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**DECLARATION OF CONDOMINIUM OWNERSHIP FOR
HILLSIDE TERRACE CONDOMINIUMS**

Dated: August 23, 2007

Declarant: HILLSIDE DEVELOPMENT CORPORATION, an Oregon corporation

HILLSIDE TERRACE CONDOMINIUMS

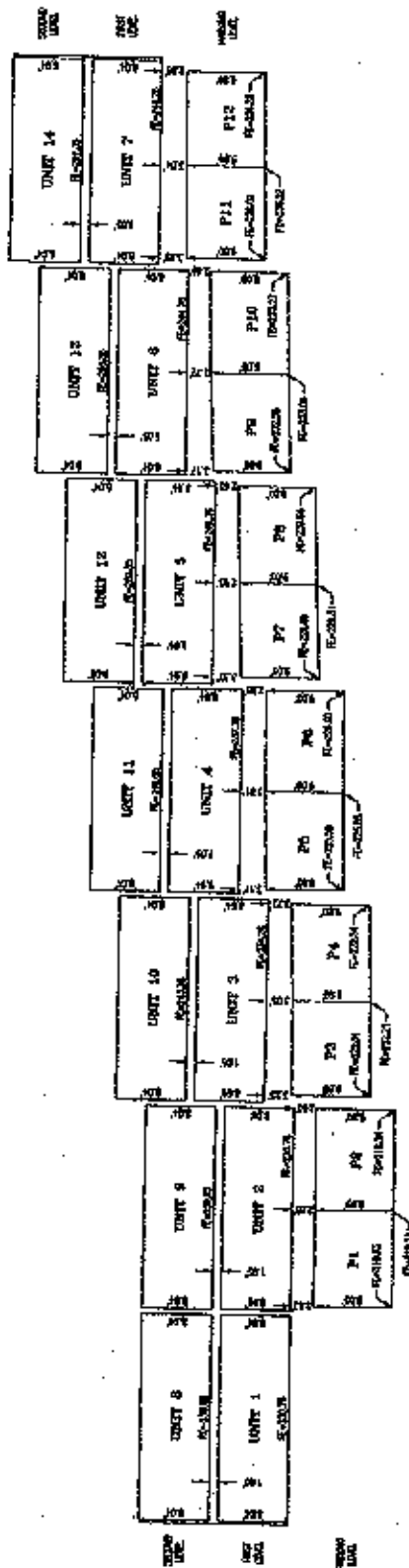
ALL OF LOTS 5, 7, AND 8 AND THE SOUTHWEST CORNER OF LOT 4, NEIGHBORHOOD SECTION 20 EAST PORTLAND, OR, LOCATED BY THE NEAREST ONE-QUARTER SECTION 20, TOWNSHIP 1 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON. SUBMITTED: JANUARY 16, 2005

LEGEND

FE 1/400 SECTION

NOTES

1. ALL MEASUREMENTS ARE APPROXIMATE.
2. EXISTING AREAS ARE SHOWN ON THE ORIGINAL RECORDS AND ARE NOT TO BE CONSIDERED AS PART OF THIS PLAN. THE CITY OF PORTLAND HAS REVIEWED AND APPROVED THIS PLAN.
3. THE MEASUREMENTS, CALCULATIONS, AND DIMENSIONS OF THIS PLAN ARE BASED ON THE ORIGINAL RECORDS AND ARE NOT TO BE CONSIDERED AS PART OF THIS PLAN. THE CITY OF PORTLAND HAS REVIEWED AND APPROVED THIS PLAN.



SECTION A-A
1/400 = 20 FEET



SECTION B-B
1/400 = 20 FEET

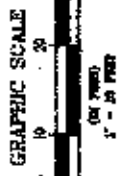
1. UNIT 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

1. HENRY CREDIT HAS TO BE A TRUE AND EXACT COPY OF THE ORIGINAL PLAN.



W.B. WELLS
 REGISTERED PROFESSIONAL ENGINEER
 LICENSE NO. 12345, STATE OF OREGON
 4200 NE FREMONT STREET
 PORTLAND, OREGON 97218
 PHONE: 503-253-4400 FAX: 503-253-4400
 E-MAIL: wbwells@wells.com

ALL OF LOTS 6, 7, AND 8 AND THE SOUTH 30 FEET OF LOT 4, BLOCK 4, TOWNSHIP 1 NORTH, EAST PORTLAND DISTRICT, LOCATED IN THE NORTHWEST ONE-QUARTER SECTION 22, TOWNSHIP 1 NORTH, RANGE 2 EAST, MERIDIAN 12 WEST, CLATSOP COUNTY, OREGON, SUBJECT: SUBJECT 'S', 2012.

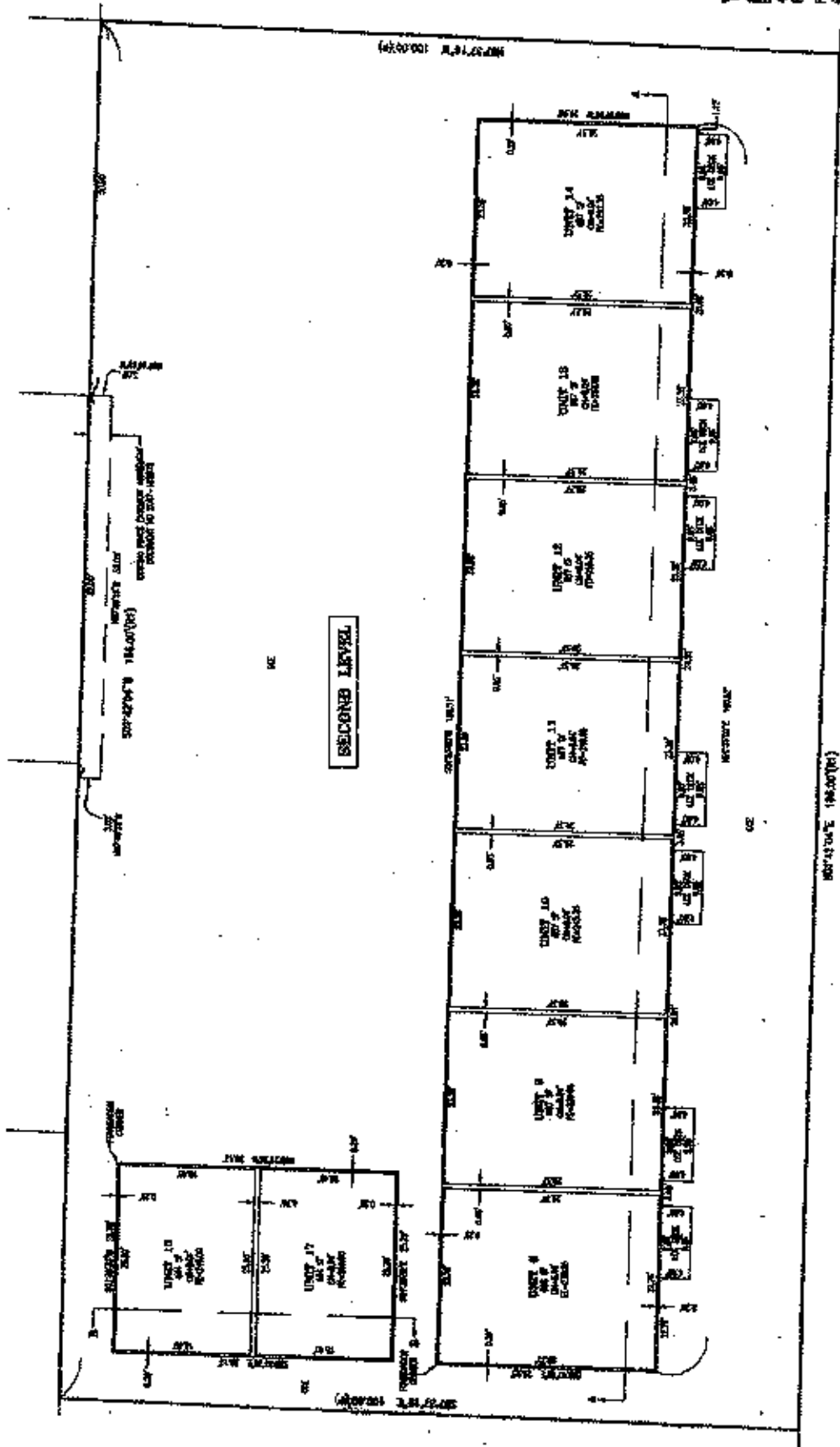


LEGEND

- ON CONDO UNIT
- FLR FLOOR ELEMENT
- SF STAIRCASE FEE
- GC GENERAL COMMON ELEMENT
- ICE UNITED COMMON ELEMENT

NOTES

1. ALL UNITS SHOWN ARE CONDOMINIUMS.
2. ALL UNITS ARE SHOWN IN THIS PLAN AS BEING OWNED BY THE SAME PERSON OR PERSONS IN THE SAME INTEREST AS SHOWN ON THE PLAN. THE PLAN IS NOT TO BE CONSIDERED AS A GUARANTEE OF THE ACCURACY OF THE INFORMATION SHOWN THEREON.
3. THE UNITS SHOWN ARE SUBJECT TO THE EXISTING RECORDS AND PLANS OF THE PROJECT AND TO THE EXISTING RECORDS AND PLANS OF THE PROJECT AND TO THE EXISTING RECORDS AND PLANS OF THE PROJECT.
4. THE UNITS SHOWN ARE SUBJECT TO THE EXISTING RECORDS AND PLANS OF THE PROJECT AND TO THE EXISTING RECORDS AND PLANS OF THE PROJECT.



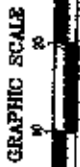
I HEREBY CERTIFY THAT THIS IS A TRUE AND EXACT COPY OF THE ORIGINAL PLAN.



