



WARRANTY DEED STATE OF OREGON,
County of Klamath ss.

AFTER RECORDING RETURN TO:

Filed for record at request of:

JAMES DERICK SMITH
CANDI LYN SMITH
PO BOX 1347
CHILOQUIN, OREGON

Aspen Title & Escrow
on this 31st day of July A.D., 1997
at 10:35 o'clock A. M. and duly recorded
in Vol. M97 of Deeds Page 24572

Bernetha G. Letsch, County Clerk

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

By Kristen Rose
Fec, \$30.00 Deputy.

JON M. SHEPPARD AND RITA A. SHEPPARD HUSBAND AND WIFE,
hereinafter called GRANTOR(S), convey(s) to JAMES DERICK SMITH
AND CANDI LYN SMITH HUSBAND AND WIFE, hereinafter called
GRANTEE(S), all that real property situated in the County of
Klamath, State of Oregon, described as:

The East 1/2 SE 1/4 NE 1/4 of Section 2, Township 35 South,
Range 8 East of the Willamette Meridian, in the County of
Klamath, State of Oregon.

Code 8 MAP 3508-200 TL 1300

"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
\$28,000.00.

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 30 day of JULY 1997.

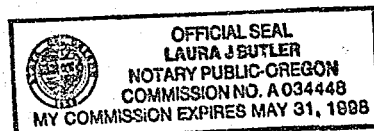
Jon M. Sheppard
JON M. SHEPPARD

Rita A. Sheppard
RITA A. SHEPPARD

STATE OF OREGON, County of Klamath)ss.

On JULY 30th, 1997, personally appeared JON M. SHEPPARD AND
RITA A. SHEPPARD who acknowledged the foregoing instrument to
be THEIR voluntary act and deed.

A. J. Butler
Notary Public for Oregon
My Commission Expires: 5/31/98



Aspen Title 426555