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2000-108705 08/07/2000 04:05:51pm ATKLM

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**FIRST AMENDMENT TO BYLAWS
OF THE ASSOCIATION OF UNIT OWNERS
OF WASHINGTON PARK CONDOMINIUM**

THIS FIRST AMENDMENT TO BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF WASHINGTON PARK CONDOMINIUM is made this 29th day of June, 2000 by ASSOCIATION OF UNIT OWNERS OF WASHINGTON PARK CONDOMINIUM (the "Association").

RECITALS

A. Association is a condominium association established pursuant to the Declaration Submitting Washington Park Condominium to Oregon Unit Ownership Law dated April 17, 1998 and recorded June 30, 1998 in the Records of Multnomah County, Oregon, as Document No. 98114055. The Bylaws of the Association of Unit Owners were recorded as Exhibit C to such Declaration.

B. Not less than 75 percent of the owners of units within Washington Park Condominium have voted to amend the Bylaws in certain respects.

NOW, THEREFORE, pursuant to Article 9 of the Bylaws and ORS 100.410, Section 7.5(h) of the Bylaws is hereby amended as follows:

(h) **Rental of Units**

(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 section. 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 Owner 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 Section 7.5(h), and the purpose of tenant screening as provided in Section 7.5(h)(12), the terms “to rent,” “renting” or “Rental” shall not refer to the occupancy of a Unit by a Related Party, except for those leases to related parties in effect at the date of the adoption of this amendment. The term “**Related Party**” as used in these Bylaws means a person who is the parent, parent-in-law, sibling, sibling-in-law, parent’s sibling or lineal descendant of the Unit Owner or the lineal descendant of any of the other foregoing persons or of any officer, director, employee or shareholder of any Unit Owner which is a corporation, partnership or some other business entity. Subletting is not allowed.

(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 twelve (12) 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 sixty (60) days per calendar year. Every lease shall be for an initial fixed term of not less than twelve (12) months. Hardship exceptions to this requirement may be approved by the Board.

(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 between the Unit Owner(s) and all of the tenant(s) (referred to as a “**Lease**”). No Lease entered into after the date of recording of this Amendment shall be valid unless it bears the written approval by the Association 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, 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 the 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.

(4) **Lease Approval and Rental Ceiling**. Except as provided in Section 7.5(h)(6), 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, executed 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 seven (7) days of receipt of such requests grant its consent to the Unit Owner if:

(i) the Unit Owner has complied with Section 7.5(h) of the Declaration;

(ii) the tenant is in strict compliance with all provisions of the Governing Documents;

(iii) the Lease is in compliance with all requirements of the Declaration;

(iv) 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 7.5(h)(6) 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 Section 7.5(h)(4) 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 Unit Owner and a tenant to enter into a lease agreement merely because the number of non-owner occupied units was equal to or greater than the Rental Ceiling provided that the unit

was previously leased by the same Unit Owner in accordance with Section 7.5(h) of these Bylaws, and that the unit was not owner occupied subsequent to the termination of the previous lease;

4. 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 lender, where such lender first obtains possession subsequent to the date of recording 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;

5. the Association may grant a hardship exception as provided in Section 7.5(h)(9) notwithstanding the fact that it would temporarily cause the number of non-owner occupied Units to exceed the Rental Ceiling until the next Rental vacancy occurs;

6. the unit is not being rented in a furnished condition.

(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 Owners name on the Rental Waiting List provided for in Section 7.5(h)(8).

(6) **Pre-existing Leases.** Within thirty (30) days from the date of notification to 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 Declaration 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 section 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 section and any subsequent renewals are submitted to the Association for approval prior to the expiration of the Lease term then in effect.

(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.

(8) **Rental Waiting List**. Except as provided in Section 7.5(h)(4), in the event that a Rental Waiting List exists, upon notification that an existing rental unit is listed for sale, or becomes an owner occupied unit, the Unit Owner in the next available position on the Rental Waiting List shall be notified, not more than ninety (90) days nor less than fifteen (15) days prior to the close of the sale of the previously rented unit or the occupancy of the previously rented unit by its owner, 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 Unit Owner on the Rental Waiting List.

If, at the date of the adoption of this amendment, any unit is leased, 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. All such units will be considered as bona fide rentals and their numbers will be counted within the rental ceiling, including pre-existing rentals to related parties.

(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 7.5(h)(4), 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 nine (9) units. This hardship exception may be renewed annually upon application to, and approval of the Board of Directors.

(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 apartments, the maintaining of tenant

information and the rental waiting list, and the screening of tenants to defray the added administrative costs of such activities.

