Return Address:

Joseph P. Delay
DELAY, CURRAN, THOMPSON, PONTAROLO & WALKER, P.S.
601 W. Main Avenue, Suite 1200
Spokane, WA 99201

PHASE III ADDITION TO
STONE HORSE BLUFF DECLARATIONS OF COVENANTS

Grantor: Stone Horse Bluff Development, LLC
Grantee: Public
Abbreviated Legal: SE¼ Sec 5, T. 26N, R. 45E Phase III
Assessor’s Tax Parcel No: 36054.0185; 36054.0187

WHEREAS, Stone Horse Bluff Development, LLC, has previously filed and recorded in the office of the Spokane County Auditor on May 3, 2013, under Document No. 6204242, Declarations of Covenants, Conditions and Restrictions for Stone Horse Bluff Development consisting of Pages 1 through 31;

WHEREAS, the aforesaid Covenants, Conditions and Restrictions for Stone Horse Bluff Development, LLC, provide that additional properties may be added and be made subject to the Declaration of Covenants, Conditions and Restrictions for Stone Horse Bluff Development;

WHEREAS, Stone Horse Bluff Development, LLC, is desirous of adding Phase III to the aforesaid Covenants, Conditions and Restrictions;

NOW THEREFORE, Declarant declares that all real property described in this Declaration, including any improvements constructed or to be constructed thereon, is hereby subjected to the provisions of the aforesaid Covenants, Conditions, Restrictions, Easements, Assessments and Liens previously filed of record on May 3, 2013, under Document No. 6204242 consisting of 31 pages, and PUD
Declaration of Covenants filed of record on May 3, 2013, as Document No. 6204243 consisting of four pages, except as herein modified. The aforesaid covenants shall run with the title to the real property hereinafter described and shall be binding on all persons having any right, title or interest in all or any portion of the real property made subject hereto, their respective heirs, legal representatives, successors, successors in title, and assigns, and shall inure to the benefit of each and every owner, all or any portion thereof.

The legal description for PHASE III is attached hereto and incorporated herein.

Stone Horse Bluff PUD PHASE III is a portion of Blocks 151, 152, 156, 157, 158, 159, 162 and 163, and of vacated Center Street and vacated Morton Street in FIRST ADDITION TO CITY OF GARDENS, according to Plat thereof recorded in Volume Q of Plats, Page 39, in the Southeast Quarter of Section 5, Township 25 North, Range 43, East W.M., in Spokane County, Washington.

MAINTENANCE, CONVEYANCE OF COMMON AREAS TO ASSOCIATION

1. Association's Responsibility. The Association shall maintain and keep in good repair the Common Area. This maintenance shall include, without limitation, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and improvements situated on the Common Area. The Association shall also maintain: (i) all entry features, if any, for the Community including the expenses for water, sewer, and electricity, if any, provided to all such entry features; (ii) landscaping originally installed or modified by the Declarant which is on Common Area owned in fee by the Association or on property where an easement has been granted to the Association; and (iii) all facilities serving the Community not dedicated to or maintained by a public entity. The foregoing maintenance shall be performed consistent with the structures, including snow removal, and for the maintenance of the drainage facilities located therein shall be at Association cost as well as the assessments which will be discharged on a monthly basis to all of the residents of the Development.
1.1 Tract "G1", Tract "G2", Tract "G3", Tract "I", Tract "K", Tract "L" and Tract "M" are all common areas dedicated to Stone Horse Bluff Homeowners Association. Said tracts are drainage tracts and are unbuildable; no structures, including fences, should be constructed thereon without the express written approval of the County of Spokane. The Association shall be responsible for payment of claims and other liabilities, which may become due for said tracts. These tracts herein above described will be maintained by the Association, and said tracts shall be considered subservient estates to all lots with the plat for the purpose of real estate taxes. Installing, operating and maintaining drainage ponds and drainage facilities to treat, store and dispose of storm-water runoff, are hereby granted to the Association. The Association will be responsible for all maintenance of drainage easements, and the replacement of catch basins and drainage pipes throughout Stone Horse Bluff as part of the drainage facilities located on these tracts. The dual purpose of these tracts is also as recreation areas if the Association so desires.

1.2 Tract "R" of Stone Horse Bluff PUD PHASE II is privately owned.

2. Property Not Owned by the Association. The Association shall have the right, but not the obligation, to maintain other property not owned by the Association, whether maintenance agreement with adjoining property owners or association for the repair, maintenance and replacement of shared facilities or other property.

3. Damage Caused by Owner. In the event that the Association determines that the need for maintenance, repair, or replacement which is the responsibility of the Association herein under, is caused through the willful or negligent act of an Owner, or the family, guest, lessees, or invitees of any Owner, the Association may perform such maintenance, repair or replacement at such Owner's sole cost and expense, and all costs thereof shall be added to and become part of the assessment to which such Owner is subject and shall become a lien against the Lot of such Owner.
4. **Owner’s Responsibility.** Except as provided in paragraphs 2, 3, and 4 above, all maintenance of any Lot and all structures, parking areas, landscaping, private roadways, and other improvements thereon together with the landscaping on any parking strip fronting any such Lot, shall be the sole responsibility of the Owner thereof, who shall provide maintenance consistent with the Community-Wide Standard and this Declaration. In the event that the Board of Directors of the Association determines that any Owner has failed or refused to discharge properly any of such Owner’s obligations with regard to the maintenance, repair, or replacement of items for which such Owner is responsible hereunder, the Association shall, except in an emergency situation, give the Owner written notice of the Association’s intent to provide such necessary maintenance, repair, or replacement at the Owner’s sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Owner shall have ten (10) days after receipt of such notice within which to complete such maintenance repair or replacement, or, in the event that such maintenance repair, replacement is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable time. If any Owner does not comply with the provisions hereof, the Association may provide any such maintenance, repair, or replacement at such Owner’s sole cost and expense, and all costs shall be added to and become a part of the assessment to which such Owner is subject and shall become a lien against the Lot.

