recorded Supplemental Declaration.

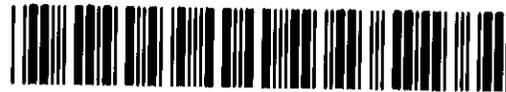
3.20 “Person” shall mean any individual, partnership, corporation or other legal entity.

3.21 “Plat” shall mean any subdivision plat covering any portion of the Property as recorded at the office of the County Auditor, Spokane County, Washington, as the same may be amended by duly recorded amendments thereof.

3.22 “Project Documents” shall mean this Declaration, the Articles, Bylaws, Association Rules, Plat, Property, Public Offering Statement, Design Guidelines and all other documents and agreements concerning and relating to River Ranch on the Little Spokane.

3.23 “Property” shall mean the Property described on Exhibit “A” attached hereto and incorporated herein by this reference, including each Building Lot, Parcel and portion thereof and interest therein, including all water rights associated with or appurtenant to such property. The Property included in Exhibit “A” is subject to this Declaration upon the recording of this Declaration and without the filing of a Supplemental Declaration.

Except as may be specifically provided herein, no portion of any additional property which may be brought within the jurisdiction hereof by Supplemental Declaration, or any other Property, shall be subject to the terms, covenants, conditions, easements and restrictions of this Declaration until such a Supplemental Declaration describing the portion of Property (the “Parcel”) is executed by the owner(s) of such Parcel and recorded. The Property may be expanded in the future to include, in Developer’s sole discretion, such additional property as may be annexed by means of one or more Supplemental Declarations as provided herein.



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Additionally, Developer, at its sole election, may withdraw any Parcel of which Declarant is the Owner or contract purchaser and which was previously included within the provisions of this Declaration upon recordation of a written Declaration of Deannexation, as provided in Section 11.5.

3.24 “Regular Assessment” shall mean the portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments which are authorized and to be paid by each Owner, excluding Declarant, to the Association, pursuant to the terms hereof or the terms of this Declaration or a Supplemental Declaration.

3.25 “Special Assessment” shall mean the portion of the costs of the capital improvements or replacements, equipment purchases and replacements or shortages in Regular Assessments, which are authorized and to be paid by each Owner, excluding Declarant, to the Association, pursuant to the provisions of this Declaration or a Supplemental Declaration.

3.26 “Subdivision” shall mean River Ranch on the Little Spokane pursuant to the Plat.

3.27 “Supplemental Declaration” shall mean any Supplemental Declaration including additional covenants, conditions and restrictions that might be adopted with respect to any portion of the Property or additional Property or improvements which may be made part of the Property as provided herein.

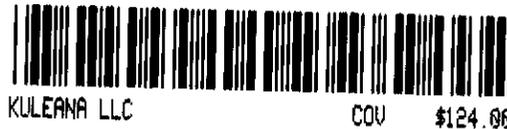
ARTICLE IV: ARCHITECTURAL CONTROL

4.1 Structures – Generally. All structures (except for sales offices or similar facilities of Developer) are to be designed, constructed and used in such a manner as shall be compatible with this Declaration, and shall meet the following minimum standards:

4.1.1 Use and Height of Dwelling Structure.

(a) Except as may be expressly provided in this Declaration, all Building Lots shall be improved and used solely for residential purposes. No Building Lot shall be improved, except with a single family dwelling unit designed to accommodate no more than a single family and its employees and occasional guests, and such other Improvements as are necessary or customarily incident to a single family residence. If written approval is granted in advance and in the sole discretion of the Architectural Committee, a guest house or similar ancillary structure designed to accompany the main residence on a Building Lot may be permitted.

(b) Subject to the provisions of Section 4.2.24 below, no dwelling unit shall be used for any purpose other than as a single-family residence, and no gainful occupation, profession, trade or other non-residential use shall be conducted on any Building Lot. Provided, however, nothing in this Declaration shall prevent the rental of property by an Owner for residential purposes on a long- or short-term basis, nor from using a portion of the residence for in home office purposes as provided in this Declaration and the Design Guidelines.



(c) No dwelling unit shall be more than two stories in height. No other structure shall be more than one story in height unless approved in writing by the Architectural Committee. A basement or daylight basement shall not be counted as a story in determining compliance with this section. The "dwelling unit" as used in this Section may also be referred to herein as the dwelling or residential structure.

4.1.2 Architectural Committee Review. No Improvements, alterations, repairs, excavation, grading, landscaping, tree removal or other exterior work which will be visible above ground or which will ultimately affect the visibility of any above ground Improvement shall be built, erected, placed or materially altered on or removed from the Property unless and until the building plans, specifications, and plot plan or other appropriate plans and specifications have been reviewed in advance by the Architectural Committee and the same have been approved in writing. The review and approval or disapproval may be based upon the following factors: size, height, design and style elements, mass and form, topography, setbacks, finished ground elevations, architectural symmetry, drainage, color, materials, physical or aesthetic impacts on other property, artistic conformity to the terrain and the other Improvements on the Property, and any and all other factors which the Architectural Committee, in its reasonable discretion, may deem relevant. The Design Guidelines ("Design Guidelines" or "Guidelines") adopted for the Property, and as amended from time to time shall be enforceable as though they were a part of this Declaration and shall be binding on all Owners, excluding Declarant, and other persons as if expressly set forth herein. It shall be the responsibility of each Owner to obtain and review a copy of the most recent set of Guidelines prior to the purchase of a Building Lot. A copy of the current Guidelines is available at the Association's Office.

4.2 Covenants, Conditions, Restrictions and Easements Applicable to Building Lots. The following covenants, conditions, restrictions and reservation of easements and rights shall apply to all Building Lots and the Owners thereof (except those owned by the Developer):

4.2.1 Insurance Rates. Nothing shall be done or kept on any Building Lot which will increase the rate of insurance on any other portion of the Property without the approval of the Owners of such other portion, nor shall anything be done or kept on the Property or a Building Lot which would result in the cancellation of insurance on any property owned or managed by the Association or which would be in violation of any law.

4.2.2 No Further Subdivision. Except as provided in the Design Guidelines and subject to paragraph 4.2.24 below, no finally platted Building Lot may be further subdivided, nor may any easement or other interest therein be granted.

4.2.3 Signs. (a) No signs of any kind shall be displayed to the public view, except: (1) such signs as may be used by Developer in connection with the construction, development, management or administration of the Property and sale of Building Lots and/or Improvements thereon; (2) temporary construction signs as permitted in the Design Guidelines; (3) such information signs, of customary and reasonable dimensions as prescribed by the Architectural Committee may be displayed on or from the Common Area; and (4) such signs as may be required by legal proceedings or as required under Washington state law. No sign shall be placed on the Property without the written approval of the Architectural Committee.



(b) In particular, and subject to the provisions of Section 4.2.24 below, no “For Sale” or “For Rent” sign or any other advertising device of any kind shall be placed in public view or otherwise posted on the Property or on a Building Lot, unless such signage is in strict compliance with rules established by the Association. However, it is anticipated that each Owner will, in accordance with applicable provisions of Association Rules, be permitted to have one “For Sale” or “For Rent” notice in a form approved by the Architectural Committee in a location specified for that purpose by such Committee, such as at the Association’s office. The Association shall have the authority to provide one central advertising board not larger than four (4) feet square for use by any Owner to post “For Rent” or “For Sale” notices thereon. The Association shall have the authority to regulate the size and style of any such notices.

4.2.4 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere upon the Property or a Building Lot, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any portion of the Property or to its occupants, or to any other property in the vicinity thereof or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property or a Building Lot so as to be offensive or detrimental to the Property or to its occupants or to other property in the vicinity or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes which have been approved by the Architectural Committee), flashing lights or search lights, shall be located, used or placed on the Property or on any Building Lot without the prior written approval of the Association.

4.2.5 Exterior Maintenance; Owner’s Obligations. No Improvement shall be permitted to fall into disrepair, and each Improvement shall at all times be kept in good condition and repair. In the event that any Owner shall permit any Improvement, including trees and landscaping, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, or so as to damage adjoining property or facilities, the Board, upon fifteen (15) days prior written notice to the Owner of such Building Lot, shall have the right to correct such condition, and to enter upon such Owner’s Building Lot for the purpose of doing so, and such Owner shall promptly reimburse the Association for the cost thereof. Such cost shall be a Limited Assessment and shall create a lien enforceable in the same manner as other Assessments set forth in Article VII of this Declaration. The Owner of the offending property shall be personally liable, and such Owner’s property shall be subject to a lien for all costs and expenses incurred by the Association in taking such corrective acts, plus all costs incurred in collecting the amounts due, including reasonable attorneys’ fees. Each Owner shall pay all amounts due for such work within ten (10) days after receipt of written demand therefore, or the amounts may, at the option of the Board, be added to the amounts payable by such Owner as Regular Assessments.

4.2.6 Drainage. There shall be no interference with the established drainage pattern over any portion of the Property, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Architectural Committee. For the purposes hereof, “established” drainage is defined as the system of drainage, whether natural or



otherwise, which exists at the time the overall grading of any portion of the Property is completed by Developer, or that drainage which is shown on any plans approved by the Architectural Committee, which may include drainage from any Common Area over any Building Lot in the Property.

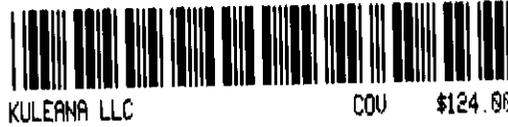
4.2.7 Grading. The Owner of any Building Lot within the Property in which grading or other work has been performed pursuant to an approved grading plan shall maintain and repair all graded surfaces and erosion prevention devices, retaining walls, drainage structures, means or devices which are not the responsibility of the Association, or a public agency, and plantings and ground cover installed or completed thereon. Such requirements shall be subject to Regular, Special, and Limited Assessments provided in Article VII herein, as may be applicable. An approved grading plan means such plan as may have been approved by the applicable government agency, the Architectural Committee and/or the Association.

4.2.8 Mining; Wells, Potable Water. No portion of any Building Lot shall be used in any manner to explore for, quarry, or remove any water, oil, or other hydrocarbons, minerals, rocks, stones, sand, gravel or earth of any kind. Without limiting the generality of the foregoing, no wells for the pumping or removal of water shall be placed on any Building Lot. The Owner of each Building Lot shall obtain potable water for the Building Lot, at the Owner's expense, from the Whitworth Water District.

4.2.9 No Hazardous or Hunting Activities. No activities shall be conducted on the Property, and no Improvements constructed on any portion of the Property, which are or might be unsafe or hazardous to any person or property. There shall be no hunting, trapping or intentional flushing of birds, deer, elk, moose or other animals or any other activity that may be harmful to or which constitutes harassment of animals or wildlife.

4.2.10 No Unsightly Articles. No unsightly article shall be permitted to remain on any Building Lot so as to be visible from any other portion of the Property. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in such containers and in areas approved by the Architectural Committee and removed on a timely basis at the expense of each Building Lot Owner. No clothing or fabrics shall be hung, dried or aired in such a way as to be visible to other property, and no equipment, heat pumps, compressors, containers, lumber, firewood, grass, shrub or tree clippings, plant waste, metals, bulk material, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any Building Lot except within an enclosed structure or as appropriately screened from view. No vacant residential structures shall be used for the storage of building materials.

4.2.11 No Temporary Structures. No house trailer, mobile home, tent (other than for short term individual use which shall not exceed one month unless approved by the Architectural Committee), shack or other temporary building, improvement or structure shall be placed upon any portion of the Property, except temporarily as may be required by construction activity undertaken on the Property. Also excepted from this requirement is any sales office established by Developer for the Property.



4.2.12 No Unscreened Items. No garbage cans, trash containers, firewood, boats, trailers, campers, all-terrain vehicles, motorcycles, recreational vehicles, bicycles, dilapidated or unrepaired and unsightly vehicles or similar items, vehicles or equipment shall be placed or parked upon any portion of the Property (including, without limitation, streets, parking areas and driveways) unless the same are enclosed by a structure concealing them from view in a manner approved by the Architectural Committee. To the extent possible, garage doors shall remain closed at all times.

4.2.13 Sewage Disposal Systems. No municipal sewer system is contemplated for the Property. Each Building Lot Owner shall be responsible for constructing an individual sewage disposal system on each Building Lot that conforms with the requirements and regulations of the Spokane County Health Department. Prior to final plat, the Spokane County Health Department has inspected each Building Lot and has approved each Building Lot for some type of sewage disposal system. It is anticipated that additional test holes will be required prior to issuing a sewage permit for the Building Lot prior to building, once the exact size and location of the home is determined. In obtaining preliminary drainfield approval prior to final plat, effort has been made to locate drainfield areas within each Building Lot where a conventional drainfield can be constructed and approved. There can be no assurance that an alternative and more expense on-site sewage system will not be necessary on any Building Lot.

4.2.14 Energy Devices, Outside. No energy production devices, including but not limited to generators of any kind and solar energy devices, shall be constructed or maintained on any portion of the Property without the written approval of the Architectural Committee, except for heat pumps shown in the plans approved by the Architectural Committee. This paragraph shall not apply to passive solar energy systems incorporated into the approved design of a residential structure.

4.2.15 Vehicles and Recreational Vehicles.

(a) The use of all vehicles, including but not limited to trucks, automobiles, bicycles, motorcycles, snowmobiles, RVs, trailers, aircraft and boats, shall be subject to all Association Rules, which may prohibit or limit the use thereof on the Property and on each Building Lot. No on-street parking shall be permitted except where expressly designated for parking use. No parking bays shall be permitted in any side, front or backyard. No exterior storage of any such vehicles will be permitted on any Building Lot, unless expressly approved by the Committee and unless such approved storage area is completely screened from neighboring properties using landscaping approved by the Committee. Generally, the storage of all such recreational vehicles shall be integrated into the architectural design of the house or stored off-site. (b) In general, recreational vehicles, including motor homes, campers, boat trailers, snowmobiles, etc. may be temporarily parked on a Building Lot for loading and unloading and the convenience of guests, provided such parking does not exceed either five (5) consecutive days and a cumulative total of thirty (30) days during any calendar year. Furthermore, use of motorized vehicles are not permitted on the Association's trail system or open spaces, or any native areas on any Building Lots, where such use may contribute to fire danger.



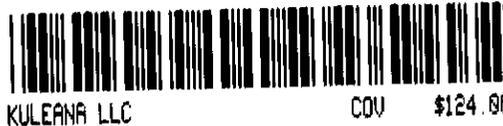
4.2.16 Animals/Pets. No animals, birds, insects, pigeons, poultry or livestock shall be kept on the Property or a Building Lot unless the presence of such creatures does not constitute a nuisance, and does not otherwise violate any further conditions of this paragraph. This paragraph does not apply to the keeping of up to two (2) domesticated dogs, up to two (2) domesticated cats, and other household pets which do not unreasonably bother or constitute a nuisance to others. Without limiting the generality of the foregoing, consistent and/or chronic barking by dogs shall be considered a nuisance. Each dog shall be kept on a leash, curbed, and otherwise controlled at all times when such animal is off the premises of the Owner. The animal owner shall clean up any animal defecation immediately from Common Areas or public rights-of-way. Failure to do so may, at the Boards' discretion, result in a Limited Assessment being levied against such animal owner. The construction of dog runs or other pet enclosures shall be subject to Architectural Committee approval, shall be appropriately screened, and shall be maintained in a sanitary condition. Dog runs or other pet enclosures shall be placed a minimum of twenty-five (25) feet from Building Lot lines, shall not be placed in any front yard of a Building Lot, and shall be screened from view so as not to be visible from the Common Area or an adjacent Building Lot. The use of "invisible" fencing to control or restrain dogs to the respective animal owner's Building Lot is strongly encouraged and is recommended. In addition to the above restrictions, no large animal keeping, including horses, shall be allowed on any Building Lot less than ten (10) acres in area, or on any Building Lots with identified wetlands. No large animal keeping shall be allowed on any Common Area.

4.2.17 Landscaping. The owner of any Building Lot shall landscape such Building Lot in conformance with Design Guidelines, which are incorporated herein by this reference, and the Owner's specific landscape plan submitted to and approved by the Architectural Committee.

4.2.18 Fencing. Fences will generally only be allowed for the containment of animals or small children or for pool or sport enclosures. Generally, no fences shall be constructed on property lines or within the building setback requirements. The location and design of all fencing shall comply with the standards contained in the Design Guidelines and under no circumstance shall fencing obstruct corridors through the Property or Building Lot for wildlife.

4.2.19 Fireworks and Outdoor Burning. The Association is very concerned with fire safety. The use of fireworks is strictly forbidden and subject to fines by the Association. Additionally, the act of any and all outdoor burning, such as the burning of brush, outdoor recreational fire pits, etc. shall comply at all times with safe fire rules and regulations in effect by Spokane County, the Department of Natural Resources, the fire burning policies of local fire fighting companies having jurisdiction and the Rules regarding outdoor fires of any kind then in effect by the Association. All Owners shall implement such prudent fire reduction measures and maintain their properties in a manner that will minimize the risk of fire at River Ranch on the Little Spokane.

4.2.20 Antennas. Except as may be provided in Section 4.2.23 or as required to be permitted under applicable law, no radio, television or other antennas of any kind or nature, or device for reception or transmission of radio, microwave, or other similar signals, shall be placed



or maintained upon any Building Lot unless in accordance with the Guidelines and specifically approved by the Architectural Committee.

4.2.21 Lighting. Exterior lighting, including flood lighting, shall be part of the architectural concept of the Improvements on a Building Lot. Fixtures, standards and all exposed accessories shall be harmonious with building design, and shall be as approved by the Architectural Committee prior to installation. Lighting shall be restrained in design, and excessive brightness or unnecessary lighting shall be avoided.

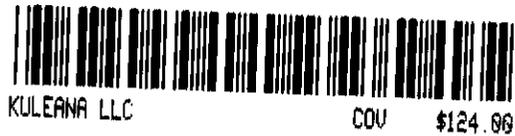
4.2.22 Golf Carts. The Association Rules may regulate the future use of golf carts and similar vehicles on the private streets and Common Area (including the Recreation Area) of the Property.

4.2.23 Utilities and Transportation Improvements and Easements.

(a) No lines, wires or other services for the communication of electric current or power, including telephone, television, and radio signals, shall be constructed or maintained on the Property unless they are contained in conduits or cables installed underground, or concealed in, under, or on buildings or other structures approved by the Architectural Committee.

(b) There is hereby created a blanket easement upon, across, over and under all Common Areas, and also a strip of land extending 25 feet from each side of the edge of each road right-of-way, unless indicated differently on the recorded plat, for the purpose of constructing, repairing, maintaining and operating: all utilities (whether public or private), including, but not limited to, water, sewer (if any), electricity, gas, telephone, cable tv, communication or control lines; and all roadways, paths, and trails, whether or not such improvements physically encroach on any Building Lots when finally completed. By virtue of this easement, it shall be expressly permissible for the Developer and its contractors, the Association, and/or any providing utility company to construct and maintain the necessary facilities, including said portions of Building Lots, to accomplish the foregoing.

4.2.24 Exemption of Declarants and Developer. Nothing contained herein shall limit the right of Declarants and Developer to subdivide, recombine, reconfigure or resubdivide any portion of the Property, including unsold Building Lots and Common Areas, to grant licenses, to reserve rights-of-way and easements to utility companies, public agencies or others. Nor shall anything contained herein limit the right of Developer to excavate, grade and construct improvements, including landscaping alterations, or to alter any of the foregoing or its construction plans and designs, or to construct such additional improvements as Developer deems advisable in its sole discretion in the course of development of the Property so long as any Building Lot in the Property remains unsold. Such right also expressly includes Developer's right to provide certain Building Lot Owners' drainfield easements on Common Areas. Such right shall include, but shall not be limited to, erecting, constructing and maintaining on the Property such structures and displays as may be reasonably necessary for the conduct of Developer's business of completing the work and disposing of the same by sales, lease or otherwise. Developer shall have the right at any time prior to acquisition of title to a Building Lot by a purchaser from Developer to grant, establish and/or reserve on that Building Lot additional



licenses, reservations and rights-of-way to Developer, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Property. Developer may use any structures on the Property as model home complexes or real estate sales or leasing offices. Developer need not seek, or obtain approval from any Owner or the Architectural Committee in connection with any Improvement constructed or placed by Developer or an affiliate of Developer on any portion of the Property owned by Developer or an affiliate of Developer. The rights of Developer hereunder may be assigned by Developer to any successor in interest in connection with Developer's interest in any portion of the Property, by an express written assignment recorded in the Office of the Spokane County Auditor.

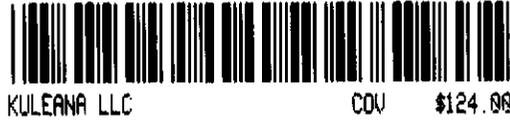
4.2.25 Conveyances to and from Municipalities. The Board shall have the power to convey any Common Area to any political subdivision thereof. The Board shall also have the power to receive a conveyance of any property interest from the above-referenced entities or any other individual or entity and to hold such property interest as Common Area.

4.2.26 Natural Gas Services. Additional common area interests have been created within the easement areas through construction by the Developer of natural gas lines intended to provide service to each Building Lot. Costs for installation, including excavation and related charges, have been paid by the Developer on behalf of the Association. Any Owner who purchases a Building Lot from Developer shall be permitted access to the natural gas line without an access charge. All Owners are responsible for any and all costs of installing the gas service to their homes from the closest location where the gas line has been installed.

**ARTICLE V:
RIVER RANCH HOMEOWNERS ASSOCIATION**

5.1 Organization of River Ranch Homeowners' Association. River Ranch Homeowner's Association, the "Association", shall be initially organized by Developer as a Washington non-profit corporation under the provisions of the Revised Code of Washington relating to general non-profit corporations and shall be charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws and this Declaration. Neither the Articles nor the Bylaws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration or with any Supplemental Declaration which Developer might adopt pertaining to River Ranch on the Little Spokane.

5.2 Membership. Each Owner, by virtue of being an Owner and for so long as such ownership is maintained, shall be a Member of the Association and no Owner shall have more than one membership in the Association. Memberships in the Association, shall be appurtenant to the Parcel, Building Lot or other portion of the Property owned by such Owner. The memberships in the Association shall not be transferred, pledged, assigned or alienated in any way except upon the transfer of Owner's title and then only to the transferee of such title. Any attempt to make a prohibited membership transfer shall be void and will not be reflected on the books of the Association.



5.3 Voting.

(a) Except as provided below for Developer, voting in the Association shall be carried out by Members who shall cast the votes attributable to the Building Lots which they own. The number of votes such Member may cast on any issue is determined by the number of Building Lots which the Owner owns and with respect to Developer, the number of votes which Developer may cast is determined by the sum of (a) the number of Building Lots within the Property which have been finally platted and not sold to Owners and (b) the number of Building Lots within the Property which are planned to be developed and have been preliminarily approved but not platted. For the purposes of voting, and to insure that Developer maintains control over the development and management of the Property, and to further insure that voting rights attach to planned but not finally platted Building Lots, it is specifically set forth that, as of the date hereof, the Property, in accordance with the preliminary plat approval, consists of twenty-two (22) Building Lots. Voting rights attach to all 22 Building Lots, as long as the same are within the definition of the Property as set forth in paragraph 3.23; and that Developer shall be presently entitled to the voting rights attached to each of the above-referenced Building Lots, whether said Building Lot is finally platted or is planned and preliminarily platted, until it is sold to an Owner.

(b) Notwithstanding anything in this Declaration to the contrary, so long as Developer (or any successor designated by Developer as such) owns any Building Lot within the property, the following sections within this Declaration shall not be amended without the consent and participation in the execution of the amendment by Developer or any successor designated by Developer as such: Section 3.19, Section 4.2.26, Section 7.2, Section 7.3.1, Section 10.1, and Section 10.2.

(c) For voting purposes, the Association shall have two (2) classes of Members as described below:

5.3.1 Class A Members. Owners (other than Developer) shall be known as Class A Members. Each Class A Member shall be entitled to cast one (1) vote for each Building Lot owned by such Class A Member on the date of the vote.

5.3.2 Class B Members.

(a) Developer shall be known as the Class B Member, and shall be entitled to ten (10) votes for each of the above-referenced Building Lots then owned by Developer. Class B membership shall cease and be converted automatically to Class A membership upon the earlier occurrence of (i) the time when the total cumulative votes of the Class A Members equal or exceed the total votes of the Class B Member, or (ii) January 1, 2010.

