DECLARATION OF CONDOMINIUM OWNERSHIP

FOR

STEPHANIE TERRACE CONDOMINIUM

WASHINGTON COUNTY, OREGON

This Declaration is made in Washington County, Oregon, this 27th day of September, 1984. By SUN-MAR PROPERTIES II OREGON, LTD., an Oregon limited partnership ("Declarant"), for itself, its successors, grantees and assigns, pursuant to provisions of the Oregon Condominium Act, ORS 94.004 to ORS 94.490 and 94.991.

WHEREAS:

- (1) Declarant is owner in the fee simple of the land located in Washington County, Oregon, and described in the attached Exhibit A and incorporated herein;
- (2) Declarant has constructed residential buildings and certain other improvements on the land;
- (3) Declarant desires to submit the land, together with all such improvements, to the provisions, restrictions and limitations of the Oregon Condominium Act as a condominium project known as Stephanie Terrace Condominium;
- (4) Declarant desires and intends to sell the individual units contained in the condominium project, together with an undivided fee interest in the land and appurtenant other common elements, to various purchasers, subject to covenants, conditions and restrictions to be kept and observed;

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- (5) Declarant intends to develop the condominium project in not more than 8 phases consisting of 28 dwelling units and 28 garages units in Phase I and not more than 26 dwelling units and 26 garage units total in subsequent phases;
- (6) The terms used in this Declaration shall have the meanings stated in Oregon Condominium Act; and
- (7) Declarant has caused to be formed a non-profit corporation known as Stephanie Terrace Condominium Owners' Association (hereinafter "Association") for the purpose of managing the project;

NOW, THEREFORE, for those purposes the Declarant makes this Declaration:

ARTICLE I: DESCRIPTION OF LAND

The land being submitted to unit ownership is located in Washington County, Oregon, as more fully described in Exhibit A. The land is owned by Declarant in fee simple.

ARTICLE II: NAME AND DESCRIPTION OF PROJECT

- 2.1 The name by which the property shall be known is STEPHANIE TERRACE CONDOMINIUM.
- 2.2 The project contains 28 residential units in 7 two-story stained hardboard-sided frame buildings with composition roofs and 28 single car garage units in single story hardboard-sided buildings with composition roofs. None of the buildings has a basement.

ARTICLE III: UNIT DESIGNATION, LOCATION AND DESCRIPTION

- 3.1 Dwelling units shall be designated 1 through 29 and garage units shall be designated G-1 through G-28 and are located as shown on the plat and floor plans recorded simultaneously herewith, a copy of which is attached as Exhibit B.
- 3.2 Each dwelling unit is approximately 1,010 square feet in size and contains 2 bedrooms, 2 baths, living-dining room, kitchen, and use of a patio/deck and storage room as limited common elements. Each garage unit is approximately 240 square feet and contains a concrete floor and overhead door.
 - 3.3 Each unit (dwelling or garage) consists of:
- (a) The space, except supporting interior walls, enclosed within the unfinished and undecorated interior surface of the unit's perimeter walls, floors and ceilings (being in appropriate cases the inner surfaces parallel to the roof plane of the roof rafters and the projections thereof) projection, where appropriate, to form a complete enclosure of space;
- (b) Any finished material, including, without limitation, paint, lacquer, varnish, wallpaper, tile and paneling, applied or affixed to the interior surfaces of the perimeter walls, to the supporting interior walls, or to the floor or ceilings;
 - (c) Nonsupporting interior walls;
- (d) Window and doors in the perimeter walls, whether located within the bounds of a unit or not;

- (e) All fixtures and appliances which are located within the otherwise bounds of the unit, including, but not limited to, fixtures and appliances connected to common elements; and
- (f) The outlet of each utility service line, including water, sewage or electricity, and ventilation ducts, if any, within the otherwise bounds of the unit.

