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I, Christine Walker, County Clerk for Jackson County, Oregon, certify
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Christine Walker - County Clerk

**MOUNTAIN MEADOWS PARKSIDE CONDOMINIUM ASSOCIATION
AMENDED & RESTATED BYLAWS**

GRANTOR(S):	MOUNTAIN MEADOWS PARKSIDE CONDOMINIUM ASSOCIATION, an Oregon nonprofit corporation
GRANTEE(S):	MOUNTAIN MEADOWS PARKSIDE CONDOMINIUM ASSOCIATION; MOUNTAIN MEADOWS PARKSIDE CONDOMINIUM; THE GENERAL PUBLIC
LEGAL DESCRIPTION:	MOUNTAIN MEADOWS PARKSIDE CONDOMINIUM, PER THAT CERTAIN CONDOMINIUM DECLARATION RECORDED AT JACKSON COUNTY RECORDER'S NO. 98- 35222, AS AMENDED OF RECORD
REFERENCE NO(S). OF RELATED DOCUMENT(S):	98-34428; 98-35222; 99-56600; 00-17710; 01- 16299; 99-56600; 00-17711; 01-16298; 2007- 008006; 2010-028445; 2010-028446; 2012-022839

**MOUNTAIN MEADOWS PARKSIDE CONDOMINIUM ASSOCIATION
AMENDED & RESTATED BYLAWS**

The Mountain Meadows Parkside Condominium Association (“Association”) is the nonprofit corporation established to manage and govern the affairs of Mountain Meadows Parkside Condominium (the “Condominium”) under the Oregon Condominium Act at ORS 100.005 *et seq.* (the “Act”). The Condominium was established by the recording of the instrument entitled “Declaration of the Mountain Meadows Parkside Condominium” in the real property records of Jackson County under Jackson County Recording No. 98-35222 (“Original Declaration”), as thereafter amended or supplemented by instruments recorded under Jackson County Recorder’s Nos. 99-56600, 00-17711, 01-16298, 2007-008006, 2010-028445, 2010-028446, and 2012-022839, and the Condominium Plats recorded at Jackson County Recording Nos. 98-34428, 99-56600, 00-17710, and 01-16299.

These Amended and Restated Bylaws were proposed by the Board of Directors commensurate with the proposal of the Amended & Restated Declaration in accordance with Section 17.1 of the Original Declaration, and Article 8 of the Bylaws adopted by the Declarant commensurate with the creation of the Condominium (“Original Bylaws”) and after notice to all of the Owners entitled to vote thereon was given, Owners holding not less seventy-five percent (75%) of the total votes in the Association consented to the adoption of these Amended & Restated Bylaws by written consent.

These Amended & Restated Bylaws amend, replace, and supersede the Original Bylaws and any and all amendments thereto, and may be amended in the future as provided herein.

The undersigned chairperson/president and secretary of the Association certify that these Amended & Restated Bylaws were proposed, adopted, and approved as provided above in accordance with ORS 100.410, and direct that they be recorded with the real property records of the county in which the Condominium is located.

The Amended & Restated Bylaws shall become effective as of the date of recording.

**MOUNTAIN MEADOWS PARKSIDE CONDOMINIUM
ASSOCIATION
AMENDED & RESTATED BYLAWS**

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Article 1. GENERAL PROVISIONS

1.1 Definitions. Capitalized terms not defined herein shall have the meanings as defined in the Amended & Restated Declaration, as may be amended from time to time.

1.2 Adoption & Effective Date. These Amended & Restated Bylaws of the Mountain Meadows Parkside Condominium Association were adopted in accordance with the Oregon Condominium Act and the Declaration and Bylaws, as specifically provided above, and shall replace and supersede any prior Bylaws as of the date of recording in Jackson County. The rule against perpetuities shall not be applied to defeat any provisions hereof.

1.3 Interpretation & Applicability. These Amended & Restated Bylaws are one of the Association's Governing Documents, along with the Declaration, Plat Maps, Rules, and Articles of Incorporation, as those terms are defined in the Amended & Restated Declaration. The Association and the Owners are subject to these Bylaws. These Amended & Restated Bylaws are intended to be consistent with the Act and the Declaration and shall be interpreted to be consistent therewith if at all possible, but if a conflict shall be discovered, the terms of the Act and the Declaration shall prevail over any inconsistent provision herein.

1.4 Use Restrictions. Restrictions on the use or occupancy of Units are contained within the Amended & Restated Declaration, as may be amended from time to time, and are incorporated by reference thereto as if fully restated herein.

1.5 Office. The principal office of the Association shall be 855 Mountain Meadows Drive, Ashland, Oregon, 97520, or any other address designated by the Association by resolution.

1.6 Emergency Bylaws. Notwithstanding any provision herein to the contrary, the Association may establish emergency bylaws by Resolution in accordance with ORS 65.064, as may be amended.

Article 2. CONDOMINIUM OWNERS' ASSOCIATION

2.1 Name and Form of Association. The condominium owners' association for Mountain Meadows Parkside Condominium shall be organized as a nonprofit corporation, known as "Mountain Meadows Parkside Condominium Association," or such other official name as provided in the Articles of Incorporation, and shall be subject to the Act in all respects. The Association serves as the means through which the Unit Owners may take action with regard to the administration, management and operation of the Condominium.

2.2 Membership. The Association shall have one (1) class of members composed of the Owners of Units in the Condominium. Ownership of a Unit in the Condominium is the sole qualification for membership. Individual persons, corporations,

partnerships, limited liability companies, trusts, and other legal entities may be members of the Association. Persons or entities that hold an interest merely as security for the performance of an obligation are not members, however. If multiple persons or entities own a single Unit, each shall be a member.

2.3 Membership Transfer. Membership in the Association is appurtenant to the Unit owned and shall not be assigned, transferred, conveyed, encumbered, pledged or alienated in any way, except on the transfer of title to such Unit by the Owner, and then only to such transferee or contract purchaser; any attempt to make a prohibited transfer is void.

2.4 Powers of the Association. The Association, acting through the Board of Directors, shall have all powers and authority permitted the Association under the Act, this Declaration, and the Bylaws, as qualified therein, including the right and authority to:

- (a) Adopt and amend the Declaration in accordance with its provisions, the Bylaws in accordance with Article 14, and the Rules;
- (b) Adopt and amend budgets for revenues, expenditures, and reserves, and levy and collect Assessments based on those budgets as further described in Article 8;
- (c) Obtain, prepare, or update reserve studies and establish and administer reserve accounts as further described in Section 8.9 and 11.4;
- (d) Make and assume contracts and incur liabilities and engage managing agents and other employees, agents, and independent contractors, including a Managing Agent as further provided in Section 2.5;
- (e) Defend against any claims, proceedings, or actions brought against the Association;
- (f) Initiate or intervene in litigation, arbitration, administrative or similar proceedings in its own name and without joining individual Owners as further described in Section 2.6;
- (g) Regulate the use, maintenance, repair, replacement, and modification of Common Elements, including the right to modify, close, remove, eliminate, or discontinue the use of a General Common Element facility, improvement, or landscaping, and to engage or employ vendors or personnel necessary to fulfill this obligation, subject to Section 2.7;
- (h) Cause additional improvements to be made as a part of the Common Elements, subject to Section 2.8;
- (i) Acquire by purchase, lease, devise, gift, or voluntary grant, and take, hold, possess, encumber, convey, and dispose of, any right, title, or interest to personal property or any interest therein;

(j) Grant easements, leases, rights-of-way, licenses, concessions and other similar interests through or over the Common Elements and petition for or consent to the vacation of roadways within and adjacent to the Condominium;

(k) Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Elements;

(l) Impose and collect charges for late payment of Assessments, including interest, and for the Association's costs of collection, including reasonable attorneys' fees, as further provided in Article 9;

(m) After providing Notice and an Opportunity to be Heard, levy reasonable fines for violations of the Governing Documents in accordance with a previously established schedule thereof as further provided in Article 12;

(n) Adopt Rules regarding the termination of utility services or restriction of access to or use of recreational and service facilities for violations of the Governing Documents in accordance with Article 12;

(o) Impose and collect reasonable charges for the preparation and recording of amendments to the Declaration or Plat Maps, for statements of Assessments, and for other services provided to Owners, including, but not limited to, reasonable move-in/move-out fees;

(p) Borrow funds from financial institutions, vendors, or contractors to pay for maintenance, repair, replacement, reconstruction, alteration, addition, or improvements to the Condominium, or for any other purposes that the Board determines is in the best interests of the Association, and assign or pledge common funds of the Association, including its right to future income, and the right to receive Assessments;

(q) Provide for the indemnification of the Directors and officers of the Association and maintain Directors' and officers' liability insurance as further provided in Section 13.3;

(r) Regulate the modification of Units to protect the structural or mechanical components and exterior appearance of the Condominium as further provided in **Error! Reference source not found.**;

(s) Enter into Units in accordance with the provisions of Section 2.10;

(t) Pay 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 any part of the Condominium, rather than merely against the interest therein of particular Owners, and assess such costs to the particular Owner as an Individually Allocated Assessment;

(u) Exercise any other powers conferred by the Declaration or Bylaws;

(v) Exercise all other powers that may be exercised in this state by the same type of corporation as the Association; and

(w) Exercise any other powers determined by the Association to be necessary and proper for the governance and operation of the Association.

2.5 Professional Manager. In order to maintain the special character and high quality of the retirement community and Condominium, the Condominium Association shall be professionally managed at all times by a professional Managing Agent approved by the Board. The Association shall not terminate professional management and assume self-management.

