



1703003

Page: 1 of 18
06/01/2007 09:33A

BENTON FRANKLIN TITLE COV 49.00 Franklin Co, WA

WHEN RECORDED RETURN TO:
Leavy, Schultz, Davis & Fearing, P.S.
Attn: Willilam Davis
2415 W. Falls Ave.
Kennewick, WA 99336

BENTON FRANKLIN TITLE CO.

FMO

49

DOCUMENT TITLE(S):
QUAIL BLUFF ESTATES COVENANTS

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

GRANTOR:
QUAIL BLUFF ESTATES

GRANTEE:
QUAIL BLUFF ESTATE

ABBREVIATED LEGAL DESCRIPTION:
ALL LOTS , QUAIL BLUFF ESTATES

TAX PARCEL NUMBER(S):
126-150-214, 126-150-215, 126-150-216, 126-150- 217, 126-150-218, 126-150-219, 126-150- 220, 126-150- 221, 126-150- 222, 126-150- 223, 126-150-224, 126-150-225, 126-150-226, 126-150-227



QUAIL BLUFF ESTATES COVENANTS

THIS DECLARATION (hereinafter "Declaration") is made and entered into on the date set forth below by Quail Bluff Estates, LLC, a Washington limited liability company (hereinafter referred to as the Developer), for purposes of subjecting the below-mentioned and described real property to the various covenants, conditions and restrictions set forth herein.

WHEREAS, the Developer is the developer and owner of the fourteen (14) platted residential lots located within the Plat of Quail Bluff, recorded with the Franklin County Auditor on May 21, 2007, in Volume D of Plats, page 325, under Auditor's File No. 1702343 (sometimes hereinafter referred to as the "Quail Bluff Estates"), which recorded Plat and all terms and conditions set forth on the face thereof are hereby incorporated herein by this reference.

WHEREAS, the residential subdivision development within which the Quail Bluff Estates Lots are located is and shall be commonly known and referred to as "Quail Bluff Estates".

WHEREAS, the Developer hereby declares that this Declaration and the various covenants, conditions and restrictions set forth herein as well as any subsequent amendments thereto are specifically intended to and shall "run with the land" (i.e., each and every one of the Quail Bluff Estates Lots) and shall be fully binding upon, enforceable against, and shall inure to the benefit of, all now existing or hereafter created Quail Bluff Estates Lots and any and all persons and/or entities now or hereafter owning, possessing, or otherwise claiming or acquiring any right, title, or interest of any nature in the Quail Bluff Estates Lots (or any portion thereof) for a period of ten (10) years from the date of recording this Declaration, at which time these covenants, conditions and restrictions shall automatically renew for successive periods of ten (10) years each unless sixty five percent (65%) of the then-existing owners of Quail Bluff Estates Lots meet and vote within sixty (60) days prior to such time(s) of renewal to amend these covenants, conditions and restrictions either in whole or in part. Except as otherwise provided above for the sixty (60) day period(s) prior to such time(s) of automatic renewal, these covenants,

conditions and restrictions may be amended only by an affirmative vote of seventy five percent (75%) of the owners of the Quail Bluff Estates Lots.

WHEREAS, it is the intent and purpose of this Declaration and these covenants, conditions and restrictions to ensure that there will be a common-plan, uniform and high quality of development in regard to all structures located in Quail Bluff Estates, now and in the future, in order to enhance, protect and preserve the health, safety, welfare, security and value of monetary investment, as well as to promote, enhance and ensure harmony and compatibility among and between Quail Bluff Estates lot owners, residents, and neighbors.

NOW, THEREFORE, the Developer hereby declares that:

1. All provisions of the above-stated recital paragraphs are substantive and integral to the intent and purpose of this Declaration and, as such, are hereby fully incorporated herein by this reference.
2. Any and all instruments of conveyance or transfer of any interest in any lot (including, without limitation, deeds and real estate contracts) shall contain (and if not, shall be deemed to contain) reference to this Declaration and shall be fully subject to this Declaration and the various covenants, conditions and restrictions set forth herein. Any and all leases or occupancy agreements relating to any lot, written or oral, shall contain (and, if not, shall be deemed to contain) reference to this Declaration and shall be fully subject to this Declaration and the various covenants, conditions and restrictions set forth herein. No private agreement between adjacent lot or property owners shall modify or abrogate any portion of this Declaration and the various covenants, conditions and restrictions set forth herein.
3. There is no public or community source of potable water supply to the lots; all lot owners shall be required to drill a well on the lot to obtain potable water to service the lot. The Developer makes no warranties, assurances, or representations whatsoever, express or implied, as to whether a well on any lot will provide and supply an adequate quantity or quality of potable water. Any and all water wells shall be placed on the lot so as to strictly conform with and to any and all requirements set forth on the face of the above-referenced Final Plat of Quail Bluff Estates #1 and all applicable governmental health regulations, codes and laws.
4. Any and all septic tanks, dry wells, and drain fields shall be placed on the lot so as to strictly conform with and to any and all requirements set forth on the face of the above-referenced Final Plat of Quail Bluff Estates #1 and all applicable governmental health regulations, codes and laws.

5. All lots located within Quail Bluff Estates are "residential Lots" and shall be used only for single-family residential purposes. No multi-family housing units, horizontal property regimes, condominiums, or similar types of structures shall be allowed upon any lot. It is the Developers paramount goal and intent that Quail Bluff Estates be developed into a first-class, top quality, and high value residential development and that, consistent with such goal and intent, that all structures within Quail Bluff Estates shall be, both internally and externally, designed, constructed, and maintained in an architecturally and aesthetically pleasing and desirable manner so as to fully promote and achieve such goal and intent.

6. No structure of any type or nature shall be erected, altered, repaired, placed or permitted upon any lot other than one (1) single-family residential dwelling (which shall have a roof pitch of not less than a five (5) to twelve (12) ratio and which shall include an attached private garage for not less than two (2) vehicles, maximum of one (1) hot tub cabana/gazebo, and one (1) swimming pool. In addition, there is allowed an outbuilding for use as a shop or similar purpose of not more than 1800 square feet. Any and all of such structures and outbuildings shall further be erected constructed, and finished in such a manner as to be architecturally compatible with, and of the same exterior color and material (including roof design and material) as, the primary residential dwelling structure located on the lot. No structure shall be higher than thirty-five (35) feet.

Lot owners of Lots 6, 7, and 8 acknowledge that the lots are on a slope, and that the west property is located on a slope. Said lot owners understand and acknowledge that they have, and have requested to receive, a copy of the Geotechnical Report prepared by Shannon & Wilson, dated August, 2006, and that their lots and they themselves are subject to that report. Any development, structure or landscaping located within thirty (30) feet of the steep slope on the slope shall be constructed under the direction and recommendation of a licensed geotechnical engineer. Additionally, the owners of Lots 7 and 8 understand that they are responsible for managing storm water run-off from their lots and are solely responsible for the affects thereof, including any effects to the lots to the west or below the bluff.

