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River Bend Limited Partnership  
15 S.W. Colorado Ave., Suite A  
Bend, OR 97702

**98-281-17**

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**SUPPLEMENTAL DECLARATION OF COVENANTS,  
CONDITIONS, AND RESTRICTIONS FOR RIVER BEND**

**[NORTHSIDE TERRACE]**

**RIVER BEND LIMITED PARTNERSHIP**

**("Declarant")**

**Dated June 30, 1998**

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**SUPPLEMENTAL DECLARATION OF COVENANTS,  
CONDITIONS, AND RESTRICTIONS FOR RIVER BEND**

**[NORTHSIDE TERRACE]**

This SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR RIVER BEND (this "Northside Terrace Declaration") is made as of the 30th day of June, 1998, by RIVER BEND LIMITED PARTNERSHIP, an Oregon limited partnership ("Declarant").

Declarant previously executed that certain Master Declaration of Covenants, Conditions and Restrictions for River Bend, dated November 4, 1997, and recorded in the deed records of Deschutes County, Oregon on November 4, 1997 in Book 468, Page 1683 as Document No. 97-41096 and re-recorded on June 26, 1998 in Book 499, Page 2948 as Document No. 98-27427 (the "Master Declaration"). Declarant desires to subject a portion of the property encumbered by the Master Declaration to the covenants and easements set forth in this Northside Terrace Declaration. The property which is subject to this Northside Terrace Declaration is more particularly described in the attached Exhibit A (the "Northside Terrace Property").

Declarant desires to establish mutually beneficial restrictions for the Northside Terrace Property under a general plan of improvement for the benefit of the owners of each portion of the Northside Terrace Property and establishes procedures for the overall development, administration, maintenance, and preservation of the Northside Terrace Property. Through this Northside Terrace Declaration, Declarant seeks to ensure the attractiveness of the individual lots, parcels, and facilities developed within the Northside Terrace Property and to preserve, protect, and enhance the value and amenities of the Northside Terrace Property.

Section 2.1.3 of the Master Declaration provides that Declarant may, among other things, create limited common areas and establish a sub-association pertaining to such limited common areas.

Declarant hereby declares that the Northside Terrace Property and all parts thereof shall be held, used, mortgaged, and conveyed subject to the terms of this Northside Terrace Declaration, which shall run with the Northside Terrace Property and shall be binding upon and inure to the benefit of all Persons (defined in Section 1.1) having or acquiring any right, title, or interest in or to the Northside Terrace Property or any part thereof.

1. Definitions.

1.1 Certain Defined Terms.

As used in this Northside Terrace Declaration, the terms set forth below shall have the following respective meanings:

"Articles of Incorporation" or "Articles" means the Articles of Incorporation of the Northside Terrace Association, as amended and in effect from time to time.

"Bylaws" means the bylaws of the Northside Terrace Association, as amended and in effect from time to time.

"City" means the City of Bend, Oregon.

"Class A Members" has the meaning set forth in Section 7.3.1.

"Class B Member" has the meaning set forth in Section 7.3.2.

"Common Expenses" means the actual expenses incurred and the estimated expenses anticipated to be incurred by the Northside Terrace Association pursuant to the Northside Terrace Documents or for the general benefit of the Northside Terrace Property or a Northside Terrace Limited Area of Common Responsibility, including any reasonable reserves, all as determined by the Northside Terrace Board pursuant to the Northside Terrace Documents, provided, however, prior to Turnover, Common Expenses shall not include the initial construction of Improvements on a Northside Terrace Limited Area of Common Responsibility.

"Condemnation" and grammatical variations thereof, means a taking by any authority having the power of eminent domain or a conveyance in lieu of and under a bona fide threat of such a taking.

"Condominium Association" means the condominium owners association formed pursuant to the Oregon Condominium Act with respect to any Condominium Project.

"Condominium Documents" means the condominium declaration and other documents creating and governing any Condominium Project.

"Condominium Class A Members" means the Class A Members who are Owners of Condominium Units.

"Condominium Project" means any condominium project created pursuant to the Oregon Condominium Act and developed on the Northside Terrace Property.

"Condominium Unit" means a condominium unit within any Condominium Project.

"County" means Deschutes County, Oregon.

"County Records" means the official records of Deschutes County, Oregon.

"Declarant" means River Bend Limited Partnership, an Oregon limited partnership, or any successor or assign who has or takes title to any portion of the Northside Terrace Property or any subsequent Phase for the purpose of development and/or resale in the

ordinary course of its business and who is designated as a Declarant in a written instrument executed by an immediately preceding Declarant and recorded in the County Records.

"Design Guidelines" means the design guidelines and procedures adopted by the Design Review Committee pursuant to Section 6 of the Master Declaration, as amended or supplemented and in effect from time to time.

"Design Review Committee" or "Committee" means the committee appointed pursuant to Section 6.7 of the Master Declaration, as amended or supplemented and in effect from time to time.

"First Mortgage" means a Mortgage recorded in the County Records, made in good faith and for value, and having a first priority over other Mortgages, if any, on a Parcel or Condominium Unit.

"Improvement" means any structure or improvement of any kind, including buildings, fences, walls, trees, hedges, plantings, poles, driveways, parking areas, loading areas, ponds, lakes, recreational facilities, signs, changes in any exterior color or shape, and site work (including excavation, grading, road construction, utility improvements, and removal of trees or plantings); provided that "Improvement" does not include turf, shrub, or tree maintenance or replacement.

"Master Association" means River Bend Master Owners Association, Inc., to be formed pursuant to the Master Declaration.

"Master Board" means the board of directors of the Master Association.

"Master Use Guidelines and Restrictions" means any rules and regulations adopted by the Master Board pursuant to Section 4.3 of the Master Declaration.

"Maximum Developable Acreage" means the total number of acres in the Northside Terrace Property and the Potential Expansion Property less the total number of acres which are: (i) removed from the Potential Expansion Property by Declarant, (ii) removed from the coverage of this Northside Terrace Declaration pursuant to Section 3.2, (iii) dedicated to and accepted by any public authority, or (iv) conveyed to the Northside Terrace Association as Northside Terrace Limited Common Area.

"Member" means a Person entitled to membership in the Northside Terrace Association, as provided in Section 7.2.

"Mortgage" means a mortgage, a trust deed, or a real estate contract utilized as a financing device.

"Mortgagee" means a mortgagee, a beneficiary of a trust deed, or a vendor under a real estate contract utilized as a financing device.

"Northside Terrace Limited Area of Common Responsibility" means: (i) the Northside Terrace Limited Common Area, (ii) any additional areas of the Northside Terrace Property which by the terms of this Northside Terrace Declaration, any other Supplemental Declaration, any other applicable covenants, or any contract become the responsibility of the Northside Terrace Association, and (iii) prior to Turnover, any additional areas which Declarant from time to time designates as a "Northside Terrace Limited Area of Common Responsibility," the location of which additional areas may be modified, supplemented, changed, redesignated or undesignated from time to time by Declarant in its sole discretion.

"Northside Terrace Association" means Northside Terrace Owners Association, Inc., to be formed as an Oregon nonprofit mutual benefit corporation, and its successors and assigns.

"Northside Terrace Board of Directors" or "Northside Terrace Board" means the board of directors of the Northside Terrace Association, selected as provided in the Bylaws.

"Northside Terrace Documents" means this Northside Terrace Declaration, any Supplemental Declarations, the Articles, the Bylaws, the Design Guidelines, the Northside Terrace Use Guidelines and Restrictions, the Master Use Guidelines and Restrictions, and any other rules and regulations adopted by the Northside Terrace Association.

"Northside Terrace Limited Common Area" means: (i) all real and personal property that the Northside Terrace Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners pursuant to this Northside Terrace Declaration or other agreement, and (ii) those areas of the Northside Terrace Property and such personal property located thereon that are owned by Declarant and designated from time to time by Declarant as "Northside Terrace Limited Common Area," the location of which may be modified, supplemented, changed, redesignated, or undesignated from time to time by Declarant in its sole discretion; provided, however, no later than the date of the Turnover Meeting, Declarant shall, pursuant to Section 8.2 of this Northside Terrace Declaration, convey to the Northside Terrace Association any areas owned by Declarant which are then designated as Northside Terrace Limited Common Area.

"Northside Terrace Property" means the property described on that attached Exhibit A, together with any additional property annexed and thereby subjected to this Northside Terrace Declaration in accordance with Section 3.1 hereof.

"Northside Terrace Use Guidelines and Restrictions" means any rules and regulations adopted by the Northside Terrace Board pursuant to Section 5 of this Northside Terrace Declaration, establishing requirements and restrictions regarding uses of and conduct on the Northside Terrace Property or any part thereof.

"Owner" means the Person(s) who holds the record title to any Parcel or Condominium Unit, excluding any Person(s) who holds an interest merely as security for the performance of an obligation. If a Parcel or Condominium Unit is sold pursuant to a real estate contract utilized as a financing device, then, upon the recording of such contract or a



memorandum thereof, the vendee thereunder (rather than the fee owner) will be considered the Owner of such Parcel or Condominium Unit.

"Parcel" means any portion of the Northside Terrace Property, whether improved or unimproved, which may legally be independently owned and conveyed and which is intended for development, use, and occupancy for commercial, industrial, or residential purposes, including all Improvements thereon; provided that, with respect to any Condominium Project, "Parcel" means entire portion of the Northside Terrace Property on which the Condominium Project, including any common or limited common elements, is located and not any Condominium Unit therein; and provided further that "Parcel" does not include any property dedicated to and accepted by any public authority.

"Permitted User" means all of an Owner and such Owner's tenants, subtenants and franchisees and all of their respective officers, suppliers, patrons, customers, guests, employees, invitees and agents.

