

AMENDED AND RESTATED BY-LAWS
OF
CHIWAWA COMMUNITIES ASSOCIATION

Effective September 27, 2025

As Amended 19 March 1969, 4 December 1969, 21 April 1971, 26 April 1979, 23 April 1988,
23 September 1989, 26 September 1992, and 27 September 2025

ARTICLE I

DEFINITIONS

For purposes of these By-Laws, the following terms are defined as follows:

SECTION 1.1. "Assessments" means all sums chargeable to an Owner by the Corporation in accordance with the Protective Covenants, Articles of Incorporation, these By-Laws, and/or statute, including but not limited to water and non-water services, common area maintenance and operational costs, special assessments, and other common expenses levied or imposed by the Corporation.

SECTION 1.2. "Board of Trustees" or "Board" means the body responsible for administration of the Corporation, selected as provided in these By-Laws and generally serving the same role as the board of directors under Washington corporation law. A "Trustee" is a sitting Member on the Board.

SECTION 1.3. "Business Manager" means a person selected by the Board of Trustees to perform the day-to-day duties necessary for the management and operation of the Corporation, as prescribed by the Board of Trustees.

SECTION 1.4. "Charges" means lot-specific costs, including but not limited to water hook-up, water use costs, and fees and/or fines levied or imposed by the Corporation as provided herein or by statute.

SECTION 1.5. "Corporation" or "Association" means the Chiwawa Communities Association, a Washington corporation, and its DBA.

SECTION 1.6. "Delinquent Member" means a Member who is more than sixty (60) days in arrears on any assessments and/or charges.

SECTION 1.7. "Member" means an Owner subject to membership in the Corporation as provided in these By-Laws.

SECTION 1.8. "Member in Good Standing" means a Member that is not a Delinquent Member.

SECTION 1.9. "Officer" means a member of the Board of Trustees elected by the Board to serve as president, vice-president, secretary, or treasurer of the Corporation as provided for in Article V of these By-Laws.

SECTION 1.10. "Owner" means one or more persons who hold record title to a lot or lots in Chiwawa River Pines, a real estate development located in Section 31, Township 27 North, Range 18, EWM, Chelan County, Washington, lying east and west of the Chiwawa River.

SECTION 1.11. "Person" means a natural person, marital community, partnership, corporation, association, limited liability company, trustee, or any other form of legal entity.

SECTION 1.12. "Protective Covenants" means the Protective Covenants for all of Chiwawa River Pines, Chelan County, Washington, recorded in Public Records, as amended and restated, and as may be further amended and supplemented from time to time.

SECTION 1.13. "Water Administrator" means a person selected by the Board of Trustees to perform the day-to-day duties necessary for the management and operation of the Corporation's water system, as prescribed by the Board of Trustees.

ARTICLE II

MEMBERSHIP

SECTION 2.1. Membership. The members of this corporation shall be owners of lots in Chiwawa River Pines, a real estate development located in Section 31, Township 27 North, Range 18, EWM, Chelan County, Washington, lying east and west of the Chiwawa River. Transfer of ownership of the lots by any means automatically transfers membership in the Association to the new owner(s) of the lot.

SECTION 2.2. Member Limitation on Corporate Assets. No member of the Corporation shall have any right, title or interest in or to the whole or any part of the property or assets of the Corporation, and no member shall be entitled to either the whole or any part thereof in the event of the termination of his membership in the Corporation. SECTION 2.3. Membership Voting. An owner shall have one membership and one vote regardless of the number of lots owned. If an owner includes more than one person, then they shall be entitled collectively to one membership and one vote. Unless the Board of Trustees decides otherwise no certificates of membership need be issued. A member shall become entitled to vote after establishing their ownership to the satisfaction of the Secretary of the Corporation. The personal representative of a deceased member or the remaining owner shall have all that member's rights, privileges and duties.

SECTION 2.4. Member Withdrawal. No member may withdraw from the Corporation except upon title transfer of the lot or lots to which their membership is appurtenant. No compensation or refund of any assessments or charges shall be paid by the Corporation upon the transfer of membership, and no member whose membership is transferred shall thereafter be entitled to share or participate in any of the property, facilities, or benefits provided by the Corporation except to the extent of continued membership by reason of ownership of another lot or lots.

