DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
ALDERWOOD ESTATES ADDITION

Grantor: (1) David C. Finkle; (2) Arlene K. Finkle.
Grantee: (1) Alderwood Estates Addition; (2) Public.
Legal Description (abbreviated): Pts of the South 1/2 of Gov't Lot 5 3-24-44.
Additional legal on pages 1 and 2.
Tax Parcel No: 44032.9159

This Declaration of Covenants, Conditions and Restrictions, made on the date hereinafter set forth by David C. Finkle and Arlene K. Finkle, husband and wife, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in County of Spokane, State of Washington, which has been specifically described and identified as Alderwood Estates Addition, legally described as follows:

The West 1220 feet of the South half of the South half Government Lot 5;

EXCEPT that portion of the West 195 feet thereof bounded on the North by the South line of the North 250 feet of the South half of the South half of Government Lot 5;

AND EXCEPT County Road as conveyed by Right of Way Deed recorded under Auditor's File No. 495044 & (495043) in Section 3, Township 24 North, Range 44 East of the Willamette Meridian;

AND the West 1220 feet of the North 10 acres of Government Lot 8 in Section 3, Township 24 North, Range 44, East of the Willamette Meridian;

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TOGETHER WITH the West 1220 feet of the following described strip of land adjoining the same on the South, more particularly described as follows: (County Superior Court Case No. 158661-A Quiet Title Action)
BEGINNING on the West line of said Government Lot 8 at a point 164.35 feet South of the Northwest corner thereof; Thence along a line drawn parallel with and 164.35 feet distant Southerly from the North line of said Government Lot 8, 1448.3 feet; 
Thence South 67°21' West, 102.83 feet; 
Thence North 89°49' West, 325 feet; 
Thence North 89°37.5' West, 1028.3 feet to the West line of said Government Lot 8; 
Thence Northerly along said West line 28.2 feet to the Point of Beginning;

EXCEPT the West 195 feet of Government Lot 8;

Situate in the County of Spokane, State of Washington.

Tax Parcel No.44032.9159

hereinafter referred to as the "Property"; and

WHEREAS, Declarant has subdivided the Property into separate lots, roads and drives, and has constructed or will construct thereon certain community improvements and, thereafter, the lots will be sold to the general public (or to builders) for the construction of residential dwellings establishing a residential community; and

WHEREAS, the development shall be hereinafter referred to as the "Project", and each owner shall receive fee or equitable title to an individual lot (with the right and obligation to construct a dwelling thereon) and a membership in the Alderwood Estates Homeowners Association, which shall have certain administrative and maintenance responsibilities in the Project; and

WHEREAS, Declarant intends by this document to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all of the said lots and the owners thereof;

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold and improved, subject to the following declarations, limitations, covenants, conditions, restrictions, and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property, and the Project, and every part thereof, in accordance with the plan for the improvements of the Property and the division thereof into a residential subdivision. All of the limitations, covenants, conditions, restrictions, and easements shall constitute covenants which shall run with the land and shall be perpetually binding upon Declarant, its successors and assigns, and all parties having or acquiring any rights, title, or interest in or to any part of the Property or the Project.

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ARTICLE 1
DEFINITIONS

1.1 "Assessment" shall mean that portion of the cost of maintaining, improving, repairing, operating, and managing the Property which is to be paid by each Lot Owner as determined by the Association under this Declaration.

1.2 "Association" shall mean and refer to the Alderwood Estates Homeowners Association, the members of which shall be owners of the lots in the Project.

1.3 "Board" or "Board of Directors" shall mean and refer to the governing body of the Association.

1.4 "Bylaws" shall mean and refer to the Bylaws of the Association as amended from time to time.

1.5 "Common Expenses" means and includes the actual and estimated expenses of administration of the Association, and of the maintenance, repair, or replacement of those parts of the Project for which the Association is responsible, and any reasonable reserve for such purposes as found and determined by the Board and all sums designated common expenses by or pursuant to the Project Documents.

1.6 "Declarant" shall mean and refer to David C. Finkle and Arlene K. Finkle, husband and wife, and their successors-in-interest and assigns with respect to the Property.

1.7 "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, as it may be amended from time to time.

1.8 "Dwelling" shall mean and refer to any residential structure (and appurtenant improvements) constructed or to be constructed upon any individually owned lot in the Project.

1.9 "Common Property" shall mean and refer to the land, together with any improvements constructed or to be constructed thereon, described as such on Exhibit "A" attached hereto and incorporated herein by this reference.

