



**WILLAMETTE  
TOWERS  
Condominium**

1313 Lincoln Street  
Eugene, OR 97401

Telephone 541-344-4020  
Fax 541-338-8632

**AMENDED BY-LAWS  
FOR  
WILLAMETTE TOWERS  
CONDOMINIUM  
Approved by owners on  
February 20, 2008**

Exhibit E

FIRST AMENDED BYLAWS, DATED FEB. 20, 2008, OF THE ASSOCIATION OF UNIT OWNERS OF WILLAMETTE TOWERS CONDOMINIUM

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Purpose: These Bylaws have been amended to ensure that the language is consistent with present day official standards and that the content of the Bylaws is in compliance with Oregon Revised Statutes; the Declaration and with current practices.

Citation: The Bylaws have also been amended to ensure that Willamette Towers Condominium can establish the kind of environment that is conducive to creating and sustaining a high quality of life and financial stability for the residents and owners.

## ARTICLE I

### PLAN OF UNIT OWNERSHIP

1.1 Name and Location. These are, the amended bylaws of the ASSOCIATION OF UNIT OWNERS OF WILLAMETTE TOWERS CONDOMINIUM (hereinafter the "Association"). Willamette Towers Condominium (hereinafter the "condominium") is located in the City of Eugene, Lane County, Oregon, and has been submitted to the Oregon Condominium Act, formerly known as the Oregon Unit Ownership Law by a declaration filed simultaneously herewith (hereinafter called "the declaration"). The location of the condominium is more specifically described in the declaration.

1.2 Principal Office. The principal office of the Association shall be located at 1313 Lincoln, Eugene, Oregon, or such other address as may be designated by the board of directors from time to time.

1.3 Purposes. This Association was formed under the provisions of the Oregon Condominium Act, to serve as the means through which the unit owners may take action with regard to the administration, management and operation of the condominium.

1.4 Applicability of Bylaws. The Association, all unit owners, and all persons using the condominium property shall be subject to these bylaws and to all rules and regulations which may be promulgated hereunder.

1.5 Composition of Association. The Association shall be composed of all the unit owners of the condominium, and the Association, itself, to the extent any of these own any unit or units of the condominium.

1.6 Incorporation. Upon approval of seventy-five percent (75%) of the unit owners the Association was incorporated under the Oregon Non-Profit Corporation Law. The Articles of Incorporation shall be consistent with the declaration and these bylaws, and these bylaws shall constitute the bylaws of the incorporated association.

1.7 Definitions. The definitions contained in or adopted by the declaration shall be applicable to these bylaws.

## ARTICLE II

### MEETINGS OF ASSOCIATION

2.1 Place of Meetings. The Association shall hold meetings at such suitable place convenient to the unit owners as may be designated by the board of directors from time to time.

2.2 Annual Meetings. The annual meetings of the Association shall be held in the months of January or February at such hour and on such date as the chair may designate, or if the chair should fail to designate such date by the first day of February, then on the last Tuesday in February. The annual meetings shall be for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

2.3 Special Meetings. Special meetings of the Association may be called by the chair or secretary or by a majority of the board of directors, and must be called by such officers upon receipt of a written request from at least thirty percent (30%) of the unit owners stating the purpose of the meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

2.4 Notice of Meetings. Notice of all meetings of the Association stating the time and place and the objects for which the meeting is being called shall be given by the chair or secretary. Such notice shall be in writing and mailed to unit owners at their address as it appears on the books of the Association and to any first mortgagee requesting such notice not less than ten (10) days nor more than fifty (50) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived by any unit owner before or after meetings. When a meeting is adjourned for less than 30 days, no notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

2.5 Voting. Each unit owner shall have one vote for each unit of the condominium owned. The declarant shall be entitled to vote as the unit owner of any then existing units retained by the declarant, and the board of directors shall be entitled to vote on behalf of any unit which has been acquired by or on behalf of the Association; provided, however, that the board of directors shall not be entitled to vote such units in any election of directors.

2.6 Proxies. A vote may be cast in person or by proxy. A proxy given by a unit owner to any person who represents such owner at meetings of the Association shall be in writing and signed by such owner, and shall be filed with the secretary of the Board. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy, and every proxy shall automatically cease upon sale of the unit by its owner. Unit owners may pledge or assign their voting rights to a mortgagee: In such cases, the mortgagee or its designated representative, shall be entitled to receive all notices to which the unit owner is entitled hereunder, and to exercise the unit owner's voting rights from and after the time that the mortgagee shall give written notice of such pledge or assignment to the board of directors. Any first mortgagee may designate a representative to attend all or any meetings of the Association.

2.7 Fiduciaries and Joint Owners. Executors, administrators, guardians or trustees may vote, in person or by proxy, at any meeting of the Association with respect to any unit owned or held by them in such capacity, whether or not the same shall have been transferred to their name; provided that they shall satisfy the Board secretary that they are the executor, administrator, guardian or trustee, holding such unit in such capacity. Whenever any unit is

owned by two or more persons jointly, according to the records of the Association, the vote of such unit may be exercised by any one of the owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of such unit shall be disregarded completely in determining the proportion of votes given with respect to such matter.

