

AFTER RECORDING, RETURN TO:

OC Karen Smith
Resort Resources, Inc.
PO Box 1466
Bend, OR 97709

State of Oregon, County of Klamath
Recorded 09/18/2002 2:24 p.m.
Vol M02, Pg 53225-27
Linda Smith, County Clerk
Fee \$ 31.00 # of Pgs 3

**SUPPLEMENT TO DECLARATION OF
PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS
FOR RUNNING Y RANCH RESORT**

(Consolidation of Lots)

THIS SUPPLEMENT TO DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR RUNNING Y RANCH RESORT (this "**Consolidation Declaration**") is dated as of September 17th, 2002 (the "**Effective Date**"), by **RUNNING Y RESORT, INC.**, an Oregon corporation ("**Declarant**"), in favor of the owner of Lots 248 and 266, plat of Running Y Resort Phase 3, Klamath County, Oregon (the "**Owner**").

Recitals

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

B. By Declaration Annexing Phase 3 of Ridge View Homesites to Running Y Ranch Resort, recorded July 25, 1997, in Volume M97, Page 23691 in the Records of Klamath County, Oregon, Declarant caused certain lots within the plat of Running Y Resort Phase 3, Klamath County, Oregon to be annexed to the Declaration and made subject to the terms thereof, including Lot 248 and Lot 266, collectively the "**Adjoining Lots**".

C. Pursuant to Section 3.4 of the Declaration, the owner of two adjoining Lots, with the approval of Declarant and the Architectural Review Committee, may elect to consolidate such Lots into one Lot. Declarant is the Owner of the Adjoining Lots and wishes to consolidate the Adjoining Lots into one Lot pursuant to Section 3.4 of the Declaration and as provided in this Consolidation Declaration.

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D. Except as otherwise provided in this Consolidation Declaration, each of the terms defined in Article 1 of the Declaration shall have the meanings set forth in such Article.

NOW, THEREFORE, in furtherance of such intent, Declarant hereby declares that the Adjoining Lots shall be consolidated into one Lot for all purposes of the Declaration, including voting rights and assessments.

RUNNING Y RESORT, INC., an Oregon corporation

By Hayden Miller
Its Asst. Secretary

Consent

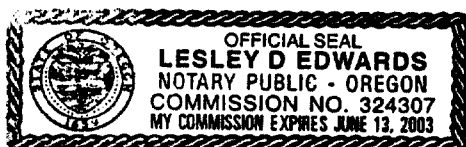
The undersigned member of the Architectural Review Committee of the Running Y Ranch Resort Owners Association (the "Committee") hereby confirms the consent of the Committee to the consolidation of the Adjoining Lots into one Lot as provided in Section 3.4 of the Declaration and in this Consolidation Declaration.

ARCHITECTURAL REVIEW COMMITTEE
OF THE RUNNING Y RANCH RESORT
OWNERS ASSOCIATION, an Oregon nonprofit corporation

By Kurt Shmidt
Its member

STATE OF OREGON)
)ss.
County of Deschutes)

The foregoing instrument was acknowledged before me this 17th day of September, 2002, by Lawn Muller, Asst. Secretary of Running Y Resort, Inc., an Oregon corporation, on its behalf.

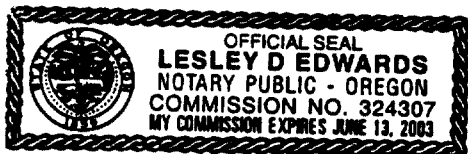


Lesley D. Edwards
Notary Public for Oregon
My commission expires: 6/13/2003

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STATE OF OREGON)
)ss.
County of Klamath)

The foregoing instrument was acknowledged before me this 18th day of September, 2002, by Kurt Schmidt, member of the Architectural Review Committee of Running Y Ranch Resort Owners Association, an Oregon nonprofit corporation, on its behalf.



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