

Flanders Lofts Homeowners Association
725 NW Flanders, #406
Portland, Oregon 9720
June 2, 1999

Unit Owner
Flanders Lofts
725 NW Flanders
Portland, OR 97209

Dear Unit Owner:

At the Board of Directors meeting held on June 1, 1999, the Board adopted Policy Resolution Number 1 titled Policy Regarding (1) Maintenance and Repair of Units and (2) Tenant Additions, Alterations and Improvements. A copy of that Policy Resolution is attached for your review and use. The policy is effective immediately.

The purpose of and need for the policy is obvious. Flanders is essentially a small community and actions taken by one owner oftentimes adversely effect the other owners in the building. Because of this, we simply can not do as we wish with our units regardless of the consequences to others. The bottom line is that everyone needs to consider how their neighbors will be affected by what they would like to do with their unit by way of repair, maintenance, additions, alterations and improvements.

Much of the content of this policy is not new. For example, the Bylaws of the Association, which everyone agreed to abide by, has always required notification to and approval of the Board of Directors for any improvements made to common elements of the units such as decks. Notification to the Board of Directors of all improvements to units in excess of \$500 was also required. See Article 8.2(f) and Article 7 of the Bylaws. Unfortunately, some of the unit owners have not complied with these provisions and problems have resulted and continue to exist.

It is the intention of the Board to strictly enforce this policy and we hope that everyone will comply as required. If someone sees an activity going on in violation of this policy, please bring it to the attention of a Board member or Sterling Properties as soon as possible so that appropriate action can be taken. We will all benefit by working together on these matters.

Flanders Loft Board of Directors

Association of Unit Owners of Flanders Lofts, A Condominium

Policy Resolution Number 1

Policy Regarding (1) Maintenance and Repair of Units and (2) Tenant Additions, Alterations and Improvements

WHEREAS Article 3.7 of the Bylaws of the Association of Unit Owners of Flanders Lofts, A Condominium (hereafter the "Bylaws") charges the Board of Directors (hereafter, the "Board") with the powers and duties necessary for the administration of the affairs of the Association, and

WHEREAS Article 7.1(a) of the Bylaws provides for the obligations of the unit owner with respect to the maintenance and repair of the unit of such owner, and

WHEREAS Article 7.2 of the Bylaws provides guidelines under which a unit owner may make additions, alterations and improvements to the unit of such owner, and

WHEREAS it is in the best interest of the Association to have a policy with respect to the application of Articles 7.1(a) and 7.2,

NOW, THEREFORE, BE IT RESOLVED THAT the following policies are hereby adopted by the Board effective on the date executed on this resolution by the Secretary of the Association.

1. DEFINITIONS:

"Association" shall mean the Association of Unit Owners of Flanders Lofts, A Condominium.

"Board" shall mean the Board of Directors of the Association.

"Bylaws" shall mean the Bylaws of the Association of Unit Owners of Flanders Lofts, A Condominium, as they may be amended from time to time.

"Declaration" shall mean the Declaration Submitting Flanders Lofts, A Condominium to Condominium Ownership.

"General Common Element" shall mean the same as set forth in Article 5 of the Declaration.

"Limited Common Element" shall mean the same as set forth in Article 6 of the Declaration.

"Common Element" shall mean both Limited Common Elements and General Common Elements.

"Proposed Work" shall mean any Work (as defined herein) proposed to be conducted or undertaken by a unit owner on the unit owned by such owner or on a Common Element.

"Work" shall mean any repair, addition, alteration, improvement or act of maintenance conducted or undertaken by a unit owner on the unit owned by such owner or on a Common Element.

2. **PURPOSE FOR THE POLICY.** The Association wishes to provide a policy with respect to Work undertaken by any unit owner in order to insure compliance with the following goals of the Association:

Insuring that any Work does not impair the structural integrity or mechanical systems of the building or lessen the support of any portion of the building.

Insuring that any Work does not jeopardize the soundness or safety of the building or any unit therein.

Insuring that any Work does not impair the value of the building or any unit therein.

Insuring that any Work does not impair any easement or hereaditament or increase the common expenses of the Association.

Insuring that any Work does not change the common elements or exterior appearance of the building.

Insuring that any Work does not adversely effect or impact the quiet enjoyment by each unit owner of the unit of such owner.

Insuring that any Work does not impact or adversely effect the security or cleanliness of the building or any unit in the building.

3. **WORK COVERED BY THIS POLICY.** This policy shall apply as follows:

- a. To all Work which effects in any way or results in any impairment of any of the goals identified in Article 2 above.
- b. To all Work proposed to be conducted or undertaken to any Common Element except that this provision shall not apply to furniture, plants or decorations proposed to be added to any Limited Common Element which are not attached to such Limited Common Element and are not visible from the street.
- c. To all Work which costs in excess of \$500.