2.8 Landlords and Contract Vendors. Unless otherwise expressly stated in the rental agreement or lease, all voting rights allocated to a unit shall be exercised by the landlord if the rental agreement or lease has an original term of ten (10) years or less or by the tenant if the rental agreement or lease has an original term of more than ten (10) years. Unless otherwise stated in the contract, all voting rights allocated to a unit shall be exercised by the vendee of any land sale contract on the unit.

2.9 Quorum of Unit Owners. At any meeting of the Association, members holding fifty percent (50%) of the voting rights, present in person or by proxy, shall constitute a quorum. The subsequent joinder of a unit owner in the action taken at a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a unit owner or owners. If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.10 Majority Vote. The vote of the holders of more than fifty percent (50%) of the voting rights, present in person or by proxy, at a meeting at which a quorum is constituted shall be binding upon all unit owners for all purposes except where a higher percentage vote is required by law, by the declaration or by these bylaws.

2.11 Order of Business. The order of business at annual meetings of the Association shall be:

- (a) Calling of the roll and certifying of proxies
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding annual meeting;
- (d) Reports of officers;
- (e) Budget report
- (f) Reports of committees, if any; and preferably in written format
- (g) Election of directors;

- (h) Unfinished business;
- (i) New business; and
- (j) Adjournment

## ARTICLE III

### BOARD OF DIRECTORS

3.1 Number and Qualification. The affairs of the Association shall be governed by a board of directors composed of two (2) to five (5) persons, as provided in Sections 2 and 3 of this Article. All directors, shall be owners or co-owners of units of the condominium. For purposes of this section, the officers of any corporate owner and the partners of any partnership shall be considered co-owners of any units owned by such corporation or partnership.

3.2 Election and Term of Office. At the expiration of the initial term of office of each respective director, the successor shall be elected to serve for a term of two years, so that the term of not less than one third of the directors shall expire annually. Directors shall hold office until their respective successors have been elected by the unit owners. Election shall be by one ballot for all openings and election results shall be determined by plurality.

3.3 Vacancies. Vacancies in the board of directors caused by any reason other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, or by a sole remaining director. Each person so elected shall be a director until a successor is elected to fill the unexpired term at the next annual meeting of the Association or the next special meeting of the Association called for that purpose.

3.4 Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors, other than interim directors, may be removed with or without cause. Unit owners may vote in person or by proxy and a majority vote of all owners with voting rights is necessary for removal. A successor shall be elected at that meeting to fill the vacancy thus created. The notice of any such meeting shall state that such removal is to be considered, and any director whose removal has been proposed shall be given an opportunity to be heard at the meeting

3.5 Powers and Duties. The board of directors shall have all of the powers and duties necessary for the administration of the affairs of the Association, except such powers and duties as by law or by the declaration or by these bylaws may not be delegated to the board of directors by the unit owners. The powers and duties to be exercised by the board of directors shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep maintenance and repair of the general and limited common elements.
- (b) Determination of the amounts required for operation, maintenance and other affairs of the Association, and the making of such expenditures.
- (c) Collection of the common expenses from the unit owners.
- (d) Employment and dismissal of such personnel as necessary for the efficient maintenance, upkeep and repair of the common elements.
- (e) Employment of legal, accounting or other personnel for reasonable compensation to perform services as may be required for the proper administration of the Association.
- (f) Opening of bank accounts on behalf of the Association and designating the signatories required therefore.
- (g) Purchasing units of the condominium at foreclosure or other judicial sales in the name of the Association, or its designee, on behalf of all the unit owners as provided in these bylaws.
- (h) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of directors), or otherwise dealing with units of the condominium acquired by the Association or its designee on behalf of all the unit owners.
- (i) Obtaining insurance or bonds pursuant to the provisions of these bylaws.
- (j) Making additions and improvements to, or alterations of, the common elements; provided, however, that no such project may be undertaken by the board if the total cost will exceed the amount of \$2,500 unless the unit owners have enacted a resolution authorizing the project by a vote of seventy- five percent (75%) of the voting rights present in person or by proxy at a meeting at which a quorum is constituted. This limitation shall not be applicable to repairs or maintenance undertaken pursuant to paragraph 3.5(a) above.
- (k) Designating one or more committees to advise the Board in the management of the affairs of the association.
- (l) Enforcement by legal means of the provisions of the Oregon Condominium Law, the declaration, these bylaws and any rules and regulations adopted hereunder.

3.6 Managing Agent or Manager. On behalf of the Association, the board of directors may employ or contract for a managing agent or a manager at a compensation to be established by the board of directors. Any such management agreement shall be terminable by the Association for cause upon 30 days' written notice thereof, and the term of any such

agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods. The board of directors may delegate to the managing agent or manager such duties and powers as the board of directors may authorize. In the absence of such appointment, the board of directors shall act as manager.

3.7 Organizational Meeting. Within fourteen (14) days following the annual meeting of the Association or following any meeting at which an election of directors has been held, the board of directors shall hold an organizational meeting at such place and time as shall have been fixed by the directors at the meeting at which the election was held.

