DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS OF
ARROWHEAD POINT SOUTH

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS was made on the date hereinafter set forth by ARROWHEAD POINT SOUTH, a Washington General Partnership, hereinafter referred to as "Declarant". The Declarant of Arrowhead Point South, the plat for which was filed for and recorded in the Office of the Auditor of Spokane County, Washington as Instrument # and recorded in Volume of Plats, Page do hereby adopt the following Covenants for the benefit of the Owners of lots therein.

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).

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. "Declarant" shall mean and refer to Arrowhead Point South, a general partnership, 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.

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

1.3 "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.

1.4 "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.

1.5 "Lot" shall mean and refer to any particular and separately designated parcel of land resulting from the subdivision of the Project according to the Subdivision Plat, and sold or held for sale to members of the general public.

1.6 "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".

1.7 "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 any appropriate Declaration of Annexation. The property described in Exhibit "A" to this Declaration shall be deemed to be a subsequent phase of the Project.

1.8 "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.

1.9 "Project Documents" means and includes this Declaration as it may be amended from time to time, the exhibits attached hereto, the Subdivision Plat.

1.10 "Property" or "Properties" means and includes the real property covered by this Declaration, and all improvements erected thereon and all property, real, personal or mixed, intended for or used in connection with the Project.
1.11 "Storm Water Disposal System" shall mean and refer to the street gutters, curbs, curb drops, grassed percolation (if applicable) and storm water retention areas, and drywells constructed or to be constructed within the dedicated street rights of way and easements on adjacent private property for the purpose of collection, treating and disposing of storm water runoff.

1.12 "Streets" shall refer to those parts of the Project which have been dedicated or shall be dedicated to Spokane County, as described on the Subdivision Plat, for use as public roadways, including cul-de-sacs so dedicated.

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

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

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

2.2.1 Lots and Dwellings. Each of the lots as separately shown, numbered and designated on the Subdivision Plat shall be conveyed to and owned by an individual purchaser or purchasers, subject to the requirements and restrictions set forth in this Declaration. Each owner shall have the right and obligation to construct a Dwelling on his Lot, subject to the restrictions set forth in Article 6 below.

2.2.2 Streets. Certain streets, including cul-de-sacs, within the Project have been dedicated to Spokane County, by virtue of the Subdivision Plat. Such streets shall be maintained and repaired by Spokane County. Any private roads and all subsequent private roads within the Project, shall be maintained by the Owners of those lots which are adjoining to the private roads within the Project as provided for in the Declaration of Covenant Requiring Private Construction and Maintenance of Plat Approved Private Road executed by Declaration in conjunction with the Plat Dedication. The owners of those lots which are adjoining the private roads within the Project shall be required to execute Private Road Maintenance Agreements which will provide for the maintenance and repair of the private roads.

2.2.3 Storm Water Disposal System. The Project shall be serviced by a storm water disposal system consisting of the street gutter lines, concrete curbs and curb drops, grassed percolation and storm water retention areas, and drywells. All components of the storm water disposal system shall be constructed and maintained in compliance with the standards of Spokane County. Each lot owner shall be responsible for the proper maintenance of grassed
percolation and storm water retention areas falling on his lot including that portion of the percolation and retention area that falls on the adjacent County of Private Road right of way. "Proper Maintenance" shall mean maintaining the area with a live cover of regularly cut grass, maintaining the required size, shape and bottom elevation as depicted in approved plans on file with Spokane County Engineering Department and maintaining clear all attendant curb drops. Spokane County shall have the right to monitor the operations and maintenance of the storm water disposal system. If, in the opinion of Spokane County, the lot owner is unable to properly maintain the storm water disposal system, the County and/or its agent shall have the right to perform such operation and maintenance as required. All costs incurred by Spokane County and/or its agent shall be reimbursed by the lot owner. In order for Spokane County to perform in this capacity, it shall have the right of ingress and egress over all easements set aside for storm water disposal.

ARTICLE 3
UTILITIES

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

3.1.1 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.

3.1.2 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.

3.2 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, together with the right to grant and transfer the same;
5.4 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 except that tents may be used by Owner or his or her family in "camping out".

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

5.6 Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers.

5.7 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 Lot 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 surround lands.

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

5.9 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 any corner Lot within the Triangular area formed by the street property lines and a line connecting them at points 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 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.

5.10 Animals.

5.10.1 No animal, livestock or poultry of any kind may be raised, bred or kept on any lot. However, cats, dogs, birds or other household pets may be kept in any lawful manner if they are not kept, bred, or maintained for any commercial purpose.
5.10.2 Any animals not restricted shall be properly sheltered and cared for.