(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 a Unit by a Related Party (as defined in Section 7.5(h)(1)) 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 it 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.

(12) **Tenant Screening.**

(i) **Applicability.** Section 7.5(h)(12) shall be applicable to the Rental of any Unit in the Condominium other than to a Related Party (as defined in Section 7.5(h)(1)).

(ii) **Tenant Screening Required.** Any Unit Owner who desires to rent a Unit to one or more persons (referred to as an “**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 a fully completed rental application and verification of professional rental screening, in the form provided by the Association.

(iii) **Nature of Screening Required.** The Unit Owner shall take the following steps 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 detainer 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 the its records.

(iv) 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 Applicant. The Selection of a suitable and appropriate tenant shall be the sole responsibility of the Unit Owner.

(v) 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 Nondisclosure Agreement which spells out the signer's duties under the law with regard to the information.

(13) Nondiscrimination. 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, religion, familial status, handicap or any other legally protected classification.

(14) Notices regarding Occupancy Changes. The presence and movement of persons in and out of Units shall be governed by the provisions of this Section 7.5(h)(14).

(i) 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;

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.

(ii) 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 7.5(h)(2). Nothing in this Section shall preclude an Occupant from submitting the registration required by this Paragraph or the preceding Paragraph.

(iii) 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.

(15) Sale of Property.

(i) No Unit Owner shall be permitted to market their Unit as a potential rental unit without prior approval from the Association. Prior to marketing the Unit as a potential rental, a Unit Owner shall submit to the Association a request for written consent of the Association for the Unit to be considered a Rental Unit. The Association shall within seven (7) days of receipt of such requests grant its consent to the Owner if the consideration of this Unit as a Rental Unit would not cause the number of non-owner occupied Units to exceed the Rental Ceiling.

(ii) If a Unit Owner wishes to market his or her Unit but is prohibited from doing so because of the Rental Ceiling, the Association shall place the Unit Owners name on the Rental Waiting List provided for in Section 7.5(h)(8).

(iii) Unit Owners granted Rental Unit status for the purpose of marketing their Unit are granted Rental Unit status for an initial period of one hundred twenty (120) days. Renewals of the Rental Unit status are allowed provided:

(1) they meet the requirements of Section 7.5(h)(15)(i);

(2) there are no Unit Owners on the Rental Waiting List.

(iv) Upon completion of the sale of a Unit granted Rental Unit status as provided in Section 7.5(h)(15)(i), the Unit is considered a Rental Unit and must abide by the requirements of Section 7.5(h), including, but not limited to, Section 7.5(h)(8) if, within seven (7) days after the close of the sale, the new owner notifies the Board of their intent to rent the unit.

**ASSOCIATION OF UNIT OWNERS OF
WASHINGTON PARK CONDOMINIUM**

By Renee M. Ferreira
Chairman

By Jose C. Lopez
Secretary

CERTIFICATION

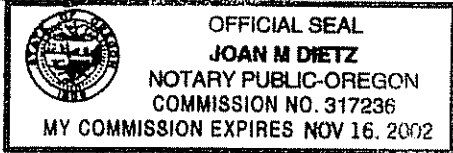
The undersigned Chairman and Secretary of the Association of Unit Owners of Washington Park Condominium hereby certifies that the attached Amendment to Bylaws of the Association of Unit Owners of Washington Park Condominium has been adopted in accordance with the Bylaws and the provisions of ORS 100.410.

By Renee M. Ferreira
Chairman

By Joan C. Dietz
Secretary

STATE OF OREGON)
)ss.
County of)

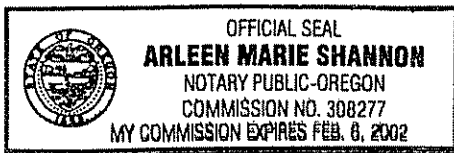
The foregoing instrument was acknowledged before this 29th day of June, 2000, by Renee M. Ferreira, Chairman of the Association of Unit Owners of Washington Park Condominium.



Joan M. Dietz
Notary Public for Oregon
My commission expires:

STATE OF OREGON)
)ss.
County of)

The foregoing instrument was acknowledged before this 27 day of June, 2000, by Diane Delgado, Secretary of the Association of Unit Owners of Washington Park Condominium.



Arleen Marie Shannon
Notary Public for Oregon
My commission expires: 2/6/02

The foregoing Amendment to Bylaws of Association of Unit Owners of Washington Park Condominium is approved pursuant to ORS 100.410(5) this 24th day of July, 2000.

**SCOTT W. TAYLOR, REAL ESTATE
COMMISSIONER**

By 
Brian DeMarco