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1. GENERAL PROVISIONS

- 1.1. Identity. These are Bylaws of the Association of Unit Owners of Gabriel Commons Condominium, a nonprofit mutual benefit corporation organized under the laws of the State of Oregon, the Articles of Incorporation of which were filed with the Secretary of State of Oregon on January 13, 2005 and subsequently amended on February 15, 2006. The Association of Unit Owners of Gabriel Commons Condominium, now known and doing business as Gabriel Commons Association (hereinafter the "Association"), has been organized for the purpose of administering the operation and management of Gabriel Commons Condominium (hereinafter called the "Condominium"). The Condominium was established by Irving I. Benveniste, Anthony J. Teresi and Norman H. Fenton, partners, in accordance with the provisions of the Oregon Unit Ownership Law, Chapter 91, which has since been replaced by the Oregon Condominium Act, ORS Chapter 100. The Condominium is located upon property in Multnomah County, Oregon, the location of which is described in the Condominium Declaration identified in Section 1.2 of these Bylaws. Each Owner shall be a member of the Association, provided that if a Unit has been sold under a recorded installment land sale contract, that contract vendee shall exercise the rights of the Owner for purposes of the Association, except as otherwise provided in the contract and except as hereinafter limited. Ownership of a Unit shall be the sole qualification for membership in the Association.
- 1.2. Bylaws Subject to Other Documents. The provisions of these Bylaws are applicable to the Condominium, and are expressly subject to the terms, provisions and conditions contained in the Oregon Condominium Act, Articles of Incorporation of the Association, and subject to the terms, provisions and conditions contained in the Amended and Restated Declaration of Unit Ownership, Gabriel Commons Condominium, (hereinafter the "Declaration"), which has been recorded in the records of Multnomah County, Oregon as document number 2020-100336, and any amendments or restatements thereof.
- 1.3. The following Amended and Restated Bylaws shall supersede and replace the Bylaws of Gabriel Commons recorded as Exhibit A to the Declaration of Unit Ownership of Gabriel Commons, a Condominium, recorded March 27, 1973 in Book 917, Page 180, in their entirety.
- 1.4. Applicability. All Owners, tenants and occupants, and their agents, guests and contractors, licensees and employees that use the Condominium, or any part thereof, are subject to these Bylaws and all Rules and Regulations thereunder as promulgated from time to time.

- 1.5. Office. The principal office and mailing list of the Association shall be the office and address as presently shown on the Oregon Secretary of State website.
- 1.6. Definitions. The following definitions apply. Unless otherwise specified, all other terms have the same meaning in these Bylaws as they have in the Declaration or the Oregon Condominium Act.
 - 1.6.1. Capital Improvement: Any addition or improvement exceeding \$5,000.00 shall constitute a capital improvement.
 - 1.6.2. Condemnation: Condemnation means the occurrence at any time or times during the continuance of the condominium form of ownership pursuant to the Declaration of any of the following:
 - 1.6.2.1. The taking of all or any part of the Condominium by eminent domain,
 - 1.6.2.2. Condemnation of all or any part of the Condominium by any public authority, or
 - 1.6.2.3. sale or disposal in lieu of or in anticipation of a taking or condemnation of all or any part of the Condominium.
 - 1.6.3. Condemnation Award: Condemnation Award means all compensation, damages or other proceeds from any Condemnation proceeding or agreement, after the Association is reimbursed for all costs of representing the Owners.
 - 1.6.4. Emergency Work: Emergency Work means work that is reasonably necessary, in the sole discretion of the Board of Directors, to prevent damage, destruction or substantial diminution in value to the improvements, to ensure public safety, and to reasonably protect the Owners from liability due to condition of the Condominium.
 - 1.6.5. Maintenance: Maintenance means repair, upkeep, preventive care, or servicing of a unit or common or limited common element. Maintenance includes, but is not limited to, painting, cleaning, and refinishing.
 - 1.6.6. Replacement: Replacement means any expense for the purpose of substituting a new component part of the Common or Limited Common Elements in the place of an existing component part of the Common Elements. The new component part need not be identical in kind to the existing component part but must be of substantially similar quality and fulfill the same function.

- 1.6.7. Restoration: Restoration means returning the Condominium and all of its property to substantially the same condition in which they existed prior to any damage or destruction, with each Unit and the Common and Limited Common Elements having substantially the same vertical and horizontal boundaries as before, unless modification to conform to then applicable governmental rules and regulations is required.

2. MEETINGS OF OWNERS

- 2.1. Annual Meeting. The Annual Meeting will be held in January, on a date and time to be determined by the Board, that allows sufficient time to prepare the annual financial reports. The purpose of this meeting will be to review the annual report of the Board, to elect new directors, and to transact such other business of the Association as may properly come before the meeting. The annual budget shall be adopted by the Board at a regularly noticed Board of Directors meeting in November of the previous year and pursuant to ORS 100.483 a summary of the new budget shall be provided to all owners within 30 days of its adoption.
- 2.2. Special Meetings. Special meetings of the Association may be called at any time by the Chair of the Board of Directors and shall be called by the Secretary of the Association upon written request from owners of five or more Units. Notice for any special meeting must include the agenda for that meeting, and only business included on the agenda may be transacted.
- 2.3. Place of Meeting. Meetings of the Owners shall be held at a location, convenient to the Owners, to be determined by the Board of Directors.
- 2.4. Notice. Not less than 10 nor more than 50 days before any meeting called under this section, the Secretary shall cause the notice to be electronically delivered, hand delivered or mailed to the mailing address of each Owner or to the mailing address designated in writing by the Owner, and to all mortgagees that have requested a notice. The notice of the meeting shall specify the place and time of the meeting, and in the case of a special meeting, the purpose of the meeting. For the purposes of this section only, if the ownership of a unit is divided among several persons or entities, notices shall be sent to each person or entity.
- 2.5. Waiver of Notice. Whenever any notice is required to be given to any Owner in accordance with these Bylaws, waiver thereof in writing signed by the person or persons entitled to such notice, whether it be before or after the time stated therein, shall be equivalent to the giving of such notice.

- 2.6. Voting. The total voting power of the Association is 34 votes. The Owners are entitled to one vote for each Unit owned. If a Unit is owned by more than one person or entity, the Owners of that Unit may decide among themselves how to cast their vote in whatever manner they choose. However, under no circumstances may more than one vote be cast for a single Unit. If the Owners of a Unit cannot agree on how that Unit's vote is to be cast, that Unit's vote will not be counted. Cumulative voting is not allowed. The voting rights of an Owner may be cast in person or by proxy at a meeting of the Association, or in the discretion of the Board by absentee ballot, electronic ballot pursuant to ORS 100.428, or by written ballot in lieu of a meeting as allowed under ORS 100.425 and 100.427 of the Oregon Condominium Act. The Board of Directors is entitled to vote on behalf of any Unit which has been acquired by the Association, except that the Board of Directors may not vote on behalf of such Units in any election of Directors.
- 2.7. Proxies. A vote may be cast in person or by proxy. A proxy given by an Owner to any person who represents such Owner at meetings of the Association shall be in writing, signed by the Owner, and shall be filed with the Secretary. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy.
- 2.8. Fiduciary, Corporate and Joint Owners. An attorney-in-fact, executor, administrator, conservator, guardian or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any Unit owned or held in such capacity, whether or not the same shall have been transferred to such person's name; provided, that such person shall satisfy the Secretary that the person is the attorney-in-fact, executor, administrator, conservator, guardian or trustee, holding the Unit in such capacity. Any person voting on behalf of a Unit owned by a corporation or other entity shall provide the Secretary with written evidence, satisfactory to the Secretary, that such person is the duly constituted representative thereof. Whenever any Unit is owned by two or more persons jointly, the vote of such Unit may be exercised by any one of the Owners then present, in the absence of protest by a co-Owner.
- 2.9. Voting by Mail. The Board may elect to hold any election or vote by mail or electronic ballot in accordance with ORS 100.425 and ORS 100.428.
- 2.10. Quorum. At any meeting of the Association, the presence, in person or by proxy, of Owners representing a majority (i.e. 18) of the total voting power of the Association shall constitute a quorum. In the event a meeting of the Unit Owners cannot be organized because of a lack of quorum, the Owners present in person or proxy may adjourn the meeting. If stated in the notice of the meeting, the owners present in person or proxy may immediately resume the meeting and the quorum requirement shall be the initial

quorum requirement (i.e. 9) pursuant to ORS 100.408. If, after adjournment, a quorum is still not present in person or proxy, the owners present may adjourn a second time, provided that in no case may the quorum for a meeting of the owners be reduced to less than 20% of the total voting power of the Association (i.e. 7). When a quorum is once present to convene a meeting, it cannot be broken by the subsequent withdrawal of an Owner or Owners.

