

Ridgewater Development, LLC, successor by conversion
of Running Y Resort, Inc.

5115 Running Y Road
Klamath Falls, OR 97601

Grantor's Name and Address

Ridgewater Development, LLC

5115 Running Y Road
Klamath Falls, OR 97601

Grantee's Name and Address

After recording, return to (Name, Address, Zip):

Gibson, Dunn & Crutcher, LLP
333 South Grand Avenue
Los Angeles, CA 90071
Attn: Irene Hymanson

Until requested otherwise, send all tax statements to:

Ridgewater Development, LLC
c/o North View Hotel Group
Attn: Robin Dowty
P.O. Box 1215
Redmond, OR 97756

2011-000742

Klamath County, Oregon



00095661201100007420040045

01/20/2011 03:06:46 PM

Fee: \$52.00

No. _____, Records of this County.

SPACE RESERVED
FOR
RECORDER'S USE

Witness my hand and seal of County affixed.

NAME

TITLE

By _____, Deputy.

SPECIAL WARRANTY DEED

RIDGEWATER DEVELOPMENT, LLC, a Delaware limited liability, as successor by conversion of Running Y Resort, Inc., an Oregon corporation, who acquired title as Running Y Resort, Inc., an Oregon corporation, Grantor, conveys and specially warrants to **RIDGEWATER DEVELOPMENT, LLC**, a Delaware limited liability, Grantee, the following described real property free of encumbrances created or suffered by the Grantor, except as specifically set forth herein, situated in Klamath County, Oregon, to-wit:

See Exhibit A attached hereto and incorporated by reference.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE)

The property is free of all encumbrances created or suffered by the Grantor except (if none, so state) all liens and encumbrances of record and which would be disclosed by an inspection and survey of the Property.

The true consideration for this conveyance is \$(name change due to conversion) (Here, comply with the requirements of ORS 93.030.)

DATED: January 18, 2011

; if a corporate grantor, it has caused its name to be signed and its seal, if

any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. THIS INSTRUMENT DOES 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 THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

RIDGEWATER DEVELOPMENT, LLC,
a Delaware limited liability company,

By: Derek Smith
Name: Derek Smith
Its: Senior Vice President
By: Jason Keller
Name: Jason Keller
Its: Vice President

STATE OF OREGON, County of _____ ss.

This instrument was acknowledged before me on _____
by _____

This instrument was acknowledged before me on _____
by _____

as _____
of _____

SEE ATTACHED NOTARY ACKNOWLEDGMENT

Notary Public for Oregon

My commission expires _____

State of California)

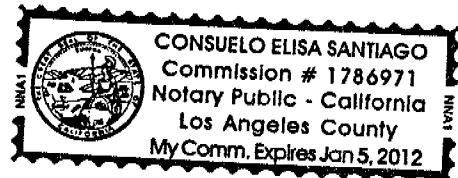
County of Los Angeles)

On January 18, 2011 before me, Consuelo Elisa Santiago, a Notary Public, personally appeared Derek Smith, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Consuelo Elisa Santiago
(Seal)



State of California)

County of Los Angeles)

On January 18, 2011 before me, Consuelo Elisa Santiago, a Notary Public, personally appeared Jason Keller, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Consuelo Elisa Santiago
(Seal)

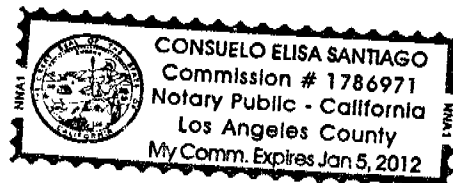


Exhibit A

Legal Description

Real property in the County of Klamath, State of Oregon, described as follows:

PARCEL 1:

LOTS 3, 4, 10, 16, 17, 19, 22, 23, 31, 33-37, 39-44, 46-51, 53, 55-60, 62-64, 67, 68, 71, 73, 77-79, 81, 84, 85, 87-94 AND 105-108 OF TRACT 1472, RIDGEWATER SUBDIVISION, PHASE 1, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

PARCEL 2:

LOTS 115-133, 140, 141, 144-179, 182-186, 188, 191, 192, 199-227, 229-240, 242-247, 249, 251, 252, 254-278, 280, 281 AND COMMON AREAS B, C, E AND F OF TRACT 1496, RIDGEWATER SUBDIVISION, PHASE 1, 1ST ADDITION, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

PARCEL 3:

LOTS 1-19 OF TRACT 1507 BEING A REPLAT OF LOTS 109-114, 124-136, 142, 193-198, COMMON AREA A AND COMMON AREA D OF TRACT 1496, RIDGEWATER SUBDIVISION, PHASE 1, 1ST ADDITION, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

PARCEL 4: (THE TIMBERS PHASE I)

LOTS 2-4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20-26, 27, 28, 29, 30, 31, 32, 33 AND 34, AND COMMON AREA A TRACT 1506, THE TIMBERS, PHASE 1, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

PARCEL 5: (FUTURE DEVELOPMENT RW)

IN TOWNSHIP 38 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

SECTION 26: THE SOUTHEAST QUARTER, SOUTH HALF NORTHEAST QUARTER, NORTHWEST QUARTER NORTHEAST QUARTER.

SECTION 35: ALL THAT PORTION OF SECTION 35 LYING NORTHEASTERLY OF HIGHWAY 140.

EXCEPTING THEREFROM TRACT 1472, RIDGEWATER SUBDIVISION, PHASE 1, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

ALSO EXCEPTING THEREFROM TRACT 1496, RIDGEWATER SUBDIVISION, PHASE 1, 1ST ADDITION, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

PARCEL 6: (FUTURE DEVELOPMENT RW)

IN TOWNSHIP 38 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

SECTION 22: ALL, EXCEPT THAT PORTION THEREOF LYING NORTHEASTERLY OF THE SOUTHERLY LINE OF KLAMATH LAKE HIGHWAY (LAKESHORE DRIVE) AND EXCEPT THAT PORTION THEREOF IN STATE HIGHWAY 140.

SECTION 23: SOUTHWEST QUARTER SOUTHWEST QUARTER
SECTION 26: WEST HALF

PARCEL 7: (FUTURE DEVELOPMENT RW)

IN TOWNSHIP 38 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON

SECTION 25: SOUTH HALF SOUTHWEST QUARTER, NORTHWEST QUARTER SOUTHWEST QUARTER, SOUTHWEST QUARTER NORTHWEST QUARTER, THAT PORTION OF THE SOUTHEAST NORTHWEST AND NORTHEAST SOUTHWEST LYING SOUTHERLY AND WESTERLY OF LAKESHORE GARDEN SUBDIVISION.

SECTION 36: NORTHWEST QUARTER AND THAT PORTION SOUTHWEST QUARTER LYING NORTHEASTERLY OF HIGHWAY 140.

EXCEPTING THEREFROM TRACT 1472, RIDGEWATER SUBDIVISION, PHASE 1, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

ALSO EXCEPTING THEREFROM TRACT 1496, RIDGEWATER SUBDIVISION PHASE 1, 1ST ADDITION, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNT CLERK, KLAMATH COUNTY, OREGON.