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State of Oregon, County of Klamath
 Recorded 01/10/2003 3:08 p m.
 Vol M03 Pg 01925
 Linda Smith, County Clerk
 Fee \$ 2/00 # of Pgs 1

MR 59616-LW

STATUTORY WARRANTY DEED

Running Y Resort, Inc., an Oregon corporation, Grantor, conveys and warrants to Michael R. Arnold and Sharon H. Arnold as Tenants in Common, Grantee, the following described real property, free of encumbrances except as specifically set forth herein:

Lot 738 of Running Y Resort Phase 9, recorded September 14, 2000 according to the official plat thereof on file in the office of the County Clerk of 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 5 of Ridge View Homesites to The Running Y Ranch Resort recorded September 20, 2000, 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 \$ 61,900.00.

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 L. Black
 Its Authorized Agent

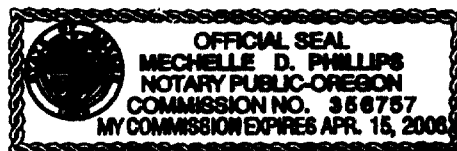
STATE OF OREGON)
) ss.
 COUNTY OF KLAMATH)

The foregoing instrument was acknowledged before me this 3rd day of January

by Judy L. Black (Officer), the Agent (Title) of RUNNING Y RESORT, INC., on behalf of the Corporation.

WITNESS my hand and official seal

Mechelle D. Phillips
 NOTARY PUBLIC FOR OREGON



WARRANTY DEED
Running Y Resort, Inc. 5391 Running Y Road Klamath Falls, OR 97601 Grantor
Michael R. Arnold Sharon H. Arnold 4648 Old Clear Creek Rd. Carson City, NV 89705 Grantee
AFTER RECORDING RETURN TO Michael R. Arnold Sharon H. Arnold 4648 Old Clear Creek Rd. Carson City, NV 89705

SPACE RESERVED
FOR
RECORDERS USE

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:

Michael R. Arnold
 Sharon H. Arnold
 4648 Old Clear Creek Rd.
 Carson City, NV 89705