- 2.11. Binding Vote. The vote of more than 50% of the total votes of the Owners present, in person or by proxy, at a meeting at which a quorum is constituted shall be binding upon all Owners, for all purposes, except where a higher percentage vote is required by law, the Declaration or these Bylaws.
- 2.12. Agenda for the Annual Meeting. The Annual Meeting Agenda must include at least the following items:
 - 2.12.1. Roll Call and certifying proxies.
 - 2.12.2. Proof of notice of meeting or waiver of notice.
 - 2.12.3. Approval of minutes of the previous Owners meeting.
 - 2.12.4. Presentation of coming year's budget and planned reserve fund expenditures.
 - 2.12.5. Election to fill vacancies on the Board of Directors.
 - 2.12.6. Board of Directors' Year End Report to Owners
 - 2.12.7. Year End Reports of Committees
 - 2.12.8. Year End Financial Reports

3. BOARD OF DIRECTORS

- 3.1. Number, Term and Qualification. The affairs of the Association shall be governed by the Board of Directors which shall consist of five individuals who are Owners. Directors shall be elected for a two-year term. The Directors shall serve staggered terms. Three Directors shall be elected in one year and two Directors shall be elected in the following year. In the event of resignation or removal of a Director, the person appointed to fill the vacancy shall serve the remainder of the departing director's term. Election shall be by plurality vote of the Owners. No Director shall continue to serve on the Board after he or she ceases to be an Owner.

- 3.2. Duties of the Board of Directors. In the performance of their duties, Officers and Members of the Board of Directors shall be governed by this section and the applicable provisions of ORS sections 65.357 (General standards for directors), 65.361 (Director conflict of interest), 65.367 (Liability of unlawful distributions), 65.369 (Liability of qualified directors) and 65.377 (Standards of conduct for officers) of the Oregon Nonprofit Corporation Act. The duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein) the following:
 - 3.2.1. Operation, care, upkeep and maintenance of the Common Elements.
 - 3.2.2. Maintaining a current mailing address.
 - 3.2.3. Maintaining records to ensure compliance with ORS 100.480 of the Oregon Condominium Act (Maintaining documents and records).
 - 3.2.4. Determination of the amounts required for operation, maintenance and other affairs of the Association, and the making of such expenditures.
 - 3.2.5. Collection of the common expenses from the Owners.
 - 3.2.6. Maintaining bank accounts on behalf of the Association and designating the signatories required.
 - 3.2.7. Obtaining and reviewing bonds and insurance including coverage for fire and hazard, liability for personal injury and property damage, fidelity of Association officers and other employees, and directors' and officers' liability, for the Association and the Condominium, including the Units, pursuant to the provisions of the Declaration and Bylaws.
 - 3.2.8. Filing all appropriate income tax returns, the Annual Report with the Oregon Real Estate Agency, and the Annual Report with the Oregon Secretary of State.
 - 3.2.9. Preparation of the annual financial statements pursuant to Section 6.5.
- 3.3. Powers of the Board of Directors. The Board of Directors may act on behalf of the Association, exercise all rights of the Association, and exercise all of the powers of the Association set forth in ORS 100.405 of the Oregon Condominium Act except those acts reserved to the Owners or otherwise limited by the Declaration or Bylaws. The powers of the Board of Directors shall include, without limitation (except as limited elsewhere herein) the following:
 - 3.3.1. To provide for the designation, hiring and removal of employees and other personnel including lawyers and accountants, to engage or

contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Condominium and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be employees of the managing agent).

- 3.3.2. To adopt, amend or revoke reasonable rules and regulations governing the use of the Common Elements, Limited Common Elements, Units, and the use of the parking spaces.
- 3.3.3. To adopt, amend or revoke reasonable administrative rules and regulations necessary or convenient to administer, or to ensure compliance with, the Declaration or Bylaws. The administrative Rules and Regulations shall be binding upon all Owners upon adoption by the Board. In the event of any conflict between the Rules and Regulations and the Bylaws or the Declaration, the latter shall be controlling. Any Rules and Regulations shall be furnished to each Owner in writing and may be rescinded by majority vote of the Owners, at any meeting of the Owners where a quorum is present.
- 3.3.4. In addition to the rules set forth in the Declaration, the Board may promulgate and amend, from time to time, Rules and Regulations concerning other use of the Property, and must furnish copies of the Rules and Regulations to any Owner or Occupant requesting such copies. Owners may rescind Rules and Regulations by an affirmative vote of 51% of all votes allocated to the membership.
- 3.3.5. Securing any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments that the Board is required to secure by law or that, in its opinion shall be necessary or proper for the operation of the Condominium or for the enforcement of the Declaration and these Bylaws; provided, that if for any reason such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for particular Units or their Owners, the cost thereof shall be specifically charged to the Owners of such Units.
- 3.3.6. Maintenance and repair of any Unit, its appurtenances, and its appliances only if such maintenance or repair is reasonably necessary, in the discretion of the Board, to protect the Common and Limited Common Elements or preserve the appearance and value of the Condominium development and the Owner or Owners of said Unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board to the Owner or Owners; provided, that the Board shall levy a special assessment against the Unit

of such Owner or Owners for the cost of such maintenance or repair.

- 3.3.7. Paying any amount necessary to discharge any lien or encumbrance levied against the Condominium or any part thereof which is claimed to or may, in the opinion of the Board constitute a lien against the property or against the Common or Limited Common Elements, rather than merely against the interests therein of particular Owners. Where one or more Owners are responsible for the existence of such a lien, they shall be jointly and severally liable for the cost of discharging it, and any costs and expenses (including court costs and attorneys' fees, both at trial and on appeal) be specifically charged against the Owners and the Units responsible, to the extent of their responsibility.
- 3.3.8. Making repairs, additions and improvements to, or alterations of, the Condominium and repairs to and restoration of the Condominium in accordance with Declaration or Bylaws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or settlement under the threat thereof.
- 3.3.9. Making additions and improvements to, or alterations of, the Common Elements, including without limitation the acquisition of furnishings for general common elements or equipment to be placed in or used in connection with the Common Elements.
- 3.3.10. Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep, and maintenance of the Common and Limited Common Elements. The Association shall have no power to encumber the Common and Limited Common Elements or the units with a mortgage or trust deed to secure any funds borrowed by the Association without the written consent of all of the Unit Owners.
- 3.3.11. Subject to the limitations contained in Article 9 of the Bylaws, adjusting and settling claims under insurance policies and executing and delivering releases on settlement of such claims on behalf of all Owners, all holders of Mortgages or other liens on the Units, and all Owners of any other interest in the Condominium.
- 3.3.12. Enforcement of the provisions of the Declaration, Bylaws and any Rules and Regulations by any means permissible under the Act. The Board of Directors shall have the discretion to interpret and clarify any ambiguity in the Declaration or these Bylaws. In the event of a dispute between an Owner and the Association over the meaning or application of the Declaration or Bylaws, the Board of Directors shall be the sole judge and its resolution of the dispute is final.

