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**AMENDMENT TO THE BYLAWS OF THE ASSOCIATION
OF UNIT OWNERS OF
NORTHRUP COMMONS**

**THIS FIRST AMENDMENT TO THE BYLAWS OF THE ASSOCIATION
OF UNIT OWNERS OF NORTHRUP COMMONS CONDOMINIUM is made this
27th day of February 2003, by the ASSOCIATION OF UNIT OWNERS
OF NORTHRUP COMMONS (the "Association").**

RECITALS

- A. The Association is a condominium association established pursuant to the Declaration Submitting Northrup Commons Condominium to Oregon Unit Ownership Law dated May 5, 1999, and recorded November 23, 1999 in the Records of Multnomah County, Oregon as Document No. 99213376.
- B. The Bylaws of the Association of Unit Owners of Northrup Commons were recorded on November 23, 1999 in the Records of Multnomah County, Oregon as Document No. 99213377.
- C. No less than 75% of the owners of units of Northrup Commons Condominium have voted to amend the Bylaws in certain respects to establish rules regarding rental of units in the condominium.

NOW, THEREFORE, pursuant to Article XIII, Section (1) of the Bylaws, and to ORS 100.410(4)(a) and (b), this Article XVI shall be added to the Bylaws as follows:

Article XVI Leasing and Rental of Units

Section 1. Rental Defined and Regulated. The Rental of a Unit shall be governed by the provisions of the Declaration and these bylaws, including without limitation, this Article XVI. As used in the Declaration and these Bylaws, the terms "to rent", "renting" or "rental" shall refer to and include the leasing or renting of a unit by the Unit Owners and to the occupancy of a Unit solely by a person or persons other than the Unit Owner; provided that for the purpose of the regulation of leases as provided in Article XVI and the purpose of tenant screening as provided in Article XVI, Section 12, the terms "to rent", "renting" or "rental" shall not refer to the occupancy of a Unit by a Related Party. The terms "Related Party" as used in these bylaws means a person who is the parent, parent-in-law, sibling, sibling-in-law, parents'

sibling or lineal descendant of the Unit Owner. Subletting is not allowed. Housesitting arrangements, where the Owner is absent for a period of time not to exceed six (6) months, and where the Owner has not vacated the premises, is not a "rental" under the terms of this Article.

Section 2. Minimum Lease Term Required. No Unit Owner shall be permitted to Rent or lease less than the entire Unit, or to rent or otherwise permit his or her Unit to be used for hotel or transient purposes, or for Rental, occupancy or use by a tenant or other non-owner Occupant for an initial occupancy period of less than six (6) months. An "Occupant" is defined herein to be anyone who occupies a Unit as a permanent residence or who stays overnight in any Unit more than (60) days per calendar year. Every lease shall be for an initial fixed term of not less than six (6) months.

Section 3. Lease Requirements. No Rental of a Unit shall be valid or enforceable unless it shall be by means of a written instrument or agreement (referred to as the "Lease") between the Unit Owner(s) and all of the tenant(s). No Lease entered into after the date of recording of this Amendment shall be valid unless it bears the written approval by the Association, as specified in Section 4 below, granted prior to the occupancy of the tenant.

The occupancy of a Unit in the Condominium and every Lease shall be subject to the Declaration, Bylaws and Rules and Regulations promulgated thereunder (the "Governing Documents"). By entering into occupancy of a Unit, a tenant agrees to be bound by the Governing Documents. The Association shall have and may exercise the same rights of enforcement and remedies for breach of the Governing Documents against the tenant as it has against a Unit Owner and in addition shall have the rights and remedies of eviction, as provided herein. The Unit Owner grants to the Board of Directors and managing agent the authority to evict the tenant on the Unit Owner's behalf for any violation by the tenant of the Governing Documents, including the Rules and Regulations and enforcement procedures promulgated thereunder, upon only such notice and procedures as may be required by the Association's Governing Documents and as may be otherwise required by law. Neither the Board nor the managing agent shall be liable to the Unit Owner or Tenant for any eviction under this Section that is made in good faith. Each Lease shall contain language acknowledging the Association's rights and the tenant's obligations under the Governing Documents.