1.10 "Lot" shall mean and refer to any particular and separately designated parcel of land resulting from the subdivision of the Project according to the Subdivision Plat, and sold or held for sale to members of the general public. The term Lot shall not, however, include property owned by the Association, Common Property, or dedicated roads and drives.

1.11 "Member" shall mean and refer to a person entitled to membership in the Association as provided herein.

1.12 "Owner" or "Owners" shall mean and refer to the record owner or holder of fee or (Restrictive Covenants for Alderwood Estates Addition - Page 3 of 3)
equitable title to a Lot in the Project. This shall include any person having a fee simple title to any Lot, but shall exclude persons or entities having any interest merely as security for the performance of any obligation. Further, if a Lot is sold under a contract of sale (which contract or notice thereof is recorded), the contract purchaser, rather than the fee owner, shall be considered the "Owner".

1.13 "Project" shall mean and refer to the entire Property including all structures and improvement erected or to be erected upon the above-described real property.

1.14 "Project Documents" means and includes this Declaration as it may be amended from time to time, the exhibits attached hereto, the Subdivision Plat, and Bylaws of the Association, and the rules and regulations for the members as established from time to time.

1.15 "Property" or "Properties" means and includes the real property covered by this Declaration, and all improvements erected thereon and all property, real, personal or mixed, intended for or used in connection with the Project.

1.16 “Private Road and Private Drive” shall refer to those parts of the Project which have and will become the access for any Lots within the Project to a public roadway.

ARTICLE 2
DESCRIPTION OF PROJECT, DIVISION OF PROPERTY AND CREATION OF PROPERTY RIGHTS AND OBLIGATIONS.

2.1 Description of Project. The Project consists of the underlying Property with the residential Dwellings and all other improvements and systems located or to be located thereon, regardless of the ownership thereof.

2.2 Division of Property. The Property and its management responsibility are hereby divided as follows:

2.2.1 Lots and Dwellings. Each of the Lots as separately shown, numbered and designated on the Subdivision Plat shall be conveyed to and owned by an individual purchaser or purchasers, subject to the requirements and restrictions set forth in this Declaration. Each Owner shall have the right and obligation to construct a Dwelling on his Lot, subject to the restrictions set forth in Article 9 below. The Owner of each Lot, by virtue of such ownership, shall automatically become a Member in the Association.

2.2.2 Private Roads and Private Drives. Private Roads and Private Drives have been dedicated and platted as primary access to the lots of said Project and such Private Roads shall be maintained and repaired by the Home Owners Association. Private Drives within the Project shall be maintained and repaired by the Owner(s) of those lots within which the Private Drive exists. The Public Roadway adjacent to the Project, Madison Road, is dedicated to and shall be maintained by Spokane County.

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2.2.3 Common Property. The Common Property, described in Exhibit B, shall be owned in equal undivided interests by all Property Owners. As the owner of an undivided interest, each Property Owner shall have the right to an easement of use and enjoyment in and to the Common Property. Property Owner shall be responsible for an equal share of the cost of taxes, claims, managing, maintaining, repairing, improving and insuring the Common Property, which management, maintenance, repair, improvements and insurance shall be provided for as part of the Assessments, as outlined in Article 4. The fractional undivided common interest appurtenant to each lot owned by the Property Owner is declared to be permanent in character and cannot be altered without the consent of all Owners affected (and the consent of any mortgagees affected), as expressed in a recorded instrument. Such common interest cannot be separated from the Lot to which it is appurtenant. The drainage facilities will be maintained in accordance with the accepted Operations and Maintenance Manual on file at the Spokane County Engineer's Office, as prepared for this project by Storhaug Engineering.

ARTICLE 3
ASSOCIATION, ADMINISTRATION, MEMBERSHIP
AND VOTING RIGHTS

3.1 Association to Manage Project. The owners of all the Lots covenant and agree the administration of the Project shall be in accordance with the provisions of this Declaration, and the Bylaws of the Association, subject to the standards set forth in this Declaration and all applicable laws, regulations and ordinances of any governmental or quasi-governmental body or agency having jurisdiction over the Project. Notwithstanding the generality of the foregoing, the primary function of the Association shall be the enforcement of the restrictions set forth in this Declaration, the maintenance of Common Property and easements as set forth in the Plat of Alderwood Estates.

3.2 Membership. The owner of a Lot shall automatically, upon becoming an Owner, be a Member of the Association, and shall remain a Member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership shall be in accordance with the Bylaws of the Association.