- 3.4. Organizational Meeting. Within ten days after the annual meeting of the Association, the Directors elected at such meeting and those holding over shall hold an organizational Board meeting for the purposes of electing officers as provided in Article 4 of these Bylaws, and for transaction of such other business as may come before the meeting.
- 3.5. Regular Meetings. The Board of Directors by resolution may establish the date, time and place for other regular meetings of the Board.
- 3.6. Special Meetings. Special meetings may be called by the Chair and must be called by the Chair at the request of at least two Directors. The special meeting may be held at a time and place as the Board of Directors or the Chair shall decide and any business may be transacted at such meeting.
- 3.7. Notice. The Board shall provide notice of all meetings of the Board of Directors by email at least three days prior to the meeting. If notice cannot be made by mail, the Secretary shall post notice by some other method reasonably calculated to inform the Owners of the meeting. Emergency meetings of the Board of Directors may be conducted without notice and by telephonic communication, provided that the nature of the emergency is noted in the meeting minutes. The Chair shall give notice of any Special Meeting to each Director personally, or by mail, telephone or electronic communication, at least seven days prior to the day named for such meeting. The notice under this subsection must state the time, place and purpose of the meeting.
- 3.8. Open Meetings. All meetings of the Board of Directors must be open to Owners except that, in the discretion of the Board, the Board may close the meeting to Owners and meet in executive session to:
 - 3.8.1. Consult with legal counsel,
 - 3.8.2. Consider personnel matters,
 - 3.8.3. Discuss delinquent assessments, or
 - 3.8.4. Discuss contract negotiations with third parties.
- 3.9. Waiver of Notice. Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice of the time and place thereof, except where a Director attends the meeting for the sole purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. In

these cases, the Director's presence will not be counted for the purpose of determining a quorum.

- 3.10. Quorum. At all meetings of the Board of Directors, the presence of three Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present constitute an act of the Board of Directors.
- 3.11. Manner of Election. In any case where the number of nominations for the Board of Directors exceeds the number of vacancies, election shall be by written ballot. At such election, the owners or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast by the provisions of these bylaws. Persons receiving the most votes shall be elected.
- 3.12. Removal of Directors. Any one or more Directors may be removed with or without cause by a majority vote of the Owners present and entitled to vote at a special meeting of the Owners called specifically for the purpose of removal. The notice of any such meeting must state that removal is to be considered and voted upon. The notice must also state that if a Director is removed, then an election will be immediately held to fill the vacancy thus created. If a Director is removed pursuant to this section, but a vacancy created is not filled by an election at the same meeting in which the removal vote is cast, then the vacancy created may be filled by the remaining Directors pursuant to Section 3.14 of the Bylaws.
- 3.13. Resignation. Any Director may resign at any time by delivering a written notice of resignation to the Secretary. If the Secretary is resigning, then notice of resignation must be delivered to the Chair. Unless otherwise specified therein, such resignation shall take effect upon receipt by the Secretary or the Chair as the case may be. Once effective, a resignation may not be rescinded.
- 3.14. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a member by a vote of the Owners shall be filled by a vote of a majority of the remaining Board members at the next meeting of the Board of Directors. Each person so appointed shall be a Director for the remainder of the term of the Director creating such vacancy.
- 3.15. Compensation. No Director may receive compensation from the Association for service as a Director, but Directors shall be reimbursed for reasonable out-of-pocket expenses incurred on behalf of the Association.
- 3.16. Liability of Directors and Officers to Association. The Directors and Officers shall not be liable to the Association or the Owners for any mistake of judgment, negligence, or otherwise, except for their own willful misconduct

or bad faith.

3.17. Indemnification of Directors and Officers. Notwithstanding the following provisions, there shall be no indemnity if the Director or Officer is adjudged guilty of willful nonfeasance, misfeasance or malfeasance in the performance of the Director's or Officer's duties. The Association shall indemnify and hold harmless each Director and Officer against whom an action is brought or threatened because that person is or was a Director or Officer of the Association, for:

3.17.1. Any amount for which that person becomes liable under a judgment related to such action; and

3.17.2. Reasonable costs and expenses, including reasonable attorney's fees, actually paid or incurred by that person in defending or settling such action, or in enforcing his or her rights under this section if he or she attains a favorable judgment in such enforcement action.

3.18. Fidelity Bonds. The Board of Directors may require that any person or entity, including, but not limited to, employees of any professional manager, who handles or is responsible for Association funds furnish fidelity bonds as the Board of Directors deems adequate. The premiums on the bonds shall be paid by the Association.

3.19. Committees. The Board of Directors may establish committees by resolution and appoint, remove, or replace the members thereof. Each committee shall have only those powers delegated to it by the resolution that created it. Committees shall keep regular minutes of their proceedings and submit the same to the Board of Directors when required.

4. OFFICERS

4.1. Designation and Term. The principal Officers of the Association shall be the Chair, the Secretary and the Treasurer, each of whom shall be appointed by majority vote of the Board of Directors. The Board of Directors may appoint any other Officers that in its judgment may be desirable. The Chair and the Treasurer must be Directors. An individual Director may not serve as both the Chair and the Treasurer. For the purposes of Article 4, the officers of any corporation, the trustee of any trust, or the partners of any partnership which own a Unit shall be considered co-Owners of any such Unit. Officers shall serve for a term of two years corresponding with the terms of the Directors set forth in Section 3.1 of these Bylaws.

4.2. Election. The Officers of the Association shall be appointed annually by the Board of Directors at the organizational meeting of each new Board of

Directors as described in Section 3.4 of the Bylaws and shall hold office at the pleasure of the Board of Directors and until their successors are appointed. If any office shall become vacant, the Board of Directors shall appoint a successor to fill the unexpired term at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

- 4.3. Removal, Resignation and Vacancies. Any Officer may be removed from office with or without cause by a majority vote of the Board of Directors. A vacancy in any office may be filled in the manner prescribed in Section 4.2 of the Bylaws. The Officer elected to such vacancy shall serve for the remainder of the term of the Officer he or she replaces.
- 4.4. Chair. One Director shall serve as the Chair and shall be the chief executive officer of the Association. The Chair shall preside at all meetings of the Owners and of the Board of Directors. The Chair shall have all the general powers and duties which are usually incident to the office of the chief executive officer of an association.
- 4.5. Secretary. The Secretary shall keep minutes of all proceedings of the Board of Directors and the minutes of all meetings of the Association. The Secretary shall attend to the giving and serving of all notices to the Owners and Directors and other notices required by law. The Secretary shall keep the records of the Association, except for those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an Association as may be required by the Directors or the Chair. The Secretary need not be a Director or Owner.
- 4.6. Treasurer. The Treasurer shall in general perform all other duties incident to the office of Treasurer of an Association and such other duties as may be assigned by the Board of Directors. The Treasurer shall review the reports and statements provided by the managing agent with respect to:
 - 4.6.1. The deposit of all funds and other financial assets in such bank accounts as may from time to time be designated by the Board of Directors,
 - 4.6.2. The disbursement of the funds of the Association by the Board of Directors, in accordance with the approved Association budget and any special authorizations from the Board of Directors for un-budgeted items.
- 4.7. Delegation and Change of Duties. In the event of absence or disability of any Officer, the Board of Directors may delegate, during such absence or disability, the powers or duties of such officer to any other Officer or Director.

- 4.8. Execution of Instruments. All agreements, contracts, deeds, leases and other instruments of the Association, except checks, shall be executed by such person or persons as designated by Resolution of the Board of Directors and, in the absence of any resolution shall be signed by the Chair. All checks shall be signed by the Treasurer, or, if designated as a signatory by a resolution of the Board of Directors, by the managing agent or other Director.
- 4.9. Compensation of Officers. No Officer who is a Director may receive any compensation from the Association for acting as an Officer. The Board of Directors may fix any reasonable compensation to be paid to the Secretary and any other Officers who are not also Directors.

5. BUDGET, EXPENSES AND ASSESSMENTS

- 5.1. Annual Budget: Allocation by Category of Use. The Board of Directors shall prepare a budget annually for the Association, estimate the common expenses expected to be incurred, less any previous over-assessment, and assess the common expenses to each Owner in the method set forth below. The budget must show the actual and budgeted revenue and expenses from the prior year for each line item. The Board of Directors shall deliver a copy of each ensuing year's budget on which common expenses are based to all Owners and, if requested, to their Mortgagees, prior to the end of the Association's fiscal year. Failure to deliver a copy of any budget to each Owner does not affect the liability of any Owner for any assessment. If the Board of Directors fails to adopt an annual budget, the most recently adopted budget shall continue in effect.
- 5.2. Determination of Common Expenses. Common expenses may include, but are not limited to, the following:
 - 5.2.1. Expenses of operations, including administration, utilities, contract services, maintenance, and repairs.
 - 5.2.2. Cost of insurance and bonds obtained in accordance with the Bylaws.
 - 5.2.3. Reserve for replacement of the common elements as required by the Oregon Condominium Act and as more particularly described in Section 5.6 in the Bylaws.
 - 5.2.4. Any deficit in common expenses for any prior period, and any accrued interest or late charges thereon.
 - 5.2.5. Utilities for the Common Elements and other utilities not separately metered or charged.

