

DECLARATION SUBMITTING
FALCON HEIGHTS CONDOMINIUM
TO CONDOMINIUM OWNERSHIP

THIS DECLARATION, pursuant to the provisions of the Oregon Condominium Act, is made and executed this 4th day of February, 1998, by SOCO Development, Inc., an Oregon Non Profit Corporation ("Declarant").

Declarant proposes to create a condominium to be known as Falcon Heights Condominium, which will be located in Klamath County, Oregon. The purpose of this Declaration is to submit of Falcon Heights Condominium to the condominium form of ownership and use in the manner provided by the Oregon Condominium Act.

NOW, THEREFORE, Declarant does hereby declare and provide as follows:

ARTICLE 1
DEFINITIONS

When used in this Declaration the following terms shall have the following meanings:

1.1 "Association" means the association of unit owners established pursuant to Article 14 below.

1.2 "Bylaws" means the Bylaws of the Association of Unit Owners of Falcon Heights Condominium adopted pursuant to Section 14.4 below as the same may be amended from time to time.

1.3 "Condominium" means all of that property submitted to the condominium form of ownership by this Declaration plus any additional property annexed to the project pursuant to Article 15 below.

1.4 "Declarant" means SOCO Development, Inc., an Oregon Non Profit Corporation, and its successors and assigns.

1.5 "Eligible Mortgage Insurer or Guarantor" means an insurer or governmental guarantor of a first mortgage on a unit who has requested notice of certain matters from the Association in accordance with Section 13.1 below.

1.6 "Eligible Mortgage Holder" means a holder of a first mortgage on a unit who has requested notice of certain matters from the Association in accordance with Section 13.1 below, but

shall not include a contract vendor.

1.7 "Mortgage" and "Mortgages" mean, respectively, a recorded mortgage, trust deed or contract of sale which creates a lien against a unit, and the holder, beneficiary or vendor of such a mortgage, trust deed or contract of sale.

1.8 "Plat" means the plat of the entire Falcon Heights Condominium plan recorded simultaneously with the recording of this Declaration.

1.9 "Stage 1 Plat" means the plat of stage one of Falcon Heights Condominium recorded simultaneously with the recording of this Declaration.

1.10 Incorporation by Reference. Except as otherwise provided in this Declaration, each of the terms defined in ORS 100.005, a part of the Oregon Condominium Act, shall have the meanings set forth in such section.

ARTICLE 2 SUBMISSION OF PROPERTY TO CONDOMINIUM STATUTE

The property submitted to the Oregon Condominium Act by this Declaration is held by Declarant and conveyed by Declarant in fee simple estate. The land submitted is located in Klamath County, Oregon, and is more particularly described in the attached Exhibit "A". The property submitted includes the land so described, all buildings, improvements and structures, all easements, and rights and appurtenances located on, belonging to or used in connection with such land. All roads on the condominium common elements will be maintained by the Association, allowing for access to public streets and highways. Any sale of a unit is prohibited unless, after conveyance, the unit will continue to have the legal access across the common elements to all public streets and highways.

ARTICLE 3 NAME OF CONDOMINIUM

The name by which the Condominium shall be known is "Falcon Heights Condominium."

ARTICLE 4 UNITS

4.1 General Description of Buildings. Stage 1 contains 60 buildings for a total of 120 units. Each of such buildings contains one story, without basement. The buildings are constructed with wood frame construction with 2 inch vertical and horizontal siding and asphalt shingle roofs.

4.2 General Description, Location and Designation of Units. Stage 1 consists of a total of 120 units. The dimensions, designation and location of each unit are shown in the Stage 1 Plat, which is made a part of this Declaration as if fully set forth herein. The approximate area of each unit is shown on the Plat of Falcon Heights Condominiums.

4.3 Boundaries of Units. Living area and garage area: Horizontally, each unit shall consist of an area bounded by the units exterior siding not including exterior paint/coating (the exterior of all doors, however, shall be considered part of the unit). Vertically, each unit shall consist of the space between the underside of the shingles to the bottom of the subfloor in the living area, and between the underside of the shingles on the roof and the bottom of the finished floor in the garage area. All outlets of utility service lines, pipes, conduits, wires, furnaces, hot water heaters, lights, electrical fixtures and bulbs, appliances, sinks, bathtubs and the like from the exterior siding in - whether located within common element space or unit boundary space - shall be considered parts of the units. The air conditioning units, if any, located outside each unit is also excluded from the general common elements and shall be considered part of the units.

