

**AMENDED DECLARATIONS OF RESTRICTIONS  
OF  
OREGON SHORES SUBDIVISION**

WHEREAS, the Declarant, Grayco Land Escrow Ltd., a California Corporation, as trustee for Perla Development Company, Inc., being the owners of record of all of the land located in Klamath County, Oregon, known as Oregon Shores Subdivision, according to the official plat thereof on file with the Klamath County Clerk; Perla Development Company, Inc., an Arizona Corporation; and Oregon Shores Beach Club Inc., an Oregon non-profit Corporation, all being concerned with the development of said land and the enhancement and preservation of the attractiveness of said land for themselves and future homebuilders in said area:

NOW THEREFORE, KNOWN ALL MEN BY THESE PRESENT, that the undersigned do hereby declare that the following reservations, conditions, covenants, restrictions and agreements shall become and hereby are made a part of all conveyances, leases or rentals of all property within the confines of said Oregon Shores Subdivision, and that all land therein contained is subject to the following:

1. DEFINITIONS.

1.1 "Act" means the Oregon Planned Community Act, ORS 94.550 to 94.783, as it may be amended from time to time.

1.2 "Annual Assessment" or "Regular Assessment" shall mean the Assessments levied by the Association against each Owner to fund the Association's annual operating expenses. The Board of Directors shall determine the amount of the Annual Assessment and its payment schedule, which may include monthly, quarterly, or other periodic installments as deemed necessary to meet the Association's financial obligations.

1.3 "Assessment" means any charge imposed or levied by the Association on or against an Owner or Lot pursuant to the provisions of this Declaration, the Bylaws or the Act, including Annual Assessments, Special Assessments and Individual Assessments, and shall mean any charge imposed or levied by the Association on or against an owner or lot pursuant to the provisions of this Declaration, the Bylaws, Resolutions and Rules and Regulations adopted thereto.

1.4 "Association" or "Club" shall mean and refer to the Oregon Shores Beach Club Inc., its successors and assigns.

1.5 "Board of Directors" or the "Board" shall mean the board of directors of the Association as provided in the Bylaws.

1.6 "Bylaws" shall mean the Amended Bylaws of Oregon Shores Subdivision recorded concurrently with this Declaration, including any amendments thereto.

1.7 “Common Expense” shall mean expenditures made by or financial liabilities incurred by the Association and including any allocations to the Reserve Account, any other contingency account, insurance and any deficit in Common Expenses for any prior period.

1.8 “Common Property” shall mean all real property and improvements thereon owned or held by the Association for the use and benefit of its members, including but not limited to the marina, parks, recreational facilities and any other amenities designated by the Association. Common Property shall also include all fixtures, equipment and appurtenances associated with the Association's water system, including but not limited to wells, pumps, pipes, tanks and other related infrastructure.

1.9 “Commonly Maintained Property” shall mean all real property, improvements and equipment for which the Association is responsible for maintenance, repair or regulation, regardless of ownership. This includes, but is not limited to, roads dedicated to public the water system infrastructure; and any other property or infrastructure serving the Association or its members as provided in this Declaration or determined by the Board of Directors.

1.10 “Declaration” shall mean this Amended Declarations of Restrictions of Oregon Shores Subdivision, including any amendments thereto.

1.11 “Dwelling” shall mean a residential structure located on a Lot, designed and intended for single-family occupancy or ownership as a private residence. This definition excludes any buildings or structures located on Common Areas, including but not limited to facilities owned or maintained by the Association for community use. A Dwelling must meet all applicable zoning, building code and Association architectural requirements. Structures such as garages, sheds or other outbuildings not approved for residential occupancy are not included in this definition.

1.12 “Improvement” shall mean any physical change, alteration, addition, installation or modification to a Lot or any structure on a Lot that impacts the aesthetics, functionality or use of the Lot or structure. Improvements include, but are not limited to: landscaping, buildings, Dwellings, decks, porches, garages, carports, fences, screening walls or barriers, retaining walls, roads, driveways, parking areas, utility systems, water distribution facilities or any other construction or modification effort. Temporary structures, equipment installations or changes to drainage or grading that alter the appearance or usability of the Lot are also considered Improvements.

