

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

5115 Running Y Road
Klamath Falls, OR 97601

Grantor's Name and Address

Running Y 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:

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

STATE OF OREGON,

ss.

2011-000743

Klamath County, Oregon



00095662201100007430070072

01/20/2011 03:08:41 PM

Fee: \$67.00

SPACE RESERVED
FOR
RECORDER

1st 1639270

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 **RUNNING Y 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 \$(none - transfer to a related entity) (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:

Name: Derek Smith

Its:

Senior Vice President

By:

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 _____

SEE ATTACHED NOTARY ACKNOWLEDGMENT

of _____

Notary Public for Oregon

My commission expires _____

State of California)

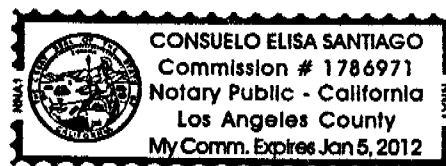
County of Los Angeles)

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)

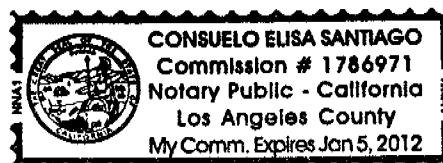


Exhibit A

Legal Description

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

PARCEL 1: (GEARY DIKE)

A TRACT OF LAND LOCATED IN SECTION 31, TOWNSHIP 37 SOUTH, RANGE 8 EAST, AND THE WEST HALF OF SECTION 5, SECTION 6, THE NORTH HALF OF SECTION 7 AND THE NORTHWEST QUARTER OF SECTION 8, ALL IN TOWNSHIP 38 SOUTH RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, DESCRIBED AS FOLLOWS:

COMMENCING AT A 5/8" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "W&H PACIFIC" MARKING THE NORTHWEST CORNER OF A LOT 1046 OF TRACT 1426, RUNNING Y RESORT, PHASE 12, 1ST ADDITION, THENCE NORTH 90° 00' 00" WEST 223.95 FEET TO THE EASTERLY BOUNDARY OF PROPERTY DESCRIBED IN VOLUME M03, PAGE 75105 MICROFILM RECORDS OF KLAMATH COUNTY, OREGON; THENCE NORTH 00° 00' 00" WEST ALONG SAID EASTERLY BOUNDARY, 203.56 FEET TO THE NORTHEAST CORNER OF SAID PROPERTY; THENCE NORTH 90° 00' 00" WEST ALONG THE NORTHERLY LINE OF SAID PROPERTY 660.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH 00° 00' 00" EAST ALONG THE WESTERLY LINE OF THE SAID PROPERTY 203.56 FEET; THENCE LEAVING THE SAID WESTERLY LINE SOUTH 90° 00' 00" WEST 537.28 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF OREGON STATE HIGHWAY 140, 40.00 FEET FROM CENTERLINE WHEN MEASURED PERPENDICULAR TO SAID CENTERLINE; THENCE ALONG SAID RIGHT-OF-WAY LINE THE FOLLOWING 7 COURSES: NORTH 43° 28' 47" WEST 357.90 FEET; THENCE NORTH 46° 31' 13" EAST 10.00 FEET; THENCE NORTH 43° 28' 47" WEST 998.96 FEET; THENCE NORTH 46° 31' 13" EAST 10.00 FEET; THENCE NORTH 43° 28' 47" WEST 200.00 FEET; THENCE NORTH 46° 31' 13" EAST 20.00 FEET; THENCE NORTH 43° 28' 47" WEST 808.53 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP MARKED "W&H PACIFIC" AND THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID RIGHT-OF-WAY LINE THE FOLLOWING 12 COURSES: NORTH 43° 28' 47" WEST 291.56 FEET TO A 5/8" IRON ROD; THENCE SOUTH 46° 31' 13" WEST 20.00 FEET TO A 5/8" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "W&H PACIFIC"; THENCE NORTH 43° 28' 47" WEST 299.95 FEET TO A 5/8" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "W&H PACIFIC"; THENCE SOUTH 46° 31' 13" WEST 20.00 FEET TO A 5/8" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "W&H PACIFIC"; THENCE NORTH 43° 28' 47" WEST 965.70 FEET TO A 5/8" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "W&H PACIFIC" AND A POINT OF SPIRAL CURVATURE; THENCE ALONG A SPIRAL CURVE TO THE RIGHT, SAID SPIRAL CURVE HAVING A CENTRAL ANGLE OF 00° 54' 00", THE CHORD OF WHICH BEARS NORTH 43° 10' 26" WEST 299.36 FEET TO A POINT OF CURVATURE ON A CIRCULAR CURVE; THENCE ALONG A 9509.35 FOOT RADIUS CURVE TO THE RIGHT, SAID CURVE HAVING A CENTRAL ANGLE OF 01° 22' 57", THE CHORD OF WHICH BEARS NORTH 41° 52' 56" WEST 229.46 FEET TO A POINT OF NON-TANGENCY; THENCE NORTH 48° 48' 33" EAST 20.00 FEET TO A POINT OF CURVATURE; THENCE ALONG 9489.35 FOOT RADIUS CURVE TO THE RIGHT 358.63 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 02° 09' 55", THE CHORD OF WHICH BEARS NORTH 40° 06' 30" WEST 358.61 FEET TO A POINT OF SPIRAL CURVATURE; THENCE ALONG A SPIRAL CURVE TO THE RIGHT, SAID SPIRAL CURVE HAVING A CENTRAL ANGLE OF 00° 54' 00", THE CHORD OF WHICH BEARS NORTH 38° 25' 30" WEST 299.04 FEET TO A POINT OF TANGENCY; THENCE NORTH 38° 06' 42" WEST 1844.91 FEET TO THE SHORES ALONG UPPER KLAMATH LAKE; THENCE LEAVING SAID RIGHT-OF-WAY LINE AND ALONG THE

