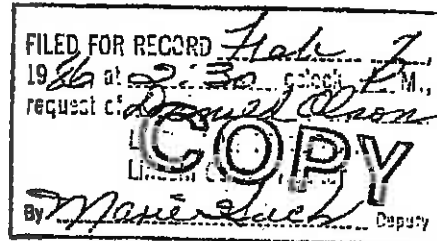


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BYLAWS
OF
ROOSEVELT LAKE RANCH WATER SYSTEM

ARTICLE I
PURPOSE

Roosevelt Lake Ranch Water System is a nonprofit corporation formed pursuant to laws of the State of Washington with respect to such corporations, and has been formed for the sole purpose of rendering water service to the lots which are owned by members of the corporation, as defined in these Bylaws.

ARTICLE II
LANDS ENTITLED TO WATER SERVICE

The Lots of the Property which is situated in the County of Lincoln, State of Washington and described on Exhibit A, attached hereto and incorporated herein by this reference ("Lots"), shall be initially entitled to receive water service from the Roosevelt Lake Ranch Water System as provided herein. The Additional Property which is situated in the County of Lincoln, State of Washington, and described on Exhibit B, attached hereto and incorporated herein by this reference ("Additional Lots"), shall be entitled to receive water service from the Roosevelt Lake Ranch Water System as provided herein upon election of the owner of the Additional Lots to receive such service.

ARTICLE III
MEMBERS

The owners or purchasers of the Lots entitled to receive water service from the corporation shall constitute the membership of the corporation by virtue of lot ownership. For the purpose of membership an individual, group or the members of a marital community shall be considered as a single owner or purchaser.

The owner or purchaser of each of the Lots described on Exhibit A shall receive one membership certificate per lot owned or purchased. The owner or purchaser of each of the Additional Lots described on Exhibit B shall receive one membership certificate per lot owned or purchased, upon election to become members.

Membership shall solely depend upon and be limited to owners or purchasers of the Lots entitled to water service from the corporation. The Lots or Additional Lots need not be hooked up to the water service system for owners or purchasers to qualify for membership. Whenever the owner, or owners, of any of the lots authorized to receive service, sells all of the land for which he, or they, hold a certificate of membership, such certificate shall be surrendered and a new certificate issued to the new owner or

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BOOK 45 PAGE

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purchaser. When any of the Lots or Additional Lots entitled to water service from the corporation is sold under contract, the purchaser shall be entitled to hold the membership certificate. The corporation shall look to the purchaser for any payments which may be due the corporation. Certificates of membership shall be transferable only upon the books of the corporation. Membership may be forfeited as hereinafter provided.

It is acknowledged that one or more of the Lots may be further subdivided or platted, but that the entire lot shall only be entitled to one membership certificate unless otherwise approved.

It is acknowledged that the Additional Lots have not yet been developed nor has a formal plat been filed and that these platted Lots shall be entitled to one membership certificate upon election.

Water service may be extended to lands other than those now authorized to receive service, but only after the Board of Directors has received reasonable evidence that the Roosevelt Lake Ranch Water System has sufficient flow for such extension. No person shall be entitled to a certificate for any such lands until payment has been first made to the Secretary-Treasurer of the corporation for initiation fees as may be determined and fixed by the Board of Directors of the corporation.

ARTICLE IV OFFICERS

The business and affairs of the corporation shall be managed by the Board of Directors. The initial number of Directors shall be three. The Directors, named in the Articles of Incorporation, shall hold office as follows: Director number one, three years; Director number two, four years; and Director number three, five years. At the annual meeting, two years after the date of incorporation, a fourth and fifth Director shall be elected by the members. At the annual meeting three years after the date of incorporation, a sixth and seventh Director shall be elected by the members. Thereafter, there shall be seven Directors on the Board of Directors. Other than the terms of the initial three Directors, all shall serve a term of one year and until their successors are elected and qualified. The Directors at their first meeting after election shall elect a President, Vice-President and a Secretary-Treasurer. These officers may be elected from the members of the Board or any other members of the corporation not a member of the Board. Meetings of the Board shall be presided over by the President, or in his absence, by the Vice-President. If the President or Vice-President presiding shall not be a member of the Board of Directors, he shall not have a vote at any Directors' meeting, except in case of a tie. Three members of the Board shall constitute a quorum to transact business. Any vacancies occurring in the Board of Directors or in any of the offices shall be filled by the Board, the appointee to such a vacancy

