

BYLAWS
Chelan Springs Property Owners Association

ARTICLE I

Name, Location and Purpose

The name of the corporation is Chelan Springs Property Owners Association, P.O.Box 1624, Chelan, Washington 98816, hereinafter referred to as the 'Association'. The Association shall be a non-profit corporation formed under the provisions of RCW 24 .03.

The purposes of the Association, defined in their entirety in Article III of the Articles of Incorporation filed on May 10, 1973, are maintenance and improvement of community roads, and community property and other purposes of benefit to the community, establishment of fees, levies and collection of such charges, expenditure of monies for the purposes of the Association, installment and maintenance of springs and sources of water in Chelan Springs, Division I, II and III as described in the Articles of Incorporation.

ARTICLE II

Definitions

Section 1. Association.

'Association' shall mean and refer to Chelan Springs Property Owners Association, its successors and assigns.

Section 2. Owners and Members.

'Owners' and 'Members' shall mean and refer to all persons and entities who are legally registered in Douglas County as owners of one or more lots in Chelan Springs, Division I, II and III.

Section 3. Properties, Lots, Parcels.

'Properties', 'Lots', and 'Parcels' shall mean and refer to certain real property described in the Articles of Incorporation, and such addition thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. Community Properties.

'Community Properties' shall mean and refer to all of the real property, including the improvements thereto, owned by the Association for the common use and enjoyment of the members of the Association. This includes the parcels 49700009600 and 49700009700 in Division I and the parcels 49800011900 in Division II and 49800012000, known as Tract A; 23-27-23, in Division II.

Section 5. Community Maintenance Areas.

'Community Maintenance Areas' shall mean those portions of all real property and roads, including the improvements thereto, maintained by the Association for the benefit of the Members of the Association, including 20 miles of private access roads to lots in Division I, II and III.

ARTICLE III

Membership

There shall be no capital stock in this corporation. Membership shall consist of all persons who own one or more parcels or lots in Chelan Springs Division I, Division II, Division III, as identified in Article III, Section 1 of the Articles of Incorporation and Membership shall be inseparably appurtenant to tracts, lots or parcels owned by the members. In the event of the death of a Member the Membership and its privileges and liabilities shall become the property of the legal personal representative of the deceased Member until title to the land appurtenant thereto shall be transferred or contracted to be transferred.

ARTICLE IV

Meeting of the Members

Section 1. Annual Meetings.

The Annual Membership Meeting of the Association and each subsequent Regular Annual Meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 12:00 noon. The Meeting shall be held the first Saturday in June.

Section 2. Special Meetings.

- a) Special Meetings of the Members may be called at any time by the Board of Directors, or upon written request by a Quorum of Members.
- b) A Special Meeting shall be called for any changes of status or purpose of the Association, or any raising of capital exceeding assessments, levies and annual dues. At a Special Meeting duly called for one of these purposes two thirds (2/3) of the votes entitled to be cast at the Meeting shall constitute a Quorum.

Section 3. Notice of Meetings.

Written notice of each Meeting of the Members shall be given by, or at the direction of, the Secretary or the person authorized to call the Meeting, by mail of such notice, postage prepaid, at least thirty (30) days, and not more than fifty (50) days before such Meeting. Such notice shall specify the place, day and hour of the Meeting, and, in the case of a Special Meeting, the purpose of the Meeting. Unless immediate action is required notice for a Special Meeting can be given along with the notice for a regular Meeting of the Members.

Section 4. Quorum.

Each current Member shall have one vote for each separate Lot, Parcel or Tract owned. At any Meeting of the Membership of the corporation, Members holding one tenth (1/10) of those votes shall constitute a Quorum. Each Member so present shall then be entitled to one (1) vote at the Meeting.

Section 6. Proxies.

At the Meeting of Members, each Member may vote in person or by proxy. All proxies shall be in writing, signed by the Member, or his duly authorized attorney-in-fact, and filed with the Secretary.

