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When Recorded, Return to:

JOHN M. RILEY, III
Witherspoon, Kelley, Davenport
& Toole, P.S.
1100 U.S. Bank Building
422 West Riverside Avenue
Spokane, WA 99201
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M-36317

Tax Parcel Number(s): 36055.9044, 36055.9046, 36055.9047, 36051.9031, 36051.9045

Abbreviated Legal Description: Portion of Section 5, Township 26 North, Range 43 East.
NE1, etc.

Additional Legal Description on Page: See Exhibit "A" attached hereto

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
WANDERMERE ESTATES
HOUSING FOR PERSONS 55 YEARS OF AGE AND OLDER

First Party: Wandermere Estates L.L.C.
Second Party: The Public

33

R/E. Excise Tax Exempt

Date 12/3/2003

Spokane County Treas.

By [Signature]



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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS
WANDERMERE ESTATES
HOUSING FOR PERSONS 55 YEARS OF AGE OR OLDER

This Declaration of Covenants, Conditions and Restrictions and Reservation of Easements is made on the date hereinafter set forth by Wandermere Estates, L.L.C., a Washington Limited Liability Company (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 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 "Wandermere Estates", and each owner shall receive fee or equitable title to an individual lot (with the residential dwelling thereon or the right and obligation to construct a Dwelling thereon) and a membership in the Wandermere Estates Homeowners Association, which shall be a Washington nonprofit corporation and which have certain administrative and maintenance responsibilities in the Wandermere Estates, 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 every part thereof, in accordance with the plan for the improvements of the Property and the division thereof into a planned unit development. 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. The undersigned, being the sole owner of the property hereby declares that said Property is a housing community and shall be administered in accordance with Federal and State law to qualify as housing for persons 55 years of age or older.



ARTICLE 1
DEFINITIONS

1.1 "Architectural Review Committee" shall mean and refer to the Architectural Review Committee created pursuant to Article Nine of the Declaration.

1.2 "Articles" shall mean the Articles of Incorporation of the Association as amended from time to time.

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

1.4 "Association" shall mean and refer to the Wandermere Estates Homeowners Association, a Washington nonprofit corporation, the members of which shall be owners of the lots in Wandermere Estates.

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

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

1.7 "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.

1.8 "Common Property" shall mean and refer to the land or easements, together with any improvements constructed or to be constructed thereon, described as such in Section 2.2 For purposes of clarity, Wandermere Lake is not part of the Property or Common Property.

1.9 "Declarant" shall mean and refer to Wandermere Estates, L.L.C., and its successors-in-interest and assigns with respect to the Property, but shall not include members of the public purchasing Lots in Wandermere Estates.

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

1.11 "Design Guidelines" shall mean the architectural, design, development, landscaping, and other guidelines, standards, controls, and procedures, including but not limited to,

application and plan review procedures, adopted pursuant to Article Nine and Exhibit "B" and applicable to the Properties.

1.12 "Dwelling" shall mean and refer to any single family residential structure (including each townhouse) constructed or to be constructed upon any individually owned Lot in Wandermere Estates.

1.13 "Wandermere Estates" 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 and sometimes referred to herein as the "Project".

1.14 "Lot" shall mean and refer to any particular and separately designated parcel of land resulting from the subdivision of the property according to the planned Unit Development or 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 or Common Property. Prior to recordation of a Subdivision Plat, a parcel of land on which improvements are under construction shall be deemed to contain the number of lot(s) designated for residential use on the applicable preliminary plat or the site plan approved by Declarant, whichever is more current.

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

1.16 "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".

1.17 "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 "B" to this Declaration shall be deemed to be Phase I of the Project. Phase I shall be constructed first and Phases II and III shall be constructed as development dictates.

1.18 "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.

1.19 "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 Wandermere Estates.

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

2.1 Description of Wandermere Estates. Wandermere Estates 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 property described as follows:

- (a) Roads;
- (b) Landscaped Areas (which may include, among other improvements, shrubs, trees, plants, and rocks);
- (c) Walking Paths, Cart Paths;
- (d) Entry Signs/Security Gates;
- (e) Water Features;
- (f) Entry Lighting;
- (g) Drainage Areas and Facilities;
- (h) Watering Facilities;
- (i) Signage for Roads; and
- (j) Perimeter Walls, Fences and Retaining Walls.

Common Property is generally located within the Project in areas other than Lots used for Dwellings.

2.3 Conveyance of Common Property. The Declarant shall construct all improvements on the Common Property and convey to the Association the aforesaid Common Property and easements, together with the improvements constructed thereon, upon completion of the improvements. The Declarant may convey to the Association other improved or unimproved real estate located within the Property, personal property and leasehold and other property interests. Such property shall be accepted by the Association and, thereafter, shall be deemed Common Property.

2.4 Owner's Common Rights. All owners shall have equal rights with the other Owners to use the Common Areas, unless certain Common Areas are specifically designated as limited Common Areas on the face of a plat or other recorded instrument designating the improvements as Common Area or in an amendment to this Declaration or in a Supplementary Declaration. All easements for ingress, egress, utilities and use of facilities, unless otherwise specifically limited, shall exist in favor of all Owners and Occupants, their heirs, successors and assigns, in accordance with the terms and conditions of the Governing Documents.

2.5 Common Area Maintenance. The Declarant, or after formation of the Association, the Association, shall cause the Common Areas and any improvements thereon to be

property operated, maintained, repaired and replaced. The Common Areas for storm water drainage or retention shall be maintained in accordance with the Operation and Maintenance Manual prepared for Wandermere Estates by Mountain Crest Enterprises.