"Person" means a natural person, a corporation, a partnership, a limited liability company, an unincorporated association, a trust, or any other legal entity.

"Phase" means all Parcels simultaneously subjected to this Northside Terrace Declaration by Declarant by execution and recordation of this Northside Terrace Declaration or any Supplemental Declaration in the County Records.

"Plat" means any plat or planned development map affecting the Northside Terrace Property or any part thereof and recorded in the County Records, as such plat or map may be modified of record from time to time.

"Potential Expansion Property" means the real property described on Exhibit B, whether or not such property has been annexed to River Bend as provided herein.

"Properties" means the property encumbered by the Master Declaration.

"Regular Class A Members" means the Class A Members other than the Condominium Class A Members.

"River Bend" means the multi-phase mixed-use project to be developed on the Properties.

"67% Vote" means the affirmative vote of Class A Members together holding at least 67% of the total votes held by Class A Members.

"Special Assessment" means an assessment levied pursuant to Section 9.4.

"Specific Assessment" means an assessment levied pursuant to Section 9.5.

"Supplemental Declaration" means any amendment or supplement to this Northside Terrace Declaration recorded pursuant to Section 3.1 which annexes and thereby

subjects additional property to this Northside Terrace Declaration and any other amendment or supplement to this Northside Terrace Declaration recorded in accordance with this Northside Terrace Declaration.

"Turnover" means the turnover of control of the Northside Terrace Association from Declarant to the Owners, which shall occur at the time and in the manner set forth in Section 7.5.

"Turnover Meeting" means the meeting of the Northside Terrace Association called pursuant to Section 7.5 for the purpose of effecting the Turnover.

## 1.2 Liberal Construction.

The provisions of this Northside Terrace Declaration shall be liberally construed to effect its purpose of creating a uniform plan for the development and operation of the Northside Terrace in a manner which complies with all applicable laws and governmental regulations and requirements.

## 1.3 Interpretation.

The captions or headings of Sections of this Northside Terrace Declaration are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Northside Terrace Declaration. The term "including," as used in this Northside Terrace Declaration, is not limiting and means "including without limitation." Unless otherwise specified, the words "hereof," "herein," and "hereunder" and similar words refer to this Northside Terrace Declaration as a whole and not to any particular provision of this Northside Terrace Declaration. References to any Section or Exhibit are references to Sections of or Exhibits to this Northside Terrace Declaration, unless otherwise specified. All of the terms and words used in this Northside Terrace Declaration regardless of the number used, shall be deemed and construed to include any other number (singular or plural), as the context or sense of this Northside Terrace Declaration or any paragraph or clause hereof may require, the same as if the words had been fully and properly written in the number.

## 2. Declaration.

Declarant hereby declares that the Northside Terrace Property and all portions thereof are hereby made subject to all of the conditions, covenants, restrictions and provisions of this Northside Terrace Declaration. All portions of the Northside Terrace Property are declared to be expressly subject to the Master Declaration, which Master Declaration is hereby incorporated herein by reference. Declarant hereby specifically provides that all Northside Terrace Limited Common Area in the Northside Terrace Property shall be deemed "Limited Common Area" under the Master Declaration.

### 3. Annexation and Withdrawal of Property.

#### 3.1 Annexation.

##### 3.1.1 Annexation Without Approval of Members.

At any time and from time to time prior to Turnover, Declarant may in its sole discretion unilaterally subject all or any part of the Potential Expansion Property to the provisions of this Northside Terrace Declaration by recording in the County Records a Supplemental Declaration containing a legal description of the property being annexed and specifically subjecting it to the terms of this Northside Terrace Declaration. Any such Supplemental Declaration: (i) shall not require the consent of the Members, but shall require the consent of the owner of the annexed property, if other than Declarant; and (ii) shall be signed by Declarant and by the owner of the annexed property, if other than Declarant. Any annexation pursuant to this Section 3.1.1 shall be effective upon recordation in the County Records of the Supplemental Declaration relating to such annexation, unless otherwise provided therein.

##### 3.1.2 Annexation With Approval of Members.

At any time and from time to time after Turnover, the Northside Terrace Association or Declarant may subject any real property, including any Potential Expansion Property, to the provisions of this Northside Terrace Declaration with: (i) the consent of the owner of such property, and (ii) the approval of the Class A Members by a 67% Vote. Any such annexation shall be accomplished by recording in the County Records a Supplemental Declaration containing a legal description of the property being annexed and specifically subjecting it to the terms of this Northside Terrace Declaration. Any such Supplemental Declaration shall be signed by the President and Secretary of the Northside Terrace Association and by the owner of the annexed property. Any annexation pursuant to this Section 3.1.2 shall be effective upon recordation in the County Records of the Supplemental Declaration relating to such annexation, unless otherwise provided therein.

##### 3.1.3 Additional Covenants and Easements.

At any time and from time to time prior to Turnover, Declarant may unilaterally (but with the consent of the owner of the property in question, if other than Declarant) subject any portion of the property subjected to this Northside Terrace Declaration initially or by Supplemental Declaration pursuant to Section 3.1.1 to additional covenants and easements, including covenants requiring the Northside Terrace Association to maintain and insure such property; provided that the foregoing right of Declarant shall be subject to the provisions of Section 5.2 and any other applicable limitations set forth in the Northside Terrace Documents. Any additional covenants and easements pursuant to this Section 3.1.3 shall be set forth in a Supplemental Declaration recorded in the County Records either concurrently with or after the annexation of the property in question.

### 3.2 Withdrawal of Property.

Declarant reserves the right, without prior notice and without the consent of any Person, to amend this Northside Terrace Declaration at any time prior to Turnover for the purpose of removing property then owned by Declarant, its affiliates, or the Northside Terrace Association from the coverage of this Northside Terrace Declaration if and to the extent that: (i) such property was originally included in error, or (ii) Declarant's plans for development of the Northside Terrace Property no longer include such property, so long as the withdrawal of such property is not unequivocally contrary to the overall, uniform scheme of development for the Northside Terrace Property. Any withdrawal of property pursuant to this Section 3.2 shall be reflected in a Supplemental Declaration signed by Declarant and recorded in the County Records.

### 3.3 Assignment of Rights.

At any time and from time to time, Declarant may transfer or assign its right to annex or withdraw property in accordance with this Section 3 to any Person who is the developer of at least a portion of the Northside Terrace Property or the Potential Expansion Property. Any such transfer or assignment shall be reflected in a written instrument signed by Declarant and recorded in the County Records.

## 4. Property Rights.

### 4.1 Northside Terrace Limited Common Area.

Each Owner shall have a non-exclusive right and easement of use, access, and enjoyment in and to the Northside Terrace Limited Common Area, which easement shall be appurtenant to and shall pass with the title to every Parcel and Condominium Unit, subject to: (i) the Northside Terrace Documents; (ii) any restrictions or limitations contained in any deed conveying property included in the Northside Terrace Limited Common Area to the Northside Terrace Association; (iii) the rights of Declarant and the Northside Terrace Board pursuant to this Northside Terrace Declaration to adopt rules regulating the use and enjoyment of the Northside Terrace Limited Common Area; (iv) the rights of Declarant and the Northside Terrace Board to acquire or dispose of portions of the Northside Terrace Limited Common Area subject to any applicable limitations contained in this Northside Terrace Declaration, and (v) the right of the Northside Terrace Association to mortgage, pledge, or hypothecate any or all of the Northside Terrace Limited Common Area as security for money borrowed or debts incurred, subject to the approval requirements set forth in the Northside Terrace Documents.

### 4.2 Delegation.

Subject to the Master Declaration and the limitations set forth in Section 4.1 herein and any other applicable restrictions or limitations set forth in the Northside Terrace Documents, any Owner may delegate such Owner's right and easement of use, access, and enjoyment in and to the Northside Terrace Limited Common Area to such Owner's Permitted Users.

5. Restrictions on Use.

5.1 General Applicability.

Declarant intends to create River Bend as a commercial, industrial, and residential development and, in furtherance of its and every other Owner's interests, has established a general plan of development for River Bend as a master planned community. The Northside Terrace Property is and will be subject to architectural, design, and land development guidelines as set forth in Section 6 of the Master Declaration and any guidelines and restrictions regarding use and conduct as provided in this Section 5. All provisions of this Northside Terrace Declaration containing any such guidelines and restrictions, and of any Master Use Guidelines and Restrictions and/or Northside Terrace Use Guidelines and Restrictions shall apply to all occupants of any Parcel or Condominium Unit and to each Permitted User, except as otherwise provided therein.

5.2 Declarant Authority.

At any time and from time to time prior to the first sale of any Parcel in any Phase, Declarant shall have the authority, subject to the provisions of Section 5.7, to establish requirements and restrictions with respect to the use of and conduct on Parcels contained in such Phase or any subsequent Phase. Any requirements and restrictions established by Declarant pursuant to this Section 5.2 shall be set forth in a Supplemental Declaration recorded in the County Records.

5.3 Board Authority.

Subject to the provisions of this Section 5, the Northside Terrace Board shall have the authority to adopt and thereafter to modify or supplement from time to time Northside Terrace Use Guidelines and Restrictions. The Northside Terrace Board shall send a copy of any proposed new, modified, or supplemented rule or regulation to each Owner at least thirty (30) days prior to the Northside Terrace Board meeting at which such rule or regulation will be considered. Members shall have a reasonable opportunity to be heard at any such meeting. If any such rule or regulation is approved by the Northside Terrace Board, it shall become effective unless disapproved at such meeting by Class A Members by a 67% Vote or by Declarant, so long as Declarant owns any Northside Terrace Property or any Potential Expansion Property. The Northside Terrace Board shall provide a copy of the Master Use Guidelines and Restrictions and/or the Northside Terrace Use Guidelines and Restrictions then in effect to any Member or Mortgagee upon request and without cost.