7. No structure of any type or nature (including, without limitation, residences, garages, fences, patios, swimming pools, and all outbuildings) may be erected, placed, altered, repaired, or permitted to remain upon any lot unless and until the proposed structure's detailed plans and specifications, exterior color plan, plot plan (including proposed location with respect to topography and finished ground elevation), landscaping plan, and fencing plan showing and detailing the specific type, design, shape, height, location, color, and building materials composition of the proposed structure have been duly submitted to and reviewed and approved by the Quail Bluff Estates Architectural Control Committee (hereinafter the "ACC") in writing as being in full and strict compliance with all applicable provisions of

this Declaration and in full and complete conformity and harmony as to external design and location relative to the other contemplated, desired, and intended first-class, top quality, and high value structures in Quail Bluff Estates. The ACC shall be initially composed of two (2) members, David W. Wilson and H. W. Felsted, or by other individuals designated by the Developer or the ACC. All required plans and specifications shall be submitted to the ACC at the following address:

Quail Bluff Estates Architectural Control Committee
ATTN: David W. Wilson and H. W. Felsted
c/o 10723 West Court Street
Pasco, WA 99301

and/or to such other address(es) as may hereafter be designated in writing to Quail Bluff Estates lot owners by the Developer or the ACC.

- a. Without limitation as to the ACC's general and broad power and authority under this Declaration to influence and control the design and location of all structures within Quail Bluff Estates, the ACC's purpose shall be to ensure that all plans, specifications, setbacks and structure designs are in strict conformance to the covenants, conditions and restrictions contained herein, and that all structures, fencing and landscaping located within Quail Bluff Estates are designed, physically located, and constructed in such a manner so as to strictly conform in height and general appearance with other existing structures and landscaping.
- b. In the Event that the ACC fails to approve or disapprove any plans and specifications submitted to it for review within thirty (30) days after the date of submission, the submitted plans, specifications, and any accompanying documentation related thereto shall be deemed to have been approved by the ACC and the provisions of this Paragraph 7 shall be deemed to have been complied with provided that the design, location, and other salient characteristics of the proposed structure or the proposed work or improvement shall be governed by and subject to all other covenants, conditions and restrictions set forth herein and shall be required to be in harmony with the other existing structures in Quail Bluff Estates.
- c. The ACC's approval of duly submitted plans and specifications shall not be unreasonably withheld. However, the ACC shall have the right to reject any proposed plans and specifications that the ACC deems, in its sole and absolute discretion, not to be architecturally or aesthetically suitable or desirable for the planned or existing Quail Bluff Estates development; provided that the ACC's rejection of any proposed plans and specifications must be based on objective factors and criteria and on

reasonable judgment as to the effect the proposed structure or the proposed work or improvement would have on the Quail Bluff Estates development as a whole. The ACC and its members and representatives shall have no personal liability for successful judicial challenges to the ACC's decisions regarding submitted plans and specifications, and the sole and exclusive remedy available to a party successfully challenging the ACC's decision shall be limited to a judicial order or decree reversing the ACC's decision and such party shall have no right, claim, remedy, or entitlement for damages or reimbursement of any amount or nature.

- d. The ACC's approval of proposed plans and specifications shall not be interpreted or deemed as being an endorsement or certification as to the proposed structures or the proposed works or improvements building codes. The party submitting the plans and specifications to the ACC shall bear all responsibility to ensure such safety, structural integrity, and compliance, and the ACC and its members and representatives shall have no liability whatsoever for any lack of safety, structural integrity, or compliance.
- e. When residential structures have been constructed, completed, and legally occupied on all of the lots within Quail Bluff Estates, the powers and duties of the initial ACC shall terminate and the ACC shall thereafter consist of three (3) members who shall be individuals who own lots in Quail Bluff Estates and who shall be elected or appointed to serve in such capacity for three (3) year terms by majority vote of Quail Bluff Estates lot owners. Except for the above-named members of the initial ACC who may not be involuntarily removed or replaced from such capacity for any reason whatsoever, members of the ACC may be removed and replaced at any time prior to the expiration of their respective three (3) year term by majority vote of the owners of Quail Bluff Estates Lots.
- f. The ACC's members shall not be entitled to receive any compensation for ACC-related services performed pursuant to this Declaration.
- g. The ACC's approval of any proposed plan or matter submitted to it shall not be deemed to constitute a waiver, abandonment, or binding precedent that would preclude the ACC's right or ability to subsequently withhold its approval of similar proposed plans or similar proposed matters submitted to it.
- h. The ACC shall have the discretion, power, and authority to enact, promulgate, implement, and enforce any rules or regulations that the ACC, in its sole and absolute discretion, may deem necessary or appropriate from time-to-time to effectively and efficiently carry out and effectuate its

purpose and duties under this Declaration and the provisions of paragraph 7.

8. Without limiting other applicable provisions of this Declaration, all structures and improvements within Quail Bluff Estates shall be designed, located and placed on the lot in such a manner that strictly conforms to and complies with all applicable building code or otherwise applicable minimum setback requirements. All structures and improvements within Quail Bluff Estates shall also be designed, located and placed on the lot in such a manner so as to not to encroach upon any recorded or otherwise known or apparent easement area.
9. No lot may be further divided or partitioned.
10. No noxious or injurious activity shall be conducted upon any lot nor shall any type of activity be conducted thereon which is or may become an annoyance or nuisance to other lot owners or occupants.
11. No lot shall be used or maintained as a dumping ground for garbage, waste, or unwanted materials of any kind or nature including, without limitation, building materials, lawn or yard clippings and rocks. Trash, garbage and other waste shall not be kept or accumulated on any lot except in sanitary containers that are appropriately screened and shielded from view from any street or by other lot owners and occupants.
12. No unused or inoperable vehicles, "junkyard" type materials (e.g., equipment, machinery, automobiles in disrepair, and automobile parts), or any other types of unsightly or offensive items shall be accumulated or allowed to remain upon any lot.
13. No vehicles of any type nor utility or recreational vehicles of any type (including, without limitation, boats, campers, motor-homes, trailers, snowmobiles and personal watercraft), whether operable or not and whether regularly drive/used or not, shall be parked, stored, or otherwise maintained for any length of time on any street, thoroughfare or cul-de-sac within Quail Bluff Estates. Violations of this paragraph shall subject such vehicles to public impound, at the full risk and expense of the vehicle owner(s).
14. No commercial vehicles of any type, whether operable or not and whether regularly driven/used or not, shall be parked or stored on any lot. For purposes of this paragraph, commercial vehicles shall not include passenger cars or standard-size vans and pickup trucks that are used for both business and personal use, provided that any commercial-related signs, logos, or other markings thereon shall be unobtrusive and unobjectionable.