ARTICLE 3
ASSOCIATION, ADMINISTRATION, MEMBERSHIP
AND VOTING RIGHTS

3.1 Association to Manage Wandermere Estates. The Owners of all the Lots covenant and agree that the administration of the Wandermere Estates 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 Wandermere Estates. Notwithstanding the generality of the foregoing, the primary function of the Association shall be management, maintenance, and control of the Common Property and 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 all but one lot of the lots in Wandermere Estates, including

any added or annexed phases or land, are sold by Declarant; or

3.4.2.2 On the tenth (10th) anniversary of the recordation of this Declaration or of the Declaration of Annexation for the most recently annexed phase of the Project or land added to the Project.

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 Wandermere Estates, 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) base assessments or charges for Common Property maintenance, repair and replacement, (2) lot maintenance assessments or charges for Lot maintenance until the lot is subject to assessment under subsection (3), (3) yard and lawn maintenance assessments for yard maintenance and repair, and/or, lawn mowing, fertilizing, edging and trimming and replacing, (hereinafter referred to individually and as "regular assessments"), (4) 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 Wandermere Estates 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 of Wandermere Estates, 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, repair and replacement of Common Property.

4.3 Base Assessment. The initial Base Assessment per Lot shall be Five Hundred Dollars (\$500.00) per year. Each Lot's share of Base Assessment for the 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 Base Assessment against each Lot at least sixty (60) days in advance of the beginning of each fiscal year.

4.4 Lot Maintenance Assessment. The Lot Maintenance Assessment per Lot shall be Three Hundred Dollars (\$300.00) per year; provided however, that if a Lot in a Phase is owned by a home or unit construction company for resale, the assessment shall be that Lots prorata share of the cost of Lot Maintenance of all Lots then owned in that Phase by a home or unit construction company(ies) for resale. Such Lot Maintenance Assessment shall be for the purpose of individual lot maintenance (weed control, etc.). The Lot Maintenance Assessment shall cease to be payable at such time as construction of a Dwelling commences on the affected Lot. Commencement occurs when any type of activity normally a part of construction of a Dwelling occurs on the affected Lot.

4.5 Yard and Lawn Maintenance Assessment. The Yard and Lawn Maintenance Assessment shall be One Thousand Two Hundred Dollars (\$1,200.00) per year. The Yard and Lawn Maintenance Assessment shall apply only to Lots in Phase I. For Phases II and III, and each succeeding phase, either the Declarant may unilaterally, or the Lot Owners in each phase by majority vote may apply the Yard and Lawn Maintenance Assessment to their phase. If the Declarant so requires, it shall provide each Lot Owner written notice of its institution at least ninety (90) days prior to the Yard and Lawn Maintenance Assessment going into effect.

4.6 Special Assessments. In addition to the Base, Lot Maintenance, and Yard and Lawn Maintenance 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 Wandermere Estates, including fixtures and personal property related thereto, or to defray any unanticipated or underestimated Base, Lot Maintenance or Yard and Lawn Maintenance 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.

4.7 Allocation of Assessments. Each Lot in the Properties, individually, or in a phase, as applicable, including Lots owned by Declarant, (except as set forth in paragraph 4.11), shall

bear an equal share of each Base, Lot Maintenance, Yard and Lawn Maintenance, and Special Assessments (except for Special Assessments imposed against an individual Lot and its Owner under the preceding subparagraph).

4.8 Date of Commencement of Assessment; Due Dates; Changes in Assessment. The Base and Lot Maintenance Assessments provided for herein shall commence as to each Lot in Wandermere Estates or any Phase thereof on the first day of the month following closing of the first sale by declarant of each Lot in Wandermere Estates or Phase thereof. The Yard and Lawn Maintenance Assessment shall for each Lot commence upon installation of the Yard thereof. Due dates of the Assessments and the amounts of each of the Base, Lot Maintenance and Yard and Lawn Maintenance Assessments for each year, shall be established annually by the Board of Directors and be set forth in an annual notice.

4.9 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 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 eligible for any such assessment becoming due after the date of any such statement.

4.10 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 such unpaid assessment shall accrue interest at twelve percent (12%) per annum. 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.

4.11 Exempt Property. Notwithstanding any other provision included in this Article 4, the following property, which is otherwise subject to this Declaration, shall be exempt from all assessments:

- (a) Common Property;
- (b) All Lots or property dedicated to and accepted by a local public authority; and
- (c) All Lots or property owned by Declarant, except that in the event the amount of the Base Assessment for each fiscal year is less than the actual costs of Common Property maintenance, repair and replacement, and the Association does not issue a Special Assessment therefor, Declarant shall pay said difference as an assessment. The Association shall advise the Declarant of said difference in writing within thirty (30) days of the fiscal year end and Declarant shall pay said assessment within fifteen (15) days of receipt of said notice.

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 Assess for and expend Association funds to maintain, repair, replace and manage all (1) Common Property, (2) as applicable, Lots for Lot Maintenance and Yards for Yard and Lawn Maintenance, and (3) 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 Wandermere Estates.

5.1.5 Adopt, amend, or revoke reasonable rules not inconsistent with this

Declaration, or the Bylaws relating to (1) the use of particular areas within Wandermere Estates, and the conduct of Owners and their tenants and guests with respect to the Property and other Owners, and (2) necessary to insure compliance with the requirements and regulations under Federal and State law to qualify as housing for persons who are 55 years of age and older. Such rules shall be binding on all Lot Owners, their guests, and invitees upon adoption.

5.1.6 Establish one or more checking or savings accounts in the name of the Association with any bank, savings association or credit union doing business in Spokane County, Washington and designate signatories thereon.

5.1.7 Comply and take such steps as are necessary to comply with the requirements and restrictions under Federal and State law for housing for persons 55 years of age or older.

5.2 Governmental Interests. The Declarant may designate Declarant owned sites within the Property for fire, police and utility facilities, public schools and parks, and other public facilities in accordance with the Master Plans and applicable laws. The sites may include Common Property if otherwise permitted by applicable land use regulations. Such property shall be exempt from assessment as provided in Section 4.11.