Section 4. Lease Approval & Rental Ceiling. Except as provided in paragraph Section 6 of this Article, prior to the Rental of a Unit in the Condominium to a tenant, and prior to the renewal of any previously approved Lease, a Unit Owner shall submit to the Association a valid and binding Lease, signed by both the Unit Owner and the proposed tenant, and contingent only on the approval of the Association, together with a request for the written consent of the Association. The Association shall, within three (3) days of receipt of such requests grant its consent to the Unit Owner if:

- (a) the Unit Owner has complied with Sections 4 and 12 of this Amendment;
- (b) the tenant is in strict compliance with all provisions of the Governing Documents;
- (c) the Lease is in compliance with all requirements of this Amendment;
- (d) **the Rental would not cause the aggregate number of all non-owner occupied Units to exceed Five (5) Units in the Condominium (referred to as the ‘Rental Ceiling’); provided however, that:**
 - 1. the Association shall not withhold consent for a Unit Owner and a tenant to renew a Pre-Existing Lease meeting the requirements of Section 6 below, merely because the number of non-owner occupied Units was equal to or greater than the Rental Ceiling;
 - 2. the Association shall not withhold consent for a Unit Owner and a tenant to renew a Lease which has previously been approved in the manner provided in this Paragraph (d) merely because the number of non-owner occupied Units was equal to or greater than the Rental Ceiling;
 - 3. the Association shall not withhold consent for a lender in possession of a Unit following a default in its Mortgage or a Mortgage foreclosure, or from a successor in interest to such a lender, where such lender obtains possession subsequent to the date of recordation of this Amendment, to rent a Unit merely because the Rental would cause the number of non-owner occupied Units to exceed the Rental Ceiling.
 - 4. the Association may grant a hardship exception as provided in Section 9 below, notwithstanding the fact that it would temporarily cause the number of non-owner occupied Units to exceed the rental ceiling.

Section 5. Effect of Rental Ceiling. If a Unit Owner wishes to rent his or her Unit, but is prohibited from doing so because of the Rental Ceiling, the Association shall place the Unit Owner’s name on the Rental Waiting list provided for in Section 8 below.

Provided that the Rental Ceiling has not been met, and there is no Rental Waiting List, and except as provided in Section 6 below, prior to advertising or seeking a tenant for rental of a Unit, the Unit Owner shall inform and seek the consent of the Association for permission to rent, in order to determine that a) there is no pending lease that would make such rental exceed the Rental Ceiling, under the terms of Section 4, and b) that there is no competing owner who has sought permission to rent, whose rental together with that of the applicant owner would cause the Rental Ceiling to be exceeded. An owner who applies for permission to rent shall be granted permission provided that neither a) nor b) above is applicable, and shall be

given a time period of ninety (90) days in which to rent the unit. This time may be extended provided no other applications for permission to rent have been received.

Section 6. Pre-existing Leases. If, at the date of the adoption of this amendment, any unit is being operated as a rental unit, that unit will be permitted to continue as a rental unit, as long as it is owned by the owner of record at the time of the adoption of these amendments. Provided, however, that if said owner elects to occupy his/her own unit in lieu of renting it, subsequent return of the unit to rental status when there is a Rental Waiting List under the terms of Section 8 will subject the owner to the procedures of Section 8 for the unit's initial re-renting. Thereafter, owner may continue to rent the unit without being subject to Section 8 waiting list procedures.

Within thirty (30) days from the date of notification of all Unit Owners that this Amendment has been adopted by the necessary percentage of Unit Owners, each Unit Owner who has rented his or her Unit to a tenant who was in occupancy prior to the date on which this Amendment was approved by the Unit Owners shall file a copy of the Lease for that Unit with the Association. A Lease in effect on that date and submitted as required in this Paragraph shall be referred to as a "Pre-existing Lease". Any tenant occupying a Unit pursuant to a Pre-existing Lease shall be permitted to renew his or her Lease thereafter, provided that a copy of the Pre-existing Lease is filed with the Association within the time period provided for in this Paragraph and any subsequent renewals are submitted to the Association for approval prior to the expiration of the Lease term then in effect.