3.8 Regular and Special Meetings. Regular Meetings of the board of directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Special meetings of the board of directors may be called by the chair and must be called by the secretary of the board at the written request of at least two directors. Notice of any special meeting shall be given to each director personally, or by mail, telephone, fax, or other electronic means such as email at least seven (7) days prior to the day named for such meeting, and shall state the time, place, and purpose of such meeting. All meetings of the board of directors shall be open to unit owners. Such meetings may be conducted by telephonic communication, except that if a majority of the units are principal residences of the occupants, then: (a) for other than emergency meetings, notice of each board of directors' meeting shall be posted at a place or places on the property at least three (3) days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform the unit owners of such meeting; and (b) only emergency meetings of the board of directors may be conducted by telephonic or other acceptable electronic means.

3.9 Waiver of Notice. Any director may, at any time, waive notice of any meeting of the board of directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall constitute a waiver by that director of notice of the time and place thereof, except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all of the directors are present at any meeting of the board, no notice to directors shall be required and any business may be transacted at such meeting.

3.10 Quorum of Board of Directors. At all meetings of the board of directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the board of directors. If at any meeting of the board of directors less than a quorum should be present, a majority of those present may adjourn the meeting from time to time and notify all board members of the rescheduled meeting date. At any such rescheduled meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice to directors.

3.11 Compensation. No director shall receive any compensation from the Association for acting as such.

3.12 Liability and Indemnification of Directors, Officers, Manager or Managing Agent.

The directors and officers shall not be liable to the Association of the unit owners for any mistake of judgment, negligence, or otherwise, except for their own willful misconduct or bad faith. The Association shall indemnify and hold harmless each director and officer and the manager or managing agent, if any, against all contractual liability to others arising out of contracts made by the board of directors, officers, manager or managing agent on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the declaration or of these bylaws. Each director and officer and the manager or managing agent, if any, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be a party, or to which they may become involved, by reason of being or having been a director, officer, manager or managing agent and shall be indemnified upon any reasonable settlement thereof; provided, however, there shall be no indemnity if the director, officer, manager or managing agent is adjudged guilty of willful nonfeasance, misfeasance or malfeasance in the performance of duties.

3.13 Fidelity Bonds. The board of directors shall require that any person or entity, including, but not limited to, employees of any professional manager, who handles or is responsible for Association funds shall furnish such fidelity bond as the board deems adequate, with coverage of not less than 50 percent of the amount of the annual budget. The premiums of such bonds shall be paid by the Association.

3.14 Insurance. The board of directors shall make best faith efforts to obtain the insurance required in Article VIII of these bylaws. In addition, the board of directors, at its discretion, may obtain such other insurance as it deems necessary to protect the interests of the Association or unit owners. The board of directors shall conduct an annual insurance review which, if appropriate, shall include an appraisal of all improvements contained in the common elements of the condominium.

## ARTICLE IV

### OFFICERS

4.1 Designation. The principal officers of the Association shall be the chair, the secretary and the treasurer, all of whom shall be elected by the board of directors. The directors may appoint a vice chair, an assistant treasurer, an assistant secretary, and such other officers as in their judgment may be necessary. The chair shall be a member of the board of directors, but the other officers need not be directors or unit owners.

4.2 Election of Officers. The officers of the Association shall be elected annually by the board of directors at the organizational meeting of each new board and shall hold office at the pleasure of the board. If any office shall become vacant, the board of directors shall elect a successor to fill the unexpired term at any regular meeting of the board of directors, or at any special meeting of the board of directors called for such purpose.

4.3 Removal of Officers. Upon the affirmative vote of a majority of the directors, officers may be removed either with or without cause, and their successor may be elected at any regular meeting of the board of directors, or at any special meeting of the board of directors called for such purpose.

4.4 Chair. The chair shall be the chief executive officer of the Association. The chair shall preside at all meetings of the Association and of the board of directors. The chair shall have all of the general powers and duties which are usually vested in the chief executive officer of an association, including but not limited to the power to appoint committees from among the unit owners from time to time as chairs may in their discretion decide is appropriate to assist in the conduct of the affairs of the Association.

4.5 Secretary. The secretary shall keep the minutes of all proceedings of the board of directors and the minutes of all meetings of the Association. The secretary shall attend to the giving and serving of all notices to the unit owners and directors and other notices required by law. The secretary shall keep the records of the Association, except for those of the treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the chair. In addition, the secretary shall act as vice chair, taking the place of the chair and performing the chair's duties whenever the chair is absent or unable to act, unless the directors have appointed another vice chair.

4.6 Treasurer. The treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of required financial statements. The treasurer shall be responsible for the deposit of all moneys and other valuable effects in such depositories as may from time to time be designated by the board of directors, and shall disburse funds of the Association upon properly authorized vouchers. The treasurer shall perform all other duties incident to the office of treasurer of an association and such other duties as may be assigned by the board of directors.

4.7 Execution of Instruments. All agreements, contracts, deeds, leases and other instruments of the Association, except checks, shall be executed by such person or persons as may be designated by general or special resolution of the board of directors and, in the absence of any general or special resolution applicable to any such instrument, then such instrument shall be signed by the chair. All checks shall be signed by the treasurer, or in the treasurer's absence or disability, by the chair or any duly elected assistant treasurer.