5.3 Dedication of Common Property. The Association, in the exercise of the Board's business judgment, may dedicate or grant easements over portions of the Common Property to any local, state, or federal governmental entity or any utility company. This right shall not be construed as a limitation upon the right of the Board to permit entry upon the Common Property or to grant licenses permitting the use of the Common Property by third parties for purposes deemed, in the discretion of the Board, to benefit the Property.

5.4 Assumption of Risk. The Association may, but shall not be obligated to, sponsor certain activities or provide facilities designed to promote the health, safety, and welfare of Owners and occupants. Notwithstanding anything contained herein, neither the Association, the members of the Board, the officers of the Association, the management company of the Association, nor the Declarant shall be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Owner or occupant of any Lot or any tenant, guest or invitee of any Owner or occupant or for any property of any such Persons. Each Owner and occupant of a Lot and each tenant, guest, and invitee of any Owner or occupant shall assume all risks associated with the use and enjoyment of the Property, including all Common Property and all recreational facilities, if any.

Neither the Association, the members of the Board, the officers of the Association, the Association's management company, nor the Declarant shall be liable or responsible for any personal injury, illness, or any other loss or damage caused by the presence or malfunction of



utility lines or utility sub-stations adjacent to, near, over, or on the Property. Each Owner and occupant of a Lot and each tenant, guest, and invitee of any Owner or occupant shall assume all risk of personal injury illness or other loss or damage arising from the presence or malfunction of utility lines or utility sub-stations and further acknowledges that neither the Association, the members of the Board, the officers of the Association, the Association's management company nor the Declarant have made any representations or warranties, nor has any Owner or occupant, or any tenant, guest, or invitee of any Owner or occupant relied upon any representations or warranties (expressed or implied) relative to the condition or impact of utility lines or utility sub-stations.

No provision of this Declaration shall be interpreted as creating a duty of the Association, the members of the Board, the officers of the Association, the management company of the Association, or the Declarant to protect or further the health, safety, or welfare of any Person(s), even if the funds of the Association are used for any such purpose. .

Each Owner (by virtue of his or her acceptance of title to his or her Lot) and each other Person having an interest in or lien upon, or making any use of, any portion of the Property (by virtue of accepting such interest or lien or making such use) shall be bound by this Section and shall be deemed to have waived any and all rights, claims, demands, and causes of action against the Association, the Board, the Association's management company, and the Declarant, their directors, officers, committee and board members, employees, agents, contractors, subcontractors, successors, and assigns arising from or connected with any matter for which the liability has been disclaimed.

5.5 Security. The Association may maintain or support certain activities within the Property designed to make the Property safer than they otherwise might be; provided, however, unless otherwise specifically indicated in this Declaration, the Association shall not be obligated to maintain or support such activities.

Neither the Association, its officers, the Board, the Association's management company, nor the Declarant shall in any way be considered insurers or guarantors of security within the Property. Neither the Association, its officers, the Board, the Association's management company nor the Declarant, shall be held liable for any loss or damage for failure to provide adequate security or for the ineffectiveness of any security measures undertaken.

All Owners and occupants of any Lot, and all tenants, guests, and invitees of any Owner, acknowledge that neither the Association, its officers, the Board, the Association's management company, the Declarant, nor the Architectural Review Committee represent or warrant that any patrolling of the Property, neighborhood watch group, volunteer security patrol, fire protection system, burglar alarm system, or other security system designated by or installed according to guidelines established by the Declarant or the Architectural Review Committee may not be compromised or circumvented; nor that any patrolling of the Property, neighborhood watch group,

volunteer security patrol, fire protection system, burglar alarm system, or other security systems will prevent loss by burglary, theft, hold-up, or otherwise; nor that patrolling of the Property, neighborhood watch group, volunteer security patrol, fire protection system, burglar alarm system, or other security systems will in all cases provide the detection or protection for which the system is designed or intended.

All Owners and occupants of any Lot and all tenants, guests, and invitees of any Owner assume all risks for loss or damage to Persons, to Lots, and to the contents of Lots and further acknowledge that the Association, its officers, the Board and committees, the Association's management company, or the Declarant, have made no representations or warranties, nor has any Owner, occupant, or any tenant, guest, or invitee of any Owner relied upon any representations or warranties, expressed or implied, relative to any patrolling of the Property, neighborhood watch group, volunteer security patrol, fire protection system, burglar alarm system, or other security systems recommended or installed or any security measures undertaken within the Properties.

5.6 Provision of Services. The Association may provide services and facilities for the Members of the Association and their guests and invitees. The Association shall be authorized to enter into contracts or other similar agreements with other entities, including Declarant, to provide such services and facilities. The Association as a Common Expense may fund the costs of services and facilities provided by the Association. In addition, the Board shall be authorized to charge additional use and consumption fees for services and facilities. By way of example, some services and facilities which may be provided include landscape maintenance, pest control service, cable television service, security, caretaker, fire protection, utilities, and similar services and facilities. The Board shall be permitted to modify or cancel existing services or facilities, if any, or to provide additional services and facilities. Nothing contained herein shall be relied upon as a representation as to what services and facilities, if any will be provided by the Association.

5.7 Change of Use of Common Property. The Board may change the use of any portion of the Common Property and construct, reconstruct, or change the buildings and other improvements thereon in any manner necessary to accommodate the new use of the Common Property. Any new use shall be for the benefit of the Owners and not inconsistent with the then effective Master Plans. Any change in use of the Common Property shall be subject to approval by the Declarant as long as it owns any property described in Exhibit "A" but shall not be subject to approval by any other Owner.

