



CHINA FALLS

AT NEWCASTLE

RULES AND REGULATIONS

China Falls Homeowners Association

Pursuant to Article 6, Section 6.1 of the First Amended & Restated Declaration and Covenants, Conditions, Restrictions, Easements and Reservations (the CC&Rs) of the China Falls Homeowners Association (the “Association”) and R.C.W. 64.38.020, the following written Rules and Regulations are adopted in order to further clarify and supplement the provisions and requirements of the CC&Rs, and the Bylaws and Rules & Regulations (hereinafter collectively the “governing documents”) of the Association. These rules are intended to provide additional incentive for compliance by owners who violate the requirements and provisions of the governing documents, not supplant or amend them, and in the event of an inconsistency or conflict between these Rules and the governing documents of the Association, the governing documents provisions will supersede and apply.

These rules help the Association in its obligation to ensure owners in the community adhere to the governing documents, which are intended to protect our property values by preserving the aesthetics of our neighborhood and promote a sense of harmony between neighbors.

Each owner is fully responsible for the compliance of their family members, guests, tenants, and other occupants of the owner’s home.

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I. Exterior Appearance [non-ACC]

Owners are required to keep the interior and exterior of their lot in a clean and sanitary condition, free of rodents and pests, and in good order, condition and repair. Owners shall perform maintenance at any time necessary to maintain the appearance and condition of the lot.

A. Landscape Maintenance

Owners must keep their yards well-maintained, including weed removal, mowing, fertilizing and watering (subject to governmental restrictions on watering).

Lawn areas shall be maintained at a grass height not to exceed five (5) inches. Grass is permitted to go dormant but must be uniform in color and coverage. Bare and thinning areas need to be repaired.

Any plants, bushes, trees, grass or other foliage must be trimmed back such that they do not impede sidewalk traffic. Landscaping must not impede street visibility or create a safety concern. No mass planting over three feet in height shall be permitted to extend near the street.

Any moss on roofs, sidewalks, driveways, grass, or other areas must be minimized and maintained.

B. Signs

Per the CC&Rs, no signs are permitted except real estate signs. The following exceptions are also allowed on an owner's Lot:

1. Security warning and system signs. Signs must be small in size, branded, or standard-issued from a security company.
2. One "No Soliciting" sign is permitted, no larger than 5"x11" in size. These signs must be affixed to the home at the entry door.
3. Graduating "Class of YYYY" signs are permitted for the current school year, through September of the graduation year.
4. Up to 5 political signs to support candidates or ballot measures may be placed directly in front of your home 2 months prior to an election and must be removed within 7 days after the election date.
5. Graduation and political signs must be no larger than 24" x 20" and may be placed in yards only. Signs are not permitted in windows.
6. Signs with vulgar language or images are not permitted under any circumstances.

No signs are permitted on any common areas, including the entrance monuments, without prior Board approval.

C. Flags

One flag may be displayed from a flagpole attached directly to the home, not to exceed 3'x5'. Owners are only permitted to display the flag of the United States of America, U.S. Military branch or POW/MIA flag, a State flag, a flag of another country, seasonal/holiday flag, or officially licensed sports team or university. Flags or banners with vulgar language or images are not permitted under any circumstances. Any other flag requires HOA approval prior to installation.

D. Outside Storage

Household items, landscaping materials, and construction materials may not be stored outdoors in a manner visible from the street.

Any dumpsters or portable toilets from construction projects must be removed promptly following completion of the project.

E. Trash

Trash receptacles (including recycling and compost containers) must be stored out of sight, in a garage or behind fencing. Trash receptacles must not be visible from adjoining lots or from the street, except on collection day and the night before, for the purpose of collection. These receptacles are allowed to be placed out 1 day before pickup and must be removed 1 day after.

F. Driveway Pillars

The light on each driveway pillar shall be illuminated from dusk until dawn. No motion activated lights shall be installed on pillars.

Most homes have a built-in outdoor light sensor that controls the driveway pillar light. Alternatively, owners may consider purchasing WiFi enabled or other "Smart" bulbs.

G. Exterior Lighting

The Association recommends that Owners illuminate the front of their homes at night for crime prevention and safety.

Exterior lighting fixtures must be located and constructed so that they do not create a nuisance or hazard. Lighting installations must consider the

harmony of the community. An owner's lighting must not be pointed at a neighbor's lot or home.

Any motion activated lights must be adjusted so that they will not be activated by persons or other activity located in or beyond the street.

Exterior lighting must have a white color temperature of no higher than 3000K. All fixtures must contain the same color temperature.

Lighting such as colored lights and decorative string lights are considered a seasonal decoration and must not be displayed year-round. If any lighting (e.g. LED strips or string lights) is to be installed year-round, it must be permanently affixed to the roofline with wiring unseen and neatly installed.

H. Seasonal/Holiday Decorations

Outdoor decorations are encouraged but must be removed no later than 15 days after the end of any holiday.

I. Temporary Fencing

Temporary or removable fencing such as those used to enclose pets or deter wildlife may not be placed on any Lot in a manner visible from the street.

J. Temporary Structures

No temporary structures shall be installed, placed or used on any Lot, except for temporary structures used during construction or remodels approved by the Board.

K. Interior Window Coverings

Only drapes, curtains, shutters, blinds, or other such materials intentionally produced for use as a window covering shall be visible from the exterior. Blinds shall not have missing, bent, or broken slats. Draperies and/or curtains shall not contain visible stains or tears.

L. Video Cameras

Any exterior facing camera must be installed such that there are no excess or visible wires and maintain a consistent appearance. Owners may only have a reasonable number of cameras visible from the exterior of their lot.

At no time shall a camera point directly at or into a neighbor's home without their permission.

M. Roofs, Gutters, and Chimneys

Visible portions of roofs, gutters, and chimneys must be maintained and kept clean to avoid excess moss and staining from algae growth.

II. Exterior Home Improvement [ACC required]

All changes or alterations to your home's exterior require board approval **PRIOR** to starting work. A completed ACC (Architectural Control Committee) form must be submitted to the Association or Property Manager **PRIOR** beginning any work. The HOA urges homeowners not to sign a contract **PRIOR** to obtaining approval.

To expedite approval, a properly completed ACC form requires contacting all affected neighbors and to provide sufficient project details, including timelines, detailed product information, drawings, pictures, or maps when necessary. Approval or disapproval of work shall be made within 45 days of submission of a complete form.

A change or alteration includes, but is not limited to, roofing, painting, siding, windows, roofing, driveways, landscaping, sheds, decks, and fencing. ACC forms are required for all changes including like-for-like replacements. If unsure whether approval is required for a specific change, contact the Association or the Property Manager.

Affected neighbors include homes that have visual line of sight to your project or may be impacted by the execution of your project.

Any changes to the plan made after approval must be communicated to the board and may require resubmitting the ACC with the updated plans.

Unauthorized work requiring approval is subject to a fine and a Stop Work Order.

A. Painting

Exterior paint must be maintained with an even coloring; fading, streaking, or other discolorations are signs that your home needs to be repainted.

Generally, repainting may be necessary once every 10 to 15 years. Wood trim or shingles may require more frequent applications. Stucco may require additional coats to look clean.

If you are changing paint colors, it is required to paint a swatch or sample on a less visible area of your home's exterior for both ACC and neighbor

review. Even if you are not changing colors, an ACC form is preferred and can be submitted without a swatch painting.

B. Fencing

All fences must conform to the fence detail shown in Exhibit C of the CC&Rs.

At the current time, there is no standard fence staining policy or color. However, one single fence staining policy may be adopted in the future, therefore it is recommended to stick to a neutral color. The painting of a fence is not permitted.

No fence, wall hedge or mass planting over three feet in height shall be permitted to extend near the street.

C. Roofing

The goal of our roofing standard is to maintain the existing look and feel of our neighborhood.

