

AFTER RECORDING, RETURN TO:

William M. Ganong  
 Attorney at Law  
 514 Walnut Avenue  
 Klamath Falls OR 97601

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SECOND AMENDMENT TO DECLARATION OF  
 SHIELD CREST CONDOMINIUMS

Declarant, Shield Crest, Inc, an Oregon corporation, the original owner of:

Lot 11, and a portion of Lot 10, Block 4 of Tract 1257,  
 Resubdivision of a portion of First Addition to Shield Crest,  
 according to the official plat thereof on file in the office of  
 the Clerk of Klamath County, Oregon;

the fee simple interest of which said real property was submitted to the provisions of the Oregon Condominium Act by Declaration of Shield Crest Condominiums ("Declaration") recorded on April 23, 1991 in Volume M91 at Pages 7438-7451 of the Deed Records of the Clerk of Klamath County, Oregon, and which Declaration was amended by Amendment to Declaration of Shield Crest Condominiums recorded May 14, 1998 in Volume M98 at Page 16551 of said Deed Records, and supplemented by the Supplemental Declarations recorded November 30, 1994 in Volume M94 at Page 36420, June 11, 1996 in Volume M96 at Page 17161, January 9, 1997 in Volume M97 at Page 600, June 10, 1998 in Volume M98 at Page 19712, June 18, 1998 in Volume M98 at Page 20953, and December 17, 1999 in Volume M99 at Page 49526, does hereby amend said Declaration and Amendment to provide as follows:

1. Name. The name of the Condominiums is Shield Crest Condominiums.
2. Location. The Condominiums are located in Klamath County, Oregon, and are not located in any incorporated city.
3. Legal Description. The legal description of the real property included in the Condominiums is the fee simple ownership of Lot 11 and a portion of Lot 10, Block 4, Tract 1257, Re-subdivision of a portion of First Addition to Shield Crest, Klamath County, Oregon, which is more particularly described on Exhibit "A" attached hereto, saving and reserving unto Declarant the right to reclassify or remove those portions of said property described on Exhibit "B" pages 1 and 2 attached hereto, as provided in Section 6, below.
4. Number of Units. There are currently twenty-one (21) units in the Condominiums. The Declarant reserves the right to add twelve (12) more units to the project for a maximum possible total of thirty-three (33) units. The Declarant intends to add said units in three stages, with each stage consisting of one building containing three units. Each unit shall have an equal

undivided interest in the Common Elements. Therefore, each unit currently has an undivided one-third interest in the Common Elements. However, if all of the units are created, each unit will have an undivided one thirty-third interest in the Common Elements. Each time additional units are created, the allocation of the undivided interest in the Common Elements shall be computed by a fraction in which the numerator is one and the denominator is the total number of units.

5. Common Elements. The land described on Exhibit "A", but excluding the land described on Exhibit "B", and all improvements thereto, saving and excepting the Units, shall be Common Elements. Said improvements shall include St. Andrews Circle, the domestic water system, the septic system, and the buildings. The Declarant may also reclassify the Variable Property, described on Exhibit "B" as Common Elements.

6. Rights Reserved by Declarant. The Declarant reserves unto itself, its successors and assigns, the following rights:

A. The right to reclassify all or a portion of the property designated Withdrawable Variable Property on the Stage VII Plat of Tract 1271, Shield Crest Condominiums as filed in the office of the Clerk of Klamath County, Oregon, and as more particularly described on Exhibit "B" attached hereto and incorporated herein by this reference, as one or more Common Elements and units;

B. The right to construct on the Withdrawable Variable Property a total of four buildings, each containing not more than three single family residential units, and to own or to sell and convey said units to third parties; and

C. The right to withdraw all or a portion of the Withdrawable Variable Property from the Condominiums.

D. The rights of the Declarant set forth in subparagraphs A, B, and C herein shall terminate on May 16, 2005.

E. Declarant does hereby further reserve unto itself, its successors, and assigns an easement over, on, and under said real property for ingress and egress and to supply utilities to the Withdrawable Variable Property.