4.4 Duplex Division. The boundary between the units shall be in the middle of the supporting common wall in unit type 1 and type 2 as depicted on sheet 3 of Tract 1336 - Falcon Heights Condominiums - Stage 1 and between the back-side of the drywall and the supporting studs in unit types 1A, 2A and 3A as depicted on sheet 3 of Tract 1336 - Falcon Heights Condominiums - Stage 1.

ARTICLE 5 GENERAL COMMON ELEMENTS

The general common elements consist of the following:

5.1 The land, roads, fences and all grounds except those which are designated as limited common elements by Article 6 below.

5.2 All central and appurtenant installations of services such as electricity, telephone, gas, water, sewer, and cable television, including all pipes, meters, conduits, wires and other utility and communications installations which are located outside the physical perimeter of each building shall be common elements.

ARTICLE 6 LIMITED COMMON ELEMENTS

The following shall constitute limited common elements, the use of which shall be restricted to the units to which they

pertain:

6.1 All walkways, patios, and driveways, each of which shall pertain to the unit which it adjoins as shown on the plat.

6.2 The back yard area accessed from the back door of each unit shall be a limited common element reserved for the exclusive use of the unit to which it pertains.

ARTICLE 7 ALLOCATION OF UNDIVIDED INTERESTS IN COMMON ELEMENTS

Each unit will be entitled to an undivided ownership interest in the common elements determined by the ratio of one divided by the total number of units completed at any given time. Such allocation will change if additional stages are added to the Condominium as is particularly described in Article 15 below.

ARTICLE 8 COMMON PROFITS AND EXPENSES; VOTING

8.1 Allocation of Common Profits and Expenses. The common profits and common expenses of the Condominium shall be allocated to the owner of each unit according to the allocation of undivided interest of such unit in the common elements. Except upon termination of the Condominium or as otherwise provided in the Bylaws with respect to damage, destruction or condemnation, any such common profits shall be used solely for the purpose of maintaining, repairing and replacing the common elements or for other expenses or reserves of the Association.

8.2 Allocation of Voting Rights. Each unit owner shall be entitled to one vote in the affairs of the Association. The method of voting shall be as specified in the Bylaws.

ARTICLE 9 SERVICE OF PROCESS

The designated agent to receive service of process in cases provided in subsection (1) of ORS 100.550 is named in the Condominium Information Report which has been filed with the Oregon Real Estate Agency in accordance with ORS 100.250(1)(a).

ARTICLE 10 USE OF PROPERTY

10.1 Residential Use. Each unit is to be used for residential purposes as described in the Bylaws. Additional limitations on use are contained in the Bylaws and the rules and regulations adopted pursuant to the Bylaws. Each unit owner shall be bound by each of such documents.

10.2 Association powers. The Association of unit owners, pursuant to ORS 100.405, has the authority to grant leases, easements, rights of way, licenses and other similar interests affecting the general common elements of the condominium and may consent to the vacation of roadways within and adjacent to the condominium. The Association will not have the authority to grant such leases, easements and right of ways affecting the limited common elements.

ARTICLE 11 MAINTENANCE OF COMMON ELEMENTS

11.1 Responsibility for Maintenance of Common Elements. The necessary work to maintain, repair or replace the common elements shall be the responsibility of the board of directors of the Association and shall be carried out as provided in the Bylaws. All such maintenance shall be charged as a Common Expense.

11.2 Responsibility for Maintenance of Limited Common Elements. The Limited Common Elements of the driveways, walkways, patios and back yards - all of which pertain to such owner's unit - shall be the responsibility of the unit owner to maintain in a neat, clean and sanitary condition on a regular basis as described in these articles and in the bylaws. In the event that the need for maintenance, repair or replacement is caused through a willful or negligent act, misuse or neglect of the condominium unit owner, their family or guests or invites, the cost of such maintenance or repairs shall be added to and become part of the assessment to which such condominium unit is subject.