ARTICLE V

Nomination and Election of Directors

Section 1. Nomination.

Nominations for the election to the Board of Directors may be made by mail or from the floor at the annual meeting by the current Members.

Section 2. Election.

The Board of Directors shall be elected by a majority vote of the Membership by proxy or secret written ballot at the annual membership meeting.

ARTICLE VI

Meeting of Directors

Section 1. Directors.

The business and the property of the Chelan Springs Property Owners Association shall be managed by a Board of three (3) directors, who need not be members of the association.

Section 2. Term of Office.

The Members shall elect two (2) directors for a term of one (1) year, and one director for a term of two (2) years at the annual meeting.

Section 3. Regular Meetings.

The Board shall hold regular meetings at such time and place, as shall be determined by a majority of the Board, and special meetings as the board shall deem necessary for the competent management of the affairs of the Association. The Board shall follow parliamentary procedures at the Board of Directors Meetings and Meetings of the Membership.

Section 4. First Meeting.

Within a reasonable time after their election, the first Meeting of the Board of Directors shall take place, and the board shall elect from their number the following offices: President, Vice President, Secretary and Treasurer. All such officers shall be officers of the corporation.

Section 5. Quorum.

Each member of the Board of Directors shall possess one (1) vote in matters coming before the Board. Each Member of the Board shall vote in person and voting by proxy shall not be allowed. Two (2) members of the Board of Directors shall constitute a quorum.

Section 6. Removal.

Any director may be removed from office by a majority vote of the Membership present at any regular or special meeting of the membership. Notice of the proposed removal of a director must be given to such director prior to the date of the meeting at which such removal is to be voted upon. Such notice to the director must state the cause for the proposed removal.

Section 7. Cause for Removal.

Unexcused absence from three (3) consecutive meetings of the Board of Directors shall be due cause for the removal of a director.

Section 8. Vacancy.

Any vacancy occurring on the Board of Directors by reason of death, resignation or removal shall be filled by the remaining directors. Such appointee shall serve during the remaining term of the director whose position has become vacant.

Section 9. Other Officers.

The board may elect such other officers as the affairs of the association require, each of whom shall hold office for such period, have such authority, and perform such duties until the next following membership meeting, as the Board may, from time to time, determine.

ARTICLE VII

Duties of Officers

Section 1. President.

The President of the Board of Directors shall supervise all activities of the Corporation; execute all instruments in its behalf; preside at all meetings of the Board of Directors and of the Membership of the corporation; call such Meetings of the Membership as shall be deemed necessary, other than the Annual Meeting of the Membership; and perform such other duties usually inherent in such office.

Section 2. Vice President.

It shall be the duty of the Vice President to perform such duties usually inherent in such office and to perform the duties of the President, if the President is unable to do so.

Section 3. Secretary.

It shall be the duty of the Secretary to keep all records of the Board of Directors and of the Corporation, and to perform such other acts as the President may direct.

Section 4. Treasurer.

The Treasurer shall receive and be accountable for all funds belonging to the Corporation; pay all obligations incurred by the Corporation when payment is authorized by the Board of Directors; maintain bank accounts in depositories designated by the Board of Directors; and render periodic financial reports. The Corporate Books of Account shall be maintained on a fiscal year basis, the first to end on December 31, 1973.

ARTICLE VIII

Powers and Responsibilities of the Board of Directors

Section 1. Powers.

The Board of Directors shall have the power to:

- a) Adopt and publish rules and regulations governing the use of roads and other Common Maintenance Areas, safety, construction, appearance and other purposes as defined in Article I.
- b) Suspend the voting rights of Member during any period in which such Member is in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for each infraction of published rules and regulations.
- c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and which are not reserved to the Membership by other provisions of these Bylaws, or the Articles of Incorporation.
- d) Obtain policies of insurance for the Association, its community properties, roads and maintenance areas.
- e) Declare the office of a member of the Board of Directors to be vacant according to Article VI. Section 6 and 7 and employ a manager, contractor or such other employees as they deem necessary to serve the purpose of the Association.