(b) When more than one person holds an interest in any Building Lot, all such persons shall be Members but shall share the votes attributable to the Building Lot. Fractional votes, however, shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter being put to a vote. When an Owner casts a vote, it will thereafter be presumed



conclusively for all purposes that such Owner was acting with authority and consent of all joint owners of the Building Lot from which the vote derived. The right to vote may not be severed or separated from the ownership of the Building Lot to which it is appurtenant, except that any Owner may give a revocable proxy, or may assign such owner's right to vote to a lessee, mortgagee, beneficiary or contract purchaser of the Building Lot concerned, for the term of the lease, mortgage, deed of trust or contract. Any sale, transfer of conveyance of such Building Lot to a new Owner shall operate automatically to transfer the appurtenant voting right to the Owner, subject to any assignment of the right to vote to a lessee, mortgagee, or beneficiary as provided herein.

(c) The Board may suspend the voting privileges of any Class A Member in the event such Member is in default of the provisions of this Declaration or in any obligation to the Association.

5.4 Board of Directors and Officers. The affairs of the Association shall be conducted and managed by a Board of Trustees ("Board") and such officers as the Board may elect or appoint, in accordance with the Articles and Bylaws, as the same may be amended from time to time. The Board of the Association shall be elected in accordance with the provisions set forth in the Bylaws.

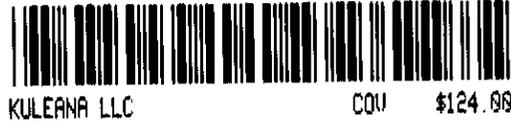
5.5 Powers and Duties of the Association.

5.5.1 Powers. The Association shall have the powers of a corporation organized under the corporation laws of the State of Washington applicable to non-profit corporations, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, and this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under Washington law and under this Declaration, and the Articles and Bylaws, and to do and perform any and all acts which may be necessary to, proper for, or incidental to the proper management and operation of the Common Area and the Association's other assets, and the affairs and the performance of the other responsibilities herein assigned, including without limitation:

5.5.1.1 Assessments. The power to levy Assessments on any Owner, excluding Declarants and to force payment of such Assessments, all in accordance with the provisions of this Declaration.

5.5.1.2 Right of Enforcement. The power and authority from time to time in its own name, on its own behalf, or on behalf of any Owner who consents thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration or the Articles or the Bylaws, including the Association Rules adopted pursuant to this Declaration, and to enforce by injunction or otherwise, all provisions hereof.

5.5.1.3 Delegation of Powers. The authority to delegate its power and duties to committees, officers, employees, or to any person, firm or corporation to act as manager, and to contract for the maintenance, repair, replacement and operation of the Common



Area. Neither the Association nor the members of its Board shall be liable for any omission or improper exercise by the manager of any such duty or power so delegated.

5.5.1.4 Association Rules. The power to adopt, amend and repeal by majority vote of the Board such rules and regulations as the Association deems reasonable. The Association may govern the use of the Common Areas by the Owners, their families, invitees, licensees, lessees or contract purchasers; provided, however, that any Association Rules shall apply equally to all Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. Upon such mailing or delivery, the Association Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. In the event of any conflict between such Association Rules and any other provisions of this Declaration, or other Articles or Bylaws, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or the Bylaws to the extent of any such inconsistency.

5.5.1.5 Emergency Powers. The power, exercised by the Association or by any person authorized by it, to enter upon any Property or Building Lot (but not inside any building constructed thereon) in the event of any emergency involving illness or potential danger to life or property or when necessary in connection with any maintenance or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owner as practicable, and any damage caused thereby shall be repaired by the Association.

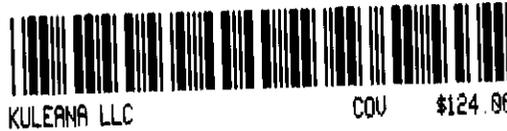
5.5.1.6 Licenses, Easements and Rights-of-Way. The power to grant and convey to any third party such licenses, easements and rights-of-way in, on or under the Common Area as may be necessary or appropriate for the orderly maintenance, preservation and enjoyment of the Common Area, and for the preservation of the health, safety, convenience and the welfare of the Owners, for the purpose of constructing, erecting, operating or maintaining:

5.5.1.6.1 Underground lines, cables, wires, conduits or other devices for the transmission of electricity or electronic signals for lighting, heating, power, telephone, computer, television or other purposes, and the above ground lighting stanchions, meters, and other facilities associated with the provisions of lighting and services; and

5.5.1.6.2 Sewers, storm drains, underground irrigation pipes, water drains and pipes, water supply systems, sprinkling systems, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities.

5.5.1.6.3 Mailboxes and sidewalk abutments around such mailboxes or any service facility, berm, fencing and landscaping abutting Common Areas, public and private streets or land conveyed for any public or quasi-public purpose including, but not limited to, pathways. The right to grant such licenses, easements and rights-of-way are hereby expressly reserved to the Association.

5.5.2 Duties. In addition to duties necessary and proper to carry out the power delegated to the Association by this Declaration, and the Articles and Bylaws, without limiting



the generality thereof, the Association or its agent, if any, shall have the authority and the obligation to conduct all business affairs of the Association and to perform, without limitation, each of the following duties:

5.5.2.1 Operation and Maintenance of Common Area. Operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Common Area, including the repair and replacement of property damaged or destroyed by casualty loss.

5.5.2.2 Reserve Account. Establish and fund a reserve account with a reputable banking institution, savings and loan association, credit union or title insurance company authorized to do business in the State of Washington, which reserve account shall be dedicated to the costs of repair, replacement, maintenance and improvement of the Common Area.

5.5.2.3 Taxes and Assessments. Pay all real and personal property taxes and assessments separately levied against the Common Area or against the Association and/or any other property owned by the Association. Such taxes and assessments may be contested or compromised by the Association, provided, however, that such taxes and assessments are paid or a bond insuring payment is posted prior to the sale or disposition of any property to satisfy the payment of such taxes and assessments. In addition, the Association shall pay all other federal, state or local taxes, including income or corporate taxes levied against the Association, in the event that the Association is denied the status of a tax exempt corporation.

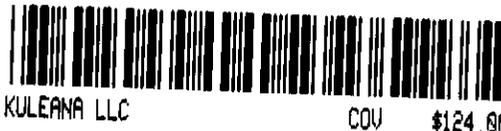
5.5.2.4 Water and Other Utilities. Acquire, provide and/or pay for water, garbage disposal, refuse and rubbish collection, electrical, telephone and gas and other necessary services for the Common Area, and to manage all domestic, irrigation and amenity water rights and rights to receive water held by the Association, whether such rights are evidenced by license, permit, claim, stock ownership or otherwise.

5.5.2.5 Insurance. Obtain insurance from reputable insurance companies authorized to do business in the State of Washington, and maintain in effect any insurance policy the Board deems necessary or advisable, including, without limitation the following policies of insurance:

5.5.2.5.1 Fire insurance including those risks embraced by coverage of the type known as the broad form "All Risk" or special extended coverage endorsement on a blanket agreed amount basis for the full insurable replacement value of all improvements, equipment and fixtures located within the Common Area.

5.5.2.5.2 Comprehensive public liability insurance insuring the Board, the Association, the Declarants, the Developer and the individual grantees and agents and employees of each of the foregoing against any liability incident to the ownership and/or use of the Common Area in such amounts as the Association shall determine.

5.5.2.5.3 Full coverage directors' and officers' liability insurance with limits in such amounts as the Association shall determine.



5.5.2.5.4 Such other insurance, including motor vehicle insurance and Worker's Compensation insurance, to the extent necessary to comply with all applicable laws and indemnity, faithful performance, fidelity and other bonds as the Board shall deem necessary or required to carry out the Association functions or to insure the Association against any loss from malfeasance or dishonest of any employee or other person charged with the management or possession of any Association funds or other property.

5.5.2.5.5 The Association shall be deemed trustee of the interests of all Owners in connection with any insurance proceeds paid to the Association under such policies, and shall have full power to receive such Owner's interests in such proceeds and to deal therewith.

5.5.2.5.6 Insurance premiums for the above insurance coverage shall be deemed a common expense to be included in the Regular Assessments levied by the Association.

5.5.2.5.7 In its discretion, the Board may adjust any minimum insurance limits to reflect the impact of inflation on the value of the particular coverage required.

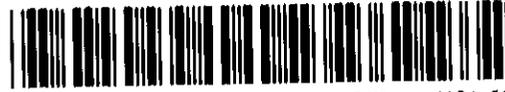
5.5.2.6 Rule Making. Make, establish, promulgate, amend and repeal such Association Rules as the Board shall deem advisable.

5.5.2.7 Newsletter. If it so elects, prepare and distribute a newsletter on matters of general interest to Members, the cost of which shall be included in Regular Assessments.

5.5.2.8 Architectural Committee. Appoint and remove members of the Architectural Committee, subject to the provisions of this Declaration.

5.5.2.9 Enforcement of Restrictions and Rules. Perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably advisable or necessary to enforce any of the provisions of the Declaration, or of the Articles or Bylaws, including, without limitation, the recordation of any claim of lien with the Spokane County Auditor, as more fully provided herein. In the event legal counsel is engaged to assist in the enforcement of any of the provisions of this Declaration, or of the Articles or Bylaws, including any rules violations, levying of assessments, enforcement of assessments, perfecting or foreclosing on any lien, or otherwise, regardless of whether litigation is instituted, the substantially prevailing party in any such matter shall be entitled to recover all actual costs incurred, as well as reasonable attorneys' fees.

5.5.2.10 Private Streets, Signs and Lights. Maintain, repair or replace private streets, street signs and private street lights located on the Property. This duty shall run with the land and cannot be waived by the Association unless the County of Spokane consents to such waiver.



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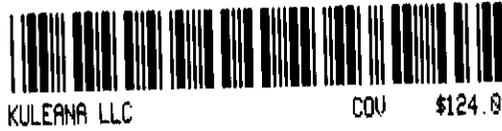
5.6 Personal Liability. No Member of the Board, or member of any committee of the Association, or any officer of the Association, or any of the Declarants, or the Developer, or the manager, if any, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of the Association, the Board, the manager, if any, or any other representative or employee of the Association, any of the Declarants, the Developer or the Architectural Committee, or any other committee, or any officer of the Association, or any of the Declarants, the Developer, provided that such person, upon the basis of such information as may be possessed by such person, has acted in good faith without willful or intentional misconduct, and, provided that such person has so acted, the Association shall indemnify and hold harmless said person from any damage, loss or prejudice aforesaid.

5.7 Budgets and Financial Statements. Financial statements for the Association shall be prepared regularly and copies shall be distributed to each Member of the Association as follows:

5.7.1 A pro forma operating statement or budget, upon which the Regular Assessments for the current year are based, shall be distributed prior to, or at each Annual Meeting. The budget shall state the estimated number of Owners, excluding Developer, subject to Regular Assessments.

5.7.2 Within one hundred twenty (120) days after the close of each fiscal year, the Association shall cause to be prepared and delivered to each Owner, a balance sheet as of the last day of the Association's fiscal year and annual operating statements reflecting the income and expenditures of the Association for its last fiscal year.

5.8 Meetings of Association. Each year the Association shall hold at least one meeting of the Members, according to the schedule for such meetings established by the Bylaws. Only Members shall be entitled to attend Association meetings, and all other persons may be excluded. Notice for all Association meetings, regular or special, shall be given by regular mail to all Members at their last known address, and any person in possession of a Building Lot, not less than ten (10) days nor more than fifty (50) days before the meeting and shall set forth the place, date and hour of the meeting and the nature of the business to be conducted. All meetings shall be held within the Property or as close thereto as practical at a reasonable place selected by the Board. The presence at any meeting in person or by proxy of the Class B Member where there is such a Member, and of the Class A Members representing owners holding at least twenty percent (20%) of the total votes of all Class A Members, shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present may, as otherwise provided by law, adjourn the meeting to a time not less than ten (10) days nor more than thirty (30) days from the time the original meeting was scheduled. A second meeting may be called as the result of such an adjournment, provided notice is given as provided above. At any such meeting properly called, the presence of the Class B Member where there is such a Member, and, of any Class A Members shall constitute a quorum.



ARTICLE VI: RIGHTS TO COMMON AREAS

6.1 Use of Common Area. Every Owner shall have a right to use the Common Area, which right shall be appurtenant to and shall pass with the title to every Building Lot, subject to the following provisions:

6.1.1 The right of the Association, as it may hold or control such Common Area, to levy and increase Assessments;

6.1.2 The right of the Association to suspend the voting rights and rights to use of, or interest in, Common Area recreational facilities (but not including access to private streets, cul-de-sacs and walkways of the Property) by an Owner for any period during which any Assessment or charge against such Owner's Building Lot remains unpaid; and for a period not to exceed sixty (60) days for an infraction of the Association Rules; and

6.1.3 The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be permitted by the Articles and Bylaws and agreed to by the Members. No dedication or transfer of said Common Area shall be effective unless an instrument agreeing to such dedication or transfer signed by Members representing two-third (2/3) of each class of Members has been recorded.

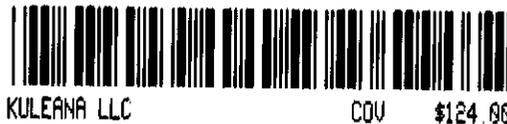
6.1.4 The right of the Association or the Developer, to construct Improvements on all Common Areas, including but not limited to providing utility and private drainfield or drainfield access, private streets, crossings, walkways, trails and other recreational improvements deemed desirable by the Association; and the right of an Owner with a drainfield easement to construct Improvements as reasonably necessary on Common Areas to provide for private drainfields and drainfield access.

6.1.5 The rights of the Declarants and Developer as expressly provided in Section 4.2.24 herein.

6.2 Designation of Common Area. Developer, shall designate and reserve Common Area in the Declaration and Developer shall have such authority with respect to Supplemental Declarations and/or recorded Plats, deeds or other instruments and/or as otherwise provided herein.

6.3 Delegation of Right to Use. Any Owner may delegate, in accordance with the Bylaws and Association Rules as the case may be, such Owner's right of enjoyment to the Common Area, to the members of such Owner's family in residence, and such Owner's tenants or contract purchasers who reside on such Owner's Building Lot. Only Developer or the Association shall have the right to delegate the right of enjoyment to the Common Area to the general public, and such delegation to the general public shall be for a fee set by and paid to Developer or the Association.

6.4 Damages. Each Owner shall be fully liable for any damage to any Common Area which may be sustained by reason of the negligence or willful misconduct of the Owner, such



Owner's resident tenant or contract purchaser, or such Owner's family and guests, both minor and adult. In the case of joint ownership of a Building Lot, the liability of such Owners shall be joint and several. The cost of correcting such damage shall be a Limited Assessment against the Building Lot and may be collected as provided herein for the collection of other Assessments.

ARTICLE VII: ASSESSMENTS

7.1 Covenant to Pay Assessments. Upon transfer of a deed following final plat of a Building Lot and acceptance of such a deed to any property in River Ranch on the Little Spokane, each Owner of such property (other than Developer) hereby covenants and agrees to pay when due all Assessments or charges made by the Association, including all Regular, Special and Limited Assessments and charges made against such Owner, excluding Developer, pursuant to the provisions of this Declaration or other applicable instrument.

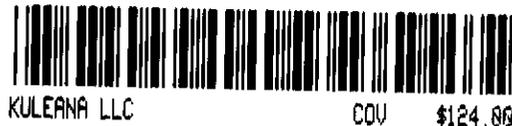
7.1.1 Assessment Constitutes Lien. Such Assessments and charges together with interest, costs and reasonable attorneys' fees which may be incurred in collecting the same, shall be a charge on the Building Lot and shall be a continuing lien upon the Building Lot against which each such Assessment or charge is made, regardless of whether such Building Lot is sold or otherwise transferred.

7.1.2 Assessment is Personal Obligation. Each such Assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Building Lot beginning with the time when the Assessment falls due. The personal obligation for delinquent Assessments shall not pass to such Owner's successors in title unless expressly assumed by them but shall remain such Owner's personal obligation regardless of whether he or she remains an Owner.

7.2 Regular Assessments. All Owners, excluding Developer, are obligated to pay Regular Assessments to the Association on a schedule of payments established by the Board.

7.2.1 Purpose of Regular Assessments. The proceeds from Regular Assessments are to be used to pay for all costs and expenses incurred by the Association, including legal and attorneys fees and other professional fees, for the conduct of its affairs, including without limitation the costs and expenses of construction, improvement, protection, maintenance, repair, management and operation of the Common Areas, including all Improvements located on such Common Areas owned and/or managed and maintained by the Association, and an amount allocated to an adequate reserve fund to be used for repairs, replacement, maintenance and improvement of those elements for the Common Area, or other property of the Association that must be replaced and maintained on a regular basis (collectively "Expense").

7.2.2 Computation of Regular Assessments. For 2007, the Board of Trustees of the Association has fixed the Regular Assessment at \$1,750.00 per year and if there is any surplus, such surplus will be retained to establish a reserve fund for future capital repairs and improvements. The Regular Assessment shall remain at \$1,750.00 until such time as the Board



of Trustees decides to adjust such Regular Assessment based on changes in the estimated operating expenses of the Association and/or actual number of Owners required to pay Regular Assessments. In the event no notice of any change in Regular Assessments is given to Owners, each Owner, excluding Developer, will be required to pay the same amount as the preceding amount of Regular Assessment.

7.2.3 Amounts Paid by Owners. The Board can require, in its discretion or as provided in the Articles or Bylaws, payment of Regular Assessments in semi-annual or annual installments. Each Owner, excluding Developer, shall be assessed and shall pay an amount determined annually by the Board of Trustees. In computing any change to the amount of Regular Assessments, the Board shall prepare an estimate of expenses for operating the Association including contributions to a reserve for future capital repairs as the Board may consider appropriate. From said estimate of operating expenses, the remaining shortfall shall be divided by the number of finally platted Building Lots attributable to all Owners, excluding Developer, for said year. The Board shall make a reasonable estimate of the number of Owners, excluding Developer, that will be subject to Regular Assessments during the year.

7.3 Special Assessments. All Owners, excluding Developer, are obligated to pay Special Assessments to the Association on a schedule of payments established by the Board.

7.3.1 Purpose and Procedure. In the event that the Board shall determine that its respective Regular Assessment for a given calendar year is or will be inadequate to meet the projected expenses of the Association for any reason, including but not limited to costs of construction, reconstruction, unexpected repairs or replacement of capital improvements upon the Common Area, attorneys' fees and/or litigation costs, other professional fees, or for any other reason, the Board shall determine the approximate amount necessary to defray such expenses and levy a Special Assessment against the Property which shall be computed in the same manner as Regular Assessments. No Special Assessment shall be levied which exceeds twenty percent (20%) of the budgeted gross expenses of the Association for the fiscal year, without the vote or written assent of the Members representing a majority of the votes of the Association.

7.3.2 Consistent Basis of Assessment. Every Special Assessment levied by and for the Association shall be levied and paid upon the same basis as that prescribed for the levying and payment of Regular Assessments for the Association.

7.4 Limited Assessments. Notwithstanding the above provisions with respect to Regular and Special Assessments, the Board may levy a Limited Assessment against an Owner other than Developer as a remedy to compensate the Association and other Members and reimburse the Association for costs incurred in bringing the Owner and/or such Owner's Building Lot into compliance with the provisions of the governing instruments for River Ranch on the Little Spokane.

7.4.1 Architectural Committee Violations. As provided in Section 10.7, the Association may impose an assessment in the amount of \$100.00 per day from the date of the Architectural Committee's determination of violations continuing through the date corrections are completed, as a compensatory charge to the Association and other Members for such



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violation, which may be assessed and imposed separately for each distinct violation. After 2006, the Board shall have the right, in its discretion, to periodically increase the \$100.00 per day amount described in the preceding sentence in order to reflect the impact of cost of living increases.

7.4.2 Other Violations. Notwithstanding any additional remedies available to the Association, any Owner, who receives a third letter from the Association detailing violations of provisions of this Declaration will be assessed a \$500 fee to reimburse the Association for costs and time incurred. Thereafter, any Owner who receives further violation letters will be assessed a \$100 fee per letter. After 2006, the Board shall have the right, in its discretion, to periodically increase the assessment amounts described above in this paragraph in order to reflect the impact of cost of living increases.

7.5 Transfer Assessments. Effective after January 1, 2007, upon transfer of title or sale of any Building Lot from an existing Owner, excluding Developer, to a new Owner, the new Owner shall pay a Transfer Assessment equal to \$300 to the Association to mitigate the costs associated with such transfer of title, such as establishing new accounting records, etc. After 2007, the Board shall have the right, in its discretion, to periodically increase the assessment amounts described above in this paragraph in order to reflect the impact of cost of living increases.

7.6 Uniform Rate of Assessment. Unless otherwise specifically provided herein, Regular and Special Assessments shall be fixed at a uniform rate per Building Lot for all Owners, excluding Developer, of the Association.

7.7 Assessment Period. Unless otherwise provided in the Articles or Bylaws, the Assessment period, the "fiscal year", shall commence on January 1 of each year and terminate December 31 of such year. The first Assessment shall be pro-rated according to the number of months remaining in the fiscal year and shall be payable in advance.

7.8 Notice and Assessment Due Date. Ten (10) days prior written notice of Regular and Special Assessments shall be sent to the Owner of every Building Lot subject thereto, and to any person in possession of such Building Lot. The due dates for installment payment of Regular Assessments and Special Assessments shall be the first day of each month unless some other due date is established by the Board. Each installment of the Regular Assessment or Special Assessment shall become delinquent if not paid within ten (10) days after the levy thereof. There shall accrue with each delinquent installment payment a late charge equal to ten percent (10%) of the delinquent installment. In addition, each installment payment which is delinquent for more than twenty (20) days shall accrue interest at the lesser of the highest rate permitted by law or eighteen percent (18%) per annum calculated from the date of delinquency to and including the date full payment is received by the Association. The Association may bring an action against the delinquent Owner, excluding Developer, and may foreclose the lien against such Owner's Building Lot as more fully provided herein. Each Owner, excluding Developer, is personally liable for Assessments, together with all interest, costs and attorneys' fees, and no Owner may exempt such Owner from such liability by a waiver of the use and enjoyment of the Common Areas, or by lease or abandonment of such Owner's Building Lot.



7.9 Estoppel Certificate. The Association, upon at least twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request, a statement in writing stating whether or not, to the knowledge of the Association, a particular Building Lot is in default under the provisions of this Declaration, and further stating the dates to which any Assessments have been paid by the Owner. Any such Certificate delivered pursuant to this paragraph may be relied upon by any prospective purchaser or mortgagee of the Owner's Building Lot. Reliance on such Certificate may not extend to any default as to which the signor shall have had no actual knowledge.

7.10 Special Notice and Quorum Requirements. Notwithstanding anything to the contrary contained in either the Bylaws or the Articles, written notice of any meeting called for the purpose of levying a Special Assessment, or for the purpose of obtaining a membership vote in connection with an increase in the Regular Assessment, shall be sent to all Members of the Association and to any person in possession of a Building Lot, not less than fifteen (15) days nor more than fifty (50) days before such meeting. At the first such meeting called, the presence of the Members or of proxies entitled to cast fifty percent (50%) of the total votes of the Association shall constitute a quorum. If such quorum is not present, subsequent meetings may be called subject to the same notice requirement, and the required quorum at the subsequent meetings shall be forty percent (40%) of the quorum required at the preceding meeting. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.

ARTICLE VIII: ENFORCEMENT OF ASSESSMENTS; LIENS; PROCEEDINGS

8.1 Right to Enforce. The Association has the right to collect and enforce its Assessments pursuant to the provisions hereof. Each Owner, excluding Developer, of a Building Lot, upon becoming an Owner of such Building Lot, shall be deemed to covenant and agree to pay each and every Assessment provided for in this Declaration and agrees to the enforcement of all Assessments in the manner herein specified. In the event an attorney or attorneys are employed for the collection of any Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorney's fees in addition to any other relief or remedy obtained against such Owner. The Board or its authorized representative may enforce the obligations of the Owners to pay such assessments by commencement and maintenance of a suit pursuant to paragraph 8.3 to enforce the liens created hereby. A suit to recover a money judgment for an unpaid Assessment shall be maintainable without foreclosing or waiving the lien hereinafter provided.