1703003

Page: 8 of 18
06/01/2007 09:33A
Franklin Co, WA

BENTON FRANKLIN TITLE

COV

49.00

15. Except for any lights that may be installed by the Developer, no spotlights, floodlights, or other type of high-intensity exterior lighting shall be placed or utilized on any lot that causes light to be directed or reflected toward any other lot.
16. No oil or natural gas exploration/drilling, refining operations or related activities of any type shall be conducted on any lot; nor shall any quarrying or mining-related operations or activities of any type be conducted on any lot.
17. No signs of any type or nature shall be erected, placed, or otherwise maintained or displayed on any lot; provided that, one (1) unlighted "for sale" or "for rent" sign may be temporarily placed and displayed on a lot provided that the sign does not exceed five (5) square feet in size. Provided further that, however, the Developer reserves the right to erect, place and display signs of any size or nature on Developer-owned lots within Quail Bluff Estates incidental to the Developer's promotion and sales of lots.
18. The Developer reserves the right to erect, locate and maintain a real estate sales office and related appurtenances on Developer-owned lots within Quail Bluff Estates incidental to the Developer's promotion and sales of such lots.
19. No recreational vehicle of any type (including, without limitation, motor-homes, trailers and campers), mobile home/manufactured home (whether U.B.C. approved or not), factory assembled structure of any type (whether U.B.C. approved or not), modular home (whether U.B.C. approved or not), basement, tent, shack, garage, barn or any other type of outbuilding shall be used as a temporary or permanent residence nor shall any type of structure of a temporary character be used as a residence.
20. All structures and improvements erected or placed upon a lot shall be of new construction and shall be fully completed as to external appearance (including, without limitation, finished painting and roofing) within one (1) year from the date of the commencement of construction or improvement work.
21. Prior to a residential dwelling being constructed on a lot, the natural vegetation on the lot shall be kept regularly mowed and maintained in a manner that strictly complies with all applicable governmental laws, ordinances, codes and regulations. In the event that any lot fails to comply with the foregoing requirement, the Developer reserves the right (but not the obligation), in its sole and absolute discretion, to take action to mow and maintain the natural vegetation on such lot and to bill the lot owner for the cost and expense associated with the Developer taking such action, which bill shall be fully due upon receipt and shall be a separate, distinct, personal, and joint and several debt and obligation of the lot owner. In the event that any lot owner fails or refuses to pay such bill within thirty (30) days of the date such bill becomes due, the amount billed and owing

(together with accrued interest thereon at 12% per annum and any attorney's fees and costs incurred in any collection action) shall be automatically deemed as being a valid, enforceable and continuing lien against the lot(s) owned by the non-paying lot owner. Such lien may be perfected and made of record by the Developer (or its assignee) preparing and recording a sworn claim of lien with the Franklin County Auditor that legally describes the non-paying owner's lot(s) and that sets forth the monetary amount of the lien and the basis for the lien. Such recorded lien may be thereafter foreclosed and enforced by a civil action in the court having jurisdiction in the manner prescribed for the judicial foreclosure of a mortgage. The court shall have the power to order the sale of the non-paying owner's lot(s). In any action brought to foreclose a lien, the non-paying owner shall be joined as a party to such action. The interest in the lot(s) of any other person/entity who, prior to the commencement of the action, has a recorded interest in the lot(s), or any part thereof, shall not be foreclosed or affected unless they are also joined as a party to the action. To the fullest extent allowed by law, each lot owner shall be deemed to have fully waived any homestead or exemption rights in effect at the time of any such foreclosure action.

Upon a residential dwelling being constructed on a lot, such lot shall be appropriately and attractively landscaped incidental to the construction and completion of the residential dwelling structure on the lot. The landscaping plan (and any and all alterations or modifications thereto) shall be submitted to the ACC for review and approval as provided for above. The landscaping shall be fully completed within six (6) months from the date on which a certificate of occupancy is obtained for such structure. Landscaping shall be continuously maintained in a neat and attractive manner.

Each lot owner shall be required to maintain the right of way between their property line and the asphalt of the roadway. At a minimum, said right of way must be kept free of weeds and debris and graveled or otherwise landscaped. Roadside ditches must be maintained and kept free and clear of weeds and debris so as to allow flow of storm run off and storm drain catch basins must be kept free and clear of weeds and debris.

22. Every dwelling structure shall be a minimum of two thousand two hundred (2,200) square feet in overall living area size, exclusive of garages, open porches, and belowground basements. Provided, further, that every dwelling structure of two (2) above-ground levels, shall have a minimum of two thousand eight hundred (2,800) square feet in overall living area size, exclusive of any garages, open porches and below-ground basements. Dwelling structures shall not exceed six thousand five hundred (6,500) square feet in overall living area size, exclusive of any garage, open porches and below-ground basements.

23. No animals of any kind shall be raised, bred or kept upon any lot. Provided that, however, dogs, cats or other types of commonly kept domestic household pets shall be permitted provided that such pets shall not be kept, bred or maintained for any commercial purposes and provided that the aggregate total of such pets shall not exceed three (3) pets per household (except that such maximum per household total may be temporarily exceeded in the event a household pet gives birth for a period of not more than sixty (60) days from the date of birth). No permitted household pets shall be allowed to relieve themselves on, or wander or freely roam onto, other lots or public areas and the owner of such pets shall take appropriate steps to ensure that such pets do not create objectionable or annoying noise (e.g., excessive barking or howling) and shall be responsible for any injury, loss or damage caused by such pets to persons or property.
24. Detailed plans showing the height, location, color, and building materials composition of any proposed fencing on a lot shall be submitted to the ACC for review and approval prior to any fencing. Fencing include chain link, stone, concrete, masonry, vinyl solid fence or 3-rail vinyl fence, and vinyl covered chain link (as long as it is all vinyl covered, including posts and rails). Fencing shall not include natural wood fencing, including, but not limited to, cedar, pine, redwood, recycled hard wood, pressed fiberboard, etc. Fencing includes, but is not limited to yard fencing, border fencing, pool fencing, and dog run/kennel fencing. The approval of the ACC must be obtained before beginning construction, placement, repair or alteration of fencing on any lot. For purposes of this paragraph, plants, trees, hedges, and similar types of vegetation shall be considered as "fencing" or "fences" when planted and located in such a manner on a lot as to constitute a concentrated, mass planting. For further purposes of this paragraph, gates or movable access panels shall be considered as "fencing" or "fences".
- a. In general, except as provided otherwise below, and without limiting the power and absolute discretion of the ACC to reject any proposed fencing plan, no fence on any lot shall exceed six (6) feet in height. Provided that, in the event that applicable governmental regulations and/or other provisions contained in the Declaration specifically require a particular fence to be of a different height, then such regulations and/or other provisions shall take precedence and control.
- b. Upon the ACC approving a particular fencing plan submitted to it for review, the fencing contemplated by such plan shall be constructed and completed within a reasonable time not to exceed three (3) months from the date of plan approval.
- c. All fences shall be continuously maintained in good condition and repair. In the event any fencing is fully or partially damaged by any cause, it shall

- be fully repaired/replaced to its original condition within three (3) months from the date of damage.
- d. No fence shall be erected or placed on any lot closer to any street or cul-de-sac than the applicable building setback line, and no fence shall be erected or placed on any lot closer to any street or cul-de-sac than the residential dwelling.
 - e. For purposes of erecting, repairing or maintaining any fence located upon and along the dividing line between adjacent lots, a perpetual, limited and non-exclusive easement of five (5) feet in width on each side of such dividing line is hereby created to provide the adjacent lot owners on either side of the dividing line limited access to the other adjacent lot for such purposes.
25. All easements shown on the face of the above-referenced plat of Quail Bluff Estates shall be strictly observed. No structure of any type shall be constructed or located on a lot, nor shall any materials (e.g., wood, bricks, concrete blocks, etc.) be stacked or otherwise allowed to accumulate, so as to encroach upon any designated easement area. Provided that, however, fencing and/or landscaping may be erected or placed upon and easement area, provided that any lot owner electing to do so shall assume the risk that such fencing and/or landscaping may need to be promptly removed and replaced (at the lot owner's sole responsibility, cost and expense) in the event the easement area needs to be accessed and utilized for the purpose(s) that the easement was created and exists for (e.g., installation and/or maintenance of utilities).
26. All trees, vines, shrubs, hedges or similar type of vegetation shall not be allowed to grow and mature so as to unreasonably block or impair the view of any surrounding lot. Further, all lot owners shall take affirmative action to prevent the growth and/or facilitate the prompt removal of all varieties of noxious weeds. No North-South lot line shall have more than thirty-five (35) percent sight obscuring features higher than six (6) feet, including structures, landscaping, and trees.
27. Any and all construction and improvements on lots within Quail Bluff Estates shall strictly conform to all applicable local and state planning and construction codes and ordinances in effect at the time of construction and improvement.
28. Any and all private driveway access upon a lot shall be of a gravel, blacktop, or concrete surface, except for the driveway approach located between the right of way and the access road shall be asphalt in accordance with Franklin County requirements.