3.3 Transferred Membership. Membership in the Association shall not be transferred, pledged or alienated in any way, except upon the transfer of ownership of the Lot to which it is appurtenant, and then only to the new Owner. Any attempt to make a prohibited transfer is void. In the event the Owner of any Lot should fail or refuse to transfer the membership registered in his name to the purchaser of his Lot, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller be null or void.

3.4 Classes of Membership. The Association shall have two (2) classes of voting membership established according to the following provisions:

3.4.1 Class A Membership. Class A Membership shall be that held by each Owner of a Lot other than Declarant, and each Class A Member shall be entitled to one (1) vote for each Lot owned. If a Lot is owned by more than one (1) person, each such person
shall be a Member of the Association, but there shall be not more than one vote for each lot.

3.4.2 Class B Membership. Class B Membership shall be that held by Declarant (or their successors-in-interest) who shall be entitled to three (3) votes for each Lot owned by Declarant; provided that Class B Membership shall be converted to Class A Membership and shall forever cease to exist on the occurrence of whichever of the following is first in time:

3.4.2.1 When the total outstanding votes held by Class A Members equals the total outstanding votes (tripled as above) held by the Class B Members. Once Class B Membership is converted, it shall forever cease to exist; or

3.4.2.2 On the fifth anniversary of the recordation of this Declaration.

3.5 Voting Requirements. Except where otherwise expressly provided in this Declaration, or the Bylaws, any action by the Association which must have the approval of the Association Membership before being undertaken shall require the vote or written assent of the prescribed percentage of the total voting power (both classes) of the Association.

3.6 Membership Meetings. Regular and special meetings of Members of the Association shall be held with the frequency, at the time and place, and in accordance with the provisions of the Bylaws of the Association.

3.7 Board of Directors. The affairs of the Association shall be managed by a Board of Directors, which shall be established, and which shall conduct regular and special meetings according to the provisions of the Bylaws of the Association.

ARTICLE 4

MAINTENANCE AND ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Project, hereby covenants, and each Owner of any Lot by acceptance of a deed or contract therefore, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agree to pay to the Association: (1) general annual assessments or charges, and (2) special assessments for capital improvements and unexpected expenses, such assessments to be established and collected as provided herein and in the Bylaws of the Association. The regular and special assessments, together with interest, costs, and actual attorneys' fees, shall be a charge and a continuing lien upon the Lot against which each assessment is made, the lien to become effective upon levy of the assessment. Each such assessment, together with interest, costs, and actual attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. No Owner of a Lot may exempt himself from liability for the contribution toward the common expenses by waiver of the use or enjoyment of any part of the Project or by the abandonment of his Lot.

4.2 Purpose of Assessments. The assessments levied by the Association shall be used
exclusively to promote the health, safety and welfare of all the residents in the entire Project, and shall include (as part of the regular periodic assessments) an adequate reserve for maintenance, repairs and replacement of those areas and facilities owned and managed by the Association, and which must be replaced on a periodic basis. Specifically, and without limiting the generality of the foregoing, the assessments shall be used to cover expenses of administering the Association, of enforcing the covenants, conditions, and restrictions of Declaration, of providing for the insurance for the Association, and of providing for the maintenance of Common Property and private roads within the Project.

4.3 General Assessments. Until the first day of the fiscal year immediately following the closing of the sale of the first Lot in the Project, the regular annual assessment per Lot shall be $200.00 per year or such amount as is set forth in the Project budget prepared by Declarant, payable in periodic installments as determined by the Board. Each Lot's share for the first Association fiscal year shall be prorated based on the number of months remaining in that fiscal year. Thereafter, the Board shall determine and fix the amount of the annual assessment against each Lot at least sixty (60) days in advance of the beginning of each fiscal year.

4.4 Special Assessments. In addition to the regular assessments authorized above, the Board may levy, in any fiscal year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement within the Project, including fixtures and personal property related thereto, or to defray any unanticipated or underestimated regular assessment. Special assessments may also be levied against an individual Lot and its Owner to reimburse the Association for costs incurred in bringing that Owner and his Lot into compliance with the provisions of this Declaration and the Bylaws, including attorneys' fees and costs.

4.5 Allocation of Assessments. Each Lot, including Lots owned by Declarant, shall bear an equal share of each regular and special assessment (except for special assessments imposed against an individual Lot and its Owner under the preceding Subparagraph).

4.6 Date of Commencement of Assessment; Due Dates. The general annual assessments provided for herein shall commence as to all Lots in the Project on the first day of the month following closing of the sale of the first Lot in the Project. Due dates of the assessments shall be established by the Board of Directors and be set forth in an annual notice, along with the amount of the general annual assessment.

