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050203.4.25

Document Title:

**DECLARATION ESTABLISHING COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR PINE ROCK RIDGE**

Grantor(s):

- 1. Gus and Tom Enterprises, Inc.

Grantee(s):

- 1. The public

Legal Description:

N 1/2 34.25-44

Parcel Numbers:



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DECLARATION ESTABLISHING COVENANTS,  
CONDITIONS, AND RESTRICTIONS  
FOR PINE ROCK RIDGE

This declaration is made this \_\_\_\_ day of \_\_\_\_\_ 2003, by Gus and Tom Enterprises, Inc., a Washington corporation, referred to as "Declarant."

ARTICLE I: GENERAL PROVISIONS

1.1 Real Property Description. Declarant is the developer of all that real property located in Spokane County, Washington, as described on Exhibit "A" attached hereto, sometimes referred to below as the "Property" and sometimes referred to below as "Pine Rock Ridge."

1.2 Development. Declarant intends to develop and market the Property as separate Building Lots for single family home purposes. Upon Recordation of this Declaration, Declarant submits and subject the Property, 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, all of which shall run with the land.

1.3 Conditions. Any purchaser of a Building Lot within the Property acknowledges that said Building Lot is subject to 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. It is solely the purchaser's obligation to become familiar and comply with the same. Approval of any construction, alteration or improvement by the Declarant or Architectural Committee shall not be considered a representation of compliance with any applicable requirements imposed by law.

ARTICLE II: DECLARATION

Declarant hereby declares that the Property, 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



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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 real property or any Building Lot; 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 Declarant, by any owner or such owner's successors in interest, against any other owner, tenant or occupant of said real property.

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

ARTICLE III: DEFINITIONS

3.1 "Architectural Committee" shall mean the committee created by the Declarant or an Association pursuant to Article IX hereof, and may be referred to herein 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 or Association Members, including Regular, Special and Limited Assessments of the Association as further defined in this Declaration.

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

3.5 "Board" shall mean the Board of Directors or other governing board or individual, if applicable, of the Association.

3.6 "Building Lot" shall mean one or more residential lots within a Plat and/or by any Supplemental Declaration, upon which a dwelling and improvements may be constructed.

3.7 "Common Area" shall mean all real 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. Every Owner has a right and easement of enjoyment to the Common Area that is appurtenant to the title to their Building Lot. Common Area may be established from time to time by Declarant 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 include easement and/or license rights.

3.8 "Declarant" shall mean Gus and Tom Enterprises, Inc., a Washington limited liability company. The term "Declarant" shall also include the successors in interest of the Declarant, so long as such successor is expressly designated as the successor Declarant by the immediately preceding Declarant.

3.9 "Declaration" shall mean this Declaration as it may be amended from time to time.

3.10 "Limited Assessment" shall mean a charge against a particular Owner and such Owner's Building Lot, directly attributable to the Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration or any Supplemental Declaration, including interest thereon as provided in this Declaration or a Supplemental Declaration.

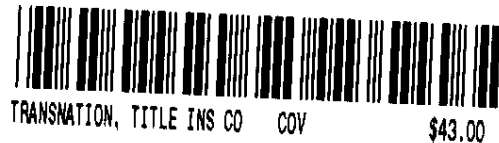
3.11 "Member" shall mean each person or entity holding a membership in the Association.

3.12 "Owner" shall mean the person or other legal entity, including Declarant, which acquires fee simple interest of record to a Building Lot that is covered by this Declaration, as well as purchasers under real estate contracts.

3.13 "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.

3.14 "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 to the Association, pursuant to the terms hereof or the terms of this Declaration or a Supplemental Declaration.

3.15 "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 to the Association, pursuant to the provisions of this Declaration or a Supplemental Declaration.



#### ARTICLE IV: USE AND CONSTRUCTION RESTRICTIONS

4.1 Use of Individual Building Lots. The ground floor area of the main structure, exclusive of porches and garages shall not be: less than 1300 square feet for a one (1) story dwelling, less than 1100 square feet for a dwelling of one(1) and one-half (1/2) stories, nor less than 800 square feet per floor, for a total of not less than 1600 square feet total, for a dwelling of two (2) stories. No dwelling shall be permitted without at least a two (2) car garage. Construction shall begin not less than 120 days after lot closing and said home shall be completed within six months after beginning of construction.

All dwellings shall utilize "double wall" construction on sides of the home fronting streets. The right is reserved to the Architectural Committee, in its discretion, to impose additional requirements regarding construction materials to be used in construction of the fronts of dwellings, such as a requirement to include a masonry or rock accent area equal to 5% of the surface area of the front of the dwelling.

No trade, business, profession, commercial or manufacturing enterprise or activity (other than home occupation) shall be conducted therein. As used in this paragraph the term "home occupation" shall mean only an occupation, profession or craft, carried on within a dwelling by the owner, which activity does not change the residential character of the dwelling, is conducted in such a manner as to not create any outward appearance of a business in the ordinary meaning of the term, as may be further defined by Spokane County Regulations.

Provided, however, nothing in this Section shall prevent the Developer or a Builder from using a residence within the development to conduct business and sell Building Lots or dwellings, on a temporary basis only until the last Building Lot is sold to a home purchaser.

4.2 Nuisances. No noxious, illegal or offensive activities shall be carried on upon or within any Building Lot or dwelling, or in any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the owners of his or her respective Building Lot, or which shall in any way increase any rate of insurance for any owner within the Property, or cause any insurance policy to be canceled or to cause a refusal to renew the same or otherwise conflict with the spirit of this Declaration in establishing a peaceful, residential community within the Property.