11.3 Responsibility for Unit Maintenance. Except for maintenance of and repairs to any Common Elements, all maintenance, repairs and replacements to any condominium Unit, structural or nonstructural, ordinary or extraordinary, shall be made by the owner of such Condominium unit.

11.4 Mortgagee's Rights upon Failure to Maintain. If the mortgagee of any unit determines that the board of directors is not providing an adequate maintenance, repair and replacement program for the common elements, such mortgagee, at its option, may give a notice to the board of directors by delivering same to the registered agent, setting forth the particular defect which it believes exists in the maintenance, repair and replacement program. If the specified defects are not corrected within 90 days subsequent to receipt of such notice, then the mortgagee, upon written notice to the registered agent that it is exercising its proxy rights, shall have the right to attend succeeding annual or special meetings of the Association and to cast a vote for each unit on which it holds a mortgage on all business coming before such meeting. Such proxy rights shall continue until the

defects listed on the notice are corrected.

ARTICLE 12 EASEMENTS

12.1 In General. Each unit has an easement in and through the common elements for all support elements and utility, wiring, heat, and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium. In addition, each unit and all the common elements are specifically subject to easements as required to inspect, maintain, repair or replace the electrical wiring and plumbing or other services such as gas, water, sewer, phone and cable TV for each unit. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for common elements reserved by law.

12.2 Encroachments. Each unit and all common elements shall have an easement over all adjoining units and common elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching units and common elements so long as the encroachments shall exist, and the rights and obligations of owners shall not be altered in any way by the encroachment. This provision does not relieve a unit owner of liability in the case of willful misconduct of the unit owner, or relieve Declarant or any contractor, subcontractor or materialman from any liability as a result of failure to adhere to the Plat. The encroachments described in this Section shall not be construed to be encumbrances affecting the marketability of title to any unit.

12.3 Granting of Easements by Association. The Association, upon prior approval of 75 percent of the voting power of the unit owners, may execute, acknowledge, deliver and record on behalf of the unit owners leases in excess of two years, easements, rights-of-way, licenses, and similar interests affecting the common elements and consent to vacation of roadways within and adjacent to the Condominium. Any such instrument shall be executed by the chairman and secretary of the Association. No such interest may be granted with regard to a limited common element unless the owners and mortgagees of the units having the right to use such limited common element join in the instrument granting the interest.

12.4 Right of Entry. The board of directors of the Association, managing agent, manager or any other person authorized by the board of directors shall have the right to enter any unit in the case of an emergency originating in or

threatening such unit or other condominium property, whether or not the owner is present at the time. Such persons shall also have the right to enter any unit for the purpose of performing installations, alterations or repairs to any common element and for the purpose of inspection to verify that the unit owner is complying with the restrictions and requirements described in this Declaration and the Bylaws, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner.

12.5 Easements for Declarant. Declarant and Declarant's agents, successors and assigns shall have an easement over and upon the common elements as may be reasonably necessary for the purpose of constructing additional stages and completing or making repairs to existing structures, for the purpose of carrying out sales and rental activities necessary or convenient for the sale or rental of units, including, without limitation, the right to use the units owned by Declarant as model units and the right to use a unit as a sales office, and for the purpose of discharging any other obligation of Declarant or exercising any other special Declarant right, whether arising under the Oregon Condominium Act or reserved in this Declaration or the Bylaws.

12.6 Reservation of Easements for Future Development. Declarant hereby reserves (a) a nonexclusive easement for ingress and egress over all roadways and driveways within the Condominium, and over such portion of the vacant land as may be necessary to connect roads with such roadway and driveway system, (b) an easement for the maintenance and use of all existing utility lines and systems within the Condominium, including without limitation water, sewer, electrical, telephone and cable television systems, and (c) an easement for the installation, maintenance and use of new utility lines and systems upon the general common element land of the Condominium, provided Declarant restores any damage to the general common elements resulting from such installation or maintenance. Such easements shall be for the benefit of and shall run with the ownership of the entire remainder of the proposed project site, more particularly described in Plat filed herewith, and each and every portion thereof, whether or not such property is annexed to the Condominium as provided in Article 15 below.