2.6 Association Claims. The Association may initiate and intervene in litigation, arbitration, administrative or other similar proceedings in its own name and without joining the individual Unit Owners in: (a) matters relating to the collection of Assessments not attributable to fines; (b) matters relating to the enforcement of the Governing Documents; (c) matters arising out of contracts to which the association is a party; (d) actions seeking equitable or other nonmonetary relief that affect the common interests of the Unit Owners, including but not limited to the abatement of nuisance; and (e) matters relating to or affecting the Common Elements. The Association may also initiate and intervene in actions or proceedings relating to damage, destruction, impairment, or loss of use of a Unit or portion thereof, if such damages arose out of a nuisance, or defect in or damage to a Common Element or a Common Element repair, provided that the Association has provided the Owners with notice as required by ORS 100.490. The Association may also initiate and intervene in any other actions or proceedings in which the Association has standing. Claims between the Association and any Unit Owner are subject to alternate dispute resolution requirements as provided in Section 12.8.

2.7 Removal of Common Element Improvements. The Association may modify, close, remove, eliminate, or discontinue the use of any General Common Element facility, improvement, or landscaping, regardless of whether such facility, improvement, or landscaping is described herein or shown on the Plat Maps, except that if pools, spas, or recreational or community buildings are subsequently added to the Condominium, their permanent closure, removal or discontinuation shall require the approval of Owners holding at least a majority of the Total Voting Power of the Association.

2.8 Capital Additions. The Board shall not have the authority to acquire or make any Capital Addition having a total cost of more than fifty thousand dollars (\$50,000) without obtaining the vote or approval of the Owners to which a majority of the Total Voting Power is allocated. If such Capital Addition shall have a total cost of more than one-hundred thousand dollars (\$100,000), the Board shall obtain the vote or approval of the Owners to which at least sixty-seven percent (67%) of the Total Voting Power is allocated.

2.9 High Risk Components. The Board may, by Rule, designate as a “High Risk Component” any component or item, whether located within the boundaries of Units or not, that poses a particular risk of damage to the Common Elements or other Units if they are not properly and timely inspected, maintained, repaired, or replaced, such as smoke, heat, or other safety detectors, garbage disposals, heat pumps, fans, vents,

plumbing valves and fixtures, electrical panels, solar panels, sink and tub drains, drain lines, and water heaters. The Association shall thereafter have the power to enter Units to inspect such High-Risk Components in accordance with Section 2.10. If inspection discloses the need for specific maintenance, repair, or replacement, the Association may require the Owner to do such maintenance, repair or replacement and provide for further Association inspection. The Association may also require the Owner to perform specific maintenance, repair, or replacement of the High-Risk Component at certain intervals to meet standards determined by the Board, whether or not the High Risk Component is deteriorated or defective and if the Owner fails to do so, the Association may enter the Unit to do the maintenance, repair, or replacement and assess the costs thereof to the Unit and Owner as an Individually Allocated Assessment.

2.10 Entry into Units. The Association or its agents may enter Units when necessary to do so for the purpose of exercising the rights or duties enumerated in the Act, the Declaration or these Bylaws, including: to inspect, maintain, repair or replace a High Risk Component in accordance with Section 2.9; to maintain, repair or replace any portion of a Unit in accordance with Section 11.1; to maintain, repair, or replace Common Elements (including Limited Common Elements); to make emergency repairs to the Unit or Common Elements necessary for the public safety or to prevent damage to the Common Elements or another Unit; or in the event of another emergency. Except in the case of an emergency, entry into any Unit shall require reasonable advance notice to the Unit Owner. Reasonable advance notice shall also be given to any Tenants or other occupants of the Unit if the Owner has provided the Association with Tenant or occupant contact information. The notice of entry shall include the purpose, date, and time of the entry. Such entry shall be made with as little inconvenience to the occupants as practicable. Any damage caused to the Unit as a result of entry shall be repaired and paid for by the Association, but if entry was necessary because of an act or omission of the Owner of the Unit entered, the cost shall be assessed to the Unit and Owner as an Individually Allocated Assessment.

2.11 Association Liability. The Association shall not be liable for the failure of any utility or other service required to be provided by the Association, or for inconvenience or discomfort resulting from any action taken to comply with the Governing Documents, any law, ordinance, or orders of a governmental authority. No diminution or abatement of Assessments shall be claimed or allowed for any such utility or service failure, or for such injury, damage, inconvenience, or discomfort.

Article 3. ASSOCIATION MEETINGS

3.1 Annual Meeting. The annual meeting of the members of the Association shall be held in the first quarter of the calendar year at such date, time and place as the Board shall determine. The purposes of the annual meeting shall be to elect Directors (if not already elected by mail or otherwise as provided herein) and to transact any other business as may properly come before the meeting. Notice of Association meetings shall be given as provided in Section 3.3 of these Bylaws.

3.2 Regular & Special Meetings. Regular or special meetings of the members of the Association may be held for the purpose of considering matters that require the vote or approval of the Owners, or for any other reasonable purpose. Regular meetings are meetings of the members that are scheduled in advance for the year pursuant to a written document approved by the Board and provided to the Owners. Special meetings are any meetings other than the annual meeting and regular meetings. Special meetings shall be called by the president or secretary upon request of the president, a majority of the Board, or upon written request signed by members holding at least thirty percent (30%) of the Total Voting Power in the Association. Notice of all meetings of the members shall be provided as stated in Section 3.3. If a special meeting is requested by the requisite percentage of members, the Board shall include on the agenda discussion of the items requested by the members; however, a vote of the members shall not be placed on the agenda unless vote or consent of the members on that issue is expressly authorized by the Act, the Declaration, or these Bylaws.

3.3 Notice of Association Meetings. The president or secretary of the Association shall provide members with notice of each annual, regular, or special meeting of the Association not less than ten (10) nor more than fifty (50) days in advance of any meeting. The notice of the meeting shall state the location, time and place of the meeting, the purpose of the meeting, and the items on the agenda to be voted on by the members, including the text of any proposed amendment, any budget changes, and any proposal to remove a Director. Notice shall be delivered and deemed received as provided in the Declaration. If a special meeting has been requested by the members in accordance with Section 3.2 and notice has not been given within thirty (30) days of receipt of the members' written request, any Owner who signed the request may set the location, time and place of the meeting and give notice thereof to the members in accordance with this Section.

3.4 Quorum. At any meeting of the members of the Association, the attendance (in person or by proxy) of members holding at least twenty percent (20%) of the Total Voting Power shall constitute a quorum for the transaction of business. The members may continue to do business until adjournment of that meeting, notwithstanding the withdrawal of members leaving less than a quorum. If business cannot be conducted due to failure to obtain a quorum, the meeting may be adjourned by vote of a majority of the members in attendance, to be reconvened at a later time and place announced at that meeting and noticed as provided in Section 3.3, and business may be transacted at that meeting provided a quorum has been obtained. A quorum is only required to transact business, meaning to hold a vote of the members as required by the Act or the Governing Documents; a quorum is not required for informational meetings, social gatherings, or any other special meeting called for any other purpose.

3.5 Attendance. Members may attend Association meetings in person or, if arranged by the Board, by conference telephone or similar communications equipment so that all persons participating in the meeting can hear each other at the same time or otherwise be able to communicate, which shall constitute attendance "in person" at a

meeting. Members may also participate by general or directed proxy. Members attending in person or by proxy shall be counted towards the quorum requirement. Attendance at the meeting constitutes a waiver of notice of the meeting unless, prior to or upon commencement of such meeting, the member in attendance expressly disputes proper notice.

3.6 Proxies. A proxy must be dated and executed in writing by a member or such member's duly authorized attorney-in-fact. No proxy shall be effective if it purports to be revocable without notice. No proxy shall be valid after one (1) year from the date of its execution, unless otherwise provided in the proxy form. Revocation of a proxy shall not be effective until written notice thereof has been received by the person presiding over the meeting. Proxies may be directed, identifying how the proxy holder shall cast the principal's vote, or general, giving the proxy holder discretion on how to cast the principal's vote. The Association may, but need not, provide a specific proxy form for any Association meeting.

3.7 Order of Business. The order of business at any meeting of the members of the Association shall be as follows:

- (a) Roll call, certification of proxies (if any), and establishment of quorum (if required);
- (b) Proof of notice of meeting or waiver;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees, if any;
- (f) Election of Directors (only at annual meeting if not already accomplished without a meeting);
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

3.8 Procedures. Unless otherwise provided by Board resolution or included in the notice of Association meeting, meetings of the Association shall be conducted in substantial compliance with the latest edition of Roberts Rules of Order, to the extent such rules of order are not inconsistent with the Governing Documents. However, no business transacted at any meeting shall be subject to challenge on the basis of failure to follow any particular procedural requirement not otherwise required by the Act or the Governing Documents, and decisions made during any Association meeting shall be deemed valid if not challenged within one (1) year of the particular decision, unless the procedural error appears on the face of a written instrument memorializing the decision.

3.9 Minutes. Minutes of all Association meetings shall be taken by the secretary or, in the secretary's absence, any appointed officer or the Managing Agent, in

sufficient detail to reflect the business conducted during the meeting and shall include, at a minimum, the meeting agenda, a statement by the secretary that notice was given in accordance with these Bylaws, whether a quorum was achieved, any and all motions and the name of the person making the motion, and the results of any vote taken at the meeting. The minutes need not reflect the contents of any discussion except to note that discussion occurred. Minutes of Association meetings shall be provided to the members before the next Association meeting or within sixty (60) days of the meeting reflected in the minutes, whichever is sooner. A vote to approve the minutes of the preceding Association meeting shall be taken at the next Association meeting and the result of the vote recorded in the minutes.