4.8 Compensation of Officers. No officer who is a member of the board of directors, other than the secretary and treasurer, shall receive any compensation from the Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the unit owners. The board of directors may fix any compensation to be paid to the secretary, treasurer and any officers who are not also directors.

## ARTICLE V

### BUDGETS EXPENSES AND ASSESSMENTS

5.1 Budget. The board of directors shall from time to time, and at least annually, prepare and adopt a budget for the Association. A written report shall be distributed to the Association not less than ten (10) days nor more than fifty (50) days prior to the date of the annual meeting. The report should include, but not be limited to, a summary of year-end expenses, estimate the common expenses expected to be incurred, less any previous overassessment, determine and assess special and monthly assessments of the common expenses to each unit owner in the proportion set forth in the declaration, and provide for an adequate reserve fund for maintenance, repairs and replacement of those common elements which must be replaced on a periodic basis.

5.2 Determination of Common Expenses. Common expenses shall include:

- (a) Expenses of administration.
- (b) Expenses of maintenance, repair or replacement of common elements.
- (c) Cost of insurance or bonds obtained in accordance with these bylaws.
- (d) A general operating reserve.
- (e) Reserve for replacements and deferred maintenance.
- (f) Any deficit in common expenses for any prior period.
- (g) Utilities for the common elements and other utilities with a common meter or commonly billed, such as trash collection, water and sewer.
- (h) Any other current or anticipated items properly chargeable as an expense of the Association.

5.3 Assessment of Common Expenses. All unit owners shall be obliged to pay common expenses assessed to them, by the board of directors on behalf of the Association pursuant to these bylaws and the declaration. Assessments may not be waived due to limited or nonuse of common elements. The board of directors, on behalf of the Association, shall assess the common expenses against the unit owners from time to time, and at least annually, and shall take prompt action to collect from unit owners any common expense due which remains unpaid by them for more than thirty (30) days from the due date for its payment.

5.4 Special Assessments.

(a) Capital Improvements. In the case of any duly authorized capital improvement to the common elements, the board of directors may by resolution establish separate assessments

for the same, which may be treated as capital contributions by the unit owners, and the proceeds of which shall be used only for the specific capital improvements described in the resolution.

(b) Reserve Trust Funds. In establishing reserves for the maintenance, repair or replacement of the common elements, the board of directors shall by resolution establish one or more trust funds for the maintenance, repair or replacement of specific items, in which case the board shall either designate part of the regular assessment or establish separate assessments for such purposes. The proceeds therefrom shall be held in such trust funds and used only for the designated maintenance, repairs or replacements

5.5 Default in Payment of Common Expenses. In the event of default by any unit owner in paying to the Association the assessed common expenses, such unit owner shall be obligated to pay interest at the rate of ten percent (10%) per annum on such common expenses from the due date thereof, or at such greater rate as may be established by the board of directors from time to time, not to exceed the maximum lawful rate, if any. In addition, the defaulting unit owner shall pay any reasonable late charge established by the board of directors from time to time, together with all expenses incurred by the Association in collecting such unpaid expenses, including attorneys' fees (whether or not suit is instituted, and at trial or any appeal there- from). The board of directors shall have the right and duty to recover for the Association such common expenses, together with such charges, interest and expenses of the proceeding, including attorneys' fees, by an action brought against such unit owner or by foreclosure of the lien upon the unit granted by the Oregon Condominium Act.. The board of directors shall notify the holder of any first mortgage upon a unit of any default not cured within thirty (30) days of the date of default.

5.6 Foreclosure of Liens for Unpaid Common Expenses. In any suit brought by the Association to foreclose a lien on a unit because of unpaid common expenses, the unit owner shall be required to pay a reasonable rental for the use of the unit during the pendency of the suit, and the plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect such rental. The board of directors, acting on behalf of the Association, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey, or otherwise deal with the unit. A suit or action to recover a money judgment for unpaid common expenses shall be maintained without foreclosing the liens securing the same.

5.7 Statement of Common Expenses. The board of directors shall advise unit owners in writing of the amount of common expenses payable by them, and furnish copies of each budget on which such common expenses are based to all unit owners and, if requested, to their mortgagees. The board of directors shall promptly provide unit owners who makes a request in writing with a written statement of their unpaid common expenses.

5.8 Priority of Lien First Mortgages. Any lien of the Association against a unit for common expenses shall be subordinate to tax and assessment liens and any first mortgage of record. Where the purchaser or mortgagee of a unit obtains title to the unit as a result of foreclosure of a first mortgage or by deed in lieu of foreclosure, such purchasers or

mortgagees, their successors and assigns, shall not be liable for any of the common expenses chargeable to such unit which became due prior to the acquisition of title to such unit by such purchaser or mortgagee. Such unpaid share of common expenses shall be a common expense and reallocated on a prorata basis to all units, including the mortgaged unit.

## ARTICLE VI

### RECORDS AND AUDITS

6.1 General Records. The board of directors and the managing agent or manager, if any, shall keep detailed records of the actions of the board of directors and the managing agent or manager, minutes of the meetings of the board of directors and minutes of the meetings of the Association. The board of directors shall maintain a Book of Resolutions containing the rules, regulations, and policies adopted by the Association, board of directors, and the manager. The board of directors shall maintain a list of owners entitled to vote at meetings of the Association and a list of all mortgagees of units.