ARTICLE IV: GENERAL COMMON ELEMENTS

- 4.1 Each unit is granted a non-exclusive easement to use the general common elements.
- 4.2 The general common elements consist of all common elements not described as limited common elements.
- 4.3 Without limiting the generality of the definition of general common elements, general common elements include;
- (a) The portion(s) of the property and the condominium project not specifically included in a unit;
- (b) A fee simple estate in all land beneath each unit or beneath improvements on the property;
- (c) All structural pertions of all buildings other than a unit (as described in Article 3.3) or a limited common element;
- (d) All foundations, columns, joists, girders, beams, supporting walls, supporting floors, supporting ceilings, supporting roofs, main walls and roofs;

- (e) All exterior walkways, parking areas and spaces, which are not designated limited common elements, subject to regulation by the Association;
- (f) Service streets, driveways and roadways, contained in the property (but such roadways shall cease to be a part of common elements when and if they are dedicated to public use with the consent of all unit owners and accepted by public authority having jurisdiction);
- (g) All utility pipes, lines, systems, ducts, cables, vents, wires, conduits and other related accessories or installations of or for power, light, telephone, gas, water, sewerage, heat, refrigeration, air-conditioning and other utilities from the perimeter boundaries of the condominium project to the point of the outlet or connection with fixtures or appliances located within the otherwise bounds of a unit, whether located in common elements or in units;
- (h) All decks, patios and stairways other than decks, patios and stairways designated as limited common elements; all yards, gardens and fences, chimneys and flues; and
- (i) All repairs and replacements of items (a) through (h) of this Article 4.3 or of otherwise defined general common elements;
- 4.4 Each unit shall have a proportionate undivided fee simple interest in the common elements based on type of unit and location. See EXHIBIT C.

- 4.5 Each unit and all common elements shall have an easement over all adjoining units and common elements for the purpose of accommodating and maintaining any present or future encroachment as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Project, or any other similar cause, and any encroachment due to building overhang or projection.
- 4.6 Except as provided in the Declaration, the By-Laws, or the Act, none of the common elements is subject to any restriction in favor of the Declarant or any affiliate of such Declarant.

ARTICLE IV: LIMITED COMMON ELEMENTS

- 5.1 Each dwelling unit owner is granted an irrevocable license, easement, and right of exclusive use and occupancy, as a limited common element, to the patio (first floor units) or deck (second floor units) and storage space adjacent to his or her respective unit, as shown on the plat and floor plan recorded herewith.
- 5.2 Each dwelling unit owner is granted an irrevocable license, easement, and right of exclusive use and occupancy, as a limited common element, to the entrance wall (first floor units) and entrance walk, stairs, and entrance deck (second floor units), jointly with the ownership of an adjacent unit served by such limited common elements, as shown on the plat and floor plans recorded herewith.

- 5.3 Each unit owner of garage units G-1 through G-4 and G-13 through G-20 and G-25 through G-28 is granted an irrevocable license, easement, and right of exclusive use and occupancy, as a limited common element, to the parking space in front of and contiguous with the respective garage unit, as shown on the plat recorded herewith.
- 5.4 A unit owner's use and occupancy of limited common elements reserved for his unit shall be subject to and in accordance with this Declaration and By-Laws.
- 5.5 Repairs and replacements of otherwise described limited common elements are limited common elements.

ARTICLE VI: COMMON EXPENSE AND COMMON PROFITS

- 6.1 The common profits of the property shall be distributed among, and the common expenses shall be charged to, the unit owners according to the allocation of undivided interest of each unit in the common elements as shown in Exhibit C.
- 6.2 Assessments for common expenses shall commence within 60 days after conveyance of the first unit. Payment of the common expenses shall be in amounts and at times which the Board of Directors of the Association determines in accordance with the Act, this Declaration and the By-Laws of the Association. There shall be a lien for non-payment of common expenses as provided by the Act:
- 6.3 Each unit and its percentage of undivided interest in common elements is subject to separate assessments and taxation by any taxing authority in like manner as other parcels of real property. Each unit owner shall accordingly pay and

discharge any and all taxes which may be assessed against his unit and his percentage undivided interest in common elements.

