



ATTORNEYS SERVING PRIVATELY HELD BUSINESSES AND THEIR OWNERS

MOTSCHENBACHER & BLATTNER LLP

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April 4, 2008

Brent Goodness
7025 SE Clinton Street
Portland, Oregon 97206

Re: The Cottages at Hastings Green

Dear Brent:

Enclosed please find a fully executed copy of the Settlement Agreement for your records.

Very truly yours,

MOTSCHENBACHER & BLATTNER LLP

Joseph A. Tripi

JAT:smg
Encl.

SETTLEMENT AGREEMENT
AND PARTIAL RELEASE

COPY

Parties

- A. Association of Unit Owners of Cottages at Hastings Green (the "Association");
- B. Hastings Green, LLC ("HGLLC");
- C. JDA Architects & Planners, Inc. ("JDA");
- D. North Pacific Development, Inc. ("North Pacific"); and
- E. Patrick Jackson ("Jackson").
- F. HGLLC, JDA, North Pacific and Jackson shall collectively be referred to as the "Developer Group".

Recitals

A. HGLLC was the developer of a residential project commonly known as The Cottages at Hastings Green ("Hastings Green"), which is located on SE Clinton Street in Portland, Oregon. The Association is comprised of the individual unit owners of Hastings Green.

B. JDA was the architect responsible for designing the structures at Hastings Green and North Pacific was the general contractor responsible for building such structures.

C. Patrick Jackson is the managing member of HGLLC, and the principal shareholder in JDA and North Pacific.

D. In the course of the original construction and development of Hastings Green, HGLLC installed certain swales (the "Swales") to deal with storm water drainage. The Association believes that repairs to the Swales may be necessary. HGLLC also installed a drywell (the "Drywell") in the parking lot on the North side of Clinton Street, but the Oregon Department of Environmental Quality ("DEQ") has not yet issued formal approval of the Drywell.

E. The parties to this agreement previously entered into a partial settlement agreement (the "First Settlement Agreement") dated November 9, 2006, relating primarily to building envelope issues. The First Settlement Agreement reserved various issues for later resolution.

F. The parties desire to settle all claims between them, other than those that are specifically identified and reserved in this agreement, and therefore agree to the terms and conditions set out below.

Terms and Conditions

1. On or before March 10, 2008, HGLLC shall pay the Association eleven thousand dollars (\$11,000).

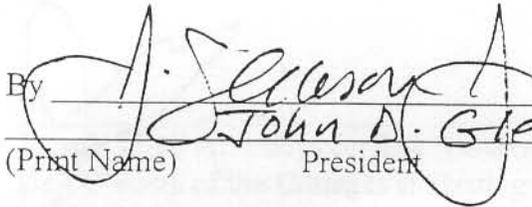
2. HGLLC shall obtain from DEQ rule authorization approval of the Drywell and shall provide the Association with a copy of DEQ's final response to its application for such approval. Until obtaining rule authorization approval, HGLLC shall remain liable for all damages arising out of or associated with the Drywell not having DEQ rule authorization approval. The Association shall cooperate in good faith in providing all assistance as may reasonably be needed by HGLLC in applying for and obtaining DEQ's approval of the Drywell, provided that this does not require any financial obligation on the part of the Association.

3. With the exception of HGLLC's responsibilities under paragraphs 1 and 2 above, the Association, on the one hand, and the Developer Group, on the other hand, hereby mutually release, acquit and forever discharge each other and all officers, directors, managers, members, shareholders, employees and agents of the other, from all claims, demands, liabilities, suits, causes of suit, actions and causes of action (collectively "Claims") of any type whatsoever, whether known or unknown, contingent or non-contingent, or liquidated or unliquidated, arising out of or relating to Hastings Green, including without limitation all Claims relating to storm drainage, except that the release of damages arising out of the Drywell is governed by section 4 below.

4. Upon DEQ's issuance of rule authorized approval of the Drywell, the Association, on the one hand, and the Developer Group, on the other hand, hereby mutually release, acquit and forever discharge each other and all officers, directors, managers, members, shareholders, employees and agents of the other, from all Claims of any type whatsoever, whether known or unknown, contingent or non-contingent, or liquidated or unliquidated, arising out of or relating to the Drywell. The release provided for by this paragraph shall become effective and enforceable automatically upon DEQ's approval of the Drywell through rule authorization and shall not require any further action, agreements or signatures by any parties.

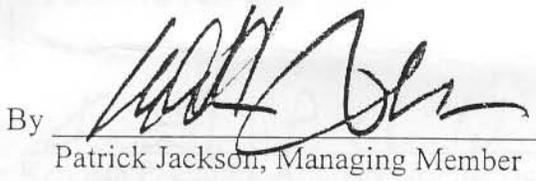
5. In the event of any action to enforce this agreement, the prevailing party shall be entitled to recover attorney fees at both the trial and appellate levels, regardless of whether a lawsuit is filed.

ASSOCIATION OF UNIT OWNERS OF
THE COTTAGES AT HASTINGS GREEN

By 
John D. Gleason Jr.
(Print Name) President

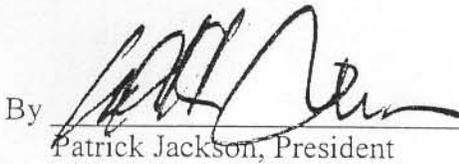
Dated: 2/25/2008, 2007

HASTINGS GREEN, LLC.

By 
Patrick Jackson, Managing Member

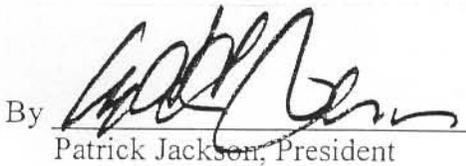
Dated: 2/25/2008, 2007

JDA ARCHITECTS AND PLANNERS, INC.

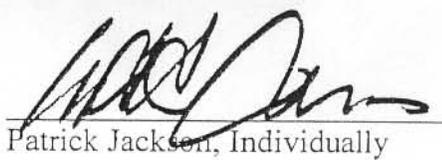
By 
Patrick Jackson, President

Dated: 2/25/2008, 2007

NORTH PACIFIC DEVELOPMENT, INC.

By 
Patrick Jackson, President

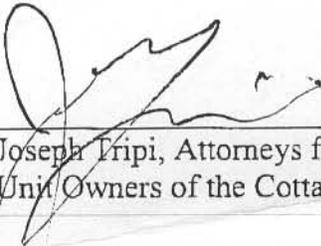
Dated: 2/25/2008, 2007


Patrick Jackson, Individually

Dated: 2/25/2008, 2007

APPROVED AS TO FORM

MOTSCHENBACHER & BLATTNER LLP



Joseph Tripi, Attorneys for The Association of
Unit Owners of the Cottages at Hastings Green

Dated: 3/11, 2007

STOEL RIVES LLP



Kenneth P. Childs, Attorneys for the Developer
Group

Dated: 3/13, 2007