ARTICLE 13 APPROVAL BY MORTGAGEES

13.1 Notice of Action. Upon written request to the Association identifying the name and address of the holder, insurer or guarantor and the unit number or address of the unit on which it has (or insures or guarantees) the mortgage, any such eligible mortgage holder or eligible insurer or guarantor shall be entitled to timely written notice of the following:

(a) Any condemnation or casualty loss which affects a material portion of the Condominium or affects the unit securing its mortgage.

(b) Any 60-day delinquency in the payment of assessments or charges owed by an owner of any unit on which it holds the mortgage.

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action which would require consent of a specified percentage of eligible mortgage holders as required by this article.

13.2 Termination and Amendment to Documents.

13.2.1 The approval of all eligible holders holding mortgages on units shall be required to terminate the legal status of the project as a condominium for reasons other than substantial destruction or condemnation of the property.

13.2.2 Except when a greater percent is required by the Declaration, Bylaws, or a greater or lesser percent is required by the Oregon Condominium Act, the consent of the owners of units holding at least sixty seven percent (67%) of the voting rights and the approval of eligible holders holding mortgages on units which have at least fifty one percent (51%) of the voting rights of the units subject to eligible holder mortgages shall be required for any amendments of a material nature to the Declaration or Bylaws. Any amendment to the Declaration or Bylaws which changes any of the following shall constitute a material change:

(a) Voting rights;

(b) Assessments, assessment liens or subordination of such liens;

(c) Reserves for maintenance, repair and replacement of the common elements;

(d) Responsibility for maintenance and repairs;

(e) Reallocation of interests in the general or limited common elements, or rights to their use, except as otherwise provided in Section 6;

(f) The boundaries of any unit;

(g) Convertibility of units into common elements or of common elements into units;

(h) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium, except as provided in Article 15;

(i) Insurance or fidelity bonds;

(j) The leasing of units;

(k) Imposition of any restriction on the right of a unit owner to sell or transfer his or her unit;

(l) A decision by the Association to establish self-management when professional management had been required previously by this Declaration, the Bylaws or an eligible mortgage holder;

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

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

(o) Any provisions that expressly benefit mortgage holders, insurers or guarantors.

13.2.3 An addition or amendment to the Declaration or Bylaws shall not be considered material for purposes of Section 13.2.2 if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who receives a written request to approve additions or amendments and who does not deliver or post to the requesting party a negative response within 30 days shall after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, return receipt requested, be deemed to have approved such request.

13.3 Additional Approvals. In addition to any other approvals required by the Oregon Condominium Act, this Declaration or the Bylaws, the prior written approval of two-thirds of the holders of first mortgages on units in the Condominium (based upon one vote for each first mortgage owned) or unit owners (other than Declarant) and the county assessor (according to ORS 100.110) must be obtained for the following:

13.3.1 Abandonment or termination of the Condominium regime.

13.3.2 Except as provided in Section 15, any change in the prorata interest or obligations of any individual unit for (a) purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (b) determining the prorata share of ownership of each unit in the common elements.

13.3.3 The partition or subdivision of any unit.

13.3.4 Abandonment, partition, subdivision, encumbrance, sale or transfer of the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause.

13.3.5 Use of hazard insurance proceeds for losses to any condominium property, whether to units or to common elements, for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the units and/or common elements of the condominium project.

13.3.6 Change in general common elements, limited common elements, unit boundaries and the addition of property owned by the association pursuant to the provisions of ORS 100.135.

13.4 Notice to First Mortgagees of Defaults. Any first mortgagee, upon request, will be entitled to written notification from the Association of any default in the performance by the owner of the mortgaged unit of any obligation under this Declaration, the rules and regulations or the Bylaws which is not cured within 60 days.

13.5 Amendment or Merging of Condominium Regime. Pursuant to 38 CFR 35.436(a) (3) Falcon Heights Condominium Association and property may not be amended or merged with a successor condominium regime without the prior written approval of the Secretary of the Department of Veterans Affairs.

ARTICLE 14 ASSOCIATION OF UNIT OWNERS

14.1 Organization. Upon the recording of this Declaration and in conformance with the bylaws concerning declarant control, an association of unit owners shall be organized to serve as a means through which the unit owners may take action with regard to the administration, management and operation of the Condominium. The name of this association shall be "Falcon Heights Condominium Association, Inc." and the Association shall

be an Oregon Corporation.