- Installation must be done in a way that results in professional appearance. Professional installation is highly recommended.
- Roof material shall be a high-quality composition roof or better, tile, or other roof material of comparable quality.
- Minimum manufacturer's warranty of 40 years
- Composition material must have contouring that provides a look of dimensionality similar to the style across the homes in the neighborhood.
- Composition material must have gradation in color that provides a look of depth similar to the style across the homes in the neighborhood.
- Color blends ranging from blacks, browns, tans, or grays, may be approved.
- Roof, hip and ridge caps must be of the same manufacturer and consistent in color and material.
- Examples of composition materials that meet these requirements include, but are not limited to: GAF Timberline HDZ, CertainTeed Landmark Pro, Owens Corning Duration Premium.
- Exterior roof material may not be patched unless the patch can be made seamlessly with materials that match the whole roof in color and appearance.

D. Artificial turf

The Association discourages installation of artificial turf due to the potential environmental impacts, and also because the vast majority of homes in China Falls have natural turf and landscaping.

Artificial turf must be of high quality, appear lush and full, be as close as possible to real grass in appearance and follow local ordinances for drainage, permeability, and other aspects. A sample must be provided for inspection with the ACC approval form.

General Guidelines:

- Turf may not be installed directly up to the homes foundation. There must be a minimum border of 12 to 18 inches of rock or mulch to separate the turf.
- Front yard areas must retain a minimum of 30% of overall square footage of organic plant material such as planter beds, rock beds, mulch beds, bushes, shrubs, etc.
- Color must be similar to the geographical area as a blended, multi-color monofilament fiber and a minimum pile height of 1.5 inches.
- Turf may not be installed directly abutting natural lawn areas such as a neighboring yard. A divider such as stone or pavers would need to be installed.
- Turf must have adequate drainage built in such that there is no puddling or pooling. This usually requires an appropriately deep sub-base.
- Turf must not allow any natural growth through its surface. This usually requires installation of a porous weed barrier below the sub-base level.
- Turf must have a consistent look and feel with no patterning or visible seams. and any grain must be oriented in the same direction throughout.

Guidelines for installation

- Installation must be done in a way that results in professional appearance. Professional installation is highly recommended.
- Installation plans must include how all general guidelines are achieved, or if a guideline is not achieved, clear reasoning as to why it is not.
- Products should be installed per manufacturers' specifications. This generally requires a sub-base, infill material and porous weed barrier.

The Association may require repair or replacement if there are signs of damage, lifting, unevenness, worn areas, fading, deterioration, wrinkles, or any other general guideline is no longer being met.

E. Solar Panels

General Guidelines:

- No panels are to be installed on the roof's front elevation facing the street
- If panels will be visible from the street or from another Lot, affected neighbors must be contacted to solicit feedback
- Panel installations must meet City and State regulations

Guidelines for installation:

- Panels shall be parallel to the slope of the roof surface
- Panels cannot extend above or below the roofline
- Panels to be installed as close to the roof surface as possible (maximum of 6 inches from surface)
- Panels on each respective roofline shall be installed in a consistent grid-like manner and direction with no staggering, and they must be in portrait or landscape orientation but not a combination of both
- The number of installed panels cannot exceed the maximum allowable under a Residential Permit
- The panels, backing and frames must match. As most solar panels are black, only black backing and frames are permitted. Alternatively, panels, backing and frames may be all one color matching the color of the roof.

Guidelines for hardware:

- All mounting bracketry, interface hardware, etc. must be painted the same color as the roofing material or the solar panels.
- All or most wiring, bracketry and tubing must be concealed to minimize visibility along the roof surface. Wiring and tubing should run through the attic and not on the roof or outside of the home where possible. If not possible, wiring and tubing should be obscured below eaves and conduits should be painted to match the house.

F. Windows

Exterior windows visible from the street must maintain a consistent appearance. For example, window grille patterns should be consistently applied, or not.

The preferred color for window frames should be white or cream. Any changes to window frame color must be approved through an ACC and must be complimentary to the window trim and house paint colors.

G. Driveways

Driveways shall be constructed of exposed aggregate concrete paving or other hard surface approved by the Architectural Control Committee.

Driveways should maintain color and texture uniformity. Staining, cracking, pitting, and crumbling should be repaired in a way that uniformity is maintained.

Driveway pads/ramps are not permitted. (See also **Sidewalks.**)

H. Additional structures

Sheds, gazebos, and children's play equipment need to be shielded from view from the street.

III. Streets, sidewalks, and common areas

A. Parking

- Vehicles must be parked in driveways or garages. Parking on lawns or landscaped areas is prohibited.
- Overnight street parking is not allowed, except for occasional guest vehicles. Overnight guests should park in your garage or driveway if possible.
- At no time shall a vehicle block any part of the street, cul-de-sac, sidewalk or fire hydrant. This includes no parking on the sidewalk, or perpendicular parking. Parking in such a way that prevents emergency vehicles from accessing any home is also prohibited. Care must be given to avoid parking on both sides of the street, particularly on narrow streets.
- Commercial vehicles, campers, trailers, motor homes, boats, boat trailers, jet skis, motorcycles, all-terrain vehicles or other recreational equipment, may not be parked on any Lot in a manner visible from the street. Campers and motor homes can be parked on the Lot or street for up to 3 days for loading and unloading purposes only.
- Disabled or inoperative vehicles may not be stored on any Lot or in the street right-of-way for more than 72 hours.

B. Pets and animals

- Pet owners shall immediately clean up and remove any defecation or waste created by their pet. Pet owners may not allow used pet waste bags to be accumulated openly in a location viewable from the street or sidewalks. Used pet waste bags, if kept outdoors, must be kept in a plastic or metal covered receptacle not visible from the street.
- When outside of the owner's premises, pets must be securely leashed under the control of a competent adult.
- Dogs are not permitted to enter another lot or run free. Dogs may not be left unattended, tied outside a home, on patios or any part of the common areas in the owner's absence.
- Only a reasonable number of dogs, cats, caged birds, fish tanks or similar household pets may be kept on a lot.

C. Common Areas

- Playing or climbing upon the landscaped HOA common areas at the entrances to the neighborhood is prohibited.

D. Sidewalks

- Sidewalks shall be kept free of moss, debris, plants, bushes, trees, grass or other foliage.
- No parking is permitted on the sidewalk.
- Driveway pads/ramps are not permitted. (See also **Driveways.**)

IV. Renting your home

Reference the document, "Rules on Rentals – China Falls" for rules and requirements when renting your home.

It is the owner's responsibility to notify the Association that you are renting your home. The renting or leasing of anything other than your entire home is strictly prohibited.

Tenants and tenant's family members and guests are subject to all the provisions of the CC&Rs and all rules adopted by the HOA.

V. Day Care

Reference the document, "Rule for Child Day Care Centers" for rules and requirements when operating a day care center.

VI. Rule Enforceability

If any portion of this rule is determined to be legally unenforceable, it shall not negate the enforceability of the remaining portions of the rule.

Adopted by the Board this 25th day of March, 2026.

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[Signature page follows and is on file]

Anand Patel

Anand Patel, President

Alex Malesis

Alex Malesis, Vice President

Eric Hasson

Eric Hasson, Treasurer

Nora Chen

Nora Chen, Secretary

RULES ON RENTALS
China Falls Homeowners Association

Pursuant to Article 6, Section 6.1 of the First Amended & Restated Declaration and Covenants, Conditions, Restrictions, Easements and Reservations (the “CC&Rs”) of the China Falls Homeowners Association (the “Association”) and R.C.W. 64.38.020, the following written Rules and Regulations are adopted in order to further and foster compliance by owners with the provisions and requirements of the CC&Rs, the Bylaws and Rules & Regulations (hereinafter collectively the “governing documents”) of the Association. These rules are intended to provide additional incentive for compliance with Article 3, Section 3.5.5 of the CC&Rs by owners who violate the requirements and provisions of the governing documents, not supplant or amend them, and in the event of an inconsistency or conflict between these Rules and the governing documents of the Association, the governing documents provisions will supersede and apply.