5.4 Members' Power.

At a meeting duly called for such purpose as provided in the Bylaws, the Class A Members may adopt, repeal, modify, limit, and expand the Northside Terrace Use Guidelines and Restrictions by a 67% Vote and with the approval of Declarant, so long as Declarant owns Northside Terrace Property or any Potential Expansion Property.

### 5.5 Owners' Acknowledgment.

By accepting a deed to or entering into a recorded contract of sale for a Parcel or a Condominium Unit, each Owner acknowledges and agrees that the use, enjoyment, and marketability of such Owner's property may be affected by the provisions of the Master Use Guidelines and Restrictions and/or the Northside Terrace Use Guidelines and Restrictions, and that the Northside Terrace Use Guidelines and Restrictions may be modified or supplemented from time to time as provided in this Section 5.

### 5.6 General Restrictions.

Each Parcel and Condominium Unit may be used only for purposes permitted by applicable law and in a manner complying with any Supplemental Declaration applicable thereto and adopted pursuant to Section 5 and with any applicable Master Use Guidelines and Restrictions and Northside Terrace Use Guidelines and Restrictions. Subject to the limitations set forth in this Section 5, the Master Use Guidelines and Restrictions and/or the Northside Terrace Use Guidelines and Restrictions may address, without limitation, any or all of the following matters relating to the Northside Terrace Property or any portion thereof: Signage, parking, utility and landscaping installation, garbage and trash disposal, exterior antennas and similar apparatus, exterior lighting, the maintenance and repair of exteriors and landscaping, and view obstruction.

### 5.7 Limitations.

The authority of Declarant, the Northside Terrace Board, and the Members to adopt requirements or restrictions regarding use or conduct or Northside Terrace Use Guidelines and Restrictions shall be subject to the following limitations: (i) similarly situated Owners and occupants shall be generally treated similarly; (ii) no rule or restriction adopted pursuant to Section 5 shall be inconsistent with any Master Use Guidelines and Restrictions (if any such rule or restriction is determined by the Master Board to be inconsistent, such rule or restriction shall be void), which determination shall be made by the Master Board in its sole discretion; (iii) no rule shall interfere with the activities carried on within the confines of the structures on any Parcel or Condominium Unit, except that the Northside Terrace Association may: (a) prohibit activities not normally associated with property restricted to the use applicable to such Parcel or Condominium Unit, and (b) restrict or prohibit activities that create the possibility of monetary costs for the Northside Terrace Association or other Owners, that endanger the health or safety of occupants of other Parcels or Condominium Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the confines of such structures, or that create a source of unreasonable annoyance to occupants of other Parcels or Condominium Units; (iv) the Northside Terrace Association shall not impose any fee for the transfer of any Parcel or Condominium Unit in an amount greater than the costs estimated to be incurred by the Northside Terrace Association in connection with the transfer; and (v) no rule or regulation adopted or action taken by the Northside Terrace Association shall unreasonably impede or interfere with Declarant's right to develop the Northside Terrace Property in accordance with authorizations obtained from the City or County or from any other applicable governmental authority.

## 5.8 Development.

Nothing in this Section 5, in any Supplemental Declaration pursuant to Section 5.2, or in any of the Northside Terrace Use Guidelines and Restrictions shall be construed to prohibit or unreasonably impede or interfere with the activities of Declarant or Declarant's employees, agents, independent contractors, successors, and assigns in connection with the development and construction of Improvements on, or the providing of utility services to, the Northside Terrace Property or other real property owned by Declarant, or the maintenance on portions of the Northside Terrace Property of such facilities as may be reasonably required or convenient in connection with such activities, including business offices, storage areas, construction yards and equipment, signs, and sales offices; provided, however, that no such activity shall be performed and no such facility shall be maintained on any portion of the Northside Terrace Property in such a way as to interfere unreasonably and substantially with the use, enjoyment, or access of any Owner or any Permitted User.

## 6. Easements.

### 6.1 Master Declaration.

All of the easements granted pursuant to Section 5 in the Master Declaration are incorporated herein by reference with respect to the Northside Terrace Property except to the extent inconsistent with this Section 6.

### 6.2 Parking Regulations.

Except to the extent inconsistent with Section 5.6 of the Master Declaration, the use of parking areas on the Northside Terrace Property is subject to the following regulations:

6.2.1 Except in cases of emergency, no vehicle or piece of motorized equipment shall be left in a dismantled or inoperable condition in a parking area without the consent of Declarant (and after the Turnover, the Northside Terrace Board).

6.2.2 All parking shall occur only in spaces specifically designated by striping for parking purposes. Each Owner shall exercise its parking rights on the other Parcels so as to minimize interference with the business operations of the other Owners.

6.2.3 No Owner may charge any Permitted User of a parking area any fee or toll for parking without the consent of Declarant (and after the Turnover, the Northside Terrace Board).

### 6.3 Obstructions and Alterations

6.3.1 Obstructions Prohibited. All roadways, sidewalks and parking areas constructed on the Northside Terrace Property shall be constructed at no less than the minimum construction standards set forth in the Design Guidelines, and shall meet at equal grades and no obstructions shall be erected or permitted on the Parcels which would unreasonably interfere with the rights established by this Northside Terrace Declaration.

6.3.2 Permitted Alterations. Without the consent of the Northside Terrace Board, an Owner may not alter or remove any roadways, sidewalks and parking areas situated on that Owner's Parcel.

6.4 Maintenance Easement.

Easements are hereby reserved in favor of the Northside Terrace Association over and across portions of each Parcel other than the portions on which buildings are located for the purpose of operating, maintaining, repairing and replacing the parking areas and landscaping on each Parcel. The Northside Terrace Association shall be responsible for the operation, maintenance, repair and replacement of such parking areas; provided, however, if any repairs or replacements of the parking areas on a particular Parcel is necessary or prudent as a result of any defects in such parking area or the failure of such parking area to be constructed or repaired in accordance with the minimum standards established in the Design Guidelines, all costs incurred by the Northside Terrace Association in connection therewith shall be paid by the Owner of such Parcel as a Specific Assessment. The Northside Terrace Association's easement for landscaping purposes shall be exercised only to the extent the Northside Terrace Association has the right to perform such landscaping under Section 11.2.

7. Northside Terrace Association Function, Membership, and Voting Rights.

7.1 Function of Northside Terrace Association.

The Northside Terrace Association shall be responsible for: (i) the management, maintenance, repair, operation, and control of the Northside Terrace Limited Area of Common Responsibility; (ii) the enforcement of this Northside Terrace Declaration, any Supplemental Declaration, and such rules and regulations governing the use of the Northside Terrace Property as the Northside Terrace Board may adopt in accordance with this Northside Terrace Declaration or any Supplemental Declaration, including the Northside Terrace Use Guidelines and Restrictions; and (iii) concurrent with the rights and responsibilities of the Master Association, the administration and enforcement of the design standards and controls set forth in any Supplemental Declaration, and in the Design Guidelines.

7.2 Membership.

Every Owner shall be a Member of the Northside Terrace Association. There shall be only one membership per Parcel or Condominium Unit. If a Parcel or a Condominium Unit is owned by more than one Person, all co-Owners shall: (i) share the privileges of the membership associated with such Parcel or Condominium Unit, subject to reasonable Northside Terrace Board regulation and the restrictions on voting set forth in Section 7.4 and in the Bylaws, and (ii) be jointly and severally liable for the performance of the responsibilities of Owners, including the payment of assessments. The membership rights and privileges of an Owner who is a natural person may be exercised by the Member or the Member's spouse. The membership rights of an Owner which is a corporation, partnership, limited liability company, or other legal entity may be exercised by any officer, director, partner, member, manager, or trustee, or other individual designated from time to time by the Owner in a written instrument delivered to the



Northside Terrace Association. Membership in the Northside Terrace Association shall commence, exist, and continue simply by virtue of ownership of a Parcel or a Condominium Unit, shall expire automatically upon the termination of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

### 7.3 Voting.

The Northside Terrace Association shall have Class A Members and one or more Class B Members.

#### 7.3.1 Class A.

The "Class A Members" shall consist of all Owners other than: (i) the Class B Member(s), if any (provided, however, once a Parcel owned by Declarant has been developed and the occupant of such Parcel is conducting business on such Parcel, Declarant shall be deemed to be a Class A Member with respect to such Parcel), and (ii) any Condominium Association. Each Regular Class A Member shall have one equal vote for each 1,000 square feet of surface area included in the Parcel owned by such Member. The Condominium Class A Members in any Condominium Project shall collectively have one equal vote for each 1,000 square feet of surface area included in the Parcel on which such Condominium Project is located. All votes held by Condominium Class A Members shall be cast only by the Condominium Association of such Condominium Project and individual Condominium Class A Members shall not be entitled to separate voting rights.

#### 7.3.2 Class B.

The "Class B Member" shall consist of Declarant. The Class B Member shall be entitled to voting rights equal to the product of: (i) the number of votes pertaining to each Parcel owned by Declarant, determined as provided in Section 7.3.1 as if Declarant were a Regular Class A Member, multiplied by (ii) three. If Declarant owns a majority of the Condominium Units in any Condominium Project, Declarant shall be deemed to own all of the Condominium Units for purposes of the immediately preceding sentence. Notwithstanding anything to the contrary contained in this Section 7.3.2, as set forth in Section 7.3.1 above, a portion of the Class B membership shall be converted to Class A membership as Parcels owned by Declarant are developed and business is conducted on such Parcels, and any remaining Class B membership shall terminate and be converted to Class A membership upon the earliest to occur of: (a) the first date on which 95% of the Maximum Developable Acreage is owned by Owners other than Declarant; (b) January 1, 2022; or (c) the date on which Declarant, in its sole discretion, terminates the Class B membership by recordation in the County Records of an instrument expressly providing for such termination.