W. R. WELLS
 REGISTERED PROFESSIONAL ENGINEER
 NO. 12345, STATE OF OREGON
 400 W. 10TH STREET, SEASIDE, OREGON 97138
 PHONE: 503-738-1234

HILLSIDE TERRACE CONDOMINIUMS

BOOK 17282 PAGE 24
 ALL OF LOTS 1, 2, 3, 4, 5, 6, 7, 8 AND 9 AND THE SOUTH 25 FEET OF LOT 10, BLOCK 4, NEIGHBORHOOD AND
 EASE PREVIOUSLY COVERED BY THE PARTITION AND SUBDIVISION OF LOTS 1 THROUGH 9, TRACT 1, CITY
 OF PORTLAND, MULTNOMAH COUNTY, OREGON, AS SHOWN ON THE MAP THEREON, FILED FOR RECORD IN
 BOOK 17282, PAGE 1, IN THE OFFICE OF THE CLERK OF MULTNOMAH COUNTY, OREGON,
 JANUARY 19, 1958.



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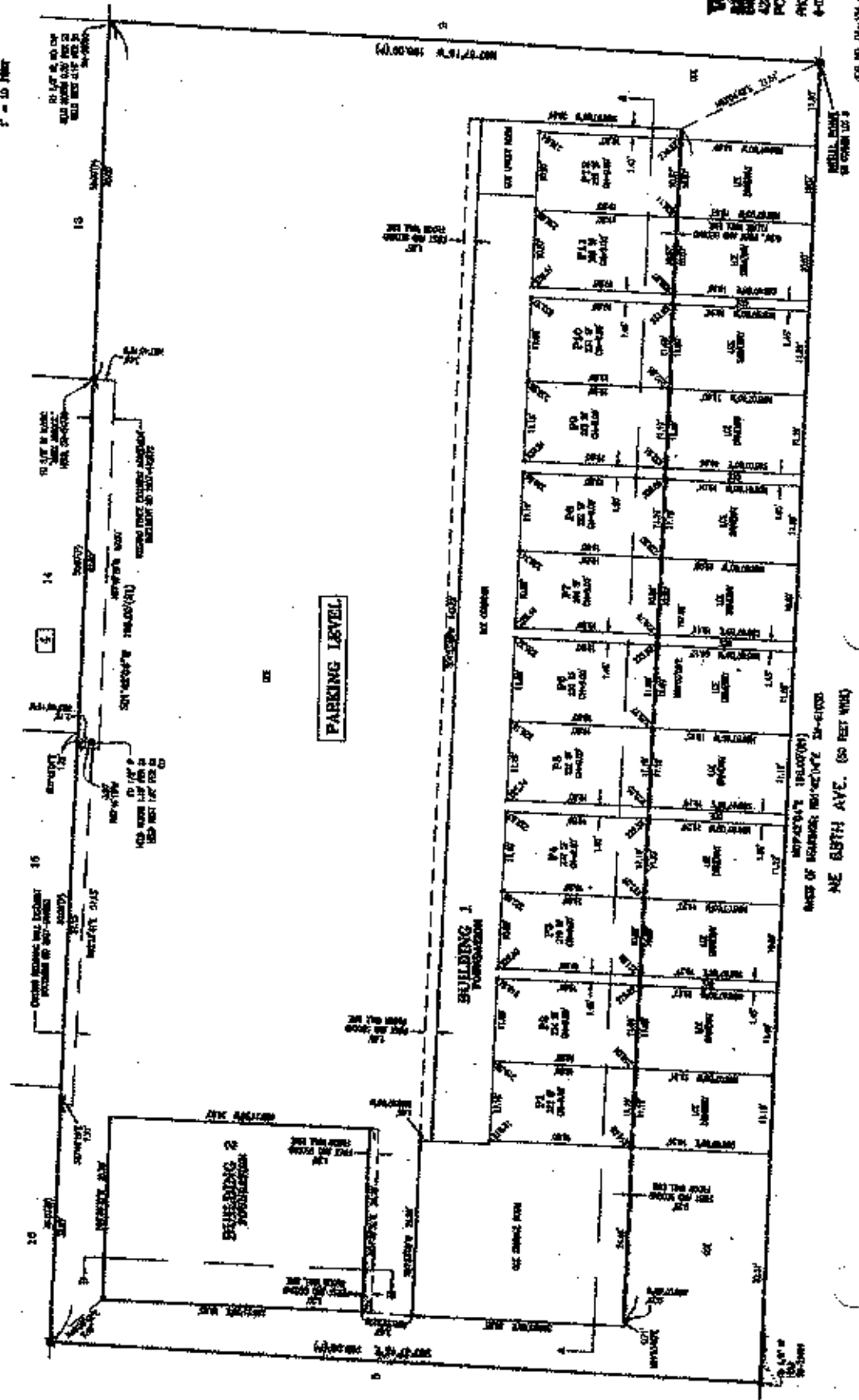
- SHEET 1 - PROPOSED BUILDING FOOTPRINT, FINISH LINES, EASEMENTS
- SHEET 2 - SITE PLAN, ONE BUILDING, LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10
- SHEET 3 - TRACT MAP, ONE BUILDING, LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10
- SHEET 4 - TRACT MAP, ONE BUILDING, LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10
- SHEET 5 - SUBDIVISION AND EASEMENT CERTIFICATE OF CONVEYANCE, INCLUDING, INCLUDING, ADMINISTRATIVE, APPROVALS

NOTICES

1. BUILDING FOOTPRINTS ARE NOT TO BE CONSIDERED AS A MATTER OF RECORD.
2. BOUNDARIES ARE SHOWN ON CITY OF PORTLAND RECORDS, NO. 1, A BLOCK 2-1/2' GRASS EASEMENT 2 FEET SOUTH OF THE S.W. CORNER OF THE INTERSECTION OF W. 7TH AVENUE AND SE MULTNOMAH STREET, ELEVATION + 34 1/2' FILL, CITY OF PORTLAND DATA.
3. DIMENSIONS ARE LISTED CORNER ELEMENTS AND ARE SHOWN IN THE DRAWING.
4. THE VERTICAL PLACES OF FINISH LINES ARE 100 ALONG THE ADJACENT PROPERTY SURFACE.

LEGEND

- R1 - PER DOCUMENT 165,388 - ERECT, MULTNOMAH COUNTY DEED RECORDS
- P - PLAT - PER PLAT OF 'NORTHWEST ADJOINER' TO EAST PORTLAND 'OT', MULTNOMAH COUNTY PLAT RECORDS
- S - LOT NUMBER, 'NORTHWEST ADJOINER' TO EAST PORTLAND 'OT', MULTNOMAH COUNTY PLAT RECORDS
- 4 - BLOCK NUMBER, 'NORTHWEST ADJOINER' TO EAST PORTLAND 'OT', MULTNOMAH COUNTY PLAT RECORDS
- CN - COILING NUMBER
- PW - PARKING UNIT NUMBER
- VAL - PARKING UNIT NUMBER, ELEVATION AS SURFACE OF ASPHALT PARKING
- * - FOUND MONUMENT AS NOTED
- # - IN LOT, NEAR AND WITH YELLOW PLASTIC CAP MARKED SEE WELLS & ASSOC., INC. SURVEYS
- AN - SURVEY NUMBER, MULTNOMAH COUNTY SURVEY RECORDS
- R - REAR EASE
- RD - REAR ROAD
- FB - FRONT
- CZC - CORNER CORNER ELEMENT
- LOS - LIMITED COMMONS ELEMENT
- SF - SQUARE FOOT
- S1 - SE - 1/4 SECTION



PARKING LEVEL

BUILDING 1
CONDOMINIUM

BUILDING 2
CONDOMINIUM

NE 60TH AVE. (50 FEET WIDE)
 BLOCK 4, NEIGHBORHOOD AND EASE PREVIOUSLY COVERED BY THE PARTITION AND SUBDIVISION OF LOTS 1 THROUGH 9, TRACT 1, CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON, AS SHOWN ON THE MAP THEREON, FILED FOR RECORD IN BOOK 17282, PAGE 1, IN THE OFFICE OF THE CLERK OF MULTNOMAH COUNTY, OREGON, JANUARY 19, 1958.

WELLS & ASSOC., INC.
 1130 NE 5TH AVE., PORTLAND, OREGON
 ARCHITECTS AND ENGINEERS
 LICENSE NO. 1423
 REGISTERED PROFESSIONALS
 OREGON AND CALIFORNIA



W.P. WELLS & ASSOCIATES, INC.
 REGISTERED PROFESSIONALS
 ARCHITECTS AND ENGINEERS
 400 NE FREIGHT STREET
 PORTLAND, OREGON 97213
 ARCHITECTS AND ENGINEERS
 LICENSE NO. 1423
 REGISTERED PROFESSIONALS
 OREGON AND CALIFORNIA

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Exhibits to Declaration

- Exhibit A - Property Description
- Exhibit B - Area of Units and Allocation of Interest in Common Elements
- Exhibit C - Allocation of Common Profits and Common Expenses
- Exhibit D - Allocation of Parking Expenses
- Exhibit E - Bylaws of Hillside Terrace Condominiums Owners' Association

TERRACE

**DECLARATION OF CONDOMINIUM OWNERSHIP FOR
HILLSIDE VIEW CONDOMINIUMS
MADE PURSUANT TO THE OREGON CONDOMINIUM ACT**

This Declaration, to be effective upon its recording in Multnomah County, Oregon, pursuant to the provisions of the Oregon Condominium Act, is made and executed this 23rd day of August, 2007 by Hillside Development, an Oregon corporation ("Declarant").

Declarant proposes to create a condominium located in the City of Portland, Multnomah County, Oregon, to be known as Hillside Terrace Condominiums, composed of 18 Primary Units and 12 Parking Units. The purpose of this Declaration is to submit the Property (as defined below) to the condominium form of ownership and use in the manner provided by the Oregon Condominium Act.

1. Definitions and Interpretation.

1.1 Definitions. As used in this Declaration, the Articles of Incorporation of the Hillside Terrace Condominiums Owners' Association, its Bylaws, its Rules and Regulations, and any exhibits thereto, unless the context shall otherwise require, the following definitions shall be applied:

1.1.1 Act shall mean the Oregon Condominium Act, currently ORS 100.005 to 100.990, as amended from time to time.

1.1.2 Association shall mean the nonprofit corporate entity responsible for the administration, management and operation of the Condominium.