5.8 View Impairment. Neither the Declarant nor the Association guarantees or represents that any view over and across any property, including any Lot, from adjacent Lots will be preserved without impairment. Neither the Declarant nor the Association shall have the obligation to prune or thin trees or other landscaping except as set forth in paragraph 8.21. Any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

If, in the discretion of the Declarant, and as long as Declarant owns any property described in Exhibit "A" or property annexed thereafter, the Association fails to perform its maintenance responsibilities or enforce the maintenance responsibilities of Owners in the manner required by the Declaration, Declarant may cause such maintenance to be performed and, in such event, the Association shall reimburse Declarant for all costs incurred. Declarant shall not take such action without first providing the Association written notice and a reasonable opportunity to perform the required maintenance.

ARTICLE 6 UTILITIES

6.1 Owners' Rights and Duties. The rights and duties of the Owners of Lots within Wandermere Estates 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 Wandermere Estates, 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 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 Wandermere Estates, 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 Easements for Utilities and Maintenance. Easements over and under the Property for the installation, repair, and maintenance of sanitary sewer, water, electric, gas, television and telephone lines and facilities, and other such utilities 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.

6.3 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 Wandermere Estates 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 Review Committee.

ARTICLE 7 COVENANTS FOR MAINTENANCE AND CONSTRUCTION

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, and the painting (or other appropriate external care) of all buildings and other improvements, and in the case of undeveloped lots, weeding, mowing and keeping free of debris or refuse 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.

7.2 Party Walls. If dwellings share a common wall, referred to herein as a party wall, the owners of each such dwelling shall share equally in the cost of maintenance, repair, or replacement of the party wall's structure. The cost of cosmetic maintenance and repair, such as painting and wall surface repairs, shall be paid by the owners of the dwelling which incorporates said wall surface. There is an easement in said party wall for each owner in favor of the other for all pipes, wiring and ducts installed therein by Declarant. Damage to the wall shall be repaired by the owner causing the same.

7.3 Road Lighting. The road lighting in Wandermere Estates will be provided by monument lot lights. Each Lot Owner shall repair and maintain the lot's monument lot light at said owner's cost and expense.

ARTICLE 8 USE RESTRICTIONS: GENERAL COVENANTS

8.1 Wandermere Estates 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 Wandermere Estates covenants shall be taken to govern and control.

8.2 Use of Individual Lots. No commercial structure or building of any kind shall be erected on any Lot other than a single family dwelling for single family residential occupancy only. All houses will have a minimum two (2) car garage. The use of individual lots shall be subject to the requirements and restrictions under Federal and State law for housing for persons 55 years of age or older.



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8.3 Business Use Prohibited. 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 Dwelling located on a Lot, nor shall any goods, equipment, vehicles, including buses, trucks and trailers of any description, or materials or supplies used in connection with any trade, service or business, wherever the same may be conducted, or any vehicles in excess of 20,000 pounds gross weight (including buses, trucks, and trailers of any description) used for private purposes, be kept, parked, stored, dismantled or repaired on any Lot, outside of any Lot, or on any of the Roads. Home occupations may be permitted with the specific written approval of the Architectural Review Committee.

8.4 Temporary Structures. No trailer, basement, tent, shack, garage, barn or other outbuilding or any structure of a temporary character erected or placed on the Property shall at any time be used as a residence permanently.

8.5 Minimum Dwelling Size. The ground floor of the main structure of a Dwelling, exclusive of open porches, decks, and garages, shall not be less than twelve hundred (1,200) square feet for a one story Dwelling. The minimum dwelling size for a two story dwelling shall be eighteen hundred (1,800) combined square feet for both floors. The minimum dwelling size of a three story dwelling shall not be less than one thousand eight hundred (1,800) square feet for the first and second story floor area and three hundred fifty (350) square feet for the third floor. For purposes of this provision, a basement shall not be considered a Dwelling story.

8.6 Commencement of Construction. In Phase I, the permanent Dwelling on each Lot shall commence construction on or before the first (1st) anniversary date of the purchase of the Lot from Declarant. In Phases II and III, the permanent Dwelling on each Lot shall commence construction on or before the third (3rd) anniversary date of the purchase of the Lot from Declarant.

8.7 Completion of Construction. Any Dwelling erected or placed on any Lot shall be completed as to external appearance, including finished painting and minimal landscaping, within twelve (12) months from the date of commencement of construction. Each lot owner shall be required to clean up the lot of all cut or fallen trees, bushes, shrubs, etc. (clearing and grubbing) within two (2) months after the clearing and grubbing activity begins and to haul away such debris from the subdivision. Each Owner shall also be required to clean up the lot within ten (10) days of completing construction or when deemed necessary by the Architectural Review Committee to present a neat and tidy appearance to each Lot during the building process.

8.8 Building Set-Back and Fence Requirements. No Dwelling or structure shall be located nearer to the side street line than the building set-back lines hereinafter provided. No structure shall be located on any Lot nearer than twenty (20) feet to the front Lot line, nor nearer than five (5) feet to any side line. Invisible fences may be installed on each Lot if desired. Walls or shrubs are permitted to delineate the Lot lines of each Lot, subject to a determination by the Architectural Review Committee as to whether such walls or shrubs would interfere with utility easements reflected on the face of the Plat or PUD and other easements elsewhere recorded.

8.9 Individual Lot Light, Mail, Newspaper and Number Requirement. It shall be mandatory for all Lots within the Project to have constructed a monument lot light which will contain holders for mail, newspaper and address numbers of a uniform nature and design. Such monument sign shall be constructed in conformance with plans and specifications included in the Design Guidelines per Exhibit "C". If mail delivery is mandated to be necessary by the United States Postal Service utilizing "community mail stations", such will be installed accordingly and maintained as determined in Common Property.

8.10 Nuisances. No noxious, illegal, or offensive activities shall be carried on in any Dwelling, or in any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the Owners of his respective Dwelling, or which shall be in any way increase the rate of insurance for the Project, or cause any insurance policy to be canceled or to cause as refusal to renew the same, or which will impair the structural integrity of any building.