Article 4. VOTING

4.1 Member Voting Rights. Members have such Unit Voting Power as provided in the Declaration. Owners owning more than one (1) Unit may cast the Unit Voting Power for each Unit owned. The Unit Voting Power may not be split or cast as fractional votes. For Units with multiple Owners or entity ownership, the Association shall accept the vote or approval of any Owner or Verified Voting Representative of the Unit, provided that only a single vote or approval is received for that Unit. If a subsequent, inconsistent vote or approval is received from a co-Owner or other Verified Voting Representative of that Unit, the vote for that Unit shall not be counted except for quorum purposes. Cumulative voting is only allowed for purposes of electing Directors.

4.2 Verified Voting Representative. Wherever the Act, the Declaration or these Bylaws require a vote of the members, that member's Unit Voting Power may be exercised by a Verified Voting Representative. "Verified Voting Representative" shall mean and include the persons listed below, but only after such fiduciary or representative has provided the Board with written proof sufficient to satisfy the Board that he or she is the fiduciary of, or is otherwise the authorized representative of, the Owner:

- (a) a fiduciary of an Owner, including attorneys-in-fact, executors, administrators, guardians, conservators, or trustees;
- (b) an officer, employee, or agent of a corporation;
- (c) a member, manager, employee, or agent of a limited liability company; or
- (d) a partner, employee, or agent of a partnership.

4.3 Member Approval. Unless otherwise specified in the Act, other applicable statute, or the Declaration, passage of any matter properly submitted to a vote of the members (whether at a meeting or by written ballot in lieu of a meeting) shall require a quorum of participants and shall require the affirmative vote of Owners holding a majority of the Unit Voting Power of those Owners in attendance (in person or by proxy) at that meeting or of those Owners who returned written ballots.

4.4 Voting at a Meeting. Voting at a meeting may be by any method proposed by the Board consistent with the procedural rules of order, including by meeting ballot. Meeting ballots may be submitted at the meeting or by electronic transmission if the Association has provided members with a method to submit written ballots electronically. All ballots submitted shall be counted at the meeting or up to forty-eight (48) hours after the meeting. The Board shall promptly notify the members of the results of any vote taken at a meeting. Meeting ballots used to determine votes at a meeting shall not be considered absentee ballots, proxies, or written ballots submitted in lieu of a meeting. Absentee ballots are only permitted if specifically provided by the Board; however, direct or indirect proxies are permitted as provided in Section 3.6.

4.5 Voting Without a Meeting. Except with respect to the annual meeting, a special meeting called for the purpose of removing a Director, or a special meeting pursuant to a written request signed by Owners holding thirty percent (30%) of the Total Voting Power, whenever a vote or approval of the Owners is required or desired, the Board may decide that in lieu of holding a special meeting, voting shall be conducted by written ballot in accordance with the following procedures:

(a) *Notice of Intent to Vote Without a Meeting.* Unless otherwise provided in this Section 4.5, notice of the Board's intent to call for a member vote without a meeting shall be provided and deemed delivered in the same manner as notice of an Association meeting except that a written ballot shall be delivered separately as required in subsection (b) of this Section. This "notice of intent" shall include: (i) the general subject matter of the issue to be voted on; (ii) the right of members to request secrecy procedures in accordance with subsection (b) of this Section, including where to deliver such request and the date and time by which it must be received by the Board to be effective; (iii) the date after which written ballots may be distributed, which shall not be less than ten (10) days from the date the notice of intent is provided; and (iv) the proposed deadline for returning written ballots, including whether and by what means such deadline may be extended.

(b) *Written Ballot Contents.* Written ballots for a vote without a meeting shall set forth the issue or issues to be voted on by the members and shall provide an opportunity for the members to vote for or against that issue or issues. Either the written ballot or any additional notice accompanying the written ballot shall include the following: (i) the percentage of member approval required for approval of the issue, if any, including whether the percentage approval is in relation to the Total Voting Power of the Association or the sum of the Unit Voting Power represented by returned written ballots constituting at least a quorum; and (ii) the deadline and method of return for written ballots, including whether and by what means such deadline may be extended. Written ballots shall be delivered to the members on or after the date by which ballots are distributed as provided in the notice of intent to vote without a meeting and in that same manner as the notice of intent was delivered. If a written petition requesting secrecy procedures signed by members holding at least ten percent (10%) of the Total Voting Power in the Association is received by the Board at least three (3) days prior to such date, the

Board shall deliver with the written ballot a secrecy envelope, a return identification envelope to be signed by the member, and instructions for marking and returning the written ballot. Alternatively, the Board may, in its sole discretion, determine that the vote shall be by electronic ballot in accordance with ORS 100.428, provided that the electronic ballot process has a method for ensuring the secrecy required under ORS 100.425 if secrecy measures are requested by the requisite percentage of Owners in compliance with this Section.

(c) *Return of Written Ballot.* Written ballots may be returned to the Association or any designated agent thereof, in any method specifically designated on the written ballot or other notice accompanying such ballot, provided that the submitted ballot can be reproduced in a tangible medium along with evidence of the date of delivery. Such methods may include, but are not limited to, mailing, shipping, hand delivery to a designated agent of the Association, deposit in one or more ballot boxes located within or convenient to the Condominium, facsimile to a phone number provided in the notice, email of a scanned or photographed copy of the written ballot to an email address provided in the notice, and any other similar methods designated in the notice of intent.

(d) *Deadline & Extension.* The notice of intent and written ballot shall contain the initial deadline for return of written ballots, including the date and time by which written ballots must be delivered or received, along with a statement that such deadline may be extended prior to its expiration in the discretion of the Board. At any time prior to the operative deadline, the Board may, by resolution, extend that deadline for one or more reasonable periods and shall promptly provide all members with notice of the extension and new deadline. Written ballots delivered or received after a deadline not previously extended by the Board shall not be counted.

(e) *When Approval Determined.* If the matter to be voted upon by written ballot requires the approval of Owners holding a specified percentage of the Total Voting Power, the matter shall be considered approved when the requisite percentage of written ballots approving the matter are received prior to the operative deadline. If the matter to be voted upon by written ballot requires the approval of Owners holding a specified percentage of only those votes submitted, the matter shall be considered approved if: (i) the operative deadline has passed without extension; (ii) written ballots representing a quorum of members were received prior to the deadline; and (iii) written ballots representing the required percentage of votes submitted have approved the matter. In all other cases, the matter shall be considered rejected. Unless secrecy procedures are used, written ballots may be counted at any time prior to the deadline and the interim results may be disclosed to the members prior to the final deadline.

(f) *Additional Procedures for Election of Directors.* In the case of the election of Directors without a meeting, the Board shall determine the number of Director positions to be filled and the terms thereof, and shall provide all members

with a request for nominations, along with a method and deadline for submission of names of nominees, which shall not be less than fifteen (15) days from the date of the request. Members may nominate as many members as there are Director positions available and may nominate themselves. Within a reasonable time after the deadline for submission of nominations, the Board shall confirm the eligibility and willingness of the nominees to serve. Members who nominate themselves are automatically considered willing to serve. Once the nominees are determined, the Board shall provide all members with a ballot and notice of the vote in accordance with the notice procedures in the Declaration. The ballot shall identify the number of Director positions available, shall state the names of the qualified nominees, and shall have space for a write-in vote. The notice shall state the method(s) and deadline by which ballots shall be returned, which shall be at least twenty (20) days after the date of the notice of vote. For the election to be effective, ballots must be returned in sufficient quantity to constitute a quorum for an Association meeting; if a quorum has not been achieved by the initial deadline for return of ballots, the voting deadline may be extended for one or more thirty (30) day periods until a quorum has been achieved, and the Board shall promptly provide all members with notice of the deadline extension. The nominees with the most votes as determined on the first deadline after a quorum has been established shall fill the Director positions. Ballots received after the final deadline shall not be effective. The Board shall promptly provide all members with the results of the election.

(g) *Additional Procedures for Declaration & Bylaw Amendments.* Amendments to the Declaration, Survey Map, or Bylaws may be approved by written consent in accordance with these procedures. The Board shall provide written notice of the vote by written consent to all members entitled to vote thereon along with a written consent form designated by the Board. The notice shall include the text of the proposed amendment and shall state that members are entitled to vote by written consent for or against the amendment by returning the written consent form to the Association in the specified manner on or before a specified deadline that is at least twenty (20) days after the date the notice of vote by written consent was delivered. If the requisite percentage of Owners have not approved the amendment by the stated deadline, the Board may, by resolution, extend the voting deadline one or more times, and shall promptly provide all members with notice of the deadline extension. Written ballots received after the last deadline shall not be effective. The amendment shall pass if approved by the requisite percentage of Owners required by the final deadline, provided the total period during which owners may return their written consent forms is reasonable under the circumstances.

Article 5. BOARD OF DIRECTORS

5.1 Director Number & Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of five (5) members of the Association.

Only members whose names appear on record title to a Unit, and Verified Voting Representatives are qualified to be elected as Directors. A Verified Voting Representative elected to the Board shall be disqualified to serve when he or she is no longer a fiduciary to the Owner, and shall advise the Board of such disqualification. That Director's position shall be considered vacant when the Board learns of such disqualification.