4. **SUBMITTAL OF APPLICATION TO CONDUCT OR UNDERTAKE WORK.**

- a. If any unit owner desires to conduct or undertake any Work as defined in Article 1 above, the unit owner shall submit an application in writing to the Board. That application shall contain at least the following information:
 - (1) A detailed description of the Proposed Work.
 - (2) Such plans and specifications as may be necessary or appropriate for the Board's understanding of the Proposed Work.
 - (3) Reports of architects, contractors or other professionals as appropriate with respect to compliance with the goals described in Article 1 above.
- b. The application described in Article 3a must be submitted prior to the commencement of any Work and no Work whatever may be undertaken by a unit owner prior to the approval of an application by the Board pursuant to this policy.
- c. The prohibition in Article 4b shall not apply to repairs required in emergency situations. In such situations, a unit owner should take such immediate appropriate action necessary to avoid or minimize damage to the building and to units in the building.

5. CONSIDERATION BY THE BOARD.

- a. The Board shall have the responsibility of reviewing an application for Work on behalf of the Association and approving or rejecting such application in accordance with this Policy, the Bylaws, the Declaration or the applicable laws of any governmental agency.
- b. Upon receipt of an application for Work, the Board shall cause a notice of such application to be sent to all unit owners. The Notice shall contain a description of the Proposed Work and set a date for the Board to make its determination with respect to the application. At such time, the unit owner submitting the application for the Proposed Work and unit owners wishing to object to or otherwise address the application shall have a right to be heard. Persons other than unit owners may also be heard with the approval of the Board.
- c. At any time during the approval process, the Board may request the unit owner submitting an application to provide such other information as the Board considers to be necessary to make a decision on the application.
- d. The Board must act on any complete application within 90 calendar days of its submittal by a unit owner except as otherwise provided in the Bylaws. An application shall be deemed to be complete when all requested information has been satisfactorily provided to the Board.

- e. At its discretion, the Board may appoint a committee to review the application and make a recommendation to the Board with respect to action to be taken. Only unit owners may be members of any committee appointed.
- f. In situations where urgent action is required with respect to a repair or maintenance, an application may be acted upon by one member of the Board, provided however that (1) a Board member requested to act must first make an effort to contact another Board member by telephone or other means to discuss the situation and (2) the need for action under this provision shall not have been caused by unreasonable or intentional action of the unit owner to make a timely application under this policy.

6. ACTIONS BY THE BOARD.

- a. The Board may approve, conditionally approve or reject the application in the exercise of its reasonable discretion based on this Policy, the Bylaws, the Declaration, a vote of the unit owners of the Association or the applicable laws of any governmental agency.
- b. The Board may approve an application conditioned upon the unit owner submitting the application (1) complying with conditions imposed by the Board and (2) submitting undertakings required by the Board including without limitation, liability, insurance, or other issues. No Work shall be commenced or performed unless and until all conditions imposed by the Board have been completely met and complied with and all required undertakings submitted and accepted by the Board.
- c. Decisions of the Board including conditions for approval shall be in writing and delivered to the applicant.

7. PERFORMANCE OF THE WORK.

- a. All Work shall be performed at the sole cost and expense of the unit owner making the application.
- b. The unit owner undertaking or conducting the Work shall be responsible for procuring at unit owners sole expense, all required permits and approvals from appropriate governmental agencies.
- c. All Work shall be performed in strict accordance with the plans, specifications, terms and conditions approved by the Board. Any violations of this provision may result in action by the Board including revocation of the approvals granted and the Board is hereby authorized to take all necessary action including judicial action to insure that the Work is performed within the terms of the approval granted by the Board.
- d. All Work shall be performed between 9AM and 5PM on Monday through Friday. Notwithstanding the above, no Work shall be conducted or

undertaken on Federal holidays which fall on a weekday. There shall be no Work at any other hour or day except with the written approval of the Board.

- e. No part of the Work shall be performed in Common Areas and no materials shall be stored in Common Areas. All materials shall be delivered to units via the rear stairs. All debris in the Common Areas shall be promptly removed and the area cleaned.
- f. Unit Owner shall be responsible in all respects for the conduct of contractors, vendors or other persons entering the property to conduct the Work.
- g. Upon a showing of good cause in an application, Articles 7d and 7e may be modified by the Board.

8. LIABILITY, INDEMNIFICATION AND ATTORNEYS FEES. The unit owner undertaking any Work is responsible as follows:

- a. Unit owner conducting or undertaking the Work shall defend, indemnify and hold harmless the Association and other unit owners from all actions, proceedings, suits, claims, demands, losses, costs, charges, expenses and fines arising from (1) personal injury, illness or death of any person engaged in the conduct of the Work including any contractor, subcontractor, vendor or their respective employees, (2) personal injury, illness or death of any person arising out of the Work, and (3) loss of or damage to any property owned by the Association, other unit owners, or other persons arising out of the Work.
- b. **Owner making the application to undertake or conduct Work understands and specifically agrees that approval of the application by the Board is not intended to and does not act as a release of the applying unit owner or in any way mitigates the obligation of the applying unit owner to be fully responsible for any damages caused by the repair, addition, alteration or improvement or the performance of any maintenance. By approving an application under this policy, the Association assumes no liability or obligation whatever with respect to any damages caused in the course of the Work or upon completion of the Work.**
- c. **If the Association commences legal action to enforce compliance with this Policy, unit owner conducting or undertaking the Work shall pay all costs thereof, including reasonable attorneys fees incurred by the Association in such action.**

Adopted by the Board of Directors on June 1, 1999. Effective Date of June 2, 1999.