

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

Lots 1223 - 1245, within the plat of Tract 1440, Ranchview Estates, 1st Addition, (Ranch View Estates Phase 2) recorded December 10, 2004 in the office of the County Recorder, 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 Running Y Ranch Resort recorded August 2, 1996, and the Annexation Declaration Annexing Phase 2 of Ranch View Estates to Running Y Ranch Resort recorded December 16, 2004, 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 \$1,104,000.

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.

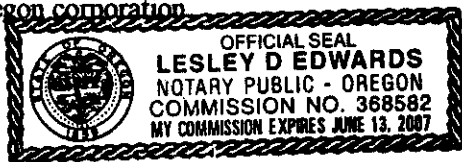
"GRANTOR" RUNNING Y RESORT INC., an Oregon corporation

BY *Lesley D. Edwards*

Its *Asst. Secretary*

STATE OF OREGON)
) ss.
COUNTY OF KLAMATH)

The foregoing instrument was acknowledged before me this 16th day of December, 2004 by *Laura 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: 6/13/2007

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

State of Oregon, County of Klamath
Recorded 12/16/04 12:44 p.m.
Vol M04 Pg 86081
Linda Smith, County Clerk
Fee \$ 21.00 # of Pgs 1

GRANTEE
C Corp Inc.
P.O. Box 638
Redmond, OR 97756

AFTER RECORDING RETURN TO:
C Corp Inc.
P.O. Box 638
Redmond, OR 97756

Until a change is requested, all tax
Statements shall be sent to:
C Corp Inc.
P.O. Box 638
Redmond, OR 97756

21 ✓ cc: Resort Resources Inc.