4.3 Vehicle and Equipment Restrictions. No more than one of the following vehicles, whether personal or recreational, shall be allowed and the same must be parked behind the front edge of the dwelling built and ten feet from the side lot line



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of any lot travel trailer, camper, motor home, recreational vehicle, boat and trailer, commercial vehicle, bus, or truck (except for purposes of loading and unloading of passengers or personal property). No inoperable automobile, and no vehicle which is in an extreme state of disrepair, shall be permitted to remain upon any Building Lot, dedicated street or other area within the Property, other than temporarily for emergency repairs, unless placed or maintained within an enclosed garage. Commercial vehicles shall not include sedans, service vans or standard size pickup trucks that are used for both business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be reasonably unobtrusive and inoffensive. No noisy or smoky vehicle shall be operated on the Property. No off-road unlicensed motor vehicle shall be maintained or operated within the Property, except as reasonably necessary to the execution and the rights and duties of the declarant under this Declaration. No goods, equipment, material, supplies or vehicles used in connection with any trade, service, or business whenever conducted, shall be kept parked, stored, dismantled, or repaired outdoors on any Building Lot, or any dedicated street within the Property.

No vehicles may be kept or parked on a permanent basis on any of the public streets within the Property.

4.4 Signs. No signs shall be displayed to the public view on any Building Lots or on any portion of the Property. "For Sale" or "For Rent" signs shall be allowed, provided they do not exceed five (5) square feet in size.

4.5 Animals. No animals, livestock, poultry or birds of any kind shall be raised, bred or kept in any Building Lot or dwelling, or on any portion of the Property; except that no more than two (2) usual and ordinary household pets, such as dogs, cats, or birds may be kept outdoors, provided that they are not kept, bred or maintained for any commercial purposes, and that they are kept under reasonable control at all times.

NO PIT BULLDOGS SHALL BE PERMITTED ANYWHERE ON THE PROPERTY BY ANY PERSON FOR ANY REASON AT ANY TIME, PIT BULL being defined as the American Stafford Shire Terrier by the American Kennel Club or the Stafford Shire Bull Terrier by the A.K.C., or the American Pit Bull Terrier by the United Kennel Club.

4.6 Garbage and Refuse Disposal. All rubbish, trash and garbage shall be regularly removed from each Building Lot at each owner's expense, and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers. All equipment, garbage cans, woodpiles, or storage piles shall be kept screened and concealed from view from the dedicated streets.

4.7 Right to Lease. Except for a dwelling in possession of a lender following a default in a first mortgage, a foreclosure proceeding, or any deed or



other arrangement in lieu of foreclosure, the respective dwellings shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as (a) rental for any period less than thirty (30) days, or (b) any rental if the occupants of the dwelling are provided customary hotel service such as room service for food and beverage, maid service, furnishing laundry and linen, and bellboy service. Subject to the foregoing. restrictions, the owners of the respective Building Lots shall have the absolute right to rent out the dwellings (but not less than entire dwelling) provided that the rental agreement is made subject to the covenants, conditions, restrictions, limitations and uses contained in this Declaration. Any failure on the part of any tenant to comply with these covenants shall constitute a default under the terms of such rental agreement.

4.8 Landscaping. Within six months of completion of the exterior of each dwelling, the front, rear and side yards of the Building Lot on which such residence is constructed shall be landscaped by each Owner in substantial conformity with plans approved by the Architectural Committee. The Architectural Committee may grant an extension to a particular Owner for good cause, such as inclement weather conditions, making completion of landscaping within the required time unduly burdensome or impractical.

Front yard landscaping shall include trees to be planted between the curb and sidewalk and/or within seven feet of the curb line, as determined and approved by the Architectural Committee. The trees to be approved will be deciduous street trees (e.g. red maple, or similar tree), and at planting stage will have a trunk caliper of at least two inches and be at least eight feet in height.

4.9 Alteration and/or Improvements to Property. With the exception of work carried out to further the completion of the Property, no residence, building, fence, wall, obstruction, balcony, screen patio, patio cover, tent, awning, carport, carport cover, improvement, or structure of any kind, shall be commenced, erected, painted or maintained within the Property, nor shall any alteration or improvement of any kind be made thereto until the color of the same has been approved in writing by the Architectural Control Committee, described in Article IX below and hereinafter referred to as the "Committee." Plans and specifications showing the nature, color, materials and location of such improvements or alterations shall be submitted to the Developer or Committee for approval as to the color of the external appearance of the proposed construction. Further, no construction shall be commenced on any Building Lot until the Developer or Committee shall have approved in writing, the color of the proposed construction item on the lot. No permission or approval shall be required to rebuild in accordance with the original approved colors, or to rebuild in accordance with colors previously approved by the Developer or Committee for that lot.

4.10 Single Family. No structures or buildings of any kind shall be erected, altered, placed or permitted to remain on any Building Lot other than one detached

dwelling for single family occupancy only, with a private attached, at least two-car, garage; and up to one out-building which may be approved by the Architectural Committee for purposes such as storage, shop, and the like. Any out-building must be designed and constructed to match the external appearance of the dwelling with regard to style, color and construction materials. Notwithstanding the foregoing, the owner of two adjacent Building Lots may construct his or her dwelling across the line between such Owner's Building Lots, or otherwise without regard for the setback requirements pertaining to that line (however, except as expressly provided above, any such combination of Building Lots shall not operate to reduce the Owner's rights and obligations with respect to each separate Building Lot).

4.11 Roofs. All roofs shall be constructed of asphalt composition of good quality (rated 30 years or more), or comparable product as may be approved by the Architectural Committee. Weatherwood 30 year roofing is expressly approved.

4.12 Garages. All dwellings shall have enclosed attached garages built to accommodate at least two cars, with fully improved driveways to the street; with said driveways to be of a hard surface material, such as exposed aggregate, asphalt, or concrete.

4.13 Mail Boxes, etc. Mail boxes and newspaper receptacles shall be placed as required by the U.S. Postal Service.

4.14 Accessory Buildings. All accessory buildings shall be placed within the rear or interior side yard area of each Building Lot and shall not be of a material inconsistent with the architecture, materials or color scheme of the dwelling on that Building Lot.

