After Recording Return To:
Ball Janik LLP
101 SW Main, Suite 1100
Portland, Oregon 97204
Attn.: Daniel P. Semmens

SECOND AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR CROSSWATER

Crosswater Owners' Association, Inc., an Oregon
nonprofit corporation (the "Association"), is the Association
under that certain Declaration of Covenants, Conditions, and
Restrictions for Crosswater, recorded July 21, 1994, in Book 346,
Page 1105 of the Official Records of Deschutes County, Oregon
(the "Original Declaration"), as amended by that certain
Amendment to Declaration of Covenants, Conditions, and
Restrictions for Crosswater, recorded June 15, 1995, in Book 376,
Page 0958 of the Official Records of Deschutes County, Oregon,
and as supplemented by that certain Supplemental Declaration to
Declaration of Covenants, Conditions, and Restrictions for
Crosswater, recorded August 21, 1995, in Book 382, Page 1130 of
the Official Records of Deschutes County, Oregon (the Original
Declaration as so amended or supplemented, the "Declaration").

Recitals:

A.   Capitalized terms used in this Second Amendment to
Declaration of Covenants, Conditions, and Restrictions for
Crosswater (this "Second Amendment") shall have the respective
meanings set forth in the Original Declaration.

B.   Section 16.6 of the Original Declaration provides that
in the event the requirements of the Federal National Mortgage
Association ("FNMA") or the Federal Home Loan Mortgage
Corporation ("FHLMC") are determined to be less stringent than
the provisions of Article 16 of the Original Declaration, then
the Board may, without approval of the Owners, record an
amendment to Article 16 to reflect the less stringent
requirements.

C.   The Board has determined that the restrictions of FNMA
and FHLMC relating to the conveyance of common areas are less
stringent than those set forth in Article 16 of the Original
Declaration.

D.   The Association, acting through the Board, desires to
amend the Declaration to authorize the Association to convey
portions of Common Areas that the Association owns, subject to
the terms of this Second Amendment.

Amendment:

NOW, THEREFORE, pursuant to Section 16.6 of the Original Declaration, the Board hereby amends the Declaration as follows:

　　　1.　Conveyance of Material Portion of Common Area. Section 16.2.1(i) of the Original Declaration is hereby amended to read as follows in its entirety:

> "(i) Subject to Section 16.2.3, by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or a material portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);"

　　　2.　Effect of Amendment. Except as expressly provided herein, the Declaration remains unamended and in full force and effect.

　　　IN WITNESS WHEREOF, Crosswater Owners' Association, Inc., hereby executes this Second Amendment to Declaration of Covenants, Conditions, and Restrictions for Crosswater on this _30_ day of _July_ , 1996.

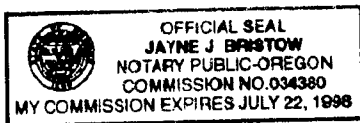<div style="text-align:right">

CROSSWATER OWNERS' ASSOCIATION, INC., an Oregon nonprofit corporation

By _James E. Pavisha_
Its _President_

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STATE OF OREGON 　　)
　　　　　　　　　　) ss.
County of Deschutes)

　　　The foregoing instrument was acknowledged before me on this _30th_ day of _July_ , 1996, by _James E. Pavisha_, who is the _President_ of Crosswater Owners' Association, Inc., an Oregon nonprofit corporation, on behalf of the corporation.

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Jayne J. Bristow
Notary Public for Oregon
My Commission
Expires: _7/22/98_

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            OFFICIAL SEAL
          JAYNE J BRISTOW
        NOTARY PUBLIC-OREGON
         COMMISSION NO.034380
MY COMMISSION EXPIRES JULY 22, 1998
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