Section 2. Responsibilities.

The Board of Directors shall have the power and responsibility to:

- a) Enforce the provisions of these Bylaws.
- b) Keep records of all the Association's acts and corporate affairs, including, but not limited to, corporate finances, an annual budget, maintaining a minimum of \$ 3,000.00 in reserve for unforeseen expenditures.
- c) Supervise all officers, agents, employees and committees of this Association and to see that their duties are properly performed.
- d) Send notice of the amount of the annual assessment against each Lot to every Owner subject thereto, at least thirty (30) days in advance of each annual assessment period or annual meeting of the Members.
- e) Foreclose the lien against any property for which assessments or other charges are not paid within thirty (30) days after the due date or to bring action at law against the Owner personally obliged to pay the same.
- f) Take such action, as the Board deems appropriate, to collect any other funds owed to the Association by Association Members or by third parties, including recording and foreclosing any liens upon Member's Lots for assessments or other charges due the Association.
- g) Issue upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance. Such certificate shall be conclusive evidence of such payment.
- h) Obtain legal and accounting services if necessary to the administration of Association affairs, administration of community areas and community maintenance areas, or the enforcement of these Bylaws.
- i) Pay from Association funds all costs of maintaining community property or community maintenance areas.

- j) If necessary and after written notice to the Owner, maintain any Lot if such maintenance is necessary to protect Community Property and roads or to preserve the appearance and value of the Properties or Lots.
- k) Pay all utility charges attributable to Community Property or Community Maintenance Areas.
- l) Have the exclusive right to contract for goods, services, maintenance and capital improvement on behalf of the Association.
- m) Improve the Community Areas and Maintenance Areas with capital improvements; provided that for those capital improvements exceeding \$ 2,000.00, the addition of such capital improvements to Community Property or Maintenance Areas must be approved by two-thirds (2/3) of the Members of the Association who are voting in person or by proxy at a meeting duly called for this purpose.
- n) Enter any lot in the case of emergency.
- o) Nothing herein contained shall be construed to give the Board authority to conduct a business for profit on behalf of all the Owners or any of them.

ARTICLE IX

Committees

The Association shall appoint a Road Maintenance Committee by election. If a Road Maintenance Committee can not be elected, the Board of Directors shall exercise the duties of the Committee. In addition the Board of Directors shall appoint other committees as deemed appropriate to carry out the Association's purpose.

ARTICLE X

Books and Records

The books, records and papers of the Association shall upon request be subject to inspection by any Member following the Annual Meeting of Members, or upon request at a time agreed upon.

ARTICLE XI

Assessments

No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Community areas, roads, other community maintenance areas or abandonment of the Owner's lot. The personal liability of any Owner for delinquent assessments or other delinquent charges shall not pass to his successors in title unless explicitly assumed by them. Liens for delinquent assessments and other charges shall be recorded in the office of the Douglas County Recorder.

ARTICLE XII

Corporate Seal

The Association may have a seal in circular form, having within its circumference the words 'Chelan Springs Property Owners Association'.

ARTICLE XIII

Amendments

These Bylaws may be amended by a majority of the Board of Directors, subject to approval of the Membership at the Annual Meeting. The Members shall have concurrent power to amend the Bylaws at a regular or special Meeting of the Members, by a vote of a majority or a quorum of Members present in person or by proxy. Provided that those provisions of these bylaws, which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law.

ARTICLE XIV

Miscellaneous

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control. The fiscal year of the Association shall begin on the first day of January and end on the thirty first day of December of every year, except that the first fiscal year shall begin on the date of the incorporation.

ARTICLE XV

Delegation of Use

Any Owner may delegate his right of enjoyment of Community Areas and Community Maintenance Areas to family members, tenants or guests. It is the Owner's responsibility to inform family, tenants and guests about the content of these Bylaws and any rules and regulations that may be in place at that time.