29. No trade, craft, business, profession, commercial or manufacturing enterprise or commercial or business activity of any kind or nature shall be conducted or carried upon any lot. Provided that, this restriction shall not prevent a small-scale "home-office" type of business activity utilizing computer and/or tele-communication technology to be carried on within the confines of a residential structure provided that such activity is conducted in a manner that does not negatively detract from the residential nature of such structure; is conducted in a manner that does not generate any customer or clientele traffic; and is conducted in a manner that does not expand to or involve any other area, structure or outbuilding upon the lot.
30. As of the date of this Declaration, irrigation water is conditionally provided to the lots pursuant to a Miscellaneous Water Service Contract Between the United States of America and Quail Bluff Estates, L.L.C., ("Contract") and an easement dated May 8, 2007, and recorded on May 22, 2007, under Auditor's File No. 1702419. A copy of said Contract is available for review upon written request to the Developer.
- a. Subject to the various terms and conditions of said Contract, a limited quantity of irrigation water for purposes of lawn and landscape maintenance will be available to the lots (except in instances of water shortages) for an initial period of ten (10) years from the Contract date. Upon the expiration of said ten (10) year initial period, said Contract is renewable (unless terminated by either party in the manner provided in the Contract) for additional ten (10) year period; provided that, however, said Contract (and the water supplied under said Contract) by its express terms and applicable federal law shall in no event last or be in effect longer than forty (40) total years from the Contract date of May 8, 2007. The Developer reserves the right (but not the obligation) to transfer and assign its rights in said Contract to another person or entity including, without limitation, a Washington limited liability company organized and controlled by the Developer (or the Developer's principals) or the below-referenced property owners association. The Developer makes no warranties, assurances, or representations, express or implied, as to whether the irrigation water made available to the lots pursuant to said Contract will provide and supply an adequate quantity or quality of irrigation water to maintain lawn and landscaping.
- b. Each lot shall be subject to an annual assessment or charge to pay for the lot's pro-rata share of the costs and expenses associated with obtaining and supplying irrigation water to the lots pursuant to said agreement regardless of whether or not irrigation water is actually being utilized by a particular lot or lots. The failure of a lot owner to promptly pay such assessment or charge when due shall be adequate basis for the supply of irrigation water

to be cut off from or discontinued to such lot. In addition, each assessment or charge levied or imposed, together with interest thereon at the rate of twelve percent (12%) per annum, shall be a separate, distinct, personal, and joint and several debt and obligation of the lot owner against whom the assessment or charge is levied or imposed or from whom the amount is due. In the event that any lot owner fails or refuses to pay any such assessment or charge within thirty (30) days of the date such assessment or charge becomes due, the amount(s) owing (together with accrued interest thereon at 12% per annum and any attorneys' fees and costs incurred in any collection or enforcement action) shall be automatically deemed as being a valid, enforceable and continuing lien against the lot(s) owned by such non-paying owner. Such lien may be perfected and made of record by the Developer (or its assignee) preparing and recording a sworn claim of lien with the Franklin County Auditor that legally describes the non-paying owner's lot(s) and that sets for the monetary amount of the lien and the basis for the lien. Such recorded lien may be thereafter foreclosed and enforced by a civil action in the court having jurisdiction in the manner prescribed for the judicial foreclosure of a mortgage. The court shall have the power to order the sale of the non-paying owner's lot(s). In any action brought to foreclose a lien, the non-paying lot owner shall be joined as a party to such action. The interest in the lot(s) of any other person/entity who, prior to the commencement of the action, has a recorded interest in the lot(s), or any part thereof, shall not be foreclosed or affected unless they are also joined as a party to the action. To the fullest extent allowed by law, each lot owner shall be deemed to have fully waived any homestead or exemption rights in effect at the time of any such foreclosure action.

31. No lot(s) owned by the Developer shall be subject to any assessment or charge levied, imposed, or authorized by this Declaration until such time as the Developer closes on the sale of such lot(s), at which time such lot(s) shall be subject to prospective assessments and charges to the same extent as the other lots in Quail Bluff Estates.
32. No radio antennas of any type, television antennas, satellite dishes, or similar communications devices shall extend more than three (3) feet above the roof line of any structure without the prior written approval of the ACC. Notwithstanding the above, no C.B. radio towers/antennas, ham radio towers/antennas, or any similar type of communication towers/antennas shall be allowed on any lot.
33. No lot owner shall carry on any activity of any nature whatsoever on his property that is derogation or violation of the laws of the state of Washington and/or any other applicable governmental authority.

34. Street lights within Quail Bluff Estates and the entrance landscaped feature shall be owned by the Homeowners Association, and the Homeowners Association shall be responsible for providing for the maintenance and repair of said features. The costs of repair and maintenance of said features and the power costs for any lighting shall be paid by the Homeowners Association. The Homeowners Association shall have the rights as set forth herein to assess all of the lots for the costs incurred.
35. All owners of lots located within Quail Bluff Estates, by virtue of such ownership, shall automatically be deemed as members of a property owners association upon such association being organized by the Developer as provided herein for purposes of representing all lot owners within Quail Bluff Estates.
- a. The name of the association shall be "Quail Bluff Estates Homeowners Association"(hereinafter the "Association"). The Developer shall have the right to organize the Association on such basis as shall appear to the Developer in its sole and absolute discretion to be the most advantageous and beneficial to the owners of lots within Quail Bluff Estates at the time of organizations, and the Developer shall have no liability to any party associated with or arising out of such organization. The Association shall be incorporated pursuant to the provisions of RCW Chapter 24.03/24.06 as now or hereafter amended, and shall also be subject to the applicable provisions of RCW Chapter 64.38, as now or hereafter amended.
 - b. The Association shall have articles of incorporation and bylaws as initially established by the Developer in its discretion. The Association shall be charges with the duties and invested with the powers prescribed by law and set forth in the articles of incorporation, bylaws, and this Declaration. Neither the articles of incorporation nor the bylaws shall, for any reason, be amended or otherwise charges, modified, or interpreted so as to be inconsistent with this Declaration.
 - c. Each and every lot owner, by virtue of such ownership and for so long as such ownership is maintained, shall be a member of the Association, and no lot owner shall have more than one (1) membership in the Association, except as hereinafter set forth with respect to voting. Membership in the Association shall not be assignable or transferable, except to a successor-in-interest of a lot owner's fee interest in a lot, and all memberships in the Association shall be appurtenant to the lot owned by such lot owner. The memberships in the Association shall not be transferred, pledged or otherwise alienated in any way except upon the transfer of title to a lot and then only to the transferee of fee title to the lot. Any attempt to make a prohibited membership transfer shall be void and shall not be reflected on the books or records of the Association.