4.7 Transfer of Lot by Sale or Foreclosure. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure shall extinguish the lien for and lien of such assessments as to payments which become due prior to such sale or transfer (except for assessment liens recorded prior to the mortgage). Such unpaid dues or charges shall be deemed to be common expenses collectible from all of the Lots including such mortgagee. In a voluntary conveyance of a Lot the grantee of the same shall be Jointly and severally liable with the grantor for all unpaid assessments by the Association against latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right

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to recover from the grantor the amounts paid by the grantee therefore. However, any such grantee shall be entitled to a statement from the Association, setting forth the amount of the unpaid assessments due the Association and such grantee shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any excess of the amount set forth in the statement; provided, however, the grantee shall be liable for any such assessment becoming due after the date of any such statement.

4.8 Enforcement of Assessment Obligations; Priorities; Discipline. If any part of any assessment is not paid and received by the Association or its designated agent within ten (10) days after the due date, an automatic late charge of Ten Dollars ($10.00) shall be assessed and additional Twenty-five Dollars ($25.00) sums shall be assessed for each month or fraction thereof from the due date until the assessment and all late charges are paid. Each assessment shall constitute a lien on each respective Lot prior and superior to all other liens except (1) all taxes, bonds, assessments and other levies which, by law, would be superior thereto, and (2) the lien or charge of any mortgage or deed of trust of record made in good faith and for value. Such lien, when delinquent, may be enforced by sale by the Association, its attorney or other person authorized by this Declaration or by law to make the sale, after failure of the Owner to pay such assessment, in accordance with the provisions of Washington law applicable to the exercise of powers of sale in deeds of trust, or by judicial foreclosure as a mortgage, or in any other manner permitted by law. The Association, acting on behalf of the Lot Owners, shall have the power to bid for the Lot at the foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses, rent and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same. The Board may impose reasonable monetary penalties including actual attorneys' fees and costs and may temporarily suspend the Association membership rights of a Lot Owner who is in default in payment of any assessment, after notice and hearing according to the Bylaws.

ARTICLE 5
DUTIES AND POWERS OF THE ASSOCIATION

5.1 Duties and Powers. In addition to the duties and powers enumerated in the bylaws or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

5.1.1 Maintain, repair, replace and manage all private roads, landscape materials, grass, automatic landscape irrigation system, signs, and fencing identified as Common Property on Exhibit B.

5.1.2 Enforce the provisions of this Declaration by appropriate means, including without limitation, the expenditures of funds of the Association, the employment of legal counsel, and the commencement of actions.

5.1.3 Maintain such policy or policies of insurance as are required by this Declaration or as the Board deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its Members.

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5.1.4 Have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, subject to the Bylaws and restrictions imposed by any governmental or quasi-governmental body or agency having jurisdiction over the Project.

5.1.5 Adopt reasonable rules not inconsistent with this Declaration, or the Bylaws relating to the use of particular areas within the Project, and the conduct of Owners and their tenants and guests with respect to the Property and other Owners.

5.2 Association Easements and Access to Lots. For the purpose of performing the maintenance authorized by this Article or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Association (and its agents and employees) shall have an easement over and onto all portions of the Project, and shall also have the right, after reasonable hours, to enter any Lot.

ARTICLE 6
UTILITIES

6.1 Owners’ Rights and Duties. The rights and duties of the Owners of Lots within the Project with respect to utilities shall be as follows:

6.1.1 Whenever sanitary sewer, water, electric, gas, television receiving, or telephone lines or connections are located or installed within the Project, which connections, or any portion thereof, is in or upon Lots owned by other than the Owner of a Lot served by said connections, the Owners of any Lots served by said connections shall have the right, and are hereby granted an easement to the full extent necessary therefore, to enter upon the Lots or to have the utility connections, or any portion thereof lie, to repair, replace and generally maintain said connections as and when necessary.

6.1.2 Whenever sanitary sewer, water, electric, gas television receiving, or telephone lines or connections are located or installed within the Project which connections serve more than one Lot, the Owner of each Lot served by said connection shall be entitled to the full use and enjoyment of such portions of said connections as service his lot.

6.1.3 In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, then, 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 the decision of the Board shall be final and conclusive on the parties.

6.2 Street Lights. The cost and expense of installation shall be provided by the developer. Maintenance and operation shall be billed to and paid by the owners of Lots within the Alderwood Estates Addition in accordance with the rules and regulations set forth by Inland Power & Light.