8.11 Signs. Signs advertising Lots for sale may be displayed on the appropriate Lot without prior approval of the Board of the Architectural Review Committee, provided that such signs shall be of reasonable and customary size, not to exceed five (5) square feet. Except as expressly permitted by this Paragraph, no signs shall be displayed to the public view on any Dwellings or on any portion of the Property, unless first approved by the Board or the Architectural Review Committee.

8.12 Animals. No animals or birds of any kind shall be raised, bred, or kept in any Dwelling, or on any portion of the Property; except that no more than two (2) usual and ordinary household pets such as dogs and/or cats may be kept, provided that they are not kept, bred, or maintained for any commercial purposes, and that they are kept under reasonable control at all times. Any such dogs shall be kept on a leash at all times that the dog is in the Common Property. Owners shall prevent their pets from soiling all portions of the Common Property and in the event a pet does soil a portion of the Common Property, the Owner or person in control of such pet shall immediately clean up after the pet. The Board may enact reasonable rules respecting the keeping of animals within the Project and may designate certain areas in which animals may not be taken or kept, or may require that specific animals not be allowed on any part of the Property.

8.12.1 A dog kennel (1) may be installed per dwelling with the following criteria:

- 1) Maximum of 100 square feet in size.
- 2) Material is to match the siding of the home.
- 3) Kennel is to be constructed and attached to the rear of the home using the exterior of the home as one side of the kennel, screened from public view.
- 4) The design and placement shall be approved by the Architectural Review Committee.
- 5) The structure shall not interfere with or be a nuisance to the neighbors.

8.13 Pathways. All walks, roads, bike paths located within the Common Property are for the use of Association Members on an equal basis, subject to reasonable rules and regulations promulgated in writing by the Association.

8.14 Garbage and Refuse Disposal. All rubbish, trash and garbage shall be regularly removed from the Property, and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers. All equipment, garbage cans, woodpiles, or storage piles shall be kept screened and concealed from view of other Dwellings, streets and the Common Property, except on such days designated for garbage collection.

8.15 Radio and Television Antennas. No Owner may be permitted to construct, use, or operate his own external radio or other electronic antenna. Satellite dishes not to exceed twenty-four (24) inches in diameter are permitted.

8.16 Clotheslines. No exterior clotheslines shall be erected or maintained.

8.17 Power Equipment and Car Maintenance. No power equipment, workshops, or car maintenance of any nature whatsoever (other than minor repairs requiring no more than twenty-four (24) hours work) shall be permitted on the Property except with prior written approval of the Board. In deciding whether to grant approval, the Board shall consider the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception, and similar objections.

8.18 Parking. Unless kept in a Dwelling's attached garage, parking of boats, trailers, motorcycles, trucks, truck/campers, motorhomes, and like equipment shall not be allowed on individual Lots for an extended period of time. If any of the provisions of this Section are violated, the Board of the Association may employ a tow truck to remove the vehicle after fifteen (15) days prior written notice to the Owner and the Owner of the vehicle shall be responsible for any charges arising therefrom.

8.19 No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants contained in this Article 8 or elsewhere in the Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Owner acquiring a Unit in the Project in reliance on one or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and, by acquiring the Unit agrees to hold Declarant harmless therefrom.

8.20 No Shooting Area. At direction of Declarant, the entire development of WANDERMERE ESTATES is a no shooting area of either firearm or archery.

8.21 Timber Harvesting. Clearing of timber for the sole purpose of building structures, landscaping, and roads is allowed. There shall be no harvesting of marketable timber on any Lot for commercial profit. Declarant may clear timber on Common Property if applicable and possible where views are impaired.



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8.22 Security Lights. Security Lights shall be permitted on individual Lots if such does not present an annoyance or nuisance to neighbors of such Lots.

8.23 Rental Units. At no time shall a Dwelling be used as or become a rental unit within the Project.

8.24 No Outbuildings. No Lot Owner may place any other buildings or structures on a Lot other than a Dwelling.

8.25 Housing for 55 and Older. The Declarant through the Association and the Association thereafter and each Owner of a Lot in Wandermere Estates shall cooperate and assure compliance with Federal and State law for housing for persons 55 years of age and older. At no time shall less than eighty percent (80%) of the occupied Lots and Dwellings be occupied by one person 55 years of age or older, except as otherwise allowed by such law. The Declarant, in the sale of any lot for which there is a dwelling in existence, and any Lot Owner of a Lot with a dwelling thereon, shall take steps to assure that during their ownership and after sale of the occupied Lot, the dwelling shall be occupied by at least one person 55 years of age or older. The Declarant and any such Lot owner shall (1) include in their Lot sale materials language advising of this requirement and requiring written confirmation from the buyer(s) thereof of compliance with the 55 and older requirements upon sale. (2) obtain at each such Lot sale closing and provide to the Declarant and/or Association written verification of the age of the occupants of such Dwelling by obtaining copies of the buyers or occupants drivers licenses or similar identification or by other methods described in the Associations Rules and Regulations for Housing for Persons 55 Years of Age or Older, and (3) cooperate with the Declarant and/or Association in any and all surveys and verifications of compliance with such laws as may from time to time occur.

ARTICLE 9 ARCHITECTURAL CONTROL

9.1 Approval of Plans by Architectural Review Committee. No landscaping shall be placed on any Lot in the Property, no building, wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein or thereto including but not limited to repainting of the exterior be made until the plans and specifications showing the nature, kind, shape, height, materials, color 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 landscape and external design, color and location in relation to surrounding structures and topography by an Architectural Review Committee composed of the Declarant and other members to be determined by the Declarant.

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 Declarant has sold all but one lot in Wandermere Estates.



9.1.3 After Declarant has sold all but one Lot in Wandermere Estates, Owners shall have the power to appoint all of the members of the Committee.