- d. Each lot shall be entitled to one (1) vote in Association affairs. Each vote allocable to a lot shall be cast as a single vote and shall not be fractionally divided. In the event of co-ownership (e.g., by husband and wife, tenants in common, joint tenants, etc.) of any lot, those owners together shall comprise only one (1) vote. The term "owner" shall mean the contract vendee/purchaser, as reflected in the records of the Auditor of Franklin County, Washington. The term "owner" shall not include the interests of tenants or licensee-occupants of a lot, nor shall the term include the interest of any party merely possessing an interest in the property to secure the performance of some obligation (e.g., mortgagee, lien-holder, etc.). A lot owner's voting rights in Association affairs may be suspended by the Association during any period of time that said owner fails to timely or fully pay any duly levied or imposed assessment or charge against the owner's lot. Notwithstanding the above, the Developer shall have three (3) votes for each lot owned by it; provided that, upon the Developer closing on the sale of a particular lot, the new owner of such lot shall only be entitled to one (1) vote.

- e. The affairs of the Association shall be conducted by a board of directors and such officers as the board may elect or appoint, in accordance with the articles of incorporation and bylaws, as the same may be amended from time-to-time. The initial board shall be appointed by the incorporator (i.e., the Developer) or its successors and shall hold office until the first annual meeting, at which time a new board shall be elected in accordance with the provisions set forth in the articles and bylaws.

- f. The powers of the Association shall be exercised by and through the board of directors. Without limitation to the broad powers generally provided to board of directors by law and any other powers expressly or implicitly provided to the board under the terms of this Declaration to do all things reasonably necessary to fulfill its duties and effectuate the purposes and intent of this Declaration, the board shall have the following powers:
 - (1) To levy, collect, and enforce assessments, charges, and penalties against the lots;
 - (2) To provide or contract for the provision of any services to the residents of Quail Bluff Estates as the board deems to be beneficial and/or necessary;
 - (3) To pursue legal action to enforce these covenants, conditions and restrictions and to seek the enjoining of any violations thereof;

- (4) To execute and record any duly-authorized amendments to this Declaration and the various covenants, conditions and restrictions set forth herein;
 - (5) To adopt, promulgate, and enforce reasonable rules and regulations governing matters of mutual concern to the Association members, provided that such rules and regulations are consistent with this Declaration and the Association's articles and bylaws, and provided further that such rules and regulations treat all members fairly and in a non-discriminatory manner; and
 - (6) To contract and pay for any materials, supplies, labor, or services that the board deems reasonably necessary or appropriate for carrying out its powers and duties including, without limitation, legal or accounting services.
- g. Each assessment or charge levied or imposed by the Association, together with interest thereon at the rate of twelve percent (12%) per annum, shall be a separate, distinct, personal, and joint and several debt and obligation of the lot owner against whom the assessment or charge is levied or imposed or from whom the assessment or charge is levied or imposed or from whom the amount is due. In the event that any lot owner fails or refuses to pay any such assessment or charge within thirty (30) days of the date such assessment or charge becomes due, the amount(s) owing (together with accrued interest thereon at 12% per annum and any attorney's fees and costs incurred in any collection or enforcement action) shall be automatically deemed as being a valid, enforceable and continuing lien against the lot(s) owned by such non-paying owner. Such lien may be perfected and made of record by the Association preparing and recording a sworn claim of lien with the Franklin County Auditor that legally describes the non-paying owner's lot(s) and the asset forth the monetary amount of the lien and the basis for the lien. Such recorded lien may be thereafter foreclosed and enforced by a civil action in the court having jurisdiction in the manner prescribed for the judicial foreclosure of a mortgage. The court shall have the power to order the sale of the non-paying owner's lot(s). In any action brought to foreclose a lien, the non-paying lot owner shall be joined as a party to such action. The interest in the lot(s) of any other person/entity who, prior to the commencement of the action, has a recorded interest in the lot(s), or any part thereof, shall not be foreclosed or affected unless they are also joined as a party to the action. To the fullest extent allowed by law, each lot owner shall be deemed to have fully waived any homestead or exemption rights in effect at the time of any such foreclosure action.

36. In the event that any lot owner violates any of the covenants, conditions and restrictions contained herein, it shall be lawful for the Association and/or any other person(s) owning lots in Quail Bluff Estates to file and pursue legal action, at law or in equity, against the person(s) who is/are in violation of, or who is/are attempting to violate, any of said covenants, conditions and restrictions to enjoin such person(s) from such violation and/or to recover any damages from such person(s) resulting from such violation together with attorney's fees and costs incurred in any such legal action. The failure of our delay by the Association or the other person(s) owning lots to file and pursue such legal action to enforce said covenants, conditions and restrictions shall in no event be deemed a waiver and/or abandonment of the right to do so at any time thereafter. The Developer, in its capacity as such, shall have the right (but not the obligation) to take action to enforce these covenants, conditions and restrictions or to seek the enjoining of any violations thereof.
37. The invalidation of any one (1) or more of these covenants, conditions and restriction (or any portion thereof) by court judgment, decree, order, or otherwise shall in no way affect or impair the validity or enforceability of any of the other covenants, conditions and restrictions contained herein, which shall all remain in full force and effect.
38. All rights and authority granted or reserved to the Developer under this Declaration shall be fully transferable and assignable by the Developer in its sole and absolute discretion to any third-party/parties of the Developer's choice or to the Developer's principals (or their respective heirs, successors, legal representatives or assigns).
39. All lots within Quail Bluff Estates are located within close proximity to existing and ongoing farm and agricultural uses that may from time-to-time produce, and cause the residents of Quail Bluff Estates to be subjected to, orders, dust, noise, smoke, and other related and commonly associated impacts from normal and lawful farming and agricultural activities and practices. All lot owners acknowledge and fully accept the risk of any and all such potential impacts occurring.

Dated: 5/18/07

QUAIL BLUFF ESTATES, L.L.C.

BY: David Wilson
DAVID W. WILSON, Co-Manager

BY: H. W. Felsted
H. W. FELSTED, Co-Manager

Recorded: _____

Recording Number: _____



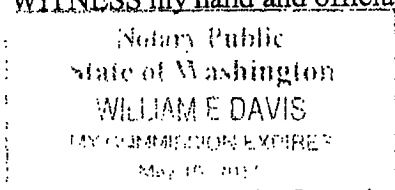
1703003

Page: 18 of 18
06/01/2007 09:33A

STATE OF WASHINGTON)
COUNTY OF Benton) ss.

On this 18th day of May, 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared DAVID W. WILSON, to me known to be a Co-Manager of QUAIL BLUFF ESTATES, L.L.C., the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of said limited liability company.

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

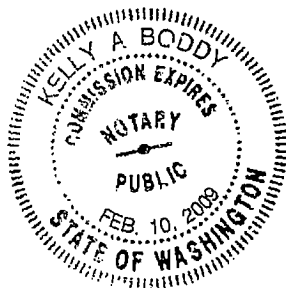


William E. Davis
Notary Public in and for the State of Washington
residing at Pasco
William E. Davis
NAME OF NOTARY PUBLIC (TYPE OR PRINT)
My Appointment Expires: 5/15/2011

STATE OF WASHINGTON)
COUNTY OF Benton) ss.

On this 18 day of May, 2007, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared H. W. FELSTED, to me known to be a Co-Manager of QUAIL BLUFF ESTATES, L.L.C., the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of said limited liability company.