to hold office until the next annual meeting of the members and until his successor is elected and qualified. The President, or in his absence, the Vice-President, shall sign all certificates of membership of the corporation and shall have such other powers and duties as are conferred upon him by the Board. The Secretary-Treasurer shall sign all certificates, sign and issue all checks of the corporation, keep the books and minutes of meetings of the members and of the Board of Directors, and perform such other duties as may be required by the Board, and shall render an accounting to the Board and to the members whenever called upon so to do.

ARTICLE V POWERS AND DUTIES

The Board of Directors shall have complete control and management of the affairs of the corporation. It may incur indebtedness, if necessary, for the operation of the system, and shall prescribe rules and regulations for the furnishing of water to members and for all matters necessary and proper for the adequate maintenance and operation for the water system. It shall be the absolute duty of the Board of Directors to make certain that all appropriate governmental filings, including I.R.S., are made by the Corporation.

ARTICLE VI MEETINGS

Meetings of the members shall be held annually. At such meetings the holder of each membership certificate shall be entitled to one vote. In case a certificate is held by a marital community either the husband or wife may vote, but both shall not be entitled to vote. In no event shall more than one vote be cast with respect to any certificate of membership. Fifty percent (50%) of the holders of membership certificates shall constitute a quorum to transact business. All questions, except as provided herein, shall be determined by a majority vote of the number of membership shares represented at the meeting.

The Directors shall meet at such times as called together by the President, and a meeting of the Directors may be called at any time by three Directors.

Written notices of annual meetings shall be mailed to all members at their last known address by the Secretary-Treasurer at least ten (10) days, but no more than fifty (50) days, prior to the annual meeting. Special meetings of the members may be called at any time by the President, or by a majority of the Board of Directors, or upon petition of not less than three (3) certificate holders, but written notice of the time and place of the special meeting must be given to all members at least ten (10) days, but no more than fifty (50) days, prior to the meetings.

ARTICLE VII
DUES AND PAYMENTS

It is the purpose of the corporation to furnish water to the Lots or Additional Lots authorized to receive service, at cost, but assessments may be made or dues fixed at such figures as will pay all actual costs of the maintenance, insurance premiums, operation and repair of the water system and accrue a surplus for emergencies. The rates to be paid shall be fixed by the Board of Directors and may be changed from time to time, and if a majority of the members are not satisfied by the rates fixed by the Board, the rates may be fixed by a majority of the shares represented at any regular or special meeting.

A member's initial hookup to the water well system for the Lots described on Exhibits A and B shall be free of fees, except for the cost of the member's individual water meter or hook-up to multiple water meters, if installed. However, installation shall be at the member's expense. Additional Lot Owners shall not be liable for payment of any dues, assessments or operating costs charged by the corporation until the Owner of the Additional Lot has elected to become a member. Members may be liable for assessments, dues or operation costs charged by the Corporation even though their Lot or Additional Lot is not hooked up to the water system.

In the event of any emergency repairs requiring greater expenditures than there is then money in the treasury, the Board of Directors may authorize an assessment of sufficient amount to pay for such repairs. Such assessments shall be made uniform as to each of the Lots or Additional Lots which are hooked up and receiving water from the water system. The Secretary-Treasurer shall send notices to such member, monthly or quarterly, whichever may be found more efficient, of all dues and assessments payable, and dues and assessments will be deemed delinquent if not paid within ten (10) days after mailing of such notice. The Board of Directors, in fixing dues and assessments, may provide for a monthly, quarterly or annual assessment for the purpose of acquiring a surplus fund to meet emergencies. No assessments for the purpose of a surplus fund, however, shall be made when there shall be in the treasury the unobligated sum of \$5,000 in the surplus fund.