1.1.3 Association Property shall mean any real property or interest in real property acquired, held, or possessed by the Association pursuant to ORS 100.405.

1.1.4 Board shall mean the Board of Directors of the Association.

1.1.5 Bylaws shall mean the Bylaws of the Association, as amended from time to time.

1.1.6 Common Elements shall mean all those portions of the Condominium exclusive of the Units.

1.1.7 Condominium shall mean the Property that is hereby submitted to condominium ownership and all improvements thereon and all easements and rights appurtenant thereto.

1.1.8 Declaration shall mean this Declaration of Condominium Ownership for Hillside Terrace Condominiums and any amendments thereto.

1.1.9 General Common Elements shall mean those Common Elements designated in Section 5.

1.1.10 Legal Requirements shall mean any and all laws, orders, rules, and regulations of any governmental entity.

1.1.11 Limited Common Elements shall mean those Common Elements designated as Limited Common Elements in Section 6.

1.1.12 Mortgage shall include a deed of trust and a contract for the sale of real estate.

1.1.13 Mortgagee shall include a mortgagee, a deed of trust beneficiary and a vendor under a contract for the sale of real estate.

1.1.14 Mortgage Insurer or Guarantor shall mean an insurer or governmental guarantor of a first Mortgage on a Unit.

1.1.15 Owner shall mean the owner or owners of a Primary Unit and, in addition to a Primary Unit, any Parking Unit, but shall not include a Mortgagee unless in possession of a Primary Unit and, in addition to a Primary Unit, any Parking Unit. A person or entity that does not own a Primary Unit shall not be an Owner.

1.1.16 Parking Common Expenses shall mean expenses incurred in the inspection, repair, maintenance or replacement of the surface of the paving below the Parking Units and the limited common element driveways adjoining each Parking Unit.

1.1.17 Parking Unit shall mean that part of the Condominium designated as such in Section 4 comprised of the space enclosed by its boundaries as described in Section 4.

1.1.18 Plans shall mean the plat for the Condominium which is being recorded in the deed records of Multnomah County, Oregon, concurrently with this Declaration and any revisions of or supplements to such plat subsequently recorded.

1.1.19 Primary Unit shall mean the part of the Condominium designated as such in Section 4 and comprised of the space enclosed by its boundaries as described in Section 4.

1.1.20 Property shall mean the property submitted to the provisions of the Act, as described more particularly in Section 2.

1.1.21 Rules and Regulations shall mean those rules and regulations governing the use and enjoyment of the Condominium, as adopted by the Board pursuant to the Bylaws.

1.1.22 Turnover Meeting shall mean the meeting at which Declarant relinquishes control of the administration of the Association pursuant to Section 100.210 of the Act.

1.1.23 Unit Sales Agreement shall mean the purchase agreement pursuant to which an Owner purchases his or her Unit(s).

1.1.24 Units shall mean those parts of the Condominium designated in Section 4 as Primary Units or Parking Units and comprised of the spaces enclosed by each of their respective boundaries as described in Section 4; Unit shall mean any one of the Units.

1.2 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Condominium under the provisions of Oregon law. The terms used herein are intended to have the same meaning as may be given in the Act to such terms unless the context clearly requires otherwise or definition in this manner would have an unlawful consequence.

1.3 Mortgagee Approval. For purposes of determining the percentage of first Mortgagees approving a proposed decision or course of action in cases where a Mortgagee holds first Mortgages on more than one Primary Unit, such Mortgagee shall be deemed a separate Mortgagee as to each such Primary Unit.

1.4 No Fiduciary Standard. In no event shall Declarant be deemed to be a fiduciary of the Owners or be held to a fiduciary standard with respect to activities hereunder. The foregoing language does not apply to the Declarant in Declarant's exercise of powers of the Association Board, or the Association officers under this Declaration.

1.5 Original Owner of Units. Declarant is the original Owner of all Units and will continue to be deemed the Owner of each Unit until conveyances or other documents changing the ownership of specifically described Units are filed of record.

1.6 Captions and Exhibits. The captions given herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. The various exhibits referred to herein and attached hereto shall be deemed incorporated herein by reference as though fully set forth where such reference is made.

1.7 Miscellaneous. All terms and words used in this Declaration, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require. "And/or" when applied to two or more matters or things shall be construed to apply to any one or more or all thereof, as the circumstances then warrant. "Herein," "hereof," "hereunder," and words of similar import shall be construed to refer to this Declaration as a whole, and not to any particular section, unless expressly stated otherwise.

2. Property Submitted. The Property hereby submitted to the provisions of the Act is the land owned in fee simple by Declarant and described on the attached Exhibit A, together with all easements, rights, and appurtenances belonging thereto and all improvements now existing or hereafter constructed on such land.

3. Name. The name by which the Property is to be identified is "Hillside Terrace Condominiums."

4. Units.

4.1 General Description of Buildings. The Condominium shall consist of two (2) two-story buildings ("Building 1" and "Building 2") as shown on the Plans. The Buildings were built in approximately 1966. Building 1 has Parking Units at ground level located underneath the Primary Units. The Buildings are of wood frame construction on concrete slabs with poured foundations and each have a low slope built up roof.

4.2 General Description, Location, and Designation of Units. The Condominium shall consist of a total of 18 Primary Units and 12 Parking Units located on a sloping site as shown on the Plans. The site slopes downward from the southeast to the northwest. The Primary Units will be designated for residential use in accordance with Section 9 below. The Primary Units are designated numerically as Units 1 through 18, inclusive, as shown on the Plans. Units 1 through 14 are located in Building 1 and Units 15 through 18 are located in Building 2. The Parking Units are designated as P1 through P12, inclusive, and are located in the Building 1 as shown on the Plans. The square footage of the Units is set forth on the attached Exhibit B and as shown on the Plans.

4.3 Boundaries of Units.

4.3.1 Primary Units. Each Primary Unit shall be bounded by the interior surfaces of its perimeter and demising stud walls, floors, ceilings, windows and window frames, doors and door frames, and trim, and shall include both the interior surfaces so described (including the unexposed face of the sheetrock or similar material and the underside of the finished floor) and the air space so encompassed and shall exclude those portions of the walls, floors or ceilings that materially contribute to the structural shear capacity of the Condominium. In addition, each Primary Unit shall include (a) the outlet of any utility service lines, including water, sewer, electricity, or cable television, and of ventilating or air conditioning ducts, but shall not include any part of such lines or ducts themselves; and (b) all spaces, nonbearing interior partitions, fixtures and improvements within the boundaries of the Unit. The area in square feet of each Unit is listed on Exhibit B.

4.3.2 Parking Units. Each Unit identified on the Plans as a Parking Unit shall consist of the surface of the asphalt pavement floors and a vertical plane of 9 feet above the surface as shown on the Plans. Regardless of the actual location of the painted striping for Parking Units, the boundaries of the Parking Units shall be as set forth herein and on the Plans.

5. Owner's Interest in Common Elements; General Common Elements. Each Owner shall be entitled to an undivided percentage ownership interest in the Common Elements, as shown on the table attached as Exhibit B. The method used to establish this allocation consists of (i) an allocation of an 0.01 percent undivided interest to each of the Parking Units, and (ii) an allocation of the remaining undivided interests to the Primary Units determined by the ratio which the area of each Primary Unit bears to the total area of all Primary Units combined, as shown on the Plans. The general location of the Common Elements is shown on the Plans. The General Common Elements shall consist of all parts of the Condominium other than the Units and the Limited Common Elements and include, without limitation, the following:

5.1 All floor and ceiling slabs; foundations; exterior windows and window frames; exterior doors; doors which face the Parking Units, utility room; storage room; crawl spaces; roof; columns; beams; girders; supports; and bearing walls.

5.2 Common corridors, ramps and interior and exterior stairways.

5.3 Pipes, ducts, conduits, wires, and other utility installations, in each case to their respective outlets.

5.4 The outdoor courtyard area and landscaping.

5.5 The land included in the Property, together with any rights or appurtenances related thereto.

6. Limited Common Elements. The Limited Common Elements shall consist of (a) decks, the use of which is reserved on an exclusive basis for the Unit which each deck adjoins as shown on the Plans; and (b) the driveways, the use of which is reserved on an exclusive basis for the Parking Unit each such driveway adjoins as shown on the Plans; provided, however that each Owner shall have right of access over such driveways and the Parking Units as set forth in Section 14.1 of this Declaration. The dimensions, designation, and location of the Limited Common Elements are shown on the Plans.

7. Allocation of Common Profits and Expenses; Enforcement of Assessments.

7.1 Method of Allocation. The common profits of the Property shall be distributed among the Owners and the common expenses of the Property (other than Parking Common Expenses) shall be charged to the Owners as follows: each Primary Unit which has two bedrooms (Units 1 through 14 inclusive) shall be responsible for 6% respectively of such common expenses, and each Primary Unit which has one bedroom (Units 15 through 18 inclusive) shall be responsible for 4%, respectively, of such common expenses. The Parking Common Expenses allocated to the Owners of Parking Units shall be calculated according to the following formula: The Parking Common Expense liability for each Owner of a Parking Unit shall be a fraction, the numerator of which shall be one and the denominator of which shall be the total number of Parking Units, as set forth on Exhibit D. In the event an Owner of a Primary Unit shall use an unreasonably disproportionate amount of a service included in the common expenses, as determined by the Board in its reasonable discretion, then such Owner shall be required to bear the expense of such service individually (as, for example, by separate metering of utilities) and the common expenses incurred by the other Owners shall thereupon be adjusted accordingly.

Assessments of common expenses shall commence upon closing of the first sale of a Unit provided that Declarant may elect to defer the commencement of assessment of common expenses (other than assessments for reserves pursuant to Section 5.2 of the Bylaws) for a period of sixty (60) days following such initial closing. Assessments for reserves pursuant to Section 5.2 of the Bylaws shall commence upon closing of the first sale of a Unit, subject to the right of Declarant to defer the payment of assessments for reserves pursuant to Section 5.2 of the Bylaws. If Declarant elects to defer assessment of common expenses pursuant to this Section 7.1, then Declarant shall give not less than ten (10) days' written notice to all Owners of the date

on which such assessments shall commence. Until the commencement of assessments for all common expenses, Declarant shall be responsible for payment of all common expenses of the Association (other than assessment for reserves pursuant to Section 5.2 of the Bylaws). Except to the extent provided in the Bylaws, the common expenses of the Property shall be assessed on a monthly basis.