I. Introduction

The Board of Directors has discussed the special issues posed by tenants/non-owners residing in the community, regarding their knowledge of, and compliance with the CC&Rs, and the provisions of other governing documents including Rules & Regulations. Further, many owners are not providing rental information to the Association, often failing to notify the Association of a rental, of an Owner’s/Landlord’s off-site address for notice purposes, and other information required under this Rule regarding the Tenant(s). Also, Owners and/or their property managers are often not providing copies of the Association’s governing documents to prospective and actual tenants, or even informing them of the existence of these documents, and do not take any steps to ensure their Tenant(s) will be good occupants and neighbors regarding compliance with the Governing Documents.

The above issues cause confusion and inadvertent non-compliance by tenants, and problems for the Association in wasted time, resources and expenses that could be easily avoided. These issues result in the Association experiencing difficulty in communicating with landlord owners and/or the Tenant(s) about Association questions or issues.

In the interest of ensuring the Association has adequate information with which to communicate with Owners and their Tenants about Association issues, to enhance the Association’s ability to communicate regarding occupants’/tenants’ compliance with the provisions of governing documents, and to ensure that the Association’s costs are better covered in addressing information and compliance needs regarding rentals, the following Rule is adopted regarding owners who rent out their homes, and their tenants.

II. Policy Statement – “RULE”

All owners who rent or who are considering renting their home are subject to this Rule.

A. Owner to provide governing documents to tenant

At or before the time a lease agreement is signed between owner and a tenant(s), owner or owner's agent will provide copies of the CC&Rs and the Rules & Regulations (hereafter collectively the "governing documents"), and any amendments to them, to the tenant, urging him to read them. Copies of the governing documents may be obtained from the Association's website free of charge. Under R.C.W. 64.38.045, the Association may impose and collect a reasonable charge for copies and any reasonable costs incurred by the Association in providing access to records. Therefore, a fee of \$20 will be charged for copy sets requested from the Association, payable at the time of request.

B. Lease requirements and use

Lots shall be used only for single-family residential purposes. Owners are free to rent out their entire house, but may not lease less than his or her entire lot and the residential structure situated thereon. There shall also be no subleasing of residential structure(s) or assignments of leases.

All leases must be in writing. No lease term shall be less than six (6) months. The use of short-term or partial rentals to lease all or a portion of a home (whether online, through third-parties, or in person) is expressly forbidden.

C. Tenant Standards

All prospective Tenants must undergo a screening process conducted by Owner/Landlord, at Owner's expense, before Owner agrees to rent to such person. Owner/Landlord shall conduct screening through a professional screening company. The screening shall include credit, criminal and background check, with the final report including the items listed below:

1. Nationwide Credit Report
2. Name and Social Security Verification
3. Bank account verification
4. Court Records search
5. Current address verification
6. Prior address verification
7. Undisclosed address verification
8. Employment verification
9. State sex offenders' files
10. Felony conviction records.

If Owner decides to rent to a prospective Tenant, Owner shall provide proof that professional screening of the prospective Tenant was conducted. The Association does not require and should not be provided a copy of the

screening report. Written verification from the professional screening company that screening was done on the above points is sufficient proof.

The Association recommends an Owner/Landlord decline to rent to a prospective Tenant for which any of the following items apply:

1. having an open bankruptcy
2. any unpaid apartment collections, negative rental or incomplete reference
3. any eviction or unlawful detainer actions and/or any current 3-day or 10-day notices to evict
4. any conviction for the selling of drugs or possession of drugs with intent to sell, or any convictions for contributing to the delinquency of a minor
5. any registered or unregistered sex offender
6. any history of disruptive, malicious, violent behavior and/or more than 2 convictions or guilty findings of domestic violence
7. any false or misleading information provided by the applicant on the written application or omission of a material fact
8. a total of \$400 or more of unpaid collections in the past 7 years
9. any criminal conviction which involves theft, burglary, robbery, serious offense, or a crime of violence as defined in R.C.W. 9.41.010.

D. Lease Addendum

An owner/member intending to rent out his home will specifically include a Lease Addendum to the lease to be signed by Owner/Landlord and the Tenant(s), binding on Tenant, his family members and his guests (hereafter collectively "Tenant"). Owner/Landlord shall use the required Lease Addendum attached to this Rule and fully incorporated herein by reference.

In the course of leasing a home to a tenant, owner or owners' agent will inform tenant that the Lease Addendum provisions are part of the lease agreement and that Tenant will be required to sign and abide by the Lease Addendum. Notwithstanding anything to the contrary herein, in the event that Owner/Landlord does not utilize the required Lease Addendum, its provisions shall nonetheless be considered part of the Lease Agreement and fully binding on Owner/Landlord and Tenant.

E. Owner will provide tenant information to the Association

After a lease agreement is signed, owner or owner's property manager/agent will provide in writing to the Association a completed Tenant Information Form at least ten (10) days before commencement of the lease term. The Tenant Information Form shall, at a minimum, contain the following information:

1. owner's mailing address and phone number;
2. alternative contact information for a person other than the owner in event of an emergency;
3. the name of every tenant signing the lease agreement;
4. the mobile phone number of tenant;
5. if consented to by tenant, tenant's email address;
6. make/model and number of vehicles assigned to tenant(s);
7. lease commencement date and lease expiration date

Owner shall also provide written verification of tenant screening per Article C, Tenant Standards

All owners with existing leases/tenants are to comply with this Rule and provide this information to the Association within twenty (20) days from the date this Rule is mailed to them.

F. Fines

All owners/ or an owner's property manager/ agent will provide in writing to the association a completed Tenant Information Form at least ten (10) days before the commencement of the lease term. Failure to do so after the Association has mailed at least two (2) notice of violation of this Rule and request for compliance to owner has been refused or otherwise denied, fines may be assessed at **\$75.00 per day** against any owner after the last notice period expires without additional notice.

G. Delivery of Notices

Any notice letter or other notice document permitted or required to be delivered under the provisions of the Governing Documents may be delivered either personally or by mail. If delivery is made by mail, any such notice is deemed to have been delivered on the third (3) day after a copy has been deposited in the United States mail, postage prepaid, for first class mail, addressed to the person entitled to such notice at the most recent address given by such person to the Board, in writing, for the purpose of service of such notice, or to the most recent address known to the Board or the Association's property manager, if any. Notices and other written documents to be sent to Owner/Landlord shall be considered sufficient and delivered if mailed to the address of the rental home if no other mailing address has been given in writing by Owner to the Association.

Adopted by the Board this 12th day of June, 2025.

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[Signature page follows and is on file]

Alex Malesis

Alex Malesis, Vice President

Anand Patel

Anand Patel, President

Nora Chen

Nora Chen, Secretary

Eric Hasson

Eric Hasson, Treasurer

LEASE ADDENDUM
China Falls Homeowners Association

This Lease Addendum is entered into by Owner/Landlord and Tenant(s) contemporaneously with their execution of a primary Lease Agreement in which the legal description and/or the property address is inserted for purpose of Tenant(s) renting the home/property owned, which legal description and/or property address is fully incorporated herein by reference.

Tenant agrees to abide by all provisions of the First Amended & Restated Declaration and Covenants, Conditions, Restrictions, Easements and Reservations (the "CC&Rs") of the China Falls Homeowners Association (the "Association"), and all other applicable governing documents (the "Governing Documents"). Tenant acknowledges receipt of a copy of the Governing Documents. Tenant further acknowledges that Tenant's failure to abide by the terms of the Governing Documents shall constitute a material breach of this Lease Addendum and the primary Lease.

The parties agree that all the covenants and agreements contained in this Lease Addendum shall be deemed to be part of the primary Lease and incorporated entirely in it as if included originally. The parties further agree that, in case of a conflict between the terms of this Lease Addendum and the primary Lease, the terms of this Lease Addendum shall take precedence.

The primary Lease is intended to be subject to and consistent with the provisions of the Governing Documents, as the same may be amended from time to time. In the event of any inconsistency between the primary Lease and the provisions of the Governing Documents, the provisions of the Governing Documents shall take precedence.