6.2 Records of Receipts and Expenditures. The board of directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common elements, itemizing the maintenance and repair expenses of the common elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the unit owners and mortgagees during normal business hours.

6.3 Assessment Roll. The assessment roll shall be maintained in a set of accounting books or electronic programs in which there shall be an account for each unit. Such account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which the assessment comes due, the amounts paid upon the account, and the balance due on the assessments.

6.4 Payment of Vouchers. The treasurer shall pay all vouchers up to \$3500 signed by the chair, managing agent, manager, or other person authorized by the board of directors. Any voucher in excess of \$3,500 shall require a second signature, that of a board member.

6.5 Reports and Audits. An annual report of the receipts and expenditures of the Association shall be rendered by the board of directors to all unit owners and to all mortgagees of units who have requested the same within 90 days after the end of each fiscal year. The board of directors, at the expense of the Association, may obtain an audit of the books and records pertaining to the Association and furnish copies thereof to the owners and such mortgagees. At any time any owner or mortgagee may, at their own expense, cause an audit or inspection to be made of the books and records of the Association.

6.6 Notice of Sale, Mortgage, Rental, or Lease. Immediately upon the sale, mortgage, rental or lease of any unit, the unit owner shall promptly inform the secretary of the board or manager of the name and address of said vendee, mortgagee, lessee, or tenant.

## ARTICLE VII

### MAINTENANCE AND USE OF CONDOMINIUM PROPERTY

7.1 Maintenance and Repair. Except as otherwise provided herein for damage or destruction caused by casualty:

(a) Units. All maintenance of and repairs to any unit shall be made by the owner of such unit, who shall keep the same in good order, condition, and repair and shall do all redecorating, painting, and staining which at any time may be necessary to maintain the good appearance and condition of their unit. In addition, each unit owner shall be responsible for the maintenance, repair, or replacement of windows and doors and any plumbing, heating, or air conditioning fixtures, telephones, water heaters, fans, lighting fixtures and lamps, fireplaces, refrigerators, dishwashers, ranges or other appliances and accessories that may be in or connected with their unit.

(b) Common elements. All maintenance repairs and replacements to the general and limited common elements shall be made by the Association and shall be charged to all the unit owners as a common expense. Unit owners, however, shall keep the limited common elements (definition Declaration VI, pp.3-4) which pertain to their unit in a neat, clean and sanitary condition.

7.2 Additions, Alterations or Improvements.

(a) Unit owners may make any improvements or alterations to their unit that do not impair the structural integrity or mechanical systems of the condominium or lessen the support of any portion of the condominium.

(b) After acquiring an adjoining unit or an adjoining part of an adjoining unit, unit owners must submit a written request to the board of directors for permission to remove or alter any intervening partition or to create apertures therein, even if the partition in whole or in part is a common element. The board of directors shall require unit owners, at their expense, to submit a written opinion of an architect or professional engineer, registered in the State of Oregon, that the proposed change will not impair the structural integrity or mechanical systems of the condominium or lessen the support of any portion of the condominium. The board of directors shall approve the change within forty five (45) days, unless it determines that the proposed change will impair the structural integrity or mechanical systems of the condominium or lessen the support of any portion of the condominium. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries.

(c) Unit owners shall make no repair or alteration or perform any other work on their unit which would jeopardize the soundness or safety of the property, reduce its value, impair any easement or hereditament, or increase the common expenses of

the Association unless the consent of all the other unit owners affected is first obtained.

(d) Unit owners may not change the appearance of the common elements or the exterior appearance of a unit without permission of the board of directors.

7.3 Damage or Destruction by Casualty Of Condominium Property. In the case of substantial damage or destruction timely written notice shall be given to the unit owners and their mortgagees and the following provisions shall apply:

(a) In the event of damage or destruction by casualty of condominium property, the damage or destruction shall be repaired, reconstructed, or rebuilt unless, within fourteen (14) days of such damage or destruction, the board of directors or more than ten percent (10%) of the unit owners shall have requested a special meeting of the Association. Such special meeting must be held within sixty (60) days of the date of damage or destruction. At the time of such meeting, unless unit owners holding ninety percent (90%) of the voting power, whether, in person, by writing, or by proxy, vote not to repair, reconstruct, or rebuild the damaged property, the damage or destruction shall be repaired, reconstructed or rebuilt. If the damage or destruction is not repaired, reconstructed or rebuilt, then the property shall be removed from condominium ownership in the manner provided in the Oregon Condominium Act.

(b) The Association shall be responsible for repairing, reconstructing, or rebuilding all such damage or destruction to the common elements and, to the extent of the Association's insurance coverage, all such damage or destruction to the units. Unit owners shall be responsible for such repairing, reconstructing, or rebuilding of their unit as is not covered by the Association's insurance.

(c) If, due to the act or neglect of a unit owner, or of a member of their family or their household pet or of a guest or other authorized occupant or visitor of such unit owner, damage shall be caused to the common elements or to a unit owned by others, or maintenance repairs or replacements shall be required which would otherwise be a common expense. then such unit owners shall pay for such damage and such maintenance, repairs, and replacements as may be determined by the Association, to the extent not covered by the Association's insurance.