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6.3 Easements for Utilities and Maintenance. Easements over and under the Property for the installation, repair, and maintenance of sanitary sewer, water, electric, gas, and telephone lines and facilities, such as may be hereafter reasonably required to service the Property, are hereby reserved by Declarant and its successors-in-interest and assigns, including the Association, together with the right to grant and transfer the same: provided, however, that no such reservation or grant of an easement shall unreasonably interfere with the use or occupation of any Lot by its Owners, or the construction of a Dwelling on any Lot.

6.4 Underground Utilities. In the interest of public health and safety and in the interest of avoiding the presence of unsightly poles and structures, all utilities to be installed within the Project shall be buried in accordance with the best standard practices presently in use for the burying of such utilities and as approved by the Architectural Committee.

ARTICLE 7
COVENANTS FOR MAINTENANCE

7.1 Lots to be Kept in Good Repair; Creation of Lien. Each owner shall keep all Lots owned by him, and all improvements thereon, in good order and repair, including, but not limited to, the seeding, watering and mowing of all lawns, the pruning and cutting of all trees and shrubbery, and the painting (or other appropriate exterior care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management. Garage interiors shall be maintained in a clean and orderly manner, so as to avoid the danger of fire. If, in the opinion of the "Architectural Committee" as hereinafter defined, any owner fails to perform the duties imposed by the Association, after approval by a two-thirds (2/3) decision of the Association Board, and after fifteen (15) days written notice to the owner to remedy the condition in question, the committee shall have the right, through its agents and employees, to enter upon the Lot in question and to repair, maintain, repaint and restore the Lot or such improvements and the cost thereof shall be a binding, personal obligation of such Owner as well as a lien (enforceable in the same manner as a mortgage) upon the Lot in question.

7.2 Bona Fide Purchaser Not Responsible for Lien. The lien provided in Section 7.1 hereof shall not be valid as against a bona fide purchaser (or bona fide mortgagee) of the Lot in question unless a suit to enforce said lien shall be filed in a court of record in Spokane County prior to the recordation among the land records of Spokane County of the deed (or mortgage) conveying the Lot in question to such purchaser (or subjecting the same to such mortgage).

ARTICLE 8
USE RESTRICTIONS: GENERAL COVENANTS

8.1 Alderwood Estates Addition Governmental Regulation: Strictest Standards Control. Restrictions shall not be taken as permitting any action or thing prohibited by the zoning laws, or the laws, rules or regulations of any governmental authority, or by specific restrictions imposed by any deed or lease. In the event of any conflict, the most restrictive provision of such laws, rules,
regulations, deeds, leases or restrictions shall be taken to govern and control.

8.2 Restriction Against Manufacturing or Commercial Enterprise. No trade, craft, business, profession, commercial or manufacturing enterprise or business or commercial activity of any kind shall be conducted or carried on upon any residential lot, or within any building located on a residential lot. No goods, equipment, materials, supplies or vehicles (including buses, trucks and trailers of any description) used in connection with any trade, service, or business wherever the same may be conducted shall be kept, parked, stored, dismantled or repaired outdoors on any residential lot or on any road or drive within Alderwood Estates Addition. Nothing shall be done on any residential lot which may be or become a public or private nuisance. This restriction shall not be construed, however, as preventing the maintenance of a home office such as, but not limited to, real estate or accounting.

8.3 Land Use and Building Type. No Lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any Lot other than one single-family dwelling not to exceed 2 stories in height. All buildings must be of wood frame construction and stick built on site. No buildings shall be moved onto the property.

8.4 Temporary Structures. No structure or a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently except that tents may be used by Owner or his or her family in "camping out."

8.5 Restriction Against Subdividing. No Lot shall be split, divided, or subdivided for sale, resale, or gift for the purpose of creating another building site.

8.6 Disposable Items. No trash, garbage, rubbish, refuse, or other solid waste of any kind, including particularly inoperable automobiles, appliances and furniture, shall be thrown, dumped, stored, disposed of, or otherwise placed on any part of the Real Property. Garbage and similar solid waste shall be kept in sanitary containers well suited for the purpose. The Owner or occupant of any Lot shall be responsible for the cost of any garbage or solid waste removal.

8.7 Water Pollution - Prevention. In the interest of public health and sanitation, and so that the above-described land and all other land in the same locality may be benefited by a decrease in the hazards of stream pollution and by the protection of water supplies, recreation, wildlife, and other public uses thereof, an Owner will not use his Lot or Lots for any purpose that would result in the pollution of any waterway that flows through or is adjacent to such Lots by refuse, sewage, or other material that might tend to pollute the waters of any such stream or streams or otherwise impair the ecological balance of the surrounding lands.