- 5.2.6. Expenses, if any, of any services of any person or firm to act on behalf of the Owners in connection with any matter where the respective interests of the Owners are deemed by the Board of Directors to be similar and non-adverse to each other.
- 5.2.7. Professional management services, security services, gardening, snow removal, waste removal, painting, cleaning, repair and replacement of the exterior of the Condominium, maintenance, decorating, repair and replacement of the Common and Limited Common Elements (but not including the interior surfaces of Units and the interior surfaces of the entrance doors into the Units to the extent of the Owner's obligations to paint, clean, decorate, maintain and repair the same) and furnishings and equipment for the Common Elements.
- 5.2.8. Any other materials, supplies, furniture, labor, or services which are necessary or proper for the maintenance and operation of the Condominium or for the enforcement of the Declaration, Bylaws or Rules and Regulations of the Association.
- 5.2.9. The discharge of any mechanic's lien or other encumbrance levied against the entire Condominium or against the Common or Limited Common Elements, but not those levied against the interest of a particular Owner. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board of Directors by reason of said lien or liens, shall be specifically assessed to said Owners.
- 5.2.10. Maintenance and repair of any Unit pursuant to Section 3.3.6 of the Bylaws, provided that the Board of Directors shall levy a special assessment against the Owner for the cost of the maintenance or repair.
- 5.2.11. Any other items properly chargeable as an expense of the Association.
- 5.3. Assessment of Common Expenses. Each Owner shall pay on a monthly basis, in advance, common expenses assessed to them by the Board of Directors on behalf of the Association pursuant to the Bylaws and Declaration. Assessments may not be waived due to limited or non-use of Common Elements. The Board, on behalf of the Association, shall assess the common expenses against the Owners at least annually, and shall take prompt action to collect from an Owner any common expenses due that remain unpaid by an Owner for more than 30 days from the due date for its payment. A Unit Owner shall be personally liable for all Assessments imposed on the Unit Owner or assessed against the Unit by the Association. Multiple Owners shall have joint and several liability for all assessments.

5.4. Special Assessments

- 5.4.1. Special Assessments for Capital Improvements. The Board of Directors may at any time propose a special assessment for the purpose of defraying in whole or in part the cost of Capital Improvements. Any special assessment for the purpose of a Capital Improvement that will cost \$10,000 or more must be approved by a vote of the Owners pursuant to Section 5.4.2. The Board of Directors may approve special assessments for Capital Improvements that will cost less than \$10,000 without a vote of the Owners.
- 5.4.2. Voting and Notices for Special Assessments for Capital Improvements. Any special assessment for a Capital Improvement that will cost \$10,000 or more must have the assent of two-thirds of the Owners who vote in person or by proxy at a meeting duly called for that purpose. Written notice of any meeting called pursuant to this Section must be sent to all such owners at least 30 days in advance of the meeting and include the purpose of the meeting. The due date of any special assessment for a Capital Improvement shall be fixed in the resolution authorizing such assessment.
- 5.5. Special Assessments for Purposes Other than Capital Improvements. The Board of Directors may at any time and in their sole discretion levy a Special Assessment to remedy a shortfall in operating or reserve funds or for any other reasonably necessary purpose except for Capital Improvements.
- 5.6. Reserve Account for Replacement and Maintenance of Common Elements. A reserve account has been established in the name of the Association to fund major maintenance, repair or replacement of Common and Limited Common Elements. This reserve account must satisfy the requirements of ORS 100.175 of the Oregon Condominium Act. There shall be only one reserve fund for the Association. The reserve account shall be funded in accordance with a reserve study pursuant to Section 5.7 of the Bylaws. The Board of Directors shall assess amounts necessary to fund the reserve account as common expenses pursuant to Section 5.2.3 of the Bylaws. The Board of Directors on behalf of the Association shall administer the reserve account and shall adjust at regular intervals the amount of periodic payments into it to recognize changes in current maintenance, repair and replacement costs over time. The reserve account and funds therein shall constitute as an asset of the Association and shall not be distributed to any Owner except upon termination of the Condominium and the Association.
- 5.7. Reserve Study and Annual Update Required. The Board of Directors of the Association shall annually determine the reserve account requirements by

conducting a reserve study or reviewing and updating an existing study.

5.7.1. The reserve study shall be conducted or updated using the following information:

5.7.1.1. The starting balance of the reserve account for the current fiscal year;

5.7.1.2. The estimated remaining useful life of each item for which reserves are or will be established, as of the date of the study or review;

5.7.1.3. The estimated cost of maintenance and repair and replacement at the end of the useful life of each item for which reserves are or will be established;

5.7.1.4. The rate of inflation during the current fiscal year; and

5.7.1.5. Returns on any invested reserves or investments.

5.7.2. After a review of the reserve study or the reserve study update, the board may, without any action by the Unit Owners:

5.7.2.1. Adjust the amount of payments in accordance with the study or review; and

5.7.2.2. Provide for other reserve items that the Board of Directors, in its discretion, may deem appropriate.

5.7.3. The reserve study shall identify all items for which reserves are or will be established, include the estimated remaining useful life of each item, as of the date of the reserve study; and include for each item, as applicable, an estimated cost of maintenance and repair and replacement at the end of the item's useful life.

5.8. Maintenance Plan. The Board of Directors shall prepare a maintenance plan for the maintenance, repair and replacement of all property for which the association has maintenance, repair or replacement responsibility under the Declaration or Bylaws.

5.8.1. The maintenance plan shall:

5.8.1.1. Describe the maintenance, repair and replacement to be conducted,

5.8.1.2. Include a schedule for the maintenance, repair and replacement,

- 5.8.1.3. Be appropriate for the size and complexity of the maintenance, repair and replacement responsibility of the Association; and
 - 5.8.1.4. Address issues that include but are not limited to warranties and the useful life of the items for which the Association has maintenance, repair or replacement responsibility.
- 5.8.2. The Board of Directors shall review and update the maintenance plan as necessary.
- 5.9. Delinquent Payments; Remedies. An Owner must pay reasonable fees and costs (including, but not limited to, attorneys' fees) and actual administrative costs incurred in connection with efforts to collect any delinquent or unpaid assessments from the Owner, whether or not suit or action is filed. Assessments against Owners may include fees, late charges, fines, and interest imposed by the Board, in addition to amounts owed toward operating expenses and the funding of reserves. Delinquent payments of common expense assessments shall bear interest from the due date thereof at the rate of eighteen percent (18%) per annum. The Board may also establish and impose charges for late payments of assessments. The Board shall have the right and duty to recover for the Association such common expenses, together with interest, late charges, if any, and expenses and costs including attorneys' fees, regardless of whether an action is brought against such Owner. The Board shall also have the right to foreclose the lien on the Unit granted by the Oregon Condominium Act. The Board shall notify the holder of any first mortgage upon a Unit of any default not cured with 30 days of the date of notice of default.
- 5.10. Foreclosure of Liens for Unpaid Common Expenses. In any action brought by the Association to foreclose upon a lien on a Unit because of unpaid common expenses, the Owner shall be required to pay a reasonable rental fee for the use of the Unit during pendency of the suit, and the Association shall be entitled to the appointment of a receiver to collect such rental. The Board of Directors, acting on behalf of the Association shall have the power to purchase a Unit at a foreclosure sale and to acquire, hold, lease, mortgage, convey, or otherwise deal with the Unit. An action to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing any lien securing the same.
- 5.11. Remedies. The remedies provided herein are cumulative, and the Association may pursue any of them, as well as any other remedies which may be available under law, although not expressed herein.