5.2 Director Election & Terms. Regular election of Directors shall occur at the annual meeting or prior to that meeting by written ballot in lieu of a meeting as provided for in these Bylaws. The term of each newly elected Director shall begin at the first meeting of the Board following election and shall run until the first meeting of the Board following election of a successor director approximately three (3) years later. The terms of the Directors shall be staggered so that fewer than all Directors are elected each year and the Board shall have the power to vary such terms to ensure the terms are staggered, provided that such power shall not be exercised in a manner that would shorten the term for any Director elected by the members without that Director's consent.

5.3 Board Powers and Duties. Except for circumstances in which a vote or approval of the members is explicitly required by the Act or the Governing Documents, the Board shall have the exclusive power to act on behalf of the Association and to exercise the powers and fulfill the duties of the Association in accordance with the Act and the Governing Documents, as may be qualified therein, including, but not limited to, the Association powers provided in Section 2.4, the power to fill Board vacancies as provided in Section 5.9, the duty to file Association tax returns, and the maintenance and custody Association records as provided in Article 10. Notwithstanding this exclusive authority, the Board may delegate to, or rely upon the work, information, and advice of, committees, individual Directors, the Managing Agent, or other employees, workers, consultants, or agents, as reasonable and appropriate in the sole discretion of the Board.

5.4 Director Standard of Care. Directors shall perform their duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director believes to be in the best interests of the Association. In discharging their duties, Directors may rely on information, opinions, reports or statements prepared and presented by: (a) one or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matter presented; (b) legal counsel, public accountants, architects; engineers, reserve study consultants, licensed building inspectors or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or (c) a committee of the Board of which the Director is not a member, as to matters within its jurisdiction, if the Director reasonably believes the committee merits confidence.

5.5 Director Conflict of Interest. Prior to the Board's vote or approval of any action or transaction in which any Director would personally benefit, whether financially or otherwise, the Director shall disclose the conflict of interest to the Board and the disclosure shall be recorded in the minutes. Directors are encouraged to recuse themselves from discussion and voting upon any Board action or transaction in which the Director has

a conflict of interest, but such actions may nevertheless be approved by the Board if a majority of the remaining Directors approve the action after full disclosure by the Director.

5.6 Director Compensation. Directors shall receive no compensation for their services as Directors, but may be reimbursed by the Association for actual expenses incurred because of their position.

5.7 No Personal Liability. Claims relating to actions taken by the Board or any Director or officer of the Association in the performance of their duties as a Board or as individual Directors or officers shall be brought against the Association and not against any individual Director or officer, except to the extent that it is alleged that the Director or officer acted outside the scope of his or her official authority in committing the act or omission that is the cause of the alleged harm.

5.8 Indemnity. Each officer, Director, and committee member shall be indemnified by the Association against all expenses and liabilities (including attorneys' fees) reasonably incurred by, or imposed in connection with, any proceeding in which such person may become involved by reason of holding or having held such position, regardless of whether or not such person holds such position at the time such expenses or liabilities are incurred.

5.9 Board Vacancies. Vacancies on the Board due to resignation of a Director, or any reason other than removal of a Director by the members, shall be filled promptly after the vacancy occurs. An interim Director may be appointed to fill the vacancy upon the affirmative vote of a majority of the remaining Directors, even though they may not constitute a quorum. Alternatively, upon the affirmative vote of the majority of the remaining Directors even though they may constitute less than a quorum, the Board may choose to fill such vacancies by holding an election at the annual meeting, at a special meeting of the Association called for that purpose, or by written ballot without a meeting as provided in Section 4.5. The Director appointed or elected to fill a vacancy under this Section shall be entitled to serve until the next annual election of Directors and the Director elected to fill the vacancy shall be entitled to serve the balance of the remaining term. If the Board fails to appoint or elect Directors to fill vacancies such that the number of serving Directors does not constitute a quorum, any Director, Owner or first Mortgagee may petition the circuit court to appoint a receiver in accordance with the provisions of ORS 100.418.

5.10 Director Removal. Directors may only be removed from the Board pursuant to a vote of the Owners in accordance with the procedures of this Section. In accordance with Section 3.2, the Board or members may propose that a meeting to remove one or more Directors be called. Notice of the Association meeting shall contain the proposal to remove the Director(s) by name. Any Director whose removal has been proposed shall be given an opportunity to be heard at that meeting. If, at that meeting, a quorum is established and a majority of the Unit Voting Power of members present in person or by proxy at the meeting vote in favor of removal, the Director shall be considered removed, but the removed Director may continue to serve until a successor is elected by the members. Vacancies due to removal shall be filled by election of the

members immediately after removal (provided notice of the election in case of successful removal was included in the removal meeting notice), or within sixty (60) days following the meeting at which the Director was removed. The term for any Director elected to fill a vacancy due to Director removal shall be the balance of the predecessor's term.

5.11 Board Meetings. Any congregation of a quorum of Directors at which Association business is discussed, unless convened for the purpose of participation in litigation, mediation, or arbitration, may be considered a Board meeting. The first organizational meeting of a newly constituted Board shall be held within ten (10) days of election. Regular meetings of the Board shall be held at such place, day, and time as the Board from time to time may specify, provided that at least two (2) regular meetings shall be held during the calendar year. Special meetings of the Board may be called by the president or a majority of the Directors, and may be held at such place, day, and time as the notice may specify. Directors may attend meetings in person or by conference telephone or similar communications equipment so that all persons participating in the meeting can hear each other at the same time or otherwise be able to communicate, which shall constitute attendance "in person" at a meeting, provided at least one (1) Director shall be physically present in person at the location of the meeting stated in the notice to the members. Proxies are not effective for Board meetings. A vote of the majority of Directors present at a meeting at which a quorum is present shall determine the acts of the Board. When action is taken at a Board meeting, the vote or abstention of each Director shall be recorded in the meeting minutes, except that secret ballots may be used for election of officers. Notice of Board meetings shall be provided as required by Sections 5.14 and 5.15.

5.12 Open Meetings & Executive Sessions. All non-emergency meetings of the Board shall be open to members of the Association except for any portion of the meeting conducted in executive session. The Board may close the meeting to members to meet in executive session, the purposes of which shall be limited to discussion of issues protected by recognized privilege or privacy rights, such as consultation with legal counsel, consideration of personnel matters (including salary negotiations and employee discipline), negotiation of contracts with third parties, and collection of unpaid assessments. Any Director may make a motion in an open meeting to meet in executive session by stating the general nature of the action to be considered, as precisely as possible, and the Board shall vote whether to go into executive session and if approved, the president or other Director presiding over the meeting shall then convene the closed executive session. After the executive session is concluded, the Board shall reconvene the open meeting. If, during the executive session, the Board made any business decision or voted on any matter, the presiding Director shall call for a vote of the Directors in the reconvened open meeting. If no decision was made or vote of the Board taken, the presiding Director shall state the general nature of the discussion, giving sufficient detail for the record to reflect the appropriateness of the executive session, but taking care to prevent disclosure of any privileged or confidential matters. Both the decision to conduct an executive session and the vote or statement made after reconvening the open meeting

shall be reflected in the minutes of the meeting. Discussion during the executive session shall not otherwise be recorded in the minutes.

5.13 Emergency Board Meetings. Emergency meetings or emergency executive sessions may be held without providing notice to the members as required by Section 5.4 where the circumstances require the Board to make a decision on an issue before a meeting may be properly noticed to the members pursuant to ORS 100.420, or where provided that at the next properly noticed open meeting, the Board shall describe the purpose and circumstances of the emergency meeting in sufficient detail to justify the necessity therefore, and shall state the result of any decision or vote of the Board made during the emergency meeting. The Board shall also call for ratification of any decisions made during an emergency meeting or session provided a quorum of Directors is present, and the description and ratification, if any, shall be included in the minutes of the open meeting.

5.14 Notice of Board Meetings to Directors. No additional notice of regular Board meetings need be given to Directors if the place, day and time thereof shall have been fixed by resolution of the Board and a copy of such resolution mailed to every Director at least three (3) days before the first meeting held pursuant thereto. Notice of the place, day and time of all other meetings of the Board shall be given to each Director by mail, personal delivery, telecopy, email (if and only if a Director has consented, in the form of a record, to receive such notices by email), or by personal communication over the telephone or otherwise, at least three (3) days prior to the time the meeting is to be held. Notice of any Board meeting may be waived in writing by any Director at any time, including after the meeting. Attendance of a Director at any Board meeting shall constitute waiver of notice unless a Director expressly challenges the notice when the meeting begins. If all Directors are present at any meeting of the Board, notice is deemed waived and any business may be transacted at the meeting.

5.15 Notice of Board Meetings to Members. Notice of Board meetings other than emergency meetings as described in Section 5.13 shall be provided to Owners by posting at a place or places within the Condominium or by any other method reasonably calculated to inform members of such meetings, at least three (3) days prior to the Board meeting.

5.16 Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for purposes of transacting business. If there is less than a quorum present at any meeting of the Board, the majority of those present may adjourn the meeting and make a good faith effort to timely notify the absent Board members of the date, time and place of the adjourned meeting. Upon resumption of the meeting, and provided a quorum has been established, any business that might have been transacted at the meeting as originally called may be transacted without further notice. Regular or special meetings of the Board may be held by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, which shall constitute attendance at a meeting.

5.17 Rules of Procedure. Unless otherwise provided by Board resolution or contained in the notice of the Board meeting, meetings of the Board shall be conducted in substantial compliance with the latest edition of Roberts Rules of Order, to the extent such rules of order are not inconsistent with the Governing Documents. However, no business transacted at any Board meeting shall be subject to challenge on the basis of failure to follow any particular procedural requirement not otherwise required by the Act or the Governing Documents, and decisions made during any Board meeting shall be deemed valid if not challenged within one (1) year of the particular decision, unless the procedural error appears on the face of a written instrument memorializing the decision.