9.1.4. In the event of additional phases or additions of Wandermere Estates being platted by Declarant or its successor in interest, the Architectural Review Committee shall perform the function of the Architectural Review Committee in each such phase or addition and the membership of the Architectural Review Committee shall be determined by the Declarant in all phases or additions to Wandermere Estates.

9.2 Specification of Reasons of Disapproval. The Architectural Review 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 Wandermere Estates restrictions, including but not limited to the Design Guidelines attached hereto as Exhibit "C" and incorporated herein by this reference.

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

9.2.9 Objection to the obstruction of views created by the proposed structure(s).

In any case where the Architectural Review 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 Review 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 Submission of Plans. All plans and specifications required to be submitted to the Committee shall be submitted to the address of the Committee in duplicate. The written submission shall contain the name and address of the Owner submitting the plans and specifications, identify the Lot involved, and the following information about the proposed structure:

9.3.1 The elevation of the structure with reference to the existing and finished Lot grade;

9.3.2 The general design;

9.3.3 The interior layout;

9.3.4 The exterior finish materials and color, including roof materials;

9.3.5 The landscape plan shall be developed by a landscape professional; a person, partnership or corporation who installs landscaping as a regular part of its business activity. In addition to all other provisions regarding landscaping on the individual Lots as is stated in this Declaration, the following provisions shall apply:

9.3.5.1 Either at the time each home is to be constructed, or the landscaping is installed if it will occur after each home is constructed, the builder and/or owner shall submit a landscaping plan to the Architectural Review Committee stating the details of the landscaping contemplated;

9.3.5.2 Each Lot's landscaping plan shall contain a minimum of the following: (1) a drawing to scale showing location of landscaping to be completed for the front and side yards; and (2) a description of all materials to be used; and (3) a general depiction of the location of trees or groups of trees which are to remain.

9.3.5.3 In reviewing the landscaping plans submitted, the Architectural Review Committee shall reasonably attempt to insure that the requested approval for landscaping and materials is consistent with the quality, quantity and attractiveness of landscaping and materials generally found in other upper-end type housing developments similar to Wandermere Estates;

9.3.5.4 The Architectural Review Committee is authorized but not required to establish certain minimum criteria for approval of landscaping plans if desired but it is a fundamental requirement that "Landscaping" as used hereinabove shall



require more than just grass and a sprinkler system, and shall require usage of shrubbery, trees, bark, rock, and other similar materials commonly used in above average residential landscaping and that landscaping shall be performed by a qualified landscaping contractor except as allowed by the Architectural Review Committee; and

9.3.7 Other information which may be required in order to determine whether the structure conforms to the standards articulated in this Declaration and the standards employed by the Committee in evaluating development proposals.

9.3.8 Appropriate provision for storm water drainage shall be incorporated into each lot and approved by the Committee. It is the sole responsibility of the owner to provide appropriate protection for his dwelling for storm water or other drainage.

9.4 Plan Check Fee. All applicable individuals submitting plans to the Committee except the Declarant shall be obliged to pay a \$200.00 plan check fee to cover the administrative costs of reviewing such development proposals. It will be necessary to pay the plan check fee upon submitting plans and specifications to the Committee

9.5 Approval Procedures. Within fifteen (15) days after the receipt of plans and specifications, the Committee shall approve or disapprove the proposed structure. The Committee may decline to approve plans and specifications which, in its opinion, do not conform to restrictions articulated in this Declaration or to its aesthetic standards. The Committee shall indicate its approval or disapproval on one of the copies of the plans and specifications provided by the applicant and shall return the plans and specifications to the address shown on the plans and specifications. In the event that no disapproval of such plans and specifications is given within fifteen (15) days of submission, the plans and specifications shall be deemed to be approved by the Committee and construction pursuant to the plans and specifications may be commenced.

9.6 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 Review 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 Review 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.

9.7 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 (which is 24" above curb or present grade) unless approved by the Architectural Review 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 closing of 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 Requirement for Subsurface and Surface Drainage. Owners must comply with Spokane County or applicable agency or governmental regulations for subsurface and surface drainage.

9.10 Restriction as to Fences. Perimeter fences around swimming pools, as required by Spokane County or applicable government agency, are allowed if approved in advance by the Architectural Review Committee pursuant to sections 9.1 thru 9.4. Otherwise, only invisible fences shall be allowed and must be underground. Trees, hedging and natural vegetation may be used as a border line with the prior written approval of the Architectural Review Committee and subject to the height restrictions set forth in Section 9.11 below.

9.11 Requirements as to Seeding and Planting. Within sixty (60) days of occupancy, front yard landscaping must be completed, weather permitting.. 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.

9.12 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 within one hundred eighty (180) days of the fire or other disaster.

9.13 Entry for Inspection. Any agent, officer or member of the Board, Committee, or the Declarant may, at any reasonable predetermined hour, upon twenty-four (24) hours' notice during construction or exterior remodeling, enter and inspect the Lot(s) and structure(s) to determine if there has been compliance with the provisions of this Declaration. The above-recited individuals shall not be deemed guilty of trespass for such entry or inspection. There is created an easement over, upon, and across the residential Lots for the purpose of making and carrying out such inspections.

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 fifty (50) 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 3. 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. However, the Declarant may amend this Declaration at any time, in Declarant's sole discretion, without vote, to annex any additional phase or phases, or to add additional land to the Property and Wandermere Estates. Said amendment to add or annex any additional phases or land, and subject said phase(s) or land to this Declaration, shall be accomplished by Declarant preparing, executing with notarization, and recording with the Spokane County Auditor a Declaration of Annexation, in recordable form, containing a reference to this Declaration and its recording number, any prior Amendments of Declarations of Annexation and their recording numbers, the legal description of the phase(s) or land being added or annexed, and language subjecting said real estate to this Declaration.