7. Provisions Affecting Withdrawable Variable Property.

A. The following provisions apply only to Withdrawable Variable Property:

(1) If the Withdrawable Variable Property or any portion thereof is reclassified as a Common Element, the improvements thereon may include a building containing not more than three units and associated Limited Common Elements, landscaping, and an irrigation system.

Any such reclassification of Withdrawable Variable Property as a Common Element is not expected to substantially change the proportionate amount of the common expenses payable by existing unit owners.

(2) If Withdrawable Variable Property is withdrawn from the project, there should be no resulting change in the proportionate amount of common expenses payable by existing unit owners.

(3) If additional units are constructed on the Withdrawable Variable Property and the property is reclassified, the reclassified property will include the Limited Common Elements described in paragraph 19, below. The Declarant does not otherwise reserve the right to create Limited Common Elements within any Withdrawable Variable Property.

(4) If by May 16, 2005, all or a portion of the Withdrawable Variable Property has not been reclassified or withdrawn, such property shall automatically be withdrawn from the Condominiums as of that date. If Withdrawable Variable Property is automatically withdrawn from the Condominiums, the Shield Crest Condominium Unit Owners' Association shall have no interest or rights with respect to such withdrawn property.

(5) All of the land designated as Withdrawable Variable Property may be withdrawn from the Condominiums.

(6) The statement of the Klamath County Planning Department that the withdrawal of any Withdrawable Variable Property will not violate any applicable planning or zoning ordinance or regulations recorded at Page 7451 of Volume M91 of the Deed Records of Klamath County, Oregon.

B. As long as Declarant retains the right to withdraw or reclassify Withdrawable Variable Property, the Declarant shall pay all expenses of the Withdrawable Variable Property, including, without limiting the generality of the foregoing, a proportionate share, based on the ratio between the land area of the Withdrawable Variable Property and the land area of all other land in the Condominiums, of the Shield Crest Drive Easement expense, insurance, and landscape maintenance.

8. Shield Crest Condominiums Unit Owners' Association. The Condominiums are operated and managed by the Shield Crest Condominiums Unit Owners' Association, a nonprofit Oregon corporation, formed pursuant to ORS Chapter 100. The initial Bylaws of the Association were provided by the Declarant and are recorded in Volume M91 at Page 7422 of the Deed Records of Klamath County, Oregon. The Association is managed by a Board of Directors as provided in the Bylaws.

One membership in the Association shall be appurtenant to each unit from the date it can be legally conveyed. A person becomes a member of the Association automatically upon

becoming an owner of a legally created unit, and ceases to be a member upon transfer of such interest. Each such unit shall be entitled to exercise one vote per issue in elections conducted by the Association. Each unit shall designate to the Board of Directors of the Association the authorized voter of that unit.

A membership cannot be transferred or encumbered except upon transfer or encumbrance of the unit to which it is appurtenant. The rights, duties, and powers of members shall be as set forth in this Second Amendment to Declaration, the Articles, and the Bylaws of the Association, and as provided by law.

9. Dissolution of the Association. The Unit Owners' Association shall not be dissolved except in conjunction with the termination of the Condominiums as provided by Oregon law. If the Condominium ownership is terminated, then the property shall be considered owned in common by all the unit owners. The respective interest of a unit owner shall be the total of the fair-market value of the unit of the unit owners and Common Element interest appertaining to such unit immediately before termination of the Condominium. The proportion of any unit owner's interest to that portion of all unit owners is determined by dividing the fair-market value of that unit owner's unit and Common Element interest by the total fair market values of all units and Common Element interests.

10. Common Expenses and Profits. Each unit shall be liable for an equal pro rata share of the Common Expenses from the date it can be legally conveyed. The profits of the property shall be distributed among the unit owners according to the allocation of the undivided interest of each unit in the Common Elements.