The Board of Directors may prescribe an initial membership payment to be made by new members other than owners of Lots or Additional Lots who may be permitted to come into the system. Such initial payment shall be sufficient to cover all costs other than main line incurred by the corporation in carrying water to the new member's property line and such additional sum as may be deemed proper, which additional sum shall be placed in the surplus fund of the corporation for the benefit of the original members and the new member. Installation shall be at the expense of all new members.

ARTICLE VIII
FORFEITURE OF MEMBERSHIP

If any member shall be delinquent more than three (3) months in the payment of any dues or assessments, the Board of Directors may declare such membership forfeited and thereafter water service shall not be rendered to such member until all costs incurred, dues and assessments, and a penalty of ten percent (10%) have been paid to the Secretary-Treasurer.

In the event the Board of Directors shall direct any membership forfeited, the Secretary-Treasurer shall send notice by registered or certified mail, of such forfeiture, which notice shall advise the member that if the land has been receiving water, water service will be discontinued until all delinquent dues, assessments and payments, plus penalty, have been paid in full, or, in the case of nonresident member, that no water service will be rendered such land until all such payments and penalties have been paid. In registering such notices the Secretary-Treasurer shall require a return receipt and such receipt shall be kept in the files.

ARTICLE IX
FUNDS

The Secretary-Treasurer shall maintain at least two funds, and such other funds as from time to time may be required by the Board of Directors. One such fund shall be called the "Operating Fund" and from it all payments for materials, supplies, salaries and other costs of operation shall be paid. The second fund shall be called the "Surplus Fund" and in it shall be placed such funds as have accrued for surplus in accordance with the rules and regulations and orders of the Board of Directors. The Surplus Funds shall be used only in emergencies and upon authorization of the Board.

ARTICLE X
EASEMENTS

Before receiving a certificate of membership in the corporation, the prospective member shall execute and deliver to the Secretary-Treasurer of the corporation an easement in favor of the corporation, granting the corporation the right to enter upon the lands of the member for the purpose of inspection, maintenance and operation of pump apparatus and water equipment necessary for the operation and maintenance of the corporation's water system.

ARTICLE XI
WATER SERVICE

The corporation shall, at its expense, maintain, operate and repair the water well, the pump apparatus and the main water line from the well to the individual member's water meter. Members shall

be responsible for the construction, maintenance, operation and repair of the water line from the member's individual shut-off valve and water meter to the individual member's residence and other use location. Following installation, maintenance of the shut-off value shall be the member's responsibility. If a member fails to keep the water line and equipment on his own land in proper condition, as a result of which an unnecessary waste of water occurs to the detriment of the system as a whole and the members thereof, the corporation may enter upon the property of the member and make necessary repairs and charge the cost thereof to the member. If the cost of such necessary repair is not paid within thirty (30) days, the corporation may cut off water service and refuse to render service until said repair costs have been paid.

ARTICLE XII
ALTERATION AND AMENDMENTS

No alterations or amendments to the Bylaws of this corporation shall be made except by a vote of two-thirds of the certificate holders represented in person or by proxy at any regular or special meeting of the members, at which a majority of the members shall be represented.

ARTICLE XIII
MISCELLANEOUS

The fiscal year of the corporation shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

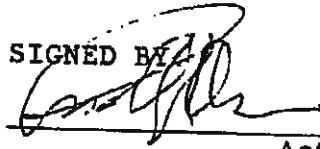
ARTICLE XIV
CERTIFICATION

We, the undersigned, do hereby certify:

That we are the duly elected and acting President and Secretary of the Corporation; and

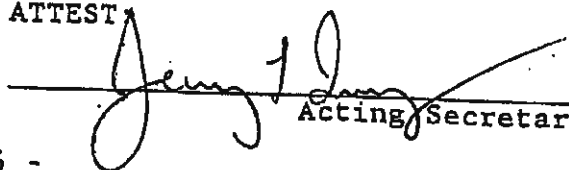
That the foregoing Bylaws constitute the original Bylaws of the Corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the 6th day of November, 1985.