6. RECORDS AND AUDITS

- 6.1. Records of Receipts and Expenditures. The Board of Directors shall keep, or cause the managing agent to keep, detailed accurate records in chronological order of the receipts and expenditures of the Association, itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred.
- 6.2. Assessment Roll. The Board of Directors shall maintain an assessment roll with an account for each Unit. The account for each Unit must designate the name and address of the Owner or Owners, the amount of each assessment against the Unit, the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the account.
- 6.3. Common Expense Payment Records. The Treasurer or managing agent shall pay all budgeted common expenses without further authorization by the Association. No un-budgeted common expenses may be paid without signed authorization from the Chair. Unless requested more frequently, the Treasurer or managing agent shall be required to provide quarterly reports to the Board of Directors of the payments made by it on behalf of the Association.
- 6.4. Annual Review. The Board of Directors shall prepare or cause to be prepared an annual financial statement consisting of at least a balance sheet and income and expense statement for the preceding fiscal year and shall deliver the same to all Owners within 90 days after the end of each fiscal year. The Board of Directors shall cause the annual statement to be reviewed by an independent certified public accountant within 300 days after the end of the fiscal year to which such annual statement pertains. The Owners may elect, on an annual basis, not to comply with the requirements of this section by an affirmative vote of at least 60% of the total voting power of the Association. This waiver may only be exercised for three consecutive years at a time.
- 6.5. Association Documents. The Board of Directors shall make all records of the Association reasonably available for inspection and duplication by Owners or Mortgagees of Units upon written request. The Board of Directors, by resolution, may charge reasonable duplication and administrative fees related to the inspection of records or books. The Board shall maintain a copy suitable for duplication of the following:
 - 6.5.1. The Declaration;
 - 6.5.2. The Bylaws;

- 6.5.3. Any Rules and Regulations duly adopted;
- 6.5.4. Any duly adopted amendments to the documents listed above;
- 6.5.5. The most recent annual financial statement of the Association;
- 6.5.6. The current operating budget of the Association; and
- 6.5.7. Any other documents required by the Act to be maintained.

7. USE AND LIMITATIONS ON USE OF UNITS

- 7.1. Residential Use. The Units may be used only for residential purposes. No commercial activities of any kind may be carried on in any Unit or in any other portion of the Condominium. This provision, however, does not prevent or prohibit an Owner from engaging in a Type A, Accessory Home Occupation as that term is defined in Chapter 33.203 of the Zoning Code of the City of Portland.
- 7.2. Restrictions on Rentals. No more than 35% of the Units may be rented at any time ("Rental Cap"). All other Units must be owner-occupied. Units may not be rented or leased for less than 30 days. The Board may, by Resolution or Rule, establish notice requirements and procedures for owners to follow if they choose to rent their unit.
 - 7.2.1. Application and Approval. Prior to renting their Unit, Owners must submit an application to the Board of Directors. If the requested rental will not exceed the Rental Cap, the Board shall approve the request. If allowing the requested rental will exceed the Rental Cap, then the Board shall deny the request. In the event the requested rental is denied, the Owner will be placed on a waiting list in chronological order, based on the date the application was received by the Board. When the number of rentals falls below the Rental Cap, the first Owner on the waiting list will be notified and allowed to rent their Unit. Any Owner renting their Unit pursuant to this Section may continue renting their Unit for the duration of the lease or rental agreement. Upon the termination of any rental, Owners shall have 60 days to re-rent the Unit. In the event the Unit is not re-rented in 60 days, the Owner's right to rent shall terminate and such Owner must submit an application for any subsequent rental.
 - 7.2.2. Hardship Exception. The Board of Directors, at its sole discretion, may authorize a rental even if the rental will exceed the Rental Cap. Such authorization shall be made if the Board determines that a hardship exists, and the requesting Owner will suffer significant harm if not allowed to rent the Unit.

- 7.3. Pets. Owners may not raise or breed any animals for commercial purposes. When outdoors, pets must not be allowed to roam at large and must be accompanied and controlled by owners; dogs must be leashed and cats must be belled. The Board may, by resolution, require an owner to remove a pet if it finds that the pet is creating a nuisance or danger to other residents.
- 7.4. Offensive Activity. Owners and Residents may not commit any noxious or offensive activities in any Unit or in any part of the Condominium. This prohibition includes any activity which may be or become an annoyance or nuisance to the residents or is deleterious to the value of the Condominium. The Board of Directors is empowered to determine, in its sole discretion, whether any activity is noxious, offensive, an annoyance or nuisance to other residents, or deleterious to the value of the Condominium. The Board of Directors' determination under this Section is final.
- 7.5. Parking. Parking spaces are subject to the Association's Rules and Regulations. Residents' parking spaces are restricted to the motor vehicles of such residents and their guests. No trucks (except pickups), recreational vehicles, campers, trailers or boats may be parked or permitted to remain in any portion of the Common Elements, except inside the owner's garages. No inoperable vehicle may be parked anywhere in the Condominium and the Board of Directors may require the removal of any such vehicle. No vehicles shall be parked in or along the fire lane except in driveways and guest parking areas. Owners and tenants may not use guest parking spaces to augment their own parking except for a limited time when their own spaces are unavailable to them or for special circumstances with approval of the Board.
- 7.6. Alteration of the Common or Limited Common Elements. Owners and Residents may not alter or remove, or cause to be altered or removed, any improvement in any portion of the Common or Limited Common Elements, including, but not limited to trees, shrubs or other landscaping.
- 7.7. Effect on Insurance. Owners and residents shall not keep or do anything in any Unit or in the Common or Limited Common Elements that will increase the rate of, or cause the cancellation of, any insurance policy obtained by the Board of Directors on behalf of the Association.
- 7.8. Illegal Activities. Owners and residents shall not keep or do anything in any Unit or in the Common or Limited Common Elements that violates any law of the United States or of the State of Oregon, or any ordinance of Multnomah County or the City of Portland.
- 7.9. Use of Common Elements. All parts of the Common Elements are for the use of Owners on an equal basis. Owners shall take reasonable precautions

to allow maximum ease of pedestrian and vehicular ingress and egress over walks and driveways.

- 7.10. Use of Limited Common Elements. Limited Common Elements are for the sole and exclusive use of the Owner(s) of the Units to which the Limited Common Elements are reserved or assigned.

8. MAINTENANCE, ALTERATIONS AND RELATED MATTERS

- 8.1. Maintenance of the Units. Each Owner shall, at the Owner's expense, keep the Owner's Unit, its equipment and its appurtenances in good order, condition and repair, and in a clean and sanitary condition.
- 8.2. Maintenance of Common and Limited Common Elements. The Association shall, as a common expense, maintain, repair, and replace the Common and Limited Common Elements as needed to ensure the Common and Limited Common Elements remain in a state of good repair.
- 8.3. Owner's Damage to Common Elements. Each Owner shall pay the costs for repair of damage to the Common Elements due to fire, flood or other causes originating from that Owner's Unit, property or action, to the extent that such costs are not paid for by the Association's insurance policies. The owner shall pay the deductible regardless of whether the Association policy or the owner's policy covers the costs of repair. In these instances, damage will be repaired by the Association, and the Board of Directors shall subsequently assess the repair costs against the Unit for which the cause of damage originated.
- 8.4. Owner's Damage to another Owner's Property. When one Owner is responsible for damage to another Owner's property, the Owners involved must resolve maintenance, repair, replacement and insurance issues between them. The Association has no mediation, maintenance, repair, replacement or insurance responsibility for such events.
- 8.5. Items Installed in or on Common or Limited Common Elements. If the Association caused to be installed any such item, either as part of the original construction, or by subsequent action of the Board of Directors, the Association shall be responsible for maintenance of, and for any damage caused by, such items to Owners' property. Examples of such Association-installed items would include sump pumps, lighting, signage and drainage trenches.
- 8.6. Responsibility for Owner Installed Items in or on Common or Limited Common Elements that are the Property of the Owner. The present homeowner shall be responsible for the maintenance of such items, and for

any damage to, or obstruction of, common or limited common elements they may cause, unless the Association has approved the installation in writing and agreed in writing to assume responsibility. This applies, for example, to such approved Owner-installed items as heat pumps, hot tubs, exterior electrical and plumbing outlets, exterior appliances, exterior vents and antennas. This also applies to approved Owner-installed penetrations of the roof (a Common Element) such as chimneys, skylights, solar tubes and roof vents with the exception that, when the next Association-funded re-roofing occurs, the Association will assume responsibility thereafter for problems due to the roof penetration itself.