WATERS EDGE OF SAID UPPER KLAMATH LAKE, IN A NORTHEASTERLY DIRECTION, APPROXIMATELY 6,681.00 FEET TO THE EASTERLY LINE OF PROPERTY DESCRIBED AS PARCEL 1 IN VOLUME M76, PAGE 19838, MICROFILM RECORDS OF KLAMATH COUNTY, OREGON; THENCE SOUTH 32° 41' 00" EAST ALONG SAID EASTERLY LINE 8346.82 FEET TO A 5/8" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "W&H PACIFIC"; THENCE SOUTH 31° 37' 35" EAST 50.00 FEET; THENCE SOUTH 43° 21' 41" WEST 50.00 FEET TO THE CENTER OF AN EXISTING DRAINAGE CANAL; THENCE ALONG THE CENTER OF SAID CANAL THE FOLLOWING 22 COURSES THENCE NORTH 76° 43' 06" WEST 98.20 FEET; THENCE SOUTH 35° 48' 35" WEST 35.52 FEET; THENCE SOUTH 44° 15' 33" WEST 222.66 FEET; THENCE SOUTH 44° 20' 01" WEST 205.14 FEET; THENCE SOUTH 43° 33' 45" WEST 126.61 FEET; THENCE SOUTH 49° 56' 15" WEST 46.60 FEET; THENCE SOUTH 53° 56' 44" WEST 439.32 FEET; THENCE SOUTH 54° 16' 06" WEST 276.26 FEET; THENCE SOUTH 51° 26' 48" WEST 304.95 FEET; THENCE SOUTH 46° 32' 01" WEST 445.97 FEET; THENCE SOUTH 46° 29' 52" WEST 159.29 FEET; THENCE SOUTH 55° 22' 24" WEST 231.44 FEET; THENCE SOUTH 66° 36' 20" WEST 178.62 FEET; THENCE SOUTH 58° 24' 50" WEST 300.37 FEET; THENCE SOUTH 40° 38' 29" WEST 173.22 FEET; THENCE SOUTH 30° 35' 28" WEST 77.80 FEET; THENCE SOUTH 00° 08' 09" WEST 18.20 FEET; THENCE SOUTH 40° 17' 14" WEST 40.75 FEET; THENCE SOUTH 65° 06' 35" WEST 67.65 FEET; THENCE SOUTH 81° 52' 26" WEST 190.38 FEET; THENCE SOUTH 66° 46' 02" WEST 129.68 FEET; THENCE SOUTH 23° 26' 24" EAST 48.43 FEET; THENCE SOUTH 59° 31' 11" WEST 274.49 FEET TO SAID EASTERLY RIGHT-OF-WAY LINE AND THE POINT OF BEGINNING.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS PER C.S. 7216 OF THE KLAMATH COUNTY SURVEY RECORDS.

PARCEL 2: INTENTIONALLY DELETED.

PARCEL 3: (RUNNING Y RANCH)

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

PARCEL 1 OF LAND PORTION 69-06 BEING A PORTION OF PARCEL 1, LAND PARTITION 60-94, LOCATED IN THE SOUTHEAST QUARTER OF SECTION 9, THE EAST HALF OF SECTION 16 THE NORTHWEST QUARTER AND SOUTH HALF OF SECTION 15 AND THE NORTH HALF OF SECTION 22, TOWNSHIP 38 SOUTH RANGE 8 EAST, WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

TOGETHER WITH A PERPETUAL RIGHT OF ACCESS AS RESERVED IN WARRANTY DEED RECORDED DECEMBER 28, 2006 IN 2006-25462, RECORDS OF KLAMATH COUNTY, OREGON.

PARCEL 4: INTENTIONALLY DELETED.