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



Kelly A. Boddy
Notary Public in and for the State of Washington
residing at Pasco
Kelly A. Boddy
NAME OF NOTARY PUBLIC (TYPE OR PRINT)
My Appointment Expires: 2-10-09



1703002

Page: 1 of 13
06/01/2007 09:33A
Franklin Co, WA

BENTON FRANKLIN TITLE

MISC

44.00

WHEN RECORDED RETURN TO:
Leavy, Schultz, Davis & Fearing, P.S.
Attn: Willilam Davis
2415 W. Falls Ave.
Kennewick, WA 99336

BENTON FRANKLIN TITLE CO.

FMO

44

DOCUMENT TITLE(S):
BY-LAWS OF THE QUAIL BLUFF ESTATES HOMEOWNERS ASSOCIATION

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

GRANTOR:
QUAIL BLUFF ESTATES

GRANTEE:
QUAIL BLUFF ESTATE

ABBREVIATED LEGAL DESCRIPTION:

ALL LOTS , QUAIL BLUFF ESTATES

TAX PARCEL NUMBER(S):
126-150-214, 126-150-215, 126-150-216, 126-150- 217, 126-150-218, 126-150-219, 126-150- 220, 126-150-
221, 126-150- 222, 126-150- 223, 126-150-224, 126-150-225, 126-150-226, 126-150-227



1703002

Page: 2 of 13
06/01/2007 09:33A

**BY-LAWS OF THE
QUAIL BLUFF ESTATES
HOMEOWNERS ASSOCIATION**

BY-LAW 1

NAME

The name of the corporation is the QUAIL BLUFF ESTATES HOMEOWNERS ASSOCIATION.

BY-LAW 2

PRINCIPAL OFFICE

The principal office shall be located at 10723 West Court Street, Pasco, Washington, 99301.

BY-LAW 3

PURPOSE

The purpose for which this association is formed is to own, operate and maintain irrigation water delivery systems and services for its members, to operate and maintain street lights or other improvements not cared for by a public entity, including street lights, entrances and common area maintenance and for any such further purposes as the association may determine are necessary and reasonable.

BY-LAW 4

**INITIAL CONTROL OF HOMEOWNERS ASSOCIATION
FOR FIRST THREE (3) YEARS**

Notwithstanding any other provision of these By-Laws, the initial voting members, directors and officers of the Homeowners Association shall be DAVID W. WILSON and HAROLD W. FELSTED. They shall be authorized to elect a Board of Directors and officers, either holding all such positions between the two (2) of them, or appointing others to hold positions within the Homeowners Association. The purpose of having the initial directors being the two (2) named individuals is to insure that the Homeowners Association and its providing of the services to the



1703002

Page: 3 of 13

06/01/2007 09:33A

Franklin Co, WA

homeowners within Quail Bluff Estates is set up and run properly prior to the members exercising their powers and rights as set forth in these By-Laws. The holding of the positions by DAVID W. WILSON and HAROLD W. FELSTED shall be irrevocable and not subject to change without clear, cogent and convincing evidence of intentional malfeasance action. At the end of three (3) years from the date of the closing of sale of the first lot within Quail Bluff Estates, a special meeting shall be called by DAVID W. WILSON and HAROLD W. FELSTED for the purpose of having the members elect a Board of Directors and proceeding with the operations of the Homeowners Association as set forth below. All of the terms and provisions of these By-Laws are subject to this Article.

BY-LAW 5

POWERS

In furtherance of the objectives described above, but not limited to these, the association shall have the power to:

- a. Adopt and amend bylaws, rules and regulations;
- b. Adopt and amend budgets for revenues, expenditures, and reserves. Impose and collect assessments for common expenses from members;
- c. Hire and discharge or contract with managing agents and other employees, agents and independent contractors;
- d. Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more members on matters affecting the association, but not on behalf of members involved in disputes that are not the responsibility of the association;
- e. Make contracts and incur liabilities;
- f. Regulate the use, maintenance, repair, replacement, and modification of common areas;
- g. Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property;
- h. Impose and collect charges for late payments of assessments and, after notice and an opportunity to be heard by the board of directors or by the representative designated by the board of directors and in accordance with the procedures as provided in the bylaws or rules and regulations adopted by the board of directors, levy reasonable fines in accordance with a previously established schedule adopted by the board of directors, and furnished to the members for violation of the bylaws, rules and regulations of the association;
- i. Exercise any other power conferred by these By-laws or by the Articles of Incorporation; and
- j. Exercise any other power necessary and proper for the governance and operation of the association.

BY-LAW 6

FISCAL YEAR

The association shall operate on a calendar fiscal year beginning the first day of January of each year.

BY-LAW 7

MEMBERSHIP

Section 1: Any bona fide owner of a tract which is located in Quail Bluff Estates, Franklin County, Washington, who is in need of having irrigation water supplied by the association, and who receives the approval of the board of directors may be admitted to membership upon subscribing for or otherwise acquiring a membership certificate and by signing such agreements for the purchase of water as may be provided and required by the association.

Section 2: The initial membership fee shall be \$100.00, payable in such a manner and at such a time as proposed by the board of directors and approved by the Members. Members shall be assessed annually in amounts and for such purposes as determined by the membership.

Section 3: Each member agrees to sign such water user's agreements as the association may from time to time provide and require.

BY-LAW 8

MEMBERSHIP CERTIFICATES

Section 1: Membership certificates shall be issued to each holder of fully paid membership dues and shall be numbered with the parcel tract number and a certificate number.

Section 2: There shall be issued only one membership certificate per tract of land. A member of this association shall be entitled to own one membership certificate for each tract of land.

Example: Member A owns tracts 3 and 4. Member A would be entitled to a membership certificate for tract 3 and a membership certificate for tract 4.

Section 3: Each membership certificate shall on its face contain the following statements:

- a. This membership certificate, No. _____, is issued and accepted in accordance with and subject to the conditions and restrictions stipulated in the Articles of Incorporation and the By-Laws and Amendments thereto of the QUAIL BLUFF ESTATES HOMEOWNERS ASSOCIATION.
- b. Transfers of this certificate shall be made only upon the books of the association, and only to persons eligible to become members, and only when the member transferring is free from indebtedness to the association.

- c. This membership certificate entitles the owner thereof to one vote per certificate at meetings of the members of the association.
- d. The legal description of the real property for which this certificate was issued is:

[insert description]
- e. The certificate shall benefit and burden the land. Upon a transfer of the land, the new owner shall automatically receive the benefits and incur the burdens associated with the certificate. The certificate holder shall be bound by all rules, regulations, and by-laws of the association.
- f. The right to receive water from the association is contingent upon the member having paid all membership costs, fees and assessments.

Section 4: Transfers of membership certificates shall be made upon the books of the association and shall be made by the owner of the certificate surrendering his/her certificate to the board of directors. The board of directors shall then transfer the certificate to the new owner of the tract of land for which the certificate was issued, provided the new owner is eligible to become a member of the association, and the transferring member is free from indebtedness to the association.

BY-LAW 9

MEETINGS OF THE MEMBERS

Section 1: The annual meeting of the members of this association shall be held in Franklin County, State of Washington, at a time and place determined by the board of directors.

