

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

The undersigned Chairman and Secretary of The Capes Homeowners Association, Inc. (the "Association") hereby certify that the Bylaws of the Association were amended as set forth below by not less than a majority of the total voting power of the Association, together with the consent of the Declarant, effective April \_\_\_\_, 1998.

Article V, Section 2 of the Bylaws is hereby amended to read in its entirety as follows:

Section 2: Appointment By Declarant Prior to Turnover Meeting. The Directors shall not be required to be Owners. Until the turnover meeting, Declarant shall appoint all Directors, except that Declarant may revocably or irrevocably delegate the power to appoint Directors hereunder by written instrument delivered to the Association naming the party to whom the power to appoint Directors has been delegated. On and after the date of the turnover meeting, the Board shall consist of seven (7) Directors, all of whom shall be elected by the Owners.

Article V, Section 4 of the Bylaws shall be revised to read in its entirety as follows:

Section 4: Terms of Directors.

4.1 At the first meeting at which Directors are elected, three (3) Directors shall be elected for three (3) year terms, two (2) Directors shall be elected for two (2) year terms, and two (2) Directors shall be elected for a one (1) year term. The three (3) Directors receiving the highest number of votes shall serve terms of three (3) years, the two (2) Directors receiving the next highest number of votes shall serve two (2) year terms, and the two (2) Directors receiving the next highest number of votes shall serve one (1) year terms. The Directors elected at such meeting shall serve until their successors are elected at the annual meeting of the Association most nearly approximating the expiration of their elected terms of office.

4.2 Except as provided in Section 4.1 and Section 6, all Directors shall serve three (3) year terms. Any Director may serve more than one term.

IN WITNESS WHEREOF, the undersigned Chairman and Secretary of the Association

have hereunto set their hand.

**THE CAPES HOMEOWNERS  
ASSOCIATION, INC.**

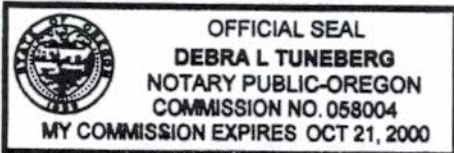
By: [Signature]  
Chairman, Board of Directors

By: [Signature]  
Secretary, Board of Directors

STATE OF OREGON )  
 ) ss.  
County of Multnomah )

April 22, 1998

Personally appeared before me the above-named Tom Hendrickson and Michael G. Magnus and who, being duly sworn, did say that they are the Chairman and Secretary of The Capes Homeowners Association, Inc. and that said instrument was signed in behalf of said Association by authority of its Board of Directors; and they acknowledged said instrument to be its voluntary act and deed.



[Signature]  
Notary Public for Oregon