

AFTER RECORDING, RETURN TO:

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

State of Oregon, County of Klamath
Recorded 12/16/04 12:44 p m
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Linda Smith, County Clerk
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**DECLARATION ANNEXING PHASE 3
OF RANCH VIEW ESTATES
TO RUNNING Y RANCH RESORT**

THIS DECLARATION is made this 16th day of December, 2004, 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 3 of the Ranch View Estates 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 defined 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 3 of the Project Parcel known as Ranch View Estates for purposes of the Master Declaration.

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

4.1 **Residential Lots.** All numbered platted lots within the Additional Property, but excluding any tract labeled as "Common Area" or "Common Lot" on such plats, shall be Residential Lots as defined in Section 1.32 of the Master Declaration.

4.2 **Common Areas.** Grosbeak Drive and Horned Lark Drive, as platted in the plat of Tract 1440, Ranchview Estates, 1st Addition, shall be Common Area as defined in Section 1.8 of the Master Declaration.

4.3 **Project Common Areas.** Common Area Lots "J", "K", and "L" as platted in the plat of Tract 1440, Ranchview Estates, 1st Addition shall be Project Common Area, as defined in section 1.28 of the Master Declaration.

4.4 **Other Classifications.** There are no Limited Common Areas, Common Easement 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 except that Section 7.16 (Minimum Dwelling Size) shall not be applicable to the Additional Property.

6. **ADDITIONAL RESTRICTIONS.**

6.1 **Minimum Dwelling Size.** No dwelling intended or used as the primary dwelling on a Residential Lot may be constructed or maintained unless the interior floor area of such dwelling (excluding garage) contains at least 1,600 square feet. The maximum permissible interior floor area shall be limited only by constraints of the building site area and other reasonable limitations as may be established by the Architectural Review Committee.

7. **RIGHT OF ENTRY.** In addition to any easements shown on the recorded plats 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.

8. **RIGHT TO USE.** Declarant reserves unto itself and grants the right to C Corp. to carry out sales and rental activities necessary or convenient for the sale and rental of Lots or

EXHIBIT A
“Additional Property”

All of the following described property as shown on Tract 1440, Ranchview Estates, 1st Addition recorded December 10, 2004 in the office of the County Recorder, Klamath County, Oregon:

Residential Lots: Lots 1223 – 1245

Common Areas: Grosbeak Drive
 Horned Lark Drive

Project Common Areas: Common Area “J”, “K”, “L”

Living Units, including without limitation, the right to use Living Units as model units, and the right to use a Living Unit as a sales office.

9. **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 further as provided in Article 14 of the Master Declaration.

10. **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.

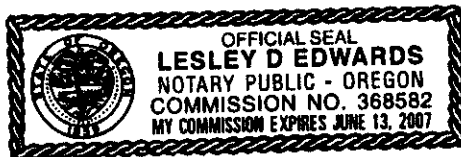
IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year first set forth above.

RUNNING Y RESORT, INC., an Oregon Corporation

By *Lauri Miller*
Its *Asst Secretary*

STATE OF OREGON)
) Ss.
County of Deschutes)

The foregoing instrument was acknowledged before me this 16th day of December, 2004 by Lauri Miller, the Asst Secretary of RUNNING Y RESORT, INC., an Oregon corporation.



Lesley D Edwards
Notary Public for Oregon
My commission expires: 6/13/2007

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