Article 6. OFFICERS

6.1 Designation & Delegation. The principal officers of the Association shall be the president, vice president, secretary, and treasurer. Two (2) or more offices may be held by the same person, except that a person may not simultaneously hold the offices of president and secretary. Administrative tasks associated with the officer roles described below may be delegated to the Managing Agent, but each officer shall be responsible for oversight of such delegated tasks.

6.2 Election & Removal of Officers. The officers of the Association shall be elected annually by and from the Board at the first Board meeting after the annual election of Directors. At any meeting of the Board, a quorum of the Board may remove any officer whenever the interest of the Association will be served thereby, and a successor shall be elected upon the affirmative vote of a majority of the Directors.

6.3 President. The president shall be the chief executive officer of the Association, shall preside at all meetings of the Association and of the Board, shall have all powers and duties usually vested in the office of president of a nonprofit corporation. In the absence of other designation by resolution, the president shall have the authority to, on behalf of the Association, execute agreements, contracts, instruments, resolutions, and amendments, and shall have and perform such other duties as may be prescribed by the Board.

6.4 Vice President. The vice president shall perform the duties of the president when the president is absent or unable to act, and shall perform such other duties as may be prescribed by the Board. If both the president and vice president are unavailable, the Board may appoint any other Director to fulfill their roles.

6.5 Secretary. The secretary shall keep the minutes of all meetings of the Board and of the Association, and shall provide notices of meetings to the members in accordance with the Act and the Governing Documents. In the absence of other designation by resolution, the secretary shall have the authority to attest to the adoption of resolutions and amendments. The secretary shall also perform such other duties as may be prescribed by the Board.

6.6 Treasurer. The treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping or supervising full and accurate

accounts of all receipts and disbursements in records belonging to the Association. The treasurer shall also perform such other duties as may be prescribed by the Board.

6.7 Other Officers and Employees. Other officers of the Association and any persons employed to assist the officers, including any Managing Agent, shall have such authority and shall perform such duties as the Board may prescribe consistent with the Act, the Declaration, and these Bylaws.

Article 7. COMMITTEES

7.1 Parkside Architectural Review Committee. The Declaration establishes the Parkside Architectural Review Committee (“PARC”) as a committee of the Board. To protect the Common Elements and the overall appearance of the Condominium, all improvements or alterations to Units that involve any work on plumbing, electrical, or mechanical systems; removal or relocation of walls; penetration of any walls containing electrical or mechanical conduits; removal or installation of flooring; or change the appearance of the Unit visible from the exterior (including replacement of window treatments); shall require the prior, written approval of the PARC in accordance with this Section, except that an Owner may, without PARC approval, repair or replace electrical or plumbing fixtures or install appliances if the work is performed by the Owner, does not require a permit, and will not affect power or water to any other Unit. Owners may also be required to apply to the Master Association Architectural Review Committee for approval; approval by the PARC does not constitute approval by the Master Association and the Association shall not be responsible for advising Owners regarding compliance with the Master Association governing documents.

(a) Within thirty (30) days of the submission of an Owner request for Unit alteration approval, the PARC shall review the request and provide the Owner with notice that the application is approved, denied, or determined to be incomplete. The failure of the PARC to respond to a complete application within such period shall be deemed approval thereof. Complete applications that demonstrate that the Unit alteration will not adversely affect the structural integrity, plumbing, mechanical or electrical systems of any portion of the Condominium; affect the exterior appearance of the Condominium; incorporate Common Elements into the Unit; violate the permitted uses contained in the Declaration, Bylaws or any Architectural Standards provided by Rule shall be approved.

(b) The Board shall, by Rule, establish reasonable supplemental procedures for submission and approval of Unit alterations, which may include specific requirements or procedures for Owner submissions and PARC review; may require inspection or certification of the alterations by the Association at the Owner’s sole cost; and other reasonable conditions of approval consistent with the Act and these Bylaws including, with respect to hard-surface flooring, specific construction or application procedures to mitigate sound transfer, prior approval of other potentially affected Owners, and acoustical testing.

(c) Any costs incurred by the Association in reviewing, inspecting, or certifying Unit alterations and any reasonable fee established by Rule shall be assessed to the Unit and Owner as an Individually Allocated Assessment.

7.2 Committees of the Board. The Board may, by resolution, create committees of the Board that shall have and exercise the authority of the Board in the management of the Association to the extent provided in the resolution establishing the committee, provided the committee consists of at least two (2) or more Directors. The Board may appoint such Directors and other persons to Committees of the Board. The appointment of committees of the Board shall not relieve the Board of its ultimate responsibility for the administration and management of the Association. The Board may add or remove persons from committees of the Board from time to time at its discretion.

7.3 Advisory Committees. The Board may, by resolution, create advisory committees to assist the Board in carrying out its duties, and appoint persons to such committees. Advisory committees may not exercise the authority of the Board in the management of the Association, but may make recommendations to the Board for Board decision. The Board may add or remove persons from such committees from time to time at its discretion.

Article 8. EXPENSES, BUDGETS & ASSESSMENTS

8.1 Common Expenses. “Common Expenses” shall mean all financial liabilities of the Association and allocations to reserves, and shall include, but may not be limited to, the expenses of administration, maintenance, repair, and replacement of the Common Elements, the costs of operation and governance of the Association, including management and professional fees and costs, costs of insurance, general reserves for contingencies, payment of costs to be paid by Owners as Individually Allocated Assessments prior to receipt of such Assessments, insurance deductibles, contribution to the Reserve Account as described in Section 8.9, any and all expenses relating to any obligation under the Act or the Governing Documents, any and all expenses agreed upon as common by the Unit Owners, and any other expense that the Board determines is in the best interests of the Association.

8.2 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise modified by Board resolution delivered to each Owner at least thirty (30) days prior to the change in fiscal year.

8.3 Annual Budget. At least forty-five (45) days prior to the beginning of the fiscal year, the Board shall adopt an annual budget for the Association pursuant to which regular assessments shall be levied. In preparing the budget, the Board shall take into consideration the Association’s estimated Common Expenses for the upcoming year, including contributions to a reserve account in accordance with Section 8.9 (including allocations to reserves), any anticipated income to the Association, and any surplus or deficit carried over from the prior year. The Board shall provide a summary of the annual budget to all members within thirty (30) days’ of the Board’s adoption thereof, which shall

constitute the levy of regular assessments pursuant thereto, provided that the summary or other notice delivered with the summary discloses the amount of the regular assessment per Unit as calculated in accordance with Section 8.6. If the Board fails to adopt an annual budget, the last adopted annual budget and the regular assessments based thereon shall continue in effect until a new annual budget is adopted.

8.4 Supplemental Budget. If the Board finds that the income from regular assessments or other sources will be insufficient to pay the expenses of the Association in any particular period, the Board may adopt a supplemental budget pursuant to which special assessments will be levied. The supplemental budget may cover any period of time and shall have no effect upon the regular assessments levied pursuant to the annual budget. The Board shall provide a summary of the supplemental budget to all members within thirty (30) days' of the Board's adoption thereof, which shall constitute the levy of special assessments pursuant thereto, provided that the summary or other notice delivered with the summary discloses the amount of the special assessment per Unit as calculated in accordance with Section 8.5.

8.5 Surplus Funds. Any surplus funds of the Association remaining after payment of or provision for Common Expenses and contribution to reserves as required by the relevant budget shall, at the discretion of the Board, either be paid to the Owners at the time the surplus is determined in proportion to their Allocated Interests or credited to them to reduce future Assessments, which credit may be accomplished by inclusion of the surplus in the next annual budget. The Board is specifically authorized to make an election in accordance with IRS Revenue Ruling 70-604 for tax purposes, without a vote of the Owners.

8.6 Calculation of Assessments. All Common Expenses shall be assessed against Units and Owners in proportion to their Common Expense Liability, except as follows:

(a) Costs of maintenance, repair, and replacement of Limited Common Elements (including Commercial Limited Common Elements) shall be assessed solely against the Unit to which the Limited Common Element is assigned, allocated or appurtenant; or if the Limited Common Element is allocated to more than one (1) Unit, then to all Units to which it is allocated or assigned in equal proportions.

(b) Any expense caused by the misconduct or negligence of an Owner shall be assessed against that Owner, provided that the Owner has been given Notice and an Opportunity to be Heard regarding the Board's finding of misconduct or negligence.

(c) Any expense chargeable directly to one (1) or more, but fewer than all Owners as provided in the Declaration or these Bylaws shall, to the extent reasonably ascertainable, be assessed exclusively against the Unit and Owner as an Individually Allocated Assessment.

8.7 Levy & Payment Terms. Regular assessments shall be levied upon the members in accordance with the payment terms set forth in the annual budget summary or any notice accompanying that summary. Special assessments shall be levied upon the members in accordance with the payment terms set forth in the supplemental budget summary or any notice accompanying that summary. If any budget summary or notice accompanying the summary does not provide payment terms, assessments shall become due and payable in equal monthly installments on the first day of the month over the period of the relevant budget and shall be considered delinquent if not made by the 10th of the month, or such other date as the Board shall provide in the Rules.

8.8 Association Accounts. The funds of the Association shall be deposited and maintained in its own name under one (1) or more federally insured accounts (including certificates of deposit) with an insured financial institution, in-state, out-of-state or federal credit union, or may be used to purchase United States government bonds. Association funds may not be commingled with the funds of any other person, association, or entity, including any Managing Agent or any other person responsible for the custody of such funds. The Association shall maintain at least one (1) operating account, into which all income and assessments of the Association are deposited, and out of which the Association's expenses are paid, and at least one separate (1) reserve account in accordance with Section 8.9.