4.15 Fences, Walls. No fence, wall, hedge or mass planting, which operates as a sight-obscuring barrier may extend nearer to a street abutting the property than the closest edge of the dwelling constructed on said Building Lot. No fence, in any location on a Building Lot, shall be allowed to extend more than six feet in height. However, nothing in this subparagraph shall be construed as preventing the erection of a necessary retaining wall. No wire, cyclone or metal fencing of any kind shall be permitted on any Building Lot. Fence materials shall be as approved by the Architectural Committee; provided, wood and vinyl shall be approved materials for construction of fence. The use of buried barrier systems, that are not visible from above ground to control or restrain dogs to the respective animal owners' Building Lot, such as "invisible fencing," is expressly permitted along property boundaries. Such systems are not considered fences for purposes of this Section 4.15.

4.16 Antenna. Except to the extent required to be permitted by law, no radio, citizens band, or other communication antenna shall be erected upon any Building Lot or dwelling except for standard television antennas that are reasonably



unobtrusive and inoffensive.

4.17 Temporary Structures. No trailer, basement, tent, shack, garage, barn, camper or other outbuilding or any structure of a temporary character erected or placed on any Building Lot shall at any time be used as a residence.

4.18 Exterior Lighting. All exterior lighting shall be low intensity and shall be limited to landscaping or structural accent lighting.

4.19 Completion Time. Any dwelling or other structure erected or placed on any Building Lot shall be completed as to external appearance, pursuant to plans and specifications, all within twelve months from the date of commencement of construction. Landscaping shall be completed within the time requirements imposed under Section 4.8.

ARTICLE V: PINE ROCK RIDGE  
HOMEOWNERS ASSOCIATION

5.1 Organization of Pine Rock Ridge Homeowners Association. Pine Rock Ridge Homeowners Association, the "Association", shall be initially organized by Declarant as a Washington non-profit corporation under the provisions of the Washington Code 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.

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 each Building Lot 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 to such Building Lot(s), 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. Voting in the Association shall be carried out by Members, including Declarant, who shall cast the votes attributable to the Building Lots that they own. The number of votes such Member may cast on any issue is determined by the number of Building Lots that the Member owns. Each owner, including the Declarant, shall have one vote for each Building Lot owned. When more than one person holds an interest in any Building Lot, all such persons shall share the vote attributable to the Building Lot, but fractional will not be allowed. 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 to any person.



Any sale, transfer of conveyance of such Building Lot to a new Owner shall operate automatically to transfer the appurtenant voting right to the new Owner.

5.4 Power and Duties of the Association. 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:

5.4.1 Assessments. The power to levy Assessments on any Owner or any portion of the Property and to force payment of such Assessments, all in accordance with the provisions of this Declaration.

5.4.2 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.

5.4.3 Delegation of Powers. The authority to delegate its power and duties to committees, provided any such committee shall contain at least two Directors of the Association; and to contract for the maintenance, repair, replacement and operation of the Common Area.

5.4.4 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:

5.4.4.1 Lines, cables, wires, conduits or other devices for the transmission or provision of electricity or electronic signals for lighting, heating, power, telephone, television, communications or other purposes;



5.4.4.2 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; and

5.4.4.3 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, bicycle pathways.

The right to grant such licenses, easements and rights-of-way are hereby expressly reserved to the Association and may be granted at any time prior to twenty-one (21) years following execution of this Declaration.

5.4.5 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 all improvements within any portion of the Common Area.

5.4.6 Reserve Account. Establish and fund a reserve account with a reputable banking institution or savings and loan association, which reserve account shall be dedicated to the costs of repair, replacement, maintenance and improvement of the Common Area.

5.4.7 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, in its discretion.

5.4.8 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.

5.4.9 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, in its discretion, deems necessary or advisable, including, without limitation fire and casualty insurance, public liability insurance, directors' and officers'



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liability insurance, and 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.

5.4.10 Architectural Committee. Appoint and remove members of the Architectural Committee, subject to the provisions of this Declaration, provided, at least two Directors of the Association shall serve at all times on this Committee.

5.4.11 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.

5.5 Personal Liability. To the fullest extent permitted by law, no Member of the Board, member of any committee of the Association, officer of the Association, the Declarant, nor 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 account of any act, omission, error or negligence of the released persons, 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. If a released person has so acted, the Association shall indemnify and hold harmless said person from any damage, loss or prejudice aforesaid, including actual defense costs and attorney's fees.

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. The Common Area cannot be mortgaged or conveyed without the consent of the Owners of at least two-thirds (2/3) of the Building Lots, excluding Declarant. If ingress or egress to any residence is through the Common Area, any conveyance or encumbrance of such portion of the Common Area will be subject to such Building Lot Owner's easement. In furtherance of the development plan for the Property, the Declarant and the Association shall have the right to create easements and construct



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improvements on the Common Area, including but not limited to providing utility and private drainfield or drainfield access, private streets, crossings, walkways, trails, open space, and other improvements deemed desirable by the Association and/or Declarant.

6.2 Drainage Facilities. Grading, landscaping and other improvements to the drainage facilities and drainage tracts within the Property (the "Drainage Improvements") have been required to be completed in conformance with plans approved by the Spokane County Engineer's Office. The Association shall be responsible for maintaining the Drainage Improvements, including paying the cost thereof through assessments imposed on all Building Lots presently within or hereafter annexed into the Property. Maintenance of the Drainage Improvements constitutes an obligation running with all portions of the Property, including any additional real property subsequently annexed. Notwithstanding anything in this Declaration to the contrary, provisions regarding maintenance of the Drainage Improvements imposed hereunder, or by any separate covenants required by Spokane County, shall not be subject to amendment or modification without the approval of Spokane County. Maintenance shall include obligations established in the Operation and Maintenance Manual(s) ("O&M Manuals") for the stormwater system within the Property as approved by Spokane County. Compliance with the O&M Manuals will include establishment and accumulation of reserves for anticipated maintenance and repair obligations as provided in such Manuals.

