



**Declaration of Covenants, Conditions,
Restrictions, Reservations and Easements Relating to
Desert Bluff Estates Subdivision Phase 2**

This declaration is made this 17th day of April, 2003, by McGee Blue Mountain Group, LLC, a Washington limited liability company, 428 West Shoshone, Pasco, Washington 99301, herein referred to as the Declarant.

Witnesseth:

1. McGee Blue Mountain Group, LLC, is the owner of certain Real Property located in Franklin County, Washington, known as Desert Bluff Phase 2, and more particularly described in "Exhibit B" attached hereto and by this reference made a part hereof (Real Property).
2. Declarant wishes to place restrictions, covenants, conditions, reservations and easements upon said Real Property for the use and benefit of Real Property, the Declarant and the future Owners, thereof

NOW THEREFORE, Declarant hereby declares that all the Real Property shall be held, sold, and conveyed subject to the following restrictions, reservations, covenants, conditions, and easements, all of which are for the purpose of enhancing the value, desirability, and attractiveness of the Real Property as a residential development. These restrictions, reservations, covenants, conditions, and easements shall run with the Real Property, shall be binding upon all parties having or acquiring any right, title, or interest in the Real Property, or any part thereof and shall inure to the benefit of and be binding upon each successor in interest to the owner thereof.

**PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS AND
EASEMENTS**

1. LAND USE - Lots in the Real Property shall be used for single family residential purposes only. Owners of any lots must begin construction within 12 months from the date of acquisition. Acquisition shall include purchase under contract. Construction shall be completed as to exterior appearance including exterior painting, driveway and restoration of lot grade within ten months from the date of commencement of construction. Seeding of lot to grass, planting or the equivalent shall be completed within thirty days of restoration of lot grade. All landscaping shall be to the general standards of the subdivision and approved in advance by the Architectural Control Committee. If these requirements are not met, the Declarant shall have the option of repurchasing the lot at its original price plus 10%.



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2. COMMERCIAL USAGE PROHIBITED- No store, office, business, manufacturing or commercial enterprise of any type shall be permitted on any lot.
3. BUILDING TYPE- Each lot will be used for single family residence only. The plans and specifications of all structures including out buildings to be erected on any lot, including any modification or alteration thereto, must be first approved by the Architectural Control Committee after submission of the plans and specifications as required by the Architectural Control Committee. The living area of the residential structures shall not contain less than 1800 square feet for a one level structure. If the structure is two levels, the first level must contain no less than 1,600 square feet of living area and the second level must contain no less than 600 square feet of living area. Residential structures must be double-wall construction throughout.
4. LIVING AREA- Living area shall be exclusive of garages, porches, decks, and basement, finished or not.
5. BUILDING HEIGHT- Building height of any residential structure shall not exceed 25 feet for a single level structure or 30 feet for a multilevel residential structure as measured from the foundation of the street facing side of the structure. Exterior elevations, heights, and placement of all structures shall require approval from the Architectural Control Committee. No structures, shrubs, trees, or other planting shall exceed 30 feet in height. The intent and purpose of these restrictions is to prevent unnecessary blocking of view.
6. FOUNDATIONS- All foundations shall be poured concrete.
7. EXTERIOR- A minimum of 25% of the exterior surface of the walls including garages shall consist of stucco, dryvit, brick, or masonry. No vertical siding may be used without the prior written approval of the Architectural Control Committee; the Architectural Control Committee may specify a minimum grade or equivalent of siding and exterior surface material. All structures must be roofed by architectural laminate roofing material or tile roofing with a minimum forty year warranty approved in advance by the Architectural Control Committee. Colors of the main structure and secondary structures shall be the same or complementary. Exterior colors including roofing must be approved by the Architectural Control Committee prior to construction.
8. FENCES- Fences shall be a maximum height of six feet. Fences shall not be nearer than 40 feet to the front lot line. All fences must be approved by the Architectural Control Committee prior to construction.
9. ANTENNAS- Antennas and satellite dishes shall not be visible from the street.
10. GARAGES- Garages shall be a minimum of 400 square feet. Garage doors or openings shall not comprise more than 30% of the front elevation of the structure.

Whenever possible garage doors shall not be located on the street facing side of the structure.

11. ANIMALS- No animals or livestock of any kind shall be raised, bred or kept on any lot. Dogs, cats or other household pets may be kept up to a maximum of four pets per household. In the case of a household pet giving birth, more than four pets may be kept for a period of 60 days from the date of birth.

12. VEHICLES- There shall be no repairing of vehicles on the streets of the Real Property. No mobile homes, trailers, trucks exceeding one ton capacity, pickups carrying campers, campers, boats, boat trailers, or unsightly vehicles shall be parked or allowed to remain on any of the lots or adjoining streets; however, an exception is allowed if they are stored in a garage, or if the vehicle does not exceed 20 feet in length, it may be stored behind the rear building line of the building provided it is completely screened from view by such screening as is approved by the Architectural Control Committee. This provision is not intended to preclude the entry of construction, maintenance, delivery, moving, or other such service vehicles while they are being used in connection with construction, maintenance, delivery, moving or other such services for the Real Property or lot owners.