1.13 “Individual Assessment” shall mean any Assessment levied by the Association against one or more specific Lots on a non-uniform basis, as determined by the Board of Directors. Individual Assessments may be imposed to cover costs associated with a Common Expense or a portion of a Common Expense that benefits or is caused by fewer than all Lots. Such Assessments shall include, but are not limited to, fines, late fees, interest or other charges resulting from an Owner's actions, omissions or violations of the Declaration, Bylaws or Rules and Regulations. Individual Assessments may also include costs for repairs, maintenance, enforcement actions or services provided to or necessitated by a specific Lot or group of Lots.

1.14 “Lot” shall mean each numbered lot shown on the recorded Plat(s) of Tract 1053 – Oregon Shores, as amended or supplemented from time to time, intended for private ownership and use by the person or persons holding legal title.

1.15 "Occupant" means an individual residing in a Dwelling, and when the context requires, includes an Owner.

1.16 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any residential Lot which is a part of the properties, including additional Lots annexed in subsequent additions to the Planned Community, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.17 "Person" shall mean an individual, association, corporation, partnership, limited liability company or other legal entity.

1.18 "Plat" shall mean "Tract 1053 – Oregon Shores" recorded in Volume 20, Page 22, Plat Records of Klamath County.

1.19 "Property" or "Planned Community" shall mean all property within the confines of said Tract 1053 – Oregon Shores, as shown on the Plat.

1.20 "Reserve Account" shall mean and refer to an account set up by the Board to hold funds for construction, Improvements or maintenance of the Common Area and the Commonly Maintained Property.

1.21 "Rules and Regulations" means all or any, as the context requires, policies, procedures and rules adopted by the Board of Directors or Owners pursuant to the authority granted in this Declaration, the Bylaws, the Act or the Oregon Nonprofit Corporation Act shall mean and refer to the documents containing rules and regulations and policies adopted by the Board as may be amended from time to time.

1.22 "Special Assessment" shall mean any assessment levied uniformly against all Owners on a one-time basis for purposes other than the annual operating expenses of the Association. Special Assessments must be approved by a majority of the votes cast at a meeting of the Owners, provided a quorum is present, except as otherwise provided in this Declaration.

## 2. APPLICABILITY OF COVENANTS AND OBLIGATIONS.

2.1 The covenants, conditions and restrictions contained in this Declaration shall run with the land and bind all Lots, their Owners, tenants, and invitees. Acceptance of a deed, lease or other interest in a Lot constitutes an agreement to comply with this Declaration, the Bylaws and Rules and Regulations adopted by the Association.

2.2 This Declaration is subject to the Oregon Planned Community Act (ORS Chapter 94). Any amendments or modifications to ORS Chapter 94 shall automatically apply to this Declaration to the fullest extent permitted by law, without the need for further amendment of this Declaration

## 3. PROPERTY RIGHTS IN LOTS.

3.1. Except as otherwise expressly provided in this Declaration or the Bylaws, the Owner of a Lot is entitled to the exclusive use and benefit of the Lot. There are no restrictions on alienation of Lots under this Declaration, however, a timeshare plan subject to ORS 94.803 to

94.807 and 94.945 that involves any portion of the Planned Community may not be created. Any timeshare, membership, fractional ownership or other arrangement that results in a Person receiving the right to occupy a Dwelling or any of several Dwellings during increments of not less than three hundred sixty (360) days, including renewals, whether or not coupled with an estate in land, is prohibited. However, this restriction may not be interpreted to prevent joint ownership of Lots.

3.2. A Lot may not be subdivided, partitioned or otherwise divided. Subject to written approval of the Board of Directors, the Owners of adjoining Lots may elect to adjust the property line between the Lots however, a property line adjustment, including by a partition plat, may not result in the elimination of a Lot.