SECTION 2.5. Delinquent Members. In addition to such other rights as are specifically granted under the Protective Covenants, the Board of Trustees, or any officer designated by it, may, in accordance with procedures prescribed by the Board, exclude any Delinquent Member from voting, the use or enjoyment of the property, facilities, common areas, and benefits of the Corporation, or other rights and privileges of membership for failure to comply with the Articles of Incorporation, By-Laws, or Protective Covenants of this Corporation, or with the rules and regulations established by the Board.

ARTICLE III MEETINGS OF MEMBERS

SECTION 3.1. Semi-Annual Meetings. The semi-annual meetings of the members of the Corporation shall be held on the fourth Saturday in April (designated as Annual Meeting) and a second meeting will be held on the fourth Saturday in September of each year (designated as Fall Meeting), or as otherwise set and noticed on a date and at a time and location determined by the Board. The meetings may include means of remote communication through which members not physically present may participate in the meeting substantially concurrently, vote on matters submitted to the members, pose questions, and make comments. Such meetings shall be held at the office of the Corporation unless changed by the Board of Trustees. The Annual Meeting written notice shall include a member absentee ballot for election of trustees and such information as prescribed by the Board of Trustees. In order to be valid, the ballot must be signed and dated and received by the Secretary prior to the Annual Meeting.

SECTION 3.2. Special Meetings. Special meetings of the members may be called by the President, a majority of the Board of Trustees, or by written petition signed by members representing ten percent (10%) of the membership.

SECTION 3.3. Notice of Meetings. Notice of the semi-annual, regular or special meetings of members shall be given to all members of the Corporation no fewer than ten (10) nor more than fifty (50) days before the meeting date. The notice of any 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 owners, if any, and include, at a minimum when applicable: the general nature of any proposed amendment to the articles of incorporation, bylaws, or Protective Covenants; any Proposed Budget (when seeking ratification by the members) or changes in the previously approved budget that result in a change in assessment obligation, provisions for naming a proxy; any proposal to remove a director; and a list of subjects, plans, expenditures, and other items that require membership approval. If mailed, the notice of the meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at their address as it appears

on the records of the Corporation with postage thereon prepaid. Notice of semi-annual, regular and special meetings may be provided electronically to a member if the member has previously authorized the Corporation to provide such notice by electronic means.

SECTION 3.4. Quorum. For any scheduled meeting, the attendance of ten percent (10%) of the members of the Corporation who are eligible to vote shall establish a quorum necessary for the adoption of any matter voted upon by the members. If a meeting be recessed to a later date due to lack of quorum, further written notice of at least seven days shall be provided to the members. A quorum shall be deemed to be present at such reconvened meeting, provided that at least ten percent (10%) of the members who are eligible to vote are in attendance. Attendance at and participation in meetings may be in person, by proxy, or by videoconference officially sanctioned by the Board of Trustees. In any membership action to be taken upon proceedings for dissolution or merger of the Corporation, for an undertaking of a capital assessment (as distinguished from operations or maintenance assessment), for transfer of the substantial operating assets of the Corporation to another person or party, or for extension of membership to additional areas, or for the provision of services other than or in addition to the provision of water service, an affirmative vote in favor of such action shall require not only a majority vote of the members, but also that such affirmative vote shall include members owning at least twenty-five percent (25%) of the land area as served or contemplated to be served hereunder.

SECTION 3.5. Voting. A Member is entitled to one vote for all Member's Lots subject to the Protective Covenants in which that Member holds ownership interest. Any matter brought before the Members of the Corporation shall be approved if supported by a simple majority (51%) of the Members; provided, however, the percentage of votes to approve shall never be less than the prescribed percentage of affirmative votes required for action to be taken under that particular clause. In any situation where a Member is entitled personally to exercise the vote for his or her Lot(s), and there is more than one Owner of such Lot(s), the vote for such Lot(s) shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Corporation in writing prior to the vote being taken. Absent such advice, the Lot's vote shall be suspended if more than one Member seeks to exercise it.

SECTION 3.6. Meeting Venue, Proxy, and Electronic Voting. Meetings of the Corporation may be conducted by telephonic, video, or other conferencing process, if: (a) The meeting notice states the conference process to be used and provides information explaining how owners may participate in the conference directly or by meeting at a central location or conference connection; and (b) the process provides all owners the opportunity to hear or perceive the discussion and to comment. Members may vote in person or may vote by proxy executed in writing by the member or their duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Members may vote by electronic means if they are attending a meeting by videoconference officially sanctioned by the Board of Trustees. Where trustees are to be elected by members, such elections may be conducted by mail, including electronic mail where authorized.

