

AFTER RECORDING, RETURN TO:

Ms. Lesley Edwards
Resort Resources, Inc.
P. O. Box 1466
Bend, OR 97702

MAY 17 AM 11:44

MTC 50511
**DECLARATION ANNEXING PHASE 1
OF RANCH VIEW HOMESITES
TO
RUNNING Y RANCH RESORT**

THIS DECLARATION is made this 15th day of May, 2000, by **RUNNING Y RESORT, INC.**, an Oregon corporation ("**Declarant**").

RECITALS

A. Declarant is the Declarant under that certain Declaration of Protective Covenants, Conditions, Restrictions and Easements for Running Y Ranch Resort dated August 2, 1996 and recorded August 2, 1996 in the records of Klamath County, Oregon, in Volume M96, Page 23548 (the "**Master Declaration**").

B. Declarant wishes to annex certain real property described in the plat of Running Y Resort, Phase 8 (the "**Additional Property**") to the Master Declaration and to designate the Additional Property as Phase 1 of the Ranch View Homesites Project.

C. The Master Declaration provides that additional properties may be annexed to Running Y Ranch Resort pursuant to the provisions of Section 2.2 of the Master Declaration. Declarant wishes to annex the Additional Property to Running Y Ranch Resort upon the terms and conditions set forth in this Declaration.

NOW, THEREFORE, Declarant does hereby declare and provide as follows:

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

1.1 **Additional Property.** Additional Property means all the real property within the plat of Running Y Resort, Phase 8.

1.2 **Master Declaration.** Master Declaration means the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Running Y Ranch Resort, dated August 2, 1996 and recorded August 2, 1996, in the records of Klamath County, Oregon, in Volume M96, Page 23548.

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

2. **ANNEXATION.** The Additional Property is hereby annexed to Running Y Ranch Resort and made subject to the Master Declaration on the terms and conditions set forth in this Declaration.

3. **PROJECT.** Ranch View Homesites is hereby declared to be a Project for purposes of the Master Declaration and the Residential Lots within the Additional Property shall be a Project Parcel for purposes of the Master Declaration.

4. **LAND CLASSIFICATIONS.** The Additional Property is included in one or another of the following classifications:

4.1 **Residential Lots.** All numbered platted lots within the Additional Property, but excluding any tract labeled as "Master Common Area" or "Common Lot" on such plat, shall be Residential Lots as defined in Section 1.32 of the Master Declaration.

4.2 **Common Areas.** Merlin Way, Grosbeak Drive, Horned Lark Drive, Goshawk Drive, and Fox Sparrow Drive within the Additional Property shall be Common Areas as defined in Section 1.28 of the Master Declaration. In addition, platted lots labeled "Common Area A", "Common Area B", "Common Area C", Common Area D", "Common Area E", and "Common Area F" shall be Common Areas as defined in Section 1.28 of the Master Declaration.

4.3 **Other Classifications.** There are no Limited Common Areas, Common Easement Areas, Project Common Areas or Public Areas in the Additional Property.

5. **MASTER DECLARATION.** The Additional Property shall be subject to all of the terms and provisions of the Master Declaration, except that Section 7.16 (Minimum Dwelling Size) shall not be applicable to the Additional Property.

6. **ADDITIONAL RESTRICTIONS.** The Additional Property shall be subject to the following additional restrictions:

6.1 **Noise; Exterior Lighting and Noise-making Devices.** Occupants of Living Units shall exercise extreme care not to make noises which may disturb occupants of other Living Units. Except with the consent of the Association and the Architectural Review Committee, no exterior lighting or noise-making devices shall be installed or maintained on any Lot within Ranch View Homesites. Owners shall not tamper with exterior lighting except to replace expended bulbs with similar new bulbs.

6.2 **Windows, Decks, Porches, Outside Walls and Yards.** In order to preserve the attractive appearance of Ranch View Homesites, the Association may regulate the nature of items which may be placed in or on windows, decks, entry porches, outside walls and yards so as to be visible from outside of the Lot. Garments, rugs, laundry and other similar items may not be hung from windows, facades, porches or decks.

6.3 **Alterations.** Owners are expressly prohibited from painting or changing the exterior of the building or other structure without written permission of the Architectural Review Committee and the Association. No fences or other structures may be installed outside of the Living Unit without the prior written approval of the Association and Architectural Review Committee. Garage space may not be modified to enclose garages as living space unless such modification includes construction of a replacement garage and is approved in advance by the Association and Architectural Review Committee.

6.4 **Minimum Dwelling Size.** No dwelling intended or used as the primary dwelling on a Residential Lot may be constructed or maintained unless the interior floor area of such dwelling (excluding garage) contains at least 1,000 square feet. The maximum permissible

interior floor area shall be limited only by constraints of the building site area and other reasonable limitations as may be established by the Architectural Review Committee.