PARCEL 5: (RUNNING Y RANCH)

THAT PORTION OF PARCEL 1 OF LAND PARTITION 60-94 LOCATED IN SECTIONS 28, 29, 31, 32 AND 33, TOWNSHIP 37 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

PARCEL 6: (RUNNING Y RANCH)

THE PORTION OF PARCEL 1 OF LAND PARTITION 60-94 LOCATED IN THE NORTH HALF OF SECTION 4, SECTION 5, NORTHEAST QUARTER OF NORTHEAST QUARTER OF SECTION 6 AND THE NORTHWEST QUARTER OF NORTHWEST QUARTER OF SECTION 8 OF TOWNSHIP 38 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

EXCEPTING THEREFROM THAT THE PORTION THAT LIES WITHIN THE GOLF COURSE

PARCEL 7: (FUTURE DEVELOPMENT AND GOLF COURSE)

PARCEL 1 AND 2, LAND PARTITION 60-94, LOCATED IN SECTIONS 4, 5, 9 AND 10, THE NORTHWEST QUARTER AND SOUTH HALF OF SECTION 15 AND THE NORTH HALF OF SECTION 22, TOWNSHIP 38 SOUTH RANGE 8 EAST, WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RUNNING Y RESORT, PHASE 1.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RUNNING Y RESORT, PHASE 2.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RUNNING Y RESORT, PHASE 3.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RUNNING Y RESORT, PHASE 4.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RUNNING Y RESORT, PHASE 4, 1ST ADDITION.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RUNNING Y RESORT, PHASE 4, 1ST ADDITION REPLAT.

ALSO EXCEPTING THEREFROM ANY PORTION LYING THE BOUNDARIES OF RUNNING Y RESORT, PHASE 4, 2ND ADDITION.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RUNNING Y RESORT, PHASE 4, 3RD ADDITION.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RUNNING Y RESORT, PHASE 4, 4TH ADDITION.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RUNNING Y RESORT, PHASE 5.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RUNNING Y RESORT, PHASE 7.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RUNNING Y RESORT, PHASE 8.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RUNNING Y RESORT, PHASE 9.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RUNNING Y RESORT, PHASE 11 1ST ADDITION.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RUNNING Y RESORT, PHASE 13.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF RANCHVIEW ESTATES AND RANCHVIEW ESTATES 1ST ADDITION.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF ASPEN RUN, PHASE 1.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE BOUNDARIES OF LAND PARTITION 47-01, LOCATED IN THE SOUTH HALF OF SECTION 9. TOWNSHIP 38 SOUTH, RANGE 8 EAST WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

ALSO EXCEPTING THEREFROM THAT A PORTION LYING WITHIN LAND PORTION 69-06 BEING A PORTION OF PARCEL 1, LAND PARTITION 60-94, LOCATED IN THE SOUTHEAST QUARTER OF SECTION 9, THE EAST HALF OF SECTION 16 THE NORTHWEST QUARTER AND SOUTH HALF OF SECTION 15 AND THE NORTH HALF OF SECTION 22, TOWNSHIP 38 SOUTH RANGE 8 RANGE 8 EAST, WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

PARCEL 8: (FUTURE DEVELOPMENT AND GOLF COURSE)

PARCEL 3 OF LAND PARTITION 47-01, LOCATED IN THE SOUTH HALF OF SECTION 9, TOWNSHIP 38 SOUTH, RANGE 8 EAST, WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

PARCEL 9: (LOTS IN RUNNING Y)

LOT 90, RUNNING Y RESORT, PHASE 1, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

PARCEL 10: (LOTS IN RUNNING Y)

LOT 971 AND 994, RUNNING Y RESORT, PHASE 12, TRACT 1423, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

PARCEL 11: (LOTS IN RUNNING Y)

LOT 1044, RUNNING Y RESORT, PHASE 12, FIRST ADDITION, TRACT 1426, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

PARCEL 12: (LOTS IN RUNNING Y)

LOT 1111-1114, 1132, 1145, 1165-1167, 1169-1171, 1199, 1200, 1202, 1205, 1206, 1215-1217, 1219-1222 OF RUNNING Y RESORT, PHASE 13, TRACT 1429, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

PARCEL 13: (GOLF PRO SHOP, SALES AND ADMIN RY)

LOT 83, 84 AND 91, RUNNING Y RESORT, PHASE 1, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

PARCEL 14: (ASPEN RUN)

LOTS 1, 2, 3, 4, 5, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66 AND 67, TRACT 1468, ASPEN RUN, PHASE 1, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

PARCEL 15: (5075 FOX SPARROW DRIVE)

PARCELS 1 AND 2 OF LAND PARTITION 47-01, LOCATED IN THE SOUTH HALF OF SECTION 9, TOWNSHIP 38 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

PARCEL 16: (LODGE PAVILION & CONFERENCE CENTER)

PARCELS 1 AND 3 OF LAND PARTITION 33-07, BEING A REPLAT OF PARCEL 1 OF LAND PARTITION NO. 53-06 LOCATED IN THE SOUTH HALF OF SECTION 9, TOWNSHIP 38 SOUTH RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON.

PARCEL 17: (RUNNING Y PHASE 8)

LOTS 694, 695, 696, 697, 698, 699 AND 700, RUNNING Y RESORT, PHASE 8, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK, KLAMATH COUNTY, OREGON.

PARCEL 18: (RANCHVIEW ESTATES)

LOT 1100, TRACT 1422, RANCHVIEW ESTATES, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK, KLAMATH COUNTY, OREGON.