SIGNED BY



Acting President

ATTEST



Acting Secretary

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- 6 -

BOOK 45 PAGE

EXHIBIT B

PARCEL A

That portion of Government Lots 3 and 6, Section 7, Township 27 North, Range 35 East, W.M., described as follows in the County of Lincoln, State of Washington: Commencing at the Southwest corner of Section 7; thence North $00^{\circ}30'40''$ W, 990 feet along the West line of Section 7 to the true point of beginning, thence North $00^{\circ}30'40''$ W, 1633.61 feet along the West line of Section 7 to the West quarter corner of Section 7; thence North $89^{\circ}24'$ E, 275.63 feet to the Reservoir Boundary Point #1; thence South $03^{\circ}49'35''$ W, 573.33 feet; thence South $11^{\circ}49'18''$ W, 1087.46 feet to the True Point of Beginning.

PARCEL B

That portion of Government Lots 3, 5 and 6, Section 7, Township 27 North, Range 35 East, W.M., Lincoln County, described as follows: Commencing at the Southwest corner of Section 7; thence North $0^{\circ}30'40''$ W, 990 feet, along the West line of Section 7; thence North $11^{\circ}49'18''$ E, 1087.46 feet; thence North $3^{\circ}49'35''$ E, 573.33 feet to the Reservoir Boundary Point #1; thence South $13^{\circ}36'18''$ E, 371.48 feet; thence South $24^{\circ}34'41''$ E, 325.94 feet; thence South $30^{\circ}17'35''$ E, 441.08 feet; thence South $11^{\circ}36'36''$ W, 496.25 feet; thence South $64^{\circ}38'26''$ E, 505.26 feet; thence South $14^{\circ}19'07''$ E, 425.13 feet; thence South $12^{\circ}03'54''$ E, 348.67 feet; thence South $66^{\circ}50'07''$ E, 297.22 feet to the south line of Section 7, thence South $89^{\circ}24'00''$ W, 1505.70 feet, along the south line of Section 7 to the Southwest corner of Section 7, the Point of Beginning. Except easements of record. Approximately 39.74 acres.

PARCEL C

All of Government Lot 2 in Section 18, and all of that portion of the Northeast 1/4, Northwest 1/4 of Section 18 not owned by the United States Government, and all being located in Section 18, Township 27 North, Range 35 East, W.M., all in the County of Lincoln, State of Washington.

PARCEL D

Government Lot 4, Southwest 1/4 of the Northeast 1/4 and Southeast 1/4 of Section 18; Government Lot 4 and Southwest 1/4 of the Southwest 1/4 of Section 17, all in Township 27 North, Range 35 East, W.M., Excepting from all above described property, any portion conveyed to U.S.A.

PARCEL E

The Southeast 1/4, Southwest 1/4 and the Southwest 1/4,
Southeast 1/4 and Government Lot 3 of Section 17,
Township 27 North, Range 35 East, W.M., EXCEPT portion
conveyed to the United States of America for Columbia
River Reservoir, Grand Coulee Dam, recorded as Document
No. 205910. Parcel No. 27-35-017-800020.

PARCEL F

IN THE COUNTY OF LINCOLN, STATE OF WASHINGTON

PARCEL A

The NE $\frac{1}{4}$ NE $\frac{1}{4}$ of section 20, Township 27 North, Range 35 E.W.M., EXCEPT portion conveyed to the United States of America by deed recorded in Book 86 of Deeds, page 532, and except A tract of land in the Northwest Quarter of the Northeast Quarter of section 20, Township 27 North, Range 35 E.W.M., more particularly described as beginning at the north quarter corner of said section 20, thence South 1 $^{\circ}$ 04'56" E 1096.51 feet along the north-south centerline of section 20, to the True Point of beginning; thence South 1 $^{\circ}$ 04'56" E 147.40 feet; thence N 88 $^{\circ}$ 55'04" E 60.00 feet; thence N 1 $^{\circ}$ 04'56" W 147.40 feet; thence S 88 $^{\circ}$ 55'04" W 60.00 feet to the true point of beginning.

The SE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, and the E $\frac{1}{2}$ SW $\frac{1}{4}$ of section 20, Township 27 North, Range 35 E.W.M., (recorded in Book 86 of Deeds, page 446 and Book 112, page 1713, records of said County.)