### 7.4 Exercise of Voting Rights.

If more than one Regular Class A Member owns any Parcel, the votes attributable to such Parcel shall be exercised in such manner as the co-Owners may determine among themselves and advise the Secretary of the Northside Terrace Association in writing prior to any

meeting. In the event the Secretary is not advised to the contrary, any Owner of such a Parcel shall be deemed to have the power to cast all votes allocable to the Parcel and the Parcel's votes shall be suspended if more than one Person seeks to cast them.

#### 7.5 Turnover.

Within 120 days after termination of the Class B membership pursuant to Section 7.3.2, Declarant shall call a meeting in the manner provided in the Bylaws for the purpose of turning over administrative responsibility for the Northside Terrace Property to the Northside Terrace Association. If Declarant does not call the Turnover Meeting within the required period, any two or more Members may do so by giving notice in the manner provided in the Bylaws. At the Turnover Meeting: (i) the members of the Northside Terrace Board then holding office shall resign and their successors shall be elected as provided in the Bylaws; and (ii) Declarant shall deliver to the Northside Terrace Association the originals of all books, records, plans, contracts, and other appropriate documents and materials in Declarant's possession relating to the Northside Terrace Association.

### 8. Rights and Obligations of the Northside Terrace Association.

#### 8.1 Northside Terrace Limited Area of Common Responsibility.

Subject to the rights of Declarant and of the Owners set forth in this Northside Terrace Declaration and in any Supplemental Declaration, the Northside Terrace Association shall manage and control the Northside Terrace Limited Area of Common Responsibility, all Improvements thereon, and all fixtures and personal property related thereto, and shall keep it in good, clean, attractive, and sanitary condition, order, and repair.

#### 8.2 Real and Personal Property for Common Use.

Subject to any limitations set forth in the Northside Terrace Documents, the Northside Terrace Association may acquire (from Declarant or any other Person), hold, mortgage or otherwise assign or pledge, and dispose of tangible and intangible real and personal property for any purpose of the Northside Terrace Association. Declarant shall convey the Northside Terrace Limited Common Area to the Northside Terrace Association no later than the date of the Turnover Meeting.

#### 8.3 Enforcement.

The Northside Terrace Association may exercise all rights and remedies set forth in the Northside Terrace Documents in connection with the enforcement thereof. The Northside Terrace Association may, by contract or other agreement, enforce applicable County and City ordinances and permit governmental authorities to enforce applicable ordinances on the Northside Terrace Property for the benefit of the Northside Terrace Association and its Members.

#### 8.4 Implied Rights: Board Authority.

The Northside Terrace Association may exercise any other right or privilege given to it expressly by this Northside Terrace Declaration or the other Northside Terrace Documents, or reasonably implied from or reasonably necessary to effect any such right or privilege. Except as otherwise expressly provided in the Northside Terrace Documents or by applicable law, all rights and powers of the Northside Terrace Association may be exercised by the Northside Terrace Board without a vote of the Members.

#### 8.5 Property for Public Use.

So long as Declarant owns any property in the Northside Terrace Property or any Potential Expansion Property, Declarant may designate sites within the Northside Terrace Property owned by Declarant or the Northside Terrace Association, including portions of the Northside Terrace Limited Common Area, for utility facilities and other public facilities.

#### 8.6 Professional Management: Contracts.

The Northside Terrace Association may employ or contract for professional management services. The Northside Terrace Association may also enter into such contracts for goods or services as the Northside Terrace Association deems appropriate, including, without limitation, any contracts with Declarant or any person or entity affiliated with Declarant (and if the Northside Terrace Association enters into any such contract with Declarant or any person or entity affiliated with Declarant, the terms and provisions of any such contract shall be presumed to be fair to the Northside Terrace Association absent manifest evidence that the terms and provisions of such contract were both: (i) commercially unreasonable at the time such contract was created, and (ii) materially more onerous to the Northside Terrace Association at the time such contract was entered into than the terms and provisions the Northside Terrace Association would have obtained had the Northside Terrace Association contracted with a third-party in an arm's-length transaction).

#### 8.7 Liability and Indemnification.

The officers and directors of the Northside Terrace Association, and members of committees established by the Northside Terrace Board, shall not be liable for: (i) any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith; or (ii) any contract or other commitment made or action taken in good faith on behalf of the Northside Terrace Association. The Northside Terrace Association shall indemnify, hold harmless, and defend each such officer, director, and committee member for, from and against any and all claims, losses, liabilities, and expenses (including reasonable attorneys' fees) incurred in connection with any suit, action, or proceeding which results from any action taken by or on behalf of the Northside Terrace Association, the Northside Terrace Board, or such committee pursuant to the Northside Terrace Documents. Any right to indemnification provided for in this Section shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled under applicable law. The Northside Terrace Association shall use reasonable efforts to obtain errors

and omissions insurance coverage for officers, directors, and committee members of the Northside Terrace Association. In accordance with ORS 65.784, if the Northside Terrace Association indemnifies or advances expenses pursuant to this Section or ORS 65.391-65.401, the Northside Terrace Association shall report the indemnification or advance in writing to the Members with or before the notice of the next meeting of the Members.

#### 8.8 Security.

The Northside Terrace Association may, but shall not be obligated to, maintain or support certain activities within the Northside Terrace Property designed to make the Northside Terrace Property safer than they otherwise might be. NEITHER THE NORTHSIDE TERRACE ASSOCIATION, THE NORTHSIDE TERRACE BOARD, NOR DECLARANT SHALL IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY FOR THE NORTHSIDE TERRACE PROPERTY, NOR SHALL ANY OF THEM BE LIABLE FOR ANY LOSS OR DAMAGE RESULTING FROM ANY FAILURE TO PROVIDE ADEQUATE SECURITY OR THE INEFFECTIVENESS OF ANY SECURITY MEASURES UNDERTAKEN. NO REPRESENTATION OR WARRANTY IS MADE THAT ANY FIRE PROTECTION, BURGLAR ALARM, OR OTHER SECURITY SYSTEM CANNOT BE COMPROMISED OR CIRCUMVENTED, NOR THAT ANY SUCH SYSTEM OR OTHER SECURITY MEASURES UNDERTAKEN WILL IN ALL CASES PREVENT LOSS OR PROVIDE THE DETECTION OR PROTECTION FOR WHICH SUCH SYSTEM OR MEASURE IS DESIGNED OR INTENDED. EACH OWNER ACKNOWLEDGES, UNDERSTANDS, AND AGREES TO INFORM ITS TENANTS THAT THE NORTHSIDE TERRACE ASSOCIATION, THE NORTHSIDE TERRACE BOARD, AND DECLARANT ARE NOT INSURERS AND THAT EACH PERSON USING THE PROPERTIES ASSUMES ALL RISK FOR LOSS OR DAMAGE TO PERSONS AND PROPERTY RESULTING FROM ACTS OF THIRD PARTIES.

#### 9. Assessments.

##### 9.1 Creation of Assessments.

9.1.1 The Northside Terrace Association is hereby authorized to levy assessments against each Parcel and Condominium Unit for Northside Terrace Association expenses as the Northside Terrace Board may specifically authorize from time to time, subject to the provisions of this Section. There shall be three types of assessments: (i) Base Assessments to fund Common Expenses; (ii) Special Assessments, as described in Section 9.4; and (iii) Specific Assessments, as described in Section 9.5. Each Owner, by accepting a deed to or entering into a recorded contract of sale for any Parcel or Condominium Unit, is deemed to covenant and agree to pay all assessments levied in accordance with this Section.

9.1.2 All assessments levied against a Parcel or Condominium Unit, together with interest, late charges, costs, and reasonable attorneys' fees as provided in this Section, shall be: (i) a charge and continuing lien upon such Parcel or Condominium Unit until paid, as more particularly provided in Section 9.7; and (ii) the personal obligation of the Owner(s) of such Parcel or Condominium Unit on the date the assessment is levied by the

Northside Terrace Association. Upon a transfer of title to a Parcel or Condominium Unit, the grantee shall not be personally liable for any assessments and other charges levied prior to the date of conveyance unless such liability is expressly assumed by such grantee, but such Parcel or Condominium Unit shall remain subject to the lien rights of the Northside Terrace Association and the liability of the Owner(s) of the Parcel or Condominium Unit on the date the assessment was levied shall not be extinguished by such transfer. No holder of a First Mortgage who acquires title to a Parcel or Condominium Unit by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments levied prior to the date of such acquisition of title.

9.1.3 Assessments shall be paid in such manner and on such dates as the Northside Terrace Board may establish from time to time. If the Northside Terrace Board so determines, assessments may be payable in two or more installments. Unless the Northside Terrace Board otherwise determines, the Base Assessment shall be due and payable quarterly in advance on the first day of each fiscal quarter of the Northside Terrace Association.

9.1.4 Within ten (10) business days after written request therefor is delivered to the Northside Terrace Association by any Owner who is liable for any assessment hereunder, the Northside Terrace Association shall furnish to such Owner a written certificate signed by an officer of the Northside Terrace Association stating whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Northside Terrace Association may require the advance payment of a reasonable processing fee for the issuance of any such certificate.