11. Reserve Account. The reserve account assessments for replacement of Common Elements shall be assessed against the units equally regardless of ownership or the size of the unit.

12. Use of Units. All units shall be used as single-family residential dwellings.

13. Restriction, Use, and Maintenance of Units. The following is a Statement of Restrictions, Uses, and Maintenance of units in the condominiums and the means of enforcing the terms of this Declaration:

A. Utility Connections: No above-ground utilities, pipes, or wires shall be used to connect a telephone system, power system, and other improvements with supplying facilities. Exposed radio, telephone, and television antennas and reception disks are prohibited.

B. Temporary Structures: No structures of a temporary character (trailer, tent, shack, garage, bars, or other outbuildings) shall be used at any time as a residence, either temporarily or permanently. No mobile homes or trailers will be allowed for temporary or permanent use. However, a builder or his agents may construct or move a small construction shed or trailer upon

the property, but only for the duration of the construction period.

C. Nuisances: No noxious or offensive activity shall be carried on nor shall anything be done which may be or may become an annoyance or nuisance to the neighborhood. The shooting of BB guns, air rifles, firearms, or other weapons is prohibited.

D. Domestic Animals: Each unit owner may keep not more than two domestic animals in their unit. No animals shall be allowed to roam outside the owner's premises unless controlled by the owner and on a leash. No livestock or poultry of any kind shall be raised, bred or kept in a unit or on the Common Elements.

E. Maintenance: The Common Elements and all improvements shall be maintained in a clean and attractive condition, in good repair, and in such a fashion as not to create a fire hazard or visual nuisance.

F. Replacements: If a building is damaged or destroyed by fire or other hazard, the building shall be repaired or replaced to approval of the Board of Directors of the Association as soon as reasonably possible.

G. Refuse Disposal: Rubbish, trash, or garbage and other waste shall not be kept, except in sanitary containers, at any time. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. No rubbish may be burned or buried on or near the Condominiums. Firewood must be stored in an orderly manner and not be covered with colored coverings, or coverings which will be obnoxious to the eye nor shall any substance, thing or material be kept that will or might, disturb the peace, comfort or serenity of occupants of surrounding property. The Common Elements must be maintained at all times to control and prevent grass and range fires upon the property. All garbage containers, cuttings, refuse, fuel tanks, clothes lines, and other service facilities must be screened from view of neighboring units.

H. Lighting: No offensive exterior lighting or noise making devices shall be installed or maintained without written approval of the Board of Directors.

I. Signs: No sign of any kind shall be displayed to the public view on any lot, except one sign of not more than nine square feet for advertising the property for sale.

J. Design and Architectural Control: Each unit owner is responsible for the furnishing and upkeep of the unit. Provided, however, that window coverings and other interior improvements which are visible from the Common Elements shall be subject to review of the Board of Directors for compliance with the quality, workmanship, materials, and harmony of design with other structures and improvements. The unit owner may plant trees, bushes, shrubs, and flowers in the Limited Common Elements within the patio fences. However, any damage caused by any such plantings will be assessed to the unit owners. The Board of Directors shall have the authority to require the removal of any tree, shrub, or plant that is causing damage, or

which is blocking the view or light of any other unit. No Chinese Elm, cottonwoods, or poplars are permitted.

K. Parking: The streets shall not be used for parking vehicles except on a temporary basis. No parking or storage of trailers, trucks, campers, boats, boat trailers, snowmobiles, or other off-road vehicles shall be permitted unless they are garaged, screened, or concealed from the view of any neighbor.

L. Peaceful Enjoyment: No unit shall be used in a manner which disturbs the peaceful enjoyment of other units.

M. Enforcement: This Second Amendment to Declaration and the covenants may be enforced by the undersigned, any owners of any unit in the Condominiums, or the Board of Directors of the Shield Crest Condominium Unit Owners' Association. Should suit or action be instituted to enforce any of the foregoing covenants or restrictions, after written demand for the discontinuance of a violation thereof, and any failure to so do, then, whether said suit be reduced to decree or not, the Declarant, the Board of Directors, or owner seeking to enforce or to restrain any such violations, shall be entitled to have and recover from such defendant or defendants, in addition to the costs and disbursements allowed by law, such sum as the Court may adjudge reasonable as attorney's fees in said suit or action, including attorney fees incurred on appeal.