8.2 Authorization Required to Commence Proceedings. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of two-thirds (2/3) of the Board of Directors and Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of the Declaration; (b) the imposition and collection of Assessments; (c) proceedings involving challenges to *ad valorem* taxation; or (d) counterclaims brought by the Association in proceedings instituted against it.



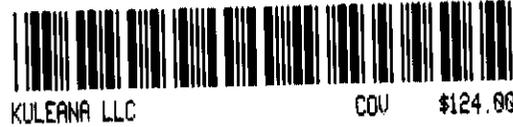
This Section shall not be amended unless such amendment is made by the Developer, and is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

8.3 Assessment Liens; Creation. There is hereby created a claim of lien with power of sale on each and every Building Lot to secure payment of any and all Assessments levied against such Building Lot pursuant to this Declaration together with interest thereon at the lower of eighteen percent (18%) per annum or the maximum rate permitted by law and all costs of collection which may be paid or incurred by the Association making the Assessment in connection therewith, including reasonable attorney's fees. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on such respective Building Lots upon recordation of a claim of lien with the Spokane County Auditor. Such lien shall be prior and superior to all other liens or claims created subsequent to the recordation of the notice of delinquency and claim of lien except for tax liens for Property taxes on any Building Lot and Assessments on any Building Lot in favor of any municipal or other governmental assessing body which, by law, would be superior thereto.

8.3.1 Claim of Lien. Upon default of any Owner in the payment of any Regular, Special or Limited Assessment issued hereunder, the Association may cause to be recorded in the office of the Spokane County Auditor a claim of lien. The claim of lien shall state the amount of such delinquent sums and other authorized charges (including the cost of recording such notice), a sufficient description of the Building Lot(s) against which the same have been assessed, and the name of the record Owner thereof. Each delinquency shall constitute a separate basis for a notice and claim of lien. Upon payment to the Association of such delinquent sums and charges in connection therewith or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction or relief of such delinquent sums and charges. The Association may demand and receive the cost of preparing and recording such release before recording the same.

8.4 Method of Foreclosure. Such lien may be foreclosed by appropriate action in court or by sale by the Association establishing the Assessment, its attorney or other person authorized to make the sale. Such sale shall be conducted in accordance with the provisions of the Revised Code of Washington applicable to the exercise of powers of sale permitted by law. The Board is hereby authorized to appoint its attorney, any officer or director of the Association, or any title company authorized to do business in Washington as trustee for the purpose of conducting such power of sale or foreclosure.

8.5 Subordination to Certain Trust Deeds and Mortgages. The lien for the Assessments provided for herein in connection with a given Building Lot shall be subordinate to the lien of a deed of trust or mortgage given and made in good faith and for value that is of record as an encumbrance against an Owner's Building Lot prior to the recordation of a claim of lien for any Assessments. Except as provided in this paragraph 8.5 with respect to a trustee or mortgagee who acquires title to or a security interest in a Building Lot, the sale or transfer of any Building Lot shall not affect the Assessment lien provided for herein, nor the creation thereof by the recordation of a claim of lien, on account of the Assessments becoming due whether before,



on, or after the date of such sale or transfer, nor shall such sale or transfer diminish or defeat the personal obligation of any Owner for delinquent Assessments as provided for in this Declaration.

8.6 Rights of Mortgagees. Notwithstanding any other provision of this Declaration, no amendment of this Declaration shall operate to defeat the rights of the beneficiary under any deed of trust upon a Building Lot made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after the foreclosure of any such deed of trust such Building Lot shall remain subject to this Declaration as amended.

ARTICLE IX: INSPECTION OF ASSOCIATION'S BOOKS AND RECORDS

9.1 Member's Right of Inspection. The membership register, books of account and minutes of meetings of the Board and committees of the Association shall be made available for inspection and copying by any Member of the Association or by such Member's duly appointed representatives, at any reasonable time during business hours and for a purpose reasonably related to such Member's interest as a Member at the office of the Association or at such other place as the Board shall prescribe. No Member or any other person shall copy the membership register for the purposes of solicitation of or direct mailing to any Member of the Association.

9.2 Rules Regarding Inspection of Books and Records. The Board shall establish reasonable rules with respect to:

9.2.1 Notice to be given to the custodians of the records by the persons desiring to make the inspection.

9.2.2 Hours and days of the week when such an inspection may be made.

9.2.3 Payment of the cost of reproducing copies of documents requested pursuant to this Article.

9.3 Trustee's Rights of Inspection. Every Trustee shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association, and the physical properties owned or controlled by the Association. The right of inspection by a Trustee includes the right to make extracts and copies of documents.

ARTICLE X: ARCHITECTURAL COMMITTEE

10.1 Creation. The Association shall have an Architectural Committee consisting of that number of persons, no fewer than three nor more than five individuals, specified from time to time by resolution of the Board. Developer initially shall appoint the members of the Architectural Committee. Developer shall retain the right to appoint, augment or replace all members of the Architectural Committee until the date on which Class B membership ceases to exist and for as long thereafter as Developer, in its sole discretion, elects. Thereafter, members of the Architectural Committee shall be appointed by the Board. Individuals appointed to the



Architectural Committee, other than those appointed by Developer, must satisfy such requirements as may be set forth in the Design Guidelines.

10.2 Design Guidelines.

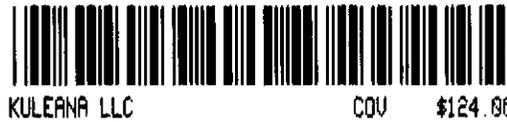
(a) The Architectural Committee shall establish reasonable procedural rules, regulations, restrictions, architectural standards and design guidelines (the "Design Guidelines"), which the Architectural Committee may, from time to time in its sole discretion, amend, repeal or augment. After the date on which Class B membership ceases to exist (or after Developer's voluntary relinquishment of control of the Architectural Committee, if later), any change in the Design Guidelines will be effective only if it is approved by Developer. The Design Guidelines are incorporated herein and shall be deemed to be a part of the Declaration and shall be binding on all Owners (excluding Developer), Members and other Persons as if expressly set forth herein. A copy of the current Design Guidelines shall at all times be a part of the Association's records.

(b) The Design Guidelines shall not apply to, and nothing contained in this Declaration shall be construed to prevent or impair in any way, any development, operation, construction or improvements by Developer or any related entity within the Property, or other parcels outside of the property that may become part of the Property in the future.

(c) Subject to the provisions of Section 4.2.24, no building, fence, wall or other structure or improvement of whatever type shall be commenced, erected or maintained upon the Property, nor shall there be any addition to or change to the exterior of any residence or other structure or improvement upon a Building Lot or the Building Envelope, landscaping, tree removal, grading or drainage thereof, including but not limited to the painting (other than painting with the same color and type of paint as previously existed) of exterior walls, patio covers and fences, except in compliance with drawings and specifications therefore which have been submitted to and approved by the Architectural Committee, in accordance with the Design Guidelines, as to harmony of external design and location in relation to surrounding structures and topography.

(d) The Design Guidelines may also establish procedures to assuring conformity of completed improvements to drawings and specifications approved by the Architectural Committee.

10.3 Review of Proposed Construction. The Architectural Committee shall consider and act upon any and all proposals or plans and specifications submitted for its approval pursuant to this Declaration, and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the Architectural Committee. The Board shall have the power to determine, by rule or other written designation consistent with this Declaration, which types of Improvements shall be submitted for Architectural Committee review and approval. The Architectural Committee shall have the power to hire architects licensed with the State of Washington to assist the Architectural Committee in its review of proposals or plans and specifications submitted to the Architectural Committee. The Architectural Committee shall



approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated thereby in the locations indicated will not be detrimental to the habitat of the Common Areas, or appearance of the surrounding area of the Property as a whole, that the appearance of any structure affected thereby will be in harmony with the surrounding structures, and that the upkeep and maintenance thereof will not become a burden on the Association. The cost of such architects shall be a limited assessment of the affected Building Lot Owner.

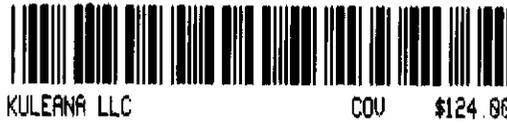
10.3.1 Conditions on Approval. The Architectural Committee may condition its approval of proposals or plans and specifications upon such changes therein as it deems appropriate, and/or upon the agreement of the Owner submitting the same ("Applicant") to grant appropriate easements to the Association for the maintenance thereof, and/or upon the agreement of the Applicant to reimburse the Association for the cost of maintenance, and may require submission of additional plans and specifications or other information before approving or disapproving material submitted.

10.3.2 Architectural Committee Rules and Fees. The Architectural Committee also may establish rules and/or guidelines setting forth procedures for and the required content of the applications and plans submitted for approval. Such rules will require a standard fee to accompany each application. The Architectural Committee, from time to time, shall determine the amount of such fee in a reasonable manner. Such fees shall be used to defray the costs and expenses of the Architectural Committee, including the cost and expense of hiring architect(s), as provided above, or for such other purposes as established by the Board. Such rules and guidelines may establish, without limitation, specific rules and regulations regarding design and style elements, landscaping and fences and other structures such as animal enclosures as well as special architectural guidelines applicable to Building Lots located adjacent to public and/or private open space.

10.3.3 Detailed Plans. The Architectural Committee may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, landscape plans, drainage plans, elevation drawings and descriptions or samples of exterior material and colors. Until receipt by the Architectural Committee of all required plans and specifications, the Architectural Committee may postpone review of any plan submitted for approval.

10.3.4 Architectural Committee Decisions. Decisions of the Architectural Committee and the reasons therefore shall be transmitted by the Architectural Committee to the Applicant at the address set forth in the application for approval within thirty (30) calendar days after filing all materials required by the Architectural Committee.

10.4 Meetings of the Architectural Committee. The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. The Architectural Committee may from time to time by resolution unanimously adopted in writing, designate an Architectural Committee representative (who may, but need not be one of its members) to take any action or perform any duties for and on behalf of the Architectural Committee, except the granting of variances pursuant to paragraph 10.9. In the absence of such designation, the vote of



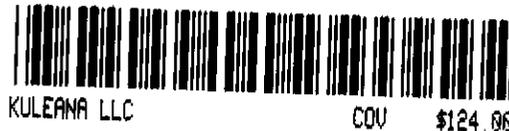
a majority of the members of the Architectural Committee taken with or without a meeting shall constitute an act of the Architectural Committee.

10.5 No Waiver of Future Approvals. The approval of the Architectural Committee of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Architectural Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatever subsequently or additionally submitted for approval or consent.

10.6 Compensation of Members. The members of the Architectural Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder and except as otherwise agreed by the Board.

10.7 Completion of Construction and Inspection of Work. After receipt of the approval of the Architectural Committee of any proposals or plans and specifications or drawings for any work done or proposed (the "Approved Application"), each Owner will be responsible for completing all improvements in accordance with the Approved Application and adhering to all provisions of this Declaration and the Design Guidelines regarding construction procedures. Upon completion of construction, the Owner shall give written notice of completion to the Architectural Committee, which shall inspect the improvements within sixty (60) days thereafter. If for any reason the Architectural Committee fails to notify the Owner of any noncompliance within one (1) year after receipt of the written notice of completion from the Owner, the work shall be deemed to be in accordance with the Approved Application. If the Architectural Committee finds that (a) the Owner is not complying with the provisions of this Declaration and the Design Guidelines regarding construction procedures or (b) the improvements have not been completed in accordance with the Approved Application, the Architectural Committee shall notify the Owner in writing of such violation(s) and shall require the Owner to remedy the violation(s). If the Owner fails to remedy the violation(s) within thirty (30) days (or such longer time as may be permitted by the Architectural Committee), the Architectural Committee shall notify the Board in writing of such failure. Upon receiving notice of violation from the Architectural Committee, the Board shall have the authority, in its sole discretion, to determine whether there is a violation and shall notify the Owner of its decision within thirty (30) days.

If the Board affirms the Architectural Committee's determination of a violation, the Owner shall be responsible for remedying the violation(s) as set forth in the notice from the Architectural Committee. If the Owner shall fail to remedy the violation, the Association may, as one option, remedy the violation, and the Owner shall be obligated to reimburse the Association for all costs and expenses incurred in connection therewith and the Association shall also have the authority to levy a Limited Assessment against such Owner, as set forth in Article 7.4. Such reimbursable costs shall include all actual or estimated costs of remedying such non-compliance, if applicable, reasonable attorney's fees incurred or to be incurred, reimbursement for time spent by members of the Architectural Committee and/or Board incurred in connection with any review or consideration of such noncompliance and all other out-of-pocket expenses. The Association may pursue collection of such Limited Assessment as against such Owner and such



Owner's Building Lot pursuant to this Declaration. The foregoing option shall not be exclusive and the Association may also elect to pursue any remedy available at law or in equity, or as provided in this Declaration.

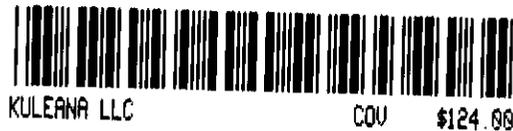
10.8 Non-Liability of Architectural Committee Members. Neither the Architectural Committee nor any member thereof, nor its duly authorized Architectural Committee representative, shall be liable to the Association, or to any Owner, Grantee, or Developer for any loss, damage or injury arising out of or in any way connection with the performance of the Architectural Committee's duties hereunder, unless due to the willful misconduct or bad faith of the Architectural Committee. The Architectural Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration or addition, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and to the Property generally. The Architectural Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of building, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of any plan or design from the standpoint of structural safety or conformance with building or other codes.

10.9 Variances. The Architectural Committee may authorize variances from compliance with any of the architectural provisions of this Declaration or any Supplemental Declaration, including restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may be required. Such variances must be evidenced in writing, must be signed by a majority of the members of the Architectural Committee, and shall be effective upon the date stated in such variance or, if none, upon execution thereof by the requisite majority of the members of the Architectural Committee. If any variances are granted, no violation of the Covenants, Conditions or Restrictions contained in this Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted.

ARTICLE XI: ANNEXATION OF ADDITIONAL PROPERTIES

11.1 By Developer. Developer intends to develop the Property, together with additional property, and may, in Developer's sole discretion, deem it desirable to annex some or all of such properties to the Property covered by this Declaration. Parcels may be annexed to the Property and brought within the provisions of this Declaration as provided herein by Developer, its successors or assigns, at any time, and from time to time, without the approval of any Owner or the Association. The use and development of such Parcels shall conform to all applicable land use regulations, as such regulations are modified by variances.

11.2 By the Association. In addition to the provisions concerning annexations by Developer specified in Section 11.1 above, Parcels may be created, subject to the same



conditions by the Association upon the exercise by Members of at least two-thirds (2/3) of the votes of the Association.

11.3 Rights and Obligations of Owners of Annexed Parcels. Subject to the provisions hereof, upon recording of a Supplemental Declaration as to any Parcel, all provisions contained in this Declaration shall apply to the Parcel in the same manner as if it were originally covered by this Declaration, subject to such modifications, changes and deletions as are specifically provided in such Supplemental Declaration, such Parcel shall be treated for all purposes as a Parcel as defined above. The Owners of Building Lots located in the Parcels shall become members of the Association and shall become liable for their appropriate share of Assessments. Title to the Common Areas which are to be owned and managed by the Association, within said Parcels shall be conveyed to the Association, free and clear of any and all encumbrances and liens, subject to reservations, easements, covenants, conditions and restrictions then of record including those set forth in this Declaration or any Supplemental Declaration applicable to such Parcels.

11.4 Method of Annexation. The addition of a Parcel to the Property authorized under Sections 11.1 and 11.2 shall be made by filing of record a Supplemental Declaration or other similar instrument with respect to the Parcel, which shall be executed by Developer or the owner thereof and which shall annex such property to the Property. Thereupon each Parcel shall be a part of the Property, shall be subject to this Declaration and encompassed within the general plan and scheme hereof as modified by such Supplemental Declaration, and shall be subject to the functions, powers and jurisdiction of the Association. Such Supplemental Declaration or other appropriate document may contain such additions, modifications, or deletions as may be deemed by Developer or the owner thereof desirable to reflect the different character, if any, of the Parcel, or as Developer or such owner may deem appropriate in the development of the Parcel. If any Parcel is created, the Association shall have the duty to maintain additional Common Area located within the Parcel if so specified in any Supplemental Declaration.

11.5 Deannexation. Developer may delete all or a portion of the Property except unsold platted Building Lots, including previously annexed Parcels, from the Property and from coverage of this Declaration and jurisdiction of the Association, so long as the Developer has an interest in such Parcels and provided that a Supplemental Declaration of Deletion of Property is recorded in the Office of the Spokane County Auditor in the same manner as a Supplemental Declaration of Annexation. Members other than Developer as described above shall not be entitled to deannex all or any portion of a Parcel except on the favorable vote of seventy-five percent (75%) of all Members of the Association and written approval of Developer so long as the Developer owns any portion of the Property described on Exhibit A or any other Property which is then part of the Property.

ARTICLE XII: EASEMENTS

12.1 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Building Lot and such portion or portions of the Common Area

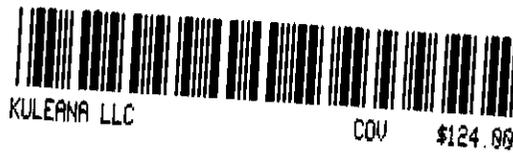


adjacent thereto or as between adjacent Building Lots due to minor unintentional wrongful placement or settling or shifting of the Improvements including but not limited to structures, walkways, paths, sidewalks and driveways constructed, reconstructed or altered thereon in accordance with the terms of this Declaration. Easements of encroachment shall be valid only so long as they exist, and the rights and obligations of Owners shall not be altered in any way because of encroachments, settling or shifting of the Improvements; provided, however, that in no event shall a valid easement for encroachment occur due to the willful act or acts of an Owner. In the event a structure on any Building Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Building Lot agree that minor encroachments over adjoining Building Lots that existed prior to the encroachment may be reconstructed pursuant to the easement granted by this paragraph.

12.2 Easements of Access/Use: All Owners of Building Lots will have a perpetual easement for access, ingress and egress over the Common Area, including but not limited to the private streets, cul-de-sacs, paths, sidewalks, recreation areas and walkways. This easement shall run with the land. Such easements may be used by the Developer, and by all Owners, their guests, tenants and invitees, residing on or temporarily visiting the Property, for pedestrian walkways, vehicular access, recreational use and such other purposes reasonably necessary for the use and enjoyment of a Building Lot or Common Area.

12.3 Drainage and Utility Easements. Developer expressly reserves for the benefit of all the Property reciprocal easements of access, ingress and egress for all Owners to and from their respective Building Lots for installation and repair of utility services, for drainage of water over, across and upon adjacent Building Lots and Common Areas, resulting from the normal use of adjoining Building Lots or Common Areas, and for necessary maintenance and repair of any Improvement including fencing, retaining walls, lighting facilities, mailboxes and sidewalk abutments, trees and landscaping. Notwithstanding anything expressly or impliedly contained herein to the contrary, this Declaration shall be subject to all easements heretofore or hereafter granted by Developer for the installation and maintenance of utilities and drainage facilities that are required for the development of the Property. In addition, Developer hereby reserves for the benefit of the Association and Developer the right to grant additional easements and rights-of-way over the Property and/or a Parcel, as appropriate, to utility companies and public agencies as necessary or expedient for the proper development of the Property until close of escrow for the sale of the last Building Lot in the Property to an Owner.

12.3.1 Improvement of Drainage and Utility Easement Areas. The Owners of Building Lots are hereby restricted and enjoined from constructing any improvements upon any drainage or utility easement areas as shown on the Plat of River Ranch on the Little Spokane or otherwise designated in any recorded document which would interfere with or prevent the easement from being used for such purpose; provided, however, that the Owner of such Building Lots and the Developer, the Association or designated entity with regard to the landscaping easement described in this Article, shall be entitled to install and maintain landscaping on such easement areas, and also shall be entitled to build and maintain fencing on such easement areas subject to approval by the Architectural Committee, so long as the same would not interfere with or prevent the easement areas from being used for their intended purposes; provided, that any



damage sustained to Improvements on the easement areas as a result of legitimate use of the easement area shall be the sole and exclusive obligation of the Owner of the Building Lot whose Improvements were so damaged.

12.4 Rights and Duties Concerning Utility Easements. The rights and duties of the Owners of the Building Lots within the Property with respect to utilities shall be governed by the following:

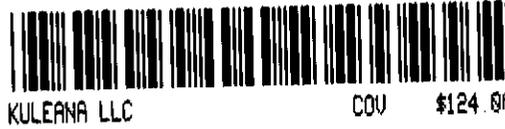
12.4.1 Wherever utility house connections are installed within the Property, which connections or any portions thereof lie in or upon Building Lots owned by an Owner other than the Owner of the Building Lot served by the connections, the Owner of the Building Lot served by the connections shall have the right, and is hereby granted an easement to the full extent necessary therefore, to enter upon any Building Lot or to have their agent enter upon any Building Lot within the Property in or upon which said connections or any portion thereof lie, to repair, replace and generally maintain the connections as and when it may be necessary.

12.4.2 Whenever utility house connections are installed within the Property, which connections serve more than one Building Lot, the Owner of each Building Lot served by the connections shall be entitled to full use and enjoyment of such portions of said connections as service such Owner's Building Lot.

12.5 Driveway Easements. Whenever a driveway easement installed within the Property serves more than one Building Lot, the Owner of each Building Lot served or to be served by such driveway shall be entitled to full use and enjoyment of such easement as required to serve such Owner's Building Lot and each of said Owners shall be equally responsible for the costs to install, repair, replace and otherwise maintain such driveway and related landscape improvements within such easement.

12.6 Disputes as to Sharing of Costs. In the event of a dispute between Owners with respect to the improvement, repair or replacement of driveway improvements, including utility connections or landscaping, or with respect to the sharing of the cost therefore, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to the Board which shall decide the dispute and, if appropriate, make an appropriate Assessment against any or all of the Owners involved on behalf of the prevailing Owner(s), which Assessment shall be collected and enforced in the manner provided by this Declaration for Limited Assessments.

12.7 General Landscape Easement. An easement is hereby reserved to the Association, its contractors and agents, to enter those portions of Building Lots for the purpose of installing, maintaining, replacing and restoring exterior landscaping, and natural vegetation and habitat. Such landscaping activity shall include, by way of illustration and not of limitation, the mowing of lawns, irrigation, sprinkling, tree and shrub trimming and pruning, walkway improvement, seasonal planting and such other landscaping activities within the Property as the Association shall determine to be necessary from time to time.



12.8 Maintenance and Use Easement Between Walls and Building Lot Lines.

Whenever the wall of a structure, or a fence or retaining wall, is legitimately constructed on a Building Lot under plans and specifications approved by the Architectural Committee, and is located within three (3) feet of the Building Lot line of such Building Lot, the Owner of such Building Lot is hereby granted an easement over and on the adjoining Building Lot (not to exceed 3 feet from the Building Lot line) for purposes of maintaining and repairing such wall or fence and eaves or other overhangs, and the Owner of such adjoining Building Lot is hereby granted an easement for landscaping purposes over and on the area lying between the Building Lot line and such structure or fence so long as such use does not cause damage to the structure or fence.

12.9 Recreation Area. The parcel containing approximately 1,200 feet of river frontage to centerline of the Little Spokane River, adjacent to Lots of River Ranch on the Little Spokane, which Recreation Area is indicated on the Plat ("Recreation Area"), has been designated as an open space tract in perpetuity. The Recreation Area shall be managed by the Association in a manner consistent with the intent to provide the Recreation Area as a Common Area available to all Owners, their guests, invitees and tenants. The following uses are permitted in the Recreation Area:

1. Weed prevention and control shall be permitted.
2. Use of the bridge crossing the Little Spokane River.
3. Hiking.
4. Swimming.
5. Fishing.
6. Picnics.
7. Other related activities as deemed reasonable or necessary to manage and maintain the Recreation Area consistent with the overall objective of pedestrian recreational uses and the preservation of wildlife.