(d) In the event any portion of the insurance proceeds paid to the Association are not used to repair, reconstruct, or rebuild the damaged or destroyed property, the Association shall distribute the proceeds among the unit owners and their mortgagees (as their interests may appear) in the same proportion as common expenses are shared, unless the property is removed from unit ownership. If the property is removed from unit ownership, the insurance proceeds, together with the proceeds from the sale of the property, shall be distributed to the unit owners and their mortgagees (as their interests may appear) in the manner described in the Oregon Condominium Act.

7.4 Condemnation. If any portion of the condominium is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, notice of the proceeding or proposed acquisition shall promptly be given to each unit owner and to each mortgagee. All compensation, damages, or other proceeds of the taking, other than any award for moving expenses of specific unit owners, shall be payable to the Association and allocated and distributed as provided in this section 7.4.

(a) Complete Taking. If the entire condominium property is taken, or if unit owners holding ninety percent (90%) of the voting power agree that such substantial portion of the condominium has been taken as to make the project obsolete, then the property shall be deemed removed from unit ownership. In such event, any proceeds of the condemnation paid to the Association, together with any other proceeds upon sale of the remaining condominium property, shall be distributed among the unit owners and their mortgagees, as their interests may appear, in accordance with the provisions of the Oregon Condominium Act, (ORS 600.100-600.620).

(b) Partial Taking. If less than the entire condominium property is taken and the property is not determined to be obsolete as provided in paragraph (a) above, then as soon as practicable the board of directors shall, reasonably and in good faith, allocate the award among the units in accordance with the reduction in the value of each unit and its interest in the common elements, compared to the total reduction in value of all units and their interest in the common elements. In the event any unit owner or mortgagee objects to the allocation determined by the board of directors, the matter shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. The cost of such determination shall be paid out of the proceeds of the condemnation. Any portion of the award allocated to a unit owner under this paragraph shall be paid first to all mortgagees and holders of liens on the unit owner's interest in accordance with the existing priorities, and the balance to the unit owner. If any reconstruction and repair is undertaken as a result of the condemnation, the board of directors may retain and apply such portion of each unit owner's share of the award as is necessary to discharge the owner's liability for any special assessment arising from such reconstruction or repair.

7.5 Restrictions and Requirements Respecting Use of Condominium Property. The following restrictions and requirements are in addition to all other restrictions and requirements contained in the declaration and these bylaws:

(a) Residential use. No commercial activities that involve increases in traffic or intrusions on other unit residents, shall be carried on in any unit or in any other portion of the condominium without the consent of the board of directors of the Association or manager, except activities relating to the rental or sale of units. This provision, however, shall not be construed so as to prevent or prohibit unit owners from maintaining a professional personal library, keeping personal business or professional records or accounts, handling personal business or professional

telephone calls, or conferring with business or professional associates, clients or customers, in their unit.

(b) Use of common elements. The common elements shall be used for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of the units. The use, operation, and maintenance of the common elements shall not be obstructed, damaged or unreasonably interfered with by any unit owner.

(c) Offensive or unlawful activities. No noxious or offensive activities shall be carried on in any unit nor shall anything be done or placed upon any unit which interferes with or jeopardizes the enjoyment of other units or the common elements or which is a source of annoyance to residents. Unit occupants shall exercise extreme care not to make noises which may disturb other unit occupants, such as the use of musical instruments, radios, televisions and amplifiers. No unlawful use shall be made of the condominium nor any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(d) Animals No animals or fowls shall be raised, kept or permitted within the condominium or any part thereof, except domestic dogs, cats or other household pets kept within a unit. Animals will be under control so as not to disturb other residents. No such dogs, cats or pets shall be permitted to run at large nor shall be kept, bred or raised for commercial purposes or in unreasonable numbers. Any inconvenience, damage or unpleasantness caused by such pets shall be the responsibility of the respective owners thereof. All dogs, shall be kept on a leash while outside a unit. In addition to the domestic household pets permitted by this Section 7.5 (d), aquarium fish (i.e. gold fish, tropical fish, small saltwater fish) may be kept in one or more aquariums in a residential unit, provided that the total capacity of all aquariums in any unit shall not exceed 50 gallons without the written approval of the board. A unit owner or resident may be required to remove a pet after receipt of two notices in writing from the board of directors of violations of any rule, regulation or restriction governing pets within the condominium (Refer to 6.1 General Records of Bylaws).

(e) Exterior lighting or noisemaking devices and antennas. Except with the consent of the board of directors of the Association or manager no exterior lighting or noise making devices shall be installed or maintained on any unit and no antennas or transmitting towers shall be affixed to the general or limited common elements.

(f) Windows, terraces, balconies and outside walls. In order to preserve the attractive appearance of the condominium the board of directors of the Association or the manager may regulate the nature of items which may be placed in or on windows, terraces, balconies and the outside walls so as to be visible from other units, the common elements, or outside the condominium. Garments, rugs, laundry and other similar items may not be hung from windows, facades, terraces or balconies.

(g) Trailers, campers and boats. Except with the consent of the board of directors of the Association or manager, no trailer, truck camper, boat or boat trailer, or other recreational vehicles shall be parked on any portion of the condominium.

