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7000 SW Varns St.
Portland, OR 97223

**AMENDMENT TO THE BYLAWS
OF THE
ASSOCIATION OF UNIT OWNERS OF CAPITOL HILL CONDOMINIUMS**

This Amendment to the Bylaws of the Association of Unit Owners of Capitol Hill Condominiums is made this 26th day of June, 2002 by the Association of Unit Owners of Capitol Hill Condominiums ("Association").

RECITALS

A On November 14, 1994, the Bylaws of the Association of Unit Owners of Capitol Hill Condominiums ("Bylaws") were recorded as Document No 94 168092 records of Multnomah County, Oregon;

B These amendments are intended to improve and clarify the rights and responsibilities of the Association, its Members, and the Board of Directors;

C The rental restrictions and procedures contained herein are intended to make the Association's governing terms more fully comply with applicable financing and mortgage lender requirements and to help preserve the overall safety and livability of the Condominium;

D The Association has approved these amendments by at least a majority of the unit owners pursuant to Article XI of the Bylaws;

NOW, THEREFORE, the Association hereby amends Article IX, Section 5, Subsection entitled "Leasing and Rental of Units" of the Bylaws to read as follows:

ARTICLE IX
MAINTENANCE AND USE OF CONDOMINIUM PROPERTY

5 **Leasing, Rental of Units and Multi-Unit Ownership** Except with the consent of the board of directors of the Association, by or through its managing agent as necessary, no

Page 1 - AMENDMENT TO BYLAWS - ASSOCIATION OF UNIT OWNERS OF CAPITOL HILL CONDOMINIUMS
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unit owner may lease or rent less than his entire unit, and no such owner may rent his unit for transient or motel purposes. Subject to the terms of this section, every owner shall have the right to rent their units to no more than two (2) lease holders within a single year. All such leases or rentals 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. Subject to additional rules of the Association governing rental restrictions, all owners wishing to rent their unit must have each applicant complete and submit an approved rental application to the Association or its management company, as the case may be, prior to renting the unit. Submitted applications will be reviewed by the Association, or an agent on its behalf. All applications will be evaluated pursuant to the criteria established by the board by resolution and shall be followed to the extent permitted by law. The Association, or its agent, has the right to reject an application after considering all relevant information disclosed on the application.

Furthermore, no single entity, individual, investor group, partnership or corporation may own more than ten percent (10%) of the total units in the condominium.

NOW, THEREFORE, the Association hereby amends Article V, Section 9 "Regular and Special Meetings" of the Bylaws to read as follows:

ARTICLE V
BOARD OF DIRECTORS

9. **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 chairman and must be called by the secretary at the written request of at least two directors. Notice of any regular or special meeting shall be given to each director, personally or by mail, including electronic mail if approved by the Board, telephone, or telegraph at least seven (7) days prior to the day named for such meeting and shall state the time, place, and purpose of such meeting.

9.1 **Meeting Procedure** Unless other rules of order are adopted by resolution of the board of directors:

(a) Meetings of the board of directors shall be conducted according to the latest edition of Robert's Rules of Order published by the Robert's Rules Association;

(b) A decision of the board of directors may not be challenged because the appropriate rules of order were not used unless a person entitled to be heard was denied the right to be heard and raised an objection at the meeting in which the right to be heard was denied.

(c) A decision of the board of directors is deemed valid without regard to procedural errors related to the rules of order one year after the decision is made unless the error appears on the face of a written instrument memorializing the decision ⁴

9.2 **Open Meetings** All meetings of the board of directors shall be open to Owners provided, however, that no Association members shall have the right to participate in the board of directors meetings unless such member is also a member of the board of directors. However, the board of directors shall set aside a reasonable amount of time as set by rule of the board for public comment in an open forum. The Chairman shall have the authority to exclude any Association member who disrupts the proceedings at a meeting of the board of directors. Notwithstanding the provisions of (a) above, in the discretion of the board, the following matters may be considered in executive session:

- (1) Consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation, or criminal matters;
- (2) Personnel matters, including salary negotiations and employee discipline; and
- (3) The negotiation of contracts with third parties;

Except in the case of an emergency, the board of directors shall vote in an open meeting whether to meet in executive session. If the board votes to meet in executive session, the president or other presiding officer shall state the general nature of the action to be considered and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to Owners.

NOW, THEREFORE, the Association hereby amends Article VII, Section 5 "Default in Payment of Common Expenses" of the Bylaws to read as follows:

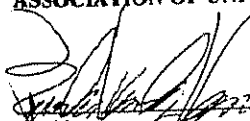
**ARTICLE VII
BUDGET, EXPENSES AND ASSESSMENTS**

5. **Default in Payment of Common Expenses and Fines.** In the event of default by any unit owner in paying to the Association the regularly assessed common expenses, such unit owner shall be obligated to pay \$35.00 as a late fee for each month the assessment remains unpaid. In the event of default on any special assessment or properly levied fine, such unit owner shall be liable for late payment charge at the rate of eighteen percent (18%) per annum on such common expenses and fines 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 other reasonable late charge established by the board of directors, together with all expenses incurred by the

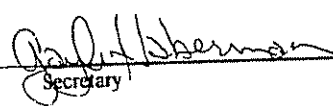
Association in collecting such unpaid expenses including attorneys' fees (whether or not suit is instituted, and at trial or any appeal thereof). The board of directors shall have the right and duty to recover for the Association such common expenses together with such charges, interest, and expenses 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 sixty (60) days of the date of default.

IN WITNESS WHEREOF, THE ASSOCIATION OF UNIT OWNERS OF CAPITOL HILL CONDOMINIUMS has executed these Amendments to the Bylaws of the Association of Unit Owners of Capitol Hill Condominiums as of the date first set forth above and in accordance with the Article XI of the originally recorded Bylaws

ASSOCIATION OF UNIT OWNERS OF CAPITOL HILL CONDOMINIUMS



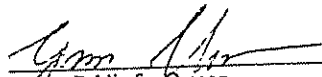
President



Secretary

STATE OF OREGON)
) ss
County of MULTNOMAH)

On the 26 day of June, 2002, personally appeared GAILLE M. HARRINGTON and ROBERT W. VALDEVEGA who, being first duly sworn, did that say that they are the President and Secretary of the Association of Unit Owners of Capitol Hill Condominiums, and that the seal affixed to the foregoing instrument is the seal of said Association and that said instrument was signed and sealed in behalf of said Association by authority of its Board of Directors; and each of them acknowledged said instrument to be their voluntary act and deed



Notary Public for Oregon
My Commission Expires: 10-29-2005

