

AFTER RECORDING, RETURN TO:

Ms. Lesley Edwards
Resort Resources, Inc.
P. O. Box 1466
Bend, OR 97709

MTC 1396-2368

**TERMINATION DECLARATION OF PHASE 2
OF RANCH VIEW HOMESITES
TO
RUNNING Y RANCH RESORT**

THIS TERMINATION DECLARATION made this 28th day of December, 2000, by **RUNNING Y RESORT, INC.**, an Oregon corporation, ("**Declarant**") is as follows:

RECITALS

A. Running Y Ranch Resort consists of certain real property ("**Property**") located in the County of Klamath, State of Oregon. The "**Property**", known as Running Y Ranch Resort, within Klamath County, Oregon, is subject to 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 Volume M96, Page 23548, Official Records of Klamath County Recorder (hereinafter referred to as the "**Declaration**"). Each of the definitions contained in the Declaration are hereby adopted by reference.

B. By Declaration Annexing Phase 2 of Ranch View Homesites to Running Y Ranch Resort dated October 13, 2000 and recorded October 17, 2000 in Volume M00, Page 37773, Official Records of the Klamath County Recorder, Declarant caused certain Additional Property ("**Annexed Property**") described in **Exhibit A** attached hereto and made a part hereof to be annexed to the Declaration and the Project known as Ranch View Homesites Phase 2 (the "**Project**").

C. Declarant has the right pursuant to Article 2, Section 2.4 of the Declaration, to cause the Annexed Property to be withdrawn at any time without prior notice and without the consent of any Owner at any time prior to the sale of the first Lot in the Annexed Property. As of the date of this Termination Declaration, Declarant has not conveyed title to any of the Annexed Property.

D. By this Termination Declaration, Declarant intends to deannex the Additional Property from the Property and the Project.

NOW, THEREFORE, in furtherance of such intent, Declarant hereby declares that the Annexed Property shall be removed and deannexed from the Declaration and the Project, and shall be free from the obligations, requirements, declarations, limitations, covenants, conditions and restrictions set forth in the Declaration and the Association Policies and Procedures. The Annexed Property contains fifty-five (55) Lots together with related Common Areas and Project Common Areas.

IN WITNESS WHEREOF, Declarant has hereunto caused this Termination Declaration to be executed as of the day and year first above written.

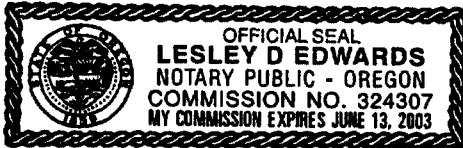
"DECLARANT"

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 28th day of December, 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

EXHIBIT A

"Annexed Property"

All of the following described property as shown on Running Y Resort, Phase 8 plat recorded on May 5, 2000 in the office of the County Recorder, Klamath County, Oregon.

Residential Lots: Lots 614 – 620, Lots 633 – 650, Lots 676 – 680 and 682 - 706 as shown on Running Y Resort, Phase 8 plat.

State of Oregon, County of Klamath
Recorded 12/29/00, at 3:13 p. m.
In Vol. M00 Page 47164
Linda Smith,
County Clerk Fee\$ 21⁰⁰