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When Recorded Mail To:

Vol M01 Page 49142

Jo Pigg, Registration Dept.  
Trendwest Resorts, Inc.  
Box 97054  
Redmond, WA 98073-9754

mtc 54579

**DECLARATION OF ANNEXATION TO VACATION OWNER PROGRAM**

**(WORLD MARK, THE CLUB -THE RUNNING Y RANCH RESORT)**

**(Units 101, 102, 103, 104, 106, 107, 108, 387, 388, 389, 390, 395 AND 396)**

THIS DECLARATION OF ANNEXATION is made this 4<sup>th</sup> day of September, 2001, by TRENDWEST RESORTS, INC., an Oregon Corporation ("Declarant") and WORLD MARK, THE CLUB, a California Nonprofit Mutual Benefit Corporation ("Club" or "Co-Declarant").

A. Property. Declarant is or was the equitable owner of all of the property specifically described on Exhibit A attached hereto and incorporated herein (the "Property"). The Property was or will be transferred at Declarant's direction from Declarant's contract vendor directly to Club as owner. In addition, Club owns the property covered by the "Declaration" described in Paragraph B below.

B. Declaration. Declarant and Co-Declarant previously recorded a Declaration of Vacation Owner Program (WorldMark, The Club - The Running Y Ranch Resort dated December 23, 1996 and recorded on February 5, 1997, in Volume M97, Page 3592 as Document No. 32431 Official Records, County of Klamath, State of Oregon ("Declaration"), as the same may be amended, which covers the property described in Exhibit "A" to the Declaration. Except as may be specifically modified herein, the provisions and definitions of the Declaration are hereby incorporated herein in their entirety.

C. Annexation. Declarant and Club hereby declare that from and after the date of the Declaration of Annexation all of the Property is held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved subject to the Declaration. This Declaration of Annexation is adopted according to the procedures and authority of Restriction 8 of the Declaration.

D. Reservation of Easements. In accordance with Restriction 8 of the Declaration, there are hereby reserved reciprocal easements of use, enjoyment, access, ingress and egress over the Property and appurtenant to all property subject to the Declaration.

E. Exhibits. The following exhibit is attached hereto and incorporated herein:

A - Property Description and Vacation Credit Allocation.

IN WITNESS WHEREOF, Declarant and Club have executed this Declaration of Annexation on the day and year first above written.

Declarant:

TRENDWEST RESORTS, INC.,  
an Oregon Corporation

By 

Name: JEFFERY P. SITES  
Title: EXEC. V.P. & C.O.O.

Club/Co-Declarant:

WORLD MARK, THE CLUB,  
a California Non-Profit  
Mutual Benefit Corporation

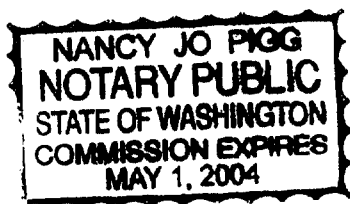
By 

Name: JOHN G. HENLEY  
Title: SECRETARY

STATE OF WASHINGTON     )  
   ) ss  
 COUNTY OF KING         )

On this 4<sup>th</sup> day of September, 2001, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JEFFERY P. SITES to me known to be the EXEC. V.P. & COO. of TRENDWEST RESORTS, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned and on oath stated that he is authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.

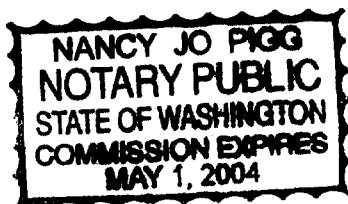


Nancy Jo Pigg  
 Nancy Jo Pigg  
 Notary Public in and for the State of Washington  
 residing in Pierce County  
 My commission expires: May 1, 2004

STATE OF WASHINGTON     )  
   ) ss  
 COUNTY OF KING         )

On this 4<sup>th</sup> day of September 2001, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JOHN G. HENLEY to me known to be the SECRETARY of WORLDMARK, THE CLUB, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.



Nancy Jo Pigg  
 Nancy Jo Pigg  
 Notary Public in and for the State of Washington  
 residing in Pierce County.  
 My commission expires: May 1, 2004

**EXHIBIT A**  
**TO**  
**DECLARATION OF ANNEXATION**

**LEGAL DESCRIPTION**  
**&**  
**VACATION CREDIT ALLOCATION**

Lots Three Hundred Eighty-seven (387), Three Hundred Eighty-eight (388), Three Hundred Eighty-nine (389), Three Hundred Ninety (390), Three Hundred Ninety-five (395) and Three Hundred Ninety-six (396) of RUNNING Y RESORT, PHASE 6, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Lot 603 of RUNNING Y RESORT, PHASE 7, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon; SUBJECT TO MEMORANDUM OF LEASE on Unit 105 of Lot 603, dated ~~August~~ <sup>SEPTEMBER</sup> 1, 2001 and recorded ~~August~~ <sup>SEPTEMBER</sup>       , 2001 in Book m1, Page 49146 Microfilm records of Klamath County, Oregon.

Vacation Credits allocated to the Units as follows:

<u>Lot No.</u>	<u>Unit No</u>	<u>Vacation Credits</u>
387	387	636,000
388	388	636,000
389	389	636,000
390	390	636,000
395	395	636,000
396	396	580,000
603	101	406,000
603	102	406,000
603	103	406,000
603	104	406,000
603	106	406,000
603	107	502,000
603	108	358,000

State of Oregon, County of Klamath  
Recorded 09/26/01 at 3:14 p.m.  
In Vol. M01 Page 49142  
Linda Smith,  
County Clerk Fee \$ 36<sup>00</sup>