3.3. Right of Entry; Encroachments. From time to time at reasonable intervals, upon advance request given to the Owner or Occupant, if the Owner does not reside in the Dwelling, any Person authorized by the Board may enter that part of the Lot outside the Dwelling to:

1. Perform maintenance, repair and replacements under provisions of this Declaration.
2. Make emergency repairs to a part of the Lot outside the Dwelling that are necessary for the public safety or to prevent damage to Common Property or to another Lot.
3. For any other purposes permitted under this Declaration.

3.4. Requests for Entry. Requests for entry under Section 3.3 must be made in advance and at a time scheduled with the Owner or Occupant, except in the case of emergency, when the right is immediate. An emergency entry may not be deemed to constitute a trespass or otherwise create any right of action in the Owner of the Lot.

#### 4. LAND USE.

4.1 All land in said Oregon Shores Subdivision shall be for residential use only except Block 17 which may be used for a private park and marina with private parking; said park and marina to be for the use of Oregon Shores Beach Club Inc., members only (and their guests) and Block 4 lot 12; Block 16 lots 8 and 23 which may be used for water well sites. Each Lot shall contain only one (1) residence and one (1) guesthouse and no premises or any buildings thereon shall be used or occupied for any purpose other than strictly residential purposes. Provided, however that lots 1 through 5 in Block 1, lots 1 through 14 in Block 3 and lot 1 in Block 4 may be used for commercial buildings if said building and lot conform with Klamath County Zoning Ordinances and Building Codes. The nature of the commercial activity that may be carried on therein shall be the sale of groceries, sporting goods, hardware items, drug store items and real estate.

4.2 None but the usual family pets may be kept on the premises and such pets shall not be allowed to create a disturbance or become a nuisance. No other livestock, poultry or fowls shall be kept or raised on any of the property except horses and only when said use conforms with Klamath County Zoning Ordinances. An Owner may apply to the Board of Directors for approval to keep animals other than permitted in this section. The Board, in its sole discretion, may permit other animals to be kept on a Lot. When reviewing an application for approval, the Board may consider the number of animals, the animal's size (by weight, height or other characteristic), breed

or species or any other relevant criteria to minimize the possibility of violations of this section, quiet enjoyment of neighboring Lots or other provisions of this Declaration or the Bylaws

4.3 No noxious or offensive activities shall be carried on upon any portion of Oregon Shores Subdivision, nor shall anything be done upon any parcel thereof, which may be or become an annoyance or nuisance to other Owners and residents.

4.4 No rubbish or garbage dumps shall be permitted on any Lot. No advertising signs except name plates of professionals and "for sale" and "for rent" signs not exceeding eighteen (18) inches by twenty-four (24) inches shall be placed or maintained upon any of such Lot except for such other signs as the Oregon Shores Subdivision, or its assigns may use in the promotion of the sale of any Lot in the subdivision.

## 5. EASEMENTS.

5.1 There is hereby reserved within each Lot an easement as described in the Plat, and over and upon and under said easement for the installation and maintenance of utility systems including, but not limited to, electric lines, telephone lines, water, sewer and gas mains, provided that said utilities with the exception of telephone and electric lines shall be underground.

5.2 Encroachments. Each Lot and any Common Property have an easement over all Lots and any Common Property for the purpose of accommodating any encroachment as a result of construction, reconstruction, repairs, settlement, shifting or movement of any portion of the property as provided in ORS 94.733.

## 6. ARCHITECTURAL CONTROL.

6.1 Purpose and Scope. The purpose of this Architectural Control section is to ensure harmonious development and maintenance of the community's aesthetics and functionality, consistent with the Declaration, Bylaws and Rules and Regulations. All Improvements, as defined in this Declaration, are subject to the provisions of this section.

### 6.2 Specific Building Restrictions.

1. Permitted Structures. Only one (1) single-family dwelling or one (1) mobile home, and one (1) guesthouse may be permitted per Lot, along with a private garage and outbuildings necessary for the dwelling's use. No dwelling shall have a floor area of less than 800 square feet, exclusive of open porches and garages. Mobile homes must have a minimum floor area of 600 square feet.
2. Temporary Residences. Except during construction, no temporary structures, including trailers, recreational vehicles, tents or shacks, may be used for human habitation unless expressly approved by the Board.
3. Setbacks and Easements. Structures must comply with the minimum setback requirements: 25 feet from the front property line, 20 feet from the rear property line, and 15 feet from the side property lines. Corner Lots must maintain a 20-foot setback on the street side.