7.2 No Exception. No Owner may claim exemption from liability for contribution toward the common expenses by waiver by the Owner of the use or enjoyment of any of the Common Elements or by abandonment by the Owner of the Owner's Unit, except as expressly set forth in Section 7.1. No Owner may claim an offset against an assessment for common expenses for failure of the Board or Association to perform its obligations.

7.3 Default in Payment of Common Expenses. In the event of default by any Owner in paying to the Association the assessed common expenses (including, but not limited to, reserve assessments or any other special assessments) or any other charge imposed or levied by the Association pursuant to the provisions of this Declaration, the Bylaws or the Act, such Owner shall be obligated to pay interest on such delinquent amount from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Association in any proceeding brought to collect such unpaid amount, or any appeal therefrom. No interest or late charges will be assessed on common expenses or other charges paid within 10 days after the due date therefor. Otherwise delinquent payments of common expense assessments and other charges shall bear interest from the date thereof at a rate of 12 percent per annum, but in no event higher than the maximum rate permitted by law. The Board may also establish and impose charges for late payments of assessments if the charges imposed are based upon a resolution adopted by the Board that is delivered to each Owner, mailed to the mailing address of each Unit or such other address designated in writing by the Owner of the Unit. The Board shall have the right and duty to recover for the Association such common expenses, together with interest thereon, late charges, if any, and expenses of the proceeding, including attorneys' fees, by an action brought against such Owner or by foreclosure of the lien which the Association shall have upon such Owner's Unit with respect to all such obligations.

7.4 Foreclosure of Liens for Unpaid Common Expenses. In any action brought by the Association to foreclose a lien on a Unit because of unpaid assessments or charges, the Owner shall be required to pay a reasonable rental for the use of the Unit during the pendency of the suit, and the plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect such rental. The Board, acting on behalf of the Association, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey, or otherwise deal with the Unit or Units. An action to recover a money judgment for unpaid common expenses or other charges shall be maintainable without foreclosing any lien securing the same.

7.5 First Mortgages; Liability of Subsequent Owner.

7.5.1 Any lien of the Association against a Unit for assessments and charges shall be subordinate to tax and assessment liens and any first Mortgage of record, except as otherwise provided by Section 100.450(7) of the Act. Where the purchaser or Mortgagee of a Unit obtains title to the Unit as a result of foreclosure of a first Mortgage or by deed in lieu of foreclosure, such purchaser or Mortgagee and his successors and assigns shall not be liable for

any of the common expenses chargeable to such Unit or Units which became due prior to the acquisition of title to such Unit or Units by such purchaser or Mortgagee except to the extent provided in the Act; *provided*, in the case of a deed in lieu of foreclosure, that the Mortgagee complies with the requirements of Section 100.465(1) of the Act. Any sale or transfer of a Unit or Units pursuant to a foreclosure shall not relieve the purchaser or transferee of such Unit or Units from liability for, nor such Unit or Units from the lien of, any common expense assessments or charges thereafter becoming due.

7.5.2 In a voluntary conveyance of a Unit, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor of the Unit to the time of grant of conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, upon request of a prospective purchaser, the Board shall make and deliver a statement of the unpaid assessments against the prospective grantor of the Unit, and the grantee in such case shall not be liable for, nor shall the Unit when conveyed be subject to, a lien filed thereafter for any unpaid assessments against the grantor in excess of the amounts therein set forth.

7.6 Acceleration of Assessments. In the event any monthly assessment attributable to a particular Unit remains delinquent for more than 60 days, the Board may, upon 15 days written notice to the Owner of such Unit, accelerate and demand immediate payment of all, or such portion as the Board determines, of the monthly assessments and other charges which the Board reasonably determines will become due during the next succeeding 12 months with respect to such Unit.

7.7 Delinquent Assessment Deposit.

7.7.1 An Owner may be required by the Board, from time to time, to make and maintain a deposit of not less than one (1) month's nor in excess of three (3) months' estimated monthly assessments and charges, which may be collected in the same manner as other assessments and charges. Such deposit shall be held in a separate fund, be credited to the Unit or Units owned by such Owner, and be for the purpose of establishing a reserve for delinquent assessments.

7.7.2 Resort may be had thereto at any time when such owner is 10 days or more delinquent in paying his or her monthly or other assessments and charges. Such deposits shall not be considered as advance payments of regular assessments. In the event the Board should draw upon such deposit as a result of an Owner's delinquency in payment of any assessments, such Owner shall continue to be responsible for the immediate and full payment of such delinquent assessment (and all penalties and costs related thereto) and thus the full restoration of such deposit, and the Board shall continue to have all of the rights and remedies for enforcing such assessment payment and deposit restoration as provided by this Declaration and by law.

7.7.3 Upon the sale of a Unit or Units, the seller/Owner thereof shall not be entitled to a refund from the Association of any deposit or reserve account made or maintained with respect to such Unit or Units pursuant to this or any other Section of this Declaration; rather, any such deposit or reserve account shall continue to be held by the Association for the credit of such Unit or Units, the Unit(s) purchaser shall succeed to the benefit

thereof, and the Unit(s) seller shall be responsible for obtaining from the purchaser appropriate compensation therefor.

8. Voting Rights. Subject to the provisions of Section 20 of the Declaration and Section 2.8 of the Bylaws, one (1) vote shall be allocated to each Primary Unit. No voting rights shall be allocated to the Parking Units.

9. Occupation and Use. The Primary Units are intended for residential use, as described in Section 7.2 of the Bylaws. The use of the Parking Units and driveways adjoining each Parking Unit shall be limited to the parking of vehicles owned or operated by the Owner, tenant or resident of a Primary Unit or such Owner's or tenant's guests or invitees.

10. Service of Process. The designated agent to receive service of process in cases described in Section 100.550(1) of the Act is named in the Condominium Information Report which will be filed in accordance with Section 100.250(1)(a) of the Act.

11. Authority Regarding Easements and Other Property Rights. The Association has the authority, pursuant to Section 100.405(5) and (6) of the Act, to execute, acknowledge, deliver, and record on behalf of the Owners leases, easements, rights of way, licenses, and other similar interests affecting the Common Elements and to consent to vacation of roadways within and adjacent to the Condominium, in each case, which are reasonably necessary to the ongoing development and operation of the Condominium. The granting of any interest pursuant to this Section 11 shall first be approved by Owners holding at least 75 percent of the voting power of the Association, unless otherwise allowed to be approved by the Board under ORS 100.405(6)(a)(B).

12. No Restrictions on Alienation. This Declaration and the Bylaws impose no restrictions on the alienation of any Primary Unit. No person or entity may own or shall be entitled to acquire a Parking Unit unless such person or entity owns or shall simultaneously acquire a Primary Unit. Notwithstanding the foregoing, Declarant or its successors and assigns may own unsold Parking Units even if it has conveyed all Primary Units. Any conveyance, transfer, or other disposition ("Transfer") of a Parking Unit to a person or entity who does not own or who is not acquiring a Primary Unit is prohibited. In the case of a Transfer or attempted Transfer of a Parking Unit in violation of this Section 12, in addition to the Association's other rights under this Section 12, the person or entity making or attempting such Transfer shall indemnify and hold harmless the Association and its members from all cost, liability, and damage that the Association or its members may incur (including, without limitation, attorneys' fees and expenses) as a result of such Transfer or attempted Transfer. In the event a person or entity engages or attempts to engage in a Transfer of a Parking Unit in violation of this Section 12, the Association acting through the Board may, in its sole discretion, fine the offending person or entity in such amounts as it may determine to be appropriate, in addition to any other rights or remedies available to the Association under this Declaration, the Bylaws or applicable law or in equity including, without limitation, the remedies of specific performance and injunction. An Owner intending to sell a Unit or Units shall deliver a written notice to the Board, at least two weeks before closing, specifying: (i) the Unit or Units to be sold; (ii) the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and (iii) the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of

unpaid assessments and charges outstanding against the Unit or Units, whether or not such information is requested.

13. Intentionally Omitted.

14. Rights of Access and Use.

14.1 In General. Each Owner shall have a perpetual right of reasonable access and use to, through, over, and of each other Unit and the Common Elements as may be required for ingress and egress to and from such Owner's Unit or Units; for the support of such Owner's Unit or Units; and for the installation, operation, repair, maintenance, and replacement of utilities and other systems serving such Owner's Units, including, but not limited to, water, natural gas, air conditioning, cable television, electrical power and wiring, light, or plumbing serving a Unit. The Owner shall use the foregoing rights only as necessary and shall exercise all due care in the exercise of such right and shall be responsible for and indemnify, defend and hold harmless the other Owners from any harm or damage resulting from the exercise of the Owner's rights under this Section 14.1. The specific reference to or reservation of any rights of access and use in this Declaration does not limit or negate the general easement for Common Elements created by the Act. Additionally, each Owner shall have the right to enter into and have access through and over all limited common element driveways and all Parking Units for the purpose of accessing the ground floor doors which are located on the exterior of Building 1 and adjacent corridor and stairways leading to Primary Units.

14.2 Water Intrusion and Mold Inspection. The Board, acting on behalf of the Association, may authorize entry into any Owner's Unit or Units to conduct a periodic inspection of the Owner's Unit and Limited Common Elements for water intrusion into the Unit and/or the appearance of mold or mildew within such Unit. Such inspection shall be made by an agent of the Association appointed by the Board of Directors and shall occur at such time as is reasonably convenient to the Owner (or Owner's tenant or other occupant) and the inspector. The right of entry and inspection provided in Section 14.2 shall not in any way obligate the Association or the Board of Directors to make such an inspection, and the decision on whether to inspect Units and Limited Common Elements and the frequency of such inspections, if any, shall be solely within the discretion of the Board of Directors. Nothing contained within this Section 14.2 is intended to modify the maintenance and repair obligations of any party as provided in the Bylaws and this Declaration. The Owner of such Unit shall be required to remediate any mold or mildew within the Unit itself.