Section 2: Not less than fourteen days and not more than sixty days in advance of any meeting, the secretary shall cause notice to be hand-delivered or sent prepaid by first class United States mail to the mailing address of each owner of a membership certificate, or to any other mailing address designated in writing by the owner. The notice of the meeting shall state the time and place of the meeting and the business to be placed on the agenda by the board of directors for a vote by the members, including the general nature of any proposed amendment to the Articles of Incorporation, By-laws, any budget or changes in the previously approved budget that result in a change in assessment obligation, and any proposal to remove a director. The format of the agenda shall follow the outline provided in Section 7 below.

Section 3: Special meetings of the association may be called by the president or a majority of the board of directors, and a special meeting shall be called whenever a petition requesting a special meeting, which petition is signed by members having 25% or more of the membership certificates is presented to the secretary or board of directors. Notice of special meetings shall be given in the same manner as set forth in Section 2, of this BY-LAW, and said notice shall state the time and place of the special meeting and the business to be transacted at said meeting, and no business shall be transacted at the special meeting except such as is specified in the notice.

Such written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the secretary or the board of directors a written waiver of notice. Such written notice may also be dispensed with as to any member who is actually present at the meeting



at the time it convenes. The notices provided in this section may be dispensed with in the event a special meeting is called to deal with an emergency involving injury or damage to persons or property or the likelihood of such injury or damage, when time requirements of such notice would make notice impractical and increase the likelihood of such injury or damage.

Section 4: The President, or a majority of the board of directors, may call a special budget meeting for the Members of the association. Only five (5) days notice of a special budget meeting need be given. Otherwise, the notice provisions, and dispensing of notice provisions in Sections 2 and 3 will apply. During the Meeting, only budgetary and assessment issues may be addressed.

Section 5: A quorum is present throughout any meeting of the association if the members to which 30% of the votes of the association are allocated are present in person or by written proxy at the beginning of the meeting.

Section 6: Voting shall be one vote per membership certificate. Any Member delinquent in the payment of assessments shall forfeit the right to vote, and shall not be counted for purposes of determining a quorum. In the event a tract of land, for which a membership certificate has been issued has more than one owner, or the land is held as community property, the owners thereof who are present, either in person or by proxy as set out in Section 6 of this By-Law, at any meeting at which a vote of the members is taken may divide their vote equally between themselves, but in no event shall the cumulative vote for the owners of a tract of land be more than one vote per membership certificate.

Example: Tract 1 is owned by A, B, C, as tenants in common, and the membership certificate is in the name of A, B and C. A, B, C, may each cast 1/3 of a vote if all three are present at a meeting, either in person or by proxy. If only A and B are present in person or by proxy, each may cast 1/2 a vote.

If only A is present in person or by proxy, A may cast the full vote.

Section 7: Members may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary before or at the time of the meeting at which a vote of the members is taken.

Section 8: The order of business at the annual meeting of the members, and so far as possible at all other meetings shall be:

1. Calling to order and proof of quorum;
2. Proof of notice of meeting;
3. Reading and action of any unapproved minutes;
4. Reports of officers and committees;
5. Election of directors;
6. Adoption of budget and establishment of assessments;
7. Unfinished business;
8. New Business;
9. Adjournment.

/

BY-LAW 10

BOARD OF DIRECTORS

Section 1: This association shall be managed by a board of five (5) directors. The directors shall respectively be voted on into office and assume the following five (5) positions: (1) president; (2) treasurer; (3) secretary; (4) watermaster; and (5) at-large Member. Each director shall hold office until the next annual meeting of the members of the association and until their successor shall have been elected and qualified. The members of the board of directors shall exercise the degree of care and loyalty required of director of an association organized under chapter 24.03 Revised Code of Washington. More than one family member or spouse may concurrently sit on the board.

Section 2: A regular meeting of the directors, shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of members. The directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

Section 3: All meetings of the board of directors shall be open for observation by all members of record and their authorized agents. The board of directors shall keep minutes of all actions taken by the board, which shall be available to all members. Upon affirmative vote in open meeting to assemble in closed session, the board of directors may convene in closed executive session to consider personnel matters; consult with legal counsel or consider communications with legal counsel; and discuss likely or pending litigation, matters involving possible violations of the governing documents of the association, and matters involving the possible liability of a member to the association. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The board of directors shall restrict the consideration of matter during the closed portion of meetings only to those purposes specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in the closed session may become effective unless the board of directors, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. The requirements of this section shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

Section 4: Special meetings of the directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the directors may fix the place for holding any special meeting of the directors called by them.

Section 5: Notice of any special meeting shall be given at least ten days previously thereto by written notice delivered personally, or mailed to each director at his home address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6: At any meeting of the directors a majority shall constitute a quorum for the transaction of business, but if less than said number is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7: The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the directors.

Section 8: If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from the office, an emergency meeting will be called by the directors. At this emergency meeting, the members shall elect a director for the unexpired term or terms, provided that in the calling of such emergency meeting, a notice of such election shall be given to all members.

Section 9: Directors shall receive no compensation for their services as directors.

Section 10: Directors may be removed from office in the following manner:

Any member may bring charges against a director by filing charges in writing with the secretary of the association, together with a petition signed by ten percent of members requesting the removal of the director in question. The removal shall be voted upon at the next regular or special meeting of the association and, by a vote of a majority of the members voting, the association may remove the director and fill the vacancy.

The director against whom such charges have been brought shall be informed in writing of such charges five days prior to the meeting, and shall have the opportunity at the meeting to be heard in person or by counsel and to present witnesses. The person or persons bringing the charges shall have the same opportunity. By a vote of the majority of the members voting, the association may remove the director and fill the vacancy. Removal of the director is approved, said removal shall also act to vacate any other office held by the removed director. The members present shall at the same meeting nominate a member or members to fill the vacancy thus created. A vote shall immediately then be taken. The seat on the board shall be filled by the nominee receiving greater than 50% of the votes cast by members present and voting at the meeting. The board shall then meet and elect a new officer to fill the vacancy created by the removal of the director.

BY-LAW 11

DUTIES OF DIRECTORS

Section 1: The board of directors, subject to restrictions of law, these By-Laws and Articles of Incorporation shall exercise all of the powers of the association and, without prejudice to or limitation upon their general powers it is hereby expressly provided that the board of directors shall have and are hereby given full power and authority in respect to matters and as hereinafter set forth:

- a. To pass upon the qualifications of members, and to cause to be issued appropriate certificates of membership.
- b. To select and appoint all agents of the association, prescribe such duties and designate such powers as may not be inconsistent with these By-Laws or the Articles of Incorporation.
- c. Prescribe, adopt and amend, from time to time, such equitable uniform rules and regulations as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the association.

- d. To select one or more banks to act as depositories of the funds of the association and to determine the manner of receiving, depositing and disbursing the funds of the association. Each check issued by the association and each withdrawal of funds from the association's bank account shall be co-signed by two of the three officers, i.e., President, Treasurer and/or Secretary.
- e. To secure adequate liability insurance to protect the association.
- f. As approved by the Members, to levy assessments against the membership certificates of the association and to enforce the collection of such assessments by the forfeiture of delinquent certificates; to prevent the delivery of water, through the association's pressurized irrigation system, to members who do not timely pay assessments; and to foreclose on liens, and impose reasonable attorney's fees, court costs, and title search costs, on the delinquent member.
- g. Formulate and recommend a budget for adoption by the association.

Section 2: The board of directors is specifically prohibited from acting on behalf of the association to:

- a. Amend the articles of incorporation;
- b. Take any action that requires the vote or approval of the members of the association;
- c. Terminate the association;
- d. Elect members of the board of directors except in the instance for filling vacancies in its membership of the unexpired portion of any term.