(h) Percentage of ownership. No individual or entity shall own more than 10% of all units.

(i) Leasing and rental of units. Except with the consent of the board of directors of the Association or the manager and except for a lender in possession following default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, unit owners may not lease or rent less than their entire unit. An exception may be made in the case of owner occupied units where rent may be collected from a roommate. Unit owners may not rent their unit for transient or hotel purposes. All leases or rentals shall be by written lease agreement, which shall provide that the terms of the lease shall be subject in all respects to the provisions of the declaration and these bylaws, and that any failure by the lessee or tenant to comply with the terms of such documents shall be a default under the lease. If the board of directors finds that a lessee or tenant has violated any provision of the declaration, these bylaws or the rules and regulations, the board may require unit owners to terminate such lease or rental agreement.

Owners shall not rent parking or storage units to any person other than another unit owner or tenant.

Other than the foregoing, there is no restriction on the right of unit owner to lease or rent unit.

(j) Signs. Unless written approval is first obtained from the board of directors, no sign of any kind shall be displayed to the public view on or from any unit or the common elements except signs used to advertise units for sale or lease.

(k) Trash. No part of any unit or any part of the common elements shall be used or maintained as a dumping ground for rubbish, trash, garbage, recyclables or other waste. No garbage, trash, recyclables or other waste shall be kept or maintained on any part of the property except in sanitary containers in the designated areas.

(l) Insurance. Nothing shall be done or kept in any unit or in the common elements which will increase the cost of insurance on the common elements. Owners shall not permit anything to be done or kept in their units or in the common elements which will result in cancellation of insurance on any unit or any part of the common elements.

(m) Association rules and regulations. In addition, the board of directors from time to time may adopt, modify, or revoke such rules and regulations governing the conduct of persons and the operation and use of the units and common elements as it may deem necessary or appropriate in order to assure the peaceful and orderly use and

enjoyment of the condominium property. Such action may be modified by vote of not less than seventy percent (70%) of the unit owners present, in person or by proxy, at any meeting, the notice of which shall have stated that such modification or revocation of rules and regulations will be under consideration. Written notice of such a meeting shall be mailed or delivered to all owners at least 10 days before date of meeting. A copy of the rules and regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the secretary promptly to each unit owner and shall be binding upon all unit owners and occupants of all units from the date of delivery.

7.6 Abatement and Enjoining of Violations. The violation of any rule or regulation adopted pursuant to these bylaws or the breach of any bylaw contained herein or of any provision of the declaration shall give the board of directors acting on behalf of the Association, the right, in addition to any other rights set forth in these bylaws:

(a) to enter the unit in which or as to which such violation exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the board of directors shall not thereby be deemed guilty of any manner of trespass; or

(b) to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings; or

(c) to levy reasonable fine, after giving notice and an opportunity to be heard.

Any expense incurred by the Association in remedying the default, damage incurred by the Association or unit owners, or fines so levied shall be assessed against the offending unit as a common expense and enforced as provided in Article V. In addition, any aggrieved unit owner may bring an action to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

## ARTICLE VIII

### INSURANCE

8.1 Insurance. For the benefit of the Association and the unit owners, the board of directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance:

(a) A policy or policies of insurance covering loss or damage from fire, with extended coverage endorsement, and such other coverages such as flooding, which the Association may deem desirable, for not less than the full insurable replacement value of the building and common elements to a reasonable standard. Such policy or policies shall name developer, the Association and the unit owners as insureds,

as their interest may appear, and shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees of each unit, if any. Unit owners shall be responsible for obtaining condominium insurance covering their own units at their own expense. Unit owners shall be required to provide proof of such insurance on an annual basis.

(b) A policy or policies insuring the Association, the board of directors, the unit owners and the managing agent, against liability to the public or to the owners of units and of common elements, and their invitees or tenants, incident to the ownership or use of the property. There may be excluded from such policy or policies coverage of a unit owner (other than as a member of the Association or board of directors) for liability rising out of acts or omission of such unit owner and liability incident to the ownership and/or use of the part of the property as to which such unit owner has the exclusive use or occupancy. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) on a combined single limit basis. Such policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured; and

(c) worker's compensation insurance to the extent necessary to comply with any applicable laws.

Unit owners shall be responsible for obtaining, at their own expense, insurance covering their property not insured under paragraph (a) above and against their liability not covered under paragraph (b) above, unless the Association agrees otherwise.

8.2 Policies. Insurance obtained by the Association shall be governed by the following provisions:

(a) Whenever possible, all policies shall be written with the State of Oregon or a company licensed to do business in the State of Oregon and holding a commissioner's rating of "A," and a size rating of "AAA," or better by the Best's Insurance Reports current at the time the insurance is written or, prior to the initial meeting of the Association, one acceptable to developer.

(b) All losses under policies hereafter in force regarding the property shall be settled exclusively with the board of directors or its authorized representative. Proceeds of the policies shall be paid to the Association as trustee for the unit owners, or, upon demand of any mortgagee, to an insurance trustee acceptable to the Association and mortgagees of units.

c) Unit owners shall be required to obtain written approval from the board of directors of all improvements made by the owners to their unit, which affects the building's insurance

specifically that may impair the structural integrity or mechanical systems of the condominium or lessen the support of any portion of the condominium.

