

**MINUTES OF THE ANNUAL MEETING
OF
SAHHALI SOUTH HOMEOWNERS ASSOCIATION**

The annual meeting for the Association was held Tuesday, February 1, 2019, at the offices of Sycan B Corp. Present were Richard Boyles and Patti Lundeen. No other Members of the Association were present.

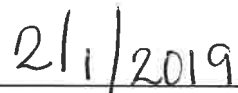
Annual Inspection report was submitted by Patti Lundeen. The report provides an overview of the 2018 findings. Patti Lundeen will follow up on the findings and take the appropriate actions concerning the HOA. A copy of the Sahhali South HOA Annual Report is attached hereto.

Pursuant to Article 3.3 of the Bylaws, Sahhali South Homeowners Association is not yet required to hold annual meetings until 75% of the lots in Sahhali South Homeowners Association have been sold. A copy of Article 3.3 which is attached hereto.

Respectfully submitted:



Patti Lundeen, Secretary



Date

BYLAWS OF
SAHHALI SOUTH HOMEOWNERS ASSOCIATION

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2.7 Fiduciaries and Joint Owners. An executor, administrator, guardian, or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any Lot owned or held by such person in such capacity, whether or not the same shall have been transferred to such person's name, provided that such person has satisfied the Secretary that such person is the executor, administrator, guardian, or trustee holding such Lot in such capacity. Whenever any Lot is owned by two or more persons jointly according to the records of the Association, the vote of such Lot may be exercised by any one of the Owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of such Lot shall be disregarded for all purposes, except for determining whether a quorum is present.

ARTICLE 3 ADMINISTRATION

3.1 Association Responsibilities. The Owners shall constitute the Members of the Association. Except as otherwise provided in the Declaration or these Bylaws, decisions and resolutions of the Association shall require approval by a majority of the Owners present at any legal meeting. A legal meeting is one duly called pursuant to these Bylaws at which a quorum is present, in person or by proxy at a formal gathering or, if a vote is taken by written ballots, when ballots are returned representing more than 50% of the vote, unless a larger vote is required to approve a ballot item, in which case the quorum requirements shall be the number of votes required to approve the proposal.

3.2 Place of Meetings. Formal meetings of the Association shall be held at suitable places convenient to the Owners as may be designated by the Board of the Association (the "Board"). If a vote is taken by written ballot, the Board shall count the returned written ballots within 48 hours of the ballot return deadline. Each Owner shall be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned within 15 days after the ballot return deadline.

3.3 Turnover Meeting. Declarant shall call a meeting (which shall be the initial meeting) for the purpose of turning over administrative control of the Association from Declarant to the Members within 90 days after of the earliest of the following dates (the "Termination Date"):

3.3.1 Based on Lot Sales. The date on which 75% of the Lots in Sahhali South have been sold and conveyed to Owners other than Declarant; and

3.3.2 Earliest Date. The date on which Declarant delivers written notice to the Association of termination of Class B membership.

Declarant shall give notice of the Turnover Meeting to each Owner as provided in these Bylaws. If Declarant does not call such meeting as required under this Section 3, the transitional advisory committee or any Owner may do so.

At the Turnover Meeting, Declarant shall relinquish control of the administration of the Association and the Owners shall assume such control and shall elect the Board in accordance with the provisions of Article 4 of these Bylaws. Additionally, Declarant shall deliver to the Association all business and financial records, together with all Association bank accounts, funds and other assets as required by ORS 94.616. The turnover meeting may not be conducted by written ballot.

3.4 Transitional Advisory Committee. Declarant shall form a transitional advisory committee (the "Committee") to provide for the transition of administrative control of the Association from Declarant to the Class A Members. Within 60 days after Declarant has conveyed 50% or more of Lots then existing in the Project to Owners other than a successor declarant, Declarant shall call a meeting of Owners for the purpose of selecting the Committee, which shall consist of three Members. The Class A Members shall, by majority vote, elect two Members, and Declarant shall elect one Member.

The Committee's function shall be facilitating the transfer of control of the administration of the Association from Declarant to the Owners. The Committee shall have access to the information, documents, and records that Declarant must turn over to the Owners under the PCA and this Article 3.

Declarant shall give notice of the meeting required under this Section 3.4 to each Owner at least seven, but not more than 50, days before the meeting. The notice shall state the purpose of the meeting and the time and place where it is to be held. If Declarant does not call such meeting within the time specified, an Owner may call such meeting. If the Owners, other than Declarant, do not select Members for the Committee under this Section 3.4, Declarant shall have no further responsibility to form the Committee.