- 6.4 Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the unit owner against whom the same are assessed at the time the assessment is made and shall be collectable as such. Action or suit to recover money judgment or decree for unpaid common expense shall be maintainable by the Board of Directors without foreclosing or waiving the lien securing payment. The amount of any assessment, whether regular or special, assessed to the owner plus interest at 10 percent per annum and costs, including reasonable attorney's fees, shall become a lien upon the unit as provided by the Act. The lien for nonpayment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:
 - (a) Tax and assessment liens on the unit, and
 - (b) A first mortgage or trust deed of record on the unit.
- 6.5 A lien for nonpayment of assessment may be enforced by foreclosure by the Board or by a bank or trust company or title insurance company authorized by the board. The sale should be conducted in accordance with the law. In any foreclosure or sale the unit owner shall be required to pay costs and expenses of such proceedings and the reasonable attorney's fees incurred in each appellate court.

6.6 In the event of foreclosure, the unit owner shall be required to pay a reasonable rental for the unit, and the plaintiff in the foreclosure suit or action shall be entitled to appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Board shall have power to bid in the lien on the unit at foreclosure or other sale and to hold, lease, mortgage and convey the unit. The Board shall not exercise its powers under this paragraph in any manner which would disqualify the Association as a tax exempt homeowners' association.

ARTICLE VII: VOTING RIGHTS

The voting power of each unit owner shall be in accordance with the percentage of ownership in common elements.

ARTICLE VIII: USE

The purpose for which the buildings and each of the units is intended is residential use (dwellings) and vehicle storage (garages).

ARTICLE IX: SERVICE OF PROCESS

The name of the person to receive service of process in the cases provided in ORS 94.280 (1), and the place of business address of such person is as follows:

Henry Y. H. Wong 217 NW Royal Avenue Gresham, OR 97030.

ARTICLE X: EASEMENTS

The Association shall have the authority to execute, acknowledge, deliver and record on behalf of the unit owners, easements, rights-of-way, licenses, and other similar interest affecting the general common elements pursuant to ORS 94.146 (5). Declarant reserves easement through and over the project for the purpose of completing construction of the project.

ARTICLE XI: RESTRICTIONS ON ALIENATION

The undivided interests in the common elements shall not be separated or separately conveyed from the respective units as each said undivided interest shall be deemed to be conveyed or encumbered with its respective unit even though the description in the instrument of conveyance of encumbrance if a unit may refer only to the title to the unit.

ARTICLE XII: MISCELLANEOUS

- 12.1 Title to a unit will be conveyed by a unit.
- 12.2 The failure of the Association to insist in any one or more instances upon the strict performance of any of the covenants, conditions or restrictions of this Declaration, or to exercise any right herein contained, shall not be construed as a waiver for the future of such terms, covenants, conditions, restrictions, or rights. The receipt by the Association of any assessments from an owner, with the knowledge of the breach of any covenant hereof, shall not be deemed as a waiver of such breach.

- 12.3 The determination by any court that any of the provisions of this Declaration are unlawful or void shall not affect the validity of any of the other provisions hereof.
- 12.4 This Declaration shall be binding upon and inure to the benefit of the Declarant, the Association, the unit owners, their heirs, personal representatives, successors and assigns. All of the provisions of this Declaration shall be covenants, conditions or restrictions, as appropriate; shall be enforceable equitable servitudes and shall run with the land; and shall be enforceable by the Declarant, the Association, any unit owner, or any of them, whether or not they are expressed or referred to any unit deed.
- 12.5 Declarant shall have the right to appoint an interim Board of Directors of the Stephanie Terrace Condominium Owners' Association, which shall serve until the Turnover Meeting described in section 6 of Article III of the By-Laws of the Association.
- 12.6 The Condominium Owners' Association is designated to represent the unit owners in any proceeding, settlements, or agreements, respecting condemnation, destruction or liquidation of all or part of the project. Any proceeds resulting there from shall be held by the owners association in trust for the benefit of the unit owners and their mortgage holders, and shall be distributed on a reasonable and equitable basis as determined by the Board of Directors of the Association. Prior to any such