Owner/Landlord hereby transfers and assigns to Tenant for the term of the primary Lease any and all rights and privileges that Owner/Landlord has to use the Association's common elements arising from or through the rental home property, including, but not limited to, the use of any and all recreational facilities and amenities. Owner/Landlord and Tenant acknowledge that the Association reserves the right to withhold access to common elements amenities from Tenant for any reason that would, under the terms of the Governing Documents, be authorized to refuse a member Owner such access, including Tenant's failure to comply with any provisions of the Governing Documents, or Owner's/Landlord's failure to pay assessments when due.

All vehicles of Tenant and his or her family members and any others who reside in or on the rental home property must be registered with the Association.

In the event of a default by Tenant in the performance of the terms of the primary Lease or this Lease Addendum, or of the Declaration, Bylaws, and/or the Rules and Regulations as they may be amended from time to time, then, in addition to all other remedies that it may have, the Association or its representative shall notify the

Owner/Landlord of the primary Lease or Lease Addendum defaults and/or the violations of the Governing Documents, and demand that they be corrected through the Owners'/Landlord's efforts within 30 days after such notice. If the default(s) or violation(s) are not corrected within the 30 day period, the Owner/Landlord shall immediately thereafter, at his or her own cost and expense, institute and diligently prosecute an eviction action against Tenant. The eviction action shall not be settled without the prior consent of the Association or its representative. In the event the Owner/Landlord fails to fulfill the foregoing obligation, the Association shall have the right, but not the duty, to institute and prosecute an action as attorney-in-fact of the Owner/Landlord, at the Owner's/Landlord's sole cost and expense, including all legal fees incurred. The Owner/Landlord hereby irrevocably names, constitutes, appoints, and confirms the Association as his or her attorney-in-fact to take all such actions as it deems appropriate on his/her behalf. All costs and attorneys' fees incurred by the Association to enforce the terms of the primary Lease or this Lease Addendum, or of the Declaration, Bylaws, and/or Rules and Regulations of the Association, or to evict Tenant pursuant thereto, will be assessed against the Lot and the Owner thereof, and shall be deemed to constitute a lien on the Lot involved. The Association may enforce collection of the lien in the same manner as an assessment. Both the Owner/Landlord and Tenant acknowledge that the Association is a third-party beneficiary of the primary Lease and this Lease Addendum.

Notwithstanding anything to the contrary in the primary Lease or this Lease Addendum, in the event the default(s) and/or violation(s) result in imposition of Fines, it is agreed that Owner/Landlord and Tenant(s) shall be jointly and severally liable for their payment to the Association, including without limitation any interest and/or late charges which accrue due to their non-payment.

Dated this _____ day of _____, 20__.

LANDLORD:

Print name: _____

TENANT(S):

Print name: _____

Print name: _____

Tenant Information Form

Owner (Landlord) Name: _____ Lot #: _____

Owner Mailing Address: _____

Owner Telephone Number and Email: _____ / _____

Name of Designated Agent (if applicable): _____

Address of Designated Agent: _____

Telephone Number and Email of Designated Agent: _____ / _____

Length of Lease: _____ Beginning Date: _____ End Date: _____

Tenant Name(s): _____

Tenant Telephone Number and Email: _____ / _____

Tenant's Vehicle Information (license to include State of Issue and Number):

No. 1: License: _____ Make / Model: _____ Color: _____

No. 2: License: _____ Make / Model: _____ Color: _____

I (we) hereby attest by our signatures below, that I (we) have received, read and agree to abide by the Governing Documents of the China Falls Homeowners Association. I (we) hereby attest by our signatures below that we are renting the full residence. _____

Signature of Tenant

Date

Signature of Tenant

Date

Signature of Tenant

Date

Signature of Tenant

Date

Signature of Owner (Landlord)

Date

Signature of Owner (Landlord)

Date

FINES SCHEDULE/RIGHT TO HEARING
China Falls Homeowners Association

Pursuant to Article 6, Section 6.1 of the First Amended & Restated Declaration and Covenants, Conditions, Restrictions, Easements and Reservations of the China Falls Homeowners Association (the "Association") and R.C.W. 64.38.020, the following written Rules and Regulations are adopted in order to further and foster compliance by owners with the provisions and requirements of the CC&Rs, the Bylaws and Rules & Regulations (hereinafter collectively the "governing documents") of the Association. These rules are intended to provide additional incentive for compliance by owners who violate the requirements and provisions of the governing documents, not supplant or amend them, and in the event of an inconsistency or conflict between these Rules and the governing documents of the Association, the governing documents provisions will supersede and apply.

I. Violations, Investigation and Fines

A. Introduction

Washington statute R.C.W. 64.38.020(11), provides that an association can levy reasonable fines in accordance with a previously established schedule adopted by the board of directors and furnished to the owners, for violations of the governing documents of the Association.

B. Investigation/Notice of Violation

1. Investigation: When a possible violation is reported to or otherwise becomes known to the Association, it will be investigated by the Board or its designated representative(s), and a determination made as to whether a violation has occurred.
2. Notice of Violation: If a violation is found, written notice of the violation will be sent or delivered to the offending owner giving them a deadline date for compliance. The deadline given in such notice letters will be a reasonable time period within which to correct the violation and fully comply. In each case or matter, the Board will consider the nature of the violation, the circumstances of the owner and the property, and what it will take to correct the non-compliance in order to determine a reasonable time period deadline to give the owner to comply. If such Notice warns that fines will be imposed if compliance does not occur by a certain date, the Notice will also inform the owner of the right to request a hearing concerning the imposition of fines, pursuant to the provisions below in section IV.

C. Rule – Legal Action

If the owner does not timely comply and correct the violation cited in the notice, the Association may assess or levy fines against them and the lot according to

the Fine Schedule as set forth in Section II below. Additional fines may continue to be assessed while the legal action is in process, if the owner continues to violate the requirements of the governing documents. Under Section 6.2, all attorneys' fees and costs shall be awarded to the prevailing party and recoverable from the losing party in any action, lawsuit or other proceeding involving the issue or recovery of fines and/or the enforcement of the governing documents.

Notwithstanding anything to the contrary herein, in the Board's discretion, legal action may be taken against the violating owner at any time after a compliance deadline is given to owner, and nothing in these Rules is intended to waive or otherwise modify the Association's legal right(s) to take other enforcement measures in order to secure or achieve compliance.

II. Schedule of Fines

If an owner violates any provision(s) of the governing documents and does not comply after reasonable notice and within the deadline given by the Association, fines may be imposed and accrue as follows:

1st offense = Friendly warning to the owner and/or occupant;

2nd offense = **\$75.00**; and

3rd and each subsequent offense = **\$200.00 per day or per incident**, with no limit to the number of fines assessed for incidents or conduct occurring within a twelve-month period.

Some violations involve an intermittent offense or conduct, for example, repeat parking violations or trash can collections, the Association may impose fines per incident after reasonable friendly warning to the owner.

The Association is also entitled to reimbursement of any expenses incurred to ensure or enforce compliance with violations, for example, administrative fees charged by the property manager, landscape fees paid to maintain landscaping standards or other third-party fees to conduct investigations, etc.

III. Collection of Fines and Expenses

The Association will bill the violating owner the applicable fines and Expenses at such time and for such periods as the Association considers reasonable.

All fines and Expenses imposed by the Association upon an owner which remain unpaid for thirty (30) days after being invoiced to owner shall automatically constitute a lien on the Lot and all its improvements, and may be handled and foreclosed upon in the same fashion as if it were a lien for unpaid assessments under the Association's governing documents and the laws of the State of Washington. The Association may file a formal lien with the county in order to further protect its interests regarding the unpaid fine(s). The amount of the lien shall

include interest, attorneys' fees, and all costs and expenses, incurred by the Association in the imposition and collection of such unpaid fine(s).

IV. Request for Hearing/Opportunity to be heard

A. Introduction

Any owner found by the Board to be in violation of governing documents provisions or requirements may request a hearing to offer a defense to, or to explain extenuating circumstances regarding, the violation(s) and imposition of fines.

