

Running Y Resort, Inc., an Oregon Corporation, Grantor, conveys and warrants to R. Scot Varley & Jo Anne Varley,  
as Tenants by Entirety, Grantee, the following described real property, free of encumbrances except as specifically set forth herein:

Lot 509 of Running Y Resort, Phase 5 Plat, recorded May 19, 1998 in Klamath County, Oregon.

SUBJECT TO:

Non-delinquent real property taxes and assessments for the current fiscal year and all later years; and to all covenants, conditions, restrictions, reservations, exceptions, limitations, uses, rights, rights-of-way, easements and other matters of record on the date hereof, including, without limitation, the Declaration of Protective Covenants, Conditions, Restrictions, and Easements for The Running Y Ranch Resort recorded August 2, 1996 and the Declaration Annexing Phase 4 of Ridge View Homesites to Running Y Ranch Resort, all of which are hereby incorporated by reference into the body of this instrument as if the same were fully set forth herein.

The true consideration for this conveyance is \$69,400.00.

**THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.**

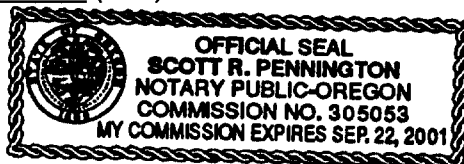
"GRANTOR" Running Y Resort, Inc., an Oregon Corporation

BY: Judy Urbach  
Its Authorized Agent

STATE OF OREGON )  
 )ss.  
COUNTY OF KLAMATH )

The foregoing instrument was acknowledged before me this 13 day of June, 192000  
by Judy Urbach (Officer), the agent (Title) of RUNNING Y RESORT, INC., on behalf of the Corporation.

WITNESS my hand and official seal



[Signature]  
NOTARY PUBLIC FOR OREGON

WARRANTY DEED
Running Y Resort, Inc. 5391 Running Y Road Klamath Falls, OR 97601 Grantor
R. Scot Varley Jo Anne Varley 6897 Wanger Creek Road Talent, OR 97540 Grantee
AFTER RECORDING RETURN TO
R. Scot Varley Jo Anne Varley 6897 Wanger Creek Road Talent, OR 97540

State of Oregon, County of Klamath  
Recorded 06/23/00, at 11:14 a. m.  
In Vol. M00 Page 22862  
**Linda Smith,**  
County Clerk Fee \$ 21.00

STATE OF OREGON, ss.  
County of Klamath  
Filed for record at request of:

on this \_\_\_\_\_ day of \_\_\_\_\_  
A.D. \_\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_\_  
M. And duly recorded in Vol. \_\_\_\_\_  
of \_\_\_\_\_ Page \_\_\_\_\_  
Linda Smith, County Clerk  
By \_\_\_\_\_ Deputy  
Fee, \_\_\_\_\_

Until a change is requested, all tax statements shall be sent to the following address:  
R. Scot Varley  
Jo Anne Varley  
6897 Wanger Creek Road  
Talent, OR 97540