

State of Oregon, County of Klamath  
Recorded 07/07/05 3:22 P m  
Vol M05 Pg 51883  
Linda Smith, County Clerk  
Fee \$ 21.00 # of Pgs 1

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 1267 - 1299 within the plat of Tract 1443 A Replat of Lots 595 - 602, 604 - 605, Falcon Dive and Red Tail Drive of Tract 1240, Running Y Resort Phase 7, recorded June 22, 2005 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 Declaration Annexing Phase 5 of Eagles Landing to Running Y Ranch Resort recorded July 1, 2005, 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 \$1,650,000.

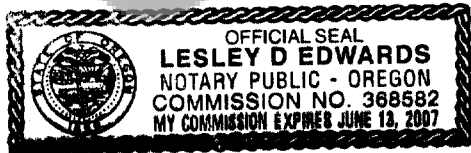
THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO 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 Laura Miller  
Its Asst. Secretary  
STATE OF OREGON )  
) ss.  
COUNTY OF DESCHUTES )

AMERITITLE has recorded this instrument by request as an accommodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

The foregoing instrument was acknowledged before me this 5<sup>th</sup> day of July, 2005 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: 6/18/2007

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

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