5. **Conveyance of Common Area (including the Special Benefit Common Area) by Declarant to Association.** The Declarant may transfer or convey to the Association any Personal property and any improved or unimproved real property, leasehold, easement, or other property interest. Such conveyance shall be accepted by the Association, and the property shall thereafter be Common Area or Special Benefit Common Area, as designated by the Declarant, to be maintained by the Association. Declarant shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section.

6. **Conversion of Common Area.** A Common Area may not be converted by the Association to a Special Benefit Common Area without the consent of two-thirds of all the Owners, as well as two-
thirds of the Owners of the Lots that would become Specially Benefited Lots and be specially assessed for such Special Benefit Common Area. A Special Benefit Common Area may not be converted to a Common Area for the use of all Owners without the consent of 75% of all Owners as well as 75% of the Owners of the Specially Benefit Lots that have benefited from such Special Benefit Common Area.

Except as herein modified, Declarant adopts all the remaining Covenants and Conditions for Stone Horse Bluff Phase I and Phase II hereinbefore referred to.

Executed this 20 day of August, 2015.

DECLARANT:
Stone Horse Bluff, LLC

[Signature]
Harley C. Douglass
Manager/Sole Member

STATE OF WASHINGTON

County of Spokane

On this 20 day of August, 2015, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Harley C. Douglass, Manager and Sole Member of Stone Horse Bluff, L.L.C., to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.

[Signature]
NOTARY PUBLIC in and for the State of Washington, residing at Spokane. Appt. expires: 10-25-10

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#13-026
LEGAL DESCRIPTION
STONE HORSE BLUFF PHASE 3 P.U.D.

THOSE PORTIONS OF BLOCKS 151, 152, 156, 157, 158, 159, 162 AND 163, AND OF VACATED CENTER STREET AND VACATED MORTON STREET IN FIRST ADDITION TO CITY GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME "Q" OF PLATS, PAGE 39, IN THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 26 NORTH, RANGE 43 EAST, W.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 5; THENCE, N00°36'52"E 660.59 FEET ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 5 TO THE POINT OF BEGINNING;

THENCE CONTINUING N00°36'52"E 516.94 FEET ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER; THENCE ALONG THE SOUTHERLY BOUNDARY OF STONE HORSE BLUFF P.U.D. PHASE 2, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK 37 OF PLATS, PAGES 24-25 THE FOLLOWING EIGHT (8) COURSES: 1) S89°57'27"W 885.32 FEET TO THE SOUTHWEST CORNER OF LOT 1, BLOCK 8 OF SAID PHASE 2; 2) THENCE N00°02'33"W 149.00 FEET TO THE SOUTH LINE OF LOT 1, BLOCK 5 OF SAID PHASE 2; 3) THENCE S89°57'27"W 82.52 FEET TO THE SOUTHWEST CORNER OF LOT 1, BLOCK 5 OF SAID PHASE 2; 4) N00°02'33"W 115.00 FEET TO THE NORTHWEST CORNER OF LOT 2, BLOCK 5 OF SAID PHASE 2; 5) THENCE S89°57'27"W 155.54 FEET ALONG THE SOUTHERLY LINE OF TRACT G3 OF SAID PHASE 2; 6) THENCE S79°37'52"W 72.50 FEET ALONG THE SOUTHERLY LINE OF TRACT G3 OF SAID PHASE 2; 7) THENCE S68°05'20"W 73.06 FEET ALONG THE SOUTHERLY LINE OF TRACT G3 OF SAID PHASE 2; 8) THENCE N30°52'64"W 105.54 FEET ALONG THE SOUTHWESTERLY LINE OF TRACT G3 OF SAID PHASE 2; THENCE S87°32'46"W 71.46 FEET; THENCE S19°10'36"W 125.00 FEET; THENCE S22°41'40"W 76.65 FEET; THENCE S42°11'48"W 90.47 FEET; THENCE S87°13'34"W 52.38 FEET; THENCE S05°25'57"E 49.93 FEET; THENCE S15°06'29"E 49.93 FEET; THENCE S24°47'01"E 49.93 FEET; THENCE S34°27'34"E 49.93 FEET; THENCE S85°33'50"E 33.51 FEET; THENCE S21°07'31"W 100.00 FEET; THENCE S30°16'42"W 50.03 FEET; THENCE S05°25'42"W 38.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF A NON-TANGENT 416.00 FOOT RADIUS CURVE TO THE LEFT, THE CENTER OF WHICH BEARS N39°15'42"E, THROUGH A CENTRAL ANGLE OF 15°24'00", AN ARC LENGTH OF 111.81 FEET; THENCE S23°52'42"W 38.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF A NON-TANGENT 454.00 FOOT RADIUS CURVE TO THE LEFT, THE CENTER OF WHICH BEARS N23°52'42"E, THROUGH A CENTRAL ANGLE OF 00°57'31", AN ARC LENGTH OF 7.60 FEET; THENCE S22°55'11"W 110.00 FEET; THENCE S00°58'17"E 50.71 FEET TO THE SOUTH LINE OF SAID BLOCK 159; THENCE N89°57'13"E ALONG THE SOUTH LINES OF SAID BLOCKS 159, 162 AND 163 A DISTANCE OF 1486.15 FEET TO THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 5 AND THE POINT OF BEGINNING;

EXCEPT THE EAST 27.00 FEET THEREOF FOR PERRY STREET;

SITuate IN THE COUNTY OF SPOKANE, STATE OF WASHINGTON.