14.2 Membership: Board of Directors. Each unit owner shall be a member of the Association. The affairs of the Association shall be governed by a board of directors as provided in the Bylaws.

14.3 Powers and Duties. The Association shall have such powers and duties as may be granted to it by the Oregon Condominium Act, including each of the powers set forth in ORS 100.405(4), together with such additional powers and duties afforded it by this Declaration or the Bylaws.

14.4 Adoption of Bylaws, Declarant Control of Association. Upon the execution and the recording of this Declaration, Declarant shall adopt Bylaws for the Association, which includes restrictions on alienation of units. At the same time, Declarant will appoint an interim board of directors of the Association, which directors shall serve until their successors have been elected as provided in the Bylaws. In addition, Declarant shall have the right to consent to any amendment to the Declaration or the Bylaws as provided below and in the Bylaws.

ARTICLE 15 PLAN OF DEVELOPMENT

The Condominium may be developed in up to three stages. By recording this Declaration, Declarant hereby submits Stage 1 to the Condominium form of ownership. Declarant reserves the right to add two additional stages to the Condominium and to annex such additional stages by recording supplements to this Declaration pursuant to ORS 100.120, together with a plat of the stage being annexed bearing a completion certificate as required by ORS 100.120 and 100.115. Any such additional stage shall be of comparable style, quality, size and range of unit value to Stage 1. Pursuant ORS 100.105 (7), the rights provided for under ORS 100.150 (1) are being reserved, without limitations, by the Declarant. The consent of unit owners will not be required to continue with the additional two stages of development. A description of the variable property is attached hereto and incorporated herein as Exhibit "B".

15.1 Maximum Number of Units and Stages. If fully developed, the Condominium shall contain not more than 290 units, and not more than three stages.

15.2 Termination Date. No additional stage may be added more than seven years after the recording of this Declaration. Such date may be extended for a period not to exceed two years by an amendment adopted pursuant to this Declaration. The association does retain rights under ORS 100.155(2) and (3).

15.3 Additional Common Elements. Declarant proposes to include in future stages common elements for the condominium unit ownership. Such additional common elements, however, will not substantially increase the proportionate amount of the common expenses payable by owners of units in Stage 1. Declarant reserves the right to create limited common elements similar to those included in Stage 1 when Stages 2 and 3 are developed.

15.4 Allocation of Interests in Common Elements. The allocation of undivided interests in the common elements of units in Stage 1 will change if additional stages are annexed to the condominium. Each unit's undivided ownership interest in common elements will be continually reduced as each subsequent stage is annexed to the condominium. The undivided ownership interest in common elements will be determined by dividing one by the total number of units completed at any given time. The minimum allocation of undivided interest in the common elements of each original unit upon completion of development, if the Declarant elects to proceed with all stages of development, would be 1/290 interest per unit.

15.5 Legal Description of Additional Stages. A legal description of the property upon which the additional stages would be located is included in the attached Exhibit "B".

15.6 Non-withdrawable property. The property described in the attached Exhibit "B" is non-withdrawable property. The plat, filed herewith, shall show the location and dimensions of all such property and shall be labeled "NON-WITHDRAWABLE PROPERTY". If, by the termination date describe in Article 15.2, all or a portion of the variable property designated as "non-withdrawable" has not been reclassified, such property shall automatically be reclassified as general common elements of the condominium association.

ARTICLE 16 AMENDMENT

16.1 How Proposed. Amendments to the Declaration shall be proposed by either a majority of the board of directors or by unit owners holding thirty percent (30%) or more of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment.

16.2 Approval Required. Except as may otherwise be provided in this Declaration or by the Oregon Condominium Act, this Declaration may be amended if such amendment is approved by unit owners holding seventy five percent (75%) of the voting rights of the Condominium and by mortgagees to the extent required by Article 13. The commissioner and county assessor must

also approve any amendments to this Declaration. Declarant's prior written consent shall also be required until annexation of the last stage of the Condominium and as long as Declarant owns twenty five percent (25%) or more of the units in the last stage of the Condominium, but no such consent shall be required after seven years from the date of conveyance of the first unit to a person other than Declarant. Except as provided in Article 15, no amendment may change the size, location, 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 and mortgagees of the affected unit. Any amendment which would limit or diminish any special Declarant rights established in the Declaration, including the right of Declarant to annex additional stages under Article 15, shall require the written consent of Declarant.

