

When recorded, return to:

HANNAH HEIGHTS
OWNERS ASSOC.
P.O. Box 722
FRIDAY HARBOR, WA
98250

Auditor File #: 1999 1210009

AMBL

Recorded at the request of:

MARK MCCLINTOCK

on 12/10/1999 at 13:11

Total of 8 page(s) Fee: \$ 15.00

SAN JUAN COUNTY, WASHINGTON
SI A. STEPHENS, AUDITOR

Document Title(s): SECOND AMENDED BY-LAWS OF HHOA

Grantors: HANNAH HEIGHTS OWNERS ASSOC.

In consideration of : (Or other conveyance language)

Grantees: HANNAH HEIGHTS OWNERS ASSOC.

Tax Parcel Number(s):

Legal Description: VOLUME 2 PLOTS, PPS 33 & 33A (HANNAH HTS)
VOLUME 3 PLOTS, PPS 29 & 29A (HANNAH HTS
FIRST ADDITION)

Reference Auditor File Numbers: AFN 1997 021802

SECOND AMENDED BY-LAWS OF
HANNAH HEIGHTS OWNERS ASSOCIATION

This document is to fully supercede the Amended Bylaws of the Hannah Heights Owners Association; the Resolution of Board of Directors of Hannah Heights Owners Association dated 8/23/97 regarding transient accommodations; and that certain Amendment to Plat Restrictions dated December 17, 1997 filed under AFN 1997 021802; and is intended to incorporate and document all Hannah Heights plat restrictions recorded in volume 2 of Plats, Pages 33 and 33A; and all Hannah Heights, First Addition plat restrictions recorded in volume 3 of Plats, Pages 29 and 29A into one simplified document.

ARTICLE I: Meeting of Membership

Section 1. The annual meeting of the membership shall be held on San Juan Island, Washington, on the third Saturday in August of each year or such other Saturday in August as the Board may select.

Section 2. Special meetings of members may be held at the principal office or at any other convenient place upon the call of the Board of Trustees or President after notice of the time, place and purpose of such meeting shall be delivered to each member in person or mailed to the last address given the Secretary of the Association at least five (5) days prior to the time so appointed, or any time when all the members are present in person or by proxy and consent thereto.

Section 3. An adjournment or adjournments of any annual or special meeting may be taken without any notice being given, but any meeting at which Trustees are to be elected shall be adjourned only from day to day until such Trustees have been elected.

Section 4. The presence in person or by proxy of twenty percent (20%) of the voting power of all members shall constitute a quorum for the transaction of business at a membership meeting.

ARTICLE II: Board of Trustees

Section 1. The business of the Association shall be managed by a Board of not less than three (3) nor more than seven (7) Trustees, the specific number for any year to be fixed by the members at the annual meeting, or at any other meeting held for the purpose of electing a Trustee or Trustees. Each Trustee shall be elected to serve until the next annual meeting and until his successor shall be elected and shall qualify. Trustees shall be members of the Association.

Section 2. Vacancies in the Board of Trustees shall be filled by the remaining members of the Board, and each person so elected shall be a Trustee until his successor is elected by the membership, who may make such election at the next annual meeting of the members or at any special meeting duly called for that purpose and held prior thereto.

Section 3. The annual meeting of the Trustees at which the other officers of the Association shall be elected shall be held immediately following the final adjournment of the membership meeting at the same location.

Section 4. Meetings of the Board of Trustees other than the annual meeting of Trustees may be held at such place, whether in this state or elsewhere, as a majority of the Trustees may from time to time appoint.

Section 5. A majority of the Board of Trustees shall be necessary to constitute a quorum for the transaction of business.

Section 6. Meetings of the Board of Trustees may be called by the President or the Secretary of the Association at any time, and may be held at the giving of ten (10) days written notice to each Trustee, which notice may be waived.

Section 7. Any Board of Trustee member can be removed from the Hoard for incompetence, incapacity, or by having three unexcused consecutive absences from Hoard meetings. Said removal shall require a ten (10) day notice to said Trustee and shall require an unanimous vote of the remaining Trustees attending said meeting.