14. Supplemental Declaration. The Declarant may execute and record additional Supplemental Declarations for the purpose of reclassifying or withdrawing variable property. Such Supplemental Declarations shall be consistent with the provisions of this Second Amendment to Declaration as may be hereafter amended.

15. Further Amendment of Declaration. This Second Amendment to Declaration may be amended if such amendment is approved by not less than 75 percent of the unit owners and by the Oregon Real Estate Commissioner. Any Amendment shall be effective when recorded in the office of the Clerk of Klamath County, Oregon. Except as provided in paragraph 14, above, the Declarant makes no other specific provisions for the further amendment of this Second Amendment to Declaration.

16. Contemplated Improvements. The Declarant does not agree to build any specific improvement and does not choose to limit Declarant's right to add improvements not included in this Second Amendment to Declaration.

17. Description and Designation of Units. Each building will contain three units and be designated by a number from 1 to 11, inclusive. The units in each building are designated by a letter; Unit A, Unit B, or Unit C. The buildings are of wood and masonry construction. The walls, floors, and ceilings define the boundaries of each unit. Each unit includes:

A. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint,

finished flooring, and any other materials constituting any part of the finished surfaces thereof;

B. All spaces, nonbearing interior partitions, windows, window frames, exterior doors, door frames, and all other fixtures and improvements within the boundaries of the unit; and

C. All outlets of utility service lines, including but not limited to power, light, gas, hot and cold water, heating, refrigeration, air conditioning and waste disposal within the boundaries of the unit.

The courtyard, sidewalk, porch, and driveway attached to each unit are designated Limited Common Elements. The use of the Limited Common Elements is limited to the owner and invitees of the owner of each unit to which they are attached.

All other portions of the building improvements and land are Common Elements. The unit owner is solely responsible for the maintenance of the unit and the Owners Association is solely responsible for the maintenance of the Common Elements and the Limited Common Elements.

The seven existing buildings and the twenty-one existing units are described in the following recorded documents:

<u>Building Designation</u>	<u>Instrument</u>	<u>Recording Information</u>
4	Declaration	Volume M91 Page 7447
3	Supplemental Declaration	Volume M94 Page 36420
5	Supplemental Declaration	Volume M96 Page 17161
11	Supplemental Declaration	Volume M97 Page 600
10	Supplemental Declaration	Volume M98 Page 19713
9	Supplemental Declaration	Volume M98 Page 20954
6	Supplemental Declaration	Volume M99 Page 49526

The recording information refers to the Volume and Page of the Deed Records of the Clerk of Klamath County, Oregon where the instrument is recorded.

18. Unit Locations. Each unit will be located as shown on the plats of the Shield Crest Condominiums on file in the office of the Clerk of Klamath County, Oregon.

19. Designated Agent. The agent designated to receive service of process is named in the Condominium Information Report which has been filed with the Secretary of State.

20. Powers of Association. The Unit Owners' Association has authority to grant leases, easements, rights of way, licenses, and similar interests affecting Common Elements and to consent to the vacation of roadways within and adjacent to the Condominiums.

The undersigned President and Secretary of the Shield Crest Condominium Unit Owners' Association, an Oregon Nonprofit Corporation, certify that the foregoing Second Amendment to Declaration of Shield Crest Condominiums were approved by all of the unit owners of all of the units of the Shield Crest Condominiums, which owners represent 100 percent of the voting rights of the Association.