B. Deadline for Owner Requesting a Hearing/Waiver of Hearing Right if Untimely Request

The last letter or communication by the Association to owner with final deadline for compliance and a notice that fines will commence shall also specify the following information:

1. owner has the right to request a hearing solely for the purpose of disputing the validity or basis of being fined;
2. a reasonable deadline by which owner must notify the Board in writing that he or she requests a hearing;
3. if owner does not timely give written notice to the Board requesting a hearing, owner waives the right to a hearing.

The deadline for requesting a hearing and the waiver of the right to hearing for failure to timely meet the deadline is intended to bring a definitive closure to the hearing request period, so that an owner cannot unreasonably obstruct or delay implementation or collection of the imposed fines by requesting a hearing after collection or enforcement efforts begin.

C. Request for Hearing/Required Information

The owner must complete a written Request for Hearing which shall be mailed or delivered to the Association. The appeal request must contain the following:

1. Owner's name and address;
2. Owner's reasons, basis and defense for the hearing;
3. A copy of all supporting documentation;
4. The name(s) of any attending witnesses or other collaborating guests;
5. The owner's signature and date of the Request for Hearing.

D. Hearing Procedures

1. The owner will be sent confirmation by the Association of its receipt of the Request for Hearing.
2. The Board will appoint and assemble a minimum of three (3) (or more at the Board's discretion) current members of the Association and/or the Association's Board of Directors, or appoint and name a representative designated by the Board to act as a Review Board (the "Review Board") within seven (7) calendar days following receipt of a written Request for Hearing complying with the information requirements set forth above.
3. No later than ten (10) calendar days following the formation of the Review Board, the Review Board shall mail or deliver notice to the appellant owner of a hearing date, which notice will provide the date, time, and location of the hearing, which is to be determined by the Review Board.
4. The Review Board will permit the appealing owner up to thirty minutes to explain the circumstances of the matter and provide grounds as to why the fine should be waived, reduced or cancelled.
5. After the presentation, the hearing will adjourn, and the Review Board will review the circumstances of the Request for Hearing as presented.
6. Within seven (7) calendar days of the hearing, the Review Board will mail or deliver written notice to the owner of the Review Board's decision.
7. If the Review Board finds in favor of the owner, it will advise the owner as to whether the violation and/or the fines originally imposed are reduced, modified, or waived. Any adjustment(s) shall reflect on the owner's account the following month.
8. If the Review Board determines that the owner's explanation or defense presented at the hearing was inadequate or otherwise failed to justify a reduction, modification, or waiver of the violation and/or fines, the owner will be so notified, in which case the fines imposed will continue as owed to the Association until paid in full regardless of whether the violation has since been removed or corrected. In any event, if the Review Board finds against the owner, the fines will continue to accrue until full and adequate compliance occurs by owner.

V. Stop Work Order

In addition to imposing a fine, if appropriate based upon the nature of the violation, the Association may issue a Stop Work Order to any person or entity engaged in unauthorized activity or actions that violate the governing documents. An unauthorized activity is an activity which requires prior written approval of the Board or the Architectural Control Committee (ACC), and which has not received such prior written approval. A Stop Work Order shall:

- a. Identify the address of the property involved;
- b. Describe the unauthorized activity;
- c. Identify the specific prior approval requirement being violated;
- d. State that the unauthorized activity shall immediately cease, and describe any additional sanctions to be imposed;
- e. State that the delivery of the Stop Work Order serves as a determination that a violation has occurred;
- f. State that this determination is final unless it is appealed to the Board, in writing, within 10 days of the date that the Stop Work Order was issued;
- g. State that the failure to immediately comply with the terms of the Stop Work Order will cause a **\$350.00 fine** to be imposed, and that for each week thereafter in which non-compliance with the Stop Work Order takes place, a separate fine of **\$350.00 fine** will be imposed.

VI. Rule Enforceability

If any portion of this rule is determined to be legally unenforceable, it shall not negate the enforceability of the remaining portions of the rule.

Adopted by the Board this 12th day of June, 2025.

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[Signature page follows and is on file]

Alex Malesis

Alex Malesis, Director

Anand Patel

Anand Patel, Director

Nora Chen

Nora Chen, Director

Eric Hasson

Eric Hasson, Director

RULE FOR CHILD DAY CARE CENTERS

China Falls Homeowners Association

The Association is aware of State laws providing that Associations may not adopt or enforce restrictions in governing documents that prohibit or unreasonably restrict or limit use of a lot as a licensed family home child day care operated by a family day care provider or as a licensed child day care center (collectively referred to as a “Center”) except as provided for in such laws. However, the Association is allowed to impose reasonable regulations on a Center (See RCW 64.38.140(2)(a)).

This Rule is adopted to reasonably regulate the use of homes and properties as a Center in order to protect the interests of members of the Association while also complying with the State laws on the subject.

The provisions in this Rule apply to the owner of the lot, tenants, and persons or companies that manage such Centers for an owner or tenant (hereafter collectively the “Operator”). “Governing Documents” as used on this Rule means the Declaration of Covenants (CCRs), the Articles of Incorporation, the Bylaws, and the Rules and Policies of the Association.

1. **Required Actions by Operator Before Center Operations Begin:** The Operator must provide the following documents and information, on or before the date Center operations commence:

- (a) a written notice of the date the Center will begin to operate;
- (b) the name and address of the owner and, if different, the Operator of the Center;
- (c) a signed Indemnification and Hold Harmless for the Association as set forth in detail below and using the Indemnification form appended to this Rule;
- (d) a signed Waiver of Liability for the Association from each parent, guardian, or caretaker of each child being cared for by the Center, as set forth in detail below and using the Waiver form appended to this Rule; provided, however, the timing for providing Waivers shall be as provided in paragraph 6 below;
- (d) proof of day care insurance as set forth in detail below;
- (e) a completed and signed Registration that includes all information and documents described in the appended Registration form, which is necessary in case the Association needs to contact the appropriate person(s) in the event of an emergency or for other reasonably necessary communications if the Operator lives elsewhere than the Center, his or her residence or business address.

2. Architectural Standards: The architectural requirements and standards set forth in the Governing Documents, which all owners and lots are subject to, shall be complied with by the owner and the occupants and users of the lot.

3. Business Signs: No business signs shall be posted on the home or lot regarding the Center or the Operator. This prohibition applies to all owners and lots, not just Centers.

4. Access Limitation: Only lots with direct access may be used as a Center. Direct access must be through publicly accessible common areas.

5. Indemnification and Hold Harmless Required: The Operator, and if different from the actual Operator the owner also, shall agree in writing to indemnify and hold harmless the Association against all claims, whether brought by judicial or administrative action, relating to the operation of the Center, excluding claims arising in common areas that the Association is solely responsible for maintaining under its Governing Documents.

The Indemnification and Hold Harmless Agreement shall be in the form appended to this Rule.

6. Waivers of Liability: The operator shall obtain and provide to the Association signed waivers of liability releasing the Association from legal claims directly related to the operation of the Center from the parent, guardian, or caretaker of each child being cared for by the Center. Such original signed waivers shall be in the form appended to this Rule and be provided to the Association before a child begins attendance and care at the Center.

7. Day Care Insurance and Fines: The Operator of the Center, whether owner of the lot or a tenant and/or a person or entity that manages the Center, shall obtain and maintain day care insurance regarding the Center as defined in RCW 48.88.020 and such other Washington State Laws that may now or later apply, which is insurance coverage against the legal liability of the licensed operator against loss, damage, or expense incident to a claim arising out of the death or injury of any person as the result of negligence or malpractice in rendering professional service by any person or facility licensed to provide day care services pursuant to chapter 74.15 RCW.

Alternatively, the Operator must provide self-insurance pursuant to chapter 48.90 RCW, consistent with the requirements in RCW 43.216.700. This alternative insurance requires the operating owner, tenant, or managing person or company to insure by being a subscriber to an insurance association corporation organized under Title 24 RCW that operates a self-insurance program that satisfies the requirements of RCW 48.90.020 subsections (2) and (3).

The owner or tenant Operator shall provide proof of day care insurance to the Association before beginning operations of the Center. **Failure to provide proof of or maintain the required day care insurance shall be subject to a Fine of \$20 per day**

until such insurance is in place and proof is provided to the Association. Such Fine applies to the owner of the lot regardless of whether owner is the Operator, and to the tenant and/or person or company managing the Center.