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. Exceptions shall not be granted for the following:

- (a) Any amendment, which affects or purports to affect the validity or priority of encumbrances or the rights or protection granted to encumbrances as provided herein.
- (b) Any amendment which would require a mortgagee after it has acquired a Lot through foreclosure to pay more than its proportionate share of any unpaid Assessment or Assessments accruing after such foreclosure.
- (c) Any amendment which would or could result in an encumbrance being canceled by



forfeiture, or in the individual Lot not being separately assessed for tax purposes.

- (d) Any amendment which would or could result in termination or abandonment of the Property, or in the partition or subdivision of a Lot, in any manner inconsistent with the provisions of this Declaration.
- (e) Any amendment which would subject any Owner to a right of first refusal or other such restriction in favor of the Association, if such Owner exercises his right to sell, transfer or otherwise convey his Lot.

10.6 Protection of Declarant: Notwithstanding any other provision of this Declaration, the prior written approval of Declarant, as developer of the Property, will be required before any amendment which would impair or diminish the rights of Declarant to complete the Property or sell or otherwise dispose of Lots therein in accordance with this Declaration shall become effective.

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 doing on the Property or any Lot whatever is reasonably necessary or advisable in connection with the completion of the work; or

10.8.2 Prevent Declarant or its representatives from erecting, constructing or maintaining on any part or parts of the Property such structures including model homes 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 or otherwise; or

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

10.9 Termination of Any Responsibility of Declarant: In the event Declarant shall convey all of its right, title and interest in and to the Property to any partnership, individual or individuals, corporation or corporations, then and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder and such partnership, individual or



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individuals, corporation or corporations, shall be obligated to perform all such duties and obligations of the Declarant

DECLARANT:

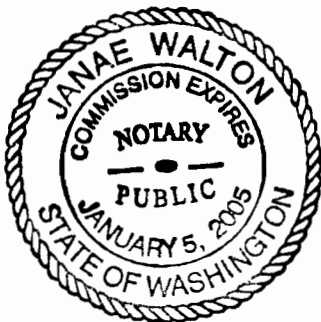
WANDERMERE ESTATES, L.L.C.

By: [Signature]
Its: member

STATE OF WASHINGTON)
) ss.
County of Spokane)

I certify that I know or have satisfactory evidence that Lowell McHale signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it, as the Manager of Wandermere Estates, L.L.C., to be the free and voluntary act of such Limited Liability Company, for the uses and purposes mentioned in the instrument.

DATED: Dec 2, 2003.



PRINT NAME: James Walton
 NOTARY PUBLIC in and for the State
 of Washington, residing at Spokane
 My appointment expires: 1-5-2009



EXHIBIT "A"
LEGAL DESCRIPTION OF
WANDERMERE ESTATES

All that certain real property located in Section 5, Township 26 North, Range 43 East, W.M. in the County of Spokane, State of Washington consisting of the following four (4) parcels:

- PARCEL NO. 1: The North Half of the North Half of the Northwest Quarter of the Southeast Quarter of said section;
- PARCEL NO. 2: That portion of the Northeast Quarter of the Northeast Quarter of the Northeast Quarter of the Southwest Quarter of said section lying easterly of SR 395;
- PARCEL NO. 3: That portion of the South 599.71 feet of the Southeast Quarter of the Southeast Quarter of the Northwest Quarter of said section lying easterly of SR 395;
- PARCEL NO. 4 That portion of Government Lot 1 and that portion of the South Half of the Northeast Quarter of said section lying southeasterly of the following described line:

Beginning at a point on the North line of said government lot, from which point the Northeast corner of said section bears N86°12'17"E a distance of 825.40 feet; thence S35°30'56"E a distance of 204.35 feet; thence S22°08'37"E a distance of 262.57 feet; thence S34°00'42"W a distance of 161.38 feet; thence S29°03'39"W a distance of 255.98 feet thence S19°11'46"W a distance of 660.06 feet; thence S19°01'09"E a distance of 90.00 feet; thence S55°42'36"E a distance of 178.17 feet to the beginning of a curve concave to the East and having a radius of 374.00 feet; thence Southerly along said curve through a central angle of 10°51'33" an arc distance of 70.88 feet; thence S26°48'42"E a distance of 186.60 feet; thence S41°24'11"W a distance of 153.29 feet; thence S57°25'02"W a distance of 206.02 feet; thence S64°54'54"W a distance of 62.96 feet; thence S77°50'02"W a distance of 62.96 feet; thence N89°14'51"W a distance of 62.96 feet; thence N76°19'43"W a distance of 62.96 feet; thence N66°50'15"W a distance of 83.32 feet; thence N86°53'28"W a distance of 131.43 feet; thence N38°23'17"W a distance of 128.65 feet; thence S67°49'28"W a distance of 319.18 feet; thence S20°34'57"W a distance of 148.61 feet; thence S87°04'44"W a distance of 183.36 feet; thence S53°14'29"W a distance of 307.86 feet; thence S86°40'37"W a distance of 113.14 feet; thence N33°52'59"W a distance of 172.93 feet; thence N10°13'47"W a distance of 127.34 feet to a point on the West line of the Southwest Quarter of the Northeast Quarter of said section distance Northerly 600.00 feet from the Southwest corner of said Southwest Quarter of the Northeast Quarter and terminus of this line description.