SECTION 3.7. Conduct of Meetings. The President shall preside over all meetings of the Corporation, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

ARTICLE IV

BOARD OF TRUSTEES

SECTION 4.1. General Powers; Trustee Limitations. The affairs of the Corporation in the organization and commencement of business shall be managed by a Board of Trustees which shall be composed of nine members of the Corporation. Trustees of the Corporation shall not receive any salary or compensation from the Corporation for serving as or performing the duties of a trustee. Subject to RCW 24.03A.615, a Trustee may also serve in the capacity of a Business Manager, an accountant, or other employee or contractor of the Corporation, and may receive compensation in that capacity, provided that the compensated duties are clearly prescribed.

A Trustee shall not serve in the capacity of a Water Administrator. A Trustee shall not participate in any vote of the Board of Trustees that would provide for their compensation.

SECTION 4.2. Tenure, Qualification, and Methods of Election. The Board of Trustees shall be elected from those members of the Corporation who are Members in Good Standing. A Trustee who becomes a Delinquent Member after he or she is elected shall have failed to satisfy the qualifications for a Trustee as set forth herein, and the Board of Trustees shall remove and replace the disqualified Trustee as provided in Section 4.11 of this Article.

The three Trustees elected at the annual Meeting each year shall serve until the Annual Meeting three (3) years later. As terms of three (3) Trustees expire, their successors shall be elected for three-year terms.

The election of Trustees shall be held at each Annual Meeting of the members of the Corporation, and the Trustees shall hold office until the third annual members' meeting thereafter and until their respective successors are elected and qualified. In the event of failure to hold an election of Trustees at the annual members' meeting, or in the event of failure to hold an annual members' meeting as provided for by these By-Laws, election of the Trustees may be held at a special meeting of the members called for that purpose.

SECTION 4.3. Vacancies. Any vacancy occurring in the Board of Trustees shall be filled by the affirmative vote of a majority of the remaining Board of Trustees at a regular or special meeting duly called for that purpose, even though less than a quorum of the Board is presently elected. A trustee elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of their predecessor in office.

SECTION 4.4. Place of Meetings; Presence at Meetings. Meetings of the Board of Directors of the Association, regular or special, may be held either within or without the State of Washington, in person or through one or more means of remote communication through which directors not physically present may participate in the meeting substantially concurrently, vote on matters submitted to the Board, pose questions, and make comments.

Members of the Board of Trustees shall be deemed present in person at a meeting of such Board or committee if a conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other, is used.

SECTION 4.5. Regular Meetings. Regular semi-annual meetings of the Board of Trustees shall be held without other notice than this By-Law, and may occur immediately after and at the same place as the semi-annual meetings of members.

SECTION 4.6. Special Meetings. Special meetings of the Board of Trustees may be called by or at the request of the President or by any three (3) Trustees. Notice of any special meeting of the Board of Trustees, which notice shall include the general purpose or purposes of the meeting, shall be given at least ten (10) days prior to the meeting by written notice delivered personally or sent by mail to each Trustee at his address as shown by the records of the Corporation or by electronic notice if the Trustee has previously authorized the Board of Trustees to provide such notice by electronic means. If mailed, such notice shall be deemed delivered when deposited in the United States mail in a sealed envelope or postal card so addressed, with postage thereon prepaid. Notice of any special meeting of the Board need not be given to any Trustee who signs a waiver of notice either before or after the meeting. Attendance by a Trustee at a special meeting shall constitute a waiver of notice of such meeting, except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business because such special meeting is not lawfully convened.

SECTION 4.7. Quorum. A majority of the Board of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board. The affirmative vote of the majority of Trustees present at a meeting where a quorum is present shall be the act of the Board of Trustees, unless a greater vote is required by the statute, Articles of Incorporation, or these By-Laws. If a quorum shall not be present at any meeting of the Board of Trustees, a majority of the Trustees present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 4.8. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