4. Fencing and Landscaping. Boundary fences, walls and hedges must be maintained in good condition and shall not interfere with light or views of neighboring Lots.
5. Outbuilding Approval. Any outbuilding or accessory structure must be approved by the Architectural Review Committee (ARC) or Board prior to construction.
6. Use and Appearance. No basement, garage or other outbuilding may be used as a dwelling unless explicitly approved by the Board. Structures must conform to the external design and aesthetic standards established by the ARC or the Board.
7. Code Compliance. Buildings and Lots shall conform to Klamath County Zoning Ordinances and Building Code.

6.3 Architectural Review Committee (ARC). The Board of Directors shall appoint an Architectural Review Committee (ARC) consisting of at least three members, who may include Owners or other qualified individuals as determined by the Board. In the absence of an appointed ARC, the Board shall assume all duties and responsibilities of the ARC.

6.4 Submission of Plans and Approval Process. Prior to commencing any Improvement, the Owner must submit an application to the ARC or Board, including detailed plans and specifications. The ARC or Board shall approve or deny the application in writing within thirty (30) days of submission.

6.5 Standards for Review. The ARC or Board shall evaluate Improvements for:

1. Compatibility with community aesthetics;
2. Preservation of property values; and
3. Compliance with zoning laws, building codes, and the Declaration.

6.6 Exemptions for Association-Owned Lots. Improvements to Association-owned lots designated for common purposes are exempt from ARC approval. The Board retains exclusive authority to approve such Improvements.

6.7 Enforcement. No Improvement may commence without prior written approval as outlined in this section. Unauthorized Improvements are subject to enforcement actions, including modification or removal at the Owner's expense.

## 7. CLUB MEMBERSHIP.

7.1 All owners of land and contract buyers of land in said area shall be members of the Oregon Shores Beach Club Inc., a non-profit corporation formed for the purposes of preserving and enhancing the esthetic values of the area, providing recreational benefits for the land owners and generally carrying on any activity designed to improve the area or be of a benefit to the land owners generally or of said Club's successor. Membership is automatic and extends to all individuals or entities who hold legal ownership of a Lot. The membership is non-transferable, and each Lot shall be entitled to one membership. The rights, obligations and other entitlements granted to or imposed upon an Owner commence upon acquisition of the ownership of a Lot and terminate upon disposition of the ownership. However, termination of ownership does not discharge an Owner from obligations incurred prior to termination.

7.2 For the purposes of determining membership in the Oregon Shores Beach Club Inc. a landowner shall be defined as a record owner of land within the area except that in the case of the sale of land by contracts, the contract purchaser shall be a member in place of the record Owner so long as his contract is enforceable. The spouse of an Owner or a contract purchaser and all joint Owners shall have the benefits of membership; however, only the Owner of record or the contract purchaser shall be liable for the Assessments and only one Assessment may be made against joint Owners of a Lot. Each ownership of land, whether solely held, or held in common, shall have but one vote in the Oregon Shores Beach Club Inc. In the event that a member is an Owner or contract purchaser of more than one lot, such member shall be liable for one Assessment for each of such Lots and shall have one vote for each Lot. The developer, PERLA DEVELOPMENT COMPANY, INC. or its successor, will be a member to the extent of Lots held by it and not sold under contract of sale.

7.3 The name Oregon Shores Beach Club Inc. wherever used in this Declaration shall mean Oregon Shores Beach Club Inc. its successor and/or any named club hereafter formed for the purposes herein set forth.

## 8. FUNDS, ASSESSMENTS, AND FINANCIAL AUTHORITY.

8.1 Purpose and Use of Assessments. Assessments shall be levied by the Board of Directors to promote the health, safety, aesthetics and welfare of the community, including the operation, maintenance, and improvement of the Common Areas and Commonly Maintained Property. Assessments include Annual Assessments, Special Assessments and Individual Assessments.

