

AFTER RECORDING, RETURN TO:

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

State of Oregon, County of Klamath  
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**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 17<sup>th</sup>, 2002 (the "**Effective Date**"), by **RUNNING Y RESORT, INC.**, an Oregon corporation ("**Declarant**"), in favor of the owner of Lots 611 and 623, plat of Running Y Resort Phase 8, 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 1 of Ranch View Homesites to Running Y Ranch Resort, recorded December 4, 2000, in Volume M00, Page 43464 in the Records of Klamath County, Oregon, Declarant caused certain lots within the plat of Running Y Resort Phase 8, Klamath County, Oregon to be annexed to the Declaration and made subject to the terms thereof, including Lot 611 and Lot 623, 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. Owners of the Adjoining Lots have requested approval 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 Lauri Miller  
Its Asst. Secretary

Consent

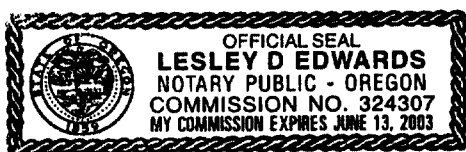
The undersigned member of the Architectural Review Committee of the Running Y Ranch Resort Owners Association (the "Committee") hereby confirms the consent of the Committee to the consolidation of the Adjoining Lots into one Lot as provided in Section 3.4 of the Declaration and in this Consolidation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

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

By Kurt Schuch  
Its member

STATE OF OREGON           )  
  )ss.  
County of Deschutes       )

The foregoing instrument was acknowledged before me this 17<sup>th</sup> day of September, 2002, by Lauri Miller, Asst. Secretary of Running Y Resort, Inc., an Oregon corporation, on its behalf.

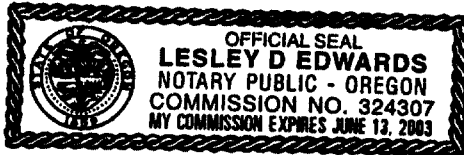


Lesley D Edwards  
Notary Public for Oregon  
My commission expires: 6/13/2003

STATE OF OREGON            )  
  )ss.  
County of Klamath        )

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The foregoing instrument was acknowledged before me this 18<sup>th</sup> 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