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

5.11 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.

5.12 Recreational Vehicles. Recreational vehicles, including boats, motorcycles, snowmobiles and the like are not to be used in Arrowhead Point South on any lot and vehicles must be stored in an attached, enclosed garage.

5.13 External Lighting. All external lighting shall be non-glare and approved by the Architectural Committee prior to installation. All homes must have an approved brick driveway light with photoelectric control.

5.14 Vehicles. No vehicle in excess of 6,000 pounds gross weight (including campers, motor homes, business, boats, trucks and trailers of any description) used for private purposes may be kept, parked, stored, dismantled or repaired outdoors on any residential lot or on any street within Arrowhead Point South. No owner shall permit any vehicle owned by him or any member of his family or by an acquaintance which is in an extreme state of disrepair to be abandoned or to remain parked upon his lot or upon any street within Arrowhead Point South for a period in excess of 48 hours.

5.15 Antennas. No radio or television antenna shall be permitted to extend more than 10 feet above the roof line of any residence without the written approval of the Architectural Control Committee obtained in the manner described in Section 9.1.

5.16 Street Lights. The cost and expense of installation, maintenance and operation shall be billed to and paid by the owners of lots with the Arrowhead Point South subdivision in accordance with the rules and regulations set forth by Whitworth Water District.
6.1 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 topo-graphy by the Architectural Committee. In the event said Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and have been submitted to it or if no suit to enjoin the erection of such structures has been commenced prior to the completion thereof, approval will not be required and this Article will be deemed to have been fully complied with.

6.2 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:

6.2.1 The failure of such plans or specifications to comply with any of the Arrowhead Point South restrictions;

6.2.2 Failure to include information in such plans and specifications as may have been reasonably requested;

6.2.3 Objection to the exterior design, appearance or materials of any proposed structure;

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

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

6.2.6 Objection to the grading plan for any Lot;

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

6.2.8 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
6.2.9 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 Arrowhead Point South or with structures or uses located upon other Lots in the vicinity.

6.3 Dwelling Quality and Size. No dwelling shall be permitted on any Lot less than 1500 square feet for single level homes or 1100 square feet main floor for two story and 4-level homes. 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. All structures must incorporate at least a two-car garage with all driveways to be finished with materials approved by the Architectural Committee.

6.4 Building Location. All structures shall be placed upon a Lot so as to make the structures compatible with other structures or uses upon other Lots in the Project as approved by the Architectural Committee.

6.5 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.

6.6 Restriction Against Excavation and Grading. No excavation for stone, gravel, or earth shall be made on the Lot except for walls, basements, or cellars of dwellings, provided, however, that Declarant reserves the right at any time prior to August 1, 1995 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 Arrowhead Point South but provided further, that Declarant may waive this privilege as to any Lot on which a buyer may desire to erect a building before that date.

6.7 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.

6.8 Restrictions as to Roof Construction. Roofs shall be covered with architectural composition roofing. Quality and color shall be determined by the Architectural Committee.

6.9 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. Trees, hedging and natural vegetation may be used as a border line with the prior written approval of the Architectural Committee.
6.10 Landscaping. Requirement as to Seeding and Planting. When any building shall be constructed on any Lot, the owner of such lot shall submit to the Architectural Committee landscaping plans as to lawn, trees, and planting materials and shall comply with such landscaping as is approved by the Architectural Committee. No litter or rubbish shall be allowed on the premises. Front yard landscaping must be completed within 30 days of occupancy on all homes occupied from April 1st through September 1st; homes occupied from September 2nd through March 31st will have until the following June 1st to complete the front landscaping as required hereunder.

ARTICLE 7
GENERAL PROVISIONS

7.1 Enforcement. Any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages. Failure by 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.

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

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

7.4 Conveyance. Each Owner accepting a deed, lease or other instrument conveying any interest in any Lot, whether or not the same incorporated 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.
7.5 Exceptions. Exceptions to any of the above listed covenants and restrictions shall be granted by the Architectural Committee when and only when the Committee determines such exception is in the best interest of the subdivision and the purpose of these covenants and restrictions.

7.6 Limitation of Restrictions on Declarant. Declarant is performing certain work in connection with the subdivision of the Property and the construction of community improvements thereon. The completion of that work and the 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

7.6.1 Prevent Declarant, its contractors, or sub contractors, from doing on the Property or any Lot, whatever is reasonably necessary or advisable in connection with the completion of the work; or

7.6.2 Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Property, such structure 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

7.6.3 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:

ARROWHEAD POINT SOUTH

By ____________________________
Robert L. Heitman, Jr., Partner

By ____________________________
Richard G. Nelson, Partner