8.9 Reserve Account. The Association shall create and the Board shall administer at least one (1) reserve account separate from the operating accounts, the purpose of which is to save for major maintenance, repair, or replacement of all or a part of those Common Elements that would normally require major maintenance, repair, or replacement in more than one (1), but fewer than thirty (30) years, for exterior painting of the Common Elements (including Limited Common Elements). As part of the annual budget process, the Board shall determine the amount to be collected for reserves based on a reserve study conducted or updated in accordance with Section 11.4 and shall deposit all amounts collected for reserves into the reserve account. Funds may only be withdrawn from the reserve account for the purposes stated in this Section, except that the Board may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet unexpected increases in expenses pursuant to a resolution identifying the amount borrowed and the purpose therefore, and further provided that prior to the adoption of the annual budget for the following year, the Board shall, by resolution, adopt a plan for repayment of the borrowed reserve funds within a reasonable period.

8.10 Members' Obligation to Pay Assessments. Payment of assessments shall be the joint and several obligation of all Owners of the Unit at the time the assessment or installment thereof becomes due. An Owner's obligation to pay assessments is absolute; no Owner may claim exemption from such liability by waiver of the use or enjoyment of the common elements or by abandonment of the Unit. An Owner may not claim diminution, offset or abatement of assessments for failure of the Association to perform its obligations or for any other reason. In a voluntary conveyance, the grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments associated with the Unit up to the time of the grantor's conveyance, without prejudice to the grantee's right

to recover from the grantor the amounts paid by the grantee therefor. Suit to recover delinquent assessments based on this personal obligation shall be maintainable without foreclosing or waiving the liens securing them.

8.11 Financial Records. The Association shall keep financial records sufficient to enable it to comply with the financial and disclosure requirements of the Act. The Association shall keep detailed, accurate records of the receipts and expenditures of the Association in chronological order. The Association shall keep a ledger or other accounting record for each Unit that shows all financial transactions between the Association and the Owner, including all Assessments (regular, special, or Individually Allocated Assessments, fines, interest, late fees, service fees, or other charges) when the Assessment or installment thereof is due, and all payments made on the account when paid. If an Owner is delinquent in the payment of Assessments upon transfer of the Unit to a new Owner, a separate ledger shall be created for the new Owner and the prior ledger maintained for purposes of collections. The Association shall file and keep copies of all tax returns to the extent required by law.

8.12 Payment of Vouchers. The treasurer is authorized to direct payment of all invoices or vouchers relating to expenses referenced in the budget and any expense not exceeding a maximum amount determined by Board resolution. For any other expenses, payment shall require the written approval of the president and at least one other officer of the Association. The Managing Agent shall have the authority to pay vouchers or invoices to the extent provided in the Managing Agent's contract.

8.13 Financial Statements. Within ninety (90) days of the end of the fiscal year, the Board shall prepare or cause to be prepared an annual financial statement consisting of, at a minimum, a balance sheet and income and expenses statement for the preceding fiscal year, which shall be delivered to the members promptly upon completion. The annual financial statement shall be reviewed within three-hundred (300) days of the end of the fiscal year by a certified public accountant licensed in Oregon who is not a member of the Board or an Owner unless Owners holding at least sixty percent (60%) of the Total Voting Power of the Association vote to waive the review requirement. Any review shall be conducted in accordance with the standards prescribed by ORS 100.480(5).

Article 9. COLLECTIONS, LIENS, AND FORECLOSURE

9.1 Acceleration of Assessments. If any Owner is delinquent in the payment of Assessments for more than sixty (60) days, the Board may, upon fifteen (15) days' written notice to the Unit Owner, accelerate and demand immediate payment of all Assessments that the Board reasonably determines will become due from the Owner during the next twelve (12) months, including any regular and special assessments. The right of acceleration under this Section is solely for the benefit of the Association. If the Board has exercised its right of acceleration under this Section, it may, in its sole discretion, reverse the acceleration.

9.2 Late Charges and Interest. The Association may establish reasonable late charges and a rate of interest to be charged on all delinquent Assessments or installments thereof. In the absence of another established non-usurious rate, delinquent Assessments shall bear interest from the date of delinquency at the maximum rate permitted by law. Such charges shall constitute cost of collection and Assessments as defined herein.

9.3 Recovery of Costs and Fees. The Association shall be entitled to recover any costs incurred in connection with the collection of delinquent Assessments, including, but not limited to, administrative costs imposed by the Managing Agent, costs of preparing and serving notices, lien preparation, recording costs, copying, filing fees, court costs, and reasonable attorneys' fees, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorney fees if it prevails on appeal and in the enforcement of a judgment. Such charges shall constitute costs of collection and Assessments as defined herein.

9.4 Automatic Lien for Nonpayment of Assessments. The Association has an automatically perfecting lien against a Unit that arises when any installment thereof becomes due and is unpaid. Recording of the Original Declaration constituted record notice and perfection of the lien for Assessments; the Association may, but is not required to, record a notice of claim of lien in Jackson County. The Association's lien shall not be affected by the sale or transfer of a Unit except in the event of sale by foreclosure (sheriff's sale), trustee's sale, contract forfeiture, or deed in lieu thereof, the occurrence of which shall extinguish the Association's lien for all Assessments or installments thereof that became due prior to that event, except to the extent of the priority of the Association's lien over Mortgages as provided in Section 9.5.

9.5 Lien Priority. The Association's lien shall be superior to any homestead exemption and all other liens and encumbrances on and interests in a Unit except those recorded before the recording of the Original Declaration, liens for real property taxes and other governmental assessments or charges against the Unit, and any liens of the Master Association if such liens arose by law prior to or simultaneous with the Association's lien. The Association's lien is generally inferior to a Mortgage on the Unit that was recorded prior to the delinquency, but the Association may obtain priority over such Mortgages if the following actions are taken: (a) the Association provides the Mortgagee with at least ninety (90) days' written notice that the Owner is in default in the payment of Assessments in compliance with ORS 100.450(7) along with copies of any recorded claim of lien; (b) the Owner is in default under the Mortgage, but the Mortgagee has not already initiated foreclosure; and (c) a copy of the notice to the Mortgagee along with an affidavit of service as prescribed by ORS 100.450(7) is thereafter recorded.

9.6 Effect of Sale and Mortgagee Foreclosure on Association Lien. The Association's lien for unpaid Assessments shall not be affected by the sale or transfer of a Unit except in the event of sale by foreclosure, or a deed in lieu of foreclosure to the first-lien Mortgagee if the foreclosing Mortgagee provides the Association with notice of the Mortgagee's intent to accept a deed in lieu of foreclosure and the deed in lieu of

foreclosure is recorded no later than thirty (30) days after such notice is mailed to the Association. Such events shall extinguish the Association's lien for any Assessments or installments thereof that became due prior to the sale or recording of the deed in lieu. Such events actions shall not, however, relieve the subsequent Owner of the Unit from paying Assessments or installments coming due thereafter.

9.7 Foreclosure of Association's Lien. Provided the Association first records a claim of lien in the county in which the Condominium is located, the Association's Assessment lien may be foreclosed judicially by the Association or its authorized representative in the manner set forth in ORS 87.010, except that the Association's lien shall continue in force for up to six (6) years from the date the Assessment, or installment thereof, came due. In any such action, the Association shall be entitled to recover reasonable attorneys' fees from the Owner. The Association or its authorized representative shall have the power to purchase the Unit at the foreclosure sale and to acquire, hold, lease, mortgage, or convey the same. From the time of commencement of a foreclosure action, the Owner shall be required to pay a reasonable rental for the Unit and the Association shall be entitled to appointment of a receiver for collection of that rent. During the redemption period following sale of the Unit, the party holding the certificate of sale is liable for all Assessments coming due during the redemption period and when the redemption period ends, the certificate holder is deemed to be the Owner without regard to whether a deed has been delivered.

9.8 Assessment Certificate. Except when the Association has already filed a collection action against the member in court, within ten (10) days of receiving a written request from a member, the Association shall provide a statement, accurate to the time the statement is provided, that states the amount of any delinquencies associated with that member's Unit and any assessments levied against the Unit at the time the statement was provided, including, but not necessarily limited to: (a) The amount of delinquent assessments associated with the member's Unit, if any; (b) the total amount of regular and special assessments currently levied against the Unit and the amount of the monthly or other installment, if any; (c) the percentage by which interest accrues on delinquent assessments and whether any interest has accrued in relation to the Unit; and (d) the amount of late payment charges and whether any late payment charges have been assessed to the Unit. If the requesting member is delinquent in the payment of assessments and the matter has been referred to a collection agency or attorney for collection, the Association should immediately advise the agency or attorney of the request and the certificate shall also include any attorneys' fees or other costs of collection that have accrued to the date of the certificate. Any purchaser of a Unit or escrow service may rely upon the statement as to delinquent assessments and charges as accurate as of the specific date of the certificate and shall not be liable to the Association in excess of those amounts, except to the extent that additional amounts have accrued subsequent to the date of the certificate.

Article 10. RECORDS & REPORTS

10.1 Member Register. The Association shall keep a current register of the names and addresses of all Association members.