(d) Unit owners who obtain individual insurance policies covering any portion of the property other than their personal property and fixtures shall file a copy of such individual policy or policies with the Association within thirty (30) days after the purchase of such insurance.

8.3 Provisions. The board of directors shall make every effort to secure insurance policies that will provide for the following:

(a) A waiver of subrogation by the insurer as to any claims against the board of directors, the manager, the unit owners and their respective servants, agents and guests.

(b) A provision that the master policy on the condominium cannot be cancelled, invalidated or suspended on account of the conduct of any one or more individual owners.

(c) A provision that the master policy on the condominium cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the board of directors or the manager without prior demand in writing that the board of directors or manager cure the defect.

(d) A provision that any "no other insurance" clause in the master policy exclude individual owners' policies from consideration and a waiver of the usual proration clause with respect to such policies.

(e) A provision that the insurer issue subpolicies specifying the portion of the master policy earmarked for each owner's interest and that until the insurer furnished written notice and a grace period to the mortgagee insured under the loss payable clause thereof, the mortgagee's coverage is neither jeopardized by the conduct of the unit mortgage-owner, the Association, or other unit owners nor cancelled for nonpayment of premiums.

(f) A rider on the master policy patterned after "Use and Occupancy" insurance which will provide relief from monthly assessments while a unit is uninhabitable by the payment of the condominium expenses thereof and any other fixed costs, including, but without being limited to, taxes, rent, insurance, and mortgage payments. The proceeds from any casualty policy, whether held by the Association or a unit owner, payable with respect to any loss or damage to the common elements, shall be held in trust for the benefit of all insureds as their interest may appear.

(g) A waiver of the insurer's right to determine whether the damage should be repaired. If reasonably available, the policy or policies should contain a stipulated

amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild

8.4 FNMA and GNMA Requirements. Notwithstanding any other provisions of this Article, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity requirements for condominium projects established by Federal National Mortgage Association and Government National Mortgage Association, so long as either is a mortgagee or Owner of a unit within the condominium, except to the extent such coverage is not available or has been waived in writing by Federal National Mortgage Association or Government National Mortgage Association.

## ARTICLE IX

### AMENDMENTS TO BYLAWS

9.1 How Proposed. Amendments to the bylaws shall be proposed by either a majority of the board of directors or by unit owners holding thirty percent (30%) of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon.

9.2 Adoption. A resolution adopting a proposed amendment may be proposed by either the board of directors or by the unit owners and may be approved by the unit owners at a meeting called for this purpose. Unit owners not present at the meeting considering such amendment may express their approval in writing or by proxy. Any resolution must be approved by unit owners holding fifty percent (50) of the voting rights unless Oregon law requires a higher percentage. Neither Section 5.8 nor any other provision of these bylaws which is for the benefit of mortgagees may be amended without the written consent of all mortgagees.

9.3 Execution and Recording. An amendment shall not be effective until certified by the chair and secretary of the Association. approved by the Real Estate Commissioner, if required by law, and recorded as required by law.

## ARTICLE X

### MISCELLANEOUS

10.1 Notices. All notices to the Association or to the board of directors shall be sent care of the managing agent, or if there is no managing agent, to the principal office of the Association or to such other address as the board of directors may hereafter designate from time to time. All notices to any unit owners shall be sent to such address as may have been designated by them from time to time, in writing, to the board of directors, or if no address has been designated, then to the owner's unit.

10.2 Waiver. No restriction, condition, obligation, or provision contained in these bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

10.3 Action Without a Meeting. Any action which the Oregon Condominium Law, the declaration or the bylaws require or permit the owners or directors to take at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the owners or directors entitled to vote on the matter. The consent which shall have the same effect as a unanimous vote of the owners or directors, shall be filed in the records of minutes of the Association,

10.4 Invalidity; Number; Captions. The invalidity of any part of these bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these bylaws. As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these bylaws.

10.5 Conflicts. These bylaws are intended to comply with the Oregon Condominium Law (ORS 600.100 - 600.620).

In case of any irreconcilable conflict, such statute and document shall control over these bylaws or any rules and regulations adopted hereunder.

DATED, EUGENE, OREGON, this 20<sup>th</sup> day of February, 2008. WILLAMETTE TOWERS HOMEOWNERS ASSOCIATION.

By \_\_\_\_\_  
President Tyler Burgess

NOTARIZATION OF AUTHORIZED SIGNATURE, Lane County, State of Oregon

On this \_\_\_\_ day of May, 2008, before me, a Notary Public in and for the State of Oregon, personally appeared Tyler E. Burgess to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she/he signed the same as her/his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Notary Public \_\_\_\_\_ My commission expires \_\_\_\_\_

By \_\_\_\_\_  
Secretary David Ghelfi

NOTARIZATION OF AUTHORIZED SIGNATURE, Lane County, State of Oregon

On this \_\_\_\_ day of May, 2008, before me, a Notary Public in and for the State of Oregon, personally appeared David Ghelfi to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she/he signed the same as her/his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Notary Public \_\_\_\_\_ My commission expires \_\_\_\_\_