ARTICLE VII: ASSESSMENTS

7.1 Covenant to Pay Assessments. By acceptance of a deed or real estate contract to any property in Pine Rock Ridge, each Owner of such property 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 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 land and shall be a continuing lien upon the property against which each such Assessment or charge is made.

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 property 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. Except as provided in the next two sentences, all Owners are obligated to pay Regular Assessments to the treasurer of the Association on a schedule of payments established by the Board. Notwithstanding the foregoing, the Declarant will not be required to pay Regular Assessments on portions of the Property, including Building Lots, owned by it. Further, no Builder who owns or has the right to purchase a Building Lot will be required to pay Regular Assessments on such Building Lot until six months following the sale and closing of such Building Lot to such Builder or a third party purchaser.

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 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. The regular assessment for calendar years 2003 and 2004 shall be \$240.00 per year. During those years only, Declarant shall pay any shortfall in meeting actual amounts required in connection with obligations to be paid by regular assessments, without provision for any reserve fund accumulation. Provided, in the event excess funds are accumulated, such funds may be used to construct additional improvements to common area beyond those proposed by Declarant, or to accumulate a reserve fund. Thereafter, the Association shall compute the amount of its expenses on an annual basis. The computation of Regular Assessments for 2005 and thereafter shall take place not less than thirty (30) nor more than sixty (60) days before the beginning of each fiscal year of the Association.

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. The Regular Assessment to be paid by any particular Owner, for any given calendar



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year after 2004 shall be computed as follows: Each Owner, other than the Declarant, shall be assessed and shall pay an amount computed by multiplying the Association's total advance estimate of expenses, including the amount of any reasonable reserve accumulation, by the fraction produced by dividing the finally platted Building Lots attributable to the Owner by the total number of finally platted Building Lots in the Property other than those for which no Regular Assessments are required to be paid as provided above in the first paragraph of Section 7.2.

7.3 Special Assessments.

7.3.1 Purpose and Procedure. Pursuant to the obligation of Declarant in Section 7.2.2 to cover assessment requirements above the amount specified for Owners, there shall be no special assessments required of any Owners through the end of 2004. In the event that the Board shall determine that its respective Regular Assessment for a given calendar year after 2004 is or will be inadequate to meet the expenses of the Association for any reason, including but not limited to costs of construction, reconstruction, unexpected repairs or replacement of 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 Owners representing a majority of the votes of the Members of the Association. The Board shall, in its discretion, determine the schedule under which such Special Assessment will be paid.

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 a Member as a remedy to reimburse the Association for costs incurred in bringing the Member and/or such Member's Building Lot into compliance with the provisions of the governing instruments for Pine Rock Ridge, including any actual costs, consultant charges and attorneys' fees. This shall expressly include the authority to levy assessments against any Building Lot Owner in violation of any of the requirements imposed



on such Building Lot Owner under this Declaration. Such assessment may be made in an amount up to fifty dollars (\$50.00) per day (or its equivalent value as compared with January 1, 2003 dollars, as adjusted periodically by the Board in its reasonable discretion), for each violation which remains uncorrected after thirty (30) days' written notice given to such Owner from the Association. Notwithstanding anything above to the contrary, a limited assessment may be assessed against an Owner for damage to any Building Lot or portion of the Common Area within the Property caused by reason of the negligence or willful misconduct of such Owner, such Owner's resident tenant, or such Owner's family and guests, both minor and adult; provided such liability shall not be absolute but shall be an obligation recoverable from such Owner's available insurance and shall constitute a lien against such Owner's Building Lot only.

7.5 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 members of the Association.

7.6 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.

7.7 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 monthly 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 twelve percent (12%) per annum calculated 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 and may foreclose the lien against such Owner's Building Lot as more fully provided herein. Each Owner 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.



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7.8 Estoppel Certificate. The Association, upon at least five (5) 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.

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 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 Assessment Liens.

8.2.1 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 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 costs and reasonable attorney's fees incurred. 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 real 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.



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8.2.2 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.

8.3 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 Washington Code applicable to the exercise of powers of sale permitted by law, as though the Association were a beneficiary designated under a deed of trust executed on Deed of Trust form LPB #22, as in effect as of the date of recording this Declaration. 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 sale or foreclosure.

8.4 Required Notice. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of the notice of delinquency and claim of lien, whether judicially, by power of sale or otherwise, until the expiration of thirty (30) days after the following have been completed: a copy of such claim of lien has been deposited in the United States mail, certified or registered, postage prepaid to the Owner of the Building Lot(s) described in such notice of delinquency and claim of lien; and to the person in possession of such Building Lot(s), and a copy thereof is recorded by the Association in the Office of the Spokane County Auditor.

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 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 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



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any Owner for delinquent Assessments as provided for in this Declaration. No mortgagee or beneficiary under a deed of trust will be required to collect assessments. Nothing in this Declaration makes failure to pay any assessment a default under any mortgage.

ARTICLE IX: ARCHITECTURAL COMMITTEE

9.1 Creation. While the Declarant continues to own any Lot within Pine Rock Ridge, the Declarant shall have all right and authority to appoint all members of the Architectural Committee and to perform all functions of the Architectural Committee hereunder, unless the Declarant shall sooner relinquish such authority to the Association in a written document signed by an authorized representative of the Declarant. Thereafter, the Association shall have an Architectural Committee consisting of the members of the Board of Directors, which may, by resolution, authorize any two of its members to act on behalf of the Board as the Architectural Committee with regard to any Architectural Committee function provided for in this Declaration.

9.2 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.

9.3 Architectural Committee Decisions. Decisions of the Architectural Committee and the reasons therefor 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, failing which, the application shall be considered approved.

9.4 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. The decision of the Architectural Committee shall be final.



