

**SECOND AMENDMENT TO BYLAWS
OF
THE CAPES HOMEOWNERS' ASSOCIATION, INC.**

RECITALS

The Board of Directors of The Capes Homeowners' Association, Inc. (the "Association") hereby records amendments to the Bylaws of the Association made unanimously by the Board of Directors at a duly called special meeting held in Portland, Oregon, on February 18, 1998, effective February 20, 1998, pursuant to the power granted in Article XVII of the Bylaws.

AMENDMENTS

MEETINGS OF OWNERS

1. The first two sentences of Article IV, Section 3, are hereby amended to read as follows:

Any meeting held pursuant to this Article IV shall be held on such date, at such time, and at such place within Oregon as may be designated by the Secretary. Written notice of each meeting of the Owners under this Article IV shall be given by, or at the direction of, the Secretary or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting, to each Owner entitled to vote, addressed to the Owner's address last appearing on the books of the Corporation, or supplied by such Owner to the Corporation for the purpose of notice, and to any mortgagee having requested notice thereof.

2. The seventh sentence of Article IV, Section 4, is hereby amended to read as follows:

In any case in which voting by mail is necessary or desirable, the Secretary shall give written notice to all Owners, which notice shall (a) include a written resolution setting forth the proposed action, (b) state that the Owners are entitled to vote by mail for or against such resolution, and (c) specify a date not less than

fifteen (15) days after the date of such notice by which all votes must be received at the principal office of the Corporation.

MEETINGS OF BOARD OF DIRECTORS

3. The first sentence of Article V, Section 7.2, is hereby amended to read as follows:

For other than emergency meetings, notice of Board meetings shall be mailed to all Owners, at the last address for each Owner in the records of the Corporation, not less than seven (7) days before the meeting; posted at a place or places on the Property at least three days prior to the meeting; or provided by a method otherwise reasonably calculated to inform Owners of the meeting.

4. Article V, Section 7.5, is hereby amended read as follows:

Meetings of the Board shall be held at such place within Oregon as may be designated from time to time by the Board.

5. The first sentence of Article V, Sections 7.6, is hereby amended to read as follows:

Except for emergency meetings, the Secretary shall give written notice to each Director of each Board meeting at least seven (7) but not more than thirty (30), days prior to the date set for such meeting, stating the purpose, time, and place of the meeting.

MISCELLANEOUS

6. Article VI, Section 4 is hereby amended to delete the entire section and replace it with the following:

Except for reimbursement of out-of-pocket expenses incurred on behalf of the Corporation, no officer or Director of the Corporation shall receive any compensation for serving in such capacity.

7. Article VII is hereby amended to delete the following sentence:

The Corporation may pay compensation in a reasonable amount to its Officers for services rendered as provided by the Articles of Incorporation, the Declaration, other provisions of these Bylaws, or resolution of the Board of Directors.

IN WITNESS WHEREOF, the Chairman and Secretary of the Association certify that this Amendment was duly adopted by unanimous consent of the Board of Directors.

**THE CAPES HOMEOWNERS'
ASSOCIATION, INC.**

By: *Sue Blatter*
Chairman, Board of Directors

By: *[Signature]*
Secretary, Board of Directors