The following uses shall not be permitted on the Recreational Area:

1. Any use of the Recreational Area which that is inconsistent with the overall objectives of pedestrian recreational uses and the preservation and protection of wildlife, including public access.
2. Hunting, trapping or intentional flushing of birds, deer, elk, moose or other animals or any other activity that may be harmful to or which constitutes harassment of animals or wildlife.
3. No unleashed dogs or cats are permitted on the Recreational Area, and each Owner shall be responsible for assuring compliance with regard to their household pets.



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4. Starting or maintaining fires for any purpose.
5. Any and all other activities prohibited by the Board or the Association.

ARTICLE XIII: MISCELLANEOUS

13.1 Term. The easements created hereunder shall be perpetual, subject only to extinguishment by the holders of such easements as provided by law. The covenants, conditions, restrictions and equitable servitudes of this Declaration shall run for a term of twenty (20) years from the date this Declaration is recorded, unless amended as herein provided. Thereafter, such covenants, conditions, restrictions and equitable servitudes shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by Members holding at least three-fourths (3/4) of the voting power of the Association and such written instrument is recorded with the Spokane County Auditor. Further provided that the Association shall not be dissolved without the prior written approval of the Spokane County Highway District, such consent not to be unreasonably withheld provided that a responsible successor organization shall agree to perform those maintenance responsibilities arising from applicable governmental requirements.

13.2 Amendment.

13.2.1 By Developer. Except as provided in paragraph 13.3 below, until the recordation of the first deed to a Building Lot in the Property, the provisions of this Declaration may be amended, modified, clarified, supplemented, added to (collectively "Amendment") or terminated by Developer by recordation of a written instrument setting forth such Amendment or termination. Any Amendment affecting only a particular Building Lot may be made by Developer by an Amendment to this Declaration at any time up to the recordation of the first deed to such Building Lot.

13.2.2 By Owners. Except where a greater percentage is required by express provision in this Declaration, the provisions of this Declaration, other than this Article XIII, may be amended by an instrument in writing signed and acknowledged by the president and secretary of the Association certifying and attesting that such amendment has been approved by the vote or written consent of Owners representing more than fifty percent (50%) of the votes in the Association, and such amendment shall be effective upon its recordation with the Spokane County Auditor. Any amendment to this Article XIII shall require the vote or written consent of Members holding ninety-five percent (95%) of the voting power of the Association.

13.3 Trust Deed and Mortgage Protection. Notwithstanding any other provisions of this Declaration, no amendment of this Declaration shall operate to defeat or render invalid the rights of the beneficiary under any deed of trust or mortgagee under any mortgage covering a Building Lot, made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after foreclosure of any such deed of trust or mortgage, such Building Lot shall remain subject to this Declaration, as amended.



13.4 Notices. Any notices permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered three (3) days after the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association, as provided in this paragraph.

13.5 Enforcement and Non-Waiver.

13.5.1 Right of Enforcement. Except as otherwise provided herein, any Owner of a Building Lot shall have the right to enforce any or all of the provisions hereof against any property within the Property and Owners thereof.

13.5.2 Violations and Nuisances. The failure of any Owner of a Building Lot to comply with any provision hereof, or with any provision of the Articles or Bylaws of the Association, is hereby declared a nuisance and will give rise to a cause of action in the Developer, the Association or any Owner of a Building Lot within the Property for recovery of damages or for negative or affirmative injunctive relief or both. However, any other provision to the contrary notwithstanding, only Developer, the Association, the Board, or a duly authorized agent of any of them, may enforce by self-help any of the provisions hereof only if such self-help is preceded by reasonable notice to the Owner.

13.5.3 Violation of Law. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the Property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth in this Declaration and any or all enforcement procedures in law or equity.

13.5.4 Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

13.5.5 Non-Waiver. The failure to enforce any of the provisions herein at any time shall not constitute a waiver of the right to enforce any such provision.

13.6 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Property. This Declaration shall be construed and governed under the laws of the State of Washington.

13.6.1 Restrictions Construed Together. All of the provisions hereof shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Property as set forth in the recitals of this Declaration.

13.6.2 Restrictions Severable. Notwithstanding the provisions of the foregoing paragraph, each of the provisions of this Declaration shall be deemed independent and severable,



and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision herein.

13.6.3 Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

13.6.4 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions hereof.

13.7 Successors and Assigns. All references herein to, Developer, Owners, Association or person shall be construed to include all successors, assigns, partners and authorized agents of such, Developer, Owners, Association or person.

13.8 Attorney Fees. In the event an arbitration, suit or action is brought by any party under this Declaration to enforce any of its terms, or in any appeal therefrom, it is agreed that the prevailing party shall be entitled to reasonable attorneys' fees to be fixed by the arbitrator, trial court and/or appellate court.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this 26 day of February, 2007.

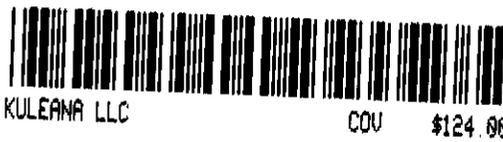
"DEVELOPER"

KULEANA, LLC,
a Washington limited liability company

By: *Harold Johnson*
Harold Johnson, Manager

**RIVER RANCH HOMEOWNERS
ASSOCIATION, INC.**

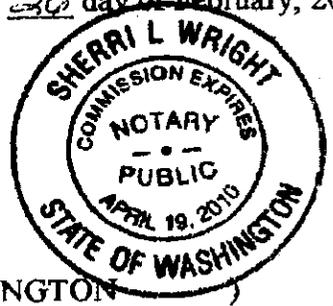
By: *Harold Johnson*
Harold Johnson, President



STATE OF WASHINGTON)
)ss
COUNTY OF SPOKANE)
Pierce

I certify that I know or have satisfactory evidence that Harold Johnson is the individual who appeared before me, and said individual, on oath, acknowledged that he is the Manager of Kuleana, LLC, a Washington limited liability company, and further acknowledged that he was authorized to execute the instrument, and did execute the instrument, on behalf of such entity to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED this 26 day of February, 2007.



Sherril L. Wright
NOTARY PUBLIC in and for the State
of Washington, residing at Spokane *Puyallup*
My commission expires: *4.19.2010*

STATE OF WASHINGTON)
)ss
COUNTY OF SPOKANE)
Pierce

I certify that I know or have satisfactory evidence that Harold Johnson is the individual who appeared before me, and said individual, on oath, acknowledged that he is the President of River Ranch Homeowners Association, and further acknowledged that he was authorized to execute the instrument, and did execute the instrument, on behalf of such entity to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED this 26 day of February, 2007.



Sherril L. Wright
NOTARY PUBLIC in and for the State
of Washington, residing at Spokane *Puyallup*
My commission expires: *4.19.2010*

Unofficial Document



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EXHIBIT "A"

Legal Description

That portion of the W1/2 of Section 34, Township 28 North, Range 43, East, W.M., Spokane County, Washington described as follows:

Beginning at the southeast corner of the SW1/4 of said Section 34; thence along the south line of said SW1/4 of Section 34 the following two (2) courses: 1) N89°56'01"W 282.87 feet to the westerly most corner of the right-of-way for Jim Hill Road as described on the Right-of-Way Deed recorded September 27, 1994, as Auditor's File No. 9409270358, to the TRUE POINT OF BEGINNING; 2) continuing N89°56'01"W 1443.11 feet; thence leaving said south line, N57°57'57"W 231.55 feet; thence N43°16'01"W 592.55 feet; thence N08°41'13"E 269.02 feet; thence N34°40'31"E 164.66 feet; thence N34°46'26"E 179.63 feet; thence N35°56'06"E 204.30 feet; thence N57°13'09"E 214.78 feet; thence N53°11'17"E 190.83 feet; thence N49°33'47"E 166.56 feet; thence N39°06'41"E 164.34 feet; thence N33°57'43"E 167.93 feet; thence N43°48'25"E 164.70 feet; thence N43°48'25"E 164.89 feet; thence N32°30'15"E 172.03 feet; thence N32°30'15"E 148.12 feet; thence N46°22'41"W 363.85 feet to a point on the centerline of the Little Spokane River; thence along said centerline the following fifteen (15) calls: 1) N78°34'50"E 177.89 feet; 2) N68°17'55"E 95.17 feet to the point of curve of a 70.00 foot radius curve to the left; 3) along the arc of said curve through a central angle of 78°04'11", 95.38 feet to the point of tangent; 4) N09°46'16"W 88.33 feet to the point of curve of a 60.00 foot radius curve to the right; 5) along the arc of said curve through a central angle of 110°02'04", 115.23 feet to the point of tangent; 6) S79°44'12"E 88.95 feet to the point of curve of a 113.85 foot radius curve to the left; 7) along the arc of said curve through a central angle of 47°39'10", 94.69 feet to the point of compound curve of a 25.00 foot radius curve to the left, the center of circle of which bears N37°23'22"W; 8) along the arc of said curve through a central angle of 78°38'58", 34.32 feet to the point of tangent; 9) N26°02'21"W 67.36 feet to the point of curve of a 40.00 foot radius curve to the right; 10) along the arc of said curve through a central angle of 71°31'38" 49.94 feet to the point of tangent; 11) N45°29'18"E 87.21 feet to the point of curve of a 250.00 foot radius curve to the right; 12) along the arc of said curve through a central angle of 21°38'04", 94.40 feet to the point of tangent; 13) N67°07'22"E 72.92 feet; 14) N54°42'54"E 219.83 feet; 15) N29°37'51"E 76.14 feet; thence leaving said centerline, S67°42'05"E 133.16 feet to a point on the westerly right-of-way line of Highway 2; thence southerly along said westerly right-of-way line of Highway 2 the following four (4) calls: 1) S67°42'05"E 35.00 feet to a point on a 2467.00 foot radius nontangent curve on said westerly right-of-way line, center of circle of which bears S67°42'05"E; 2) along the arc of said curve through a central angle of 24°17'36", 1046.01 feet to the point of spiral curve to the left; 3) along said spiral curve (spiral chord = S03°14'02"E 155.72 feet to the point of tangent; 4) S03°52'13"E 2128.58 feet to the point of curve of a 20.00 foot radius curve to the right on the northerly right-of-way line of Jim Hill Road, as shown on the Right-of-Way Deed recorded September 27, 1994, as Auditor's File No. 9409270358; thence leaving said westerly right-of-way line of Highway 2 and along said northerly right-of-way line of Jim Hill Road the following four (4) calls: 1) along the arc of said curve through a central angle of 93°56'12", 32.79 feet to the point of tangent; 2) N89°56'01"W 100.96 feet to the point of curve of a 50.00 foot radius curve to the left; 3) thence along the arc of said curve through a central angle of 55°09'00", 48.13 feet to the point of reverse curve of a 20.00 foot radius curve to the right, the center of circle of which bears N55°05'02"W; 4) along the arc of said curve through a central angle of 55°09'00", 19.25 feet to the TRUE POINT OF BEGINNING.



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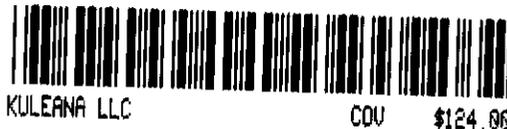
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EXHIBIT "B"

Attached

Biology Soil Water Letter of Habitat Management Plan Elements

Unofficial Document



BIOLOGY SOIL & WATER, INC.

W. 725 Chelan, Spokane WA 99205-3245

Bill Moser
Spokane County
1026 W. Broadway
Spokane, WA 99260

November 8, 2006

Re: The River Ranch on the Little Spokane PUD (formerly known as Riverview Heights PUD, Spokane County file No. PN-1891-01)

Greetings Bill Moser:

Biology Soil & Water, Inc. (BSW) was retained by Hal Johnson to comment on Critical Areas issues associated with his proposed final plat of The River Ranch on the Little Spokane PUD. In 2001 the undersigned completed a Habitat Management Plan (HMP) for the previous owner Michael R. McGarvey, when he proposed development of the same site located in Section 34, T28N, R43E in Spokane County WA. The site is located about 1 mile south of Chattaroy between the Little Spokane River and State Highway 2. The 2001 McGarvey Final HMP was approved by Spokane County as an element of File No. PN-1891-01.

On August 1, 2006 the undersigned met with current property owner Hal Johnson and Bryan Westby of Adams and Clark, Inc. to evaluate the proposed revisions to the site plan for the 23 lot planned unit development. BSW offers the following discussion of site plan differences and HMP revisions to satisfy requests made by the Hearing Examiner. The Site and Project Description, Ecological Assessment, and Wildlife Assessment from the 2001 McGarvey report are not included here because there has been no change in site conditions since the McGarvey report was written and approved. The Habitat Management Elements of the 2001 McGarvey report have been revised and are included below as the 2006 River Ranch PUD Habitat Management Elements. The 2006 River Ranch PUD Habitat Management Plan Elements will be formally adopted in the Declaration of Protective Covenants of the Homeowners Association of The River Ranch on the Little Spokane PUD.

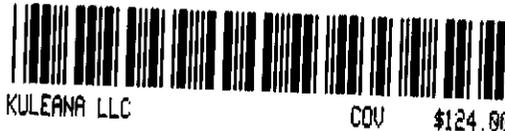
Discussion of similarities and differences between the McGarvey and River Ranch PUD site plans

The number of residential lots proposed under the River Ranch on the Little Spokane PUD remains the same at 23 as that proposed under PN-1891-01. The undersigned has identified three significant differences between the McGarvey and River Ranch PUD site plans that need to be discussed. The differences are discussed below.

phone (509)-327-2684

fax (509)-327-4742

email bswinc@icehouse.net



Issue #1: Lot Configuration

The main difference between the 2001 McGarvey PUD and 2006 River Ranch on the Little Spokane PUD is that lot sizes and shapes and open space areas have been reconfigured slightly in the proposed 2006 River Ranch on the Little Spokane PUD. One open space area identified in the 2001 McGarvey PUD as Tract B has been eliminated with the open space acreage to be dispersed between two open space Tracts A&B, and a residential lot has been put in its place.

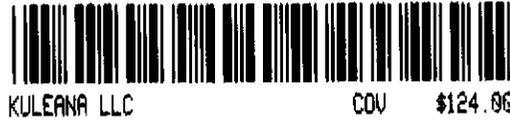
Under the original preliminary PUD, Tract B was located between Block 1 Lot 6 and Block 2 Lot 1 of the 2001 McGarvey PUD. Tract B in the 2001 McGarvey PUD is now identified as Lot 15, Block 1 in the 2006 River Ranch PUD. A foot trail was to be constructed through Tract B in the 2001 McGarvey PUD and extend northeast to connect with an existing trail in the northeast corner of the development. The trail was to follow along the side hill through the conservation easement above the Little Spokane River between elevational contours 1780 and 1800. The trail would have introduced human disturbance to an otherwise little disturbed area with high wildlife use. Elimination of a trail in this sensitive area in the proposed 2006 River Ranch PUD is a far better plan from the perspective of the biologist writing this report. This change represents a vast improvement to the site plan.

The proposed 2006 River Ranch PUD site plan has the trail within a 20-foot wide portion of open space Tract A between Lots 21 and 22 then extending to the northeast corner of the development as proposed in the 2001 McGarvey site plan. The Hearing Examiner ruled that the new trail may be graveled and no more than 14 feet wide. The proposed trail configuration will have a significantly smaller impact on wildlife than the trail proposed in the 2001 McGarvey PUD.

Issue #2: Habitat Easement Width

Another main difference between the 2001 McGarvey PUD and 2006 River Ranch PUD is in the habitat easement that was to encumber the north side of each lot on the bluff above the river. The McGarvey HMP stated that a 100-foot wide habitat buffer was to cover the northmost 100 feet of each lot on the bluff above the river. In the 2001 McGarvey PUD the 100-foot wide easement on each lot extended south from about the 1800-foot elevational contour line. In the 2006 River Ranch PUD the habitat easement will extend from the north property line to a point located 100 feet south of the 1810-foot elevational contour line. Due to reconfigured lot lines, the easement will extend slightly farther south than in the 2001 McGarvey PUD. This represents a slight enlargement of the habitat area protected on the site.

The habitat easement protects every lot in the 2006 River Ranch PUD as it did in the 2001 McGarvey PUD. The home and yard footprints can not be extended quite as far north in the 2006 River Ranch PUD as the developed footprint could extend in the 2001 McGarvey PUD. The difference between the two site plans is that the habitat easements extend farther south in the 2006 River Ranch PUD. The easement will protect a strip of land that is a minimum of 100 feet wide along the north end of each lot and the easement will actually be wider than 100 feet on most lots.



Issue #3: View Corridors in the Habitat Buffer Width

Element #7 of the 2001 McGarvey PUD Habitat Management Plan Elements stated that a 100-foot wide strip of native vegetation along the northwest oriented end of lots will buffer adjacent wildlife habitat from human activity associated with the PUD. Element #7 stated that trees could be removed from twenty five percent of the 100-foot wide buffer area to provide a view corridor.

Element #7 also stated the remaining 75 percent of the trees shall be left in tact to provide wildlife habitat and all native shrubs and grasses shall be protected and left undisturbed in the 100-foot buffer. Lawns, non-native landscaping materials, and earthmoving shall be prohibited in this area. In the 2006 River Ranch PUD the same restrictions shall apply to that 100-foot wide easement. Only limited tree clearing to establish a view corridor can occur in the 100-foot habitat easement.

2006 RIVER RANCH PUD HABITAT MANAGEMENT PLAN ELEMENTS

The following Habitat Management Plan Elements shall be included in the Declaration of Protective Covenants.

1) The PUD Shall Form a Homeowners Association.

Mr. Johnson is sensitive to the fact that resident wildlife populations are vulnerable to habitat loss. Mr. Johnson wishes to retain the highest possible percentage of each lot in an undisturbed condition to preserve wildlife habitat, native vegetation, and the natural beauty of the area. As a result, Mr. Johnson has agreed to form a homeowners association and include provisions for wildlife habitat protection in the Declaration of Protective Covenants.

2) The slope below the bluff provides important wildlife habitat and N-S travel corridors and shall not be developed as lots.

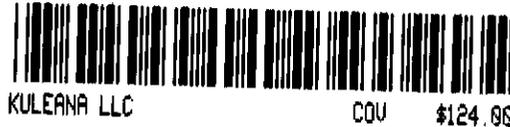
All development will occur on top of a terrace or bluff above the Little Spokane River. Tree communities on the slope below the terrace have nearly 100% overstory closure and dense understory shrub cover so this habitat is protected where it is included in the PUD. The owners of these properties along the bluff shall not remove native vegetation from the steep slope below the bluff for any purpose.

3) Disturbed areas shall be reseeded with native grasses.

Open space areas disturbed by road construction shall be replanted with native vegetation. Disturbed areas will be re-seeded with the native grass seed mix prescribed to prevent soil erosion and noxious weed invasion when earthmoving activities are completed. Native grasses shall be used to maintain the ecological integrity of the site. Once replanted, these areas should be left in a natural condition to provide food, cover, and refuge for wildlife.

4) Homeowners shall manage noxious weeds as mandated by RCW 17.10 and Spokane County.

Weed control along roads and in common areas shall be managed by the Homeowners Association. This is important because weeds will explode along new roads and on homesites as soon as the soils are disturbed. Funds shall be allocated for annual weed monitoring and control in all common and open space areas. Weed control



measures shall be implemented in ways that do not adversely impact native vegetation. Herbicides shall be applied by qualified weed control specialists. Homeowners shall manage noxious weeds on individual parcels as mandated by RCW 17.10 and Spokane County.

5) Residents shall restrain free-ranging pets.

Scavenging and predation on eggs and nestlings by rabbits, squirrels, mice, coyotes, opossums, raccoons, and skunks contribute to the steady annual attrition rate of birds. However, predation by domesticated dogs and cats has a devastating effect on resident bird populations. It is estimated that domesticated cats in North America kill 4 million songbirds everyday. Residents shall not allow pets to roam freely to avoid impacts to the resident bird community. County Ordinances shall be strictly interpreted with respect to specific language prohibiting livestock and the restraint of pets.

6) Dirt bikes and all-terrain vehicles shall be prohibited off primary access roads.

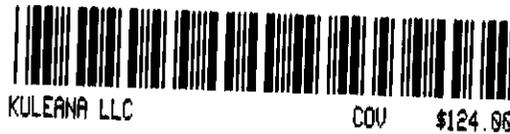
Dirt bikes and all-terrain vehicles shall be prohibited to reduce edge effect and preserve existing wildlife habitat. Off-road vehicles compact soils, kill native vegetation, promote noxious weed invasion, and are extremely disruptive to wildlife. As human disturbance encroaches into woodland edges from all directions, the secluded habitat remaining for wildlife refuge and travel shrinks dramatically.

7) The Declaration of Protective Covenants shall state that each lot on the northwest side of the PUD (Lots 9-22, Block 1) shall retain a 100-foot protected habitat easement extending south from the 1810-foot elevational contour of each lot.

A minimum 100-foot wide strip of native vegetation along the northwest side of Lots 9-22 Block 1 will be protected by easement to buffer wildlife from human disturbance associated with the adjacent PUD. Trees may be removed from twenty five percent of the 100-foot wide protected easement to provide a view corridor. However, the remaining 75 percent of the trees within that 100-foot easement shall be left in tact to provide wildlife habitat. All native shrubs and grasses shall be protected and left undisturbed in the entire 100-foot easement. Any disturbance to the shrub and herbaceous cover within the protected 100-foot wide easement shall be replanted with native materials and maintained in a totally natural state. Lawns, non-native landscaping materials, lawn waste, and earthmoving shall be prohibited in the open space and 100-foot wide easement areas except as specified below.

8) All equipment related to the development of the final plat shall be kept out of all designated open space areas. Equipment operation shall also be prohibited north of the southmost extent of the habitat easement boundary on the northwest edges of lots 9-22.

Lots 9-22 of the 2006 River Ranch PUD are located along the edge of the bluff above the river and are essentially the same as the 2001 McGarvey PUD Lots 1-6 Block 1, Lots 1-6 Block 2, Lot 1 Block 4, and Tract B. Only equipment operation as required to remove trees in the approved view corridor, or construct and gravel the new trail will be allowed in designated habitat easement and open space areas.



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The Habitat Management Plan Elements stated above shall be formally adopted in the Declaration of Protective Covenants of the Homeowners Association. If you have questions or require additional information, please contact the undersigned at your convenience. Thank you for your assistance on this project.

