Grantor's Name and Address E. MARTIN KERNS (AKA EARL MARTIN KERNS) SHIRLEY KERNS (AKA SHIRLEY F. KERNS) 9350 HIGHWAY 66 KLAMATH FALLS, OREGON 97601 Grantee's Name and Address E. MARTIN KERNS AND SHIRLEY KERNS, TRUSTEES KERNS FAMILY TRUST **DATED JULY 29, 2010** 9350 HIGHWAY 66 KLAMATH FALLS, OREGON 97601 After recording, return to: THE ESTATE PLANNING GROUP 711 BENNETT AVENUE MEDFORD, OREGON 97504 Until requested otherwise, send all tax statements to: E. MARTIN KERNS SHIRLEY KERNS 9350 HIGHWAY 66

KLAMATH FALLS, OREGON 97601

2010-013802

Klamath County, Oregon

00093610201000138020040040

12/03/2010 09:38:07 AM

Fee: \$52.00

WARRANTY DEED

KNOW ALL BY THESE PRESENTS that E. MARTIN KERNS (AKA EARL MARTIN KERNS) AND SHIRLEY KERNS (AKA SHIRLEY F. KERNS), hereinafter called grantor, for the consideration hereinafter stated, to grantor paid by E. MARTIN KERNS AND SHIRLEY KERNS, TRUSTEES, OR THEIR SUCCESSORS IN TRUST, UNDER THE KERNS FAMILY TRUST DATED JULY 29, 2010, AND ANY AMENDMENTS THERETO, hereinafter called grantee, do hereby grant, bargain, sell and convey unto grantee and grantee's heirs, successors and assigns, that certain real property, with the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, situated in Klamath County, State of Oregon, described as follows, to-wit:

SEE ATTACHED EXHIBIT "A"

The liability and obligations of the Grantor to Grantee and Grantee's heirs and assigns under the warranties and covenants contained herein or provided by law shall be limited to the extent of coverage that would be available to Grantor under any policy of title insurance issued to the Grantor at the time Grantor acquired the property. The limitations contained herein expressly do not relieve Grantor of any liability or obligation under this instrument, but merely define the scope, nature and amount of such liability or obligations.

To Have and to Hold the same unto grantee and grantee's heirs, successors and assigns forever.

And grantor hereby covenants to and with 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: NONE, and that grantor will warrant and forever defend the premises and every part and 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 \$ 0.00. However, the actual consideration consists of or includes other property or value given or promised which is the whole consideration.

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

IN WITNESS WHEREOF, the grantor has executed this instrument this 29th day of July, 2010 if grantor is a corporation, 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, AND SECTION S 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009. 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, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009.

E. MARTIN KERNS

(AKA EARL MARTIN KERNS)

SHIRLEY KERNS

(AKA SHIRLEY F. KERNS)

State of Oregon

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County of Klamath

Before me this 29th day of July, 2010, personally appeared E. MARTIN KERNS (AKA EARL MARTIN KERNS) and SHIRLEY KERNS (AKA SHIRLEY F. KERNS), and acknowledged the foregoing instrument to be their voluntary act and deed.

Notary Public of Oregon

My Commission expires: 10/31/2011

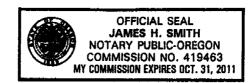


EXHIBIT "A"

PARCEL ONE: (Tax Account No. R492149)

All that portion of the NE1/4 of Section 33, Township 39 South, Range 8 E.W.M., lying South of the Weyerhaeuser Timber Company Right of Way, as described in Deeds 78 page 596 and in Deed 82 page 329, Records of Klamath County, Oregon.