- 8.7. Repairs by the Association. The Association may make repairs and maintenance that an Owner is obligated to make and that such Owner does not make within a reasonable time. If such repairs are of an emergency nature (in that the repairs must be promptly made to prevent further or imminent potential damage to the Condominium), the Association may make such repairs immediately without notice to the Owner, if such Owner is not immediately available for notification. The Association will bill the Owner for the repair expenses (except to the extent covered by insurance), including any legal or collection costs incurred by the Association. All such sums of money shall bear interest from the due date thereof at the rate of 18% per annum; and shall otherwise be collected in the same manner as regular common expense assessments.
- 8.8. Association Access for Maintenance. Notice of entry under this Section must be delivered in a method reasonably calculated to reach the owner of the Unit at least 24 hours prior to entry, however, if the Secretary has reason to believe that the Owner or Resident cannot be reached within that time, then notice may be posted on the exterior surface of the Unit's entry door. In case of emergency, the Association may enter a Unit without giving notice, however notice must be delivered within a reasonable time after entry and must include an explanation of the emergency that prompted entry. Any entry pursuant to this Section does not constitute a trespass or otherwise create any right of action in the Owner of a Unit against the Association, the Directors, the Managing Agent or any employees of the Association or the Managing Agent. The Association shall assess any costs incurred by the Association for maintenance or repair of a Unit pursuant to Section 8.7 against the Unit. The Owner of the Unit shall pay all costs assessed pursuant to this Section within 30 days of the assessment. The Association has the right of entry into any Unit, after 24 hours' notice, for the purpose of:

- 8.8.1. Maintenance, repair or replacement of the Common and Limited Common Elements; or

- 8.8.2. Maintenance or repair of the Unit or Common or Limited Common Elements, if necessary, for public safety or to prevent damage to the Common or Limited Common Elements or to another Unit.
- 8.9. Right of Entry to Cure Violations. The Association has right of entry into any Unit in which a violation of the Declaration, Bylaws, or Rules and Regulations exists and to take all reasonable actions necessary to cure the violation including, but not limited to, removal of any structure, thing, or condition. Prior to entering any Unit pursuant to Section 8.9, the Association must deliver to the Unit Owner at least 30 days' notice and opportunity to cure the violation. Any entry pursuant to this Section does not constitute a trespass or otherwise create any right of action in the Owner of a Unit against the Association, the Directors, the Managing Agent or any employees of the Association or the Managing Agent.
- 8.10. Alterations to Owner's Unit. Owners may not make any structural alterations to a Unit without the prior consent in writing of the Board of Directors. The Board of Directors shall consider issuing consent only after the Owner has submitted an Architectural Review Form and basic plans for the proposed alterations, including the name and license number of any and all persons or companies who will be carrying out the work. Owners shall ensure that all persons or companies hired by the Owner to do any structural work in, on, or to the Unit are licensed, bonded, and insured. Prior to beginning any work pursuant to approved plans, the Owner shall submit to the Board of Directors copies of any or all permits required by city and county governments. Owners doing their own work need not be licensed and bonded but must obtain the necessary permits. The Board of Directors may rely on the review of architects and engineers as the Board deems appropriate. The Board shall assess the cost of such review against the applicable Unit. In addition, the Board may require, in its sole discretion, a complete set of architectural, mechanical, electrical or other relevant plans and specifications.
- 8.11. Approval and Inspection. The Board of Directors shall approve or disapprove a proposed alteration within 45 days after the Architectural Review Form, basic plans, and any required architectural, mechanical, electrical or other plans and specifications together with necessary permits have been submitted to them. If the Board fails to render a decision within the 45-day time period, the proposal is deemed approved. The decision of the Board of Directors pursuant to this section is final and binding. During the course of construction and after completion of same, the Board may inspect or cause its professional advisors to inspect the work to ensure that it is performed in compliance with the approved plans and permits. The cost of the inspections shall be paid by the Owner.

- 8.12. Alterations to Common or Limited Common Elements. No Owner shall make any structural alterations or make any changes to an installation in or on the Common or Limited Common Elements without prior consent in writing of the Board of Directors.
- 8.13. Mailboxes, windows, doors and garage doors. The location, color, size, design, lettering and other particulars of mailboxes shall be subject to the approval of the Board of Directors. Windows, including sliders, shall conform in style and color to those already in use in the complex absent Board approval. Exterior entrance doors and garage doors shall conform to those already in use in the complex absent Board approval.
- 8.14. Signs. Except as otherwise provided by law, no sign or other advertising device of any kind may be erected on any Unit except one sign not larger than 18 inches by 24 inches advertising a Unit for sale or rent. Signs must be removed within 7 days after sale closure.
- 8.15. Antennas and Transmitting Towers. Except as otherwise provided by law, no person shall install wiring for electrical or telephone installation, television antenna, telecommunication equipment, satellite dishes, machines or air conditioning units or similar devices on the exterior of the condominium, or cause them to protrude through the walls or the roof of the condominium except with the prior written consent of the Board of Directors.

9. DAMAGE OR DESTRUCTION BY CASUALTY

- 9.1. Purpose. The purpose of Article 9 is to provide a fair and equitable method of allocating the costs of Restoration if all or a portion of the Condominium is damaged or destroyed. The provisions of Article 9 shall be liberally construed to accomplish such purpose.
- 9.2. Initial Board Determinations. In the event of damage or destruction to any part of the Condominium, the Board shall promptly, and in all events within a reasonable time period after the date of such damage or destruction, make the following determinations with respect thereto employing such advice as it deems advisable:
 - 9.2.1. The nature and extent of the damage or destruction, together with an inventory of the Improvements and property directly affected thereby;
 - 9.2.2. A reasonably reliable estimate of the cost of Restoration based upon two or more firm bids obtained from qualified, licensed, bonded and insured contractors;

- 9.2.3. The anticipated insurance proceeds to be available from insurance covering the loss, based on the amount paid or initially offered by the insurer;
- 9.2.4. The amount, if any, by which the estimated cost of Restoration exceeds the anticipated insurance proceeds therefor and the amount of assessment to each Unit;
- 9.2.5. The Board's recommendation as to whether Restoration is advisable.
- 9.3. Notice of Damage or Destruction. Within a reasonable time period, the Board shall provide to each Owner and Mortgagee a written notice summarizing the initial Board determinations made under Section 9.2.
- 9.4. Electing Alternatives to Restoration. After the provision of notice pursuant to Section 9.3, a meeting of the Owners may be called for the purpose of voting on a course of action that differs from the course described in Section 9.5. A meeting of the Owners called pursuant to Section 9.4 may be called by the Board of Directors or shall be called by the Secretary of the Association upon written request from owners of five or more Units. If the costs determined by the Board of Directors pursuant to Section 9.2.4 amount to \$2,500 per unit or more, then the Board of Directors must call an Owners' meeting pursuant to Section 9.4. Notice for any meeting called pursuant to Section 9.4 must be sent no more than 30 days from the date of the Notice of Damage of Destruction sent pursuant to Section 9.3. If notice of such a meeting is not sent within that time, the Board of Directors shall proceed with Restoration according to Section 9.5. If notice of an Owner meeting called pursuant to Section 9.4 is sent within the 30 day limit set forth in Section 9.4.3, then the Board of Directors shall take no further action on Restoration, except for Emergency Work, until the vote for which the Owners' meeting was called is concluded.
- At a meeting called pursuant to Section 9.4, the Owners may determine not to complete Restoration as described in Section 9.5 by a vote of at least 60% of the Owners and the Mortgagees of Units which are subject to mortgages. Such a vote shall be deemed a vote to terminate the Association and remove the property from the condominium form of ownership pursuant to ORS 100.600. A meeting called pursuant to Section 9.4 must take place within 30 days after the notice of such meeting is sent. If, for any reason, a meeting duly called under this Section 9.4 does not timely occur or if a quorum is not present, or if the votes required by Section 9.4 are not achieved, then the Board of Directors shall proceed with Restoration according Section 9.5.
- 9.5. Restoration by Board. The Board of Directors shall hire a qualified, licensed, bonded and insured contractor to complete Restoration as promptly as is reasonably practical. The Board of Directors shall use any available

insurance proceeds to pay for the cost of Restoration. Any Restoration costs in excess of insurance proceeds are common expense which the Board of Directors shall specially assess against all Units equally. The Board of Directors shall have the authority to employ architects and attorneys, to advertise for bids, to let contracts to contractors and others, and to take other action as is reasonably necessary to effectuate the Restoration. The Board of Directors may alternatively authorize the insurance carrier to proceed with Restoration upon the Board of Director's determination that such work will be appropriately carried out.