9.1.5 No Owner may exempt himself, herself, or itself from liability for assessments, whether by nonuse of the Northside Terrace Limited Common Area, abandonment of such Owner's Parcel or Condominium Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of Declarant, the Northside Terrace Association, or the Northside Terrace Board to take any action or perform any function, for inconvenience or discomfort arising from the construction, alteration, repair, replacement, or maintenance of Improvements, or as a result of any other action taken by Declarant, the Northside Terrace Association or the Northside Terrace Board, or their respective partners, members, managers, employees, agents, or independent contractors.

## 9.2 Determination of Base Assessment.

9.2.1 The Base Assessment shall be set at a level which is reasonably expected to produce total income for the Northside Terrace Association equal to the total budgeted Common Expenses, including reserves, as determined by the Northside Terrace Board for each fiscal year of the Northside Terrace Association, taking into account: (i) other sources of funds available to the Northside Terrace Association, if any; (ii) the number of Parcels and Condominium Units which are subject to assessment under Section 9.6 on the first day of the fiscal year for which the assessment is being levied; and (iii) the number of Parcels and Condominium Units reasonably anticipated to become subject to assessment during the fiscal year.

9.2.2 Subject to the provisions of Section 9.2.3, the Base Assessment for each year shall be allocated among all Parcels in proportion to the number of votes attributable to each Parcel pursuant to Section 7.3.1. The Base Assessment so allocated to each Condominium Project shall be allocated equally among the Condominium Units in such Condominium Project, unless the applicable Condominium Documents otherwise provide.

9.2.3 Subject to the provisions of Section 9.2.4, Parcels owned by Declarant or Declarant's affiliates (excluding affiliates who are natural persons) shall not be subject to payment of the Base Assessment so long as: (i) Declarant is not a Class A Member with respect to such Parcels (as determined pursuant to Section 7.3.1 above), (ii) any Parcel owned by Declarant's affiliates has not been developed and/or the occupant of such Parcel is not conducting business on such Parcel, or (iii) termination of Class B membership pursuant to Section 7.3.2 has not occurred; provided, however, that in the event that the aggregate Base Assessments levied with respect to any fiscal year ending prior to the date of the Turnover Meeting, even if paid in full by all Owners liable for such assessments, would not be sufficient to pay all actual operating expenses for which line items are included in the budget approved by the Northside Terrace Board for that year, Declarant shall have the right (but not the obligation) to loan to the Northside Terrace Association the amount of such deficiency, interest free. Any amount loaned to the Northside Terrace Association by Declarant pursuant to this Section 9.2.3 shall be repaid by the Northside Terrace Association to Declarant as soon as funds are available and to the extent the Northside Terrace Association has available funds. If any such loan has not been repaid in full on the date of the Turnover Meeting, such loan shall be deemed forgiven and Declarant shall have no right to the repayment of such loan and the Northside Terrace Association shall have no further obligation with respect to such loan.

9.2.4 From and after the first date on which a Condominium Unit in any Condominium Project developed by Declarant is sold to a Person other than Declarant, the Condominium Units in such Condominium Project which are owned by Declarant shall be subject to the payment of the Base Assessment in the same manner as Condominium Units owned by Condominium Class A Members, subject to any contrary provisions in the applicable Condominium Documents.

9.2.5 The Northside Terrace Board shall send a copy of the budget for each fiscal year of the Northside Terrace Association and notice of the amount of the Base Assessment for such year to each Owner within thirty (30) days after adoption of such budget.

### 9.3 Reserves.

The budget for each fiscal year of the Northside Terrace Association may include provision for reserves which take into account the number and nature of replaceable assets of the Northside Terrace Association, the expected life of each such asset, and its expected repair or replacement cost.

#### 9.4 Special Assessments.

The Northside Terrace Association shall have the power to levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Special Assessments shall be payable in such manner and at such times as may be determined by the Northside Terrace Board, and may be payable in installments extending beyond the fiscal year to which the Special Assessment relates. Special Assessments shall be allocated in the manner provided for Base Assessments pursuant to Section 9.2.

#### 9.5 Specific Assessments.

The Northside Terrace Association shall have the power to levy Specific Assessments from time to time against any particular Parcel or Condominium Unit in order to pay: (i) costs, including overhead and administrative costs, of providing benefits, items, or services to such Parcel or Condominium Unit or occupants thereof upon request of the Owner pursuant to a menu of special services which the Northside Terrace Board may from time to time authorize to be offered to Owners (which services may include landscape maintenance, handyman service, pest control, etc.), which assessments may be levied in advance of the provision of the requested benefit, item, or service as a deposit against charges incurred by the Owner; or (ii) costs incurred in bringing the Parcel or Condominium Unit into compliance with the terms of the Northside Terrace Documents (including, without limitation, a breach of an Owner's obligation under Section 11.2) or as a consequence of the conduct of the Owner or occupants of the Parcel or Condominium Unit or their respective invitees, employees, tenants, or licensees.

#### 9.6 Date of Commencement of Assessments.

The obligation to pay the assessments in accordance with this Section shall commence as to all Parcels within each Phase on the earlier of: (i) the first day of the calendar month immediately following the first conveyance of a Parcel or Condominium Unit in such Phase to an Owner other than Declarant; or (ii) the first day of the calendar month immediately following conveyance of the Northside Terrace Limited Common Area in such Phase to the Northside Terrace Association. The Base Assessment for the fiscal year during which the obligation to pay assessments commences as to any Phase shall be prorated for Parcels and Condominium Units in that Phase based upon the number of days remaining in such year after the date on which such obligation commences.

#### 9.7 Lien for Assessments.

9.7.1 Each assessment levied against a Parcel or Condominium Unit in accordance with this Section shall constitute a lien on such Parcel or Condominium Unit. Such lien shall also secure payment of interest and late charges as provided in Section 9.11, costs of collection (including reasonable attorneys' fees) and recording fees incurred by the Northside Terrace Association in connection with such assessment and lien, and a fee for preparing the notice of lien in such amount as the Northside Terrace Board may determine from time to time. Such lien shall be superior to all other liens, except: (i) the liens of those taxes, bonds,

assessments, and other levies which are superior by operation of law; and (ii) the lien of any First Mortgage on such Parcel or Condominium Unit. The Northside Terrace Association may enforce such lien, when delinquent, by suit, judgment, and foreclosure.

9.7.2 The Northside Terrace Association may file a statement of lien with respect to any Parcel or Condominium Unit by recording in the County Records a written statement setting forth the name of the Owner(s), the legal description of the Parcel or Condominium Unit, the name of the Northside Terrace Association, and the delinquent assessments and other amounts then owing. Such statement shall be executed and acknowledged by an officer or property manager of the Northside Terrace Association, and shall be served upon the Owner of the Parcel or Condominium Unit by mail in the manner provided herein for notices. The Northside Terrace Association may proceed to foreclose the lien in accordance with applicable law at any time after the expiration of the 30-day period following the mailing of such notice. The Northside Terrace Association may sue for unpaid assessments and costs without foreclosing or waiving the lien securing the same.

9.7.3 The Northside Terrace Association may bid for the Parcel or Condominium Unit at any foreclosure sale pursuant to this Section and acquire and thereafter hold, lease, mortgage, and convey such Parcel or Condominium Unit. While a Parcel or Condominium Unit is owned by the Northside Terrace Association following foreclosure: (i) no right to vote shall be exercised on its behalf; (ii) no assessment shall be levied on it; and (iii) each other Parcel and Condominium Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Parcel or Condominium Unit had it not been acquired by the Northside Terrace Association.

9.7.4 The sale or transfer of any Parcel or Condominium Unit shall not affect any assessment lien thereon; provided, however, that the sale of any Parcel or Condominium Unit pursuant to foreclosure of a First Mortgage thereon shall extinguish the lien as to any installments of such assessments levied prior to the date of sale. A Mortgagee or other purchaser of a Parcel or Condominium Unit who acquires title pursuant to such a foreclosure shall not be personally liable for assessments levied on such Parcel or Condominium Unit prior to the date of such acquisition of title; provided that such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Parcels and Condominium Units subject to assessment under Section 9.6, including the Person acquiring such title and its successors and assigns.

#### 9.8 Failure to Assess.

Any failure of the Northside Terrace Board to fix assessment amounts or rates or to deliver or mail assessment notices shall not be deemed a waiver or modification of the right to impose assessments or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as for the most recent year for which an assessment was expressly levied until a new assessment is levied, at which time the Northside Terrace Association may retroactively assess any shortfalls in collections.



9.9 Reallocation Upon Annexation or Withdrawal of Property.

If property is annexed to or withdrawn from the Northside Terrace Property, the Northside Terrace Association shall, within sixty (60) days after the date of annexation or withdrawal, recompute the budget for the fiscal year in question and recompute all applicable assessments for each Parcel and Condominium Unit. Newly annexed Parcels and Condominium Units shall be subject to assessment in accordance with Section 9.6. The Northside Terrace Association shall send notices of any assessment applicable to the newly-annexed Parcels or Condominium Units and of any adjustments to assessments applicable to Parcels and Condominium Units which were within the Northside Terrace Property prior to the date of annexation or withdrawal within sixty (60) days after the date of annexation or withdrawal. Assessments under this Section shall be due and payable on or before a date set forth in the notice, which date shall be not less than thirty (30) days after the date the notice is mailed. To the extent that any adjustment pursuant to this Section results in a credit for assessments payable with respect to a Parcel or Condominium Unit, such credit shall be applied toward the next due payment or payments of the applicable assessment.

9.10 Default in Payment of Assessments; Enforcement of Lien.

If an assessment or other charge levied pursuant to this Section is not paid within thirty (30) days after its due date, such assessment or charge shall become delinquent and shall bear interest from the due date until paid at the rate set forth in Section 9.11. In addition, the Northside Terrace Association may: (i) suspend the delinquent Owner's voting rights, if any, (ii) declare all remaining periodic installments of any annual assessment or any other amounts owed by such Owner to the Northside Terrace Association immediately due and payable; (iii) file a statement of lien against such Owner's Parcel or Condominium Unit and foreclose the lien in accordance with Section 9.7; (iv) bring an action to recover monetary damages; and/or (v) exercise any other right or remedy available to it at law, in equity, or under the Northside Terrace Documents.