BY-LAW 12

OFFICERS

Section 1: The officers shall be a president, a secretary, a treasurer, and a watermaster. Each officer shall hold office until his/her successor has been duly elected and has qualified, or until the officer's death, or until the officer shall resign or be removed in the manner hereinafter provided. These officers and an at-large Member shall be considered the board of directors. All officers shall, in the performance of their duties, exercise the degree of care and loyalty required of an officer of a corporation organized under Chapter 24.03 Revised Code of Washington. These officers shall be elected only from the members of the association.

Section 2: Any officer may be removed by a majority vote of the membership.

Section 3: A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled by the membership at a special meeting.

BY-LAW 13

DUTIES OF OFFICERS

Section 1: President. The president shall preside over all meetings of the association and the board of directors, call special meetings of the board of directors, perform all acts and duties usually performed by an executive and presiding officer and sign all membership certificates and such other papers of the association as he/she may be authorized or directed to sign by the board of directors. The president shall assure that the accounts of the association are audited annually by an independent examiner. The president shall perform such other duties as may be described by the board of directors.

Section 2: Secretary. The secretary shall keep a complete record of all meetings of the association and of the board of directors and shall have general charge and supervision of the records of the association. The secretary shall sign all membership certificates in conjunction with the president and such other papers pertaining to the association as may be authorized or directed by the board of directors. The secretary shall serve all notices required by law and by these by-laws and shall make a full report of all matters and business pertaining to his/her office to the members at the annual meeting. The secretary shall keep the membership certificate records of the association, complete and countersign all certificates issued. The secretary shall keep a proper membership certificate record, showing the name of each member of the association, date of issuance, surrender, cancellation, forfeiture or reinstatement. He/she shall make all reports required by law and shall perform such other duties as may be required of him/her by the association or the board of directors. He/she shall keep records of water orders by each member of the association. Upon the election of his/her successor, the secretary shall turn over to him/her all books and other property belonging to the association that he/she may have in his/her possession.

Section 3: Treasurer. The treasurer shall keep a record of all funds received and distributed by the association. The treasurer will make sure all funds due the association are collected. He/she shall ensure that all utilities for the irrigation system are paid. He/she shall also perform such duties with respect to the finances of the association as may be prescribed by the board of directors. Upon the election of his/her successor, he treasurer shall turn over to him/her all books and other property belonging to the association that he/she may have in his/her possession.

BY-LAW 14

ASSESSMENTS

Section 1: The board of directors shall, before the beginning of each fiscal year, propose the yearly rate to be charged each member during the following fiscal year for the operation and maintenance expenses of the association. The members at the annual meeting shall ratify the proposed rate. Each member shall pay the assessment at the office of the association, before water delivery to the association, which will be approximately April 1st of each year.

BY-LAW 15

BUDGET

Section 1: Before the beginning of each fiscal year, the board of directors shall prepare and recommend adoption of a budget by the association membership for the following fiscal year.

Within thirty (30) days after preparation by the board of directors of any proposed or special budget, the board shall set a date for a meeting of the members to consider ratification of the budget and give notice to the membership of said meeting. The meeting shall be not less than fourteen (14), and no more than sixty (60), days after mailing of the notice. The notice shall be provided in compliance with By-Law 8. In the event the budget is rejected at the meeting, or the required notice is not given, the periodic budget last ratified by the members shall continue to operate as the budget, until such time as the members ratify a new budget proposed by the board of directors.

BY-LAW 16

RECORDS

Section 1: The association shall keep financial and other records sufficiently detailed to enable the association to fully declare to each member the true statement of its financial status. All financial and other records of the association, including but not limited to checks, bank records, and invoices, in whatever form they are kept, are the property of the association. Each manager or officer of association shall turn over all original books and records to the association immediately upon termination of the management relationship with the association, or upon demand as made by the board of directors. An association managing agent is entitled to keep copies of association records. All records which the managing agent has turned over to the association shall be made reasonably available for the examination and copying by the managing agent.

Section 2: All records of the association, including the names and addresses of members and other occupants of the tracts covered by membership certificates shall be available for examination by all owners, holders of mortgages on the tracts, and their respective authorized agents on reasonable advance notice during normal working hours at the offices of the association or its managing agent. The association shall not release the unlisted telephone number of any member. The association may impose and collect a reasonable charge for copies and any reasonable costs incurred by the association in providing access to records.

Section 3: Funds of the association shall be kept in accounts in the name of the association and shall not be commingled with the funds of any other association, nor with the funds of any manager of the association or any other person responsible for the custody of such funds.

BY-LAW 17

DUTY AND BENEFITS OF MEMBERS

Section 1: Each tract covered by a membership certificate shall be entitled to a service valve from the association water system. It is the responsibility of the member to distribute the water beyond the service valve to the member's property.

Section 2: New service line connections and any modifications to the system that will impact the performance of the system shall be proposed to the board of directors and must be approved by the members of the association at an annual or special meeting of the members.

Section 3: The members agree to enter into any water user agreements determined as being necessary and proper by the board of directors.

BY-LAW 18

SURPLUS FUNDS

Section 1: If at the end of the fiscal year after all the necessary expenses of the association have been paid, and after setting aside reserves for depreciation on all buildings, equipment and office fixtures and such other reserves as the board of directors may deem necessary and proper, and after providing for payments on interest and principal of association obligations, and amortizing the debts of the association and after providing for the purchase of proper supplies and equipment, there is a surplus of funds, said surplus shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending and repairing the irrigation system and property of the association and for such other purposes as the board of directors may determine to be in the best interest of the association. The surplus funds so accumulated may from time to time at the discretion of the board of directors be distributed to the members on the basis of the assessments and charges made and levied against and paid by the members during the year. Any part of or whole of such a distribution to any member may be credited, at the discretion of the board of directors to the indebtedness of any member, should any exist, and in such case, the member shall be notified in writing of the amount so applied.

BY-LAW 19

AMENDMENTS

These by-laws may be repealed or amended by a vote of a majority of the members present at any regular meeting of the association, or at any special meeting of the association called for that purpose, except that the members shall not have the power to change the purpose of the association so as to decrease its rights and powers under the laws of the state of Washington, or to waive any requirement of bond or other provision of the safety and security of the property and funds of the association or its members, or to deprive any member of rights and privileges then existing, or so to amend the By-Laws as to effect a fundamental change in the policies of the association. Notice of any amendment to be made at a special meeting of the members must be given in the same manner as notice of a special meeting of the members is given, and said notice must set for the amendments to be considered.

BY-LAW 20

RECORDING

These by-laws shall be recorded with the Franklin County Auditor. These by-laws shall bind the real estate described in the attached exhibit.

DATED this 18 day of May, 20 07.

QUAIL BLUFF ESTATES HOMEOWNERS ASSOCIATION

BY: *D.W. Wil*
President
BY: *A.W. Fisher*
Secretary

EXHIBIT "A"

The South ½ of the South ½ of Farm Unit 74, First Revision of the Farm Unit Plat, Irrigation Block 1, lying in the East ½ of the Northeast 1/4 of Section 1, Township 9, Range 28 East, W.M., according to the plat thereof recorded in Volume "B" of Plats, Page 79, records of the Auditor of Franklin County, Washington.

[Tax Parcel No. 126-150-031].