8. Screening of Employees: The Operator of the Center shall reasonably screen all potential employees who will work at the Center through a professional person or company in the business of conducting such screening, to ensure they are suitable for day care work involving children. The operator of the Center shall provide proof to the Association that such screening was done but shall not provide the screening report(s). The Association is not responsible if unsuitable persons are hired as employees or independent contractors by the Operator to assist with children care at the Center.

9. Maintenance of the Home and Lot: The owner of the lot shall be responsible for maintaining the home and property to community standards, so that it remains clean, well kept, and does not become unsightly and detract from other homes and properties in the community. Community standards for purpose of this Rule means the level of care, maintenance, and appearance of the majority of homes and properties in the community, and the quality of design, style, and materials of homes as originally built by developer. This same community maintenance standard already applies to all owners and their properties pursuant to the Declaration of Covenants and Rules of the Association. However, the additional wear and tear that will likely occur through use of the property as a Center may mean owner will have to make more effort to properly maintain it to meet community standards.

Adopted October 10th, 2025, by the Board of Directors.

Anand Patel

Print Name: Anand Patel
Director

Eric Hasson

Print Name: Eric Hasson
Director

Nora Chen

Print Name: Nora Chen
Director

Print Name: _____
Director

Alex Malesis

Print Name: Alex Malesis
Director

Print Name: _____
Director

INDEMNIFICATION AND HOLD HARMLESS
OF THE CHINA FALLS HOMEOWNERS ASSOCIATION
[RCW 64.38.140(2)(c)(ii)]

This Indemnification and Hold Harmless is provided by the undersigned owner, tenant, and/or manager (collectively the "Operator") of the family home child care or child day care center (collectively the "Center") operating out of a lot within the Association community. The Center is identified below. This Indemnification is made by and provided to the Association by the Operator pursuant to laws of the State of Washington pertaining to Centers.

Operator agrees to and shall indemnify and hold harmless the Association against any and all claims, whether brought by judicial or administrative action, relating to the operation of the Center. This Indemnification excludes claims arising in common areas that the Association is solely responsible for maintaining under its governing documents; provided, however, that this Indemnification for the Association shall apply if the claim is based upon actions or omissions amounting to negligence or intentional wrongdoing by Operator and/or Operator's employees, contractors, agents, or other persons who are acting on behalf of Operator at the time an incident occurs giving rise to a claim against the Association. If Operator is other than the individual owner(s) of the lot from which the Center is operating, the person signing this instrument as Operator, or is signing as an officer, director, or manager for and behalf of Operator, shall be personally subject to and obligated under this Indemnification to the Association.

Name(s) of Operator: _____

Center ID Information:

Name of Center: _____

Address of Center: _____

_____.

Date of Below Signatures: _____, 20__.

Operator(s):

Print name: _____
Phone _____

Print name: _____
Phone: _____

Print name: _____
Phone: _____

**WAIVER OF LIABILITY OF
CHINA FALLS HOMEOWNERS ASSOCIATION
[RCW 64.38.140(2)(c)(iii)]**

[To Be Completed and Signed for Each Child]

This Waiver of Liability (Waiver) is provided by the undersigned parent(s), guardian(s), or caretaker(s) (hereafter collectively "Caretaker") of a child or children being cared for or by a family home childcare or child day care center (collectively "Center") identified below, located in the Association community. This Waiver is made and provided to the Association pursuant to laws of the State of Washington pertaining to Centers (RCW 64.38.140).

Caretaker(s) waive liability of and fully release the Association from any and all legal claims directly related to the operation of the Center in which their child or children attend.

Name(s) of child or children:
(Print the names)

Center ID Information:

Name of Center:

Operator of Center:

Phone no. of Center:

Address of Center:

Date of Below signatures: _____, 20__.

Caretaker(s):

Print name: _____

Phone _____

Print name: _____

Phone: _____

Print name: _____

Phone: _____

REGISTRATION
OF CHILD DAY CARE CENTER
China Falls Homeowners' Association

This Registration form must be completed by the Operator of a Center and, along with the documents described below, submitted to the Association on or before the date a Center begins operations unless other timelines are provided herein.

“Center” and “Operator” shall have the same meaning as set forth in the Rule for Day Care Centers (the “Rule”) to which this form is appended.

You must file a new form within 10 days if the changes occur to information in a previously filed Registration.

Operator(s):

Name(s):	_____	Phone no.	_____
		Email:	_____
	_____	Phone no.	_____
		Email:	_____

Address of Home/Lot Where Center Will Operate:

Address of Operator if different from home and lot being used as a Center:

Phone number(s): _____
Email address(es): _____

Are you the owner of the home/lot where the Center will operate? _____
If not, state the name of the owner of the home/lot: _____

Center: Business name: _____

Date Center Will Begin Operations: _____

Parents, Guardians, Caretakers (collectively hereafter "Parents") of children cared for by the Center: **Attach a list** of the Parents' names, addresses, phone numbers, and email addresses for each child of theirs being serviced by the Center and the name(s) of their respective children. **You must provide an updated list of information for this section within 14 days if changes occur, including without limitation children being added to or removed from the Center's services.**

Documents: You must provide copies of the following along with the filing of this completed Registration unless another time line is provided:

- The Center's insurance policy or proof of insurance for the types described in the above Rule;
- An Indemnification and Hold Harmless signed by the Operator and the owner if different from Operator (use above form document appended to the Rule);
- A Waiver of Liability signed by each Parent of each child being serviced by the Center. A signed Waiver of Liability by Parent(s) must be filed with the Association within 48 hours of each Parent retaining the Center's services for their child or children;
- An insurance policy obtained and being maintained by the Center pursuant to the Rule requirements;
- The State of Washington and/or County license issued to the Operator for the Center's operations, and the Center must provide a copy of each renewal of the license within five (5) business days of it being issued.

Architectural Control Committee Compliance:

In the event exterior changes must be made to the home and/or lot to accommodate operation of the Center, operator must first comply with all Architectural Control Committee requirements, including without limitation submitting an application for such changes and not making any changes until after obtaining ACC or Board approval.

OPERATOR(S):

Name (if a business): _____

Print name: _____

Title: (if a business) _____

Date: _____

Print name: _____

Title: (if a business) _____

Date: _____

CODE OF CONDUCT FOR BOARD MEMBERS
China Falls Homeowners Association

I. INTRODUCTION

Under R.C.W. 64.38.020(1) and Article 6, Section 6.1 of the First Amended & Restated Declaration and Covenants, Conditions, Restrictions, Easements and Reservations of the China Falls Homeowners Association, the Board of Directors ("Board") of the Association ("Association") has the authority and responsibility to make decisions for the benefit of the entire community, including adopting Rules and Regulations, and it is important that Board Members maintain a high standard of ethical conduct in the performance of the Association's business, and to ensure that the Association's members maintain confidence in and respect for the entire Board. References in this Rule to the "Board" or "Board Members" include and equally apply to Officers of the Association.

II. RESOLUTIONS

A resolution of the Board of the Association has been adopted that the following rules of conduct, standards of behavior, ethical rules, and enforcement procedures are applicable to all Board Members.

A. Board Members shall act in the best interests of the Association as a whole.

Board Members serve for the benefit of the entire community, and shall, at all times, strive to do what is best for the Association as a whole. Board Members shall not use their positions as such for private gain, for example:

- No Board Member shall solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or any other thing or monetary value from a person who is seeking a contractual or other business or financial relationship with the Association.
- No Board Member shall seek preferential treatment by the Board, any of its committees, or any contractors or suppliers.
- No Board Member shall accept a gift or favor made with the intent of influencing a decision or action on any official matter.
- No Board Member shall receive any compensation from the Association for serving on the Board.
- No Board Member shall willingly misrepresent facts to advance a personal cause or influence the community to advance a personal cause.

- No Board Member shall use his or her position to enhance his or her financial status through the use of certain contractors or suppliers.