16.3 Recordation. The amendment shall be effective upon recordation and acknowledgment in the manner provided for acknowledgment of deeds in the Deed Records of Klamath County, Oregon, of the Declaration as amended or of the amendment thereto, certified to by the chairman and secretary of the Association as being adopted in accordance with this Declaration and the provisions of the Oregon Condominium Act, and approved by the county assessor and the Real Estate Commissioner if such approvals are required by the Oregon Condominium Act.

ARTICLE 17 SEVERABILITY

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

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 4th day of FEBRUARY, 1998.

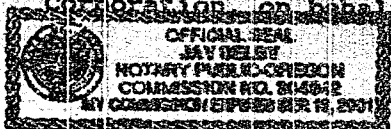
SoCO Development, Inc.,
an Oregon Non-Profit Corporation

C. Duane Bodtker
By: C. Duane Bodtker
its: President

STATE OF OREGON)
) ss.
County of)

The foregoing instrument was acknowledged before me
this 4th day of February, 1998, by C. Duane Bodtker

as president of SoCO Development, Inc., an Oregon Non Profit Corporation, on behalf of the corporation.



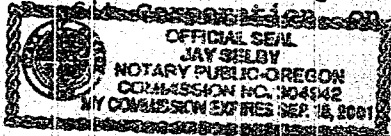
Jay Selby
Notary Public for Oregon
My commission expires: 9/18/01

SoCO Development, Inc.,
an Oregon Non Profit Corporation

W. LouEllyn Kelly
its: Secretary

STATE OF OREGON)
County of Klamath) ss.

The foregoing instrument was acknowledged before me this 4TH day of FEBRUARY, 1998, by W. LouEllyn Kelly, the secretary of SoCO Development, Inc., an Oregon Non Profit Corporation, on behalf of the corporation.



Jay Selby
Notary Public for Oregon
My commission expires: 9/18/01

The foregoing Declaration is approved this 4TH day of FEBRUARY, 1998.

ASSESSOR AND TAX COLLECTOR
FOR KLAMATH COUNTY

By: [Signature]

The foregoing Declaration is approved pursuant to ORS 100.110 this 9th day of February, 1998 and in accordance with ORS 100.110(7), this approval shall automatically expire if this Declaration is not recorded within two (2) years from this date.

SCOTT W. TAYLOR
Real Estate Commissioner

By: [Signature]

4766

Owner

Dennis A. Ensor, L.S. W.R.E.

TRU SURVEYING, INC. LINETELEPHONE (541) 884-7691
2333 SUMMERS LANE • KLAMATH FALLS, OREGON 97603

OCTOBER 31, 1997

**LEGAL DESCRIPTION OF
"TRACT 1336 - FALCON HEIGHTS CONDOMINIUMS - STAGE 1"**

I, DENNIS A. ENSOR, A REGISTERED LAND SURVEYOR IN THE STATE OF OREGON, HEREBY CERTIFY THAT I HAVE CORRECTLY SURVEYED AND PLATTED "TRACT 1336 - FALCON HEIGHTS CONDOMINIUMS - STAGE 1", SITUATED IN THE W1/2 OF SECTION 34, T39S, R9EWM, KLAMATH COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INITIAL POINT, AS MARKED BY A 2" x 36" GALVANIZED IRON PIPE WITH HUB AND TACK, AND O.L.S. 2442 WASHER, FROM WHICH THE 1/4 CORNER COMMON TO SECTIONS 33 AND 34 BEARS N33°07'51"W 858.63 FEET; THENCE N89°55'30"E 167.35 FEET; THENCE S00°04'30"E 84.34 FEET; THENCE S80°15'32"E 116.84 FEET; THENCE S67°07'07"E 360.22 FEET; THENCE S00°04'30"E 1002.69 FEET; THENCE N89°55'30"E 126.94 FEET; THENCE S00°04'30"E 24.05 FEET; THENCE N89°55'30"E 179.89 FEET; THENCE S00°04'30"E 138.93 FEET; THENCE N89°55'30"E 128.62 FEET; THENCE N00°04'30"W 42.53 FEET; THENCE N89°55'30"E 173.73 FEET; THENCE S00°04'30"E 527.15 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF OLD MIDLAND ROAD; THENCE ALONG SAID RIGHT OF WAY LINE S89°54'58"W 1219.82 FEET; THENCE LEAVING SAID RIGHT OF WAY N00°10'35"W 1895.24 FEET TO THE POINT OF BEGINNING. CONTAINING 33.06 ACRES.