10.2 Association Records. The Association shall keep the following records within the state of Oregon and within its custody or control, whether located within the Condominium, at its principal office or held by the Managing Agent, and shall keep such records in a form capable of conversion to writing within a reasonable time:

(a) Current versions of all Governing Documents, including the Articles of Incorporation, the Declaration, the Bylaws, and the Rules (including any current Resolutions affecting the interpretation of the Governing Documents and any architectural standards or guidelines), including any operable amendments thereto and the recorded plat;

(b) Plans or drawings provided by the Declarant upon transition, including, but not necessarily limited to, the as-built architectural, structural, engineering, mechanical, electrical, plumbing, underground site service, grading, drainage, and landscaping plans and cable television drawings, if any, which shall be retained permanently;

(c) Financial records sufficient for proper accounting purposes, including the most recent annual financial statement;

(d) The annual budget and any supplemental budgets pursuant to which assessments are currently being collected;

(e) The reserve study prepared in accordance with Section 11.4, if any;

(f) An Owner/member register as provided in Section 10.1;

(g) A list of the names and addresses of the current Directors and officers of the Association;

(h) Minutes of all Association meetings, Board meetings, and records reflecting corporation action determined without a meeting or by Committees of the Board, which shall be kept permanently;

(i) Proxies and ballots relating to the approval of Declaration, Bylaw, or plat amendments, which shall be retained for one (1) year from the date of the determination of the vote if the amendment was not approved, or from the recording of the amendment if the amendment was approved;

(j) Proxies and ballots relating to votes other than amendments to the Declaration and Bylaws, which shall be retained for one (1) year from the date of the determination of the vote;

(k) The most recent annual report filed with the office of the Secretary of State; and

(l) Any other records provided by the Declaration upon transition to the extent not identified above.

10.3 Requests to Review Records. The Association records identified in Section 10.2 shall be reasonably available for examination and duplication during normal business hours. Requests for copies of the Governing Documents, the most recent financial statement, the operable budgets, the reserve study, or the architectural standards and guidelines shall be provided to Owners within ten (10) days of the written request. Owners or mortgagees wishing to review or duplicate any other Association records shall request to do so in writing and shall state the purpose and good faith basis for the request. The Board may adopt reasonable Rules governing the frequency, time, location, notice and manner of examination and duplication of association records and the imposition of a reasonable fee for furnishing copies of any documents, information or records described in this section, which fee may include reasonable personnel costs incurred to furnish the information. Records kept by or on behalf of the association may be withheld from examination and duplication to the extent the records concern: (a) Personnel matters relating to a specific identified person or a person's medical records; (b) Contracts, leases and other business transactions that are currently under negotiation to purchase or provide goods or services; (c) Communications with legal counsel; (d) Disclosure of information in violation of law; (e) Documents, correspondence, or reports compiled for consideration or other such documents considered by the Board in executive session; and (f) Files of individual Owners other than the requesting Owner.

10.4 Condominium Information Annual Report. The Association shall deliver to the Real Estate Agency for filing an Annual Report in accordance with ORS 100.260(2), along with the fees required by ORS 100.250(2).

Article 11. MAINTENANCE, REPLACEMENT & REPAIR OBLIGATIONS

11.1 Owner Responsibility & Costs.

(a) **Units.** Except as provided in Section 11.2, Owners are responsible for keeping their Units and any fixtures, equipment, and appliances that are part of or within Units, in a clean and sanitary condition, in good repair, and free of rodents and pests. Owners shall do all regular maintenance necessary to maintain the good appearance, safety, and condition of their Units. Except to the extent that the Association has received insurance proceeds for repair of the Unit, each Owner is responsible for repairing and replacing the components of his or her Unit and Owners shall be responsible for all costs associated with the maintenance, repair or replacement of their Units.

(b) **Limited Common Elements.** Owners shall keep the Limited Common Elements assigned or appurtenant to their Units clean and sanitary, but the Association shall repair or replace Limited Common Elements. Except to the extent that the Association has received insurance proceeds for the repair or replacement of that particular Limited Common Element, the Owner or Owners to

which the Limited Common Element is assigned or appurtenant shall, to the extent reasonably ascertainable, be assessed all costs incurred by the Association to repair and replace such Limited Common Elements as provided in Section 8.6(a).

(c) **General Common Elements.** Owners may be responsible for the cost of repair of General or Limited Common Elements to the extent provided in Section 13.13.

11.2 Association Responsibility & Costs.

(a) **General Common Elements.** The Association is responsible for keeping the General Common Elements in a good, clean, sanitary, and operating condition, and for maintaining, repairing, and replacing the General Common Elements. Except where one (1) or more Unit Owners are responsible for the cost of repair of General Common Elements under Section 13.13, the cost of maintaining, repairing and replacing the General Common Elements is a Common Expense assessed to all Unit Owners in accordance with each Unit's Allocated Interests.

(b) **Limited Common Element Work & Costs.** Each Unit Owner shall keep the Limited Common Elements assigned or appurtenant to his or her Unit clean and sanitary, but the Association shall repair or replace Limited Common Elements. Except to the extent that the Association has received insurance proceeds for the repair or replacement of that particular Limited Common Element, the Owner or Owners to which the Limited Common Element is assigned or appurtenant shall, to the extent reasonably ascertainable, be assessed all costs incurred by the Association to maintain, repair, and replace such Limited Common Elements as provided in Section 8.6(a).

11.3 Owner Failure to Maintain. If, in the discretion of the Board, maintenance or repair of a Unit is necessary to protect or preserve the appearance and value of the Common Elements or to protect other Units from damage, and the Owner of said Unit has failed or refused to perform such maintenance or repair within a reasonable time after being provided with Notice and an Opportunity to be Heard regarding the necessary maintenance or repair, the Board may enter the Unit in accordance with Section 2.10 and perform such maintenance, repair or replacement, the costs of which shall be assessed to the Unit and Owner as an Individually Allocated Assessment in accordance with Section 8.6(c).

11.4 Reserve Study & Maintenance Plan. The Board shall conduct or obtain a reserve study prepared in accordance with ORS 100.175 for the purpose of determining amounts to be contributed to the Reserve Account, and shall update the reserve study as necessary, but at least annually, to take into account the addition or subtraction of reserve components to the Condominium or any other circumstances affecting reserves. If the reserve study does not contain a maintenance plan, the Board shall separately prepare, review and update as necessary a maintenance plan for the maintenance, repair and replacement of all Condominium property for which the association has maintenance,

repair or replacement responsibility. The maintenance plan shall describe the maintenance, repair and replacement to be conducted; include a schedule for the maintenance, repair and replacement; be appropriate for the size and complexity of the maintenance, repair and replacement responsibility of the association; and 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.

11.5 Alteration of Common Elements. Owners may not modify, paint, or otherwise alter any portion of the Common Elements, nor shall any Owner decorate, store, construct, install, or erect items in or remove common property from the Common Elements without the prior, written approval of the Board, except that Owners may place outdoor furniture or other items on decks or patios subject to reasonable Rules adopted by the Board to ensure a consistent and pleasing aesthetic.

Article 12. RULES & ENFORCEMENT

12.1 Rules. The Board may, from time to time, revoke, adopt, and amend reasonable Rules as may be necessary or advisable to ensure compliance with, clarify, and supplement the Governing Documents; to aid in the administration, governance or enjoyment of the Condominium; to preserve the exterior appearance of the Buildings and Common Elements of the Condominium; or for any other purpose not inconsistent with the applicable Master Association Governing Documents, the Declaration and these Bylaws. Any changes to the Rules shall be delivered to each Unit Owner in the same manner as notices of Association meetings are delivered and shall become effective on the date of delivery or the effective date noted in the Rule or resolution, whichever is later.

12.2 Strict Compliance, Enforcement. Each Owner and User shall comply strictly with the Governing Documents as they may be lawfully amended from time to time, and the decisions of the Board relating thereto. Owners are responsible for the compliance of their Users. Failure to comply shall be grounds for the Association's imposition of fines or other action to obtain compliance, including actions to recover sums due, damages, for injunctive relief, or any or all of them, in accordance with this Article. In addition, an aggrieved Owner shall have standing to bring an action against another Owner for failure to comply with the Governing Documents where the Association has failed to or elected not to enforce.

12.3 Notice and an Opportunity to Be Heard. The Board shall, by Rule, create enforcement procedures that provide Owners with Notice and an Opportunity to be Heard regarding violations of the Governing Documents prior to the imposition of any fine. Notice and an Opportunity to be Heard shall also be provided whenever the Board makes a finding of Owner misconduct or negligence, the consequences of which would result in an Individually Allocated Assessment against the Unit and that Owner. Such procedures shall be consistent with the Act, the Declaration and these Bylaws.

12.4 Fines. The Board shall, by Rule, create a schedule of reasonable fines for violations of the provisions of the Governing Documents. Fines contained in the schedule

may not be imposed until after the adoption and delivery of the fine schedule to each Owner and may not be imposed for violations occurring prior to the delivery of the fine schedule unless the violation is ongoing and continues after the schedule has been delivered to all Owners.

12.5 Remedies Cumulative. The remedies provided in this Amended & Restated Declaration are cumulative and the Association may pursue any of them, as well as any other remedies that may be available under law although not expressed herein, either concurrently or in any order.

12.6 Costs of Enforcement. In any action to enforce the provisions of the Governing Documents, the prevailing party shall be entitled to all costs of enforcement, including reasonable attorneys' fees.

12.7 No Waiver. The failure of the Board in any instance to insist upon the strict compliance with the Governing Documents, or to exercise any right contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition, restriction, or provisions of the Governing Documents. Acceptance of partial payment or payment of Assessments shall not constitute a waiver or ratification of any violation, or an accord and satisfaction. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed by the Board.