## ARTICLE X: ANNEXATION OF ADDITIONAL PROPERTIES

10.1 By Declarant. Declarant intends to develop the property described on Exhibit A, and may, in Declarant's sole discretion, deem it desirable to annex additional real property to the Property covered by this Declaration. Additional real property may be annexed to the Property and brought within the provisions of this Declaration as provided herein by Declarant, 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 additional real property shall conform to all applicable land use regulations, as such regulations are modified by variances.

10.2 By the Association. In addition to the provisions concerning annexations by Declarant specified in Section 10.1 above, additional real property may be annexed to the Property, 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.

10.3 Rights and Obligations of Owners of Annexed Property. Subject to the provisions hereof, upon recording of a Supplemental Declaration as to any additional real property, all provisions contained in this Declaration shall apply to the additional real property in the same manner as if it were originally covered by this Declaration.

10.4 Method of Annexation. The addition of additional real property to the Property authorized under Sections 10.1 and 10.2 shall be made by filing of record a Supplemental Declaration or other similar instrument with respect to the annexed property, which shall be executed by Declarant or the Owner thereof and which shall annex such property to the Property.

10.5 Deannexation. Declarant may delete all or a portion of the real property described on Exhibit A, or any previously annexed real property, from the Property and from coverage of this Declaration and jurisdiction of the Association, so long as Declarant has an interest in such property to be deleted, 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 Declarant as described above shall not be entitled to deannex all or any portion of the Property except on the favorable vote of seventy-five percent (75%) of all members of the Association and written approval of Declarant so long as Declarant owns any portion of the property described on Exhibit "A" or any other real property which is then part of the Property.

10.6 In the event there is ever a separate class of membership held by the Declarant, such as a "Class B" membership, then notwithstanding anything in this Declaration to the contrary, annexation of additional properties, dedication of Common Area, and amendment of this Declaration will require prior approval of the

United States Department of Housing and Urban Development and the Veterans Administration.

## ARTICLE XI: EASEMENTS

11.1 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, 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.

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

11.3 Drainage and Utility Easements. Declarant 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 Declarant for the installation and maintenance of utilities and drainage facilities that are required for the development of the Property. In addition, Declarant hereby reserves for the benefit of the Association the right to grant additional easements and rights-of-way over the Property, 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.

11.3.1 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 Pine Rock Ridge 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 Declarant, 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 further, 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.

## ARTICLE XII: MISCELLANEOUS

12.1 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 land 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 and restrictions 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.

12.2 Amendment. Except where a greater percentage is required by express provision in this Declaration, and except as provided in Section 6.2 regarding the Drainage Improvements which shall not be amended or modified without the consent of Spokane County, the provisions in this Declaration 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 two-thirds (2/3) of the votes of Owners of Building Lots. Provided, so long as Declarant owns any portion of the Property, including any Building Lot, any amendment shall also require the written consent of the Declarant. Any such amendment shall be effective upon its recordation with the Spokane County Auditor.

12.3 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 seventy-two (72) hours 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.

12.4 Enforcement and Non-Waiver.

12.4.1 Right of Enforcement. Each Owner of any Building Lot, the Declarant, and the Association shall each have the right to enforce any or all of the provisions hereof against any property within the Property and Owners thereof.

12.4.2 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 by the Declarant, the Association or any Owner of a Building Lot(s) 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 Declarant, 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.

12.4.3 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.

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

12.4.5 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.

12.6 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.



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12.7 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.

16<sup>th</sup> IN WITNESS WHEREOF, the parties hereto have set their hands and seals this April day of 2003.

DECLARANT:

GUS AND TOM ENTERPRISES, INC.

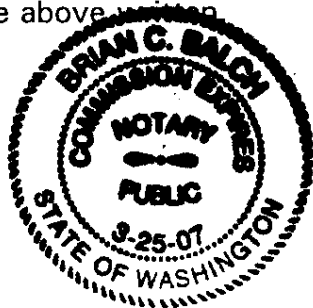
By: Louise E. Gustin

By: Maxine Bachman

STATE OF WASHINGTON )  
 )ss.  
COUNTY OF SPOKANE )

On this 16<sup>th</sup> day of April 2003 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Louise E. Gustin and Maxine Bachman to me known to be the President and Special Director of Gus and Tom Enterprises, Inc. a Washington corporation, the corporation that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



Brian G. Balch  
NOTARY PUBLIC in and for the State of Washington, residing at Spokane.  
My commission expires: 3/25/07.  
Brian G. Balch  
Printed Name



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EXHIBIT "A"

Spokane Co, WA

That portion of the North half (1/2) of Section 34, T. 25 N., R. 44 E.W.M. in Spokane County, Washington, described as follows:

Begin at the SW corner of MIDILOME EAST 2ND ADDITION, as recorded In Book 26 of Plats, page 35 in Spokane County Washington, the next 5 courses along the South line of Midilome East 2nd and 3rd Additions; thence S 89°53'11"E 150.00 feet; thence S 82°20'58"E 50.44 feet; thence S 89°53'11"E 1046.64 feet; thence N 47°38'00"E 67.93 feet; thence S 89°55'42"E 125.00 feet to a point on the East line of the West 119.04 feet of the NE 1/4, of said Section 34, and the SE corner of said 3rd Addition; thence S 00°14'25"W, along said East line, 444.64 feet; thence S 84°41'46"W 125.06 feet; thence N 49°52'02"W 45.37 feet; thence S 87°07'33"W 100.85 feet, thence S 73°14'30"W 89.28 feet; thence S 59°09'09"W 89.28 feet; thence S 45°21'07"W 86.36 feet; thence S 39°43'14"W 59.35 feet; thence N 50°16'46"W 109.00 feet; thence N 38°49'01"E 10.12 feet; thence N 50°16'46"W 125.00 feet; thence N 18°32'14"W 36.85 feet; thence N 56°06'00"W 139.69 feet; thence N 32°33'42"E 18.81 feet; thence N 00°14'25"E 37.80 feet; thence N 79°28'42"W 163.84 feet to a point on a curve concave to the Northwest with a radius of 235.00 feet and a radial bearing of S 79°28'42"E thence Southwesterly, through a central angle of 29°11'56", and arc distance of 119.76 feet to the end of curve; thence S 39°43'14"W 101.31 feet; thence N 89°53'11"W 207.17 feet; thence N 00°06'49"E 8.50 feet to the beginning of a curve concave to the East with a radius of 265.00 feet; thence Northeasterly, through a central angle of 1°08'41" an arc distance of 5.29 feet; thence N 89°53'11"W, on a non-tangent bearing, 124.05 feet to the intersection with a line bearing S 00°06'49"W from the Point of Beginning; thence N 00°06'49"E 390.32 feet to the Point of Beginning.