8.2 Covenants to Pay. Each Owner covenants and agrees to pay the Association the Assessments and any additional charges levied pursuant to this Declaration or the Bylaws. Assessments for operating expenses, major maintenance, repairs, replacements and reserves shall be allocated among the Lots and their Owners. The obligation to pay Assessments is a continuing obligation tied to ownership of a Lot.

8.3 Annual Assessments. The Board shall determine the amount of Annual Assessments necessary to fund the Association's operating expenses, including contributions to a Reserve Account for major repairs or replacements of Common Areas. Annual Assessments shall be levied equally among all Lots unless otherwise provided in this Declaration.

8.4 Special Assessments. Special Assessments may be levied to address extraordinary expenses beyond the scope of Annual Assessments:

1. Non-Essential Capital Expenditure. Capital expenditures exceeding \$20,000.00 and unrelated to essential infrastructure require approval by a majority of votes cast at a meeting of Owners, provided a quorum is present.
2. Water System Upgrades. Special Assessments for necessary repairs, replacements, or upgrades to the water system, including wells, pumps, tanks, water mains and related components, may be levied by the Board without owner approval if recommended by a qualified engineer.

3. Emergency Expenditures. Special Assessments for emergency repairs or improvements necessary to address imminent threats to the Property, Common Areas or community infrastructure are exempt from owner approval.

8.5 Individual Assessments. The Board may levy Individual Assessments to cover costs associated with Common Expenses or a portion thereof that benefits or is caused by fewer than all Lots. These Assessments may include fines, late fees, interest or other charges resulting from an Owner's actions, omissions or violations of the Declaration, Bylaws, or Rules and Regulations.

8.6 Reserve Account. The Board shall maintain a Reserve Account to fund the repair, replacement and maintenance of Common Areas and Commonly Maintained Property. Reserve funds may not be used for regular operational expenses unless authorized by the Board.

1. Reserve Study. The Board shall conduct or update a reserve study annually to assess the remaining life and replacement costs of major components of the Common Areas and Commonly Maintained Property.
2. Loan from Reserve Account. Funds from the Reserve Account may be temporarily borrowed to address seasonal or unforeseen expenses, provided they are repaid in accordance with a written payment plan adopted by the Board.

8.7 Allocation and Accounting. Assessments shall be allocated equally among all Lots unless otherwise specified in this Declaration. The Board shall maintain separate accounts for operating expenses and reserves, ensuring clear accounting practices.

1. Offsets. Owners are not entitled to offset or withhold payment of Assessments for any reason, including claims against the Association.
2. Owner Rights to Profits. Association profits, if any, shall belong to the Association and be contributed to its operating or reserve accounts.

8.8 Enforcement of Assessments. Assessments, if not paid within ninety (90) days of the due date, shall accrue interest at a rate of twelve percent (12%) per annum and constitute a lien against the Lot. The Board may take the following actions to enforce collection:

1. File liens against delinquent Lots;
2. Initiate foreclosure proceedings;
3. Pursue legal action to recover amounts due, including reasonable attorney fees and costs.

8.9 Water System Authority. The Board of Directors shall have exclusive authority to replace, upgrade or expand the water system, including wells, pumps, tanks, water mains and related components. This authority includes the ability to authorize capital expenditures and levy Special Assessments without owner approval as necessary to maintain or improve the system's functionality and safety.



8.10 Funds Held in Trust. All assessments collected by the Association shall be held in trust for and on behalf of the Owners. These funds shall be used solely for purposes outlined in this Declaration, the Bylaws, and the Act.

8.11 Reserve Account and Study. The Board shall maintain a Reserve Account to fund major repairs, replacements and deferred maintenance of the Common Areas and Commonly Maintained Property.

1. Reserve Study. The Board shall conduct an annual reserve study to assess the remaining life and replacement costs of major components. A written funding plan must be prepared and shared with Owners.
2. Restricted Use. Reserve funds may only be used for purposes for which they are collected and not for regular operational expenses, except as provided below.
3. Loan from Reserves. The Board may borrow funds from the Reserve Account for operational shortfalls or emergencies, provided a repayment plan is adopted by resolution.