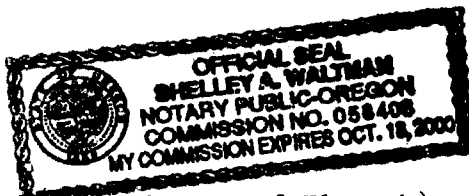
Shield Crest Condominiums  
Unit Owners' Association,  
an Oregon Nonprofit Corporation

By: John Fairman  
Its President

By: Judith Fredricks  
Its Secretary

STATE OF OREGON, County of Klamath) ss.

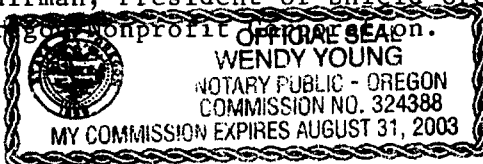
This instrument was acknowledged before me on April 17, 2000 by John Fairman and Judith Fredricks, ~~President and Secretary, respectively,~~ of Shield Crest Condominium Unit Owners' Association, an Oregon Nonprofit Corporation.



Shelley Waltman  
Notary Public for Oregon  
My Commission Expires: 10-18-00

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on April 13, 2000 by John Fairman, President of Shield Crest Condominium Unit Owners' Association, an Oregon Nonprofit Corporation.



Wendy Young  
Notary Public for Oregon  
My Commission Expires: 8/31/2003

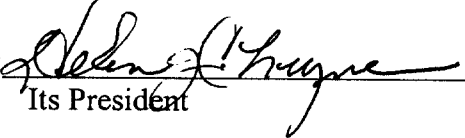
The foregoing Second Amendment to Declaration of Shield Crest Condominiums is approved pursuant to ORS 100.110 this 19<sup>th</sup> day of April, 2000.

[Signature]  
Assessor of Klamath County, Oregon



21. Revocation of Other Provisions of the Declaration. Section 17 "Turnover of Administrative Control" and any other provisions of the Declaration of Shield Crest Condominiums that are not set forth above are hereby revoked.

SHIELD CREST, INC.,  
an Oregon corporation  
9232 St. Andrews Circle  
Klamath Falls OR 97603

By:   
Its President

The foregoing Second Amendment to Declaration is approved pursuant to ORS 100.110 this 25th day of April, 2000, 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:   
Brian DeMarco

## TRACT 1271 – SHIELD CREST CONDOMINIUMS

A parcel of land situated the NW ¼ of Section 8, Township 39 South Range 10 East of the Willamette Meridian being more particularly described as follows:

Lot 11, Block 4 of Tract 1257 – Resubdivision of a Portion of the First Addition to Shield Crest;

Also including that portion of Lot 10, Block 4 of Tract 1257 – Resubdivision of a Portion of the First Addition to Shield Crest described as follows: Commencing at a point on the Westerly line of said Lot 11, Block 4 of Tract 1257 – Resubdivision of a Portion of the First Addition to Shield Crest, said point being marked by a 2" galvanized pipe with a 2" brass cap from which the initial point of said Tract 1257 – Resubdivision of a Portion of the First Addition to Shield Crest bears North 76°12'07" East 2078.07 feet; thence North 17°30'00" West 358.00 feet; thence North 34°33'34" East 79.23 feet to the True Point of Beginning; thence continuing North 34°33'34" East 12.60 feet; thence South 73°10'24" East 362.78 feet; thence South 70°58'24" East 312.61 feet to Point "A"; thence North 73°10'24" West 679.00 feet to the point of beginning;

Also including that portion of Lot 10, Block 4 of Tract 1257 – Resubdivision of a Portion of the First Addition to Shield Crest described as follows: Beginning at Point "A" described above; thence South 73°10'24" East 67.27 feet; thence South 31°12'48" East 277.91 feet; thence North 39°01'24" West 331.00 feet to the point of beginning;

All containing 14.53 acres, with bearings based on Stage II Plat of Tract 1271 – Shield Crest Condominiums, Building No. 3, Lot 11, Block 4 of Tract 1257 – Resubdivision of a Portion of the First Addition to Shield Crest.