SECTION 4.9 Open Meetings. Subject to the provisions of Section 4.10, all meetings of the Board shall be open for observation by all Members, but attendees other than Trustees may not participate in any discussion or deliberation unless permission to speak is requested on their behalf by a Trustee. In such case, the President may limit the time any such individual may speak. Notwithstanding the above, upon the affirmative vote of a majority of the Trustees to assemble in an executive session, the President may adjourn any meeting of the Board and reconvene in executive session, and may exclude persons other than Trustees, to consider personnel matters; consult with legal counsel or consider communications with legal counsel; discuss pending transactions or matters where disclosure would affect negotiations; and discuss likely or pending litigation or mediation or

matters involving possible liability of a Member to the Corporation. The motion to adjourn must state specifically the purpose for the executive session. The meeting minutes shall contain a reference to the stated purpose for the executive session. The Board of Trustees shall restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the Board of Trustees, 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 provisions of this Section shall not require the disclosure of information in violation of Law.

SECTION 4.10. Action Without a Meeting. Any action to be taken at a meeting of the Trustees or any action that may be taken at a meeting of the Trustees may be taken without a meeting if a consent in writing or by email transmission, setting forth the action so taken, is executed (as defined herein) by all of the Trustees, and such consent shall have the same force and effect as a unanimous vote. For these purposes, "executed" means: (a) a writing that is signed; or (b) an email transmission that is sent with sufficient information to determine the sender's identity.

SECTION 4.11. Removal of Trustees. The entire Board of Trustees or any individual Trustee, at a special meeting of the members called for that purpose, may be removed from office by the affirmative vote of the majority of the members who are eligible to vote. If the Board or any one or more Trustees is so removed, new Trustees may be elected at the same meeting. Subject to RCW 24.03A.530, the Board of Trustees may also remove a Trustee, and the remaining Trustees shall fill any vacancy or vacancies created by such removal as provided herein.

SECTION 4.12. Power and Authority of the Board of Trustees. The Board of Trustees shall have full power and authority as set forth in the Protective Covenants, these By-Laws, the Articles of Incorporation, and as provided by law, and as not otherwise reserved unto the Members, which are necessary for the administration of the Corporation's affairs and for performing all responsibilities and exercise all rights of the Corporation. This includes but is not limited to:

- (a) Appoint and remove, at its discretion, all officers and agents of the Corporation and prescribe their duties;
- (b) Hire and terminate, at its discretion, a Business Manager, a Water Administrator, an accountant, and other employees and contractors necessary and appropriate for the operation and management of the Corporation, prescribe their duties, and determine their compensation;
- (c) Make such expenditures as the Board deems expedient; provided, however, that the members of the Corporation, by resolution adopted by a majority vote at any meeting of members, may restrict the amount of expenditures which can be made by the Board without prior approval of the members;

- (d) Determine, collect, and enforce assessments and charges to be paid by the members of the Corporation in accordance with the Articles of Incorporation, By-Laws, or Protective Covenants of this Corporation, or the rules and regulations established by the Board. Power to assess for capital contributions is reserved to the membership.
- (e) Manage and conduct the affairs and business of the Corporation and generally do and perform or cause to be done and performed any and every act which the Corporation may lawfully do and perform; provided, however, that the Board of Trustees shall not have power to borrow money on behalf of the Corporation unless authorized by a majority vote of the members of the Corporation at a meeting of the members called for that purpose;
- (f) Enact, review, modify, and amend water regulations associated with the Corporation's water system and the provision of water services. Acquire water rights, franchises, easements or other interests as necessary or appropriate to the provision of water services, to install wells, pumps, drains, valves, mains, tanks, reservoirs, and all other equipment and installation as necessary or appropriate for the provision of water service; to determine operating and maintenance assessments and charges, including services charges and hookup; to provide for the creation of reserve funds as necessary and appropriate to the assurance of continued services by the Corporation;
- (g) Procure and maintain such forms of insurance as the Board may deem appropriate as to risks pertaining to the Corporation or to the obligations or interests of its members;
- (h) Indemnify a Trustee, officer, or committee member or former Trustee, officer, or committee member of the Corporation to the extent such indemnity is authorized or required by Washington law, the Articles of Incorporation, or the Protective Covenants;
- (i) The Board of Trustees shall not make political or charitable donations of the Corporation funds or property;
- (j) The Board of Trustees may exercise its power and authority between formal meetings of the members, provided that the Board of Trustees keeps a complete record of its actions taken, which minutes shall be open to inspection by members at a reasonable time upon reasonable notice, as prescribed by the Board of Trustees. The Board of Trustees shall provide electronic notice of its meetings on a website or in another manner designated by the Board. The Board of Trustees shall report on its actions and the financial condition of the Corporation with appropriate financial statements at the next meeting of the membership;

