

NJT-1346-5505

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STATUTORY WARRANTY DEED

RUNNING Y RESORT, INC., an Oregon corporation, Grantor, conveys and warrants to THE PENNBROOK COMPANY, an Oregon corporation, Grantee, the following described real property, free of encumbrances except as specifically set forth herein:

Lots 960 - 968 within the plat of Running Y Resort, Phase 4, Third Addition (Eagles Landing - Phase 4) recorded October 21, 2003 in the office of the County Recorder, Klamath County, Oregon and

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 Running Y Ranch Resort recorded August 2, 1996, and the Declaration Annexing Phase 4 of Eagles Landing to Running Y Ranch Resort recorded November 12, 2003, all of which are hereby incorporated by reference into the body of this instrument as if the same were fully set forth herein.

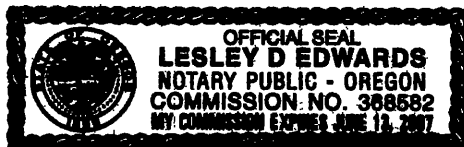
The true consideration for this conveyance is \$335,000.00.

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 *David Miller*
Its *Asst Secretary*
STATE OF OREGON)
) ss.
COUNTY OF DESCHUTES)

The foregoing instrument was acknowledged before me this 26th day of November, 2003 by David Miller, the Asst. Secretary of RUNNING Y RESORT, INC., an Oregon corporation.



WITNESS my hand and official seal

Lesley D Edwards
NOTARY PUBLIC FOR OREGON
My commission expires: _____

GRANTOR
Running Y Resort, Inc.
5119 Running Y Road
Klamath Falls, OR 97601

GRANTEE
The Pennbrook Company
250 NW Franklin Avenue, Suite 204
Bend, OR 97701

AFTER RECORDING RETURN TO:
The Pennbrook Company
250 N.W. Franklin Ave., Suite 204
Bend, OR 97701
Until a change is requested, all tax statements shall be sent to:
The Pennbrook Company
250 N.W. Franklin Ave., Suite 204
Bend, OR 97701

State of Oregon, County of Klamath
Recorded 12/04/03 3:05 p. m
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Linda Smith, County Clerk
Fee \$ 21⁰⁰ # of Pgs 1

77.00 AM