Respectfully submitted,

Larry Dawes, Principal Biologist
Biology Soil & Water, Inc.
W. 725 Chelan
Spokane, WA 99205
Phone 509-327-2684
Fax 509-327-4742

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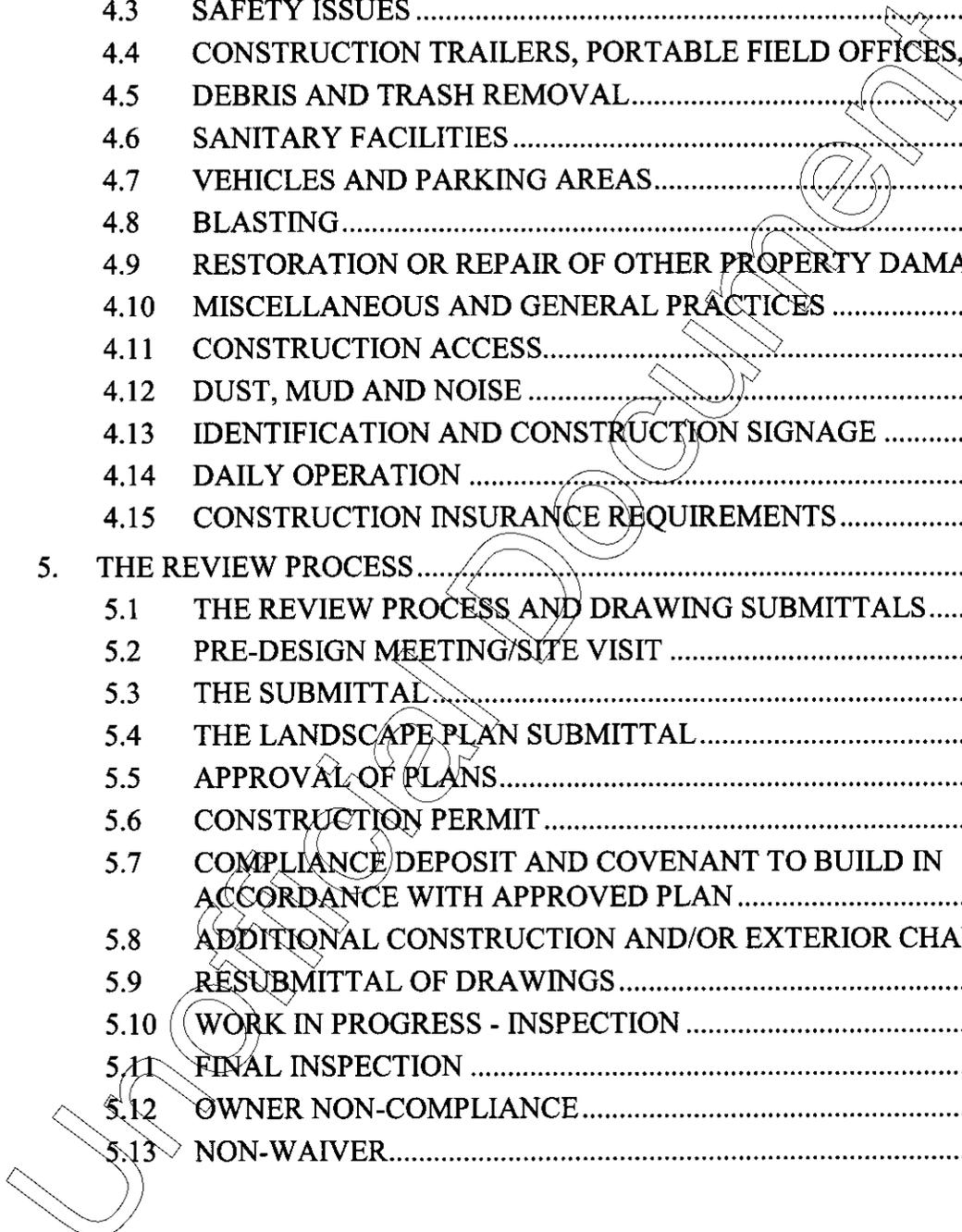
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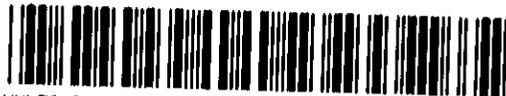
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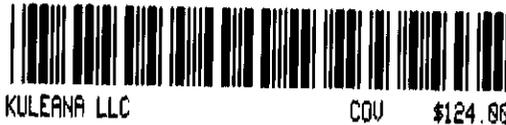
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DESIGN GUIDELINES

The Developer of River Ranch on the Little Spokane, sometimes referred to below as "River Ranch", seeks to create one of the most desirable residential communities within the greater Spokane area. Your complying with the project's Covenants, Conditions and Restrictions and these Design Guidelines will ensure that River Ranch on the Little Spokane will develop into an attractively designed and desirable community for all homeowners.

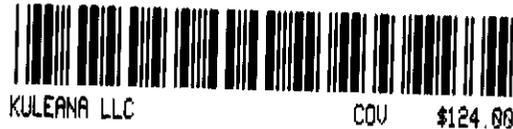
These Design Guidelines apply to the development of a home and other improvements on your homesite at River Ranch. The purpose of the Design Guidelines is to preserve to the extent possible, the natural and scenic values of the site, to create a neighborhood of aesthetically designed homes that are visually compatible with each other, the surrounding environment and to preserve and protect the project's trail system and other common areas. It is anticipated that these Design Guidelines will provide the design framework necessary to protect and enhance the property values of all homeowners. These Design Guidelines extend to such matters as height, color, massing and building materials. The Architectural Committee administers these Design Guidelines. This Architectural Committee's job is one of assistance, helping you and your designer maximize your architectural and living experience at River Ranch.

We strongly urge Owners wishing to build homes at River Ranch to have their architectural designers and builders contact an Architectural Committee ("Committee") representative prior to commencing the design phase of a residence, so that these professionals may gain a complete understanding of these Design Guidelines.

Although it is not possible to specifically set forth in writing all the criteria for an acceptable design, the Declaration Establishing Covenants, Conditions and Restrictions for River Ranch on the Little Spokane and any Amendments thereto, referred to herein as The Master Declaration, together with these Design Guidelines, establish the general criteria by which each plan will be evaluated for approval, and serve to assist you in understanding the approval requirements.

These Design Guidelines may be modified or supplemented from time to time so that different standards may apply to different parts of River Ranch to reflect variances in topography, housing types, homesite sizes and orientation, and other relevant factors affecting appearance and general aesthetic considerations; values and general appearance of River Ranch. Accordingly, in a continuing effort to improve and clearly communicate the meaning and intentions of these Design Guidelines, the Committee will periodically revise and/or clarify these Design Guidelines.

It is the responsibility of each Owner and *his* builder to obtain and comply with the latest versions of all applicable regulations, these Design Guidelines, and following receipt of an approved application and plans ("Approved Plan(s)"), to build the home strictly in accordance with said Approved Plans.



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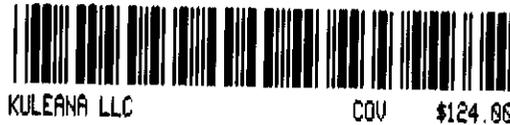
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1. INTRODUCTION TO OBJECTIVES

1.1 PRESERVATION OF THE ENVIRONMENT

In contrast to the usual methods of residential development, in which concern for the natural environment is subordinated to the desire to develop as efficiently and economically as possible, the Developer has chosen to approach its planning from a more sensitive viewpoint, where emphasis will be given to development that is planned to harmonize, blend and complement, rather than dominate, the natural environment of the site itself and the surrounding environs.

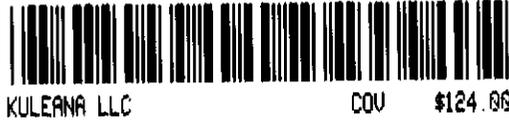
These Design Guidelines have been written to communicate this philosophy of developing sensitivity for the preservation and maintenance of this environment. These are minimum standards of design, justified in part by the climate, terrain, and the relationship of the site with the Little Spokane River and the project's extensive open spaces and recreation area. Creativity, innovative use of materials and design, and unique methods of construction are encouraged, so long as the final result is consistent with these Design Guidelines and this overall philosophy.

It is expected that the design of each residence in River Ranch will be tailored to the unique features of each individual homesite in an effort to achieve a synthesis of nature and residence. To preserve the natural features of each homesite, such as views, topography and existing plant materials, the site for each residence will need to be individually determined to minimize disruption of the existing environment.

The purpose of the Committee is to evaluate each proposed home for the quality of its design, appropriateness to its homesite and compliance with the objectives of these Design Guidelines. Poorly designed homes or inappropriately sited homes will be rejected by the Committee. The Committee may determine that what was found acceptable in one situation, may not necessarily be acceptable in another. The goal is for the appearance and character of all residences and improvements to harmonize with and enhance their natural and man made surroundings, rather than to dominate and/or contrast sharply with them.

It is strongly recommended that each Owner retain competent professional services for the design and siting of the home, and for landscaping design. A thorough analysis and understanding of a particular homesite and the Owner's special needs and the skill to translate these factors into building form, as well as the ability to convey to the Committee the concept and design of a proposed residence or other improvement, are all elements of the design review process. If an Owner elects to do his own design or to obtain non-professional services, and the result in either case is not approved by the Committee, the Committee has the right to require that an Owner thereafter utilize professional* design services.

* A duly licensed architect, civil engineer, land surveyor or landscape architect registered to practice in the State of Washington.



2. DESIGN GUIDELINES

2.1 GENERAL SITE PLANNING RECOMMENDATIONS

Consider the potential impact of future homes and improvements on neighboring and nearby homesites upon the views and privacy of your own home. Conversely, consider the impact of your home upon the views and privacy of your neighbors.

Give careful consideration to the daily and seasonal paths of the sun. Also consider the advantages of placing your garage, kitchen, pantry and service areas in close proximity to one another and the desirability of morning light into the kitchen and breakfast areas.

Evaluate the daytime versus nighttime quality of your views and arrange your living spaces to correspond to these differences.

Whenever possible, position your driveway and garages so they do not dominate the entry experience of your home or significantly impact the views or enjoyment from your living and entertaining areas. Whenever possible, the Committee will expect that the garage will be designed so that the garage doors will not be facing the street, and that the garage facade facing the street is designed as an integral element of the home. Designs that have the garage doors facing the street and that are unscreened with landscaping will be rejected by the Committee, unless there are extenuating circumstances requiring such a design.

Carefully consider site drainage and building runoff. Avoid unnatural modifications of existing drainage that may cause soil erosion. Carefully consider the location of the existing trees on site. Removal and grading within the drip line of these trees should be minimized, and the trees incorporated into the overall site design.

Be creative in the design process. Plan to alter the site as little as possible from its original native condition, protecting existing watershed and drainage ways wherever practical. Limit structures to the area on the site where drainage, soil and geological conditions will provide a safe foundation. Soil analysis shall be obtained to assure proper foundation design.

Typically, residences should be nestled into the land, remaining low, so as to be part of the site rather than being perched on it; thus avoiding unnecessary height. Step buildings and improvements down slopes, using split and multi-level solutions wherever possible to follow existing contours and achieve a balance of cut and fill. When the construction is finished, the earth around the residence and site walls should lie against the walls at an angle as close to the original angle of slope as possible. The creation of unnatural "benches" or "pads" that are inconsistent with the natural terrain is discouraged and may not be approved.

2.2 BUILDING FLOOR PLANS AND ELEVATIONS

Home plans acquired from so-called "plan books" or other non-site specific plans, may be acceptable to the Committee, provided the plans, and particularly the elevations, are accurately adapted to the existing topographic conditions and the proposed re-grading of the site, and that such "stock" plans and elevations are otherwise modified as may be required to conform to these Design Guidelines.



Of particular importance to the Committee is that all proposed plan elevations accurately reflect proposed final grade conditions and otherwise be consistent with the Site Plan. "Stock" plans that have not been modified to accurately reflect existing or final proposed grades as set forth in the Site and Landscape Plans, or that are otherwise incompatible or inappropriate for site conditions, will be rejected.

All Owners are strongly encouraged to retain the use of a professional architect and land planning consultant to assist in the design and proper siting of the home, and the preparation of submittal drawings.

Regardless of whether a "stock" plan or a custom designed plan is proposed, it is important that all home designs at River Ranch are sufficiently differentiated so as to appear to be unique. The primary design goal is to promote individuality among home designs and the use of exterior materials, as well as to design the home to reflect topographic and other features unique to each homesite. The Committee will apply a higher standard of uniqueness in evaluating homes that are in close proximity to each other.

2.3 BUILDING ENVELOPE

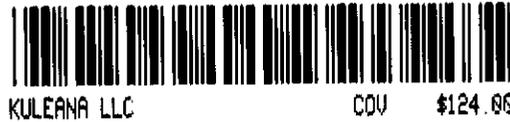
The "Building Envelope" is the portion of each homesite within which all improvements must be built and generally the only area in which alterations to the existing landscape may occur, as approved by the Committee.

Before any conceptual planning is done, the Owner and/or his architect are advised to discuss the building and its envelope with a designated representative of the Committee during the pre-design meeting.

Early consideration should be given to any future expansions or building needs such as guest houses, pools, tennis courts (where appropriate), etc., so that in the future these expansions may occur within the Building Envelope. Any such future considerations shall appear on the preliminary design submittal, if possible.

All homeowners should understand that the Committee has the authority, in its sole opinion, to modify the final Building Envelope for each homesite from that designated at the time the final plat is completed for such homesite, based upon topographic or other site information, or extenuating circumstances that dictate a modification of the Building Envelope. The Committee may require reduction or reconfiguration of the proposed Building Envelope if, in its opinion, doing so would protect, preserve or enhance the homesite without unduly impeding construction. All future improvements, including requested changes in the Building Envelope, must be approved by the Committee in writing.

The proposed Building Footprint must be accurately located on the site/grading plan, and the actual location of construction staking and foundation construction must accurately reflect the location of the Building Footprint as shown on the Site Plan. It is recommended that owners use the services of a professional land surveyor to accurately locate the Building Footprint in the field, as well as to accurately set the correct elevations of the foundation footings and walls, so that there is no deviation in proposed floor elevations from those contained in the Approved Plans.



Building Envelopes for all homesites finally platted as of the adoption of these Design Guidelines have been provided each Owner and are available at the office of River Ranch Homeowners Association. The Building Envelopes indicated on a final plat may only indicate the maximum area permitted for building by the County, and all prospective purchasers must review the more restrictive Building Envelopes established by Committee.

2.4 SETBACKS

All setbacks are reflected by the designated Building Envelopes for River Ranch, which setbacks are more restrictive than the minimum setbacks established by the County and as may be indicated on the plat as the minimum County setback. The proposed siting of each home will be reviewed on the merits of the submitted site plan design.

2.5 BUILDING HEIGHTS

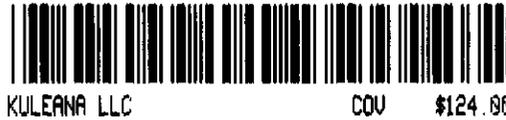
The terrain of River Ranch on the Little Spokane is varied with hills, valleys, ridges and treed and open areas, making absolutely uniform applicability of height restrictions (in addition to other design criteria) for residences both inadvisable and impractical. These Design Guidelines are intended to discourage and/or prevent any residence or other structure which would appear excessive in height when viewed from a street, public space, or other homesite, and/or which would appear out of character with other residences because of height. Consequently, despite the maximum heights generally permitted as hereinafter specified in this paragraph, the Committee may disapprove a proposed residence or other structure if, in the Committee's sole opinion: it would appear excessive in height when viewed from a street, nearby common area, or another homesite; it would appear out of character with other residences; and/or it would be prominent because of height, even though the proposed residence or other structure may comply with said maximum height restrictions. These considerations will be of particular importance concerning residences to be constructed on homesites along or near the tops of hills and ridges.

Generally, the overall height of a residence shall not exceed 40 feet, measured in a vertical plane from the highest point of any roof ridge to the pre-existing natural grade or as further restricted on a homesite as recorded in any Supplemental Declaration. Furthermore, no wall shall have an unbroken height of more than 20 feet or an unbroken horizontal surface of more than 35 feet.

2.6 SITE PLAN AND ESTABLISHING FIRST FLOOR ELEVATION

As part of the Application submittal, the Owner/builder shall cause a site plan to be prepared, at their expense, establishing the existing natural grade in sufficient detail as may be required by the Committee to fully evaluate the potential impact of the proposed development on the existing topography and the extent of any proposed cuts and fills and any retaining walls or extended foundations.

Prior to preparing the Site Plan, please contact the Developer or the Committee for assistance in obtaining whatever topographic information that may already be available for your homesite.



In an effort to assist homeowners and builders, the Developer has prepared maps for all lots which are available without charge.

The Site Plan shall show the proposed re-contouring of the areas around the Building Footprint, and in particular, noting the proposed elevation of the garage and main floor(s), any outdoor patios/terraces, and the elevations along the center line of the proposed driveway.

Sufficient spot elevations around the perimeter of the home, showing both existing grade and proposed final grade will also be permitted by the Committee on homesites that have slopes less than 15% within the Building Envelope, provided sufficient information is contained on the proposed Site Plan so that the extent of the proposed site re-contouring can be fully understood and evaluated by the Committee. A permanent base elevation reference point must be identified on the Site Plan - such as the elevation at a lot corner adjacent to the street, and the proposed elevations of all the floors, garage, and outdoor walkways and terraces, including the proposed top of retaining walls.

At any time during or after framing, the Committee may require the architect, builder, or a licensed engineer retained by the Owner to certify in writing that the as-built first floor elevation and finished height of the residence does not exceed the height as shown on the Approved Plan. Should the heights in any aspect exceed the heights set forth in the Approved Plans, the Owner/builder shall immediately bring the residence into full compliance. Owners are responsible that their builder or engineer or other design professional responsible for accurately siting the house vertically and horizontally on the lot, does so in accordance with the Approved Plan.

2.7 BUILDING SIZE

Unless specifically given a variance, residences will contain at least 2,500 square feet for main floor living area, exclusive of garages, basements, daylight lower levels, patios, breezeways, storage rooms and other similar areas. On a two story or multilevel residence the main floor living area must contain at least 1,000 square feet and the total living area on both floors (main and upper floor) must contain at least 3,000 square feet.

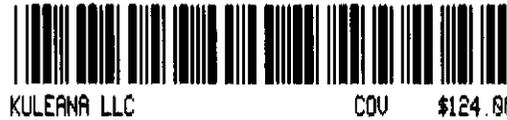
2.8 BUILDING MASSING

It is important that the massing of buildings not dominate the environment and harmonize with the area and its natural features. Building masses should be predominantly horizontal rather than vertical, yet not create long, unbroken elements. Changing the plane of the walls, changing direction and providing some variety in the roof form offers diversity and visual interest.

2.9 PRESERVATION OF SIGNIFICANT VIEWS

Two kinds of views are important at River Ranch on the Little Spokane:

- Views from a site which preserve off-site views by creating new corridors from the ground up, and
- Views from off-site through the site to significant features beyond.



Both kinds of views shall be preserved, provided, however, each homeowner and the Committee shall recognize the property rights of neighboring properties when potentially competing goals are at issue in the proposed design. The objective is to create as many opportunities for views as possible, within the constraints posed by each homesite and the objectives of these Design Guidelines.

2.10 EXTERIOR LIGHTING

The philosophy of preserving the natural environment applies to appearances at night as well as during the day. The intent of these Design Guidelines is to allow for the minimum lighting necessary to provide for safety, security and the enjoyment of outdoor living, without detracting from site quality by obliterating night views and interfering with a neighbor's privacy.

In an effort to allow each Owner the flexibility and freedom to creatively resolve unique conditions, the Committee will ultimately consider the acceptability of each installation and its resultant light levels and visual effects on surrounding properties and common areas on a case-by-case basis.

The design objective is to provide lighting discreetly, illuminating only what needs to be lit. In general, light sources should be shielded and directional, with the source of the light not visible. A permitted exception may be driveway entry statements. All exterior address signage shall be back illuminated or illuminated in a manner acceptable to the Committee. The Committee shall also have authority to review and approve or reject the design and detail of any exterior address signage and illumination.

2.11 ROOFS

Rooflines form an important part of the visual environment and they must be carefully designed. Roof designs that contain uninteresting or long unbroken ridgelines, as well as roof designs that are not well integrated or appear "cluttered" will generally be denied. Roof slopes at River Ranch on the Little Spokane generally should be no less than 6:12 pitch. Roof slopes with lesser slope will generally be prohibited, unless there are compelling reasons for their consideration. Flat roofs and metal roofing (which must be of high quality, interlocking seams and non-reflective) will be considered by the Committee on a case-by-case basis, and the decision of the Committee shall be binding. Committee approval of a roof slope is applicable only to the homesite for which it was approved, as site topography and natural features vary considerably from homesite to homesite.

Roof overhangs protect walls from the elements and contribute to the building's overall design and character. Roofs should generally overhang walls 18" - 24".

Roof surfacing materials are an important visual element of the overall design. All roofs, including the colors and materials, must comply with the standards set by the Committee. The objective is to choose roof surfacing materials that help the building blend with its site and which are also functionally appropriate.

The following roof materials are permitted: tile, slate, or fire-retardant, architectural grade 40 year composition shingles.



The following roof materials are not permitted: cedar shingles, cedar shakes or standard asphalt shingles.

2.12 MATERIALS - EXTERIOR SURFACES

Exterior surfaces must generally be of materials that harmonize with the natural landscape as well as provide an outer skin that will withstand the climate extremes. Brick, stone, wood and stucco/dryvit are examples of such materials, and their use is strongly encouraged.

It is highly recommended that the side and rear elevations contain the same materials and incorporate the same design elements (such as architectural knee braces if used on the front, or the use of similar windows, or extensions of stonework details, etc.), as the front elevation. Accordingly, it is important that homes do not appear to have one elevation that is well designed with the use of high quality exterior materials, and side and/or rear elevations predominately devoid of such design elements and materials. When such side or rear elevations are visible from any street or on the uphill lots where the "rear" elevation is the dominant elevation as viewed from the street, the burden of incorporating such design elements and materials into such elevations shall be greater. Enhancing the elevation viewed from the street will also enhance the "curb appeal" of the home, increasing the future marketability.

Specifically prohibited are: T-111 or other manufactured sheet siding, metal siding, vinyls and plastics, reflective materials, reflective exterior artwork and sculpture, and other materials whose appearance in the judgment of the Committee does not convey strength, quality, permanence or durability. Glass generally may not be mirrored.

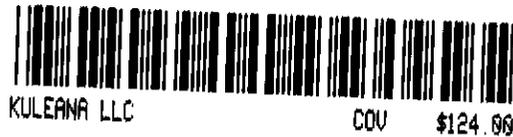
Avant garde or highly trendy contemporary styles and high technology materials or materials commonly associated with commercial or industrial buildings are also strongly discouraged, and may be rejected by the Committee in its sole discretion.

2.13 EXTERIOR WALL COLORS

Exterior wall colors should harmonize with the site and surrounding buildings. Accent colors on wall surfaces can enhance buildings, however, their location should be confined to entries and gathering points which do not disrupt the overall harmony of the area. On exterior walls, the predominant tone should tend toward warm, earthy hues which blend with the natural setting whether in the natural patina or weathered color of the wall surface itself or in the color of the paint, stain or other coating. Bright and highly contrasting colors that accent the facia or exterior trim are discouraged and may not be approved by the Committee. All proposed exterior colors must be included in the initial submittal.

2.14 BUILDING PROJECTIONS/ROOF PENETRATIONS

All projections from a building including but not limited to chimney caps, vents, gutters, downspouts, utility boxes, porches, railings, and exterior stairways shall be visually integrated into the overall design and generally match the color of the surface form which they project, unless otherwise approved by the Committee. All building projections must be contained within the Building Envelope.



Roof appurtenances, such as dormers, clerestories, and skylights, create interesting, pleasant interior spaces; however, their location on the roof is critical to avoiding an over-decorated, visually confusing appearance.

Wood, stucco, concrete and masonry finished flues are permitted. Exposed metal chimneys are not permitted. Solar collectors shall be approved or disapproved on a case-by-case basis and shall not be visible from the roads or other homesites.

All flue penetrations greater than 3" in diameter must be enclosed and shown on the roof plan and elevation. In general, all roof penetrations, including plumbing, should be located along the rear plane of the roof, whenever possible, to reduce their visibility from the street.

Skylights may be placed flush against the roof surface. Roof mounted mechanical equipment and skylights, which are not flush against the roof surface, are prohibited on any roof, unless in the judgment of the Committee it does not adversely affect views from streets, other homesites, and public spaces. When permitted, such equipment or skylights must be screened from view from streets, other homesites, or public spaces. Skylights higher than one foot above the roof plane, or placed at an angle to the roof plane, or which are visible from the street may not be approved.

2.15 ANTENNAE, SATELLITE DISHES AND FLAGPOLES

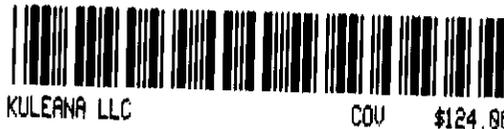
There shall be no transmission or receiving antenna, or satellite dishes, in excess of 18" in diameter either installed or maintained within River Ranch on the Little Spokane, except as expressly permitted by the Committee. Any Owner considering the use of such a device (other than small satellite dishes) should first discuss possible installation solutions with the Committee representative and indicate the location of such equipment on the submittal drawings before acquiring any necessary hardware. When permitted, such equipment must be screened from view from streets, other homesites, and public spaces.

Free-standing flagpoles may be allowed, provided the proposed location, height and material of the flagpole has been approved in writing by the Committee. Generally, flagpoles taller than 25 ft. or at unnecessarily obtrusive locations will not be approved. The temporary display of the American flag is otherwise permitted if it is hung from a pole bracket mounted on the residence or if it is suspended from a roof overhang.

2.16 SITE DRAINAGE AND GRADING

Site drainage and grading must be done with the goal of minimum disruption to the homesite. Surface drainage shall not drain to adjoining homesites or open spaces except as established by natural drainage patterns, nor cause a condition that could unnaturally lead to off-site soil erosion on open spaces. It is the intent of these Design Guidelines to discourage excessive cut and fill, and cut and fills as well as any disturbed areas must be re-contoured and re-vegetated in accordance with a landscape plan approved by the Committee.