No Trustee shall vote on or participate in discussions of any matter of the Board in which the Trustee has a conflict of interest with a position taken by the Board. Without limitation, this requirement applies to contracts entered into with any Trustee or litigation wherein a Trustee and the Association are opposing parties.

ARTICLE III: Officers

Section 1. The officers of this Association shall be a President, a Vice-President, a Secretary and a Treasurer, who shall be elected by the Board of Trustees at the annual meeting of the Board, to serve until the next annual meeting, and until their successors are elected and have qualified. Vacancies in any office may be filled by the Board of Trustees at any meeting. All officers shall be members except that, if necessary, an Assistant Secretary may be appointed and this person need not be a member.

Section 2. The President shall preside at all Trustees' and membership meetings; shall have general management of the affairs of the Association; shall sign all membership certificates and written contracts of the Association; shall appoint and discharge all agents and employees, subject always to the approval of the Board of Trustees, and subject to the right of the Board of Trustees to remove or discharge the same; and shall perform all such other duties as are incident to his office or as may be required of him by the Board of Trustees.

Section 3. The Vice-President shall in the absence or incapacity of the President perform the duties of that office.

Section 4. The Secretary of the Association shall keep the minutes of all Trustees' and membership meetings. He shall attend to the giving and serving of all notices of the Association; shall be custodian of the Corporate Seal; shall attest with his signature and impress with the Corporate Seal all membership certificates and written contracts of the Association; and shall perform all such other duties as are incident to his office or may be required by the Board of Trustees.

Section 5. The Treasurer shall keep regular books of account, and shall submit them, together with all his other records and papers, to the Board of Trustees at any meeting when required to do so. He shall, if required to do so by the Hoard of Trustees, give such bond for the faithful performance of his duties as the Hoard may determine, and shall perform all such other duties as are incident to this office or as may be required by the Hoard of Trustees.

Section 6. In addition to the foregoing officers, the Board of Trustees may, from time to time elect such other officers as they may see fit, with such duties as the Board may deem proper.

ARTICLE IV. Membership

Section 1. Membership in the Association shall be limited to those persons executing covenants, restrictions, conveyances and power of attorney pursuant to that master declaration of covenants restrictions, conveyances and grant of power of attorney recorded in the office of the San Juan County Auditor on March 5, 1975 bearing Auditor's 87888 who own at least one residential lot in Hannah Heights or First Addition to Hannah Heights or such other property as the Board of Trustees may consider appropriate for admission to membership. Contract purchasers shall be deemed owners for the purpose of the bylaws.

Section 2. Every entity or person eligible for membership desiring to be a member shall execute and file, prior to becoming a member, a document with substantially the same provisions as shown on Exhibit A hereto which, prior to filing, shall have been endorsed and accepted by two officers of the Association. The Trustees may adopt a procedure for assessing persons desiring to become members a sum which fairly reflects the assessments and charges for organizational expense and capital improvements paid by the members prior to said application and payment of said sum shall be a condition of acceptance. The Trustees shall advise the officers of the Association with respect to the procedures and policies to be adopted in handling applications for membership.

Section 3. Membership, once established, shall be automatically transferred with the transfer of ownership of the property or portion thereof owned by the member who is selling.

Section 4. Each member shall have one vote for each lot or parcel subject to assessments and charges by the Association. Such vote or votes may be executed in person or by written proxy.

Section 5. A meeting of the members shall require present, in person or by written proxy, twenty percent (20%) of the votes authorized in accordance with these by-laws.

ARTICLE V: Rights of Members

No certificates of membership shall be issued. Each member shall have the right to use and be served by the facilities and property, real and personal, owned by the Association subject to the payment of charges and assessments made by the Board of Trustees subject to observance of such rules and regulations as the Board may prescribe.

ARTICLE VI: Rules and Regulations

Section 1. There shall be no hunting or discharge of firearms or other weaponry within the boundaries of Hannah Heights or Hannah Heights First Addition.

Section 2. A lot owner may not drill a private well for personal use or irrigation unless Hannah Heights can no longer provide adequate water as defined by the Board.

Section 3. No lot owner or resident shall keep or quarter on any lot in Hannah Heights or Hannah Heights First Addition any animal, livestock or poultry, except that not more than two (2) dogs or two (2) cats or any combination thereof are permitted.