6.5 **Design Specifications.** In order to maintain the visual integrity of Ranch View Homesites, the Architectural Review Committee will limit its approval of all Improvements and front yard landscaping to Committee specified designs, colors and materials as described in pre-approved design plans in the Design Guidelines as adopted from time to time by the Committee. In addition, the dwelling must be located within the building envelope established by the Committee for each Lot. For purposes of this section, the establishment of pre-approved design plans for structural, landscape and fencing designs shall not be deemed to waive the requirement that all construction plans and specifications must be submitted to and approved in writing by the Architectural Review Committee as provided in Article 8 of the Master Declaration.

6.6 **Insurance.** Nothing shall be done or kept on any Lot or Common Area which will increase the cost of insurance on the Living Units or Common Areas. No Owner shall permit anything to be done or kept in his Living Unit or in the Common Areas which would result in cancellation of insurance on any Lot or any part of the Common Areas.

6.7 **Landscape.** All exterior landscape installations and plantings must be approved by the Association and the Architectural Review Committee.

6.8 **Project Policies and Procedures.** In addition, the Association from time to time may adopt, modify or revoke such policies and procedures governing the conduct of persons in the operation and use of Lots, Living Units and Project Common Areas within Ranch View Homesites as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of Ranch View Homesites. A copy of the Policies and Procedures, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be furnished by the Association Board of Directors to each Owner within Ranch View Homesites and shall be binding upon all Owners and occupants of all Lots within Ranch View Homesites upon the date of delivery. The method of adoption of such Policies and Procedures shall be as provided in the Bylaws of the Association.

6.9 **Household Composition.** No policy adopted as provided in Section 6.8 of this Declaration shall interfere with the freedom of Owners to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Living Unit on the basis of the size and facilities of the Living Unit and its fair use of the Common Area.

6.10 **Leasing of Living Units.** "Leasing," for purposes of this Section, is defined as regular, exclusive occupancy of a Living Unit by any person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. All leases shall be in writing, and must have a minimum lease term of 28 days or longer. Notice of any lease, together with such additional information as may be required by the Association, shall be given to the Association by the Owner within 10 days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, Master Declaration, Bylaws, and Policies and Procedures.

6.11 **Project Assessments.** The costs of maintenance of any Project Common Area, together with the costs of enforcing the restrictions contained in this Declaration, including

reasonable administrative costs relating thereto, shall be assessed to each Lot within Ranch View Homesites on an equal basis as Project Assessments and enforced as Individual Assessments under the Master Declaration.

7. **AMENDMENT.** This Declaration may be amended by Declarant at any time prior to the closing of the sale of the first lot in the Additional Property. Thereafter, this Declaration may only be amended by the vote or written consent of Owners owning not less than seventy-five percent (75%) of the Lots within Ranch View Homesites, together with the written consent of the Class B member of the Association, or if a Project Association has been established, the written consent of the Class B member of the Project Association for Ranch View Homesites, if such Class B membership has not been terminated. Any such Amendment shall become effective only upon recordation in the Deed Records of Klamath County, Oregon, of a certificate of the President or Secretary of the Association, or of the Project Association if a Project Association has been established, setting forth in full the amendments so approved and certifying that the Amendment has been approved in the manner required by this Declaration. In no event shall such an Amendment create, limit or diminish special Declarant rights without Declarant's written consent.

8. **BINDING EFFECT.** The Additional Property, including all Lots, Common Areas, Common Easement Areas and Project Common Areas therein, shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved only in accordance with the provisions of the Master 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. Declarant may assign its status as Declarant under this Declaration to a Successor Declarant for Ranch View Homesites.

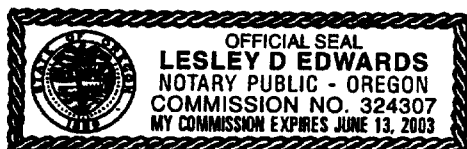
IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year first set forth above.

RUNNING Y RESORT, INC., an Oregon corporation

By Lauri Miller
Its Asst. Secretary

STATE OF OREGON)
)ss.
County of Deschutes)

The foregoing instrument was acknowledged before me this 15th day of May, 2000, by Lauri Miller, the Asst. Secretary of RUNNING Y RESORT, INC., an Oregon corporation.



Lesley D. Edwards
Notary Public for Oregon
My commission expires: 6/13/2003

State of Oregon, County of Klamath
Recorded 05/17/00, at 11:44 a. m.
In Vol. M00 Page 17848
Linda Smith,
County Clerk Fee \$ 36.00