9.11 Interest and Late Charges.

Any assessment or other charge which is delinquent pursuant to Section 9.10 shall bear interest from the due date until paid at a rate three percentage points per annum above the prime rate, as of such due date, announced by such financial institution operating in Oregon as selected by the Northside Terrace Board or at such other rate as may be established by the Northside Terrace Board from time to time, or, if less, at the maximum rate which may be charged under applicable law. In addition, a late charge may be imposed for each delinquent assessment in an amount established from time to time by the Northside Terrace Board; provided that such late charge shall not exceed 30% of the delinquent amount.

## 10. Enforcement of Covenants.

### 10.1 Remedies.

In the event of any breach of or other non-compliance with any provision of the Northside Terrace Documents (other than the provisions of Section 9, as to which the rights and remedies set forth therein shall apply), the Northside Terrace Association may: (i) bring an action to recover monetary damages; (ii) institute a proceeding in equity to obtain injunctive or other equitable relief; (iii) suspend the breaching or non-complying Owner's voting rights, if any; (iv) impose reasonable fines against such Owner in such amount as the Northside Terrace Board deems appropriate in response to the violation; (v) enter the Parcel or Condominium Unit in question, remove, abate, modify, or replace the item which is the cause of such violation in a manner that results in conformance with the Northside Terrace Documents, and assess the cost thereof against the such Parcel or Condominium Unit and collect the same as a Specific Assessment, unless otherwise prohibited under this Northside Terrace Declaration; and/or (vi) exercise any other right or remedy available to it at law, in equity, or under the Northside Terrace Documents.

### 10.2 Rights of Owners.

Any action to enforce the Northside Terrace Documents may be instituted by Declarant, by the Northside Terrace Board, or by any property manager retained by the Northside Terrace Board, in each case in the name and on behalf of the Northside Terrace Association. If, after written request from an aggrieved Owner, none of the foregoing Persons commences an action to enforce the Northside Terrace Documents within a reasonable period, then the aggrieved Owner may bring such an action independently.

### 10.3 Limitations on Liability.

Reasonable and good faith exercise of any rights of entry set forth in the Northside Terrace Documents shall not subject Declarant, the Northside Terrace Association, the Northside Terrace Board, any committee established under the Bylaws, or their respective partners, officers, directors, members, managers, agents, employees, or contractors to any liability for trespass, conversion, or other claim for damages. Neither Declarant, the Northside Terrace Association, the Northside Terrace Board, any committee established under the Bylaws, nor their respective partners, officers, directors, members, managers, agents, employees, or contractors shall be liable to any Owner or other Person for failure at any time to enforce any of the Northside Terrace Documents.

### 10.4 Recovery of Costs and Fees.

In the event any suit, action, or other proceeding is instituted to enforce any of the Northside Terrace Documents or in connection with any dispute arising thereunder, the prevailing party shall be entitled to recover its costs and expenses incurred in connection therewith, including such amount as the court may determine to be reasonable as attorneys' fees at trial and on any appeal or review.

## 10.5 Remedies Not Exclusive.

An election to pursue any remedy provided for violation of the Northside Terrace Documents shall not prevent concurrent or subsequent exercise of other rights or remedies permitted thereunder. The remedies provided in this Northside Terrace Declaration and the other Northside Terrace Documents are not exclusive, but shall be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under at law or in equity.

## 11. Maintenance of Properties.

### 11.1 Northside Terrace Association's Responsibility.

11.1.1 The Northside Terrace Association shall maintain (which, for all purposes of this Section, shall include repair and replacement as needed) and keep in good repair the Northside Terrace Limited Area of Common Responsibility, including: (i) all landscaping and other flora, parks, signage, structures, private streets, parking areas, water features, fencing, and bicycle and pedestrian pathways or trails situated in the Northside Terrace Limited Area of Common Responsibility; and (ii) any property or facilities owned by Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Northside Terrace Association and its Members, which property and facilities shall be identified by written notice from Declarant to the Northside Terrace Association and remain a part of the Northside Terrace Limited Area of Common Responsibility until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Northside Terrace Association.

11.1.2 Easements are hereby reserved over the Northside Terrace Property to the extent necessary to enable the Northside Terrace Association to fulfill its maintenance responsibilities pursuant to this Section.

11.1.3 The Northside Terrace Association may maintain property which it does not own, including publicly owned property, conservation easements held by nonprofit entities, and other property dedicated to public use, if the Northside Terrace Board determines that such maintenance is in the interests of the Northside Terrace Association and the Members.

11.1.4 Except as otherwise expressly provided herein, all costs associated with maintenance of the Northside Terrace Limited Area of Common Responsibility shall be Common Expenses to be included in the Base Assessment, without prejudice to the right of the Northside Terrace Association to seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Northside Terrace Limited Area of Common Responsibility pursuant to this Northside Terrace Declaration, other recorded covenants, or agreements with such owner(s) or other Persons.

### 11.2 Owner's Responsibility.

Each Owner shall maintain such Owner's Parcel or Condominium Unit and all structures, parking areas, landscaping, and other Improvements on or comprising such Parcel or

Condominium Unit in good order and repair and in a manner consistent with all applicable covenants and legal requirements, unless such maintenance responsibility is assumed by or assigned to the Northside Terrace Association pursuant to this Northside Terrace Declaration, any Supplemental Declaration, or other agreement. In connection therewith, all landscaping shall be installed and maintained at no less than the minimum standards set forth in the Design Guidelines and any applicable Northside Terrace Use Guidelines and Restrictions, it being acknowledged that one of the intentions of this Northside Terrace Declaration is that all landscaping of the Northside Terrace Property be uniform and consistent and that any failure of any Owner to maintain the landscaping on such Owner's Parcel or Condominium Unit in accordance herewith shall be a material breach of this Northside Terrace Declaration. In addition to any other enforcement rights provided in the Northside Terrace Documents, if an Owner fails properly to perform the foregoing maintenance responsibilities, the Northside Terrace Association may enter onto the property in question and perform such maintenance responsibilities and assess all costs incurred by the Northside Terrace Association against the Parcel or Condominium Unit and the Owner thereof as a Specific Assessment in accordance with Section 9.5.

12. Insurance and Casualty Losses.

12.1 Northside Terrace Association Insurance.

12.1.1 The Northside Terrace Association shall obtain blanket "all-risk" property insurance, if available at reasonable cost, for all insurable Improvements in the Northside Terrace Limited Area of Common Responsibility. If blanket "all-risk" coverage is not available at reasonable cost, the Northside Terrace Association shall obtain fire and extended coverage insurance, including coverage for vandalism and malicious mischief. The Northside Terrace Association may also obtain flood insurance, if available at reasonable cost. The face amount of any policy shall be sufficient to cover the full replacement cost of the insured property.

12.1.2 The Northside Terrace Association also shall obtain a public liability policy insuring the Northside Terrace Association and its Members for damage or injury caused by the negligence of the Northside Terrace Association or any of its Members, employees, agents, or contractors while acting on its behalf. If available at reasonable cost, such policy shall have at least a \$1,000,000 combined single limit with respect to bodily injury and property damage and at least a \$3,000,000 limit per occurrence and in the aggregate. To the extent available at reasonable cost, such public liability insurance shall also include protection against such risks as are customarily covered with respect to projects similar in construction, location, and use to River Bend.

12.1.3 Each policy of insurance contemplated by this Section may contain a reasonable deductible that shall not be subtracted from the face amount of the policy in determining whether the insurance provides the required coverage. In the event of an insured loss, the deductible shall constitute a Common Expense and be included in the Base Assessments.

12.1.4 All insurance coverage obtained by the Northside Terrace Association shall: (i) be written with a company authorized to issue insurance in Oregon which holds a Best's rating of "A" or better and is assigned a financial size category of IX or larger as established by A.M. Best Company, Inc., if available at reasonable cost, or, if not so available, with a company authorized to issue insurance in Oregon which holds the most nearly equivalent rating which is so available; (ii) be written in the name of the Northside Terrace Association as trustee for the benefited parties and include a standard mortgagee's clause; (iii) vest in the Northside Terrace Board exclusive authority to adjust losses; provided, however, that no Mortgagee having an interest in such losses shall be prohibited from participating in the settlement negotiations, if any, related to the loss; (iv) not be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees; and (v) have an inflation guard enforcement, if available at reasonable cost. If a policy contains a co-insurance clause, it shall also have an agreed amount endorsement. The Northside Terrace Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified Persons, at least one of whom shall be in the real estate industry and familiar with construction in the City.

12.1.5 The Northside Terrace Board shall use reasonable efforts to secure insurance policies containing endorsements that: (i) waive subrogation as to any claims against the Northside Terrace Board and the Northside Terrace Association's officers, employees, and property manager (if any), as well as the Owners and their tenants, servants, agents, and guests; (ii) waive the insurer's rights to repair and reconstruct instead of paying cash; (iii) preclude cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Northside Terrace Association to cure the defect or violation and allowance of a reasonable time to cure; (iv) exclude individual Owners' policies from consideration under any "other insurance" clause; and (v) require at least thirty (30) days written notice to the Northside Terrace Association (and any Mortgagee or other insureds named therein) prior to any cancellation, substantial modification, or nonrenewal.