- 9.6. Decision Not to Restore. In the event of a decision under Section 9.4 not to complete Restoration, the Board of Directors may nevertheless expend as much of the insurance proceeds and common expense funds as the Board of Directors determines is reasonably necessary for Emergency Work, including, but not limited to, removal of the damaged or destroyed buildings and clearing, filling and grading the real property. The remaining funds, if any, shall be distributed to the Owners equally and the Condominium shall be removed from the condominium form of ownership and the provisions of ORS 100.600 through 100.620 shall apply.

10. CONDEMNATION

- 10.1. Representation of Owners during Condemnation. In the event of a Condemnation, the Association shall have the sole authority to represent the Owners in any related proceedings, negotiations, settlements or agreements with the condemning authority as the attorney-in-fact of the Owners.

The Board shall provide each Owner and each Mortgagee with a written notice of the commencement of any such Condemnation proceeding and of any proposed sale or disposal in lieu or in advance of such proceeding. All compensation, damages or other proceeds from any Condemnation proceeding or agreement shall be paid to the Association and then distributed among the Owners of Units in equitable proportions.

- 10.2. Total Condemnation. If a Condemnation involves the entire Condominium, the condominium form of ownership shall terminate. The Condemnation Award shall be paid to the Association and then distributed among the Owners of Units in equitable proportions according to their respective undivided interests in the Common Elements; provided, that if a standard different from the value of the property as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining the apportionment the same standard shall be employed to the extent it is relevant and applicable. The Board shall determine as soon as practicable the share of the Condemnation Award to

which each Owner is entitled. The Board of Directors shall first pay from the respective share of each Owner all Mortgages and liens on such Owner's Unit. The Board of Directors shall then pay the balance remaining in each share, if any, to each Owner respectively.

- 10.3. Partial Condemnation. If a Condemnation affects less than the entire Condominium, the condominium form of ownership shall not terminate. Each Owner shall be entitled to a share of the net Condemnation Award after the Association is reimbursed for all costs of representing the Owners, to be determined in the following manner. As soon as practicable the Board shall, reasonably and in good faith, allocate the Condemnation Award between compensation, damages, or other proceeds. The Board shall apportion the amounts so allocated to taking of or injury to the Common Elements among the Owners in proportion to their respective undivided interest in the Common Elements. The total amount allocated to severance damages shall be apportioned to those Units which were not taken or condemned. The respective amounts allocated to the taking of or injury to a particular Unit and/or improvements that the Owner of such Unit has made within the Unit, shall be apportioned to the particular Unit involved. The amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Board determines to be equitable in the circumstances. If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award the Board shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made to the respective Owners and their respective Mortgagees in the manner provided in Section 10.2.
- 10.4. Reductions of Condominium Upon Partial Condemnation. In the event that (a) a partial condemnation occurs which, pursuant to Section 10.3, does not result in a termination of the condominium form of ownership, and (b) at least one Unit is condemned, and (c) the condemning authority elects not to hold, use and own said Unit as an Owner subject to and in accordance with the Declaration and Bylaws, then the provisions of this Section 10.4 shall take effect immediately upon the condemning authority taking possession of the Unit or Units so condemned. The Units subject to the Declaration shall be reduced to those Units not condemned. The Common Elements shall be reduced to the general Common Elements not so taken. The percentage of undivided interest in the Common Elements appurtenant to each Unit not so taken or condemned shall be recalculated on the basis set forth in the Declaration. Except with respect to the share of proceeds apportioned pursuant to Section 10.3, no Owner or Mortgagee of a Unit so taken or condemned shall have, nor shall there be appurtenant to any Unit so taken or condemned, any right, title, interest, privilege, duty or obligation in, to or with respect to the Association and the Common Elements appurtenant to said Unit, shall continue in full force and effect as provided

in the Declaration. The provisions of this Section 10.4 shall be binding upon and inure to the benefit of all Owners and mortgagees of, and other persons having or claiming to have any interest in, all Units which are, as well as all Units which are not, so condemned. All such Owners, Mortgagees and other persons covenant to execute and deliver any document, agreements or instruments, including, but not limited to, appropriate amendments to the Declaration and Plat, as are reasonably necessary to effectuate the provisions of this Section 10.4.

- 10.5. Reconstruction and Repair. Any Reconstruction and Repair necessitated by Condemnation shall be governed by the procedures set forth in Article 9 above, provided that the Board may retain and apply such portion of each Owner's share of the Condemnation Award as is necessary to discharge said Owner's liability for any special assessment arising from the operation of Article 9.

11. INSURANCE

- 11.1. Fire and Extended Coverage Insurance. The Board shall obtain and maintain at all times a policy or policies to provide fire insurance, with extended coverage, (including vandalism, malicious mischief, sprinkler leakage, debris removal, cost of demolition, windstorm, flood and water damage) endorsements, in an amount as near as practicable to the full insurable replacement value (without deduction for depreciation) of the Common Elements and the Units with the Board named as the insured, as trustee for the benefit of Owners and Mortgagees as their interests may appear or such other fire and causality insurance as the Board shall determine to give substantially equal or greater protection, insuring the Owners and their Mortgagees, as their interests may appear. Said policy or policies shall provide for separate protection for each Unit of the Condominium to the full insurable replacement value thereof (limited as above provided); a separate loss payable endorsement in favor of the Mortgagee or Mortgagees of each Unit of the Condominium, if any; and, further, a separate loss payable clause in favor of the Mortgagees of the Condominium, if any. All insurance shall be obtained from an insurance carrier rated A- (and rated as a Class IX or better financial condition) by Best's Insurance Reports, or equivalent rating service, and licensed to do business in the State of Oregon.
- 11.2. Other Insurance Coverage. The Board shall obtain, and maintain at all times as a common expense, a policy or policies and bonds required to provide:
 - 11.2.1. Comprehensive General Liability Insurance insuring the Association, Unit Owners, Board, and Managing Agent against liability to the public or to individual Unit Owners. Such insurance shall include liability for

water damage, host liquor liability, liability for property of others, contractual liability, and non-owned automobile liability (and if applicable, owned automobile liability, elevator collision and garage keepers' liability). The liability under which insurance shall be determined by the board after consultation with insurance consultants, but not less than \$1 million covering all claims for personal injury and/or property damage arising out of a single occurrence (such policy limits to be reviewed at least annually by the Board and increased in its discretion). Such insurance shall contain appropriate provisions or endorsements precluding the insurer from denying the claim or an Owner because of the negligent acts of the Association or another Owner.

11.2.2. Worker's Compensation insurance to the extent required by applicable laws.

11.2.3. Fidelity bonds naming the members of the Board, the manager, its employees (including employees of the professional manager, if any), or volunteers responsible for handling funds belonging to or administered by the Association, and such other persons as may be designated by the Board as principals and the Association as beneficiary, in an amount equal to at least one and one-half times the total estimated cash (including reserves) to be collected as assessments each year. Such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definitions of "employee" or similar expression.

11.2.4. Insurance against loss of personal property of the Association by fire, theft, and other losses, with deductible provisions as the Board deems advisable.