The N $\frac{1}{2}$ N $\frac{1}{2}$ of section 29, Township 27 North, Range 35 E.W.M., EXCEPT portion conveyed to Lincoln County for public road, conveyed by Deed recorded in Book 112 of Deeds, page 876, (recorded in Book 96 of Deeds, page 112 and Book 112, page 1713 records of said County.)

That portion of Government Lot 5 of section 17, Township 27 North, Range 35 E.W.M., more particularly described as follows: Beginning at the Southeast corner of Lot 5 of said section 17, running thence South 89 $^{\circ}$ 08'42" W 782.13 feet along south line of said section 17, thence North 06 $^{\circ}$ 39'08" E 514.67 feet; thence North 59 $^{\circ}$ 58'34" E 143.44 thence South 74 $^{\circ}$ 50'43" E 404.97 feet; thence South 70 $^{\circ}$ 43'17" E 222.93 feet to a point on the east line of Lot 5 of said section 17; thence South 00 $^{\circ}$ 27'08" W 391.85 feet along the east line of Lot 5 of said section 17, to the point of beginning.
(recorded in Book 100 of Deeds, page 561, records of said County.)

Government Lot 1 and the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of section 21, Township 27 North, Range 35 E.W.M., EXCEPT portion thereof conveyed to the United States of America by deed recorded in Volume 83 of Deeds, page 612, under Auditor's File No. 210174, records of said County.

All that portion of Government Lot 2 and the N $\frac{1}{2}$ NW $\frac{1}{4}$ of section 21, Township 27 North, Range 35 E.W.M., lying north of the County Road; EXCEPT portion conveyed to the United States of America by deed recorded in Book 86 of Deeds, page 106, under Auditor's File No. 221956, records of said County; and EXCEPT tract conveyed to Fred D. Timm et al, as Trustee for Peach Cemetery by Deed recorded in Book 22 of Deeds, page 507, under Auditor's File No. 55930, records of said County.
(recorded in Book 100 of Deeds, page 559; 100-575; 100-563 records of said County.)

PARCEL B

The West Half of the Northeast Quarter of section 20, Township 27 North, Range E.W.M.

PARCEL G

That portion of the Southeast quarter of Section 18, Township 27 North, Range 35 East W.M., described as follows:

Beginning at the South one-quarter corner of said Section 18;
thence North $0^{\circ}28'44''$ West along the West line of said Southeast quarter 1,750.99 feet;
thence North $89^{\circ}31'16''$ East 763.65 feet;
thence North $10^{\circ}22'01''$ East 205.55 feet to a point on the Southerly margin of a 60 foot curving road easement from which the center of said curve bears South $56^{\circ}19'06''$ West (Radius = 3,370.00 feet);
thence Southeasterly along said margin, curving to the right, an arc distance of 549.11 feet to the point of compound curvature of a curve to the right from which the center bears South $65^{\circ}39'15''$ West (Radius = 720.00 feet);
thence Southeasterly along said curve an arc distance of 197.91 feet to the point of compound curvature of a curve to the left from which the center bears North $81^{\circ}24'14''$ East (Radius = 230.00 feet);
thence Southeasterly along said curve an arc distance of 257.49 feet to the point of tangency;
thence South $72^{\circ}44'25''$ East along said easement margin 30.09 feet;
thence, leaving said road easement, South $8^{\circ}02'14''$ West 1,105.12 feet to a point on the South line of said Section 18 from which the point of beginning bears South $89^{\circ}53'26''$ West;
thence South $89^{\circ}53'26''$ West along said South line 1,141.35 feet to the Point of Beginning.

"Together with an easement for ingress and egress, over and across the existing prescriptive public roadway beginning in Section 20 at the Redwine Canyon County Road;

thence running Northwesterly through Sections 20, 17 and 18, respectively, said roadway easement running adjacent to and with a portion of the boundary of the above-described tract of land.

Together with an easement for walking access to the South shore of Lake Roosevelt within, through and across the floor of the North-South Valley lying between the existing prescriptive public roadway situated along the Northeasterly boundary of the above-described tract of land and the right bank reservoir boundary of Lake Roosevelt; said valley situated in the East half of said Section 18."