


Aspen
 TITLE & ESCROW, INC.

WARRANTY DEED

ATC 03048313

ATC #03048313

AFTER RECORDING RETURN TO:

JAMES & PATSY MCCULLOUGH

PO BOX 304
Beatty, Or. 97621

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

STEVE J. HOVLEY and CHERIE I. HOVLEY, hereinafter called
 GRANTOR(S), convey(s) and warrants to JAMES R. MCCULLOUGH and
 PATSY J. MCCULLOUGH, husband and wife, hereinafter called
 GRANTEE(S), all that real property situated in the County of
 Klamath, State of 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
 \$150,000.00.

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 21st day of September 1998.

Steve J. Hovley
 STEVE J. HOVLEY

Cherie I. Hovley
 CHERIE I. HOVLEY

STATE OF OREGON, County of Klamath)ss.

On September 21, 1999, personally appeared Steven J. Hovley
 and Cherie I. Hovley who acknowledged the foregoing instrument
 to be their voluntary act and deed.

Carol A. Linde
 Notary Public for Oregon
 My Commission Expires: 8/15/00

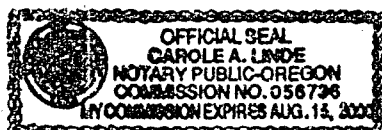


EXHIBIT "A"

A tract of land situated in Government Lot 3, being the NW 1/4 SW 1/4 of Section 31, Township 37 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon, being more particularly described as follows:

Beginning at a point on the West line of said Government Lot 3, said point being South 00 degrees 05' 06" East, 900.00 feet from the brass cap monument marking the West quarter corner of said Section 31; thence South 89 degrees 55' 49" East, 484.00 feet; thence North 00 degrees 05' 06" West, 343.16 feet; thence South 89 degrees 57' 09" East, 792.41 feet to the East line of said Government Lot 3; thence South 00 degrees 31' 12" East, 40.00 feet; thence North 89 degrees 57' 09" West, 560.29 feet; thence South 00 degrees 31' 12" East, 724.00 feet to the South line of said Government Lot 3; thence North 89 degrees 57' 09" West, 721.92 feet to the Southwest corner of said Government Lot 3; thence North 00 degrees 05' 06" West, 420.99 feet to the point of beginning.

CODE 114 & 36 MAP 3711-3100 TL 1200
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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 23rd day
of September A.D., 19 98 at 3:29 o'clock P M., and duly recorded in Vol. M98
of Deeds on Page 34981.

FEE \$35.00

By Bernetha G. Letsch, County Clerk
Kathleen Ross