KNOW ALL MEN BY THESE PRESENTS, That LEROY F. FERNLUND and CORLISS FERNLUND, hereinafter called the grantor, for the consideration hereinafter stated, to grantor paid by LEROY F. FERNLUND and CORLISS FERNLUND, Trustees of the FERNLUND JOINT LIVING TRUST hereinafter called the grantee, does hereby grant, bargain, sell and convey unto the said grantee and grantee's heirs, successors and assigns, that certain real property, with the tenements, hereditaments and appurtenances thereunto belonging or appertaining, situated in the County of Klamath and State of Oregon, described as follows, to-wit:

Lot 7 and 8, Block 20, FIRST ADDITION TO BONANZA, Klamath County, Oregon, and the following:

Beginning at the SW corner of Lot 7, Block 20, FIRST ADDITION TO THE TOWN OF BONANZA; thence Southerly along Market Street, 35 feet; thence Easterly at right angles to Market Street, 70 feet; thence Northerly and parallel to Market Street 35 feet; thence Westerly along the Southerly line of Lot 7 to the place of beginning, in the NE 1/4 SE 1/4 of Section 10. Township 39 South, Range 11, East of the Willamette Meridian, Klamath County, Oregon.

"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."

To Have and to Hold the same unto the said grantee and grantee's heirs, successors and assigns, that grantor is lawfully seized in fee simple of the above granted premises, free from all encumbrances except those of record and those apparent upon the land, if any as of the date of this deed, and that grantor will warrant and forever defend the said premises and every party of parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described encumbrances.

The true and actual consideration paid for this transfer, stated in terms of dollars is other than money.

In construing this deed and where the context so requires, the singular includes the plural and all grammatical changes shall be implied to make the provisions hereof apply equally to corporations and to individuals.

In Witness Whereof, the undersigned grantors, have executed this instrument this 2nd day of March, 2000

STATE OF OREGON, County of Klamath)ss.

Personally appeared the above named LEROY F. FERNLUND and CORLISS FERNLUND and acknowledge the foregoing

instrument to be their voluntary act and deed OFFICIAL SEAL MICHAEL L. SPENCER Before me NOTARY PUBLIC - OREGON Notary Public for Oregon COMMISSION NO. 306647 MY COMMISSION EXPIRES JAN. 27, 2002

LEROY F. FERNLUND and CORLISS FERNLUND

iath)ss.

Grantor

LEROY F. FERNLUND and CORLISS FERNLUND, Trus P. O. Box 131.

Bonanza, OR 97623

Grantee

After recording return to:

Grantee

Witnes State of Oregon, County of Klamath Recorded 3/02/00, at 2:5 2 p.m.

In Vol. M00 Page 6708

Name Linda Smith, By___ County Clerk

Until a change is requested, all tax statements

shall be sent to the following address: Same as Grantee