

After Recording, Return To:
 Gialer Management, Inc.
 1476 NE First Street, Suite 100
 Bend, Oregon 97701

K-53002

**THIRD AMENDMENT
 TO
 DECLARATIONS, COVENANTS, CONDITIONS AND RESTRICTIONS
 FOR**

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 26 and 34, in Block 1; Lots 4, 5, 6 and 7, in Block 2;
 Lots 8, 11, 12 and 16, in Block 3; and Lots 1, 3, 4, 6, 7 and 8, in Block 4 of
TRACT 1974, LEISURE WOODS AND AMENDMENTS

AND

**SECOND AMENDMENT
 TO
 DECLARATIONS, COVENANTS, CONDITIONS AND RESTRICTIONS
 FOR
 TRACT 1119, LEISURE WOODS UNIT 2 AND AMENDMENTS**

In accordance with the declarations, covenants, conditions and restrictions the undersigned being more than fifty-one (51%) percent of the members entitled to cast more than fifty-one (51%) percent of the votes of membership in the Association, hereby, amend the declarations, covenants, conditions and restrictions for TRACT 1074, LEISURE WOODS, Klamath County, Oregon, recorded in Volume M73, Page 4975 of the Deed Records of Klamath County, together with those amendments for TRACT 1074, LEISURE WOODS, Klamath County, Oregon, recorded in Volume M75, Page 15196 of the Deed Records of Klamath County, Oregon and recorded in Volume M92, Page 26591 of the Deed Records of Klamath County, Oregon and TRACT 1119, LEISURE WOODS UNIT 2, Klamath County, Oregon, recorded in Volume M90, Page 30 of the Deed Records of Klamath County, together with those amendments for TRACT 1119, LEISURE WOODS UNIT 2, Klamath County, Oregon, recorded in Volume M92, Page 26591 of the Deed Records of Klamath County, Oregon.

Pursuant to Section 3, the undersigned, being the owners of the referenced lots, do hereby amend the said document as set forth below:

As to the declarations, covenants, conditions and restrictions for TRACT 1074, LEISURE WOODS, then:

Section 1 is deleted and shall be of no further force or effect;
 Section 2 is deleted and shall be of no further force or effect;
 Section 3 is deleted and shall be of no further force or effect;
 Section 4 is deleted and shall be of no further force or effect;
 Section 5 is deleted and shall be of no further force or effect; and
 All Amendments are deleted and shall be of no further force or effect.

As to the declarations, covenants, conditions and restrictions for TRACT 1119, LEISURE WOODS UNIT 2, then:

Section 1 is deleted and shall be of no further force or effect;
 Section 2 is deleted and shall be of no further force or effect;
 Section 3 is deleted and shall be of no further force or effect;
 Section 4 is deleted and shall be of no further force or effect;
 Section 5 is deleted and shall be of no further force or effect; and
 All Amendments are deleted and shall be of no further force or effect.

The undersigned, being the owners of the referenced lots, do hereby amend the said document to include the following sections as set forth below:

Section 1: Each lot shall be used for residential purposes only, nor shall more than one (1) detached single-family dwelling not to exceed two (2) stories in height and not more than one (1) double car garage or carport and two (2) accessory buildings such as workshops or stables be constructed or placed upon each lot in the subdivision.

Section 2: Each lot and its improvements shall be maintained in a clean and attractive condition in good repair and in such fashion as not to create a fire hazard. No property owner shall litter their property with metal objects or other objects, i.e. car or other vehicle parts, thus creating a visual disturbance to the continuity of the neighboring properties.

Section 3: All driveways must be composed of cinders, gravel, concrete or asphalt.

Section 4: The first floor area of constructed residences shall not be less than 1,000 square feet exclusive of one-story porches and garages.

