DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF RIVER WOOD ESTATES

This Declaration of Covenants, Conditions and Restrictions, made on the date hereinafter set forth by River Wood Development Corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the County of Spokane, State of Washington, which is specifically described and identified as River Wood Estate, Lots 1 through 27, Block 1, and Lots 1 through 6, Block 2, more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, hereinafter referred to as the "Property", and

WHEREAS, Declarant has subdivided the Property into separate lots and streets, 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 River Wood 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 and its successors-in-interest and assigns, and all parties having or acquiring any rights, title, or interest in or to any part of the Property or the Project.

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 River Wood 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 River Wood Development Corporation, and its successors-in-interest and assigns with respect to the Property, but shall not include members of the public purchasing Lots in the Project.

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 "Declaration of Annexation" shall mean and refer to a recorded instrument by the terms of which a particular parcel or parcels of property may be subjected to the terms of this Declaration, thereby becoming annexed to and part of the Project, all according to Article 2.3 below.

1.9 "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.

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

1.11 "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 by sale to members of the general public. The term Lot shall not, however, include property owned by the Association, Common Property, or dedicated streets.

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

1.13 "Owner" or "Owners" shall mean and refer to the record owner or holder of fee or 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".

1.14 "Phase" shall mean and refer to a particular parcel of property which is or shall become part of the Project pursuant to the recordation of an appropriate Declaration of Annexation. The property described in Exhibit "A" to this Declaration shall be deemed to be a subsequent phase of the Project.

1.15 "Project" shall mean and refer to the entire Property including all structures and improvements erected or to be erected thereon, and including all phases annexed thereto.

1.16 "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.

1.17 "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.

**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, and includes all Phases annexed to the Property.

2.2 Common Property. The Common Property shall consist of two (2) easements, one on Lot 1, Block 1, the other on Lot 27, Block 1, described as follows:

Improvement on the Common Property consists of landscaping, lighting, fencing and masonry signs indicating the entrance to the Project. The Declarant shall construct all improvements on the Common Property and convey to the Association the aforesaid easements, together with the improvements constructed thereon, upon completion of the improvements. Thereafter, the Association shall maintain, restore, and/or replace the improvements on said easements for the purpose of providing aesthetically pleasing entry, monument, signs, and associated landscaping.

ARTICLE 3
ASSOCIATION, ADMINISTRATION, MEMBERSHIP
AND VOTING RIGHTS

3.1 Association to Manage Project. The Owners of all the Lots covenant and agree that 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.

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 (1) vote for each Lot.

3.4.2 Class B Membership. Class B Membership shall be that held by Declarant (or its 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 (all Phases) equals the total outstanding votes (tripled as above) held by the Class B Members (all Phases). Once Class B Membership is converted, it shall forever cease to exist regardless of the annexation of additional Phases within the Project; or

3.4.2.2 On the tenth (10th) 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 Commencement of Voting Rights. Voting rights attributable to any Lot in a Phase, other than the first Phase, shall not vest until that Lot shall also be subject to assessment obligations to the Association, pursuant to Article 4 below.

3.7 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.

3.8 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 therefor, 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.

4.3 General Annual Assessment. Commencing the first day of January, 1993, the regular annual assessment per Lot shall be Fifty Dollars ($50.00) per year. Each Lot's share of 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 or any Phase thereof on the first day of the month following closing of the sale of the first Lot in the Project or Phase thereof, but no earlier than January 1, 1992. 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 liability 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 the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. 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 eligible 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 thirty (30) days after the due date, an automatic late charge of Ten Dollars ($10.00) shall be assessed and additional Ten Dollar ($10.00) 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 landscape materials, grass, automatic landscape irrigation system, signs, and fencing identified as Common Property, and all property that may be acquired by the Association.

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.

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.

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 therefor, to enter upon the Lots or to have the utility companies enter upon the Lots in or upon which said 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 Sewer. The Owners, their heirs and successors, shall join and participate in any petition or resolution, the purpose of which is the formation of a utility local improvement district (ULID) pursuant to RCW, Chapter 26.94, as amended. The Owners, their heirs and successors, reserve the right to oppose or protest any assessment for any ULID established.

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 provided by the Architectural Committee.

ARTICLE 7

COVENANTS FOR MAINTENANCE

7.1 Lots to be Kept in Good Repair. 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, the proper maintenance of septic systems, and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management. Garage interiors must be maintained in a clean and orderly manner, so as to avoid the danger of fire.

ARTICLE 8

USE RESTRICTIONS: GENERAL COVENANTS

8.1 River Wood Governmental Regulation; Strictest Standards Control. Restrictions contained herein shall not be construed as permitting any action or thing prohibited by the applicable 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 River Wood covenants 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 Lot, or within any building located on a 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 street within River Wood. Nothing shall be done on any 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 two stories in height and a private attached garage.

8.4 Temporary Structures. No structure of 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.

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.

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. Lots 11-15, Block 1, contain or are immediately adjacent to a wetland area. Owners of these lots may not construct any structure within seventy-five (75) feet of the wetland. The boundary of the 75-foot "wetland buffer" is designated on the face of the plat of River Wood.

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, and one sign used by a builder to advertise the property during the construction and sales period. Monument signs designating the entrance to River Wood, as hereinabove provided, are expressly permitted.
8.9 Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on Lot 1, Block 2, and Lots 1, 22 and 27, Block 1, within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of a street property line extended. The same sight-line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

8.10 Animals.

8.10.1 No animals, 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 Homeowners 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, including campers, toppers, motor homes, camp trailers, boats, motorcycles, snowmobiles and the like, must be stored in an attached enclosed garage.

8.13 External Lights. All external lighting shall be non-glare and approved by the Architectural Committee prior to installation.