Section 7. Limitations on Consent. No consent to the Rental of a Unit shall be granted more than sixty (60) days prior to the beginning of the Lease term for which consent is sought. Any consent granted by the Association shall automatically expire and terminate unless the Unit shall be occupied by the tenant within thirty (30) days of the beginning of the term of the approved Lease. Consent to the Rental of the Unit may be renewed at the Association's discretion, if there is no Rental Waiting List.

Section 8. Rental Waiting List. Except as provided in Sections 4 and 6 above, in the event that a Rental Waiting List exists, no new Lease shall be approved for a previously rented Unit where the lease has expired, been terminated or not renewed, until all Unit Owners who have previously applied for the approval of a Lease have been given the opportunity to rent their Units. Any month-to-month extension of a lease agreement shall be considered a 'renewal' for purposes of this Section, provided that said extension is in writing. Each Unit Owner who has rented his or her Unit shall promptly give notice to the Association of any expiration and non-renewal or other termination of a Lease. A Unit Owner whose Lease has expired and not been renewed by the tenant, or whose Lease has otherwise been terminated, or whose Unit will be vacated and available for Rental within the next thirty (30) days, may give notice thereof to the Association and thereby have his or her name placed on the Rental Waiting List. The Unit Owner in the next available position on the Rental Waiting List shall be notified, not more than ninety (90) days or less than fifteen (15) days prior to the scheduled expiration and ~~non-renewal or other termination of a Lease on~~

another Unit, of the opportunity to apply for consent to a Lease. That opportunity to rent shall be available to that Unit Owner for a period of ninety (90) days from the date of that notice. If no request for approval to Lease is submitted during that period, that Unit Owner's name shall be placed at the bottom of the Rental Waiting list, and the opportunity to rent shall be offered to the next highest person on the Rental Waiting list.

Section 9. Hardship Exception. Where, on written application from a Unit Owner, the Board of Directors determines that a hardship exists whereby that Unit Owner would suffer severe and irreparable harm by virtue of the limitations on renting contained in Section 4 above, and where the Board of Directors further determines that a variance from the policy or policies contained therein would not detrimentally affect the other Unit Owners or the approval of the Condominium for secondary mortgage market financing, lender approval or VA or FHA approval, the Board of Directors may, in its discretion, grant a Unit Owner a waiver of the Rental Ceiling for a temporary period, not to exceed one (1) year. No hardship approval shall allow the number of non-owner occupied units to exceed seven (7) units.

Section 10. Rental Processing Fees. The Board shall be authorized from time to time to establish and charge reasonable fees in connection with the rental of units, the maintaining of tenant information, and the rental waiting list, and the screening of tenants to defray the added administrative costs of such activities.

Section 11. Governing Documents to be provided to Tenants. Each Unit Owner who rents or leases a Unit in the Condominium to a tenant or allows the occupancy of the Unit by a Related Party, as defined in Section 1 above, shall provide the tenant or Related Party with a copy of the Governing Documents, or such portion or portions thereof which may be designated by Rule. If the Unit Owner fails to provide evidence to the Association that her or she has done so, the Association may furnish a copy of these documents to the tenant or Related Party and charge the Unit Owner an amount to be determined by the Board for each document provided.

Section 12. Tenant Screening.

(a) Applicability: Section 12 shall be applicable to the Rental of any Unit in the Condominium other than to a Related Party, as defined in Section 1.

(b) Tenant Screening Required: Any Unit Owner who desires to rent a Unit to one or more persons (referred to as "Applicant"), other than a Related Party, shall, prior to entering into a Lease, submit to the individual designated by the Association (referred to as the "Association's designee") for each Applicant, verification and results of professional rental screening, together with the copy of proposed, signed lease as provided in Section 4 above.