PARCEL TWO: (Tax Account Nos. R619156; R585744; R492194)

Township 39 South, Range 8 East of the Willamette Meridian:

Section 34: Lots 13 and 14 and the SW1/4SE1/4

Township 40 South, Range 8 East of the Willamette Meridian:

Section 2: Lots 1, 2 and 12

Section 3: N1/2

Excepting therefrom the following described parcel: A parcel of land situated in Sections 2 and 3, Township 40 South, Range 8 East, Willamette Meridian, in Klamath County, Oregon, being more particularly described as follows: Beginning at a 5/8 inch iron rod, at the intersection of the mean high water line on the right bank of Klamath River and the centerline of an existing drain canal, from which the Brass Capped iron pipe marking the corner common to Sections 34 and 35, Township 39 South, Range 8 East, Willamette Meridian, and Sections 2 and 3, Township 40 South, Range 8 East, Willamette Meridian, bears North 59°51'02" West, 319.26 feet; thence South 59°36'06" West, 803.06 feet along the centerline of said existing drain canal to a point from which a 5/8 inch iron rod on the South bank of said drain canal bears South 37°09'39" East, 30.21 feet; thence South 37°09'39" East, 30.21 feet to said 5/8 inch iron rod; thence continuing South 37°09'39" East 752.42 feet to a 5/8 inch iron rod; thence North 68°34'03" East, 405.47 feet to a 5/8 inch iron rod; thence South 58°32'07" East, 499.93 feet to a 5/8 inch iron rod; thence South 01°51'33" East, 449.12 feet to a 5/8 inch iron rod on the Northeasterly bank of an existing drain ditch; thence Southeasterly, along the Northeasterly bank of said existing drain ditch as follows: thence South 87°03'54" East, 447.50 feet to a 5/8 inch iron rod; thence South 73°43'58" East, 215.77 feet to a 5/8 inch iron rod; thence South 55°05'24" East, 297.62 feet to a 5/8 inch iron rod; thence South 28°39'12" East, 256.72 feet to a 5/8 inch iron rod; thence South 39°49'20" East, 275.92 feet to a 5/8 inch iron rod; thence South 12°12'22" East, 236.87 feet to a 5/8 inch iron rod in an old existing East-West fence line, and on the North boundary of that tract of land described in Volume M66, page 3295 of Deed Records of Klamath County, Oregon: thence South 89°17'47" East, 739.09 feet along said East-West fence line to a 5/8 inch iron rod at the mean high water line on the right bank of Klamath River; thence, upstream, along said mean high water line as follows: thence North 32°00'50" West, 744.92 feet; thence North 36°22'46" West, 110.95 feet; thence North 46°29'59" West, 435.80 feet; thence North 51°16'05" West, 527.85 feet; thence North 54°06'46" West, 818.63 feet; thence North 03°21'52" West, 60.01 feet; thence North 82°35'19" West, 112.06 feet; thence North 55°36'10" West, 178.76 feet; thence North 42°22'54" West, 699.59 feet to the point of beginning containing 49.21 acres, more or less, together with an easement, 40 feet in width, for ingress and egress along the North boundary of Sections 3 and 2, Township 40 South, Range 8 East, Willamette Meridian, to the mean high water line of Klamath River; thence downstream along said mean high water line to the North boundary of the above parcel.

PARCEL THREE: (Tax Account Nos. R735547; R492176; R491514; R498349; R498465; R498492; R579760)

In Township 39 South, Range 8 East of the Willamette Meridian:

Section 16: S1/2 SW1/4

Section 27: Lots 1, 2, 6, 7 and 8; and the N1/2 SW 1/4, and a portion of the NW 1/4. Excepting therefrom the parcel described in Deed Volume 98 page 602, the parcel described in Deed Volume 216 page 9, the right of way of Highway No. 66, and the right of way of Weyerhaeuser Timber Road

Section 28: The SE1/4 NE1/4, the E1/2 SW1/4 NE1/4:

That part of the E1/2 W1/2 SE1/4 lying North of Highway No. 66; that part of the E/12 SE1/4 lying North of Highway No. 66; that part of the E1/2 SE1/4 lying Southeasterly of Highway 66 and Northeasterly of the County Road; that part of the SE1/4 SE1/4 lying Southeasterly of Weyerhaeuser Railroad right of way.

Section 34: Government Lots 9, 10, 11, 15, 16 and 17; the SW1/4 NE1/4.