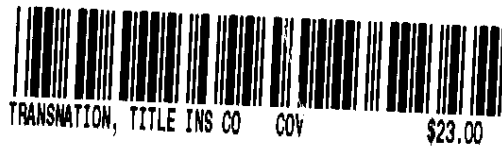
Situate in the County of Spokane, State of Washington.

SAVE AND EXCEPT the following described property:

That portion of the North half (1/2) of Section 34, T. 25 N., R. 44 E.W.M. in Spokane County Washington, described as follows:

Begin at the SW corner of MIDILOME EAST 2nd ADDITION, as recorded in Book 26 of Plats, page 35 in Spokane County Washington, the next 3 courses along the South line of said Midilome East 2nd Addition; thence S 89°53'11"E a distance of 150.00 feet; thence S 82°20'58"E a distance of 50.44 feet; thence S 89°53'11"E a distance of 5.17 feet to the beginning of a non-tangent curve concave to the West with a radius of 50.00 feet and a radial bearing of N44°07'25"E; thence Southeasterly, Southerly and Southwesterly, through a central angle of 136°51'29", and arc distance of 119.43 feet; thence N 89°01'06"W a distance of 169.70 feet to the intersection with a line bearing S 00°06'49"W from the Point of Beginning; thence N 00°06'49"E a distance of 90.00 feet to the Point of Beginning.

Situate in the City of Spokane Valley, County of Spokane, State of Washington.



After recording return to:

BRIAN C. BALCH  
LAYMAN, LAYMAN & MCKINLEY, PLLP  
601 S. DIVISION STREET  
SPOKANE, WA 99202-1335

101603.3-5

Reference # (if applicable): \_\_\_\_\_  
Grantor(s): (1) Gus and Tom Enterprises, Inc. (2) \_\_\_\_\_  
Grantee(s): (1) \_\_\_\_\_ (2) \_\_\_\_\_  
Additional Grantor(s) on pg. \_\_\_\_\_ Additional Grantee(s) on pg. \_\_\_\_\_  
Legal Description (abbreviated): \_\_\_\_\_  
Additional legal(s) on page N 1/2 34-25-44 Exhibit A  
Assessor's Tax Parcel ID# ~~84808~~ 45345.9117

**FIRST AMENDMENT TO DECLARATION ESTABLISHING  
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR  
PINE ROCK RIDGE**

The Declaration Establishing Covenants, Conditions, and Restrictions for Pine Rock Ridge recorded May 2, 2003 in the Office of the Spokane County, Washington Auditor under Recording No. 4887806 (the "Declaration") is amended by this First Amendment (this "Amendment"), as follows:

1. The second paragraph in Section 4.1 is amended in its entirety to read

All dwellings shall utilize "double wall" construction on all sides of the home, and except as provided below, the exterior shall only be sided with lap siding. The right is reserved to the Architectural Committee, in its discretion, to impose additional requirements regarding construction materials to be used in construction of the fronts of dwellings, such as a requirement to include a masonry or



rock accent area equal to 5% of the surface area of the front of the dwelling.

2. The first paragraph of Section 4.3 is revised to read

4.3 Vehicle and Equipment Restrictions. No more than one of the following vehicles, whether personal or recreational, shall be allowed and the same must be parked behind the front edge of the dwelling on such lot: travel trailer, camper, motor home, recreational vehicle, boat and trailer, commercial vehicle, bus, or truck (except for purposes of loading and unloading of passengers or personal property). No inoperable automobile, and no vehicle which is in an extreme state of disrepair, shall be permitted to remain upon any Building Lot, dedicated street or other area within the Property, other than temporarily for emergency repairs, unless placed or maintained within an enclosed garage. Commercial vehicles shall not include sedans, service vans or standard size pickup trucks that are used for both business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be reasonably unobtrusive and inoffensive. No noisy or smoky vehicle shall be operated on the Property. No off-road unlicensed motor vehicle shall be maintained or operated within the Property, except as reasonably necessary to the execution and the rights and duties of the Declarant under this Declaration. No goods, equipment, material, supplies or vehicles used in connection with any trade, service, or business whenever conducted, shall be kept parked, stored, dismantled, or repaired outdoors on any Building Lot, or any dedicated street within the Property.

3. Section 4.15 is revised in its entirety to read

4.15 Fences, Walls. No fence, wall, hedge or mass planting, which operates as a sight-obscuring barrier may extend nearer to a street abutting the property than the closest edge of the dwelling constructed on said Building Lot. No fence, in any location on a Building Lot, shall be allowed to extend more than six feet in height. However, nothing in this subparagraph shall be construed as preventing the erection of a necessary retaining wall. No wire, cyclone or metal fencing of any kind shall be permitted on any Building Lot. All fences shall be white vinyl fences matching that installed along the Common Area. The use of buried barrier systems, that are not visible



from above ground to control or restrain dogs to the respective animal owners' Building Lot, such as "invisible fencing," is expressly permitted along property boundaries. Such systems are not considered fences for purposes of this Section 4.15.