1248-02

EXHIBIT "A"

WITHDRAWABLE VARIABLE PROPERTY  
PARCEL A

A parcel of land situated in Lot 11 and a portion of Lot 10, Block 4 of Tract 1257 – Resubdivision of a Portion of the First Addition to Shield Crest in the NW ¼ of Section 8, Township 39 South Range 10 East of the Willamette Meridian being more particularly described as follows:

Beginning at a point on the westerly line of said Lot 11, said point being marked by a 2" galvanized pipe with a 2" brass cap from which the Initial Point of said Tract 1257 – Resubdivision of a Portion of the First Addition to Shield Crest bears North 76°12'07" East 2078.07 feet; thence North 17°30'00" West 358.00 feet; thence North 34°33'34" East 91.83 feet; thence South 73°10'24" East 140.52 feet; thence South 16°49'36" West 66.96 feet; thence South 31°52'04" East 133.05 feet; thence 31.42 feet along the arc of a non-tangent 20.00 foot radius curve to the right, the long chord of which bears North 81°21'43" East 28.28 feet and having a delta angle of 90°00'00"; thence South 53°38'17" East 62.62 feet; thence 16.83 feet along the arc of a 460.00 foot radius curve to the left, the long chord of which bears South 54°41'11" East 16.83 feet and having a delta angle of 02°05'48"; thence 162.70 feet along the arc of a 460.00 foot radius curve to the left, the long chord of which bears South 65°52'03" East 161.85 feet and having a delta angle of 20°15'55"; thence South 76°00'00" East 122.02 feet; thence 69.70 feet along the arc of a 45.00 foot radius curve to the right, the long chord of which bears South 31°37'30" East 62.94 feet and having a delta angle of 88°45'00"; thence South 12°45'00" West 151.93 feet; thence 26.63 feet along the arc of a non-tangent 110.00 foot radius curve to the right, the long chord of which bears North 53°21'07" West 26.57 feet; thence North 46°24'56" West 289.00 feet; thence 84.46 feet along the arc of a 670.00 foot radius curve to the left, the long chord of which bears North 50°01'37" West 84.40 feet and having a delta angle of 7°13'21"; thence South 56°13'22" West 231.19 feet to the point of beginning; containing 2.36 acres, with bearings based on Stage II Plat of Tract 1271 – Shield Crest Condominiums, Building No. 3, Lot 11, Block 4 of Tract 1257 – Resubdivision of a Portion of the First Addition to Shield Crest.

1248-02

WITHDRAWABLE VARIABLE PROPERTY  
PARCEL B

A parcel of land situated in Lot 11, Block 4 of Tract 1257 – Resubdivision of a Portion of the First Addition to Shield Crest in the NW ¼ of Section 8, Township 39 South Range 10 East of the Willamette Meridian being more particularly described as follows:

Commencing at a point on the westerly line of said Lot 11, said point being marked by a 2" galvanized pipe with a 2" brass cap from which the Initial Point of said Tract 1257 – Resubdivision of a Portion of the First Addition to Shield Crest bears North 76°12'07" East 2078.07 feet; thence South 34°00'17" East 304.63 feet; thence South 71°43'49" East 209.35 feet; thence South 84°28'14" East 462.76 feet to the true point of beginning for this description; thence North 84°28'14" West 92.17 feet; thence North 66°56'22" East 121.62 feet; thence North 83°08'57" East 230.41 feet; thence South 04°58'48" East 463.63 feet; thence North 87°32'54" West 261.83 feet; thence North 04°18'11" West 367.71 feet to the point of beginning, containing 2.66 acres, with bearings based on Stage II Plat of Tract 1271 – Shield Crest Condominiums, Building No. 3, Lot 11, Block 4 of Tract 1257 – Resubdivision of a Portion of the First Addition to Shield Crest.

1248-02

State of Oregon, County of Klamath  
Recorded 04/27/00, at 3:02 p.m.  
In Vol. M00 Page 14761  
**Linda Smith,**  
County Clerk Fee\$ 76<sup>00</sup>