3.5 Annual Meetings. The Board, by a Board action, shall cause the first annual meeting of the Association to be held during the calendar year following the calendar year in which the Turnover Meeting is held. The Board, at its discretion, from time to time, may change the meeting date, provided that the meeting is held annually. At such meetings, the Owners shall elect new members of the Board in accordance with the requirements of Section 4.7 of these Bylaws to replace those Directors whose terms have expired. The Owners also may transact such other business of the Association as may properly come before them. Annual meetings of the Association may not be conducted by written ballot.

3.6 Special Meetings. The President shall call a special meeting of the Owners if so directed by a resolution of the Board or a petition, presented to the Secretary and signed by 30% or more of the Owners. All meetings called because of petition of Owners shall be held at a formal gathering, and not by written ballot, within 60 days after the Secretary's receipt of the petition. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business other than that stated in such notice shall be transacted at a special meeting unless by consent of all the Owners of the Lots or as otherwise set out in these Bylaws.

3.7 Notice of Meetings. The Secretary shall mail a notice of each annual and special meeting, stating the purpose thereof and the time and place where such meeting is to be held, to each Owner of record at least 10 but not more than 50 days before such meeting or the date on which ballots for a ballot meeting are required to be returned. The Board may propose that the Owners take an action by written ballot without a meeting, pursuant to the provisions of the PCA and the Oregon Nonprofit Corporation Act. Such notices shall be mailed to the Owner's address last given to the Secretary in writing by the Owner or such Owner's vendee. If Lot ownership is split or the Lot has been sold on a contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. If no address has been given to the Secretary in writing, then mailing to the Project Lot shall be sufficient. The mailing of a notice in the manner provided in this Section 3.7 shall be considered notice served.

3.8 Adjourned Meetings. As permitted by ORS 65.214, if any gathering of Owners is not a legal meeting because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours nor more than 10 days from the time of the original meeting. The adjournment provisions of this Section 3.8 do not apply to actions proposed to be taken by written ballot.

3.9 Ballot Meetings. Unless prohibited or limited by the Articles of Incorporation of the Association, any action that may be taken at any annual or special meeting of the owners may be taken without a meeting if the Association delivers a written ballot to every owner entitled to vote on the matter as provided in ORS 94.647. Such ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. A proposed action shall be deemed to be approved by written ballot when the number of votes cast by ballot equals or exceeds any quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. The Board must provide owners with at least 10 days' notice as required by ORS 94.647(2)(b) before written ballots are mailed or otherwise delivered. If, at least three days before written ballots are scheduled to be mailed or otherwise distributed, at least 10% of the owners petition the Board requesting secrecy procedures, a written ballot must be accompanied by a secrecy envelope, a return identification envelope to be signed by the owner and instructions for making and returning the ballot. Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

3.10 Order of Business. The order of business at all annual meetings shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of the preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of inspectors of election.
- (g) Election of Directors.
- (h) Unfinished business.

- (i) New business.
- (j) Adjournment.

ARTICLE 4 BOARD OF DIRECTORS

4.1 Number and Qualification. The Board shall be composed of three persons, all of whom must be an Owner or a co-owner of a Lot; provided, however, that if a Lot is owned by more than one owner, only one owner of that Lot may serve on the Board at any one time. An officer or employee of a corporation, the trustee of a trust, the personal representative of an estate, or an employee of a trust or estate may serve on the Board if the corporation, trust, or estate owns a Lot.

4.2 Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be done by the Owners.

4.3 Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board shall have authority to carry out and be responsible for the following matters:

4.3.1 Upkeep of Common Area and Commonly Maintained Property. Care, upkeep, and supervision of the Common Area and the Commonly Maintained Property.

4.3.2 Reserves. Establishment and maintenance of replacement Reserve Accounts that the Board deems prudent for replacement of Common Area improvements or facilities and the Commonly Maintained Property.

4.3.3 Assessment Collection. Designation and collection of assessments from the Owners, in accordance with these Bylaws and the Declaration.

4.3.4 Budget; Voucher System. Establishment of a budget and payment of all common expenses of the Association and institution and maintenance of a voucher system for such payment, which shall require a sufficient number of signatories thereon as may be reasonably necessary to prevent any misuse of Association funds, in accordance with these Bylaws and the Declaration.

4.3.5 Insurance. Procurement and maintenance of insurance policies and payment of premiums therefor out of the common expense funds in respect to the Common Area, as more specifically provided in Article 8 of these Bylaws.