14.3 Additional Rights Created by Association. The Association, upon prior approval of Owners holding at least 75 percent of the voting power of the Association, may create on behalf of the Owners additional rights of access and use with respect to the General Common Elements. No such right may be granted with respect to a Limited Common Element unless the Owners and Mortgagees of the Primary Units having the right to use such Limited Common Elements consent to the creation of such a right. Nothing in this Section 14.3 shall be construed to enable the Association to revoke, alter, modify, or terminate any easements, rights of way, licenses, or similar interests of record on the date this Declaration is recorded.

14.4 Right of Entry and Access. In addition to the rights granted to the Declarant and the Association elsewhere in this Declaration, the Bylaws, or by the Act, the

Board, acting on behalf of the Association, or Declarant or a managing agent, manager, or any other person authorized by the Board or the Declarant, shall have the right to enter into and have access through or over any Unit or Common Element (i) in the case of any emergency originating in or threatening the Unit or Units, Common Elements or other Units, (ii) requiring repairs necessary to protect public safety, whether or not the Owner is present at the time, (iii) for the purpose of performing installations, alterations, or repairs to any Common Element or Unit, (iv) to prevent damage to the Common Elements or another Unit, or (v) to inspect the Unit or Common Elements to verify that the Owner is complying with the restrictions and requirements described in this Declaration, the Bylaws, and/or the Rules and Regulations, *provided that* except in the case of an emergency requests for entry to a Unit are made in advance and that such entry is at a time reasonably convenient to the Owner. Neither Declarant nor the Association shall be deemed guilty in any manner of trespass for entering or accessing a Unit, Limited Common Element or any portion of the Condominium in accordance with this Section 14.4.

14.5 Special Declarant Rights. As more particularly provided in this Section, Declarant, for itself and any successor Declarant, has reserved the following special Declarant rights in addition to any special Declarant rights that may be set forth herein or in the Bylaws:

14.5.1 Completion of Improvements. Declarant and its agents, employees, and contractors shall have the right to complete improvements and otherwise perform work that is: (i) authorized by this Declaration; (ii) indicated on the Plans; (iii) authorized by building permits; (iv) provided for under any Unit Sales Agreement between Declarant and a Unit purchaser; (v) necessary to satisfy any express or implied warranty obligation of Declarant; or (vi) otherwise authorized or required by law.

14.5.2 Sales Facilities of Declarant. Declarant and its agents, employees, and contractors shall be permitted to maintain during the period of sale of the Condominium upon such portion of the Property as Declarant may choose, such facilities as in the sole opinion of Declarant may be required, convenient, or incidental to the construction or sale of Units and appurtenant interests of the Condominium, including but not limited to, a business office, storage area, signs, model units, sales office, construction office, and parking areas for all prospective purchasers of Declarant and its affiliates. The provisions of this Section are subject to the provisions of other state law and to local ordinances. The number, size, location, and relocation of such facilities shall be determined from time to time by Declarant in the exercise of its sole discretion; *provided*, that the maintenance and use of such facilities shall not unreasonably interfere with an Owner's use and enjoyment of the Unit and those portions of the Common Elements reasonably necessary to use and enjoy such Unit.

14.5.3 Termination of Declarant Rights. Except as otherwise provided in this Declaration, the special Declarant rights set forth in this Section 14.5 shall continue for so long as (i) Declarant is completing improvements which are within or may be added to this Condominium or (ii) Declarant owns any Units; *provided*, that Declarant may voluntarily terminate any or all of such rights at any time by recording an amendment to this Declaration, which amendment specifies which right is thereby terminated.

14.5.4 Declarant's Easements. Declarant has a non-exclusive easement to, through, and over the Common Elements as may be reasonably necessary for the purpose of

discharging Declarant's obligations or exercising special Declarant rights, whether arising under the Act or reserved in this Declaration.

14.5.5 Right of Approval. For a period of 10 years after the Turnover Meeting, Declarant shall have the right to approve amendments proposed by the Owners to this Declaration, the Bylaws, the Plans, and the Rules and Regulations.

14.5.6 Right of Review. Upon reasonable advance notice to the Board, Declarant shall have the perpetual right to review all inspection and maintenance records of the Association, including, without limitation, changes to the suggested maintenance schedule prepared by Declarant, if any, and/or the maintenance plan required under the Act. In addition, upon request from Declarant, the Board shall provide Declarant at Declarant's cost copies of all inspection reports, proposed plans for alterations and copies of all warranty claims. As provided in Section 7.6 of the Bylaws, the Board shall provide Declarant with copies of submissions for alteration requests, advance notice of the Board's inspections of such alterations, and an opportunity for Declarant, its contractors or agents to accompany the Board's professional advisors on any such inspection.

14.6 Recorded Covenants, Conditions and Restrictions. A portion of the Property is subject to the following recorded covenants and restrictions::

(i) a warranty deed recorded February 20, 1964 (Recorder's no. book 2208 page 474) contains following restriction: "Height of Building to be erected on said property not to exceed patio level of property located at 1231 NE 69th Ave, Portland, OR."

(ii) A warranty deed recorded February 20, 1964 (Recorder's no. book 2208 page 475) contains the following restriction: "No building or structure may be constructed or erected on the within said premises of a height that shall exceed the street level of NE Multnomah Street at the height level of said street adjacent to the property located at 6901-6805 NE Multnomah Street, Portland, Oregon. This covenant is expressly declared to run with the land conveyed, and to be for the benefit of the grantor's property at the aforementioned address. Such restriction was waived in part by instrument recorded January 25, 1966 at book 460, page 475. Such waiver instrument provides that the owners of a portion of the property constructed an apartment with a height exceeding the heights restriction in the February 20, 1966 deed restriction. Such waiver instrument further provides that the beneficiaries of such restriction consented to this construction and waived the violation of said covenant.

15. Encroachments.

15.1 Each Unit and all Common Elements shall have an easement over all adjoining Units and Common Elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or other movement of any portion of the Property, or any other similar cause, and any encroachment due to building overhang or projection as long as the physical boundaries of the Units are in substantial accord with the description of those boundaries that appears in the Declaration. There shall be a valid easement for the maintenance of the encroaching Units and Common Elements so long as the encroachment shall exist and the rights and obligations of Owners shall not be altered in any way by the encroachment.

15.2 The easement described in Section 15.1 does not relieve an Owner of liability in case of willful misconduct of an Owner or relieve the Declarant or any contractor, subcontractor, or materialman of liability for failure to adhere to the Plans.

15.3 The encroachments described in Section 15.1 shall not be construed to be encumbrances affecting the marketability of title to any Unit.

16. Notices to Mortgagees. The Association shall provide timely written notice of the following matters to any Mortgagee, or any mortgage insurer or guarantor which makes a written request therefor to the Association.

16.1 Any condemnation or casualty loss that affects either a material portion of the Condominium or a Unit in which it holds an interest;

16.2 Any delinquency of sixty (60) days in the payment of common expenses assessed to a Unit in which it holds an interest;

16.3 A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and

16.4 Any proposed action that requires the consent of a specified percentage of Mortgagees under this Declaration or the Bylaws.

17. Operating Entity. Hillside Terrace Condominiums Owners' Association, an Oregon nonprofit corporation, has been organized to administer the operation and management of the Condominium and to undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and the Bylaws. A copy of the Bylaws, which have been adopted by the Declarant as required by Section 100.410(1) of the Act, is attached hereto as Exhibit E. The Owner of each Primary Unit shall automatically become a member of the Association upon such Owner's acquisition of an ownership interest in any Primary Unit and the membership of an Owner shall terminate automatically upon such Owner's being divested of all of such Owner's ownership interest in the Primary Units, regardless of the means by which such ownership interest is divested. Each Owner shall be entitled to vote in the manner prescribed in the Articles of Incorporation of the Association and the Bylaws. Until the Turnover Meeting, the members of the Board need not be Owners. No person or entity holding any Mortgage, lien, or other encumbrance on any Unit shall be entitled, by virtue of such Mortgage, lien, or other encumbrance, to membership in the Association or to any of the rights or privileges of such membership, except as specifically described in this Declaration. In the administration of the operation and management of the Condominium, the Association shall have and is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and collect assessments, and to adopt, promulgate, and enforce Rules and Regulations in the manner provided herein and in the Bylaws. Acquisition of an ownership interest in a Primary Unit by an Owner shall constitute appointment of the Association as that Owner's attorney-in-fact in connection with proceedings, negotiations, settlements, and agreements arising from condemnation, destruction, liquidation, or termination of the Condominium, subject to the rights of the Owners described in the Bylaws and the Act.

18. Managing Agent. Subject to the rights of the Association to terminate such agreement without penalty or cause upon not less than sixty (60) days' written notice given at any time the Board shall have the authority, on behalf of the Association, to enter into a management agreement with respect to the Condominium prior to the Turnover Meeting for a term not to exceed three (3) years. On behalf of the Association, the Board may, after the Turnover Meeting, employ or contract for a managing agent or manager in accordance with the Bylaws at a compensation to be established by the Board. The Board may delegate to the managing agent or manager such duties and powers as the Board may authorize. In the absence of such appointment, the Board shall act as manager of the Condominium.

19. Taxation of Units. Each Unit, together with the undivided percentage interest in the Common Elements allocated to such Unit, shall be considered a parcel of real property subject to separate assessment and taxation by any taxing authority in a manner comparable to the taxation of other parcels of real property. The Common Elements shall not be considered a separate parcel for purposes of taxation.