Section 4. There shall not be constructed on any parcel in Hannah Heights or Hannah Heights First Addition any barn, chicken house, aviary, rabbit hutch, pig pen or other enclosure of structure for the keeping or maintenance of any fowl or animal other than the permitted number of dogs or cats.

Section 5. No residence or structure within Hannah Heights or Hannah Heights First Addition shall be used for transient accommodation. Transient accommodation shall be defined as any rental of all or any portion of any structure within Hannah Heights for a period of less than 30 days. Provided, however, that one rental for a period of less than 30 days shall be permitted once each month subject to the following conditions:

- a. Any member electing to rent their property as a transient accommodation, as defined herein, shall hold the Association and its trustees harmless from any liability resulting from such transient use.
- b. Any member allowing use of their property as a transient accommodation shall first provide proof of insurance to the trustees showing policy limits sufficient to indemnify the Association and its trustees for use by guests or transient users of the Association's roads, park and water system.
- c. All transient users shall comply with the rules and regulation established by the Association, which rules shall be provided by the member to each transient user.
- d. No transient use shall conduct any commercial activity on or within any parcel or common area in Hannah Heights First Addition.

Section 6. All lots shall be used for Single family residential purposes only.

Section 7. All dwelling units shall have a value of not less than \$30,000. All dwellings, guest houses, and other out-buildings incident thereto shall be of permanent non-mobile construction and no building constructed, placed or maintained for residential purposes shall consist in whole or in part of a house-trailer or mobile home of any type. Exterior finish and roofing shall be of permanent type and shall be completed within one year of the start of construction.

Section 8. No lot may be further subdivided.

Section 9. No structure shall exceed (20) twenty feet in height when measured from ground level at the highest point of any building site. The following criteria is and will be used to determine compliance to the plat restrictions of twenty (20) feet height for all buildings in Hannah Heights.

a. The "Building Site" shall be considered the outline of the living area of the dwelling. The outline may include an attached garage provided it has an adjoining wall. Walkways, breezeways and connecting rooflines and decks are not included.

b. The highest point of the original, natural ground level that is intersected by the dwelling outline is the point where the height measurement will be taken. Artificial filling or contouring to achieve different ground levels will not be allowed for height measuring.

c. Lots along Bailer Hill Road are exempt.

d. The point of height measurement will be established before evacuation.

Section 10. No dwelling, guesthouse, or out-building incident thereto shall be used for residential purposes, temporarily or permanently, unless and until a sewerage disposal system is in operation and approved by the San Juan County Health Department.

Section 11. No septic tanks, septic tank drainfields, privies, cesspools, or other structures or uses that may contaminate or tend to contaminate a well, will be located within one hundred feet (100') of any existing well, or future well, so long as the same may be used as a source of public water supply.

Section 12. All utilities shall be placed underground in accordance with applicable codes.

ARTICLE VII: Charges and Assessments

The Board of Trustees is authorized to levy and assess charges and assessments as set forth hereafter against the members of the Association who shall be subject to the same in direct proportion -to the number of votes they may have unless otherwise provided hereafter.

Section 1. Service Charges. The Board may assess service charges, in amounts calculated to reimburse the Association for its expenses in providing utility services, to be paid by those members actually receiving the service. The Board shall promulgate a schedule of such charges which shall be effective unless and until the schedule is amended by the members in an annual or a special meeting. Charges so established may be applied uniformly to the membership subscribing to the service but may be subject to seasonal fluctuations.

Section 2. Regular Assessment. The Board shall assess each year an assessment against each member for each vote held by the member in the Association an amount which will provide the Association with sufficient funds to maintain or improve the park and the roads, to provide insurance and pay administrative expenses which shall include but not be limited to accounting, secretarial and mailing expense. The regular amount shall be subject to approval or amendment by the Association at its annual meeting and as so approved shall be due on March 1 of the following year.