13. REFUSE- No lot shall be used or maintained as a dumping ground for rubbish, trash, yard debris, garbage, or other waste. Any waste must be kept in sanitary containers until properly disposed of.

14. EASEMENTS- Easements shown on the face of the plat of the Real Property shall be maintained by the owners of the lot subject to the easement. No plantings, structures, barriers of any type, or other materials shall be placed upon said easements in a manner which may damage or interfere with the installation and maintenance of utilities, which may interfere or change drainage channels within the easements, or which may in any manner hinder the access or use for which the easement was established. Owners of lots must be aware that fences, structures, or barriers of any type that interfere with access to the easement or the use for which the easement was established, may require the removal at the lot owner's cost and expense.

15. VARIANCES- Variances to the Covenants, Conditions, Restrictions, Reservations and Easements, may be made in the sole discretion of the Architectural Control Committee on a case by case basis to accommodate various circumstances including, but not limited to, lot size, irregularities of lot contour or lot lines, view enhancement or restriction and similar matters.

GENERAL PROVISIONS

1. ASSOCIATION- Declarant McGee Blue Mountain, LLC reserves the right to form an association at any time as a non-profit membership corporation organized under the laws of the State of Washington and named the Desert Bluff Estates Subdivisions



Homeowners Association. Such corporation will be vested with all the powers allowed and as prescribed by law with the purpose of owning and maintaining any common areas or property deeded to such corporation by the Declarant located in Desert Bluff Phase 1, 2 or 3, including but not limited to any landscaping, monuments, entryway landscaping and other properties used commonly or for the benefit of the property.

If the Declarant McGee Blue Mountain, LLC elects to form an association it will name a Board of Directors of not fewer than three persons, who need not be owners of lots in Desert Bluff Phase 1,2, or 3, with full authority to manage the Association as a Board of Directors during a formation period. Such Board will elect officers to preside over meetings and to follow the directions of the Board and will be further empowered as allowed by law in regard to Desert Bluff Phases 1, 2 and 3. Within twelve months of forming an association, an annual meeting will be called to elect a Board of Directors from the lot owners and appoint or elect Officers. The number of Directors may be increased at that time; only lot owners shall be members of the association.

2. DURATION- The covenants, conditions, restrictions, reservations and easements of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Declarant, the owner of any lot subject to this Declaration, the Association and their respective legal representatives, heirs, successors, or assigns in perpetuity.

3. ENFORCEMENT- The Declarant, any lot owner, or the Association shall have the right to enforce by any proceeding at law or in equity all conditions, covenants, restrictions, reservations and easements now or hereafter imposed by the provisions of this Declaration. The method of enforcement may include legal action seeking an injunction to prohibit any violation or to recover damages or both. Failure by the Declarant, any lot owner, or the Association to enforce any such provisions shall in no event be deemed a waiver of the right to do so thereafter. Should any lawsuit or other legal proceeding be instituted against an owner alleged to have violated one or more of these Declarations, the prevailing party in such proceedings shall be entitled to reimbursement of the costs of such proceedings, reasonable attorneys fees and costs, and if the lot owner is not the prevailing party, such amounts shall become liens against the lot which is the subject matter of the enforcement matter or legal action.

4. SEVERABILITY- Invalidation of any one of these Declarations by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

5. AMENDMENT- The Declarant reserves the sole right to amend, modify, make additions to or deletions from this Declaration as it deems appropriate. This right of the Declarant to make amendments shall continue so long as Declarant is a Member of the Association. After the resignation of the Declarant as a Member, the right to amend shall pass to the Association to be exercised only on the approval of seventy-five percent of the Members of the Association.



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6. LIABILITY OF DECLARANT- Notwithstanding anything to the contrary herein, neither the Declarant nor the Architectural Control Committee shall have any liability for its actions or failure to act, the action or failure or failure to act of the Association or for any action or failure to act of any owner of a lot in the Subdivision.

IN WITNESS WHEREOF, the Declarant, McGee Blue Mountain Group, LLC has executed the foregoing Declaration on the day and year first above written

Gerald F. Roach

Gerald F. Roach, Member

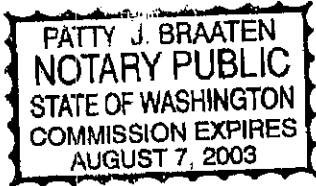
STATE OF WASHINGTON)

) ss.

County of Franklin)

On this day personally appeared before me Gerald F. Roach, Member, 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.

GIVEN under my hand and official seal this 18th day of April, 2003.



Patty J. Braaten
Notary Public in and for the State of Washington
Residing at _____
My Commission Expires 8/7/03

EXHIBIT B

Lots 1 through 9 inclusive, Block 1, and Lots 1 through 23 inclusive, Block 2, Desert Bluff Phase Two, according to Plat thereof recorded in Volume D of Plats, page 233, records of Franklin County Washington.