Section 5: All buildings, fences, and improvements must be constructed in workmanlike manner and kept in a condition of good repair. Exposed portions of foundation must be painted or sided if more than 12 inches above the ground. House trailers are strictly prohibited. Manufactured homes are allowed provided they meet the following standards:

- (A) The manufactured home shall be multi-sectional and enclose a space of not less than 1,000 square feet.
- (B) The manufactured home shall be placed on an excavated and back-filled foundation and enclosed at the perimeter such that the manufactured home is located not more than 24 inches above grade.
- (C) The manufactured home shall have a pitched roof, except that no standard shall require a slope of greater than a nominal three feet in height and for each 12 feet in width.
- (D) The manufactured home shall have exterior siding and roofing which in color, material, and appearance is similar to the exterior siding and roofing material commonly used on residential dwellings within the community or which is comparable to the predominant materials used on surrounding dwellings as determined by the local permit approval authority.
- (E) The manufactured home shall be certified by the manufacturer to have an exterior thermal envelope meeting performance standards which reduce levels equivalent to the performance standards required of single-family dwellings constructed under the State Building Code as defined in ORS 455.010.

Section 6: Setback line shall be at least twenty (20) feet back from all lot lines to any structure upon the lot with the exception of a fence, not to exceed 72 inches in height. Fences must be constructed of properly finished material and shall harmonize with the surroundings.

Section 7: All land owners must comply with the laws and regulations of the State of Oregon, County of Klamath and any municipality applicable to fire protection, building construction, water, sanitation, and public health.

Section 8: No more than 12 months' construction time shall elapse for completion of a permanent dwelling nor shall a temporary structure be used as living quarters. An exterior latrine shall be allowed only during the construction of a permanent residence.

Section 9: No commercial, industrial, noxious, or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood.

Section 10: The cutting or removal of living trees will only be permitted where necessary for the construction of buildings or thinning for beautification and wildfire safety of the property.

Section 11: No animals nor fowl other than domestic household pets, horses or cattle shall be kept on any part of said property.

Section 12: All animals including dogs must be kept within the confines of the property or on a leash to protect those residents wishing to use the roadways for recreational walking, jogging, etc.

Section 13: No hunting nor discharging firearms permitted.

Section 14: All garbage trash, cuttings, refuse, garbage and refuse containers, fuel tanks, clothes lines and other service facilities shall be screened from view from neighboring properties.

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Section 15: Each lot and its improvements shall be maintained in a clean and attractive condition in good repair and in such fashion as not to create a fire hazard.

Section 16: Parking must be provided for each building site. Parking and/or storage of recreational vehicles i.e. camp trailers, boats, etc. must be done in such a manner that they do not distract from the appearance of any particular property including the property on which it is parked or stored.

Section 17: Sewage disposal systems shall meet County Health Department standards.

Section 18: These restrictions may be amended or modified at any time by the affirmative vote of three-fourths of the then owners of the properties. Each lot may cast one vote in the case where one owner holds title to more than one lot.

In witness whereof, being the Owners of Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 26 and 34, in Block 1; Lots 4, 5, 6 and 7, in Block 2; Lots 8, 11, 12 and 16, in Block 3; and Lots 1, 3, 4, 6, 7 and 8, in Block 4 of of TRACT 1074, LEISURE WOODS and all of the Lots of TRACT 1119, LEISURE WOODS UNIT 2, has caused this instrument to be executed for recording as the Declarations, Covenants, Conditions and Restrictions for TRACT 1074, LEISURE WOODS and TRACT 1119, LEISURE WOODS UNIT 2, this 7th day of October, 1998.

AMERICAN CASH EQUITIES, INC., an Oregon corporation

By

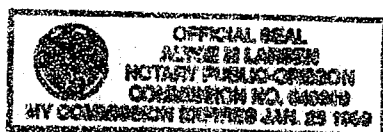
Joel Gisler, President

STATE OF OREGON)

) ss.

County of Deschutes)

This instrument was acknowledged before me on October 7, 1998, by JOEL GISLER as President of AMERICAN CASH EQUITIES, INC., an Oregon corporation.



Alfred M. Hansen
Notary Public for Oregon

My commission expires 01-25-99

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of First American Title the 9th day of October A.D., 19 98 at 1:21 o'clock P. M., and duly recorded in Vol. M98 of Deeds on Page 37231.

FEE \$20.00

By Bernetha G. Leisch, County Clerk

After Recording, Return To:
Gisler Management, Inc.
1470 NE First Street, Suite 100
Bend, Oregon 97701