20. Administrative Control. Except as otherwise provided in this Declaration or in the Bylaws, until the earlier to occur of (i) the date that 3 years after the date on which the first Primary Unit is conveyed to an Owner other than Declarant or (ii) the date at which 75 percent of all thirty (30) Units planned for the Condominium have been conveyed to persons other than the Declarant:

20.1 Declarant may appoint and remove officers and members of the Board;

20.2 Declarant shall have five (5) votes with respect to each Primary Unit owned by it, notwithstanding the provisions of Section 8; and

20.3 Declarant shall have the right to exercise all powers of the Association, the Board, or the Condominium officers under this Declaration, the Bylaws, and the Act, except that Declarant may not bind the Association to any management agreement, service contract, employment contract, lease of recreational areas or facilities, or contract or lease (other than a ground lease) to which Declarant is a party, which is made prior to the Turnover Meeting unless the Association or the Board is granted therein a right of termination thereof which is exercisable without cause or penalty upon not less than thirty (30) days' written notice given to the other party thereto not later than sixty (60) days after the Turnover Meeting except as otherwise provided in Section 18.

21. Casualty.

21.1 Responsibility of Association. The Association shall be responsible for repairing, reconstructing, or rebuilding all damage or destruction of the Common Elements by casualty and, to the extent of the Association's insurance coverage, all such damage or destruction to the Units. Each Owner shall be responsible for the repairing, reconstructing, or rebuilding of his or her Primary Unit and Parking Unit to the extent not covered by the Association's insurance and to the extent of any deductible under the Association's insurance. The Association shall rebuild and restore the damaged or destroyed portions of the Common Elements, and, to the extent of the Association's insurance coverage, of the Units, so that the Property is rebuilt and restored to substantially the same condition in which it existed prior to

such damage or destruction, unless Owners of at least seventy-five percent (75%) of the Primary Units and fifty one percent (51%) percent of all first Mortgagees of Primary Units agree that the Property shall not be rebuilt or restored. The Association shall represent the Owners in any proceeding, negotiation, settlement, or agreement relating to the payment of proceeds under any insurance policies held by the Association. Any such proceeds shall be payable to the Association to the extent of its interest therein. If the Property is to be rebuilt and restored and the proceeds of the insurance policies held by the Association are insufficient to fund the full cost of rebuilding and restoration, the difference between the amount of such proceeds and such cost may be charged to all Owners as a common expense. If the required number of Owners of Primary Units and first Mortgagees agree that the Property shall not be rebuilt and restored, the Property shall be considered removed from the provisions of the Act in accordance with Section 100.605 thereof, and any proceeds resulting from such removal shall be distributed in accordance with Section 100.615 of the Act.

21.2 Responsibility of Owner. If, due to the act or neglect of an Owner, or of a member of his or her family or his or her household pet or of a guest, servant, invitee, employee or other authorized occupant or visitor of such Owner, damage shall be caused to the Common Elements or to a Unit owned by others, or maintenance, repairs, or replacements shall be required which would otherwise be a common expense, then such Owner shall pay for such damage and such maintenance, repairs, and replacements as may be determined by the Association, to the extent not covered by the Association's insurance, including specifically the Association's deductible. Owners are required to carry homeowner's insurance on Primary Units and Parking Units as specified in Section 9 of the Bylaws.

22. Condemnation.

22.1 Total Condemnation. In the event of condemnation of the whole of the Condominium, the compensation to be paid to Owners of Units shall be negotiated and finalized, including, if required, by representation in any proceeding, by the Association, subject to ratification of such compensation by the Owners of at least seventy-five percent (75%) of the Primary Units at a special meeting called for that purpose, whether or not proceedings are necessary, and compensation, less expenses involved, if any, in obtaining the compensation shall be paid to the Association and then distributed among the Owners of Units in equitable proportions and payable to any Mortgagee to the extent required to obtain a discharge of the Mortgage. Notwithstanding the award for the condemnation of the whole Condominium, the rights of each Owner of a Unit shall be separate to negotiate and finalize his or her personal compensation for improvements made to the Unit or Units, cost of moving, and other similar items personal to each Owner.

22.2 Partial Condemnation. In the event of a partial condemnation of the Condominium which includes some Units and/or Limited Common Elements, each Owner whose Unit or Units or associated Limited Common Elements are condemned shall deal with the condemning authority with regard to compensation therefor, and the compensation for such Unit or Units or Limited Common Elements shall be paid to such Owner (or the Mortgagee of that Owner's Unit). The Association shall negotiate compensation relating to any General Common Elements (except as provided above). The cost, if any, of restoring the balance of the Condominium so that it may be used shall be determined by the Association and the Association shall negotiate with the condemning authority with regard to compensation for this expenditure

and shall, unless the Condominium is terminated within thirty (30) days after the receipt of such compensation in accordance with the Act, reconstruct the Condominium, using the funds received for such reconstruction. Any moneys received by the Association for any such reconstruction shall be held in trust by the Association for the purpose of such reconstruction.

23. Fidelity Bond. The Board of Directors shall require that any person or entity, including, but not limited to, employees of any professional manager, who handles or is responsible for Association funds, whether or not such person or entity receives compensation for services, shall furnish a fidelity bond as the Board of Directors deems adequate under this Section 23. In no event, however, may the aggregate amount of such insurance be less than the sum equal to three (3) months' aggregate assessments on all Units plus reserve funds. Such bonds shall name the Association as the obligee and shall cover the maximum funds that may be in the custody of the Association or any manager at any time while such bonds are in force but, in any event, not less than the sum of three (3) months of common expense assessments on all Units. Any such bond shall include a provision requiring not less than ten (10) days' written notice to the Association and any Mortgagee of a Unit requesting a copy thereof and each servicer on behalf of the Federal National Mortgage Association ("Fannie Mae") before cancellation or substantial modification of the bond for any reason. The premiums on such bonds shall be paid by the professional manager.

24. Amendment.

24.1 Approval by Owners. Amendments to the Declaration shall be proposed by either a majority of the Board or by Owners holding 30 percent or more of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any written ballot request for consent to the amendment. Except as may otherwise be provided in this Declaration or by the Act, this Declaration may be amended if such amendment is approved by the Owners holding at least 75 percent of the voting power of the Association and the consent of Declarant, for a period of ten (10) years from the date of the Turnover Meeting. The unanimous consent of all Owners of Primary Units shall be required for amendments of Sections 14.3, 14.4 and 16 of this Declaration. Except as otherwise provided in the Act, no amendment may change the size, location, allocation of undivided interest in the Common Elements, method for determining liability for common expenses, the method of determining the right to common profits, or the method of determining the voting rights of or with respect to any Unit unless such amendment has been approved by the Owners of the affected Units. Voting on any amendment to this Declaration shall be without regard to Declarant's enhanced voting power under Section 20.2, except for an amendment to approve a plat amendment, or to correct any provision of or exhibit to this Declaration, whether such correction is required due to a surveyor's error, factual error, miscalculation, omission or to comply with the requirements of any applicable statute, ordinance, regulation or guideline of the Federal Housing Administration, the Veterans Administration, the Farmers Home Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon that insures, guarantees or provides financing for condominiums or to comply with the Act. For a period of ten (10) years after the date of the Turnover Meeting, the Bylaws, the Rules

and Regulations, and this Declaration may not be modified, added to, amended, or repealed so as to eliminate, change, or impair any rights, privileges, easements, licenses, or exemptions granted therein or herein to Declarant or its designee, or otherwise so as adversely to affect Declarant or such designee, without Declarant's or such designee's prior written consent in each instance.

24.2 Approval by Mortgagees. Except where a greater percent is required by the Declaration or Bylaws, or a greater or lesser percent is required by the Act, the consent of the Owners of Primary Units holding at least 75 percent of the voting power of the Association and the approval of Mortgagees holding first mortgages on Units that have at least 51 percent of the voting rights of the Primary Units subject to Mortgagee Mortgages shall be required for any amendments of a material nature to the Declaration or Bylaws. Any amendment to the Declaration or Bylaws that changes any of the provisions of such documents governing the following shall constitute a material changes:

24.2.1 Voting rights;

24.2.2 Increases in assessments that raise the previously assessed amount by more than 25 percent, assessment liens or the priority of such liens;

24.2.3 Reduction in reserves for maintenance, repair and replacement of the Common Elements;

24.2.4 Responsibility for maintenance and repairs;

24.2.5 Reallocation of interests in the General or Limited Common Elements, or rights to their use;

24.2.6 The boundaries of any Unit;

24.2.7 Convertibility of Units into Common Elements or of Common Elements into Units;

24.2.8 Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;

24.2.9 Hazard or fidelity insurance requirements;

24.2.10 Imposition of any restrictions on the leasing of Units;

24.2.11 Imposition of any restriction on the right of an Owner to sell or transfer his or her Unit;

24.2.12 A decision by the Association to establish self-management when professional management had been required previously by this Declaration, the Bylaws or a Mortgagee which holds a first Mortgage;

24.2.13 Restoration or repair of the Condominium (after damage or partial condemnation) in a manner other than specified in this Declaration or the Bylaws;

24.2.14 Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or

24.2.15 Any provisions that expressly benefit Mortgage holders, insurers or guarantors.

In addition, except as otherwise provided in the Act, no amendment to this Declaration may change the size, location, allocation of undivided interest in the Common Elements, method for determining liability for common expenses, right to common profits, or voting rights of or with respect to any Unit unless such amendment has been approved by the holders of any Mortgages on the affected Units. Any approval of a Mortgagee required under this Section 24 may be presumed by the Association if such Mortgagee fails to submit a response to a written proposal for an amendment to this Declaration within sixty (60) days after it receives notice of such proposal by certified or registered mail, return receipt requested.

24.3 Approval by Governmental Authorities. The Association shall use reasonable efforts to obtain the approval of an amendment to this Declaration by a governmental authority engaged in the guaranty of, or the issuance of insurance with respect to, Mortgages, if required by such authority.

24.4 Recordation. Amendments to this Declaration shall be effective upon recordation of the Declaration as amended, or of the amendment thereto, certified by the chairperson and secretary of the Association as being adopted in accordance with this Declaration and the provisions of the Oregon Condominium Act and approved by the county assessor and the Oregon Real Estate Commissioner, if required by law, in the deed records of Multnomah County, Oregon.

25. Termination. Termination of the Condominium shall be effected in accordance with Section 100.600 and any other applicable provision of the Act, but in no event shall be consummated, other than in connection with the substantial destruction or condemnation of the Property, without the prior written consent of at least fifty-one percent (51%) of those holders of first Mortgages on Primary Units (based upon one vote for each first Mortgage held). Any approval of a Mortgagee required under this Section 25 may be presumed by the Association if such Mortgagee fails to submit a response to a written request for termination of the Condominium within sixty (60) days after it receives notice of such request by certified or registered mail, return receipt requested. The common profits and expenses of the Property following termination of the Condominium shall be allocated in accordance with the Act.