12.1.6 The Northside Terrace Association shall obtain worker's compensation insurance and employer's liability insurance, if and to the extent required by law, and shall use reasonable efforts to obtain errors and omission insurance coverage for officers, directors and committee members of the Northside Terrace Association.

12.1.7 The Northside Terrace Association shall obtain a fidelity bond or bonds, if available at reasonable cost, covering all Persons responsible for handling Northside Terrace Association funds. The Northside Terrace Board shall determine the amount of fidelity coverage in its best business judgment. Bonds shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation and shall require at least thirty (30) days written notice to the Northside Terrace Association prior to any cancellation, substantial modification, or nonrenewal.

12.1.8 The premiums for all insurance and bonds contemplated by this Section shall constitute Common Expenses and be included in the Base Assessments.

## 12.2 Owners' Insurance.

12.2.1 By accepting a deed to or entering into a recorded contract of sale for a Parcel or a Condominium Unit, each Owner covenants and agrees to carry such insurance as is required under the Master Declaration.

12.2.2 In the event of damage to or destruction of the structures on or comprising a Parcel or Condominium Unit, the Owner thereof shall proceed promptly to take such action as required under the Master Declaration and the Northside Terrace Association shall have the same rights and remedies as the Master Association with respect to any failure of an Owner to perform.

## 12.3 Damage and Destruction.

12.3.1 Promptly after any damage to or destruction of all or any part of the Northside Terrace Property covered by insurance written in the name of the Northside Terrace Association, the Northside Terrace Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the condition in which it existed prior to the damage or destruction, taking into account changes or Improvements necessitated by changes in applicable legal requirements.

12.3.2 Any damage to or destruction of the Northside Terrace Limited Common Area shall be repaired or reconstructed unless Class A Members together holding at least 75% of the total votes held by Class A Members and Declarant (so long as Declarant owns any property in the Northside Terrace Property or any Potential Expansion Property) decide within sixty (60) days after the loss not to repair or reconstruct. If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Northside Terrace Association within such 60-day period, then the period shall be extended until such funds and such information are available. Assessments of the Northside Terrace Association shall not be abated during the period of insurance adjustment and repair and reconstruction.

12.3.3 If, pursuant to Section 12.3.2, damage to or destruction of the Northside Terrace Limited Common Area is not to be repaired or reconstructed and no alternative Improvements are authorized, the affected property shall be cleared of all debris and ruins and maintained by the Northside Terrace Association in a neat and attractive, landscaped condition consistent with the Northside Terrace Documents. In such event, any remaining insurance proceeds shall be retained by the Northside Terrace Association and used for such purposes as the Northside Terrace Board may determine.

## 12.4 Northside Terrace Association as Attorney-in-Fact.

By accepting a deed to or entering into a recorded contract of sale for a Parcel or a Condominium Unit, each Owner irrevocably constitutes and appoints the Northside Terrace

Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Improvements in the Northside Terrace Limited Area of Common Responsibility upon damage or destruction as provided in this Section or upon a complete or partial Condemnation as provided in Section 13. As attorney-in-fact, the Northside Terrace Association shall have full and complete authority, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the foregoing powers.

### 13. Condemnation.

#### 13.1 Partial Condemnation.

If any part of the Northside Terrace Limited Common Area is Condemned, the resulting award shall be payable to the Northside Terrace Association as trustee for all Owners and shall be applied as follows:

13.1.1 If the Condemnation involves a portion of the Northside Terrace Limited Common Area on which Improvements have been constructed, the Northside Terrace Association shall restore or replace such Improvements on the remaining land included in the Northside Terrace Limited Common Area, to the extent available, unless, within sixty (60) days after the date of such Condemnation, Class A Members together holding at least 75% of the total votes held by Class A Members and Declarant (so long as Declarant owns any property in the Northside Terrace Property or any Potential Expansion Property) otherwise decide.

13.1.2 If the Condemnation does not involve any Improvements on the Northside Terrace Limited Common Area, or if a decision is made pursuant to Section 13.1. not to repair or restore, or if funds from the Condemnation award remain after the completion of such restoration or replacement, then such award or such remaining funds shall be retained by the Northside Terrace Association and used for such purposes as the Northside Terrace Board may determine.

#### 13.2 Complete Condemnation.

If all of the Northside Terrace Property is Condemned, the regime created by this Northside Terrace Declaration shall terminate and the portion of the Condemnation award attributable to the Northside Terrace Limited Common Area shall be distributed in proportion to the respective obligations for Base Assessments for the fiscal year during which the Condemnation occurs, first to the Mortgagees and then to the Owners, as their interests may appear.

### 14. Declarant's Rights.

#### 14.1 Transfer of Rights.

Any or all of the special rights and obligations of Declarant set forth in this Northside Terrace Declaration or in the other Northside Terrace Documents may be transferred

to other Persons, without the consent of any Mortgagee or Owner, so long as the transfer does not enlarge any such right or reduce any such obligation. No such transfer shall be effective unless it is reflected in a written instrument signed by Declarant and recorded in the County Records. Nothing in this Northside Terrace Declaration shall be construed to require Declarant or any successor to develop any of the Potential Expansion Property in any manner whatsoever or to annex any such property to the Northside Terrace Property.

#### 14.2 Construction and Sales Period.

So long as construction on and initial sales of Parcels continue, Declarant may maintain and carry on upon portions of the Northside Terrace Limited Common Area such facilities and activities as are, in the sole opinion of Declarant, reasonably required, convenient, or incidental to such construction or sales, including business offices, signs, model units, and sales offices. Declarant hereby reserves easements for access to and use of such facilities. Declarant's unilateral right to use the Northside Terrace Limited Common Area for the purposes set forth in this Section shall not be exclusive and shall not interfere unreasonably and substantially with use of the Northside Terrace Limited Common Area by Owners, except to the extent, if any, that portions of the Northside Terrace Limited Common Area are leased to Declarant for a reasonable rent.

#### 14.3 Other Covenants.

No Person shall record any declaration of covenants, conditions, and restrictions, any condominium declaration, or any similar instrument affecting any portion of the Northside Terrace Property without Declarant's prior written consent. Any such instrument which is recorded without such consent shall be void and of no force and effect unless subsequently approved by Declarant.

#### 14.4 Amendment.

Notwithstanding any other provision of the Northside Terrace Documents, this Section may not be amended without the prior written consent of Declarant.

#### 14.5 Termination of Special Rights.

The rights contained in this Section shall terminate upon the earlier of: (i) forty (40) years after the date this Northside Terrace Declaration is recorded, or (ii) the recording by Declarant of a written statement to the effect that all initial sales activity in connection with the Northside Terrace Property has ceased. Thereafter, Declarant may continue to use the Northside Terrace Limited Common Area for purposes stated in this Section only pursuant to a lease agreement between Declarant and the Northside Terrace Association which provides for rental payments based on the fair market rental value of such portion of the Northside Terrace Limited Common Area.



15. General Provisions.

15.1 Term.

This Northside Terrace Declaration shall run with and bind the Northside Terrace Property, and shall inure to the benefit of and shall be enforceable as provided herein by the Northside Terrace Association, any Owner, and their respective legal representatives, heirs, successors, and assigns, for a term of forty (40) years from the date this Northside Terrace Declaration is recorded. After such period, this Northside Terrace Declaration shall automatically be extended for successive periods of ten (10) years each, unless a written instrument, signed by Owners together holding a majority of the votes held by Class A Members and by Declarant (prior to Turnover), is recorded in the County Records within one year prior to the end of any such extension period providing for the termination of this Northside Terrace Declaration, in which case this Northside Terrace Declaration shall terminate as provided therein. Notwithstanding the foregoing: (i) all easements granted in this Northside Terrace Declaration (other than those easements whose terms are specifically limited by this Northside Terrace Declaration) shall be perpetual and bind the Northside Terrace Property and inure to the benefit of and shall be enforceable by any Owner and their legal representatives, heirs, successors and assigns, (ii) except to the extent provided herein, this Northside Terrace Declaration shall automatically terminate upon the termination of the Master Declaration.

15.2 Amendment.

15.2.1 By Declarant.

At any time and from time to time prior to the initial conveyance of a Parcel to an Owner other than Declarant, Declarant may unilaterally amend this Northside Terrace Declaration. Thereafter, until the termination of the Class B membership pursuant to Section 7.3.2, Declarant may, subject to the provisions of Section 14, unilaterally amend this Northside Terrace Declaration; provided, however, that no such amendment shall materially and adversely affect any material rights of any Members hereunder without the consent of affected Members who together hold a majority of the total votes held by all affected Members.

15.2.2 By Owners.

In addition to the rights of Declarant pursuant to Section 16.2.1, this Northside Terrace Declaration may, subject to the provisions of Section 14, be amended at any time and from time to time upon the affirmative vote or written consent, or any combination thereof, of: (i) Class A Members together holding at least 75% of the total votes held by Class A Members, and (ii) Declarant, so long as Declarant owns any of the property in the Northside Terrace Property or any of the Potential Expansion Property.

15.2.3 Validity and Effective Date of Amendments.

Amendments to this Northside Terrace Declaration shall become effective upon recordation in the County Records, unless a later effective date is specified therein. Any

procedural challenge to an amendment shall be made within one year after the date of its recordation or such amendment shall be conclusively presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provision of this Northside Terrace Declaration.

#### 15.2.4 Declarant Rights.

No amendment to this Northside Terrace Declaration or any of the other Northside Terrace Documents may remove, revoke, or modify any right or privilege of Declarant hereunder or under any of the other Northside Terrace Documents without the written consent of Declarant and any assignee of such right or privilege.

#### 15.2.5 Boundaries.

No amendment to this Northside Terrace Declaration shall change the boundaries of any Parcel or Condominium Unit without the consent of the affected Owner.