8.8 Signs. No sign of any kind shall be displayed to the public view on any Lot except one professional sign of not more than one square foot or one sign of not more than five square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

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8.9 Restriction Against Fuel Tanks. No fuel tanks shall be maintained on any Lot.

8.10 Animals.

8.10.1 No animal, livestock or poultry of any kind may be raised, bred or kept on any lot. However, cats, dogs, birds or other household pets may be kept in any lawful manner if they are not kept, bred, or maintained for any commercial purpose.

8.10.2 Any animals not restricted shall be properly sheltered and cared for. The Home Owners Association retains the right to limit the number of non-restricted animals, by a majority vote, should it become apparent the number of animals has become an annoyance or nuisance.

8.10.3 Dogs shall be leashed or penned, and not allowed to run loose except under close supervision.

8.11 Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

8.12 Recreational Vehicles and Equipment. Recreational vehicles and equipment, including campers, toppers, motor homes, camp trailers, boats, motorcycles, snowmobiles and the like are not to be used in Alderwood Estates Addition, either in the Common Property or any Lot and such vehicles and equipment must be stored in an attached enclosed garage, except RV's shall be permitted to park behind a solid fence.

8.13 External Lights. All external lighting shall be non-glare.

8.14 Vehicles. No vehicle in excess of 14,000 pounds gross weight (including campers, motorhomes, business, boats, trucks and trailers of any description) used for private purposes may be kept, parked, stored, dismantled or repaired outdoors on any residential Lot or on any road or drive within Alderwood Estates Addition (see 8.12 R.V. exception). No Owner shall permit any vehicle owned by him, or any member of his family or by an acquaintance, which is in an extreme state of disrepair, to be abandoned or to remain parked upon his Lot or upon any road or drive within Alderwood Estates Addition for a period in excess of 48 hours. A vehicle shall be conclusively presumed to be in a state of extreme disrepair when, in the opinion of the Board, its presence offends the reasonable sensibilities of the Lot Owners in Alderwood Estates Addition. The Board may grant exceptions to any provision of this section for periods of not more than 14 days when requested by a Lot Owner, which exception may not be renewed.

8.15 Antennas. No radio or television antenna shall be permitted to extend more than 10 feet above the roof line of any residence without the written approval of the Architectural Committee obtained in the manner described in Section 9.1.
8.16 Energy Devices. Energy generating and storage facilities, including, but not limited to, solar panels and their appurtenances, windmills and other wind-propelled equipment, fuel tanks, auxiliary generators, heat pumps and air conditioning compressors shall be designed and placed in aesthetic harmony with the other improvements to which they are appurtenant, and shall be insulated so as not to produce an unreasonable level of noise.

8.17 Firearms. The use of firearms or explosives is prohibited, except as required for construction work duly authorized by the Architectural Committee.

8.18 Clotheslines. No exterior clotheslines shall be erected or maintained and there shall be no outside laundering or drying clothes.

8.19 Satellite Dishes. No satellite dishes shall be permitted on any Lot without submitting for and obtaining Architectural Committee approval, except a smaller than 24 inch satellite dish may be allowed without having the Architectural Committee approval.

ARTICLE 9
ARCHITECTURAL CONTROL

9.1 Approval of Plans by Architectural Committee. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Project, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to quality of workmanship and materials, and harmony of external design and location in relation to surrounding structures and topography by an Architectural Committee composed of the Declarants and one other member to be determined by the Declarants. A six foot cedar or vinyl fence may be allowed without the Architectural Committee’s approval, in the back yard only.

9.1.1 There shall be not less than three (3) members of the Committee. At this time the three members are: David C. Finkle, Greg Stirn and Kim Endres.

9.1.2 Declarant will appoint all of the original members of the Committee until the tenth anniversary of the recordation of the Declaration.

9.1.3 After ten (10) years from the date of the recordation of this Declaration, Owners shall have the power to appoint all of the members of the Committee.

9.1.4 Once the power to appoint members of the Committee has vested in the Owners, the Declarant shall not reacquire such power.

9.2 The Architectural Committee shall have the right to disapprove any plans and specifications submitted hereunder because of any of the following:

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9.2.1 The failure of such plans or specifications to comply with any of the Alderwood Estates Addition restrictions.

9.2.2 Failure to include information in such plans and specifications as may have been reasonably requested.

9.2.3 Objection to the exterior design, appearance or materials of any proposed structure.

9.2.4 Incompatibility of any proposed structure or use with existing structures or uses upon other Lots in the vicinity.

9.2.5 Objection to the location of any proposed structure upon any Lot or with reference to other Lots in the vicinity.

9.2.6 Objection to the grading plan for any Lot.

9.2.7 Objection to the color scheme, finish, proportions, style of architecture, height, bulk or appropriateness of any proposed structure.