26. Dispute Resolution.

26.1 Required Procedure. Except as provided in this Section 26 below, to the fullest extent allowed by law, if a dispute arises, all claims, controversies, or disputes, whether they are statutory, contractual, tort claims, and/or counterclaims between or among Declarant, Declarant's successors and assigns, the Association, and/or Owner(s) (collectively, the "Parties" and individually, a "Party") which arise out of or are related to the Condominium, the Act, this Declaration, the Bylaws, the Articles of Incorporation of the Association, or the Rules and Regulations, or which relate to the interpretation or breach of the Act, this Declaration or the Bylaws, the Articles of Incorporation of the Association, or the Rules and Regulations

(collectively referred to as "Claims") shall be resolved in accordance with the procedures specified herein. Except as otherwise required by the Act, the following matters are excluded from this dispute resolution clause and do not constitute Claims: (i) judicial or non-judicial foreclosure or any other action or proceeding to enforce assessments, fines, interest or a trust deed, mortgage, Association lien, or land sale contract; (ii) a forcible entry and detainer action; or (iii) actions by the Association pursuant to Section 5.6 of the Bylaws prior to summary abatement and removal of a structure or other condition that violates this Declaration, the Bylaws or any Rules and Regulations; (iv) actions for the appointment of a receiver pursuant to Section 5.9 of the Bylaws; (v) provisional remedies such as injunctions or the filing of a lis pendens; or (vi) the filing or enforcement of a mechanic's lien. The filing of a notice of pending action (lis pendens) or the application to any court having jurisdiction thereof for the issuance of any provisional process remedy described in Rules 79 through 85 of the Oregon Rules of Civil Procedure (or corresponding federal statutory remedies), including a restraining order, attachment, or appointment of receiver, shall not constitute a waiver of the right to mediate or arbitrate under this Section, nor shall it constitute a breach of the duty to mediate or arbitrate.

26.2 Negotiated Resolution. The Parties will seek a fair and prompt negotiated resolution of Claims and shall meet at least once to discuss and to seek to resolve such claims, but if this is not successful, all disputes shall be resolved in small claims court, by mediation or by binding arbitration as set forth in Sections 26.3, 26.4 and 26.5 below, as applicable.

26.3 Mediation. Prior to mediation of any Claim, the Parties shall have endeavored to resolve disputes through the process set forth in Section 26.2 above. All Claims that are not resolved by such process shall be subject to mediation as a condition precedent to arbitration. The request for mediation may be made concurrently with the filing of a demand for arbitration as set forth in Section 26.5 below, but, in such event, mediation shall proceed in advance of arbitration, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing, unless stayed for a longer period by agreement of the Parties. All mediation shall be in accordance with the rules of procedure of any dispute resolution program available in Multnomah County, Oregon that is in substantial compliance with the standards and guidelines adopted under ORS 36.175, as it may be amended.

26.4 Small Claims. All Claims that have not been resolved by mediation and which are within the jurisdiction of the Small Claims Department of the Circuit Court of the State of Oregon shall be brought and determined there, and all Parties waive their right to a jury trial with respect to such claims.

26.5 Arbitration. Prior to arbitration of any Claim, the Parties shall have endeavored to resolve disputes through the processes set forth in Section 26.2, 26.3 and 26.4 above, as applicable. All Claims that have not been resolved by such processes shall be resolved by binding arbitration. Such arbitration shall be conducted by and pursuant to the then effective arbitration rules of the American Arbitration Association, or another reputable arbitration service selected by Declarant. If Declarant is not a Party to such dispute, the arbitration service shall be selected by the Association. Any judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

26.6 Confidentiality. The Parties shall keep all discussions of disputes, all settlements and arbitration awards and decisions confidential and shall not disclose any such

information, whether directly or indirectly, to any third parties unless compelled to do so by an order of a court of competent jurisdiction. The Parties agree in the event a Party breaches its confidentiality obligation that the other Party or Parties to the dispute shall be entitled to seek and obtain any and all equitable remedies, including injunctive relief and specific performance and each Party hereby waives any claim or defense that the other Party has an adequate remedy at law for any such breach and the Parties agree that the aggrieved Party shall not be required to post any bond or other security in connection with any such equitable relief.

26.7 No Attorneys' Fees. Except as specifically provided for in this Declaration or the Bylaws, no Party in the arbitration, mediation or other proceeding shall be entitled to recover costs or attorneys' fees in connection therewith.

27. Waiver: Time Limitation.

27.1 RELEASE AND WAIVER OF ALL PAST, PRESENT, AND FUTURE CLAIMS REGARDING CONDITION OF PROPERTY. ACKNOWLEDGING THAT SALES FROM DECLARANT ARE ON AN "AS IS BASIS", TO THE FULLEST EXTENT ALLOWED BY LAW, EACH PURCHASER OF A UNIT, THE ASSOCIATION AND ALL SUCCESSOR OWNERS AND OCCUPANTS, RELEASE AND WAIVE ANY CLAIM WHENEVER ARISING AGAINST DECLARANT OR ITS AGENTS, BROKERS, SUCCESSORS, EMPLOYEES, AFFILIATES, CONTRACTORS, REPRESENTATIVES, OFFICERS, DIRECTORS AND MEMBERS OR AGAINST THE ASSOCIATION OR ANY BOARD MEMBER THEREOF (COLLECTIVELY, THE "DECLARANT PARTIES"), RELATING TO OR ARISING FROM THE CONDITION OF THE CONDOMINIUM PROPERTY AT ANY TIME. THE WAIVER IS ABSOLUTE AND UNCONDITIONAL, AND THIS RELEASE AND WAIVER APPLIES WHETHER OR NOT THE PURCHASER HAD KNOWLEDGE OF ANY POTENTIAL CAUSE OF ACTION FOR SUCH CLAIMS. THE WAIVER APPLIES TO CLAIMS UNDER ANY LEGAL THEORY, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, NEGLIGENCE PER SE, NEGLIGENT OR INTENTIONAL MISREPRESENTATION, DEFECTIVE CONSTRUCTION, BREACH OF CONTRACT, UNLAWFUL TRADE PRACTICE, BREACH OF FIDUCIARY DUTY, STRICT LIABILITY, NUISANCE, TRESPASS OR ANY OTHER THEORY, WHETHER ARISING FROM STATUTE, CONTRACT, TORT OR OTHERWISE. THIS WAIVER INCLUDES, WITHOUT LIMITATION, CLAIMS RELATING TO CONSTRUCTION DEFECTS, WATER INTRUSION, MOLD, MILDEW, FUNGUS AND/OR ODORS IN THE UNIT OR COMMON ELEMENTS; PRODUCTS OR CONDITIONS IN THE UNIT OR COMMON ELEMENTS, INCLUDING FOR EXAMPLE CARBON MONOXIDE, RADON OR CARPET GLUE; NOISE OR SOUND TRANSMISSION; LOSS OF USE; EMOTIONAL DISTRESS; INCIDENTAL OR CONSEQUENTIAL DAMAGES; ATTORNEY FEES AND COSTS; OR RELOCATION EXPENSES (TEMPORARY OR OTHERWISE). THIS SECTION 27.1 SERVES AS NOTICE OF RECORD THAT THE RELEASE AND WAIVER SHALL BE BINDING UPON SUCH PURCHASERS, ALL SUCCESSOR OWNERS OR OCCUPANTS OF THE UNIT, THE ASSOCIATION, AND THEIR RESPECTIVE EMPLOYEES, CONTRACTORS, PROPERTY MANAGERS, BROKERS, HEIRS, SUCCESSORS, ASSIGNS, GUESTS AND INVITEES. CLAIMS OF THE ASSOCIATION ARE DERIVATIVE OF CLAIMS OF UNIT OWNERS AND THE ASSOCIATION SHALL BE

BOUND BY THE WAIVER. THE WAIVER ACTS AS A COMPLETE BAR AND DEFENSE AGAINST ANY RELEASED OR WAIVED CLAIM.

27.2 TIME LIMITATION ON ACTIONS. THE FOREGOING RELEASES AND WAIVERS OF CLAIMS ARE INTENDED TO BE COMPREHENSIVE AND FINAL. TO THE EXTENT IT IS DETERMINED THAT ANY CLAIMS AGAINST ANY DECLARANT PARTY, UNDER ANY LEGAL THEORY, SURVIVE THE FOREGOING RELEASE AND WAIVER FOR ANY REASON, SUCH CLAIM MUST BE BROUGHT ON OR BEFORE THE EARLIER OF (A) THE EXPIRATION OF THE APPLICABLE STATUTE OF LIMITATIONS, OR (B) WITHIN SIXTY (60) DAYS AFTER THE DATE PURCHASER, PURCHASER'S SUCCESSORS OR THE ASSOCIATION KNEW OR REASONABLY SHOULD HAVE KNOWN OF FACTS SUFFICIENT TO PUT IT ON NOTICE OF THE CLAIM, OR (C) WITH RESPECT TO THE UNIT AND RELATED LIMITED COMMON ELEMENTS, BY NO LATER THAN THE FIRST ANNIVERSARY OF THE CLOSING DATE OF THE SALE OF THE APPLICABLE UNIT FROM DECLARANT TO THE INITIAL PURCHASER OR, (D) WITH RESPECT TO THE GENERAL COMMON ELEMENTS ON THE FIRST ANNIVERSARY OF THE DATE OF THE FIRST CONVEYANCE OF A UNIT IN THE CONDOMINIUM TO A UNIT OWNER OTHER THAN DECLARANT. ANY AND ALL SUCH CLAIMS NOT BROUGHT WITHIN THIS TIME PERIOD WILL BE DEEMED TIME BARRED, REGARDLESS OF WHEN PURCHASER, PURCHASER'S SUCCESSORS OR THE ASSOCIATION ACTUALLY DISCOVERED THE ALLEGED BASIS FOR THE CLAIM. FOR PURPOSES OF THIS SECTION 27.2, A CLAIM IS "BROUGHT" WHEN ARBITRATION IS FORMALLY INITIATED OR A COMPLAINT IS FILED IN THE APPROPRIATE COURT AND SERVED PROMPTLY ON DECLARANT.

