

After recording, return to: William M. Ganong
Attorney at Law
514 Walnut Avenue
Klamath Falls OR 97601

Send Tax Statements to: James W. Kerns
6100 Sunset Ridge Road
Klamath Falls OR 97601

BARGAIN AND SALE DEED

James W. Kerns conveys to James W. Kerns and Judith L. Brosterhous, as Co-Trustees of the James W. Kerns Revocable Living Trust, dated May 16, 1995, and their successors in Trust, the property located in Klamath County, Oregon and more particularly described as:

Parcel No. 1: Government Lot 5 in the NW¼ of Section 12, Township 38 South, Range 8 EWM, Klamath County, Oregon; SAVING AND EXCEPTING therefrom the South 450 feet of said Government Lot 5.

Parcel No. 2: An undivided one-third interest in the South 450 feet of the North one half of Government Lot 5 in the NW ¼ of Section 12, Township 38 South, Range 8 EWM, Klamath County, Oregon; SAVING AND EXCEPTING therefrom the South 225 feet of the North one half of said Government Lot 5.

Klamath County Assessor's Tax Lot Nos: R-3809-01200-00300-000 and
R-3809-01200-00400-001

More commonly referred to as 6100 Sunset Ridge Road, Klamath Falls, Oregon 97601

This deed is made for estate planning purposes and no consideration has been paid heretofore.

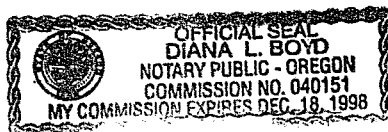
THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

Dated this 22nd day of July, 1998.

James W. Kerns
James W. Kerns

STATE OF OREGON, County of Klamath) ss.

On the 22nd day of July, 1998, personally appeared the above named James W. Kerns and acknowledged the above instrument to be his voluntary act and deed.



Diana L. Boyd
Notary Public for Oregon
My commission expires: 12/18/98

STATE OF OREGON: COUNTY OF KLAMATH : ss.

Filed for record at request of William M. Ganong the 28th day of July A.D., 19 98 at 11:29 o'clock A.M., and duly recorded in Vol. M98 of Deeds on Page 27586.

FEE \$30.00

By Bernetha G. Letsch, County Clerk
Kathleen Ross