

When recorded mail to:
Resort Resources, Inc.
Karen Smith
P.O. Box 1466
Bend, OR 97709

MTL 47752
**DECLARATION OF ANNEXATION TO
VACATION OWNERSHIP PROGRAM**

**(EAGLE CREST VACATION CLUB - RUNNING Y RANCH RESORT,
PELICAN SPRINGS CHALETS)**

THIS DECLARATION OF ANNEXATION is made March 26th 1999, by EAGLE CREST, INC., an Oregon corporation doing business as Eagle Crest Communities ("Declarant"), and THE EAGLE CREST VACATION CLUB, an Oregon nonprofit mutual benefit corporation ("Co-Declarant" or the "Club"), and RUNNING Y RESORT, INC., an Oregon corporation ("RYR").

RECITALS

A. Declarant is the Declarant under that certain Declaration of Vacation Ownership Program (Eagle Crest Vacation Club - Running Y Ranch Resort, Pelican Springs Chalets) dated February 25, 1999 and recorded March 2, 1999 in the records of Klamath County, Oregon, in Volume M99, Page 7309 (the "Declaration").

B. Declarant wishes to annex the real property described on attached Exhibit A (the "Additional Property") to the Declaration. RYR is or was the equitable owner of all of the Additional Property, and the Additional Property has been or will be conveyed to the Club at Declarant's direction.

C. The Declaration provides that additional properties may be annexed to the Eagle Crest Vacation Club pursuant to the provisions of Section 9 of the Declaration. RYR, Declarant and Club wish to annex the Additional Property to Eagle Crest Vacation Club - Running Y Ranch Resort, Pelican Springs Chalets upon the terms and conditions set forth in this Declaration of Annexation.

NOW, THEREFORE, RYR, Declarant and Club do hereby declare and provide as follows:

1. **DEFINITIONS.** As used in this Declaration of Annexation, the terms set forth below shall have the following meanings:

1.1 **Additional Property.** Additional Property means all the real property described in the attached Exhibit A.

1.2 **Declaration.** Declaration means the Declaration of Vacation Ownership Program (Eagle Crest Vacation Club - Running Y Ranch Resort, Pelican Springs

Chalets) dated February 25, 1999 and recorded March 2, 1999 in the records of Klamath County, Oregon, in Volume M99, Page 7309.

1.3 **Incorporation by Reference.** Except as otherwise specifically provided in this Declaration of Annexation, each of the terms defined in Article 1 of the Declaration shall have the meanings set forth in such Article.

2 **ANNEXATION.** The Additional Property is hereby annexed to the Vacation Ownership Program (Eagle Crest Vacation Club - Running Y Ranch Resort, Pelican Springs Chalets) and made subject to the Declaration on the terms and conditions set forth in this Declaration of Annexation. The total Vacation Credits allocated to each Unit is shown on the attached Exhibit A.

3 **DECLARATION.** The Additional Property shall be subject to all of the terms and provisions of the Declaration.

4 **BINDING EFFECT.** The Additional Property shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved only in accordance with the provisions of the Declaration, as modified by this instrument, which easements, covenants, restrictions, and charges shall run with the Additional Property and shall be binding upon all parties having or acquiring any right, title or interest in the Additional Property, or any part thereof, and shall inure to the benefit of each Owner thereof.

5 **RESERVATION OF EASEMENTS.** In accordance with Section 9.4 of the Declaration, there are hereby reserved reciprocal easements of use, enjoyment, access, ingress and egress over the Additional Property and appurtenant to all property subject to the Declaration. Such easements may be used by Declarant, its successors, and all Owners, their guests, and invitees for sidewalks, walkways, vehicular access and such other purposes reasonably necessary to the use and enjoyment of all Units.

6 **COMPLETION.** If applicable, Declarant shall complete any improvement to the Additional Property which Declarant has undertaken in accordance with any agreement for such improvement entered into by Declarant with the Club. Declarant may not issue the Vacation Credits allocated to the Additional Property until the applicable governmental entity has issued a Completion Certificate for such Additional Property.

IN WITNESS WHEREOF, RYR, Declarant and Co-Declarant have executed this Declaration on the day and year first above written.

DECLARANT:

EAGLE CREST, INC., an Oregon corporation
doing business as Eagle Crest Communities

By Jerol E. Andres
Jerol E. Andres, President

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CO-DECLARANT:

THE EAGLE CREST VACATION CLUB
ASSOCIATION, an Oregon nonprofit mutual
benefit corporation

By Jerol E. Andres
Jerol E. Andres, President

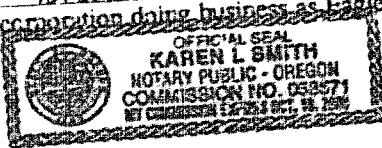
R.Y.R.:

RUNNING Y RESORT, INC., an Oregon
corporation

By Jerol E. Andres

STATE OF OREGON)
) ss.
County of Deschutes)

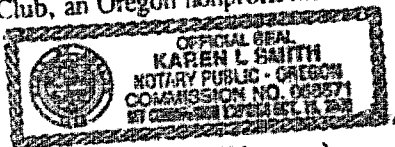
The foregoing instrument was acknowledged before me this 26th day of March, 1999, by JEROL E. ANDRES, President of Eagle Crest, Inc., an Oregon corporation doing business as Eagle Crest Communities, on its behalf.



Karen L. Smith
Notary Public for Oregon
My commission expires: 10-16-2000

STATE OF OREGON)
) ss.
County of Deschutes)

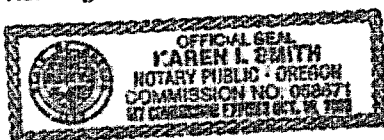
The foregoing instrument was acknowledged before me this 26th day of March, 1999, by JEROL E. ANDRES, President of The Eagle Crest Vacation Club, an Oregon nonprofit mutual benefit corporation, on its behalf.



Karen L. Smith
Notary Public for Oregon
My commission expires: 10-16-2000

STATE OF OREGON)
) ss.
County of Deschutes)

The foregoing instrument was acknowledged before me this 26th day of March, 1999, by Jerol E. Andres, the President of Running Y Resort, Inc., an Oregon corporation, on its behalf.



Karen L. Smith
Notary Public for Oregon
My commission expires: 10-16-2000

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EXHIBIT A

PROPERTY DESCRIPTION & VACATION CREDITS ALLOCATED

That certain real Property located in the County of Klamath, State of Oregon, described as follows:

Lot 387 of Running Y Resort, Phase 6 recorded May 18, 1998 in the Official Records of Klamath County Recorder, Oregon, and all improvements located thereon.

Vacation Credits are hereby allocated to the Units as follows:

Unit No.
4661 Marsh
Hawk Dr.

Vacation Credits
631.000

STATE OF OREGON COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 30th day
of March A.D. 1999 at 3:06 o'clock P. M., and duly recorded in Vol. M99
of Deeds on Page 11214

FEE \$25.00

Livia Smith, County Clerk

by Kathleen Ross