27.3 Covenants Running with the Land. The provisions of this Section 27 are intended to touch and concern the Condominium and shall be deemed covenants running with the land. Each and every term of this Section 27 shall, to the fullest extent allowed by law, bind each Owner, the Association and each subsequent owner or transferee of a Unit.

28. Relocation of Boundaries.

28.1 Approval. Pursuant to ORS 100.130, the boundaries between adjoining Units, including any intervening common elements, may be relocated or eliminated by an amendment to this Declaration. The owners of the affected Units shall submit to the Board of Directors of the Association a proposed amendment that shall identify the Units involved, state any reallocations of common element interest, voting rights, common expense liability and right to common profits and contain words of conveyance. The Board of Directors shall approve the amendment unless it determines within 45 days that the reallocations are unreasonable or the relocation or elimination will impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium.

28.2 Powers of Board. The Board of Directors of the Association may require the Owners of the affected Units to submit an opinion of a registered architect or registered professional engineer that the proposed relocation or elimination will not impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium. The Board of Directors of the Association or any agent appointed by the Board of Directors may supervise the work necessary to effect the boundary relocation or elimination.

Any expenses incurred under this section shall be charged to the Owners of the Units requesting the boundary relocation or elimination.

28.3 Amendment. The amendment shall be executed by the Owners and Mortgagees of the affected Units, certified by the chairperson and secretary of the Association, approved as required by law and recorded in the appropriate records of Multnomah County, Oregon. In addition, plat and floor plans necessary to show the altered boundaries between the adjoining Units shall be recorded as required by law. All costs of preparation, review by county and Oregon Real Estate Agency and recording of the amendments to the declaration and plat and floor plans shall be paid by the Owners of the affected Units.

29. Miscellaneous.

29.1 Severability. Each provision of this Declaration and the Bylaws shall be deemed independent and severable, and the validity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision of this Declaration or the Bylaws.

29.2 No Impairment. The creation of this Condominium shall not be impaired and title to the Unit and Common Elements shall not be rendered unmarketable or otherwise affected by reason of any insignificant failure of this Declaration or the Plans or any amendment thereto to comply with the Act.

29.3 No Partition. Except where permitted by the Act, the Common Elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of interest in the Common Elements made without the Unit to which that interest is allocated is void.

29.4 No Waiver of Strict Performance. The failure of the Board in any one or more instances to insist upon the strict performance of this Declaration, or of the Bylaws, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of such term, covenant, condition, or restriction, but such term, covenant, condition, or restriction shall remain in full force and effect. The receipt by the Board of any assessment from an Owner, with knowledge of any such breach, shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board.

29.5 Liability for Utility Failure, Etc. Except to the extent covered by insurance obtained by the Board pursuant to this Declaration and the Bylaws, neither the Association nor the Board nor Declarant shall be liable for: (i) any failure of any utility or other service to be obtained and paid for by the Board; (ii) injury or damage to person or property caused by the elements, or (iii) inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of common expense assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

29.6 Rule Against Perpetuities. The rule against perpetuities may not be applied to defeat any provisions of this Declaration or the Bylaws or Rules and Regulations.

29.7 Transfer of Declarant's Powers. Declarant, at any time in the exercise of its sole discretion, may sell, assign, transfer, encumber, or otherwise convey to any person, upon such terms and conditions as Declarant may determine, all of Declarant's rights, powers, privileges, and authority arising hereunder by virtue of Declarant's capacity as Declarant (which rights, powers, privileges, and authority are in addition to those arising from Declarant's ownership of one or more Units).

29.8 Sound Transmission Disclosure. Where condominium units are built either above or below each other, or side by side, it is normal to experience some transmissions of sound between those units from music, heels on noncarpeted floors, water traveling in drains, cupboard doors, elevators, and similar causes. On occasion these sounds are heard in normal conditions with typical noise levels. Owners should expect some transmission of sound between units, common elements or from outside of the Condominium. Declarant makes no warranty regarding soundproofing of units and transmission of sounds between units, common elements or from outside of the Condominium shall not be considered a construction defect.

29.9 Mold Disclosure. Each Owner acknowledges that mold is a commonly occurring natural substance that can grow in the Unit and the Common Elements where water infiltration and humidity exist. Each Owner also acknowledges that there is controversy regarding whether and to what extent certain types of mold are toxic to humans. Each Owner understands and agrees that Declarant will not be liable for any property damage or bodily injury suffered by the Unit's occupants and resulting from the presence of mold. Each Owner is hereby advised to regularly cause the Unit and the Common Elements to be inspected for mold or any other dangerous condition. Each Owner should take prompt action to remedy underlying water infiltration and humidity conditions that are causing any mold discovered and thereby avoid any possibility of damage or injury from long-term exposure to mold. Each Owner also acknowledges that Storage Units consist of enclosed, unheated and unventilated spaces, that temperatures and humidity levels will vary in the Storage Units, and that certain items stored in the Storage Units may be sensitive to the temperature variations and the lack of ventilation which may lead to those stored items developing mold or other fungal growth. Each Owner is responsible for monitoring such Owner's Storage Unit and removing or refraining from placing items in such Storage Unit that may have such sensitivity to the conditions in the Storage Unit.

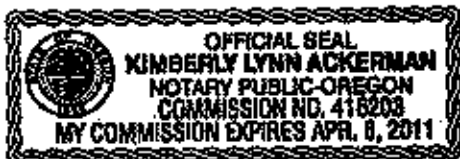
IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 23rd day of August, 2007.

HILLSIDE DEVELOPMENT CORPORATION, an Oregon corporation

By: [Signature]
Its: V.P.

STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me on August 23, 2007 by Benjamin Stutz the Vice President of Hillside Development Corporation, an Oregon corporation, on behalf of and as the act and deed of said corporation.



[Signature]
Notary Public for Oregon
My Commission Expires: 4/8/11

The foregoing Declaration is approved pursuant to ORS 100.110 this 16th day of ~~August~~ September 2007, and in accordance with ORS 100.110(7), this approval shall automatically expire if this Declaration is not recorded within two (2) years from this date.

GENE BENTLEY
Oregon Real Estate Commissioner

By: [Signature]
Laurie Skillman

[Signature] September 28, 2007
County Assessor

[Signature]
County Tax Collector

EXHIBIT A

Property Description

ALL OF LOTS 6, 7, AND 8 AND THE SOUTH 36 FEET OF LOT 5, BLOCK 4, "ROSEMONT ADDITION TO EAST PORTLAND OR", LOCATED IN THE NORTHWEST ONE-QUARTER SECTION 32, TOWNSHIP 1 NORTH, RANGE 2 EAST, WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INITIAL POINT, BEING A 5/8" IRON ROD WITH YELLOW PLASTIC CAP MARKED "W.B. WELLS & ASSOC., INC." FOUND AT THE SOUTHWEST CORNER OF SAID LOT 8, ALSO BEING ON THE EASTERLY RIGHT-OF-WAY LINE OF NE 68TH AVENUE (50 FEET WIDE); THENCE NORTH 01°42'04" EAST, ALONG SAID EASTERLY RIGHT-OF-WAY LINE AND ALONG THE WEST LINE OF SAID LOTS 8, 7, 6, AND 5, A DISTANCE OF 186.00 FEET TO THE NORTHEAST CORNER OF SAID SOUTH 36 FEET OF LOT 5; THENCE SOUTH 87°37'16" EAST, ALONG THE NORTH LINE OF SAID SOUTH 36 FEET OF LOT 5, A DISTANCE OF 100.00 FEET TO THE EAST LINE OF SAID LOT 5; THENCE SOUTH 01°42'04" WEST, ALONG THE EAST LINE OF SAID LOTS 5, 6, 7, AND 8, A DISTANCE OF 186.00 FEET TO THE SOUTHEAST CORNER OF SAID LOT 8; THENCE NORTH 87°37'16" WEST, ALONG THE SOUTH LINE OF SAID LOT 8, A DISTANCE OF 100.00 FEET TO THE INITIAL POINT;

CONTAINING 18,599 SQUARE FEET

EXHIBIT B

Area of Units and Allocation of Interest in Common Elements

<u>Unit No.</u>	<u>Area in Square Feet</u>	<u>Allocation of Interest in Common Elements</u>
1	698	6.071%
2	687	5.976%
3	687	5.976%
4	687	5.976%
5	687	5.976%
6	687	5.976%
7	687	5.976%
8	698	6.071%
9	687	5.976%
10	687	5.976%
11	687	5.976%
12	687	5.976%
13	687	5.976%
14	687	5.976%
15	464	4.036%
16	451	3.923%
17	464	4.036%
18	464	4.036%
P1	222	0.010%
P2	231	0.010%
P3	216	0.010%
P4	222	0.010%
P5	222	0.010%
P6	216	0.010%
P7	216	0.010%
P8	222	0.010%
P9	222	0.010%
P10	231	0.010%
P11	209	0.010%
P12	215	<u>0.010%</u>
Totals:		100.000%

EXHIBIT C

Allocation of Common Expenses

<u>Unit No.</u>	<u>Allocation of Common Expenses</u>
1	6.0%
2	6.0%
3	6.0%
4	6.0%
5	6.0%
6	6.0%
7	6.0%
8	6.0%
9	6.0%
10	6.0%
11	6.0%
12	6.0%
13	6.0%
14	6.0%
15	4.0%
16	4.0%
17	4.0%
18	4.0%
Total:	100.0%

EXHIBIT D

Allocation of Parking Common Expenses

<u>Unit No.</u>	<u>Allocation of Common Expenses</u>
1	1/12th
2	1/12th
3	1/12th
4	1/12th
5	1/12th
6	1/12th
7	1/12th
8	1/12th
9	1/12th
10	1/12th
11	1/12th
12	1/12th
Total	100.00%