

AFTER RECORDING, RETURN TO:

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

State of Oregon, County of Klamath
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Linda Smith, County Clerk
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**DECLARATION ANNEXING PHASE 6
OF RIDGE VIEW HOMESITES
TO RUNNING Y RANCH RESORT**

THIS DECLARATION is made this 24th day of February, 2003, 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. 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 real property described on attached **Exhibit A** (the "**Additional Property**") to the Master Declaration upon the terms and conditions set forth in this Declaration and to designate the Additional Property as Phase 6 of the Ridge View Homesite Project.

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 described in the attached Exhibit A.

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 defines 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.** The Additional Property shall be Phase 6 of the Project known as Ridge View Homesites.

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

4.1 **Residential Lots.** All platted numbered lots within the Additional Property shall be Residential Lots, with the exception of Lot 834 and Lot 850, as defined in Section 1.32 of the Master Declaration.

4.2 **Common Areas.** Coopers Hawk Road, Cinnamon Teal Drive, and Common Area "A" as platted in the plat of Tract 1409, Running Y Resort, Phase 11, shall be Common Area as defined in Section 1.8 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.

6. **RIGHT OF ENTRY.** In addition to any easements shown on the recorded plat and as set forth herein and in the Master Declaration, the Additional Property shall be subject to an easement for the benefit of utility service providers and their agents or employees to access all parts of the Owner's Lot and the Common Areas on which utility services may be located, for the purpose of operating, maintaining or constructing such facilities, inspecting the condition of pipes and facilities, and completing repairs. The Owner will be given advance notice if possible. In the case of an emergency, as determined solely by the utility service provider, no prior notice will be required. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Lot.

7. **EASEMENT RESERVED.** Declarant reserves a perpetual easement and right-of-way for access across the common area roadways in the Property for the benefit of Lot 850, Tract 1409, Running Y Resort, Phase 11, Klamath County, Oregon, (the "**Benefited Property**") and neither the Declarant nor the owners of the Benefited Property will be required to share in the costs of maintaining the common area roadways for purposes of this access easement.

8. **SLOPE AND DRAINAGE EASEMENTS.** Relating to Slope Easements on Lots 843 – 848 and Drainage Easements on Lots 843 – 847 as shown on the plat of the Additional Property, each Owner of such Residential Lots shall accept the burden of, and shall not in any manner alter, modify or interfere with, the established drainage pattern and grades, slopes and courses related thereto over such Residential Lot or Common Area without the express written permission of the Architectural Review Committee, and then only to the extent and in the

manner specifically approved. No structure, plantings or other materials shall be placed or permitted to remain on or within any grades, slopes, or courses, nor shall any other activities be undertaken which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow, or obstruct or retard the flow of water through drainage channels.

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

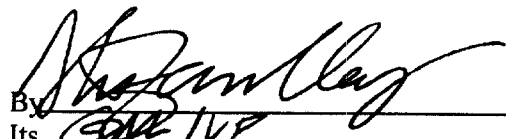
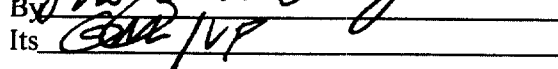
9.1 **Height Restrictions.** Homes on Lots 845 – 849 within the Additional Property are subject to a building height restriction. This restriction prohibits lofts, additional stories, or any configuration that would allow the roof to exceed the following specified elevations for each Lot: Lot 845 is restricted to a maximum structure height elevation of 4,400 feet, Lot 846 is restricted to a maximum structure height elevation of 4,401 feet, Lot 847 is restricted to a maximum structure height elevation of 4,406 feet, Lot 848 is restricted to a maximum structure height elevation of 4,404 feet and Lot 849 is restricted to a maximum structure height elevation of 4,407 feet.

10. **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 as provided in Article 14 of the Master Declaration.

11. **BINDING EFFECT.** The Additional Property, including all Lots and 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, 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.

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

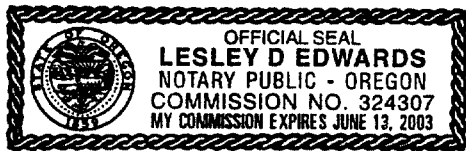
RUNNING Y RESORT, INC., an Oregon Corporation

By 
Its 

10957

STATE OF OREGON)
) Ss.
County of Deschutes)

The foregoing instrument was acknowledged before me this 24th day of February, 2003 by
Stuart Woolley, the Vice-President of RUNNING Y
RESORT, INC., an Oregon corporation.



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

10958

EXHIBIT A

"Additional Property"

All of the following described property as shown on the plat of Tract 1409, Running Y Resort. Phase 11 recorded January 10, 2003 in Volume 23, Page 92 in the office of the County Recorder, Klamath County, Oregon:

Residential Lots: Lots 835 - 849

Common Areas: Coopers Hawk Road
 Cinnamon Teal Drive
 Common Area "A"