12.8 Mediation and Arbitration. For claims between the Association and any Unit Owner other than claims for collection of Assessments not attributable to fines, and unless irreparable harm would occur due to the delay, the party intending to commence a lawsuit or otherwise formally initiating a claim shall, prior to such initiation, hand-deliver or mail by certified mail (return receipt requested) a written offer to the other party to resolve the dispute by any alternative dispute resolution within Jackson County that is in substantial compliance with the standards and guidelines adopted pursuant to ORS 36.175. Parties to a dispute relating to enforcement of the Master Association Governing Documents shall be resolved as provided in the Master Association Governing Documents.

Article 13. INSURANCE

13.1 Annual Review. At least annually, the Board shall review the insurance coverage of the Association.

13.2 Property Insurance. The Board shall obtain and continuously maintain, to the extent reasonably available, property insurance on the entire Condominium (including the Units and Common Elements) insuring against all risks of direct physical loss commonly insured against. The Association's policy need not include coverage for improvements and betterments in Units, including, but not limited to, equipment, fixtures (such as cabinets) and appliances to the extent they become part of such Units or fixtures therein, but shall include a construction code or similar endorsement, to the extent the applicable building codes require changes to undamaged portions of the Condominium when only a part of the Condominium is destroyed by an insured hazard; and agreed

amount and inflation guard endorsements. The total amount of insurance after application of any deductibles shall not be less than one-hundred percent (100%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies, except that any earthquake coverage may be subject to appropriate sub-limits based on probable maximum loss studies, coverage availability, market conditions and cost.

13.3 Liability Insurance. The Board shall obtain and continuously maintain, to the extent reasonably available, comprehensive general liability insurance covering the Association, Board, Owners, Unit Users, and the Managing Agent arising out of or in connection with ownership, supervision, control, use, or operation of the Condominium or the Association, with limits in amounts determined by the Board, but not less than that generally required by mortgagees for projects of similar construction, location and use. The liability insurance shall cover all occurrences commonly insured against for death, bodily injury, and property damage and such other risks as are customarily covered with respect to condominium projects of similar construction, location, and size. The Board may satisfy or exceed these coverage limits by obtaining one (1) or more policies, including excess or umbrella policies. The Board shall also obtain liability insurance covering Directors and officers of the Association, which may also include coverage for Committees of the Board or the Managing Agent.

13.4 Specific Requirements. Policies obtained by the Association pursuant to Sections 13.1 and 13.3 shall also provide, or have the effect of providing, the following provisions or endorsements:

(a) Each Unit Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;

(b) A waiver of subrogation by the insurer as to any and all claims against the Association, the Owner of any Unit, and/or their respective agents, members of the Owner's household, employees, or lessees, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured;

(c) No act or omission by any Unit Owner will void the policy or be a condition to recovery under the policy, unless that Owner was acting within the scope of the Owner's authority on behalf of the Association;

(d) If, at the time of the loss under the policy, there is other insurance in the name of the Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance and that the liability of the insurer thereunder shall not be affected by, and the insurer shall not claim any right to set off, counterclaims, apportionment, proration, contribution or assessment by reason of any other insurance obtained by or for any Unit Owner or any Mortgagee.

13.5 Fidelity Insurance. The Association shall maintain, to the extent reasonably available, fidelity insurance or bonds affording coverage to protect against

dishonest acts of officers, Directors, trustees, employees of the Association, the Managing Agent and its employees, and all other persons who handle or are responsible for handling or administering, any funds of the Association. The Association shall also obtain coverage for computer fraud and funds transfer fraud. Such insurance shall name the Association as an obligee and shall be not less than the sum of funds maintained in the name of the Association in its accounts and U.S. governmental obligations owned by the Association at any time during the term of each policy, but in no event shall the aggregate limits be less than three (3) months' aggregate Assessments, plus the funds in the Reserve Accounts. The policy shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. Additionally, the Board may require that any Managing Agent provide proof that it is covered by its own fidelity bond or insurance.

13.6 Flood Insurance. If any portion of the Condominium is in a special flood hazard area, the Association shall maintain, to the extent reasonably available, a master or blanket policy of flood insurance equal to the lesser of (a) one-hundred percent (100%) of the insurable value of the Condominium, or (b) the maximum coverage available under the appropriate National Flood Insurance Administration program, which is subject to a maximum deductible amount of the lesser of (i) ten-thousand dollars (\$10,000), or (ii) one percent (1%) of the policy face amount.

13.7 Boiler and Machinery Insurance. If the Condominium has central heating or cooling, the Association shall maintain coverage at least equal to the lesser of two-million dollars (\$2,000,000) per accident or the insurable value of the building(s) housing the boiler or machinery.

13.8 Other Insurance. The Association may maintain, to the extent reasonably available, any other insurance as the Board deems advisable or to comply with the requirements of FNMA, HUD or such other lenders or loan servicers.

13.9 Insurance Not Reasonably Available. If the insurance or coverages described in this Article are not reasonably available, or are modified, cancelled or not renewed, the Association shall promptly so notify all Unit Owners and each Eligible Mortgagee and the Board shall obtain and continue to maintain such policies as soon as they become reasonably available.

13.10 Insurance Trustee; Power of Attorney. The named insured under the policies referred to in this Article shall be the Association, as trustee for each of the Owners in accordance with their Allocated Interests. The insurance proceeds may be made payable to any trustee with which the Association enters into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies. Subject to the provisions of the Declaration, the proceeds must be disbursed first for the repair or restoration of the damaged property; Unit Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Condominium is terminated. Each Owner appoints the Association, any insurance trustee, or successor trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and

maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses, execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purposes.

13.11 Owners' Unit Insurance. Each Unit Owner shall obtain and maintain, at such Owner's expense, insurance commonly referred to as a "Condominium Unit Owner's Policy" or equivalent, to insure against loss or damage to the Unit and any other property damage or losses for which the Owner may be responsible under the Governing Documents. No Unit Owner shall maintain insurance coverage that will tend to decrease the amount the Association may realize under any insurance policy it may have in force at any particular time. The Association may, by Rule, require that each Owner deliver evidence that the Owner has obtained and is maintaining the insurance required by this Section.

13.12 Use of Insurance Proceeds. Any destruction of or damage to a portion of the Condominium that is covered by the Association's insurance shall be repaired or replaced promptly by the Association using such insurance proceeds as it has received, unless (a) the Condominium is terminated; (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (c) Owners holding at least sixty percent (60%) of the votes in the Association vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds is a Common Expense, but may be assessed to Unit Owners as Individually Allocated Assessments.

13.13 Liability for Deductible & Other Uninsured Amounts. Unless the Board has failed to maintain the insurance required by this Article or the property damage covered by the Association's insurance was the result of earthquake or surface water flooding (which claims are generally subject to significantly higher deductibles), the difference between the amount of a property damage claim on the Association's insurance policies and the insurance proceeds received by the Association for that claim (including any applicable deductible) (hereinafter the "Uninsured Amount") shall be a Common Expense, but may be assessed to Owners based on determinations by the Board as provided in this Section. Any amount assessed to an Owner in accordance with this Section shall constitute an Individually Allocated Assessment.

(a) Where the damage or loss is the result of a negligent or intentional act or omission of a Unit Owner or that Unit Owner's Users, that Unit Owner shall be assessed the entire Uninsured Amount, provided the Owner is given Notice and an Opportunity to be Heard regarding the Board's finding of fault, and subsections (b) and (c) shall not apply;

(b) If subsection (a) does not apply, and the damage or loss is limited solely to an Owner's Unit, that Unit Owner shall be assessed the entire Uninsured Amount;

(c) If subsection (a) does not apply and the damage or loss is to more than one (1) Unit or to at least one (1) Unit and the Common Elements, the Owners of damaged Units shall be assessed a pro-rata portion of the Uninsured Amount (based on the relative cost to repair the damage to each Owner's Unit and the Common Elements (if any)), and the pro-rata portion of the Uninsured Amount relating to repair of Common Elements (if any) shall not be assessed as an Individually Allocated Assessment.

Article 14. BYLAW AMENDMENTS

14.1 Procedure. Bylaw amendments shall be proposed by the Board as provided in a written resolution. Any amendment to these Bylaws constituting a material change to provisions relating to age restrictions, pet restrictions, limitations on the number of occupants per unit, limitations on the rental of Units, or to the powers of the Association as provided in Article 2, shall be adopted upon the vote or approval of at least seventy-five percent (75%) of the Total Voting Power of the Association. All other Bylaw amendments shall be adopted upon the vote or approval of at least a majority of the Total Voting Power of the Association, except that the Board may, by resolution and without obtaining approval of the owners, record restated bylaws representing the consolidation of any prior lawfully adopted amendments thereto in accordance with the provisions of ORS 100.401(10).

14.2 Certification & Recording. Once approved by the members in accordance with Section 14.1, amendments to these Bylaws shall be executed by the president and secretary of the Association, who shall certify therein that the amendment was adopted in accordance with these Bylaws and ORS 100.410, and shall thereafter be recorded in Jackson County.

14.3 No Challenge After One Year. These Bylaws and any subsequent amendment thereto shall be conclusively presumed to have been adopted in compliance with the provisions of this Article and the Act one (1) year after recording unless the face of the amendment indicates that it was approved by a lesser percentage of members than is required under the operative Declaration, Bylaws, or the Act.

[Signatures on Next Page]

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The foregoing amendment is approved pursuant to ORS 100.410(6) this 2nd day of November, 2021 and in accordance with ORS 100.410(6), this approval shall automatically expire if this Amendment is not recorded within one (1) year from this date.



STEVE STRODE,
Oregon Real Estate Commissioner

By: 

Michael B. Hanifin