Section 3. Capital Improvement Assessments. The Board of Directors shall recommend to the members, at the annual meeting, capital improvement assessments for the purpose of improving and maintaining common properties during the next year. Upon approval of the membership such assessments shall be due and payable on or before October 1st of the year in which they are approved. In an emergency the Board of

Trustees may vote a capital improvement assessment of not more than one hundred dollars (\$100) per vote provided that all Trustees receive notice of the Trustee's meeting called for this purpose and all Trustees present at said meeting approve the assessment.

Section 4. Assessments not paid when due shall, at the option of the Board by subject to a delinquent charge of not more than eight percent (8%) per annum.

ARTICLE VIII: Conduct of Business

Section 1. Robert's Rules of Order shall be recognized as authority governing all meetings when not in conflict with the law, the Articles of Incorporation, or otherwise these Bylaws.

Section 2. The Board shall have the power to appoint committees, including an Architectural Control Committee, a Roads and Parks Committee, and a Water Committee.

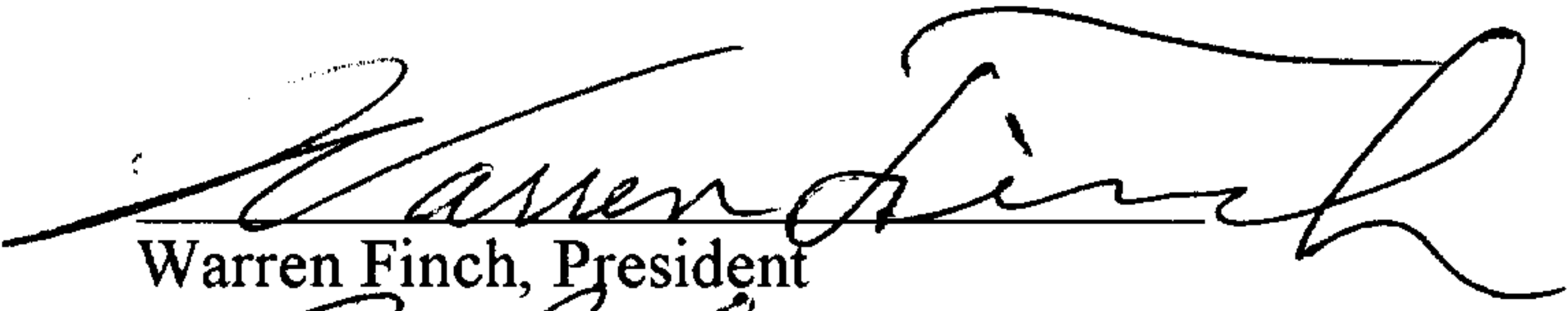
Section 3. Any member or the Board of Trustees may bring legal Action, in the form of an arbitration, under the terms of the Washington State Arbitration Statute, RCW 7.04, to enforce the provisions of this document. The prevailing party in any arbitration or legal action shall be entitled to the recovery of reasonable legal fees from the non-prevailing party.