Structures, roads, driveways and all other improvements should be designed with the objective of fitting the existing contours of the site as nearly as possible, with minimal excavation.



Developing a proper drainage plan will be the responsibility of the Owner. Ensure that, when driveways intersect streets, any existing road shoulder drainage patterns are maintained. Driveway culverts should have beveled ends and be appropriately sized to accommodate runoff in the road shoulders. Any drainage damage that may occur due to flows from one homesite to other homesites or common areas because of a change in natural conditions will be the responsibility of the Owner of the homesite that caused the unnatural drainage flow.

Approval of a drainage plan by the Committee does not constitute any enforceable right or warranty in favor of any party, nor shall it make the Committee liable or responsible to the Owner or others with respect to the plan's adequacy of the engineering or design. Such approval constitutes only the Committee's opinion that the proposal meets with the intent of these Design Guidelines and with design aesthetics. Committee approval does not eliminate or reduce the obligation of the Owner to comply with all legal requirements, nor does it reduce Owner responsibility for all damages arising from changes in natural conditions.

2.17 DRIVEWAY ENTRANCE

Generally, no freestanding site walls, planters, or gate posts will be allowed at the driveway entrance to the street. No driveway entrance shall be designed as a "drive under" using beams or arches spanning the driveway, and generally, no driveway entrance features shall be permitted.

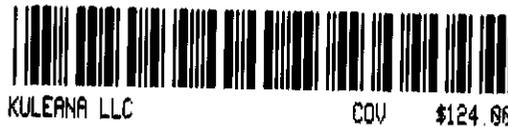
Entrance driveways should be located so as to minimize their visual impact on important natural features of a homesite, such as large or significant plant materials, rock outcroppings, or drainage ways, and to minimize disruption of the existing natural landscape. Generally, only one driveway entrance will be permitted for each homesite unless approved by the Committee.

All driveways shall be constructed of an approved hard surface material. Embossed concrete, exposed aggregate concrete (utilizing integral coloring), colored concrete, flagstone, pavers, or asphalt are all driveway paving materials which may be approved. Feature strips of separate materials and special aggregates in exposed aggregate concrete will be reviewed on a case-by-case basis, including grass-crete.

2.18 FENCING

Due to the large size of homesites at River Ranch, and the desire to preserve the natural surroundings, the use of fencing is generally discouraged. Recognizing that it is difficult, if not impossible to completely screen fencing and to otherwise minimize its visual impact upon the neighborhood and ones neighbors, any approved fencing shall be located to the rear of the property, sited in a way to minimize its visibility from the street and adjoining lots and open space areas, and kept to a minimum.

All fence locations, materials, and height must be approved by the Committee. No perimeter fences shall be allowed on property lines. Any allowed fencing shall have a maximum height of 5 feet (except for approved sport court fencing). Generally, fences will only be allowed to the extent necessary to contain animals or small children, or as may be required around swimming pools. Fencing will not be permitted to substantially enclose the rear position of the lot, or to unnecessarily restrict the migration of wildlife throughout River Ranch. Any permitted



fencing should generally be constructed to the rear and not substantially extend out from the sides of the house. Domestic pets must be contained upon the lot and are not allowed to roam through the subdivision. "Invisible fencing" is strongly encouraged to contain dogs.

Recommended materials for fence construction are materials that blend with the surroundings, or that are consistent with those used in the primary residence. Uncoated galvanized fencing is not permitted. Requests to install chain link fencing will generally be rejected by the Committee. The preferred and recommended fencing material is doveled or split rail wood fencing. Vinyl coated wire meshing may be installed on the inside face of such wood fencing to extent necessary to contain animals or children.

Owners are strongly encouraged to use landscaping and berming to create privacy areas, rather than traditional fencing materials.

Recognizing that each homesite will have different site characteristics regarding topography, existing vegetation and visibility to the public, the Committee shall have broad discretion to approve all fencing requests on an individual case-by-case basis, as an approved size and type of fence approved at one homesite may not be approved at another, due to either site differences or differences in the Design Guidelines on the date of application.

2.19 COMBINING HOME SITES

If an Owner owns two contiguous homesites and wants to combine the two homesites into a single homesite, the Owner may do so only with the prior consent of the Committee and only if the change, in the Committee's opinion, does not materially impair views and/or privacy from neighboring homesites or common areas. When considering combining homesites, the Owner must recognize that while combining two or more Building Envelopes may be beneficial as it could provide more natural space between adjacent homesites and improve view corridors, it may also have an adverse impact on the views and privacy of other nearby homesites or common areas and therefore may not be approved by the Committee. The Owner is urged to submit a proposed revised envelope for combined homesites as early in the design process as is reasonably possible prior to the preliminary submittal.

Similarly, if two Owners decide to buy a contiguous homesite(s) and add a portion of the purchased homesite(s) to each of their homesites, consent must be obtained from the Committee and Spokane County, if applicable, and once the homesite lot lines have been reconfigured, they may not thereafter be returned to the original lot boundaries.

The newly configured homesite or homesites must be also approved by the County. All actions required and expenses associated with pursuing any required governmental approvals shall be the responsibility of the Owner.

2.20 PARKING SPACES/RECREATIONAL VEHICLES

Each residence shall contain parking space within the homesite for at least two automobiles in an enclosed garage either attached to or detached from the main structure of the residence. A minimum of two additional parking spaces should be provided on the homesite to accommodate guest parking. Except for special events, no on-street parking will be permitted for residents' or their guests' vehicles. Views of guest parking areas from adjacent homesites, streets,



or public spaces must be avoided or be screened by landscaping. Naturally contoured, landscaped berms may also be used.

It is recommended that all recreational vehicles or boats be stored off-site. The storage of any recreational vehicles or boats on-site should be integrated into the architectural design of the house. No exterior storage of recreational vehicles, including boats, campers, snowmobiles, etc., will be permitted on any homesite, unless expressly approved by the Committee and unless such approved storage area is completely screened from neighboring properties using existing or additional landscaping treatment approved by the Committee. Recreational vehicles are permitted on-site only for the temporary convenience of each Owner, during the loading and unloading of such vehicles.

2.21 TENNIS COURTS AND OTHER SPORT/RECREATIONAL SURFACES

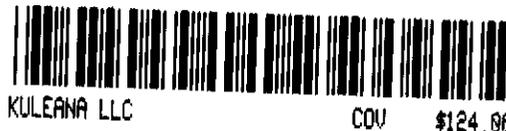
Construction of a tennis or sport court will only be allowed with approval of the Committee and only when it meets the following criteria:

- a. Any grading required to create a level playing surface must achieve a balance of cut and fill, and minimize the necessity of retaining walls.
- b. The playing surface must be screened from view. It may be required that the court be constructed below grade to reduce the need for fencing.
- c. A combination of solid walls and approved colored fencing is recommended and may be required. The height of perimeter protection may be limited if, in the opinion of the Committee, such devices would be unattractive. Galvanized fencing will not be allowed.
- d. Additional landscaping with trees or shrubs may be required to mitigate the court's visibility from nearby streets, homesites and common areas.
- e. Tennis courts and other sport/recreation areas may be lighted, provided that such lighting is adequately screened from neighboring properties, and directed toward court surface, minimizing off site glare.
- f. Mechanical or storage rooms, and connecting walkways must be visually integrated with the main house and surrounding landscape.
- g. The objective is to create the most inconspicuous tennis court or sport/recreation area as is reasonably achievable.

2.22 SWIMMING POOLS

Swimming pools and spas, if any, must be screened from view from adjacent homesites, streets and public spaces and constructed and fenced according to all applicable regulations. The initial or subsequent installation of either a pool or a spa shall require submission drawings and prior approval by the Committee.

2.23 BASKETBALL HOOPS/BACKBOARDS



Basketball hoops and backboards may be installed on any homesite when approved in advance by the Committee. The installation of such items may be subject to stipulations imposed by the Committee. Particular attention will be given to the privacy of adjacent homesites, as well as color and obtrusiveness of its location. The basketball hoop and backboard must come down when no longer utilized.

2.24 ADDRESS IDENTIFICATION

Individual address identification devices, for each residence, will be provided by the Developer as approved by the Committee. Such devices must utilize the same materials and colors as the residence and must reflect its design character and be durable. Wood numerals or lettering will generally not be approved. No "unique" identification devices will be permitted. No additional signage detached from the residence will be permitted, except one temporary construction sign. The Committee may in the future require installation of replacement uniform address identification devices for all homesites, including homesites with previously constructed identification devices.

2.25 SIGNS

In an effort to maintain the residential character of the neighborhood and to prevent a proliferation of "for sale" or other signage, no construction, financing, "For Sale", "For Rent" and other similar signs or advertising devices of any kind shall be placed in public view on or within any homesite within River Ranch on the Little Spokane, except as expressly permitted by the Committee. The only exceptions are project signage, the address identification described in Section 2.24, the temporary construction sign described in Section 4.13, and signs used by the Developer during the construction and marketing of the Property by the Developer.

2.26 SCREENING CONTAINERS OF OUTDOOR MECHANICAL EQUIPMENT/TRASH

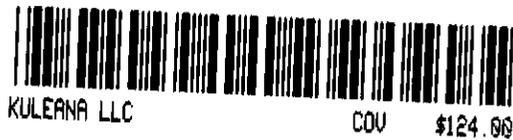
All above-ground garbage and trash containers, clotheslines, mechanical equipment, and other outdoor maintenance and service facilities must be properly screened from other homesites, streets, or public spaces.

In addition, all future submissions that contemplate the use of propane tanks must reflect propane tanks that are buried in the ground, in accordance with all applicable codes, with the proposed location of such tank to be identified on the site plan.

2.27 GUEST HOUSES, GUEST SUITES AND ACCESSORY STRUCTURES

Guest structures may be attached or detached but should be in the same architectural style as the residence, and should be visually related to it by walls, courtyards, or major landscape elements. Any guest house must comply with all zoning regulations.

All accessory structures, including workshops, storage buildings, etc. must also be in the same architectural style as the residence, using exterior materials similar to the style of the residence. Pole barns, metal sided or pre-fabricated, wood storage sheds, or other structures incompatible with the main residence are prohibited.



2.28 PATIOS, COURTYARDS, TERRACES AND DECKS

Patios, courtyards, terraces and other on-grade outdoor spaces are encouraged and should be designed as integral parts of the residence, so they maximize the enjoyment of each homesites exterior spaces and capitalize on the views of and from the homesite. By properly orienting these outdoor spaces, breezes can be captured or deflected, sun can be controlled and privacy can be maintained.

Decks, posts, railings and other similar above-grade appurtenances should also be designed as integral parts of the residence, using similar materials, finishes and colors compatible with the residence, and to convey the same sense of quality as the exterior materials of the residence. Supporting deck posts that are visible from off-site must be of a scale and detail to match the home architecture. Decks that are visible from any road, adjoining homesite or common areas that are not designed to appear as an integral part of the residence, or that appear "stuck on" or that are constructed of different exterior materials, finishes or colors inconsistent with the residence, will not be approved by the Committee.

2.29 SOLAR APPLICATIONS

Passive solar applications, or the orientation and design of the residence for maximum winter solar heat gain, will reduce the winter heating needs and will be encouraged, to the extent that such design objective does not adversely impact the site's natural surroundings, involve undesirable removal of existing trees, or adversely impact neighboring properties. Insensitively positioned solar collectors can cause excessive glare and reflection. Solar collectors will only be approved if they are integrated into the structure or landscaping and are not visible from neighboring properties.

2.30 RETAINING WALLS

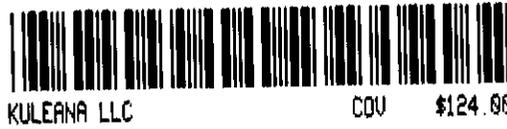
All retaining walls are subject to Committee approval. All foundation walls or retaining walls with more than 12" visible above grade shall have a surface treatment on the surface above finish grade, as approved by the Committee. Generally, retaining walls shall not exceed 30 feet in length and 4 feet in height, and be colored in a compatible earth tone where visible from offsite. Please include proposed location, material, height and color of all proposed retaining walls on the Site Plan.

2.31 MAIL BOXES

Mail boxes for all residents will be located at the individual lots. Any other on-site boxes for newspapers, etc., shall be incorporated into the mailbox design, and shall otherwise be approved by and located at places designated by the Committee.

2.32 FIRE PIT USE AND DESIGN

To protect all properties at River Ranch and the safety of all residents, all Owners must strictly adhere to the following policies with regard to the use and design of outdoor wood burning fires and fire pits:



- a. Under no circumstances shall there be any outdoor wood burning fires at River Ranch during the months of June, July, and August. During other months of the year, outdoor burning is permitted during burn dates as established by the Department of Natural Resources and Spokane County in accordance with any rules or restrictions then in effect.
- b. The fire pit location must be a minimum of fifty (50) feet from the nearest tree drip line and any combustibles. The Committee must approve the location of any fire pit.
- c. The diameter of the fire pit must not exceed two (2) feet.
- d. A water source must be within twenty (20) feet of the fire pit.
- e. A metal tight-meshed domed spark arrester cover shall be used at all times.

3. LANDSCAPING GUIDELINES

The goal of River Ranch on the Little Spokane is to preserve the beauty and character of the property's natural landscape while permitting attractive, formalized landscaped areas. All owners are encouraged to use licensed landscape architects.

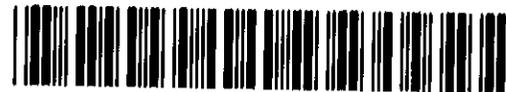
All areas disturbed by construction shall be re-vegetated. Ground cover material within the formal landscaped area surrounding each residence shall be predominantly sod, and those areas outside the formal landscaped area shall be restored to their natural state using native wild grasses and wildflowers as the predominate ground cover.

The use of flowering ground covers, shrubs, annuals and perennials within the formal landscaped area can have a dramatic impact if such areas are well controlled and limited in the extent of their coverage. All landscaped areas shall be irrigated by an adequate automatic underground irrigation system.

Owners are encouraged to develop landscape designs that conserve and minimize the use of water. Plans that irrigate over one acre will generally be denied by the Committee.

A detailed landscaping plan must be submitted and approved by the Committee. Owners are strongly encouraged to complete and submit the landscaping plan at the time of other plan submittals. If a detailed landscape is not submitted at the time of house plan submittal, the Site Plan must conceptually indicate how the areas will be landscaped (i.e. lawn, planting beds, re-vegetated with natural grasses, etc.), including elevations of outdoor terraces, patios, and retaining walls, together with sufficient typographic information (see Section 2), so that the Committee can understand the extent of proposed site grading, including all cuts and fills. In such cases, the Committee may approve house siting and plans for the residence, but no further site grading or landscaping improvements may occur until a final landscape plan has been submitted and approved.

The Landscape Plan must also locate and identify any trees over a 4" caliper (measured from a height of eighteen inches above ground level) that the Owner would like to remove.



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While selective tree cutting may be approved on a case-by-case basis to enhance views, care must be taken to ensure that natural irregular edges to view corridors are created and that straight cuts through the tree canopy are avoided. The resultant impact of any tree removal upon views of the Owner's property from adjacent and downhill homesites and public spaces will also be considered by the Committee, prior to its decision. If requested by the Committee, all trees to be cut shall be flagged with red flagging and an on-site inspection may be required prior to Committee approval. Under no circumstance shall any trees over 4" in caliper be cut without the written approval of the Committee.

Landscaping shall be implemented as soon as physically practical and shall be completed within the earlier of sixty days following the completion of exterior construction or thirty days following the date of occupancy, except an extension of time may be granted by the Committee for reasons of cold or inclement weather. The Committee may also require such financial assurances as it may deem necessary to insure that the landscaping is completed on time in accordance with the approved landscape plan, including but not limited to, bonds or letters of credit.

In an effort to accommodate River Ranch builders constructing spec homes, landscaping of the rear of the home may be deferred for subsequent completion by the home purchaser, provided that the rear of the home is not visible from the street. Under that situation, at a minimum, the rear of the home must be graded and hydro-seeded with a natural grass mix or provide a lawn area and unplanted mulch beds around the rear foundation. However, the Compliance Deposit will not be released until the entire landscaping, including the rear yard, has been approved and installed. (See Section 4.1 Application Fee and Compliance Deposit.)

4. CONSTRUCTION REGULATIONS

In order to assure that the natural surroundings are not unduly damaged during construction, the following Construction Regulations shall be made a part of the construction contract documents for each residence or other improvements on a homesite. All builders and Owners shall be bound by these Regulations, and any violation by a builder shall be deemed to be a violation by the Owner of the homesite.

4.1 COMPLIANCE DEPOSIT

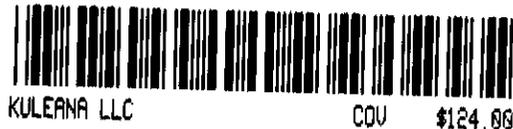
To guarantee that the Construction Regulations, these Design Guidelines, and all the provisions of the Declaration are adhered to, each Owner, before beginning any construction, shall issue a check payable to River Ranch Homeowners Association, at the time of application as set forth in Section 5.7.

4.2 PRE-CONSTRUCTION CONFERENCE

Prior to commencing construction, the Owner and/or builder should meet with the Committee to review construction procedures and to coordinate construction activities.

4.3 SAFETY ISSUES

All applicable fire protection procedures including but not limited to, water supply, access and clear zones shall be complied with prior to any combustible construction on any



homesite. All applicable OSHA and Washington Industrial Safety and Health Act (WISHA) regulations and guidelines must be strictly observed at all times.

4.4 CONSTRUCTION TRAILERS, PORTABLE FIELD OFFICES, ETC.

Any Owner or builder who desires to bring a construction trailer, field office or the like to River Ranch shall first apply for and obtain written approval from the Committee. To obtain such approval, he shall submit a copy of the architect's Site Plan with proposed locations of the construction trailer or field office, the portable toilet, and the trash receptacle noted thereon. Such temporary structures shall be removed upon completion of construction.

4.5 DEBRIS AND TRASH REMOVAL

Builders are required to maintain a dumpster or other acceptable refuse container on site at all times during construction and shall clean up all trash and debris on the construction site at the end of each day. Trash and debris shall be removed from each construction site frequently and not be permitted to accumulate. Lightweight materials, packaging, and other items shall be covered or weighted down to prevent their being blown off the construction site. Builders are prohibited from dumping, burying or burning trash anywhere on River Ranch. During the construction period, each construction site shall be kept neat and clean and shall be properly policed to prevent it from becoming a public eyesore or affecting other homesites or any open space. Mud and dirt from the construction site shall not be permitted on the paved streets and shall be promptly removed and cleaned by the builder. Each builder shall be responsible for the mud and dirt caused by its subcontractors and suppliers, and for any failures to use any construction entrance designated as such by the Committee.

4.6 SANITARY FACILITIES

Each builder shall be responsible for providing adequate sanitary facilities for his construction workers. Portable toilets or similar temporary toilet facilities are required at each site.

4.7 VEHICLES AND PARKING AREAS

Construction crews shall not park on or otherwise use other homesites or any open space. Private and construction vehicles and machinery shall be parked only within the Building Envelope or in areas designated by the Committee. All vehicles shall be parked so as not to inhibit traffic.

Each Owner and builder shall be responsible for assuring that the builder's subcontractors and suppliers obey the speed limits posted within the development. Fines will be imposed against the Owner and builder for repeated violations. Adhering to the speed limits shall be a condition included in the contract between the builder and its subcontractors/suppliers. Repeat offenders may be denied future access by the Committee.

4.8 BLASTING

If any blasting is to occur, the Committee must be informed far enough in advance to make sure the applicant has obtained the advice of expert consultants that blasting may be accomplished safely. These consultants must so advise the Committee in writing. No blasting or



impact digging causing seismic vibrations may be undertaken without the approval of the Committee based upon such advice from a qualified consultant. Applicable governmental regulations concerning blasting must be observed. The Committee's only responsibility is to require evidence of such consultant's expertise and the Committee shall have no liability for the blasting.

4.9 RESTORATION OR REPAIR OF OTHER PROPERTY DAMAGES

Damage and scarring of any property, open space or other homesite, including but not limited to roads, driveways, utilities, vegetation and/or other improvements, resulting from construction operations, will not be permitted. If any such damage occurs, it must be repaired and/or restored promptly and any expenses shall be borne by the builder. In the event of default by the builder in meeting these obligations, the Owner who has retained the builder shall be responsible.

4.10 MISCELLANEOUS AND GENERAL PRACTICES

All Owners will be absolutely responsible for the conduct and behavior of their agents, representatives, builders, contractors and subcontractors while on the premises. The following practices are prohibited:

- a. Any construction activity before 7 a.m.
- b. Letting construction debris or luncheon debris accumulate on site without being properly placed in a container.
- c. Changing oil on any vehicle or equipment on the site itself or at any other location within River Ranch.
- d. Allowing concrete suppliers, plasterers, painters, or any other subcontractors to clean their equipment anywhere but the location specifically designated, if any, for that purpose by the Committee.
- e. Removing any rocks, plant material, topsoil, or similar items from any property of others, including other construction sites.
- f. Hunting or carrying any type of firearms within River Ranch.
- g. Using disposal methods or equipment other than those approved by the Committee.
- h. Careless disposition of cigarettes and other flammable material. At least one 10-pound ABC-rated dry chemical fire extinguisher shall be present and available in a conspicuous place on the construction site at all times.
- i. Careless treatment or removal of protected plant materials or plants not previously approved by the Committee.
- j. Use of the Recreation Area.



- k. Allowing pets, particularly dogs, to be brought into River Ranch by construction personnel.
- l. Radios and other audio equipment playing on construction sites at River Ranch are not permitted if they can be heard from another homeowner, street or open space.
- m. Catering trucks, if any, will not be permitted to use their horns. Also, trash generated by the purchase of items from these trucks and from construction practices should be contained and disposed of properly. Repeated problems with these requirements could result in the trucks being denied admittance to the property.

4.11 CONSTRUCTION ACCESS

The only approved construction access during the time a residence or other improvement is under construction will be over the approved driveway for the homesite unless the Committee approves an alternative access point. In no event shall more than one construction access be permitted onto any homesite.

The location of the project construction entrance will be determined from time to time by the Committee and each builder shall be responsible for assuring that it is exclusively used by its employees, subcontractors and agents.

4.12 DUST, MUD AND NOISE

The builder shall be responsible for controlling dust, mud and noise, including, without limitation, music from the construction site.

4.13 IDENTIFICATION AND CONSTRUCTION SIGNAGE

Except for posting requirements required of a builder under Washington state law, temporary construction signs shall conform to the following standards, be limited to one sign per homesite, and their design and location shall be subject to the review and approval of the Committee.

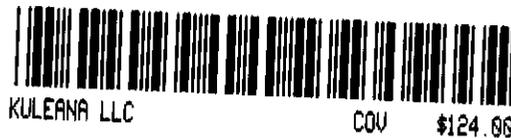
No other signage other than an approved construction sign during home construction or the homesite identification sign (but not both), shall be displayed on any homesite. Any non-conforming or non-approved signs will be removed by the Homeowners Association.

4.14 DAILY OPERATION

Daily working hours for each construction site shall be from 30 minutes before sunrise to 30 minutes after sunset, but in no circumstance shall any construction activity occur before 7:00 a.m. or after 6:00 p.m.

4.15 CONSTRUCTION INSURANCE REQUIREMENTS

All contractors and subcontractors must post evidence of insurance with the Owner prior to entering a construction site. Confirmation shall be evidenced in the form of a valid Certificate of Insurance naming both the Owner and River Ranch Homeowners Association as the



certificate holders. The required insurance must provide coverage not less than the applicable limits of coverage relating to comprehensive general liability, automobile liability and workmen's compensation. The minimum limits of liability shall not be less than \$1,000,000 each for general liability and automobile liability. General liability coverage shall contain provisions for contractual liability and broad form property damage. The certificate shall provide for 30-day notice to the certificate holders in the event of cancellation or material change in the limits of coverage.