- (k) Acquire by donation, exchange, purchase, or otherwise real or personal property so located and of such nature as may be of use or benefit to the platted communities served by this corporation, including but not limited to park space, recreation space, or open space, and to improve and manage the same for the common use of members;
- (l) The Board of Trustees shall solicit candidates for election or re-election to the open positions on the Board prior to the Annual Meeting.
- (m) The Board of Trustees shall, by January 15 of each year, appoint a Chairperson, and any necessary support persons, from members of the Corporation to review the Treasurer's report of income/expenditures for the previous year's activities. The Chairperson and support persons should have experience reviewing financial statements. The Chairperson shall have said report available for the Annual Meeting and shall at that meeting give a verbal summary of said report.

ARTICLE V

OFFICERS

SECTION 5.1. The officers of the Corporation shall consist of a president, a vice president, a secretary, and a treasurer, each of whom shall be a member of the Board of Trustees. The Board of Trustees shall elect the officers at the Board meeting immediately following the Annual Meeting of the members. Officers of the Corporation so elected shall hold office for a term of two years or until their successor is elected. Outgoing officers shall serve in an advisory capacity until their successor is trained and a formal turnover is completed. Outgoing officers shall continue to have voting privileges only if their term as a member of the Board of Trustees has not expired. The Secretary and Treasurer roles may be combined from time to time at the discretion of the Board of Trustees; however, the President and Secretary roles may not be combined. Any officer may be suspended or removed by a majority vote of the trustees.

SECTION 5.2. The officers of the Corporation shall not receive any salary or compensation from the Corporation for serving as or performing the duties of an officer, but an officer may receive reimbursement of out-of-pocket expenses incurred in performance of duties as an officer for the Corporation. An officer may also serve in the capacity of a Business Manager, an accountant, or other employee or contractor of the Corporation, and may receive compensation in that capacity, provided that the compensated duties are clearly prescribed. An officer shall not serve in the capacity of a Water Administrator. An officer shall not participate in any vote of the Board of Trustees that would provide for their compensation.

SECTION 5.3. President. The president shall preside at all meetings of the Trustees and members and shall have and exercise under the direction of the Board of Trustees, the general supervision of the affairs of the Corporation.

SECTION 5.4. Vice President. The vice president shall preside at meetings in the absence of the president and, in case of the absence or disability of the president, shall perform all other duties of the president.

SECTION 5.5. Secretary. The secretary shall issue notices of meetings and keep the minutes of meetings. The secretary shall keep a record of the names and addresses of the members and shall have charge of the other necessary records and papers of the corporation.

SECTION 5.6. Treasurer. The treasurer shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and business transactions of the Corporation. The books of account shall be open to inspection by any member at a reasonable time upon reasonable notice. The treasurer shall keep safely all monies and securities of the Corporation and disburse the same under the direction of the Board of Trustees. The treasurer shall make available their records for review and audit, and cooperate with the Chairperson performing the annual financial review. The treasurer shall assist the said Chairperson in the preparation of the financial summary report for presentation at the Annual Meeting. In addition, the treasurer shall issue and present a full statement showing in detail the condition of the financial affairs of the Corporation.

ARTICLE VI

FISCAL YEAR AND BUDGET

SECTION 6.1. Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

SECTION 6.2. Budget. The Board of Trustees of the Corporation shall prepare and adopt a proposed budget to determine appropriate annual assessment amounts as provided herein. The Board of Trustees may delegate to the Treasurer to prepare, in whole or in part, the budget. Within thirty (30) days after adoption of any proposed budget, the Board must provide a copy of the budget to all the Members and set a date for a meeting of the Members to consider ratification of the budget, not less than fourteen (14) nor more than fifty (50) days after providing the budget. The budget shall be ratified unless, at that meeting of Members, a majority of the votes in the Corporation reject the budget, whether or not a quorum is present. If the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by Members continues until the Members ratify a subsequent budget proposed by the Board.

The budget must include:

- (a) The projected income to the Corporation by category;
- (b) The projected common expenses and those specially allocated expenses that are subject to being budgeted, both by category;
- (c) The amount of the assessments per lot and the date the assessments are due;
- (d) The current amount of regular assessments budgeted for contribution to the reserve account;
- (e) A statement of whether the association has a reserve study required under RCW 64.90.545 and, if so, that meets the requirements of RCW 64.90.550 and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and
- (f) The current deficiency or surplus in reserve funding expressed on a per Lot basis.