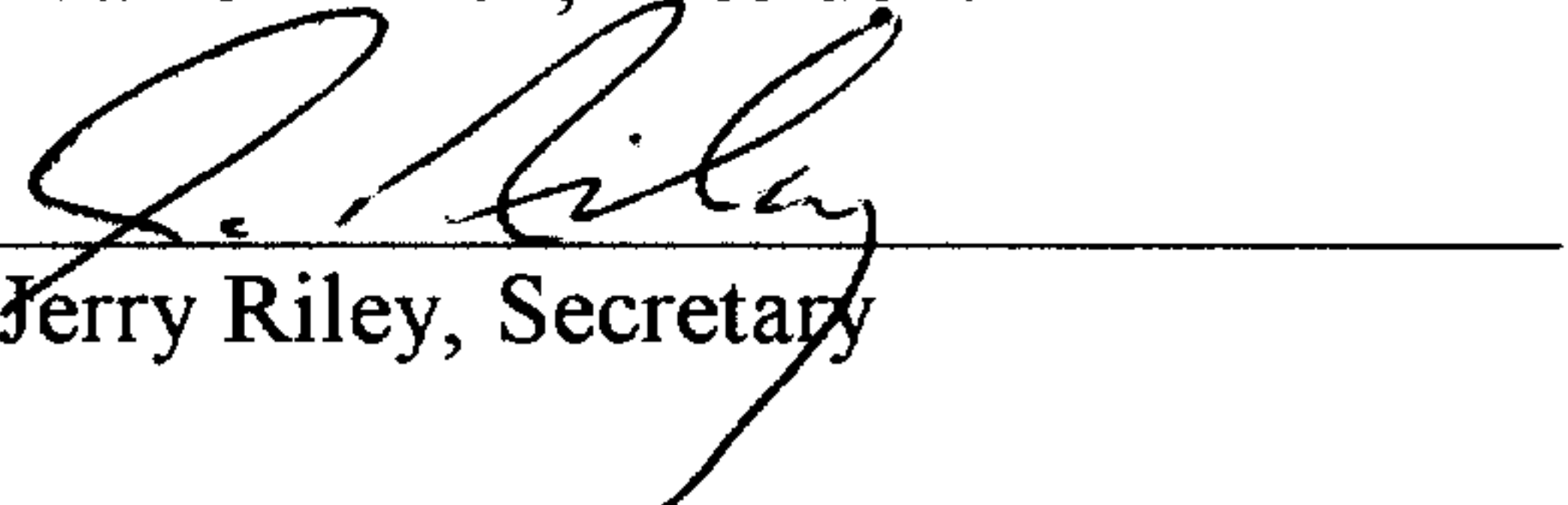
Certificate of Amendment

The foregoing Second Amended Bylaws were adopted by two-thirds (2/3) of the Board of Trustees of the Hannah Heights Owners Association at a meeting held on the 8th day of July, 1999, for the purpose of adopting the amendments.

There having been present at the August 21 1999 annual meeting, a sufficient number of members to constitute a quorum (at least 20% of the voting power), and the membership having voted on the motion to amend the Bylaws as embodied above, the motion to amend approved by a majority of the members at the annual meeting, the Second Amended Bylaws of the Hannah Heights Owners Association are hereby ratified.

Number of Members present:	<u>9</u>
Number of Proxies:	<u>5</u>
Votes in Favor of the amendment:	<u>14</u>
Votes against the amendment:	<u>0</u>