5. THE REVIEW PROCESS

The design review process was developed to provide adequate checkpoints in an effort to minimize time and money spent on residential designs, which may not adhere to these Guidelines. An attempt has been made to streamline this process and eliminate excessive delays. Nevertheless, each Owner is responsible for complying with these Design Guidelines, and all other applicable provisions of the Declaration, as well as all the rules and regulations of any governmental authority, in order to bring the design review process to a speedy and satisfactory conclusion. Each Owner is also responsible for assuring that his/her builder also complies with these Design Guidelines.

The Committee will conduct reviews of projects during their regular meetings or at such other times as they deem appropriate. Owners, architects, or builders shall have no right to attend any meetings unless specifically requested to do so by such Committee. The Committee will respond in writing no later than 30 calendar days after a submittal is determined to be complete by the Committee. Results of reviews will not normally be discussed over the telephone. Any responses an Owner may wish to make in reference to issues contained in the Committee's notice following review of submittals should be addressed to the Committee in writing.

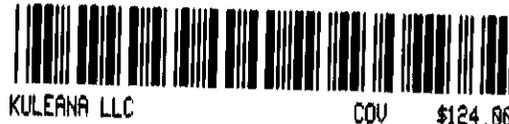
Although the Committee will enforce all provisions of these Design Guidelines, the following will be of particular concern:

- a. Building siting within the Building Envelope, in relationship to existing site conditions, trees and its sensitivity to views and privacy of other homesites or open spaces.
- b. Building heights and massing.
- c. The extent of cuts and fills on sloped homesites, and the extent to which residences are sited to minimize the cuts and fills.
- d. Exterior elevations of residences in an effort to establish and maintain a high level of aesthetic quality.
- e. Exterior materials and colors.

5.1 THE REVIEW PROCESS AND DRAWING SUBMITTALS

In general, the design review process is divided into four (4) phases:

- a. The Pre-Design Meeting/Site Visit



- b. The Submittal
- c. The Landscape Plan Submittal
- d. The Construction Process and the Final Inspection

All drawings for all submittals must be submitted in duplicate.

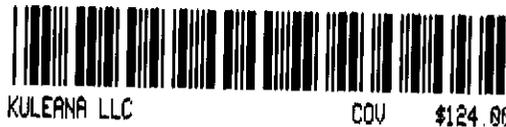
5.2 PRE-DESIGN MEETING/SITE VISIT

To initiate the review and approval process prior to preparing any detailed drawings for a proposed improvement, it is strongly recommended that the Owner and/or his Architect meet with a representative of the Committee at an On-site Meeting to review the homesite and discuss the proposed residence and to explore and resolve any questions regarding building requirements or interpretation of these Design Guidelines or the design review process. This informal review is to offer guidance prior to the initiation of preliminary design. An appointment for the Pre-Design Meeting should be made at least one week in advance. It is most productive when a preliminary sketch plan of the home and site can be discussed at the site visit.

5.3 THE SUBMITTAL

The following should be submitted to the Committee after a PreDesign Meeting:

- a. Application and Checks. A completed Application and Covenant to Build In Accordance With Approved Plan, signed by both the Owner(s) and builder, together with the applicable Design Review Fee, as set forth in the Application and the Compliance Deposit as set forth in Section 5.7 below. Both checks shall be made payable to River Ranch Homeowners Association.
- b. Site Plan. A Site Plan at a scale no less than 1" = 10' on a 24" x 36" or a 30" x 42" sheet showing homesite boundaries and dimensions, a north arrow, the locations and areas of the Building Envelope, the residence, and all other buildings or major structures, distances from proposed structures to nearest property lines. The Site Plan should also include the exact location of the proposed driveway, including spot elevations along the driveway centerline, the proper sizing of the driveway culvert, location of parking areas, patios, pools, retaining walls, proposed utility service facilities and routes, proposed septic and drain field locations and sufficient topographic information (either spot elevations or contours so that the Committee can understand the extent of proposed site grading, including the extent of all proposed cuts and fills), topographic features such as drainage swales, rock outcrop pings and existing trees and major shrubs to be retained or removed; including elevations of all building floors, patios, and terraces, shown in relation to site contour elevations or an established base elevation point. The height, color, and material of all proposed retaining walls must accurately be shown on the Site Plan. Any trees, that are proposed to be removed, must also be flagged with red flagging ribbon. Although less preferable, in lieu of existing contours at one foot intervals, existing spot elevations around the proposed residence and exterior improvements may be submitted on homesites have slopes



less than 15%, provided a permanent base elevation is established at the street and noted on the Site Plan.

Each Owner submitting drawings for approval to the Committee shall be responsible for the accuracy of all information contained therein. Site Plans that are not professionally prepared will be considered incomplete and rejected.

- c. Roof Plan and Floor Plans at no less than 1/8" = 1'-0". Roof plans should show areas of flat and sloped roofs and any proposed skylights, roof mounted equipment, such as solar collectors, etc.
- d. Exterior Elevations. Exterior elevations of all sides of the residence, at the same scale as the floor plans, with accurate existing and proposed grade lines shown, with all exterior materials noted. Heights of all parapets and roof ridge lines shall be shown.
- e. Exterior Materials. Samples of all exterior materials and colors. Exterior paint color samples for each exterior color, properly identified, must be included. Pictures of proposed roofing or brick, masonry or stone materials, with color and type identified, may be substituted in lieu of an actual sample. These should be mounted on an 18" x 24" board clearly marked with Owner's name, filing date, and homesite number, and identified with manufacturer's name, color, and/or number.
- f. Other. Any other drawings, materials, or samples requested by the Committee.
- g. Staking. To assist the Committee in its evaluation of the Submittal, the Owner shall provide preliminary staking at the locations of the corners of the residence or major improvement and at such other locations as the Committee may request.

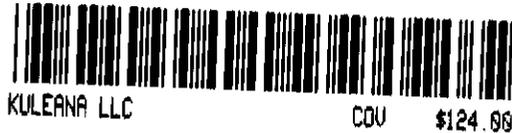
5.4 THE LANDSCAPE PLAN SUBMITTAL

A complete landscape plan at the same scale as the Site Plan (minimum 1"=10'), which accurately locates the Building Footprint, driveway, side yard setbacks, and the entire Building Envelope, indicating: all areas to be irrigated, locations, size and species of all trees and other plants to be added, all exterior walks, drives, patios, and other decorative features including exterior lighting, and any driveway entry column details. Any trees to be cut are to be flagged with red flagging ribbon.

A legend using clear symbols, and nomenclature, must be provided on the landscape plan. Landscape plans that are not professionally prepared will be rejected.

An approximate time schedule indicating approximate dates for starting and completion of landscaping work, and anticipated occupancy date.

Although this Landscaping Submission may be deferred, it is recommended that the submission be included with the initial Submittal. If the Landscape Submittal is deferred, it must be submitted no later than the start of interior drywall installation to give the Committee sufficient time to review said plans.



5.5 APPROVAL OF PLANS

Upon receipt of the complete Submittal, the Committee will review the submittal for conformance to these Design Guidelines and to any preliminary approval conditions. Upon determining that the required submittals have been received and are in a form acceptable to the Committee, the Committee will try to provide a written response to the Owner as soon as practical, and generally within thirty (30) days after submission of all required materials. Approval of the plans by the Committee does not relieve the Owner from total responsibility for compliance with these Design Guidelines, and the requirements of all other approval agencies having jurisdiction over the building process.

The Committee will make every effort to accommodate the construction time table of each applicant. However, it is the responsibility of each Owner and builder to follow the submission procedures described herein, and to submit an accurate and complete submittal well in advance of the desired construction start date.

All Committee Approvals automatically expire one (1) year following the date of such approval, if construction has not commenced, unless an extension is provided in writing by the Committee prior to the one year expiration date.

5.6 CONSTRUCTION PERMIT

Securing of any and all construction and occupancy permits are the responsibility of the Owner and/or builder. Construction shall be in accordance with the Submittal approved by the Committee and in accordance with all applicable governmental rules and regulations.

5.7 COMPLIANCE DEPOSIT AND COVENANT TO BUILD IN ACCORDANCE WITH APPROVED PLAN

To assure the Owner's and builder's compliance with these Design Guidelines and their agreement to build all structures, landscaping, and other improvements in complete conformance with approved plans, the Owner(s) and builder shall execute the Covenant To Build In Accordance With Approved Plan and submit the Compliance Deposit by a check made payable to River Ranch Homeowners Association in the amount of \$5,000.00 which will be held by the Association until the Final Release has been issued by the Committee.

If a builder constructs a spec home and chooses not to fully complete the landscaping as set forth in Section 3.2, the Compliance Deposit may not be returned until the home is fully landscaped in accordance with an approved plan. If a homeowner purchases a home with incomplete landscaping, it becomes their responsibility to submit a plan and complete the landscaping as soon as possible after purchase. In such cases, it is suggested that at closing, the Compliance Deposit be transferred to the purchaser as a credit, so that the homeowner will receive the refund of the Compliance Deposit after fulfilling the obligation to complete the landscaping.

If the Owner or builder fails to comply, in any way, with these Design Guidelines, or the Construction Regulations in Section 4, or the provisions of the Declaration or fails to build in accordance with the Approved Plan, then the funds held in the Compliance Deposit may be used to pay the costs of correcting such failure.



Funds remaining in the Compliance Deposit after the Final Release has been issued will be returned to person or entity that made the original deposit upon written request unless the Association receives written authorization from the such person or entity making the deposit that the deposit should be paid to another party. No interest will be paid on any Compliance Deposit.

5.8 ADDITIONAL CONSTRUCTION AND/OR EXTERIOR CHANGES

Any exterior changes to the Approved Plans must first be resubmitted for approval to the Committee prior to construction of such exterior change. If such additions or changes affect 25% or more of the floor plan, or affect the building massing, or affect the siting, the Committee will require a complete re-submittal including a new Design Review Fee. If such additions or changes do not demand a complete re-submittal, all changes must be clouded or otherwise identified on all affected drawings and all drawings must be accurately drawn and coordinated with each other. The applicable Design Review Fee for such changes as set forth in the Application must also be included in this resubmission.

5.9 RESUBMITTAL OF DRAWINGS

In the event of disapproval by the Committee of either a Preliminary or a Final Submittal, any resubmission of drawings must follow the same procedure as the original submittal. To the extent that more than two meetings are required by the Committee on any of the four (4) phases, the Committee may bill the Owner any additional amounts that are incurred, on an hourly basis, beyond the normal submission and review process.

5.10 WORK IN PROGRESS - INSPECTION

It is not the responsibility of the Committee to monitor construction of the home, but rather the responsibility of each Owner to monitor construction to assure that the home is constructed in compliance with the plans approved by the Committee. The Committee may inspect all work in progress and give notice of noncompliance, if found. The Owner shall immediately take whatever steps are necessary to correct such work and have thirty (30) days from the receipt of such notice to bring such non-compliance into compliance. Absence of such inspection and notification during the construction period does not constitute either approval by the Committee of work in progress or compliance with these Design Guidelines or the Master Declaration.

5.11 FINAL INSPECTION

Upon completion of any residence or other improvement for which final approval was given by the Committee, including final completion of all landscaping, the Owner shall give written notice of completion to the Committee. Within sixty (60) days after receipt of notice of completion, the Committee may inspect the residence and/or improvements. If all improvements comply with the Approved Plan, the Committee shall issue a written approval to the Owner ("Final Release").

If it is found that such work was not done in strict compliance with the approved Submittal and these Design Guidelines then, the Committee shall notify the Owner in writing of such violation(s), specifying in reasonable detail the particulars of the violation(s), and shall require the Owner to remedy the violation(s).



5.12 OWNER NON-COMPLIANCE

If the Owner fails to remedy the violation(s) within thirty (30) days (or such longer time as may be permitted by the Committee), the Committee shall notify the Board of Trustees of River Ranch Homeowners Association in writing of such failure. Upon receiving notice of violation from the Committee, the Board shall have the authority, in its sole discretion, to determine whether there is a violation and shall notify the Owner of its decision within thirty (30) days. If the Board affirms the Committee's determination of a violation, the Owner shall be responsible for remedying the violation(s) as set forth in the notice from the Committee. If the Owner shall fail to remedy the violation, the Association, may, as one option, remedy the violation(s), and the Owner shall be responsible for all costs and expenses incurred in connection therewith and the Association shall also have the authority to levy an assessment against such Owner in the amount of \$100.00 per day from the date of the Committee's determination of violations continuing through the date corrections are completed, as a compensatory charge to the Association for such violation, which may be assessed and imposed separately for each violation. The Board shall have the right, in its discretion, to increase the \$100.00 per day amount described in the preceding sentence to reflect cost of living increases. Reimbursable costs shall include all actual or estimated costs of remedying the violation(s) including, if applicable, reasonable attorney's fees, reimbursement for time spent by members of the Committee and/or Board members, and all other out-of-pocket expenses. The foregoing option shall not be exclusive and the Association may also elect to pursue any remedy available at law or in equity, or as provided in the Declaration.

5.13 NON-WAIVER

Any approval by the Committee of any drawings or specifications or work done or proposed, or in connection with any other matter requiring such approval under these Design Guidelines or Declaration, including a waiver by the Committee, shall not be deemed to constitute a waiver of any right to withhold approval as to any similar drawing, specification, or matter whenever subsequently or additionally submitted for approval. For example, the Committee may disapprove an item shown in the Submittal even though it may have been evident and could have been, but wasn't, disapproved at the preliminary submittal. Furthermore, should the Committee overlook or not be aware of any item of non-compliance at anytime during the review process, construction process or during its final inspection, the Committee in no way relieves the Owner from compliance with these Design Guidelines and all other applicable codes, ordinances and laws.

6. MISCELLANEOUS PROVISIONS

6.1 AMENDMENT OF DESIGN GUIDELINES

The Committee may, from time to time and at its sole discretion, adopt, amend, and repeal by majority vote, rules and regulations to be incorporated into the Design Guidelines which, among other things interpret, supplement, implement or entirely revise the provisions of those Guidelines. All such rules, regulations, or amendments, as may from time to time be adopted, amended, or repealed, should be appended to and made a part of the Design Guidelines, and shall have the same force and effect as if they were set forth in, and were part of, the applicable Guidelines. Each Owner is responsible for obtaining from the Committee a copy of the most recently revised Design Guidelines, and should inquire if any substantive amendments



to the Design Guidelines have been adopted since the most recent printing of the Design Guidelines.

6.2 NON-LIABILITY OF DESIGN COMMITTEE, DEVELOPER AND OWNER

Neither the Committee nor any member thereof, past or present, River Ranch Homeowners Association or any Member or Trustee thereof, past or present, the Developer, the prior Owner of the homesite, or their respective successors or assigns, shall be liable in damages to anyone submitting drawings or specifications to them for approval, or to any Owner or other person by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any drawings or specifications to the Committee. By submission of such drawings and specifications for approval, an Owner agrees that he or she will not bring any action or suit against the Committee, any member thereof, or any of the above mentioned parties.

Approval of a submittal shall not be deemed to be a representation or warranty that the Owner's design drawings or specification so the actual construction of a residence or other improvement complies with applicable governmental ordinances or regulations. The approval of an application with conditions, only indicates compliance with these Design Guidelines relating to that submission, and the Committee is not rendering any opinion as whether or not said submission, plans and specifications comply with local building codes and ordinances. Additionally, the Committee is not and does not render any opinion nor assume any liability for whether such plans adequately address other design or construction issues including, but not limited to, surface runoff or the suitability of the design given soil conditions for which the Owner assumes sole responsibility. It shall be the sole responsibility of the Owner or other person submitting drawings or specifications to the Committee or performing any construction to comply therewith.

6.3 INCORPORATION

The provisions of the Declaration Establishing Covenants, Conditions and Restrictions and Reservation of Easement for River Ranch on the Little Spokane and all subsequent amendments ("the Declaration") applicable to design and landscape control are incorporated herein by reference. Control over the provisions herein in the case of conflict, shall be with the Declaration, except for those provisions relating to fines for Owner non-compliance, in which case, the provisions of Section 5.11 of these Design Guidelines shall control and take precedence over the Declaration. Capitalized terms used herein, but not defined herein, shall have the same meaning as in the Declaration.

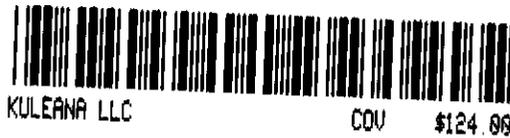
6.4 ENFORCEMENT

These Design Guidelines may be enforced by the Committee, River Ranch Homeowner's Association, or Developer as provided herein or in the Declaration.

6.5 RIGHT OF WAIVER

The Committee reserves the right to waive or vary any of the procedures or standards set forth at its discretion, for good cause shown.

6.6 ESTOPPEL CERTIFICATE



Within 20 days after written demand therefore is delivered to the Committee, and upon payment therewith to the Committee of a reasonable fee from time to time to be fixed by it, the Association shall execute, acknowledge, and deliver to the party making such request, a statement in writing stating whether or not, to the knowledge of the Association a particular homesite is in default under the provisions of the Declaration. Any prospective purchaser or mortgagee shall be entitled to rely on said certificate with respect to the matters therein set forth. Reliance on such certificate may not extend to any default as to which the signer shall have had no actual knowledge.

6.7 COMMENCEMENT OF CONSTRUCTION

No site work or other construction shall commence until the Owner has received approval in writing from the Committee.

Upon receipt of written approval from the Committee, the Owner shall satisfy all conditions thereof and commence the construction, reconstruction, refinishing, alterations, or other work pursuant to the approved drawings within one year from the date of such approval. If the Owner shall fail to comply with this paragraph, any approval given shall be deemed revoked unless, upon the written request of the Owner made to the Committee prior to the expirations of said one-year period, and upon a finding by the Committee that there has been no change in circumstances or its review process guidelines. The time for such commencement may be extended in writing by the Committee. The Owner, shall, in any event, complete the construction, reconstruction, refinishing, or alteration of the foundation and all exterior surfaces (including the roof, exterior walls, windows, and doors) of any improvement of his homesite within one year after commencing construction thereof, except when and for so long as, such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, or natural calamities. If Owner fails to comply with this paragraph, the Committee may notify the Board of the Homeowners Association of such failure, and the Board at its option, shall either cause the exterior to be completed in accordance with the approved drawings, or cause the improvement to be removed and return the homesite to its natural state prior to construction. The Owner shall reimburse the Association for all expenses incurred in connection therewith, in addition to any fines levied against the Owner by the Homeowners Association.

6.8 SEVERABILITY

If any provisions of these Design Guidelines shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of these Design Guidelines to the extent that they can be reasonably understood without the invalid portion(s).

These Design Guidelines have been reviewed, approved, adopted and incorporated herein by reference, as part of the Declaration, as provided by the Declaration as of the date indicated on each page, and shall remain in full force and effect until further revised as provided for in the Declaration.



APPLICATION FOR COMMITTEE APPROVAL

THE UNDERSIGNED, does hereby apply to the Committee of River Ranch Homeowners Association for approval of a residential dwelling, and herewith submits plans, specifications and elevations. The undersigned represents that he/she are the sole Owners of said property, and covenant and agree that any residential dwelling built upon the real property designated below shall be built in accordance with the approved application, plans, specifications and elevations, including any conditions of such approval, and that any noticeable changes to the exteriors of the home, or to the site or landscape plan, must be resubmitted to the Committee for review and approval, prior to such change being made.

The Undersigned has read the Declaration Establishing Conditions, Covenants, and Restrictions for River Ranch on the Little Spokane and the Design Guidelines (effective date February ____, 2007) and will comply with said conditions.

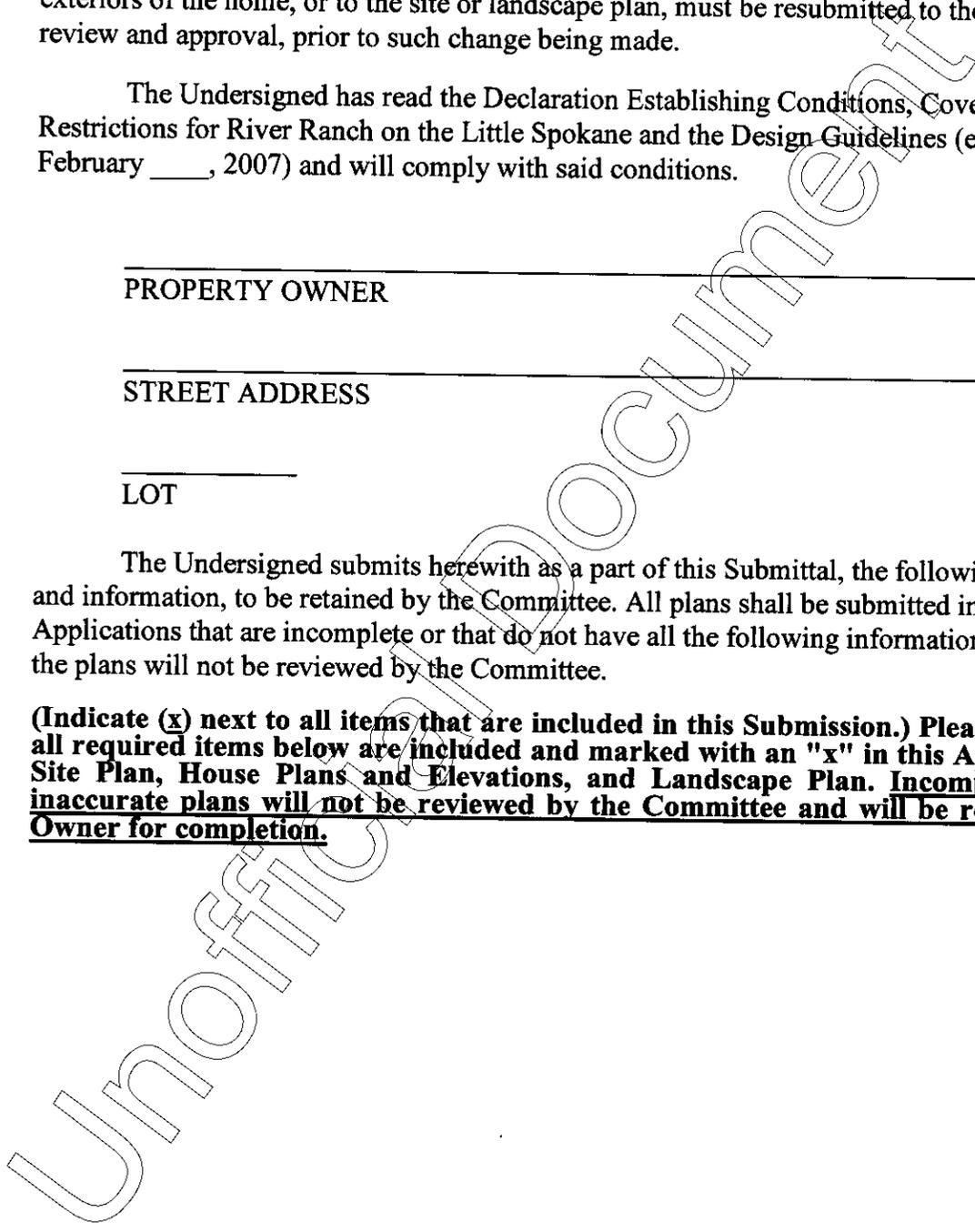
PROPERTY OWNER

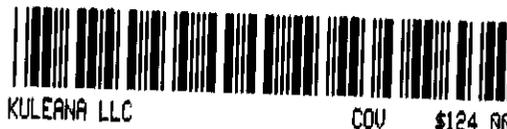
STREET ADDRESS

LOT

The Undersigned submits herewith as a part of this Submittal, the following documents and information, to be retained by the Committee. All plans shall be submitted in duplicate. Applications that are incomplete or that do not have all the following information included on the plans will not be reviewed by the Committee.

(Indicate (x) next to all items that are included in this Submission.) Please be sure that all required items below are included and marked with an "x" in this Application: the Site Plan, House Plans and Elevations, and Landscape Plan. Incomplete plans or inaccurate plans will not be reviewed by the Committee and will be returned to the Owner for completion.





A. APPLICATION FEE AND DEPOSIT -Initial Home Construction Plan Submission

- _____ 1. A non-refundable design review fee of \$500.00 is enclosed, made payable to River Ranch Homeowners Association.
- _____ 2. A \$5,000.00 deposit is enclosed, made payable to River Ranch Homeowners Association which shall be held by the Association without interest, and returned to the Owner following satisfactory completion of the home and landscaping in compliance with this Application and Conditions of Approval.
- _____ 3. Two (2) signed Applications submitted.