The Board, at any time, may propose a special assessment. The assessment is effective only if the Board follows the procedures for ratification of a budget described in this section and the Members do not reject the proposed assessment. The Board may provide that the special assessment may be due and payable in installments over any period it determines and may provide a discount for early payment.

ARTICLE VII

ASSESSMENTS AND CHARGES

SECTION 7.1. Assessments may from time to time be assessed by the Corporation against its members for the purpose of provision of water, common areas, community-owned assets, and other common services as set forth in the Protective Covenants, Articles of Incorporation, and these By-Laws. The water-related assessments shall be levied at a uniform rate for each lot to which water service is provided to the property line and at a separate uniform rate for each lot not utilizing water service, and shall be expended exclusively for the purposes set forth in the Articles of Incorporation. Assessment for other services, as approved by the membership, shall be assessed by the corporation against each lot at an equal rate.

SECTION 7.2. In addition to assessments, the purposes of which are to provide funds for the use and benefit of this Corporation and its members generally in the provision of water and other services, the Corporation, through its Board of Trustees, may determine and collect charges directly related to use of such services by one or more members, including, but not limited to, hook-up charges and service charges. The Board of Trustees, in its discretion after consultation with the Water Administrator, may levy additional charges for excessive or abusive water use.

SECTION 7.3. Notice and Hearing. In the event that any occupant, tenant, employee, guest or invitee of a Member violates the Protective Covenants, By-Laws, or a rule, and a charge is imposed, the charge shall be assessed against both the Member (and the

occupant if different than the Member), to be paid within the time period set by the Board of Trustees. The failure of the Board to enforce any provision of the Protective Covenants, By-Laws, or any rule shall not be deemed a waiver of the right of the Board to do so thereafter.

- (a) *Notice.* Prior to imposition of any sanction hereunder or under the Protective Covenants, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request for a hearing to the Board, and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within 10 days of the notice. If a timely request for a hearing is not made after notice of a proposed sanction is given, the sanction stated in the notice shall be imposed; provided the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 10-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. If a Member has consented to email notice, then notice under this Section 7.3 may be by email, as well as by personal delivery or mail. In the event that, in an emergency situation, the Board enforces any provision of the Protective Covenants, these By-Laws, or the rules of the Corporation by self-help, the Board shall provide notice of the self-help action to the alleged violator within five days of taking such action. Such notice shall describe (i) the nature of the alleged violation, (ii) the self-help action taken, and (iii) any Charges to be levied for the expenses associated with taking such action.
- (b) *Hearing.* If a hearing is requested within the allotted 10-day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Trustee, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

SECTION 7.4. Enforcement. All assessments and charges shall be due within 30 days after mailing of the notice of assessment to the members. Thereafter, said assessment and charge shall be delinquent and bear interest at the rate of 8% per annum until paid. Any assessment or charge shall be a personal obligation of the member assessed and shall be a lien upon the real property of said member. The Corporation may, at any time after the assessment and charge is delinquent for a period of 60 days, bring suit in foreclosure by civil action in the Superior Court of Chelan County. In the event it is necessary for the Association to employ an attorney to make collection of any such assessment of charge, then all reasonable expenses incurred by the Association for attorney's fees and costs in collecting or enforcing the assessment of charge whether in a court action or not shall be the personal obligation of the delinquent member and includable in the lien upon said

member's real property. The lien shall be enforceable by foreclosure proceedings in accordance with Chapter 57.08 of Revised Code of Washington, as may be amended from time to time. Said lien shall be against the member's real property upon which service was received or could have been received, subject only to the lien for general taxes. No membership shall be forfeited or any member expelled from the Corporation except upon successful foreclosure for non-payment of assessments and/or charges.

In addition to interest being charged on delinquent accounts, the delinquent member shall be charged in addition a penalty of 10% of each delinquent assessment or charge. Further, in addition to the right to foreclose provided herein, the Corporation may also suspend all or part of the service after assessments for charges for water are delinquent for a period of 60 days but shall be subject to a temporary reinstatement of water service by request of the Delinquent Member on any day for which the national weather service has issued or announced that it intends to issue a heat-related alert for the area. The Corporation may file a lien against the delinquent member's property and all expenses therefor, including release thereof, shall be paid by such member.