4. Section 4.16 is revised in its entirety to read

4.16 Antenna. Except to the extent required to be permitted by law, no radio, citizens band, or other communication antenna shall be erected upon any Building Lot or dwelling except for standard television antennas/dishes or similar receivers that are reasonably unobtrusive and inoffensive (which shall include satellite dishes no larger than 24 inches in diameter).

Except as amended, the Declaration shall remain in full force and effect as originally drafted.

Pursuant to Section 12.2 of the Declaration, the undersigned certify that the parties executing this Amendment provide written consent to this Amendment on behalf of Owners representing more than two-thirds (2/3) of the votes of the Owners of Building Lots, and that the undersigned are authorized on behalf of Declarant to consent to this Amendment. This Amendment shall be effective upon its recordation with the Spokane County, Washington Auditor.

*[remainder of page intentionally left blank]*

GUS AND TOM ENTERPRISES, INC.



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Spokane Co, WA

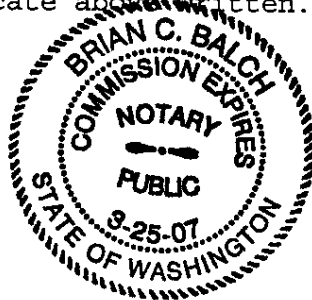
By: *Louise E. Gustin*  
Louise E. Gustin, President

By: *Maxine Bachman*  
Maxine Bachman, Special Director

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SPOKANE )

On this 10<sup>th</sup> day of October 2003 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Louise E. Gustin and Maxine Bachman to me known to be the President and Special Director, respectively, of Gus and Tom Enterprises, Inc., a Washington corporation, the corporation that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



*Brian C. Balch*

NOTARY PUBLIC in and for the State of Washington, residing at Spokane.

My commission expires: 3/25/07

Brian C. Balch  
Printed Name



EXHIBIT

TRANSACTION, TITLE INS CO COV

\$23.00

That portion of the North half (1/2) of Section 34, T. 25 N., R. 44 E.W.M. in Spokane County, Washington, described as follows:

Begin at the SW corner of MIDILOME EAST 2ND ADDITION, as recorded in Book 26 of Plats, page 35 in Spokane County Washington, the next 5 courses along the South line of Midilome East 2nd and 3rd Additions; thence S 89°53'11"E 150.00 feet; thence S 82°20'58"E 50.44 feet; thence S 89°53'11"E 1046.64 feet; thence N 47°38'00"E 67.93 feet; thence S 89°55'42"E 125.00 feet to a point on the East line of the West 119.04 feet of the NE 1/4, of said Section 34, and the SE corner of said 3rd Addition; thence S 00°14'25"W, along said East line, 444.64 feet; thence S 84°41'46"W 125.06 feet; thence N 49°52'02"W 45.37 feet; thence S 87°07'33"W 100.85 feet, thence S 73°14'30"W 89.28 feet; thence S 59°09'09"W 89.28 feet; thence S 45°21'07"W 86.36 feet; thence S 39°43'14"W 59.35 feet; thence N 50°16'46"W 109.00 feet; thence N 38°49'01"E 10.12 feet; thence N 50°16'46"W 125.00 feet; thence N 18°32'14"W 36.85 feet; thence N 56°06'00"W 139.69 feet; thence N 32°33'42"E 18.81 feet; thence N 00°14'25"E 37.80 feet; thence N 79°28'42"W 163.84 feet to a point on a curve concave to the Northwest with a radius of 235.00 feet and a radial bearing of S 79°28'42"E thence Southwesterly, through a central angle of 29°11'56", and arc distance of 119.76 feet to the end of curve; thence S 39°43'14"W 101.31 feet; thence N 89°53'11"W 207.17 feet; thence N 00°06'49"E 8.50 feet to the beginning of a curve concave to the East with a radius of 265.00 feet; thence Northeasterly, through a central angle of 1°08'41" an arc distance of 5.29 feet; thence N 89°53'11"W, on a non-tangent bearing, 124.05 feet to the intersection with a line bearing S 00°06'49"W from the Point of Beginning; thence N 00°06'49"E 390.32 feet to the Point of Beginning.

Situate in the County of Spokane, State of Washington.

SAVE AND EXCEPT the following described property:

That portion of the North half (1/2) of Section 34, T. 25 N., R. 44 E.W.M. in Spokane County Washington, described as follows:

Begin at the SW corner of MIDILOME EAST 2nd ADDITION, as recorded in Book 26 of Plats, page 35 in Spokane County Washington, the next 3 courses along the South line of said Midilome East 2nd Addition; thence S 89°53'11"E a distance of 150.00 feet; thence S 82°20'58"E a distance of 50.44 feet; thence S 89°53'11"E a distance of 5.17 feet to the beginning of a non-tangent curve concave to the West with a radius of 50.00 feet and a radial bearing of N44°07'25"E; thence Southeasterly, Southerly and Southwesterly, through a central angle of 136°51'29", and arc distance of 119.43 feet; thence N 89°01'06"W a distance of 169.70 feet to the intersection with a line bearing S 00°06'49"W from the Point of Beginning; thence N 00°06'49"E a distance of 90.00 feet to the Point of Beginning.

Situate in the City of Spokane Valley, County of Spokane, State of Washington.