The above list of examples is offered for illustration purposes only, and is not intended to be exclusive.

B. Board Members shall comply with governing documents and relevant law.

Board Members shall use their best efforts at all times to make reasonable decisions that are consistent with the Bylaws, Covenants, and other governing documents of the Association, and to be familiar with all such documents. Board Members shall likewise comply with and make decisions that are consistent with all applicable laws, including, but not limited to, R.C.W. 64.38.025(1). Board members will also refrain from discriminating against any person on the basis of race, color, religion, national origin, gender, family status, or mental or physical disability.

C. Board Members shall set high standards for themselves as Association members. Board Members shall hold themselves to the highest standards as members of the Association, and shall in all ways comply with the provisions of the Association's governing documents.

D. Board Members shall work within the Association's framework and refrain from unilateral action. Board Members shall at all times work within the Association's framework and abide by the system of management established by the Association's governing documents and the Board. The Board shall conduct business in accordance with state law and the Association's governing documents, and shall act upon decisions duly made, and no Board Member shall act unilaterally or contrary to such decisions. Toward that end, no Board Member shall seek to have a contract implemented that has not been duly approved by the Board, nor promise anything not approved by the Board to any contractor, supplier, or otherwise.

E. Board Members shall behave professionally at meetings. Board Members shall conduct themselves at all meetings, including board meetings, annual meetings of the members, and committee meetings, in a professional and businesslike manner. Personal attacks against other Board Members, Association members, residents, officers, management, office staff or guests are not consistent with the best interests of the community and will not be tolerated. Language at meetings shall be kept professional. Though differences of opinion are inevitable, they must be expressed in a professional and businesslike manner.

- F. Board Members shall maintain confidentiality when appropriate.** Board Members shall at all times maintain the confidentiality of all legal, contractual, personnel, and management matters involving the Association. Board Members shall also maintain the confidentiality of the personal lives of other Board Members, Association members, residents, and management staff. Association members may not contact Board members via email, phone, or in person at Board members' homes, unless specifically requested to by that Board member. All correspondence to the Board members must go through the Association office.
- G. Board Members shall disclose conflicts of interests.** Board Members shall immediately disclose to the Board any perceived or potential conflict of interest regarding any aspect of the business operations of the Association.
- H. Board Members shall refrain from defaming anyone in the community.** Board Members shall not engage in defamation, by any means, of any other Board Member, Association member, resident, or management staff member. The Association shall deem any Board Member who engages in defamation to be acting outside the scope of his or her authority as a Board Member.
- I. Board Members shall refrain from harassing Association members or residents.** Board Members shall not in any way harass, threaten, or otherwise attempt to intimidate any other Board Member, Association member, or resident. The Association shall deem any Board Member who harasses, threatens, or otherwise attempts to intimidate other Association members or residents to be acting outside the scope of his or her authority as a Board Member.
- J. Board members shall timely perform their duties.** In cases where a Board member has particular duties, or a task or assignment, for example the Treasurer of the Board is responsible for timely paying bills of the Association so that third party vendors will provide services, the Board member shall timely perform their duties, tasks and assignments so that the Association's integrity with members and third parties is protected and maintained, especially where the finances of the Association are concerned.
- K. Board involvement in complaints.** In cases where a Board member has either registered a complaint against another homeowner, or another homeowner has registered a complaint about a Board member, it is the Board member's responsibility to:
- Recuse him/herself from any investigation

- Recuse him/herself from any involvement in penalties or mitigations.

In addition, a board member must recuse him/herself from participation in any decisions or actions against homeowners living within 300 feet (walking distance) or adjacent to the Board member's residence.

In these cases, another Board member that lives further away should be called upon as required to execute the HOA's responsibilities.

- L. Board members required to sign.** All current and future Board members shall sign this Code of Conduct upon assuming a position on the Board whether by owner election or appointment to fill a vacancy. Failure or refusal to do so shall be viewed as bad faith by the Board and the Board by majority vote and approval may sanction or, after notice and an opportunity to be heard by the Board or by a representative designated by the Board and in accordance with the procedures as provided in the Bylaws or Rules and Regulations, fine such director.

Adopted by the Board this 10th day of October, 2025.

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[Signature page follows and is on file]

Anand Patel

Anand Patel, Director

Nora Chen

Nora Chen, Director

Eric Hasson

Eric Hasson, Director

Alex Malesis

Alex Malesis, Director

China Falls Homeowner Association

Delinquency and Collection Policy

Effective 01/01/2026

Prompt payment of assessments by all Owners is critical to the financial health of the Association and to the preservation and enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligations under the Association's governing documents and Washington State law to enforce the members' obligations to pay assessments. The policies and practices in this Collection Policy supersede any prior collection policies and practices and shall remain in effect until the Board adopts an updated Collection Policy.

1 Payment of Assessments. Annual and special assessments, late fees, interest charges, and collection costs, including attorneys' fees and management fees, are the personal obligation of the Owner of the Lot at the time the assessment or other charge is due. It is the Owner's responsibility to pay each Assessment in full regardless of whether a payment statement or payment coupon is received. An Owner may not withhold assessments owed to the Association or claim offset on the alleged grounds that the Owner is entitled to recover money or damages from the Association for some other obligation. The Association, its management company, and its attorneys are authorized to charge an owner a convenience fee as part of an option for owners to pay assessments by credit card, electronically, telephonically, or by some other method where a third-party payment processor charges to the payor or payee a cost for using said service; provided that owners have at least one option to pay by some other method that does not involve a convenience fee. Any such convenience fee shall be reasonably related to the cost charged by the third-party payment processor.

2 Association Lien. Delinquent amounts automatically create a lien against the Lot even before a written lien is recorded. The Association has the right to record a lien against the Lot whenever the Owner's account is past due, and nothing in this Collection Policy shall limit or otherwise affect the Association's right to record a lien against the Lot to protect and provide public notice of the Association's interest in the Lot.

3 First Delinquency and Pre-foreclosure Notice. Annual assessments are assessed against each Lot on the first (1st) of each year and become due and payable immediately. All other assessments, including special assessments, are due on the date specified by the Board. An account becomes delinquent on the 11th day following the date an assessment becomes due and payable and remains delinquent until all assessments, late fees, interest, attorneys' fees, and other amounts lawfully assessed are paid. A delinquent account will incur a late fee in the amount of \$50.00 on the 11th day of the month in which the assessment became due and an unpaid balance remains, as well as 12% annual interest on all unpaid balances.

The President, Treasurer, or Manager is further directed to send a notice to the owner via First Class U.S. Mail to the Lot address and to any other address that the Owner has provided to the association, once the account becomes delinquent, informing the Owner of the status of that Owner's account and the amount needed to bring the account current. To the extent reasonably possible, the notice shall include a detailed statement

of the account balance. To the extent required under Washington law, the notice shall also include the following language (with phone numbers and website links to be updated from time to time):

THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS FROM THE UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.

**THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING YOUR HOME.
CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW
TO ASSESS YOUR SITUATION AND REFER YOU TO MEDIATION IF YOU MIGHT BENEFIT.**

DO NOT DELAY.

BE CAREFUL of people who claim they can help you. There are many individuals and businesses that prey upon borrowers in distress.
REFER TO THE CONTACTS BELOW for sources of assistance.

SEEKING ASSISTANCE

Housing counselors and legal assistance may be available at little or no cost to you. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

- The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission Telephone: 1-877-894-4663 Website: <http://www.wshfc.org/buyers/counseling.htm>
- The United States Department of Housing and Urban Development Telephone: 1-800-569-4287 Website: <http://www.hud.gov/offices/hsg/sfh/hcc/fc/index.cfm?webListAction=search&searchstate=WA&filterSvc=dfc>
- The statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys Telephone: 1-800-606-4819 Website: <http://nwjustice.org/what-clear>

4. Second Delinquency Notice. If an Owner remains delinquent for at least 30 days, the President, Treasurer, or Manager is directed to send the Lot Owner a second written notice of delinquency. To the extent reasonably possible, the notice shall include a detailed statement of the account balance and any further applicable late and administration fees.