11.2.5. Such other insurance as the Board deems advisable; provided, that notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood, and liability insurance and a fidelity-bond meeting the insurance and fidelity bond requirements for condominium projects established by the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Authority, Veterans Administration, or other government or quasi-governmental agency involved in the secondary mortgage market, so long as the agency is a Mortgagee, an insurer or guarantor of a Mortgage, or Owner of a Unit within the Condominium, except to the extent such coverage is not available or has been waived in writing by the agency.

- 11.3. **Owner's Additional Insurance.** Each Owner at their own expense shall be responsible for their personal liability and for obtaining additional insurance covering improvement and fixtures added by the owner to their Unit and for all personal property of the Owner, including items in storage, as well as building coverage in an amount sufficient to cover the deductible under the Association's master policy. No Owner shall, however, be entitled to maintain insurance coverage in any manner which would decrease the amount which the Board, or any trustee for the Board, on behalf of all the Owners, will realize under any insurance policy which the Board may have in force on the Condominium at any particular time. Each Owner is required to and agrees to notify the Board of all improvements by the Owner when the value is in excess of \$2,000. Each owner is hereby required to file a copy of their individual policy or policies or certificate of insurance with the Board within 30 days after purchase of such insurance, and the Board shall immediately review its effect with the Board's insurance broker, agent, or carrier.
- 11.4. **Insurance Proceeds.** Insurance proceeds for damage or destruction to any part of the Condominium shall be paid to the Board on behalf of the Association, which shall segregate such proceeds from other funds of the Association for use and payment as provided for in Section 8.3. The Association, acting through its Board, shall have sole authority to settle and compromise any claim under insurance obtained by the Association as the attorney-in-fact of all Owners, and the insurer may accept a release and discharge of liability made by the Board on behalf of the named insureds under the policy. The Board's authority to act as attorney-in-fact of the Owners for such purpose is coupled with an interest and irrevocable.
- 11.5. **Additional Provisions.** The Board shall exercise its reasonable best efforts to obtain insurance policies and fidelity bonds containing the following provisions:
- 11.5.1. That the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set off, counterclaim, apportionment, proration, or contribution by reason of, any other insurance obtained by or for any Owner or any Mortgagee.
- 11.5.2. No provision relieving the insurer from liability for loss because of any act or neglect not within the control of the Association or because of any failure of the Association to comply with any warrant or condition regarding any portion of the premises over which the Association has no control.
- 11.5.3. A waiver of subrogation by the insurer as to any and all claims against the Association and the Owner, or their respective agents, employees, or

tenants, and of any defenses based upon coinsurance or upon invalidity arising from the acts of the insured.

11.5.4. Despite any provision giving the insurer the right to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association or when in conflict with the provisions of any insurance trust agreement to which the Association is a party or with any requirement of law.

11.5.5. That ten days written notice will be given to all Mortgagees prior to any lapse, cancellation or material modification of the policies of insurance or fidelity bonds.

11.6. Unacceptable Policies. Insurance policies requiring or permitting (a) contributions and assessments against the Association, the Board, the Owners, the Mortgagees or any guarantor of the above or (b) action by the insured's Board, policy holders or members as a condition precedent to loss payments, or limiting clauses (other than insurance conditions) which might prevent any of the above-mentioned persons from receiving insurance proceeds shall be unacceptable to satisfy the requirements of this Article.

12. NOTIFICATIONS AS TO IMPROVEMENTS

12.1. Each owner must notify the Board of Directors in writing on a form of the Board's choosing of any improvement to their unit where the value of such improvement is in excess of \$2,000, and such notice shall be placed in the unit file.

13. AMENDMENTS

13.1. Method of Proposal. Amendments to the Bylaws shall be proposed by either a majority of the Board or by the Owners holding at least 25% of the votes in the Association. The proposed amendment must be in writing and shall be included in the notice of any meeting at which action is to be taken thereon.

13.2. Adoption. A resolution adopting a proposed amendment may be proposed by either the Board or by Owners and may be approved by the Owners at a meeting called for this purpose. Owners who are not present at the meeting considering such amendment may express their approval in writing or by proxy delivered to the Board at or prior to such a meeting. A resolution shall be approved by Owners holding at least 51% of the votes of the Units except for amendments which under the Oregon Condominium Act require approval by a higher percentage of Owners.

- 13.3. Execution and Recording. An amendment shall not be effective until certified by the Chair and Secretary of the Association as being adopted in accordance with these Bylaws, approved by the Real Estate Commissioner if required by law, and recorded as required by law.

14. LITIGATION

- 14.1. Generally. Every Owner and the Association shall have the right to enforce the provisions of the Declaration, Bylaws and any Rules and Regulations by litigation against the Association or Owners as the case may be.
- 14.2. By Less than All Owners. If any action is brought by one or more but fewer than all Owners on behalf of the Association and recovery is achieved, the plaintiff's expenses, including reasonable counsel's fees, shall be a common expense. However, if such action is brought against the Owners, against the Board, or against the officers, employees, or agents of the Association, the plaintiff's expenses, including counsel's fees, shall not be a common expense or otherwise charged to the other Owners.
- 14.3. Complaints Against Association and its Agents. Complaints brought against the Association, the Board or the Officers, employees, or agents thereof, in their respective capacities or the Condominium as a whole, shall be directed to the Board, which shall promptly give written notice thereof to the Owners. Such complaints shall be defended by the Board, and the Owners shall have no right to participate in such defense other than through the Board. Complaints against one or more, but less than all Owners, shall be directed to the Owners, who shall promptly be given written notice thereof to the Board and shall be defended by such Owners.

15. MISCELLANEOUS

- 15.1. Notices. All notices to the Association or to the Board of Directors shall be sent in care of the Managing Agent, or if there is no Managing Agent, to the principal office of the Association or to another address as the Board of Directors may hereafter designate by written notice thereof to each Owner. All notices to any Owner shall be sent to such address as may have been designated by the Owner, in writing, to the Board of Directors, or if no address has been designated, then to the Owner's unit.
- 15.2. Waiver. No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

- 15.3. **Invalidity; Number; Captions.** The invalidity of any part of the Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws. As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.
- 15.4. **Conflicts.** The Bylaws are intended to comply with the Oregon Condominium Act and the Declaration. In case of any irreconcilable conflict, the Act and Declaration shall control over the Bylaws, any amendments hereto or any Rules and Regulations adopted hereunder.
- 15.5. **Parliamentary Rules.** Robert's Rules of Order (latest edition) shall govern the conduct of the proceedings of the Association and Board of Directors when not in conflict with the Declaration, the Articles, these Bylaws or Oregon law.

CERTIFICATION

The undersigned President and Secretary of Gabriel Commons Association hereby certify that the within Amended Bylaws of Gabriel Commons Association have been adopted in accordance with the provisions of the Bylaws and approved by the unit owners as provided in ORS 100.410.

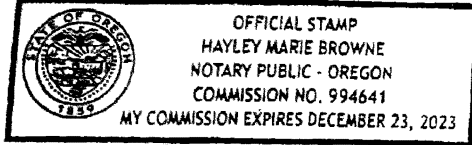
GABRIEL COMMONS ASSOCIATION

By: Joel M. Glick

By: Maryann Lewis

STATE OF OREGON)
): ss
County of Multnomah)

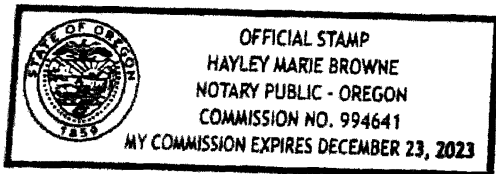
The foregoing instrument was acknowledged before me this 25th day of February, 2021, by Joel M. Glick, President of Gabriel Commons Condominium Association, on its behalf.



Hayley B
Notary Public for Oregon
My commission expires 12/23/2023

STATE OF OREGON)
): ss
County of Multnomah)

The foregoing instrument was acknowledged before me this 25th day of February, 2021, by Maryann Lewis, Secretary of Gabriel Commons Association, on its behalf.



Hayley B
Notary Public for Oregon
My commission expires: 12/23/2023