- (c) **Nature of the Screening Required.** The Unit Owner shall take the following steps, through professional tenant screening service, with regard to each Applicant:
1. Obtain a consumer credit report on each Applicant;
 2. Verify each Applicant's employment for the last two years;
 3. Check each Applicant's rental history in its database and with all landlords during the last two years, either as reported by the Applicant or disclosed by the service's investigation.
 4. Check the public records in the counties of each Applicant's residence for bankruptcy and unlawful retainer actions involving the Applicant; and
 5. Report such information as is disclosed by its investigation to the Association in summary form. The Association shall keep a copy for its records.
- (d) **Responsibility for Tenant Selection.** Neither the Association's designee nor the Association shall evaluate any information provided by the service or in any way make a determination or recommendation as to the suitability of any Application. The Selection of a suitable and appropriate tenant shall be the sole responsibility of the Unit Owner.
- (e) **Confidentiality.** The Association's designee and the Unit Owner shall treat all information received in accordance with the requirements of the Federal Fair Credit Reporting Act and any other applicable state or federal laws and not disclose the contents of any report to the Applicant or any other person not permitted access to such information provided by the service. The Association's designee and each Unit Owner submitting an application shall sign a Non-Disclosure Agreement which spells out the signer's duties under the law with regard to the information.

Section 13. Non-Discrimination. Neither the Association nor any Unit Owner shall discriminate against any person with regard to the sale, rental or occupancy of a Unit in the Condominium on the basis of race, color, creed, national origin, marital status, age, sex, sexual orientation, relation, familial status, handicap or other legally protected classification.

Section 14. Notices Regarding Occupancy Changes. The presence and movement of persons in and out of the Units shall be governed by the provisions of this Section 14.

- (a) **Registration of Pre-existing Occupants.** All occupants occupying Units at the time this amendment is adopted must be registered with the Board within thirty (30) days of the adoption of this amendment. As used in this Section, the term registration shall mean the filing by the Unit Owner with the Board of Directors or its authorized representative of a written statement setting forth the following information:
- 1) the name, telephone numbers and correct street address of the Unit Owner of the Unit and the mailing address, if different.

- 2) The Unit number and names and telephone numbers of all Occupants of the Unit other than the Unit owner.
- 3) The license numbers and descriptions of all vehicles brought or kept on the Condominium Property by Occupants of the Unit.
- 4) The name, address and telephone numbers of a person other than a Unit Owner or Occupant of the Unit to contact in the event of an emergency involving an occupant, or involving the Unit in the event that a Unit owner or Occupant is unavailable; and
- 5) Any other information regarding the occupants of the Unit which shall be reasonably required by the Board.

(b) Registration of New Occupants. All Unit Owners must register new Occupants with the Board at the time they move in or within forty-eight (48) hours of meeting the definition of being an "Occupant", as specified in Section 1. Nothing in the Section shall preclude an Occupant from submitting the registration required by this Paragraph or the preceding Paragraph.


(c) Updating the Registration Information. All Unit Owners shall advise the Board or the managing agent of any changes in the registration information required to be provided in this Section, on a current basis.

(d) Notice of Move-Out Date. All Occupants shall provide the Board with reasonable prior notice of the date on which they expect to move into or out of a Unit.

The Undersigned Chairman and Secretary Treasurer of the Board of Northrup Commons Homeowners Association hereby attest that 75% of the voting rights of the Association approved by measure of a vote this Amendment to the ByLaws.



Marilynn Gordon, Chair



Noah Jake Stept, Secretary-Treasurer

CERTIFICATION

The Undersigned Chair and Secretary/Treasurer of the Association of Unit Owners of Northrup Commons Condominium hereby certify that the attached First Amendment to the Bylaws of the Association of Unit Owners of Northrup Commons Condominium has been adopted in accordance with the Bylaws and with the provisions of ORS 100.410(4)(a) and (b).

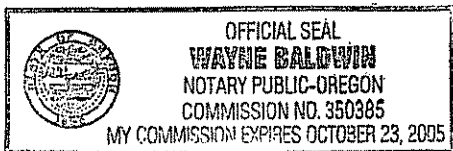
By [Signature]
Chair

By [Signature]
Secretary/Treasurer

STATE OF OREGON)
County of Multnomah)

The foregoing instrument was acknowledge before me this 27th day of Feb 2003, by Marilyn Gordon & Noah Jake. Stept

[Signature]



Notary Public for Oregon
My commission expires:

The foregoing Amendment to Bylaws of the Association of Unit Owners of Northrup Commons Condominium is approved pursuant to ORS 100.410(4)(a) and (b), this 16th day of April, 2003.

SCOTT W. TAYLOR, REAL ESTATE COMMISSIONER

By [Signature]
Brian DeMarco