After recording return to:

Garth Nicholas Bergh  
Paine Hamblen LLP  
717 West Sprague Avenue, Suite 1200  
Spokane WA 99201

Indexing Data	
Grantor	Pine Rock Ridge Homeowners Assoc.
Grantee	Pine Rock Ridge Homeowners Assoc
Abbreviated Legal Desc.	N 1/2 34-25-44 (Full legal on Exhibit A)
Assessor's Tax Parcel Nos.	45342.2101, 45342.2102, 45342.2103, 45342.2104, 45342.2105, 45342.2106, 45342.2107, 45342.2108, 45342.2109, 45342.2110, 45342.2111, 45342.2112, 45342.2113, 45342.2114, 45342.2115, 45342.2116, 45342.2201, 45342.2202, 45342.2203, 45342.2204, 45342.2205, 45342.2206, 45342.2301, 45342.2302, 45342.2303, 45342.2304, 45342.2401, 45342.2402, 45342.2403, 45342.2404, 45342.2405, 45342.2501, 45342.2502, 45342.2503, 45342.2504, 45342.2505, 45342.2601, 45342.2602, 45342.2603, 45342.2604, 45345.2605, 45341.2606, 45341.2607, 45345.2608, 45345.2609, 45345.2610, 45342.2611, 45342.2701, 45342.2801, 45342.2802, 45342.2803, 45342.2804, 45342.2805, 45342.2806, 45342.2807, 45342.2808, 45342.2809, 45342.2810, 45342.2811, 45342.2812, 45342.2813, 45342.2814, 45342.2815, 45342.3201, 45342.3202, 45342.3203, 45342.3204, 45342.3205, 45342.3206, 45342.3207, 45342.3208, 45342.3101, 45342.2901, 45342.2902, 45342.2903, 45342.2904, 45342.2905, 45342.2906, 45342.2907, 45342.2908, 45342.2909, 45342.3001, 45342.3002, 45342.3003, 45342.3004, 45342.3005, 45342.3006, 45342.3007, 45342.3008, 45342.3009, 45342.3010, 45342.3011, 45342.3012, 45342.3013, 45342.3014, 45342.3015, 45342.3016, 45342.3017, 45342.3018, 45342.3019, 45342.3301, 45342.3302, 45342.3303, 45342.3304, 45342.3305, 45342.3306, 45342.3307, 45342.3308, 45342.3309, 45342.3310, 45342.3311, 45342.3312, 45342.3313, 45342.3314, 45342.3601, 45345.3602, 45342.3603, 45342.3604, 45342.3605, 45342.3401, 45342.3402, 45342.3403, 45342.3404, 45342.3405, 45342.3406, 45342.3407, 45342.3408, 45342.3409, 45342.3410, 45342.3411, 45342.3412, 45342.3413, 45342.3414, 45342.3415, 45342.3416, 45342.3417, 45342.3418, 45342.3419, 45345.3501, 45345.3502, 45345.3503, 45345.3504, 45345.3505, 45345.3506, 45345.3507, 45345.3508, 45345.3509, 45345.3510, 45345.3511, 45342.3512, 45342.3513, 45342.3514, 45342.3515, 45342.3518, 45342.3519, 45342.3520, 45342.3521, 45342.3522, 45234.2117, 45234.2612

617 SM3095  
**SECOND AMENDMENT TO DECLARATION ESTABLISHING  
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR PINE ROCK RIDGE**

The Declaration Establishing Covenants, Conditions, and Restrictions for Pine Rock Ridge recorded May 2, 2003 in the Office of the Spokane County, Washington Auditor under Recording No. 4887806, as amended by a First Amendment recorded October 16, 2003 under Recording No. 4983460 (the "Declaration") is further amended by this Second Amendment (this "Amendment"), as follows:

1. A new Section 4.0 is added to the Declaration as follows:

4.0 Improvements and Alterations to Property. Improvements and alterations to any Building Lot or the Property must be in harmony with the aesthetics of the surrounding structures and topography with regard to design and finished appearance as determined by the Architectural Committee in its discretion. No improvement, including without limitation, any residence, building, fence, wall, obstruction, balcony, screen patio, patio cover, awning, carport, carport cover, or other structure of any kind, shall be commenced, erected, painted or maintained within the Property, nor shall any alteration of any improvement be made until the same has been approved in writing by the Architectural Control Committee, described in

Article IX below and hereinafter referred to as the "Committee." Plans and specifications showing the nature, color, materials and location of such improvements or alterations shall be submitted to the Committee for approval of the external appearance of the proposed construction. No permission or approval shall be required to rebuild, repair or repaint improvements in accordance with the plans and specifications previously approved by the Committee for that Building Lot.

2. Section 4.9 of the Declaration is deleted in its entirety.

Except as amended, the Declaration, as previously amended, shall remain in full force and effect.

Pursuant to Section 12.2 of the Declaration, the undersigned certify that the parties executing this Amendment provide written consent to this Amendment on behalf of the Owners representing more than two-thirds (2/3) of the votes of the Owners of Building Lots, and that the undersigned are authorized to consent to this Amendment. This Amendment shall be effective upon its recordation with the Auditor of Spokane County, Washington.

DONE as of May 4, 2011

PINE ROCK RIDGE HOMEOWNERS ASSOCIATION, A Washington non-profit corporation

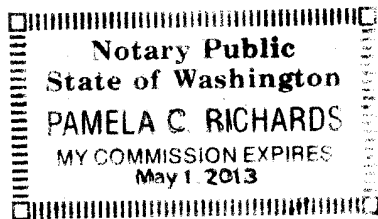
By: *Eric D. Lobdell*  
Eric D. Lobdell, President

By: *Kathy Sisser*  
Kathy Sisser, Secretary

STATE OF WASHINGTON        )  
  )ss.  
COUNTY OF SPOKANE        )

On this 17<sup>th</sup> day of May 2011, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Eric D. Lobdell and Kathy Sisser to me known to be the President and Secretary, respectively, of Pine Rock Ridge Homeowners Association, a Washington non-profit corporation, the corporation that executed the foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.



*Pamela C Richards*  
Print Name: *Pamela C Richards*  
Notary Public in and for the State of Washington, residing at *Spokane*  
My commission expires: *May 1, 2013*

EXHIBIT A

That portion of the North half (1/2) of Section 34, T. 25 N., R. 44 E.W.M. in Spokane County, Washington, described as follows:

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SAVE AND EXCEPT the following described property:

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Situate in the City of Spokane Valley, County of Spokane, State of Washington.