PARCEL FOUR: (Tax Account No. R498330; R769323)

PARCEL 1

A parcel of land lying in Sections 27 and 28, Township 39 South, Range 8 East, W.M., Klamath County, Oregon; the said parcel being that portion of said sections lying between lines at right angles to the center line of the relocated Green Springs Highway at Engineer's Stations 178+30 and 218+25 and included in a strip of land variable in width, lying on the Northwesterly side of said center line which center line is described as follows:

Beginning at Engineer's center line Station 166+76.11, said station being 2087.46 feet South and 1351.25 feet West of the East quarter corner of Section 28, Township 39 South, Range 8 East, W.M.; thence North 68°26'16" East 372.28

feet; thence on a spiral curve left (the long chord of which bears North 66°26'17" East 199.90 feet) 200 feet; thence on a 954.93 foot radius curve left (the long chord of which bears North 57°37'15" East 292.74 feet) 293.90 feet; thence on a spiral curve left (the long chord of which bears North 40°48'13" East 199.90 feet) 200 feet; thence North 38°48'14" East 3688.91 feet; thence on a spiral curve right (the long chord of which bears North 40°08'14" East 399.91 feet) 400 feet; thence on a 2864.79 foot radius curve right (the long chord of which bears North 44°19'09" East 151.51 feet) 151.53 feet; thence on a spiral curve right (the long chord of which bears North 48°30'04" East 399.91 feet) 400 feet; thence North 49°50'04" East 2112.37 feet to Engineer's center line Station 244+95.10.

The widths in feet of the strip of land above referred to are as follows:

Station	to	Station	Width on Northwesterly Side of Center Line
178+30		182+80	40 in a straight line to 50
182+80		186+50	50
186+50		189+10	50 in a straight line to 60
189+10		199+00	60
199+00		200+00	60 in a straight line to 45
200+00		215+00	45
215+00		216+30	45 in a straight line to 60
216+30		218+25	60

ALSO that portion of the NE1/4 NW1/4 of Section 27 lying Southerly of Round Lake Road (County Road); Northwesterly of the existing Green Springs Highway and Northeasterly of a line at right angles to said center line at Engineer's Station 218+25.

Bearings are based upon the Oregon Co-ordinate System, South Zone.

The parcel of land to which this description applies contains 2.77 acres, more or less, outside of the existing right of way.

PARCEL 2

A parcel of land lying in the W1/2 of Section 27 and in the SE1/4 of Section 28, Township 39 South, Range 8 East, W.M., Klamath County, Oregon; the said parcel being that portion of said subdivision lying Northeasterly of a line at right angles to the center line of the relocated Green Springs Highway at Engineer's Station 178+30 and included in a strip of land variable in width, lying on the Southeasterly side of said center line which center line is described in Parcel

The widths in feet of the strip of land above referred to are as follows:

Station	to	Station	Width on Northwesterly Side of Center Line
178+30		193+00	45
193+00		194+00	45 in a straight line to 65
194+00		195+00	65 in a straight line to 45
195+00		200+50	45
200+50		202+00	45 in a straight line to 40
202+00		214+31.20	40
214+31.20		219+82.73	40 in a straight line to 55
219+82.73		223+82.73	55 in a straight line to 45
223+82.73		229+20	45 in a straight line to 40

The parcel of land to which this description applies contains 0.80 acre, more or less, outside of the existing right of way.

PARCEL 3

A parcel of land lying in the NE1/4 NW1/4 of Section 27, Township 39 South, Range 8 East, W.M., Klamath County, Oregon; the said parcel being that portion of said NE1/4 NW1/4 lying Northerly of Around Lake Road (County Road), Westerly of that property described in that deed to Robert R. and Velma B. Rowton, recorded in Book 252, Page 330 of Klamath County Record of Deeds and included in a strip of land variable in width lying on the Northwesterly side of the center line of Green Springs Highway as said highway has been relocated, which center line is described in Parcel 1.

The widths in feet of the strip of land above referred to are as follows:

Station	to	Station	Width on Northwesterly Side of Center Line
219+00		220+25	70
220+25		225+00	70 in a straight line to 45

The parcel of land to which this description applies contains 0.26 acre, more or less, outside of the existing right of way.

PARCEL FIVE: (11593 Red Wing Loop, Keno, Oregon, Tax Lot No. R622589)

Lot 7 in Block 31 of FIFTH ADDITION TO KLAMATH RIVER ACRES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. TOGETHER WITH a 1975 Casa Mobile Home, Plate #X130977.