5. Third Delinquency and Pre-foreclosure Notice. If an Owner remains delinquent for at least 90 days and at least 60 days have passed from when the first delinquency notice was mailed, the President, Treasurer, or Manager is directed to send a third notice by first-class mail including any additional late and administration fees, to the Owner, at the Lot address and to any other address which the Owner has provided to the association advising the Lot Owner that: if the account is not paid in full in ten (10) days, it may be turned over to the Association's attorney for collection; a lien may be recorded against the Lot; and the Owner will be liable for all fees and costs associated with collecting on a delinquent account. To the extent required under Washington law, the notice shall also include the following language (with phone numbers and website links to be updated from time to time):

THIS IS A NOTICE OF DELINQUENCY FOR PAST DUE ASSESSMENTS FROM THE
UNIT OWNERS' ASSOCIATION TO WHICH YOUR HOME BELONGS.

THIS NOTICE IS ONE STEP IN A PROCESS THAT COULD RESULT IN YOUR LOSING YOUR HOME.

CONTACT A HOUSING COUNSELOR OR AN ATTORNEY LICENSED IN WASHINGTON NOW

TO ASSESS YOUR SITUATION AND REFER YOU TO MEDIATION IF YOU MIGHT BENEFIT.

DO NOT DELAY.

BE CAREFUL of people who claim they can help you. There are many individuals and businesses that prey upon borrowers in distress.

REFER TO THE CONTACTS BELOW for sources of assistance.

SEEKING ASSISTANCE

Housing counselors and legal assistance may be available at little or no cost to you. If you would like assistance in determining your rights and opportunities to keep your house, you may contact the following:

- The statewide foreclosure hotline for assistance and referral to housing counselors recommended by the Housing Finance Commission Telephone: 1-877-894-4663 Website: <http://www.wshfc.org/buyers/counseling.htm>
- The United States Department of Housing and Urban Development Telephone: 1-800-569-4287 Website: <http://www.hud.gov/offices/hsg/sfh/hcc/fc/index.cfm?webListAction=search&searchstate=WA&filterSvc=dfc>
- The statewide civil legal aid hotline for assistance and referrals to other housing counselors and attorneys Telephone: 1-800-606-4819 Website: <http://nwjustice.org/what-clear>

- 6. Ongoing Late Fees, Interest, and Other Charges.** Every account with an outstanding balance shall be subject to a late fee. Interest at the rate of twelve percent (12%) per annum may be collected on all outstanding balances, including but not limited to late charges and legal fees. Interest shall not be compounded. Interest charges will be assessed from the original due date after the outstanding balance becomes due and will be assessed each month until the account is brought current. Non-sufficient fund (NSF) payments or returned payments will incur a fee of \$35.00 or the actual amount incurred by the Association's bank and management company. The Association may also assess any fees associated with the collection of the delinquent account charged by its management company.
- 7. Referral to Association Attorney.** If an account remains delinquent for ten (10) days after the third written notice, the Board may refer the account to the Association's attorney. Additionally, the Board may consult with the Association's attorney at any time when: the Lot Owner has filed for bankruptcy or is the subject of a petition for relief under the bankruptcy code; a lender has started a foreclosure action against the Lot; the Lot Owner has engaged in misconduct or other action that has caused monetary harm to the Association that has been or could be specially assessed to the Lot; or any other legal action has commenced against the Lot. Once an account has been referred to the Association's attorney for collection, the President, Treasurer, or Manager is directed to cease sending delinquency notices and account statements to the delinquent Owner and is directed to send any such notices to the Association's attorney. The Association and Manager are further directed to terminate the Owner's

access to any online or other system that might allow the Owner to retrieve account balances or pay their assessments except through the Association's attorney.

8. Assessment of Attorneys' Fees and Collection Costs. All attorneys' fees and costs incurred in the collection of past due assessments shall be assessed against the delinquent Owner's account and shall be collectible as an assessment, including but not limited to any fees paid to the Association's Manager because of the Owner's delinquency. Furthermore, the Association's attorney may charge to a delinquent account other amounts permitted under the Declaration or this Collection Policy such as interest and security deposit even if said amounts were not previously calculated by the Association or its managing agent. This policy shall serve as notice to all owners that the Association intends to reinstate any amount to which it is lawfully entitled to collect once an account is referred to the Association's attorney, even if the Association may have previously waived such rights

9. Payment Plans & Communication with Delinquent Owners. Once an account is placed with the Association's attorney for collection, all contacts with the delinquent Owner should be handled through the attorney. If an Owner requests an accounting from the Association or its manager, the Owner should be referred to the Association's attorney. Should the Association or its manager provide the Owner with an account ledger or balance due while the Owner's account is being handled by the Association's attorney, the Association shall not be bound by any such statement. The Owner may not rely on a statement of account from any source other than the Association's attorney so long as the attorney is handling the Owner's delinquency.

Any revisions of the amounts demanded of the Lot Owner and/or any payment plans proposed by the delinquent Owner should be handled through or immediately communicated to the attorney. The Board will consider payment plan requests on a case- by-case basis and with the advice of the Association's attorney. The Board is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien against the Lot.

10. Foreclosure. As provided by Section 8.2 of the Declaration, if an Owner fails to respond to the Association's attorney's attempts to collect from the Owner, the Board of Directors may decide to foreclose on the Association's lien. The Owner could lose ownership of the property if a foreclosure is completed, and will be responsible for significant additional attorneys' fees and costs if a foreclosure is started against the Owner's property.

11. Payments Received from Delinquent Owner. All payments received shall be applied first to costs, then to late charges, then to interest and then to delinquent assessments, as is the Association's standard practice. At the Board's discretion, payments may be applied differently if such application is in the Association's best interest. Owners shall not have the ability to direct the Association how to apply payments; any payments with such restrictions may be returned to the Owner at the discretion of the Board, Association's Manager or the Association's attorney. All payments collected from delinquent Owners during the collection process shall be made out to the Association, but mailed or delivered to the attorney's office so that the attorney can keep accurate, up-to- date records of the remaining amounts due. If the President, Treasurer, or Manager receives payment from a delinquent Owner after the file has been referred to the Association's attorney, the President, Treasurer, or Manager is directed to provide a copy of the payment to the attorney before depositing it in the Association's

bank account. Payments should only be deposited after the Association’s attorney has approved it. The President, Treasurer, or Manager is directed to send an updated account ledger for the accounts in collection to the Association’s attorney once a month for the duration of the collection action.

12. Waiver & Additional Collection Action. Nothing in this Collection Policy limits or otherwise affects the Association’s right to proceed in any lawful manner to collect any delinquent amounts owed to the Association. Specifically, the Association retains the right to refer a delinquent account to the Association’s attorney at any time. The Association’s failure (or the failure of any agent of the Association) to comply with any provision of this policy shall not be viewed as a waiver of the Association’s right to proceed to collect delinquent assessments in any lawful manner.

Fee Schedule

<u>Action</u>	<u>Days Delinquent</u>	<u>Days to Comply</u>	<u>Delinquency Charges</u>
First Delinquency/Pre-foreclosure Notice	1	15	Admin Fee (within statutory limits)
Late Charge Notice	31+ and each month following until current	15	\$50.00 + Admin Fee
Intent to Lien Notice	90+	10	\$175.00 + Admin Fee
Lien Filing	100		\$175.00 + Hard Costs
Intent to Lawsuit Notice (Final Demand)	90+	14	\$175.00 + Hard Costs
Lawsuit	90+		\$975.00 + Hard Costs
Lien Removal	Upon request after confirming account is current		\$175.00 + Hard Costs

Effective Date

The Assessment Payment Policy set forth in this document shall take effect on 1/01/2026 and supersedes any previous China Falls Homeowners Association delinquency and collection policies. All charges are subject to change without notice.

Approved this 28 day of November, 2025.

Anand Patel
President: _____ 11/24/25 _____

Alex Malesis
Vice President: _____ 11/25/2025 _____

Eric Hasson
Treasurer: _____ Eric Hasson _____