8.13.1 Light Posts. Each Lot Owner shall be required to construct one masonry light post at the entrance to the private drive for that Lot in accordance with the light post plan adopted by the Architectural Committee.
8.14 Vehicles. No vehicle in excess of 6,000 pounds gross weight (including campers, motor homes, 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 street within River Wood. 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 remain parked upon his Lot or upon any street within River Wood for a period in excess of 48 hours.

8.15 Antennas. No radio or television antenna shall be permitted to extend more than ten (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, 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, as determined by the Architectural Committee, 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.

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.

9.1.1 There shall be not less than three (3) members of the Committee.
9.1.2 Declarant will appoint all of the original members of the Committee until the tenth (10th) anniversary of the recordation of this 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, regardless of the annexation of additional Phases within the Project.

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

9.2.1 The failure of such plans or specifications to comply with any of the River Wood 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 exiting 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 River Wood 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 or 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 fifteen (15) days' 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 re-altered, and any such use shall be terminated, so as to extinguish such violation.

9.4 Certificate of Compliance. Upon completion of the construction or alteration of any structure 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 recordation, 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 Cost, Quality and Size. No dwelling shall be permitted on any Lot at a cost of less than One Hundred Twenty-Five Thousand Dollars ($125,000.00), including garages, based upon cost levels prevailing on the date these covenants are recorded, it being 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 at the minimum cost stated herein. The ground floor area of the main structure, exclusive of one-story open porches
and garages, shall be not less than two thousand (2,000) square feet for a one-story dwelling; nor less than two thousand two hundred (2,200) square feet for a two-story dwelling, of which a minimum of one thousand two hundred (1,200) square feet must be on the main floor and a minimum of one thousand (1,000) square feet on the second floor; nor less than two thousand four hundred (2,400) square feet finished for "four-level" dwellings, of which the top two floors shall total a minimum of one thousand eight hundred (1,800) square feet. All structures must incorporate at least a two-car garage with a finished driveway or private drive. All driveway or private drive plans and finishes must be approved by the Architectural Committee. The interior of all garages shall be sheet-rocked and painted and there shall be a "2-hour fire wall" installed between the garage and the house, which shall extend to the roof of the house. All dwellings shall have full basements. No "slab-on-grade" construction shall be permitted.

9.5.1 The Declarants shall provide mail and newspaper receptacles within the Project. Each Lot shall be assigned a receptacle based on location and will be assessed a one-time fee of One Hundred Dollars ($100.00) upon occupancy. No additional tubes or boxes shall be allowed for the purpose of home deliveries.

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 wetlands, and shall minimize the impact on the view of adjoining Lots, whether currently occupied or not.

9.7 Restriction Against Raising Height of Grade. Neither the buyer nor any person or persons claiming under him shall or will at any time raise the grade of any Lot or Lots herein conveyed above the grade established or to be established by Declarant unless approved by the Architectural Committee.

9.8 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; 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.

9.9 Restrictions as to Building Materials - Covering Outside Walls. No residence or structure shall be built on any Lot which shall use materials for siding or roofing which have not been approved by the Architectural Committee. All residences shall have "double wall" construction. 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. All residences shall have masonry covering a minimum of thirty percent (30%) of the front of the structure.

9.10 Restrictions as to Roof Construction. Roofs shall be covered with fire resistant materials, such as shingles of "woodruff" or similar product, or with slate or tile, and of such construction as approved by the Architectural Committee, in accordance with standards of Fire Protection District No. 9.

9.11 Restriction as to Fences - Height and Style. No fence or wall shall be erected or maintained on a Lot without the prior written approval of the Architectural Committee as to location, style, and materials used. No fences shall be permitted in the front yards of any Lot. Fences in rear yards and side yards shall not exceed six (6) feet in height. Trees, hedging and natural vegetation may be used as a border line with the prior written approval of the Architectural Committee.

9.12 Requirements as to Seeding and Planting. Within thirty (30) days of occupancy, front yard landscaping must be completed, weather permitting, and back yard completion must take place within twelve (12) months after occupancy. Back yard area shall be considered fifty (50) feet behind the dwelling. All remaining property shall be maintained in a reasonable state of repair, cleanliness and neatness. Undesirable weeds having a tendency to spread across property lines shall be kept under control.

9.13 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 front yard landscaping, pursuant to approved plans and specifications, all within one (1) year from the date of commencement of construction.

9.14 Mandatory Reconstruction. All buildings must have adequate insurance to fully rebuild in case of fire or other disaster, and the Owner shall immediately rebuild or repair.

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. The prevailing party in any such proceeding shall be entitled to an award of attorneys' fees and costs. 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 Severability. Invalidation of any one 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.

10.3 Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of ten (10) 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 at any time by a seventy-five per cent (75%) affirmative vote of association members as provided in Article III. No such waiver, termination, or modification shall be effective until a proper instrument in writing shall be executed by the Association and recorded in the office of the Auditor for the County of Spokane, State of Washington.

10.4 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 assigns, 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.

10.5 Exceptions. 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.

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

10.7 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:

10.7.1 Prevent Declarant, its contractors or subcontractors, from doing on the Property or any Lot whatever is reasonably necessary or advisable in connection with the completion of the work; or
10.7.2 Prevent Declarant or its representatives from erecting, constructing or 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

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

DECLARANT:

RIVER WOOD ESTATES DEVELOPMENT CORPORATION

By

[Signature]

Its President

STATE OF WASHINGTON )
) ss.
County of Spokane )

I certify that I know or have satisfactory evidence that

[Signature] James Farrow

signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it, as the President of RIVER WOOD ESTATES DEVELOPMENT CORPORATION, to be the free and voluntary act of such corporation, for the uses and purposes mentioned in the instrument.

DATED: 1/14/92, 1992

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

[Signature]

My appointment expires: [Stamp]