#### 15.3 Severability.

Invalidation of any provision of this Northside Terrace Declaration, in whole or in part, or of any application of a provision of this Northside Terrace Declaration, by judgment or court order shall in no way affect other provisions or applications.

#### 15.4 Notice of Sale or Transfer of Title.

Any Owner wishing to sell or otherwise transfer title to such Owner's Parcel or Condominium Unit (other than by operation of law) shall give the Northside Terrace Board at least seven (7) days prior written notice of the name and address of the purchaser or transferee, the anticipated date of the transfer of title, and such other information as the Northside Terrace Board may reasonably specify from time to time. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Parcel or Condominium Unit, including assessment obligations, until the date on which such notice is received by the Northside Terrace Board, notwithstanding the transfer of title.

#### 15.5 Revocation.

Except as provided in Section 13.2, this Northside Terrace Declaration shall not be revoked without the consent of all of the Members in a written instrument recorded in the County Records.

#### 15.6 Notices.

All notices pursuant to this Northside Terrace Declaration shall be in writing. Notice to any Member shall be considered delivered and effective upon personal delivery, or three days after deposit in the U.S. Mail, certified, return receipt requested, addressed to the address of such Member on file in the records of the Northside Terrace Association at the time of such mailing. Notice to the Northside Terrace Board or the Northside Terrace Association shall

be considered delivered and effective upon personal delivery, or three days after deposit in the U.S. Mail, certified, return receipt requested, addressed to the Northside Terrace Association or the Northside Terrace Board at such address as may be established by the Northside Terrace Association from time to time by notice to the Members. General notices to all Members need not be certified, but may be sent by regular first class mail.

15.7 Waiver.

No failure on the part of Declarant, the Northside Terrace Association or the Northside Terrace Board to give notice of default or to exercise any right or remedy, nor any delay in exercising any right or remedy, shall operate as a waiver, except as specifically provided herein in the event the Northside Terrace Board fails to respond to certain requests. No waiver shall be effective against Declarant, the Northside Terrace Association or the Northside Terrace Board unless it is in writing, signed, as applicable, by Declarant, by the President or Vice President of the Northside Terrace Association on behalf of the Northside Terrace Association or the Northside Terrace Board.

15.8 Conflicts Between Documents.

In case of any conflict between this Northside Terrace Declaration and the Articles of Incorporation or the Bylaws, this Northside Terrace Declaration shall control. In case of conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control. In the case of any conflict between this Northside Terrace Declaration and the Master Declaration, the Master Declaration shall control. In case of any conflict between this

Northside Terrace Declaration and the Northside Terrace Use Guidelines and Restrictions, this Northside Terrace Declaration shall control.

IN WITNESS WHEREOF, Declarant has executed this Northside Terrace Declaration effective as of the date set forth above.

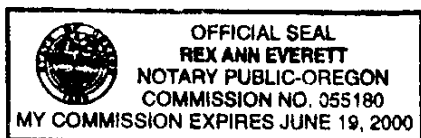
RIVER BEND LIMITED PARTNERSHIP, an  
Oregon limited partnership

By: The Bend Company, an Oregon corporation,  
General Partner

By: *William L. Smith*  
William L. Smith, President

STATE OF OREGON           )  
  ) ss.  
County of Deschutes       )

The foregoing instrument was acknowledged before me on this 5<sup>th</sup> day of June, 1998, by William L. Smith, who is President of the Bend Company, an Oregon corporation, general partner of RIVER BEND LIMITED PARTNERSHIP, an Oregon limited partnership, on behalf of the limited partnership.



*Rex Ann Everett*  
Notary Public for Oregon  
My Commission Expires June 19, 2000

EXHIBIT "A" 500 - 1903  
**Hickman, Williams & Associates, Inc.**

Surveyors ♦ Engineers ♦ Planners

REGISTERED  
PROFESSIONAL  
LAND SURVEYOR

6-9-98

**NORTHSIDE TERRACE  
SUBDIVISION BOUNDARY**

**BOUNDARY DESCRIPTION**

OREGON  
JULY 1, 1983  
PETER A. MANLEY  
2214  
EXPIRES 12-31-98

A parcel of land being all of Lot 1 and a portion of Lot 3, both of Block 2 of the plat of Mill "A" Area of Shevlin Center Second Addition (CS# 09728), and also other lands located in the North One-half (N1/2) of Section 5, Township 18 South, Range 12 East, Willamette Meridian, City of Bend, Deschutes County, Oregon, being more particularly described as follows:

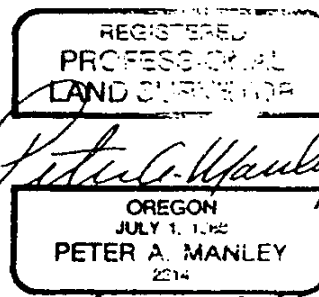
Beginning at the northeast corner of Lot 1 Block 2 of said plat which bears South 5°41'57" East, 424.04 feet from a 2" aluminum cap marking the North One-Quarter Corner of said Section 5, said beginning point also being on the southerly 30.00 foot right-of-way line of Industrial Way; thence leaving said southerly 30.00 foot right-of-way line South 2°51'14" East, 582.64 feet; thence North 69°31'51" East, 23.52 feet; thence 20.74 feet along the arc of a 145.00 foot radius non-tangent curve to the left, the long chord of which bears South 39°14'17" East, 20.72 feet; thence South 46°35'07" West, 75.00 feet; thence 8.41 feet along the arc of a 220.00 foot radius non-tangent curve to the right, the long chord of which bears North 42°16'03" West 8.41 feet; thence South 44°39'39" West, 300.86 feet; thence 91.91 feet along the arc of a 245.00 foot radius non-tangent curve to the left, the long chord of which bears South 25°10'02" West, 91.37 feet; thence North 75°34'46" West, 110.00 feet; thence 28.95 feet along the arc of a 355.00 foot radius non-tangent curve to the right, the long chord of which bears North 16°45'25" East, 28.94 feet; thence 22.09 feet along the arc of a 15.00 foot radius curve to the left, the long chord of which bears North 23°05'39" West, 20.15 feet; thence 140.97 feet along the arc of a 180.00 foot radius curve to the right, the long chord of which bears North 42°50'45" West, 137.39 feet; thence South 72°11'38" West, 475.73 feet to a point on the thread of the Deschutes River; thence along the thread of the Deschutes River North 45°13'49" West, 491.05 feet to a point on the east line of Lot 4 Block 2 of said plat of Mill "A" Area of Shevlin Center Second Addition; thence leaving said thread of the Deschutes River and along the east line of said Lot 4 North 26°14'46" East, 356.88 feet to the southwest corner of Lot 3 Block 2 of said plat; thence leaving said east line of Lot 4 and along the south line of said Lot 3 South 47°16'05" East, 17.79 feet; thence leaving the south line of said Lot 3 North 27°10'03" East, 87.42 feet; thence North 13°07'53" East, 81.34 feet to a point on the east line of said Lot 4; thence along said east line North 26°14'46" East, 98.03 feet to the northeast corner of said Lot 4, said point also being on the

southerly 30.00 foot right-of-way line of Industrial Way; thence leaving said east line of Lot 4 and along said southerly 30.00 foot right-of-way line 50.39 feet along the arc of a 1192.72 foot radius non-tangent curve to the left, the long chord of which bears South 87°07'57" East, 50.39 feet to the northwest corner of Lot 2 Block 2 of said plat; thence leaving said southerly 30.00 foot right-of-way line and along the boundary line of said Lot 2 the following five courses and one curve:

South 2°05'47" West, 112.05 feet;  
 South 39°02'20" East, 243.84 feet;  
 North 89°37'43" East, 332.36 feet;  
 210.61 feet along the arc of a 442.33 foot radius curve to the left, the long chord of which bears North 75°59'18" East, 208.63 feet;  
 North 62°20'53" East, 15.84 feet;  
 North 0°30'21" West, 246.14 feet to the northwest corner of Lot 1 Block 2 of said plat, said point also being on the southerly 30.00 foot right-of-way line of Industrial Way;

thence along said southerly 30.00 foot right-of-way line North 89°32'22" East, 228.34 feet to the point of beginning.

**SUBJECT TO:** All easements, restrictions, and rights-of-ways of record and those common and apparent on the land.



6-4-98

**EXHIBIT B**

The following lots as originally platted without regard to subsequent partitions, lot line adjustments, replatting, subdividing, or other means of partitioning such lots:

Lot 1, Block 3, Shevlin Center, City of Bend, County of Deschutes, State of Oregon.

Lot 2, Block 1, Mill "A" Area of Shevlin Center, City of Bend, County of Deschutes, State of Oregon.

Lots 3 and 4, Block 1, Mill "A" Area of Shevlin Center (Second Addition), City of Bend, County of Deschutes, State of Oregon.

Lots 1, 2, 3, and 4, Block 2, Mill "A" Area of Shevlin Center (Second Addition), City of Bend, County of Deschutes, State of Oregon.

STATE OF OREGON )  
COUNTY OF DESCHUTES ) SS.

I, MARY SUE PENHOLLOW, COUNTY CLERK AND  
RECORDER OF CONVEYANCES, IN AND FOR SAID  
COUNTY, DO HEREBY CERTIFY THAT THE WITHIN  
INSTRUMENT WAS RECORDED THIS DAY:

98 JUN 30 AM 10:58

MARY SUE PENHOLLOW  
COUNTY CLERK

BY. T. Moore DEPUTY

NO. 98-28117 FEE 175.00  
DESCHUTES COUNTY OFFICIAL RECORDS

Exhibit B to Supplemental Declaration of Covenants, Conditions, and Restrictions for  
River Bend [Northside Terrace]