8.12 Budgeting and Financial Reporting. The Board shall prepare an annual budget detailing expected revenues, operating expenses, reserve contributions, and anticipated capital expenditures. This budget shall be made available to Owners at least thirty (30) days before the start of the fiscal year.

8.13 Right to Profits. Any profits generated by the Association shall be retained as part of the Association's operating or reserve funds and shall not be distributed to Owners.

8.14 Compliance with Legal Requirements. The Board may levy Special Assessments or authorize expenditures as necessary to comply with applicable laws, government mandates, or regulations.

## 9. ENFORCEMENT.

9.1 Authority to Enforce. The Board of Directors shall have the authority to enforce this Declaration, the Bylaws, and the Rules and Regulations. Enforcement measures may include, but are not limited to, the following:

1. Fines and Penalties. The Board may levy fines for violations per a Fine Schedule adopted by resolution. Fines accrue until the violation is cured and constitute a lien on the Lot.
2. Suspension of Rights and Services.
  - The Board may suspend voting rights, access to amenities or other privileges for non-payment of Assessments or continuing violations after notice and a hearing.
  - Water service may be suspended for failure to pay Assessments or resolve violations, provided such suspension complies with applicable health and safety laws.

3. Correction of Violations. The Association may enter a Lot to cure violations after notice and a reasonable opportunity to cure. Costs incurred, including legal fees, shall be assessed against the responsible Owner.
4. Legal Action. The Board may seek injunctive relief, damages or other remedies in court to enforce compliance.
5. Liens and Foreclosure. Unpaid fines, fees, or charges constitute a lien against the Lot. The Association may foreclose such liens to recover amounts due.

9.2 Costs of Enforcement. All costs incurred by the Association in enforcement, including fines, legal fees and correction costs, shall be assessed against the responsible Lot and collected as Assessments.

9.3 Notice and Opportunity to Cure. Prior to enforcement action, the Association shall provide written notice to the Owner, specifying:

1. The nature of the violation.
2. Required corrective actions.
3. A timeline for compliance.
4. The potential consequences of non-compliance.

9.4 Discretion and Non-Waiver. The Board retains discretion in determining whether and how to enforce provisions based on community impact, costs and equitable considerations. Failure to enforce any provision in a particular instance does not constitute a waiver of the Association's right to enforce that or other provisions in the future.

9.5 Cumulative Remedies. The remedies provided in this section are cumulative. The use of one remedy does not preclude the Association from pursuing additional or alternative remedies.

9.6 Owner Responsibility. Each Owner and Occupant of a Lot shall comply with the provisions of this Declaration, the Bylaws and the Rules and Regulations adopted pursuant to the documents and the Act. The Owner is responsible for obtaining compliance by an Occupant of the Lot and is liable for any failure of compliance by the Person in the same manner and to the same extent were the noncompliance by the Owner. Guests, family members and other invitees, entering the Lot or other part of the Planned Community under rights derived from the Owner shall comply with all the provisions of this Declaration, the Bylaws and Rules and Regulations restricting or regulating the Owner's use, improvement or enjoyment of Owner's Lot or other part of the Planned Community. The Owner is responsible for obtaining compliance and is liable for any failure of compliance by the Persons in the same manner and to the same extent were the noncompliance by the Owner. Violations by any such third parties shall be deemed the responsibility of the Lot Owner.

9.7 Security Disclaimer. The Association is not responsible for providing security services on Common Areas or Lots. Each Owner is responsible for the security of their property.

9.8 The Board of Directors of the Club assumes no personal liability for acting or failing to act to enforce any provision of this Declaration. This limitation of personal liability shall not limit the right of a party to enforce any provision of this Declaration or to recover any damage which may be suffered as a result of a violation of any provisions of this Declaration.

10. AMENDMENTS.

10.1 This Declaration may be amended as provided by the Oregon Planned Community Act (ORS Chapter 94). Amendments must comply with all requirements of ORS Chapter 94, including any consent requirements for Owners, mortgagees, or others, as applicable. Amendments become effective only upon recording in the county land records.

*Signatures on following page*