AND THAT I MADE SUCH SURVEY AND PLAT BY ORDER OF AND UNDER THE DIRECTION OF THE OWNERS THEREOF; THAT THE PLAT FULLY AND ACCURATELY DEPICTS THE BOUNDARIES OF THE UNITS AND BUILDINGS, THAT THE CONSTRUCTION OF THE UNITS AND BUILDINGS AS DEPICTED ON THE PLAT HAS BEEN COMPLETED AND THAT ALL BOUNDARY CORNERS ARE MARKED WITH IRON MONUMENTS AND WOODEN WITNESS STAKES AS INDICATED ON THE ANNEXED PLAT.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Dennis A. Ensor

OREGON
JULY 25, 1990
DENNIS A. ENSOR
2442

Dennis A. Ensor
DENNIS A. ENSOR O.L.S. 2442

EXPIRES 12/31/97

EXHIBIT "A"

TRUSWEYING, INC. LINE

TELEPHONE (541) 864-3681
2333 SUMMERS LANE • KLAMATH FALLS, OREGON 97603

OCTOBER 31, 1997

**LEGAL DESCRIPTION OF
STAGE 2 AND STAGE 3 OF FALCON HEIGHTS CONDOMINIUMS**

A TRACT OF LAND BEING THE NONWITHDRAWABLE VARIABLE PROPERTY OF "TRACT 1336 - FALCON HEIGHTS CONDOMINIUMS - STAGE 1", SITUATED IN THE W 1/2 OF SECTION 34, T39S, R9EWM, KLAMATH COUNTY, OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INITIAL POINT, AS MARKED BY A 2" X 36" GALVANIZED IRON PIPE, FROM WHICH THE 1/4 CORNER COMMON TO SECTIONS 33 AND 34 BEARS N33°07'51"W 858.63 FEET; THENCE N00°10'55"W 720.67 FEET; THENCE S89°48'02"W 467.00 FEET; THENCE N00°11'04"W 1324.56 FEET; THENCE N89°39'50"E 1300.59 FEET; THENCE S00°39'39"E 1327.71 FEET; THENCE N89°48'02"E 154.45 FEET; THENCE S00°11'15"E 1044.81 FEET; THENCE N89°49'36"E 510.71 FEET; THENCE S00°11'20"E 1573.91 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF OLD MIDLAND ROAD; THENCE S89°54'58"W, ALONG SAID RIGHT OF WAY LINE, 290.27 FEET; THENCE, LEAVING SAID RIGHT OF WAY LINE, N00°04'30"W 527.15 FEET; THENCE S89°55'30"W 173.73 FEET; THENCE S00°04'30"E 42.53 FEET; THENCE S89°55'30"W 128.62 FEET; THENCE N00°04'30"W 138.93 FEET; THENCE S89°55'30"W 179.89 FEET; THENCE N00°04'30"W 24.05 FEET; THENCE S89°55'30"W 126.94 FEET; THENCE N00°04'30"W 1002.69 FEET; THENCE N67°07'07"W 360.22 FEET; THENCE N80°15'32"W 116.84 FEET; THENCE N00°04'30"W 84.34 FEET; THENCE S89°55'30"W 167.35 FEET TO THE POINT OF BEGINNING, CONTAINING 85.17 ACRES.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Dennis A. Ensor

OREGON
JULY 25, 1990
DENNIS A. ENSOR
2442

Dennis A. Ensor
DENNIS A. ENSOR O.L.S. 2442

EXPIRES 12/31/97

EXHIBIT "B"

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STATE OF OREGON, COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 13th day
of February A.D., 19 98 at 2:16 o'clock P.M., and duly recorded in Vol. M98
of Deeds on Page 4752

FEE \$85.00

By Bernetha G. Letsch, County Clerk
Kathleen Ross