In the event water service to a member's real property is suspended for nonpayment of the water service-related assessment and charges, it will in no way affect the status of the member's assessment, and there shall be a reconnection charge assessed against said member in an amount determined by the Board of Trustees.

SECTION 7.5. Schedule of Charges. The Board of Trustees shall establish and maintain a schedule of charges for violations of the Articles of Incorporation, By-Laws, or Protective Covenants of this Corporation, and of any rules and regulations established by the Board.

ARTICLE VIII

DISPUTE RESOLUTION

SECTION 8.1. Except in the case of foreclosures brought by the Corporation under Section 7.3, or as otherwise provided in the Protective Covenants, disputes between Members or Owners, or between Members or Owners and the Corporation, the Board of Trustees or any of the Corporation's Officers, agents, employees or contractors, that are not resolved by the parties within ten (10) days after either party gives notice to the other of its desire to mediate the dispute, then upon agreement by both parties to mediate, either party (first party) may submit the issue to mediation by selecting a mediator and notifying the other party (second party) of the selection. The second party shall either approve such mediator and proceed to mediation or select an alternate mediator. The second party shall notify the first party of such acceptance or selection within seven days of the first notification. Upon receiving notification of the selection of an alternate mediator, the first party shall then approve the mediator and proceed to mediation or reject the alternate mediator. The first party shall notify the second party of such approval or rejection within seven days of receipt of the notice from the second party. In the case of rejection, the first two selected mediators shall select a

third mediator. The mediator shall mediate the dispute in accordance with the Washington Uniform Mediation Act (RCW 7.07 et seq.), which mediation shall be confidential, undertaken in good faith by the parties, but non-binding. The mediator shall not be related to either party by blood or marriage to a principal or owner of either party and shall have no economic interest, direct or indirect, with either party. Mediation shall be held within sixty (60) days after a request for mediation in writing. Each party shall bear its costs and attorney's fees related to the mediation. If the parties are unable to resolve their dispute via mediation, as provided above, and upon agreement by both parties to arbitrate, all unresolved matters shall be fully and finally resolved in a confidential, binding Arbitration as follows:

- (a) The Arbitrator shall be selected pursuant to this Section, but shall not be the Mediator;
- (b) The Arbitrator's costs and fees shall initially be paid equally by the parties entering into Arbitration;
- (c) The Arbitrator shall enter a discovery order, which order shall allow each party reasonable discovery regarding all matters at issue in accordance with Washington State Superior Court Civil Rules 26 through 37;
- (d) Arbitration shall be conducted in offices of the Arbitrator, or the office of the successor arbitrator, as the case may be, at a mutually convenient time, no later than sixty days following the conclusion of the Mediation, and the Arbitrator may issue subpoenas for attendance in accordance with RCW 7.04A;
- (e) The decision of the Arbitrator shall be final, binding, and enforceable in accordance with RCW Chapter 7.04A; and the prevailing party shall be entitled to recover from the other its actual reasonable attorneys' fees incurred therein and costs of arbitration, including any fees and costs advanced for payment of the arbitrator as provided herein.

ARTICLE IX

AMENDMENT OF BY-LAWS

SECTION 9.1. Amendment. These By-Laws may be amended, altered or repealed by a majority vote of the members present at any regular or special meeting of the member if notice of the proposed alteration or amendment is contained in the notice of the meeting; provided, however, that an amendment to the By-Laws that adds, changes, or deletes a greater quorum or voting requirement must meet the same quorum requirement and be adopted by the same vote and voting groups required to take action under the quorum and voting requirements then in effect under the applicable provisions of these By-Laws.

ARTICLE X

DISSOLUTION

In the event of the dissolution of the Corporation, each member of the Corporation shall receive their pro rata share of the assets after all the Corporation's debts have been paid.

CHIWAHA COMMUNITIES ASSOCIATION
By-Laws as amended September 27, 2025

The By-Laws next above are a true and accurate compilation of the original By-Laws adopted 18 December 1963 and amendments adopted 19 March 1969, 4 December 1969, 21 April 1971, 26 April 1979, 23 April 1988, 23 September 1989, 26 September 1992, and 27 September 2025.



Signature

Matthew Oaks

Printed Name

President

Officer Title

9/27/2025

Date Signed