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PHASE I LEGAL

All that certain real property located in Section 5, Township 26 North, Range 43 East, W.M. in the County of Spokane, State of Washington described as follows:

Commencing at the Northwest corner of the Northeast Quarter of the Southeast Quarter of said section; thence $S01^{\circ}32'31''E$ along the west line of said Northeast Quarter of the Southeast Quarter, a distance of 293.83 feet; thence $S75^{\circ}41'24''W$ a distance of 89.57 feet; thence $S88^{\circ}05'47''W$ a distance of 397.67 feet to the TRUE POINT OF BEGINNING; thence $N76^{\circ}45'05''W$ a distance of 69.67 feet; thence $N87^{\circ}31'34''W$ a distance of 137.04 feet; thence $N28^{\circ}28'50''W$ a distance of 102.15 feet; thence $N79^{\circ}41'48''W$ a distance of 305.02 feet; thence $S87^{\circ}38'12''W$ a distance of 213.91 feet to the beginning of a non-tangent curve concave to the northeast the radius of which bears $N26^{\circ}52'41''E$ a distance of 2000.00 feet; thence northwesterly along said curve through a central angle of $11^{\circ}52'09''$ an arc distance of 414.31 feet to its intersection with the easterly margin of S.R. 395 and beginning of a non-tangent curve the radius of which bears $S85^{\circ}17'48''W$ a distance of 2357.00 feet; thence northerly along said curve and easterly margin, through a central angle of $11^{\circ}27'02''$ an arc distance of 471.05 feet to its intersection with the north line of the south 599.71 feet of the Southeast Quarter of the Southeast Quarter of the Northwest Quarter of said section; thence $N87^{\circ}04'43''E$ along said north line, a distance of 371.37 feet; thence $S10^{\circ}13'47''E$ a distance of 127.34 feet; thence $S33^{\circ}52'59''E$ a distance of 172.93 feet; thence $N86^{\circ}40'37''E$ a distance of 113.14 feet; thence $N53^{\circ}14'29''E$ a distance of 307.86 feet; thence $N87^{\circ}04'44''E$ a distance of 183.36 feet; thence $N20^{\circ}34'57''E$ a distance of 148.61 feet; thence $N67^{\circ}49'28''E$ a distance of 319.18 feet; thence $S38^{\circ}23'17''E$ a distance of 128.65 feet; thence $S56^{\circ}27'51''W$ a distance of 70.00 feet; thence $S45^{\circ}16'56''W$ a distance of 76.00 feet; thence $S24^{\circ}58'27''W$ a distance of 90.00 feet; thence $S06^{\circ}09'49''W$ a distance of 119.55 feet; thence $S00^{\circ}24'37''W$ a distance of 74.95 feet; thence $S79^{\circ}15'13''E$ a distance of 20.00 feet; thence $S17^{\circ}16'17''W$ a distance of 52.05 feet; thence $S30^{\circ}19'17''W$ a distance of 52.05 feet; thence $S53^{\circ}09'13''E$ a distance 105.00 feet to the beginning of a non-tangent curve concave to the northwest the radius of which bears $N53^{\circ}09'13''W$ a distance of 334.00 feet; thence northeasterly along said curve through a central angle of $05^{\circ}48'46''$ an arc distance of 33.89 feet; thence $S58^{\circ}58'00''E$ a distance of 32.00 feet to the beginning of a non-tangent curve concave to the east the radius of which bears $S58^{\circ}58'00''E$ a distance of 30.00 feet; thence southerly along said curve through a central angle of $83^{\circ}19'46''$ an arc distance of 43.63 feet; thence $S52^{\circ}17'46''E$ a distance of 1.30 feet to the beginning of a curve concave to the northeast and having a radius of 204.00 feet; thence easterly along said curve through a central angle of $16^{\circ}24'18''$ an arc distance of 58.41 feet; thence $S29^{\circ}12'55''W$ a distance of 144.58 feet; thence $S53^{\circ}50'28''W$ a distance of 224.77 feet; thence $S06^{\circ}16'59''W$ a distance of 108.89 feet to the true point of beginning.

Containing 19.41 acres more or less



EXHIBIT
DESIGN GUIDELINES

DESIGN GUIDELINES / BUILDING MATERIALS / RESTRICTIONS

Roofing Materials Allowed:

- 1.) Three tab architectural 30 + year – Earth tones
- 2.) Tile – Earth tones

Roofing Materials Disallowed:

- 1.) Cedar Shake or Wood types
- 2.) No Metal

Siding Materials Allowed:

- 1.) Brick, 15% minimum on front facing
- 2.) Stone – Man made Stone, 15% minimum on front facing
- 3.) Stucco
- 4.) Hardboard Shingle – Scallops
- 5.) Lap – Hardboard 8 inch width or less, primed.

Siding Disallowed:

- 1.) Vinyl
- 2.) Metal
- 3.) T-111
- 4.) Cedar

Decks Rear, not Allowed:

- 1.) Wood Railings
- 2.) Wood Pickets – Spindles
- 3.) Wood Decking

Decks Rear Allowed:

- 1.) Glass tinted
- 2.) See through screens by approval of Architectural Design Committee
- 3.) Stairs
- 4.) Metal Framing
- 5.) Recycled Plastic Decking

Front Decks:

- 1.) Country front porches, allowing wood, on a case by case approval by the Architectural Design Committee.
- 2.) Pillars to be of Rock, Brick, or Stone type material.

Monument Lights:



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- 1.) Height 42 inches tall with photo cell
- 2.) Monument light and stone to match home
- 3.) Size to be 20 inches by 20 inches by 42 inches high, with placement of light within 5 feet of walkway
- 4.) Glass brick for light possible to be determined by Architectural Design Committee

Restrictions on Specific Homes:

- 1.) Lots 1-29, Block 1, Lots 1 and 2 Block 2, and all town homes
- 2.) Color schemes shall be approved on the specific homes by the Architectural Design Committee. All roofs to be the same on all of these homes
- 3.) Height restrictions (sight impairment of homes across the street) on specific homes, case by case by Architectural Design Committee

Exterior Fireplace Chases:

- 1.) No wood chases
- 2.) Chases must be same as exterior stone / hard surface

Landscape and Driveways

- 1.) Landscaping to be finished within 6 months of move-in weather permitting
- 2.) Asphalt drives permitted
- 3.) Concrete