distribution the directors shall obtain written approval of the plan of distribution from affected owner and mortgage holders. In the event that not all unit owners and mortgage holders approve of the plan of distribution the matter shall be submitted to arbitration pursuant to Chapter 33, Oregon Revised Statutes. The cost of such arbitration shall be assessed by the arbitrators.

ARTICLE XIII: PLAN OF DEVELOPMENT

- 13.1 Declarant proposes to annex additional property to the property described in Exhibit A.
- 13.2 The maximum number of units to be included in the development is 54 dwelling units and 54 garage units (including Phase I).
 - 13.3 The maximum number of phases in the development shall be eight.
- 13.4 The date after which any right to annex additional property will terminate is January 1, 1992
- 13.5 The nature and proposed use of any additional common elements which Declarant proposes to annex to the property described in Exhibit A will not substantially increase the proportionate amount of the common expenses payable by existing unit owners.
- 13.6 The minimum allocation of undivided interests in the common elements of each original unit upon completion of development if Declarant elects to proceed with all stages of

development is 1.64 percent (dwelling units) and 0.19 percent (garage units).

- 13.7 The allocation of undivided interest in the common elements of each unit at each phase of development shall be proportional to the market value of the unit, taken into account the unit type, size, location on the project, and number of parking spaces.
- 13.8 Pursuant to a decision of February 2, 1984 of the Washington County Planning Department future development of the project will include the following:
- (a) As property to the south of the project becomes developed, access to the project from the Southwest Farmington Road will be terminated; thereafter access to the project will be from Southwest 149th Avenue.
- (b) At such time as access to Southwest 149th Avenue becomes available unit owners may be subject to an assessment for the purpose of improving and widening Southwest 149th Avenue and for intersection improvements at Southwest 149th Avenue and Southwest Farmington Road.

ARTICLE XIV: AMENDMENTS

An amendment to the Declaration shall not be effective unless it is approved by 75 percent of the unit owners. A copy of the Declaration as amended, or the amended thereto, certified by the Chairman and Secretary as being adopted in accordance with the Declaration and the provisions of the Oregon Condominium

Act, must be recorded to be effective. Before any Amended Declaration or Amendment to a Declaration may be recorded, it must be approved by the Oregon Real Estate Commission if required by law. No amendment may change the allocation of undivided interest in the common elements, method of determining liability for common expenses, right to common profits or voting rights of any unit unless such amendment has been approved by the owners of the affected units.

ARTICLE XV: MORTGAGEE PROTECTION

- 15.1 Any holder, insurer, or guarantor of a first mortgage on a unit who submits a written request to the owners association, stating both its name and address and the unit number or address of the units it has a mortgage on, shall receive timely written notice of:
- (a) Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage;
- (b) Any 60-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage;
- (c) Elapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the owners association; and
- (d) Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

- 15.2 Any holder, insurer, or guarantor who submits the written request specified in Article 15.2 shall be deemed an "eligible holder" or "eligible insurer or guarantor".
- 15.3 No amendment of this Declaration shall be effective against an eligible holder unless approval of such amendment has been obtained from eligible holders representing at least 51% of the votes of unit estates that are subject to mortgages held by eligible holders.

IN WITNESS WHEREOF, the undersigned Declarant has caused this instrument to be executed by its General Partner this 26th day of October, 1984.

SUN-MAR PROPERTIES II OREGON, LTD SUN EAST DEVELOPMENT CO.

