



WARRANTY DEED

ATCND1046300
AFTER RECORDING RETURN TO:

DANIEL H. BAILEY
JEAN S. BAILEY

1810 Highway 39
270 main E. 1st Ave 97423

UNTIL A CHANGE IS REQUESTED ALL TAX
STATEMENTS TO THE FOLLOWING ADDRESS:
SAME AS ABOVE

JAMES BRUCE MC CLURG and SHARON A. MC CLURG and JAMES B. MC
CLURG, JR., hereinafter called GRANTOR(S), convey(s) to DANIEL
H. BAILEY and JEAN S. BAILEY hereinafter called GRANTEE(S), all
that real property situated in the County of Klamath, State of OREGON,
Oregon, described as:

SEE LEGAL DESCRIPTION MARKED EXHIBIT "A" ATTACHED HERETO AND BY
THIS REFERENCE MADE A PART HEREOF AS THOUGH FULLY SET FORTH
HEREIN.

"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 30.390."

and covenant(s) that grantor is the owner of the above described
property free of all encumbrances except covenants, conditions,
restrictions, reservations, rights, rights of way and easements
of record, if any, and apparent upon the land, contracts and/or
liens for irrigation and/or drainage, and will warrant and
defend the same against all persons who may lawfully claim the
same, except as shown above.

The true and actual consideration for this transfer is
\$54,500.00.

In construing this deed and where the context so requires, the
singular includes the plural.

IN WITNESS WHEREOF, the grantor has executed this instrument
this 27th day of May, 1997.

James Bruce McClurg
JAMES BRUCE MC CLURG

Sharon A. McClurg
SHARON A. MC CLURG

James B. McClurg Jr
JAMES B. MC CLURG JR.

STATE OF OREGON, County of Klamath)ss.

On May 28, 1997, personally appeared JAMES BRUCE MC CLURG and
SHARON A. MC CLURG and JAMES B. MC CLURG, JR. who acknowledged
the foregoing instrument to be their voluntary act and deed.

[Signature]
Notary Public for Oregon

My Commission Expires: 5/31/98

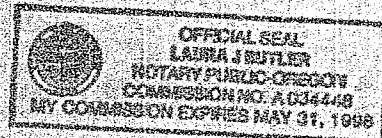


EXHIBIT "A"

A portion of the SE 1/4 of the NW 1/4 of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

Beginning at a point on the South boundary line of said SE 1/4 of NW 1/4 of said Section 2, 495 feet East of the Southwest corner of said SE 1/4 of NW 1/4 of said Section 2; thence North and parallel to the West line of said SE 1/4 of NW 1/4 of said Section 2, 1120 feet to the Southwest corner of the tract herein conveyed being the place of beginning of this description; thence from said place of beginning East and parallel to the North line of said SE 1/4 of NW 1/4 of said Section 2, 165 feet; thence North and parallel to the West line of said SE 1/4 of NW 1/4 of said Section 2, 100 feet; thence West and parallel to the North line of said SE 1/4 of NW 1/4 of said Section 2, 165 feet; thence South and parallel to the West line of said SE 1/4 of NW 1/4 of said Section 2, 100 feet to the place of beginning.

EXCEPTING THEREFROM the West 25 feet used for road purposes.

CONE 41 MAP 3909-25D TL 5760

STATE OF OREGON, COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 2nd day of June A.D., 1997 at 2:12 o'clock P. M., and duly recorded in Vol. 897 of Deeds on Page 16798

FEE \$35.00

By Bernetha G. Letch, County Clerk
Kathleen R. Letch