9.2.8 Objection to parking areas proposed for any building on the grounds of (a) incompatibility to proposed uses and structures on such Lots or (b) the insufficiency of the size of parking areas in relation to the proposed use of the Lot; or

9.2.9 Any other matter which, in the judgment of the Architectural Committee, would render the proposed structure, structures or uses inharmonious with the general plan of improvement of Alderwood Estates Addition, or with structures or uses located upon other Lots in the vicinity.

In any case where the Architectural Committee shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case the Architectural Committee shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal can be prepared and submitted for approval.

9.3 Unapproved Construction: Remedies. If any structure shall be altered, erected, placed or maintained upon any Lot or any new use commenced on any Lot, otherwise than in accordance with plans and specifications approved by the Architectural Committee pursuant to the provisions of this Article 9, such alteration, erection, maintenance or use shall be deemed to have been undertaken in violation of this Article 9 and without the approval required herein, and upon written notice from the Architectural Committee, any such structure so altered, erected, placed or maintained upon any Lot in violation hereof shall be removed or realtered, and any such use shall be terminated, so as to extinguish such violation. If fifteen (15) days after the notice of such a violation the Owner of the Lot...
upon which such violation exists shall not have taken reasonable steps toward the removal or termination of the same, the Association shall have the right, through its agents and employees, to enter upon such Lot and to take such steps as may be necessary to extinguish such violation and the cost thereof shall be binding, personal obligation of such Owner as well as a lien (enforceable in the same manner as a mortgage) upon the Lot in question. The lien provided in this Section 9.3 shall not be valid as against a bona fide purchaser (or bona fide mortgagee) of the Lot in question unless a suit to enforce said lien shall have been filed in a court of record in Spokane County prior to the recordation among the land records of Spokane County of the deed (or mortgage) conveying the Lot in question to such purchaser (or subjecting the same to such mortgage).

9.4 Certificate of Compliance. Upon completion of the construction or alteration of any residential dwelling in accordance with plans and specifications approved by the Architectural Committee, the Architectural Committee shall, upon written request of the Owner thereof, issue a certificate of compliance in form suitable for recodrdation, identifying such structure and the Lot on which such structure is placed, and stating that the plans and specifications, the location of such structure and the use or uses to be conducted thereon have been approved and that such structure complies therewith. Preparation and recording of such certificate shall be at the expense of such Owners. Any certificate of compliance issued in accordance with the provisions of this Section 9.4 shall be prima facie evidence of the facts therein stated, and as to any title insurer, such certificate shall be conclusive evidence that all structures on the Lot, and the use or uses described therein comply with all the requirements of this Article 9, and with all other requirements of this Declaration as to which the Architectural Committee exercises any discretionary or interpretive powers.

9.5 Dwelling Quality and Size. It is the intention and purpose of the covenants to assure that all dwellings shall be of a quality of workmanship and materials substantially the same or better than that which can be produced on the date these covenants are recorded. The ground floor area of the main structure, exclusive of one-story open porches and garages, shall be not less than 1,500 square feet for a rancher, tri-or split level 1,200 and a 2 story home not less than 1,040 on the main floor and not less than 1,500 square feet finished. All structures must incorporate at least a three-car garage with a finished driveway or private drive.

9.6 Building Location. The design of the Dwelling and its placement on the Lot shall reflect a minimum impact on the existing slopes, vegetation and view, and shall minimize the impact on the view of adjoining lots, whether currently occupied or not.

9.7 Restriction Against Excavation and Grading. No excavation for stone, gravel, or earth shall be made on any Lot except for walls, basements, or cellars of dwellings; provided, however, that Declarant reserves the right at any time prior to sale of any Lot to excavate and grade on the conveyed Lot, and to remove material from or deposit material on such Lot in connection with the work of laying out and improving but provided further, that Declarant may waive this privilege as to any Lot on which a buyer may desire to erect a building before that date.

9.8 Restrictions as to Building Materials Covering Outside Walls. Any residence or structure to be built on any Lot shall use horizontal lap plus any decorative brick or manufactured

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stone, etc. "Hardie Plank", "LP", wood or wood products, and vinyl are allowed for siding. Any other products used must be approved by the Architectural Committee. No residence or structure of any kind that is commonly known as "boxed" or "sheet metal" construction shall be built nor shall aluminum siding be allowed.