APPLICATION FEE - ADDITIONS OR MODIFICATIONS

A non-refundable design review fee is enclosed, made payable to River Ranch Homeowners Association, which fee is based on the following schedule:

- _____ 1. Landscape plan review as part of an original home construction application (no additional plan review fee required).
- _____ 2. Landscape modification plan review fee (includes requests for fencing and any other modifications to an approved Landscape Plan. (\$100.00 fee enclosed).
- _____ 3. Exterior house expansion/remodel review fee (\$200.00 fee enclosed).
- _____ 4. All other exterior modifications (\$100.00 fee enclosed).
- _____ 5. Two (2) signed Applications for additions/modifications submitted.

B. SITE PLAN (date of plan _____)

All the following items must be included on the submitted Site Plan. Please refer to Section 5.3(b) of the Design Guidelines for specific guidelines and submission requirements.

- _____ 1. MINIMUM SCALE -- 1" = 10'. Base topographic map showing 1' contours and plat/ building envelope information available from Developer.
- _____ 2. North arrow
- _____ 3. Building Envelope and location of residence and all other proposed structures with setback dimensions.
- _____ 4. Property lines, easements and dimensions; identification of adjacent lots, common areas, and street.
- _____ 5. Accurately locate proposed driveway, parking areas, walks, patios, decks, service yards (indicate materials).

- _____ 6. Existing and proposed re-contouring (1' intervals) are required for all submissions. Owner may submit sufficient spot elevations around the perimeter of the house at all house corners and the area to be disturbed, showing existing grade and proposed grade in relation to a Base Elevation reference point established at the street and as shown on the plan. Existing and proposed topographic information must be sufficient and accurate enough for the Committee to fully understand the extent of the proposed cuts and fills and other site grading.
- _____ 7. Location of all proposed retaining walls, indicating top of wall elevation, base elevation, type of material and proposed color (include pictures/color and/or description of proposed retaining walls with Application).
- _____ 8. Indicate elevation of the main floor, garage floor, driveways, walkways and terraces, in relation to the Base Elevation.
- _____ 9. Indicate significant topographic features such as drainage swales, rock outcroppings and existing trees to be retained or removed.
- _____ 10. Indicate location of temporary construction signage.
- _____ 11. Location of utility services, meters, outdoor mechanical equipment, septic tank and drain field locations, geothermal lines (if any) for ground-source heat pumps.
- _____ 12. Indicate location and proposed sizing of driveway culvert. Note; All driveway culverts must have aprons or angled ends.
- _____ 13. Lot Number, street address, and name of adjacent street(s).
- _____ 14. Two (2) sets submitted.

C. FLOOR PLAN(S) (date of plans _____)

- _____ 1. Minimum scale: 1/8" = 1'.
- _____ 2. Overall exterior floor plan dimensions.
- _____ 3. Gross square footage of each floor, including garage, storage and basement areas.
- _____ 4. Indicate sq. ft. of interior living areas of each floor:

Lower Level	_____
Main Floor	_____
Upper Floor	_____
Total	_____

- _____ 5. Door and window openings.



- _____ 6. Exterior and interior walls and stairways.
- _____ 7. Exterior lights (location and mounting heights)
- _____ 8. Garage door type, style, material, finish.
- _____ 9. Two (2) sets submitted.

D. **BUILDING ELEVATIONS (ALL VIEWS)** (date of plans _____)

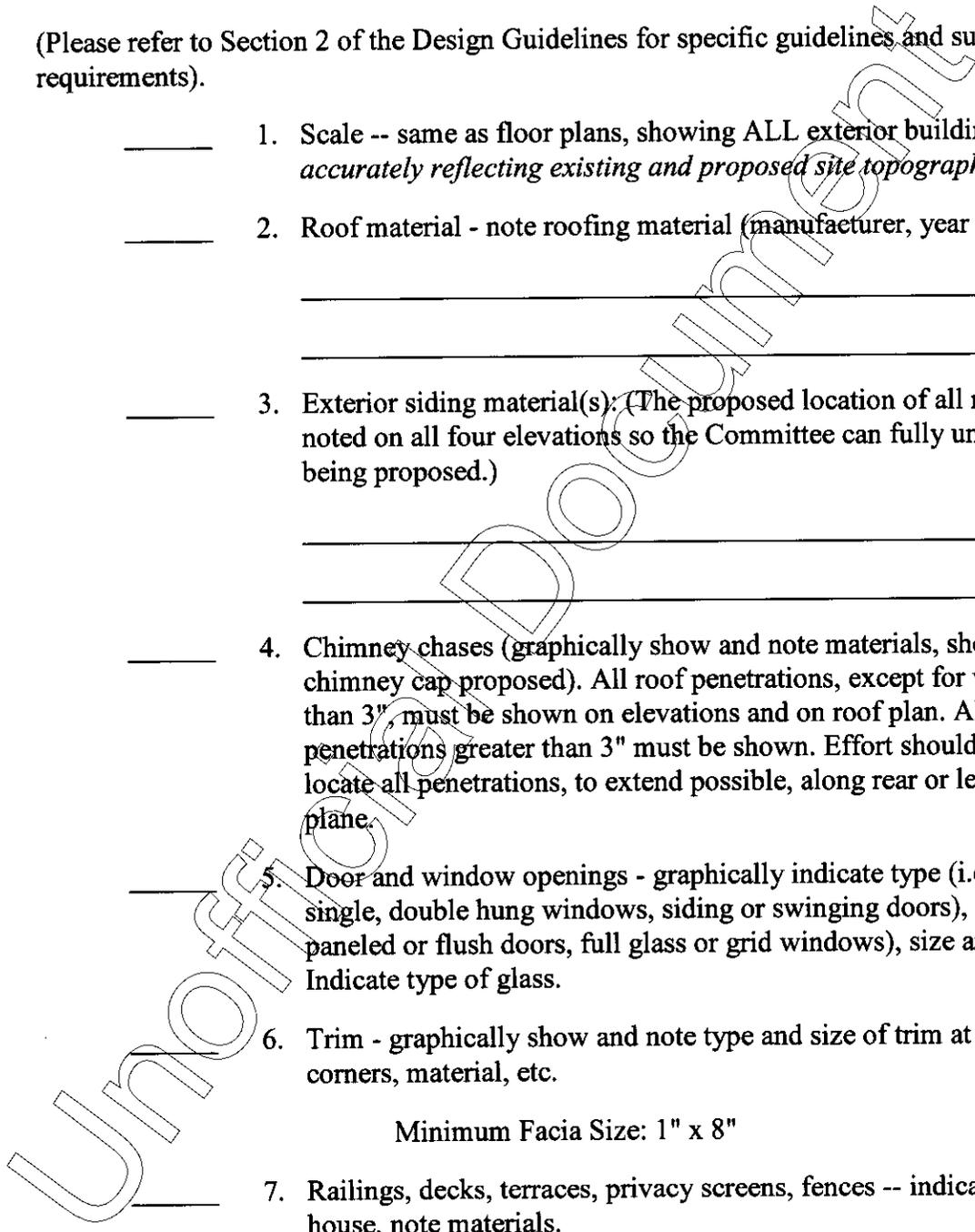
(Please refer to Section 2 of the Design Guidelines for specific guidelines and submission requirements).

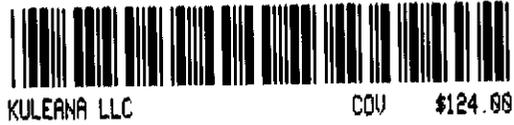
- _____ 1. Scale -- same as floor plans, showing ALL exterior building elevations *accurately reflecting existing and proposed site topography.*
- _____ 2. Roof material - note roofing material (manufacturer, year warranty, color):

- _____ 3. Exterior siding material(s): (The proposed location of all materials must be noted on all four elevations so the Committee can fully understand what is being proposed.)

- _____ 4. Chimney chases (graphically show and note materials, show type of chimney cap proposed). All roof penetrations, except for vent pipe smaller than 3", must be shown on elevations and on roof plan. All flue penetrations greater than 3" must be shown. Effort should be made to locate all penetrations, to extend possible, along rear or least visible roof plane.
- _____ 5. Door and window openings - graphically indicate type (i.e., casement or single, double hung windows, siding or swinging doors), style (i.e., paneled or flush doors, full glass or grid windows), size and location. Indicate type of glass.
- _____ 6. Trim - graphically show and note type and size of trim at windows, doors, corners, material, etc.

Minimum Facia Size: 1" x 8"
- _____ 7. Railings, decks, terraces, privacy screens, fences -- indicate relationship to house, note materials.





- _____ 8. Roof Plan - show all proposed skylights, roof mounted equipment, roofing materials, and roof penetrations larger than 3" in diameter.
- _____ 9. Show the structure's finished floor lines in relation to the existing and finished proposed grade.
- _____ 10. Two (2) sets submitted.

Question: To your knowledge has this plan or a similar plan been built before at River Ranch?

Yes or No If yes, indicate Lot _____. If a substantially similar plan has been used before, the exterior design and use of exterior materials must be sufficiently altered so that the home appears to be a custom and substantially differentiated design.

E. SAMPLES OF ALL EXTERIOR BUILDING MATERIALS

- _____ 1. Exterior body and trim colors, properly identifying all proposed trim colors *on each elevation* and below:

Base color (s) _____

Trim colors:

Windows: _____

Facia: _____

Entry Door: _____

Other: _____ Location: _____

Other: _____ Location: _____

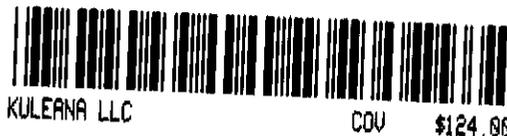
- _____ 2. Samples of any exterior brick or stone, and all exterior siding materials or manufacturer's pictures of proposed material (if available).

Description of brick/stone:

Description of other exterior siding materials:

Please indicate on each elevation the location of each proposed use.

- _____ 3. Description/picture of type of proposed retaining wall materials and color:



- _____ 4. Samples of roof material(s), or manufacturers pictures and identification of proposed roofing material.

Description:

- _____ 5. Pictures of all visible exterior lighting fixtures.
- _____ 6. Above samples/colors mounted on an approximate 18" x 24" sample board with owner's name and lot and block number and submitted with application.

F. **LANDSCAPE PLAN** (date of plan _____)

Please refer to Section 3.0 and 5.4 of the Design Guidelines for specific guidelines and submission requirements.

- _____ 1. Indicate areas to be seeded or sodded, and how all other disturbed areas will be re-vegetated (i.e., hydro-seeded in native grasses, wildflowers, etc.).
- _____ 2. Show all foundation planting, planter areas, describing type of plant species, mulch, or other surfacing material (bark, soil mulch, gravel, etc.).
- _____ 3. Planting materials, size at time of planting, species.
- _____ 4. Areas to be irrigated. Approximate area to be irrigated ____ s.f.
- _____ 5. Canopy of existing trees and other plant material.
- _____ 6. Screening of mechanical units and utility meters.
- _____ 7. Proposed contours (1' intervals) or adequate accurate spot elevations in relation to a referenced Base Elevation established at the street and shown on the Site Plan, to provide the Committee with sufficient information to understand the extent of the proposed cuts and fills and other proposed site grading.
- _____ 8. Indicate all proposed retaining walls (base and top of wall elevations, and proposed materials and colors.
- _____ 9. Drainage - Please indicate direction of proposed runoffs on Landscape Plan.
- _____ 10. Estimated Landscape Start Date: _____



Estimated Landscape Completion Date: _____

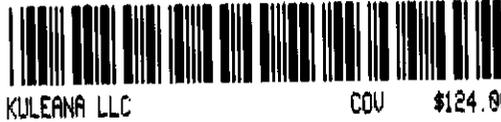
_____ 11. Two (2) sets of Landscape Plan submitted.

G. COVENANT TO BUILD IN ACCORDANCE WITH APPROVED PLAN.

_____ 1. Two (2) Agreements signed by Owner(s) and Builder attached.

NOTE: All the above submittal items, A-G, must be included at the time of this Application, with the exception of the Landscape Plan (Item F), which may be deferred. However, if deferred, it must be submitted to the Committee for review and approval prior to commencement of interior dry wall installation.

Unofficial Document



GENERAL

The undersigned specifically acknowledges that all site work or other construction may not commence until this Application and submitted plans have been approved by the Committee in writing.

Estimated Start Date: _____

Estimated Completion Date: _____

Estimated Sales/Appraised Value: _____
(including land)

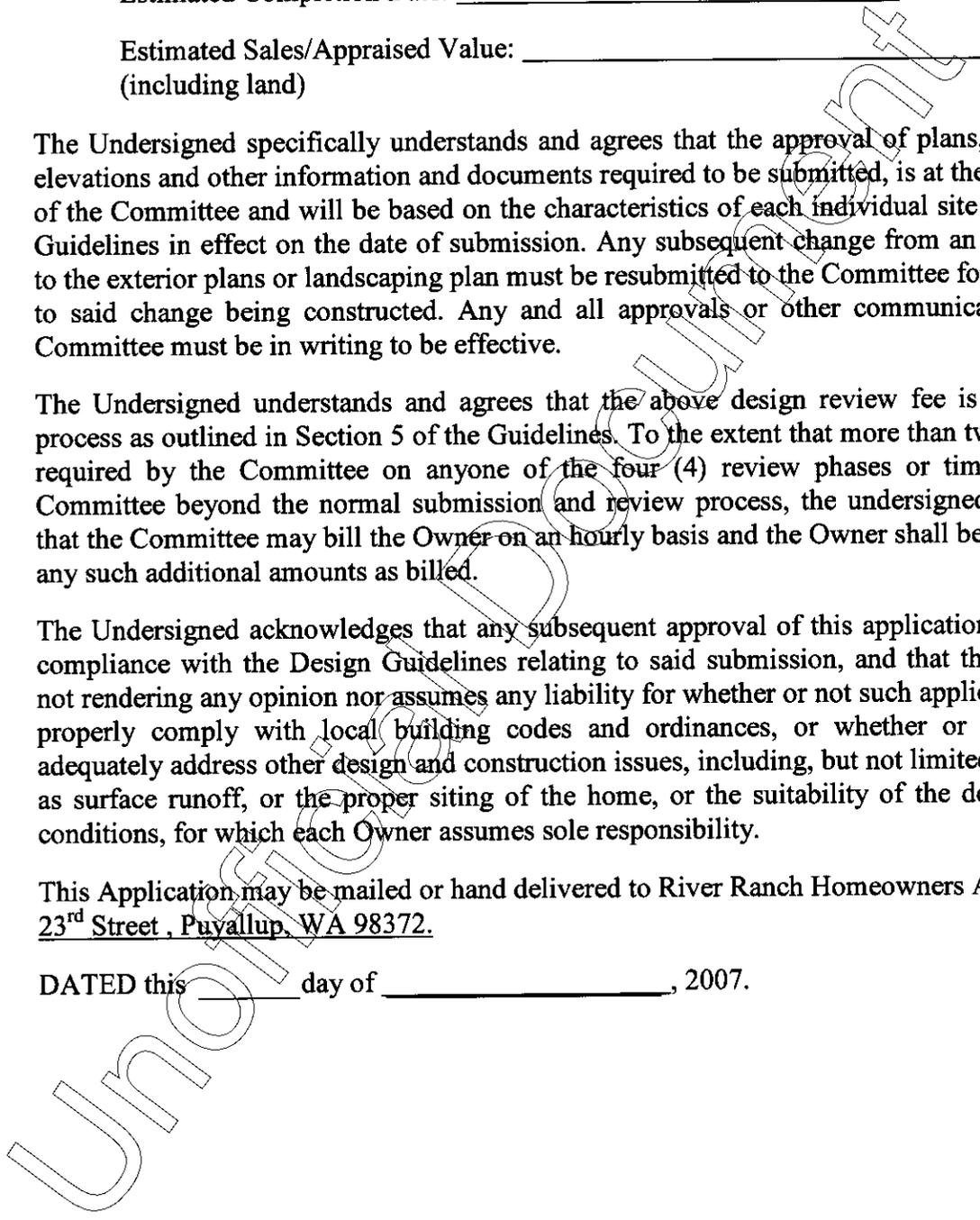
The Undersigned specifically understands and agrees that the approval of plans, specifications, elevations and other information and documents required to be submitted, is at the sole discretion of the Committee and will be based on the characteristics of each individual site and the Design Guidelines in effect on the date of submission. Any subsequent change from an Approved Plan to the exterior plans or landscaping plan must be resubmitted to the Committee for approval prior to said change being constructed. Any and all approvals or other communications from the Committee must be in writing to be effective.

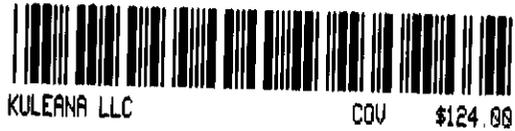
The Undersigned understands and agrees that the above design review fee is for the review process as outlined in Section 5 of the Guidelines. To the extent that more than two meetings are required by the Committee on anyone of the four (4) review phases or time spent by the Committee beyond the normal submission and review process, the undersigned acknowledges that the Committee may bill the Owner on an hourly basis and the Owner shall be responsible for any such additional amounts as billed.

The Undersigned acknowledges that any subsequent approval of this application only indicates compliance with the Design Guidelines relating to said submission, and that the Committee is not rendering any opinion nor assumes any liability for whether or not such application and plans properly comply with local building codes and ordinances, or whether or not such plans adequately address other design and construction issues, including, but not limited to, issues such as surface runoff, or the proper siting of the home, or the suitability of the design given soil conditions, for which each Owner assumes sole responsibility.

This Application may be mailed or hand delivered to River Ranch Homeowners Association, 133 23rd Street, Puyallup, WA 98372.

DATED this _____ day of _____, 2007.





OWNER(s): _____
(please print)

BUILDER: _____
(please print)

By: _____
(signature)

By: _____
(signature)

By: _____
(signature)

Address: _____

Address: _____

Phone (home) _____

Phone (home) _____

Fax: _____

Fax: _____

Phone (work) _____

Phone (work) _____

Cell: _____

Cell: _____

Email: _____

Email: _____

ARCHITECT: _____
(please print)

Address: _____

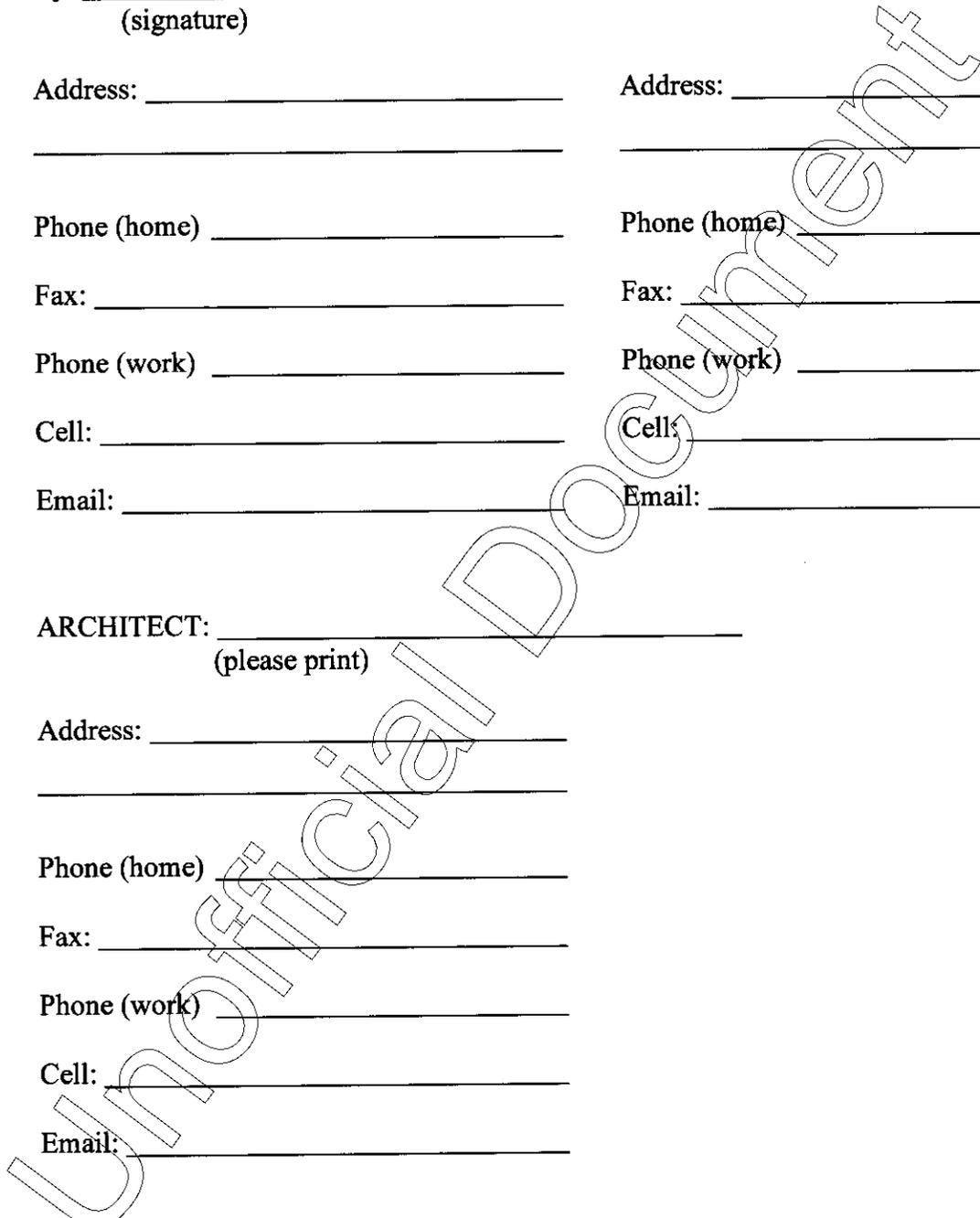
Phone (home) _____

Fax: _____

Phone (work) _____

Cell: _____

Email: _____



LANDSCAPE ARCHITECT: _____
(please print)



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Page: 92 of 93
04/19/2007 04:55P
Spokane Co, WA

Address: _____

Phone (home) _____

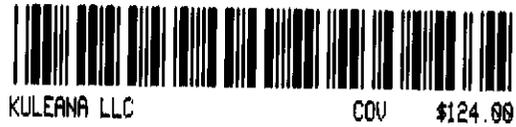
Fax: _____

Phone (work) _____

Cell: _____

Email: _____

Unofficial Document



COVENANT TO BUILD IN ACCORDANCE WITH THE APPROVED PLANS

The Undersigned, as an express condition of being able to construct a home at River Ranch on the Little Spokane, as more particularly set forth in the Declaration Establishing Covenants, Conditions and Restrictions and Reservation of Easements For River Ranch on the Little Spokane (the "Declaration"), the Design Guidelines, and the Application for Architectural Approval, does hereby covenant to River Ranch Homeowners Association (the "Association"), that upon receipt of stamped and signed approved plans (the "Approved Plans") and the approved application from the Committee, Owner and Builder agree to:

1. Not to start construction, including site clearing, sitework or excavation, until a written approval is received from the Committee.
2. Construct the exterior of the home strictly in accordance with said Approved Plans, including any conditions that may be included with the Committee approval, and
3. Not to construct any change, deletion or addition to the exterior of the home (including but not limited to any change in exterior material, color, size, or shape of any window, door, roof line, fascia, exterior trim, etc.) without first resubmitting such desired change to the Committee, and until such requested change is approved in writing by the Committee, no work on any such change shall be performed.

The Architectural Deposit submitted herewith is an additional undertaking by the Undersigned to secure such covenant, and shall not limit the liability of the Undersigned to satisfactory performance hereunder, and the Undersigned acknowledges that the Association is entitled to recover from the Undersigned, any and all expenses it may incur, including penalties, as provided in the Declaration, in the event the Undersigned breaches this Covenant with the Association.

STREET ADDRESS

LOT

DATED this _____ day of _____, 2007.

OWNER(s): _____
(please print)

BUILDER: _____
(please print)

By: _____
(signature)

By: _____
(signature)

By: _____
(signature)