By Henry Y. H. Wong President General Partner

STATE OF OREGON) ss County of Multnomah)

September 27 , 19 84

Personally appeared Henry Y. H. Wong who, being duly sworn, did say that he is the General Partner of Sun-Mar Properties II Oregon, Ltd., an Oregon limited partnership, and that said instrument was signed in behalf of said limited partnership, and acknowledged said instrument to be his voluntary act and deed.

Before me:

Helen B. Elsasser

Notary Public for Oregon

My commission expires: 6-9-86

APPROVED this _____ day of ______, 19___.

Department of Assessment and Taxation (Assessor),

Washington County

By _____

APPROVAL BY COMMISSIONER

The foregoing Declaration is approved pursuant to ORS 94.036 this 3 day of October, 1984.

Morella Larsen Real Estate Commissioner

By Stan F Mayfield

STEPHANIE TERRACE CONDOMINIUMS (Phase I)

LEGAL DESCRIPTION

A portion of lots 367 and 368, JOHNSON ESTATE ADDITION TO BEAVERTON-REEDVILLE ACREAGE, in the County of Washington and State of Oregon, more particularly described as follows:

Beginning at an iron pipe set N_78 deg 35' 52" E 184.66 feet and S 00 deg 01' 56" E 51.00 feet from the Northwest corner 89 deg 59' 10" E 30.00 feet; thence S 13 deg 10' 38" E 109.53 feet; thence S 89 deg 59' 10", W 60.00 feet; thence S 00 deg 01' 56" E 45.00 feet; thence N 89 deg 59' 10" E 82.00 feet; thence S 15 deg 22' 44" E 48.68 feet; thence S 00 deg 07' 34" E 85.80 feet; thence N 89 deg 57' 25" E 173 67 feet; thence N 00 deg 27' 43" W 71.32 feet; thence S 89 deg 59' 25" W 52.5 feet; thence N 00 deg 01' 56" W 213.33 feet; thence S 89 deg 59' 10" W 85.72 feet; to a point on the East line of said lot 368; thence N 00 deg 00" 16" E along said East line 272.89 feet; thence S 78 deg 33' 52" W 127.53 feet to the initial point.



EXHIBIT B (Page 1 of 2)

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EXHIBIT B (Page 2 of 2)

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STEPHANIE TERRACE CONDOMINIUMS

PERCENTAGE OWNERSHIP IN COMMON ELEMENTS

UNIT	PERCENTAGE	UNIT PER	CENTAGE	UNIT PER	CENTAGE
1	3.17	20	3.17	G-11	0.37
2	3.17	21	3.17	G-12	0.37
3	3.17	22	3.17	G-13	0.44
4	3.17	23	3.17	G-14	0.44
5	3.17	24	3.17	G-15	0.44
6	3.17	25	3.18	G-16	0.44
7	3.17	26	3.18	G-17	0.44
8	3.17	27	3.18	G-18	0.44
9	3.17	28	3.18	G-19	0.44
10	3.17	G-1	0.44	G-20	0.44
11	3.17	G-2	0.44	G-21	0.37
12	3.17	G-3	0.44	G-22	0.37
13	3.17	G-4	0.44	G-23	0.37
14	3,17	G-5	0.37	G-24	0.37
15	3.17	G - 6	0.37	G-25	0.37
16	3.17	G-7	0.37	G-26	0.37
17	3.17	G-8	0.37	G-27	0.37
18	3.17	G-9	0.37	G-28	0.37
	19	3.17	G-10	0.37	
		4			100.00

EXHIBIT C

STATE OF OREGON)
County of Washington) SS

I Donald W. Mason, Director of Assessment and Taxation and Ex-Officio Recorder of Conveyances for said county, do hereby certify that the within instrument of writing was received and recorded in books of records of said county.

Donald W. Mason, Director of Assessment and Taxation, Ex-Officio Chief Deputy Clerk

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