9.9 Restrictions as to Roof Construction. Roofs shall be covered with arc laminate composition roofing and shall be the same color, of such construction. IKO weatherwood (or equal color) 30 year shingle.

9.10 Restriction as to Fences - Height and Style. No fence shall be permitted in the front yard. Vinyl and cedar fences will be permitted in the backyard and will not be higher than 6 feet. Trees, hedging and natural vegetation may be used as a border line with the prior written approval of the Architectural Committee.

9.11 Requirements as to Seeding and Planting. When any building shall be constructed on any Lot, the owner must have sprinkler system and landscaping of front yard completed within one year of completion of the construction of home, except in the case of winter months, which will be extended to a 6 month period. Undesirable weeds having a tendency to spread across property lines shall be kept under control.

9.12 Construction Completion Requirements. Any Dwelling or other structure erected or placed on any Lot shall be completed as to external appearance, including finished painting and landscaping pursuant to approved plans and specifications, all within twelve (12) months from the date of commencement of construction; in any case prior to the expiration of one year from the closing of the initial sale of that Lot by Declarant to the initial buyer (subject to the Declarant's option to repurchase, as described in Paragraph 9.15, below).

9.13 Mandatory Reconstruction. All buildings must have adequate insurance to fully rebuild in case of fire or other disaster and the Owner must agree immediately to rebuild or repair to avoid an unpleasant and unsightly situation for the other Owners. In case the Owner fails or refuses to comply with the above requirements, the Association may elect to restore the site to a level acceptable to the Association and levy a reconstruction assessment on the Lot.

ARTICLE 10
GENERAL PROVISIONS

10.1 Enforcement. The Association, or an Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

10.2 Violation of Regulations. If any Lot Owner violates the foregoing regulations or

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permits a violation thereby by member of his family, his invitees or his licensees, and fails to cure such violation within forty-eight (48) hours of having been notified thereof by the Architectural Committee, the Architectural Committee may correct the offending condition and assess the cost of such correction against such Owner, and, if necessary, lien the appropriate Lot(s) for the amount thereof. Each such assessment, together with interest, costs, penalties and actual attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due.

10.3 Severability. Invalidation of anyone of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

10.4 Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. No such waiver, termination, or modification shall be effective until the proper instrument in writing shall be executed and recorded in the office of the Auditor for the County of Spokane, State of Washington; Provided, however, that this provision shall have no application so long as Declarant shall be the Owner of twenty-five percent (25%) of the Lots in Alderwood Estates Addition.

10.5 Conveyance. Each Owner accepting a deed, lease or other instrument conveying any interest in any Lot, whether or not the same incorporates or refers to these restrictions, covenants for himself, his heirs, successors and assign to observe, perform and be bound by these restrictions and to incorporate the same by reference in any deed or other conveyance of all or any portion of his interest in any real property subject hereto.

10.6 Exceptions to any of the above-listed covenants and restrictions shall be granted by the Board of Directors when and only when two-thirds (2/3) of the Board determine such exception is in the best interest of the Association and the purposes of these covenants and restrictions.

10.7 Calendar Year. The year for record keeping and other business and related transactions of the Homeowners Association shall be a calendar year.

10.8 Limitation of Restrictions on Declarant. Declarant is performing certain work in connection with the subdivision of the Property and the construction of community improvement thereon. The completion of that work and sale of Lots is essential to the establishment of welfare of the Property as a residential community. In order that said work may be completed and said Property be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

10.8.1 Prevent Declarant, its contractors, or subcontractors, from going on the Property or any Lot, whatever is reasonable necessary or advisable in connection with the
completion of the work; or

10.8.2 Prevent Declarant, or its representatives from erecting, construction and maintaining on any part or parts of the Property, such structures as may be reasonable and necessary for the conduct of its business of completing said work and establishing said Property as a residential community and disposing of the same in parcels by sale, lease or otherwise; or

10.8.3 Prevent Declarant from maintaining such sign or signs on any of the Property as may be necessary for the sale, lease or disposition thereof.


David C. Finkle - Declarant

Arlene K. Finkle - Declarant

STATE OF WASHINGTON )
COUNTY OF SPOKANE ) ss.

On this day personally appeared before me David C. Finkle and Arlene K. Finkle, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 8th day of December, 2004.

NOTARY PUBLIC in and for the State of Washington, residing at Spokane
Name: L.M. Nees
My commission expires: 7-30-07

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EXHIBIT "A"
COMMON PROPERTY

Six 208 swales; five foot sidewalk adjacent to Emory and Aunnic Lanes; entry gate; and perimeter fencing and fencing on the 208 swales as required; private roads.

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