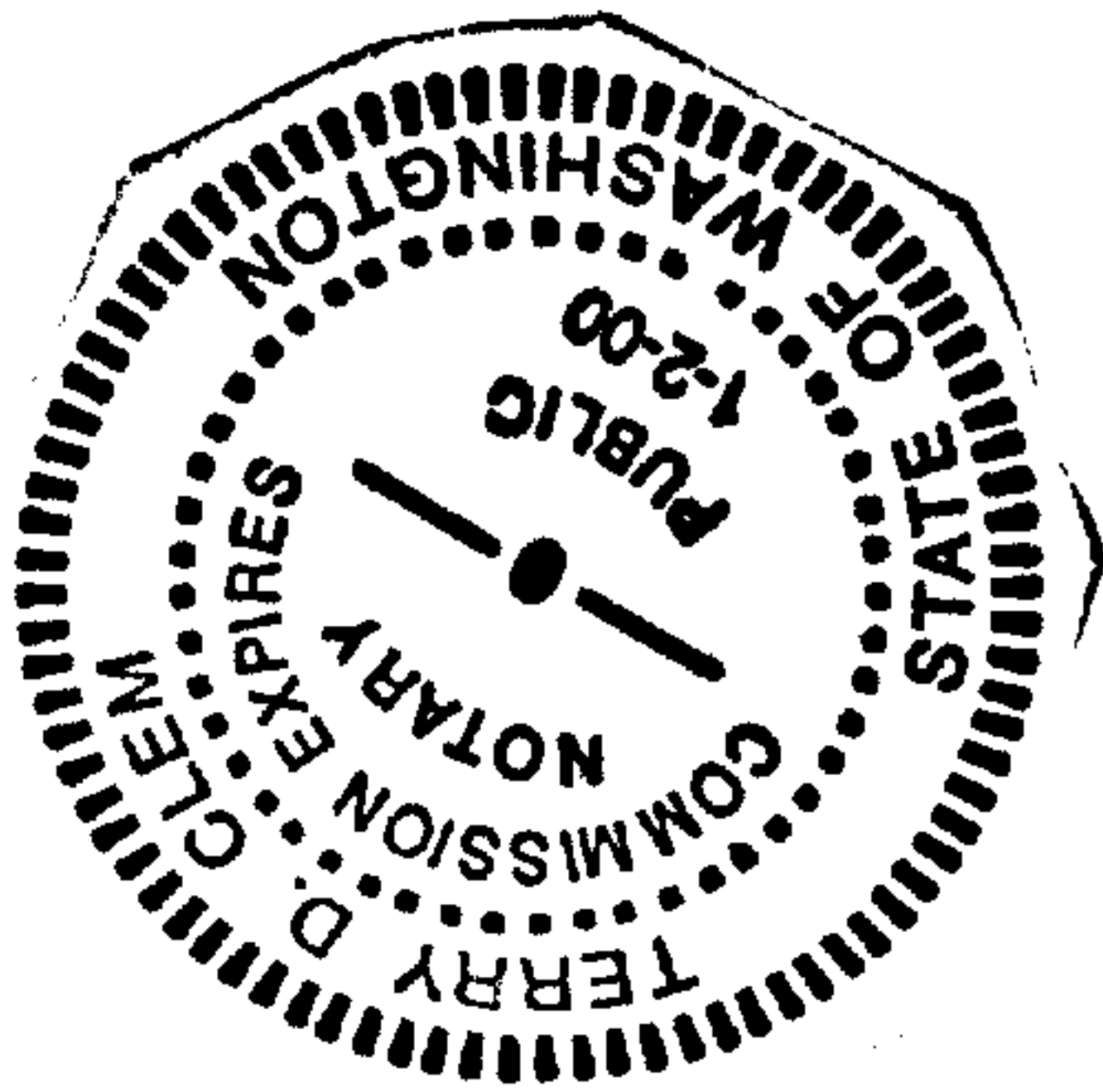

Warren Finch, President

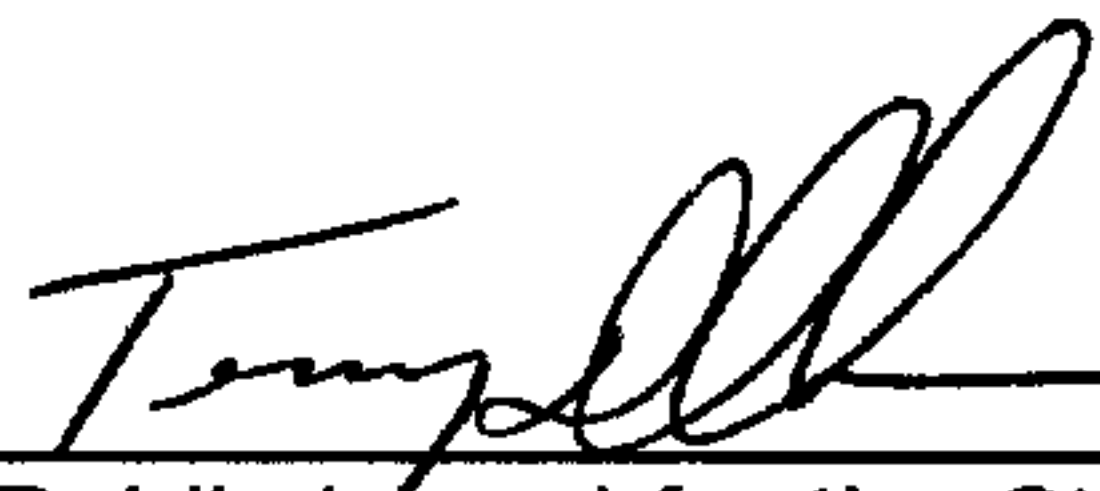

Jerry Riley, Secretary

STATE OF WASHINGTON)
) ss.
COUNTY OF SAN JUAN)

On this day personally appeared before me Warren Finch, and Jerry Riley, to me known to be the President and Secretary, respectfully of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath said that he was authorized to execute said instrument.

Given under my hand and official seal this 9th DECEMBER day of ~~August~~, 1999.





Notary Public in and for the State of Washington
Residing at: Friday Harbor. My commission expires: 1-2-00

These Amended Bylaws shall be filed with the Auditors Office with San Juan County.