4.3.6 Personnel. Designation and dismissal of the personnel necessary for the maintenance and operation of the Project.



Sahhali South



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January 28, 2019

2018 Sahhali South Homeowner's Association Annual Report

In 2018, there was a Spring Inspection in April and a Fall Inspection in September that was conducted by Patti Lundeen. A complete property walk was done on these visits.

Spring Inspection Homeowners present:
Lot# 36 Gary & Joyce Simpson.

Fall Inspection Homeowners present:
Lot # 34 Boyce Heidenreich and Lot# 36 Gary & Joyce Simpson.

Home and lot Sales

Lot #45 - New Homeowner: Please join me in welcoming Susan Nessim.

A lot sold on the east side of Hwy 101, for the purpose of protecting an existing homes view on Scherzinger Rd.

Lot #44 - Update: We are working with a couple of builders, Fowler being one of them to finish the interior of this home.

New Realtor Team for the HOA:

Courtney Fields
Lisa Morrigan
Ed Tanabe

Common Areas:

- The continued battle of the Black berries need cutback from the road and walking path areas. It was really nice to walk the trails with Boyce Heidenreich. He expressed many of the same concerns I am working on and some that I was not aware of. I appreciated the time and information Boyce. I truly want to encourage the homeowners to communicate to me so that I can take care of items of need.
- The catch basins were cleaned in 2018. They are on an annual schedule for maintenance.
- Missing lot sign numbers have been replaced. The # signs turn more than I'd like due to the round steel posts were used to install them. We will get this corrected to make sure they are secured and can be viewed from the road.



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- The trail to the beach has had more work on in 2018 and will continue to require this maintenance to cut back limbs that encroach unto the trail. I asked for the first part of the trail near Hwy 101 to get the moss tended to that is very much present. There is also an area that unwanted visitors come through at the turnout on Hwy 101. A “No Trespassing” sign has been placed at this location. The landscapers reported that it is pretty overgrown but if this trail opens up, a T-post fence will be installed in this area.
- I walked to the bridge and I was able to get completely across it. I have noted some areas that need tightened on the rail of the bridge but they are not significant in any way. These will be addressed on the next visit from Page Construction. The approach to the bridge has been greatly improved and appreciated since my last year’s visit.
- The road to Lot #48a & 48b continues to need attention. Tree clippings are being dumped on this road, which makes it very difficult to show Lot 48a & 48b. PLEASE DO NOT DUMP YARD/TREE TRIMMINGS ON THIS ROAD.
- Alder tree work is definitely on my list for the landscapers in 2019. Please report any areas that are an issue.
- Landscapers cleaned up Prospect Point. The new home at Lot #49 by Fowler Homes is ready for new owners, it is a nice home and well thought out.
- The trees in the round about (by lots #26-29) will be trimmed back as they have grown out into the roadway.

Signage

- We are working with the Realtor Team on new signage for 2019. A part of this plan it is proposed to paint the steel entrance frames black prior to new signage being installed.

Compliance issues

- If your home is used as a rental – PLEASE refer to Page 4 of the CCR’s. Only owners’ pets are allowed. RENTERS cannot bring pets into the HOA homes. Homeowners: Please refer to Section 8, 8.3.3 Domestic Animals. Please make sure you clean up after your pet in the common areas of the HOA.
- Homeowners, landscaping improved in 2018. Thank you!
- Landscaping at the undeveloped lots are being more aggressively addressed to keep them maintained consistently. You will see that the Scotch broom will continue to be tackled.



Sahhali South



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Septech System

- Inspected all locations of the system. Sahhali Shores installed a new fence around their system on the north side. Most likely due to Elk damage that we have all experienced. East side of Hwy 101 drain field is in good shape since the improvements were made in 2017. The drain field building door will be repaired in the Spring of 2019.
- The homes that had increased water usage have decreased the usage in 2018. Thank you, this is appreciated.
- If you do not have a usage document for the Septech System, you can access this on the web-site.

Website

- I will get our digital team to upload the updated Homeowners Directory as well as the minutes.

Closing thoughts, I look forward to working with Courtney Fields (Realtor) as she brings welcomed new energy for Sahhali South. I hope to see those whom I have had the pleasure to meet and I hope to meet more of our homeowners in person when I am at the property this year. I will be out in April, I will send all of you an e-mail when I have a date set.

I hope all of you have a safe and enjoyable 2019.

Patti Lundeen, Secretary
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