

WARRANTY DEED

ASPEN TITLE ESCROW NO. 01048864

AFTER RECORDING RETURN TO:

Mr. and Mrs. David M. Machado

5639 Breitenstein Lane
Klamath Falls, OR 97601

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

WESTERN CREDIT SERVICES, hereinafter called GRANTOR(S),
convey(s) and warrants to DAVID M. MACHADO and FAWN J. MACHADO,
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
\$140,000.00.

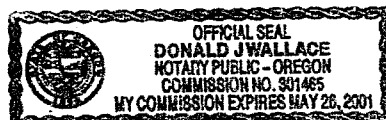
In construing this deed and where the context so requires, the
singular includes the plural.

IN WITNESS WHEREOF, the grantor has executed this instrument
this 14th day of December, 1998.

WESTERN CREDIT SERVICES

X BY:

Tory P. Nelson



STATE OF OREGON, County of Multnomah)ss.

On December 16, 1998, appeared Tory P. Nelson
as Vice Pres & Gen. Mgr of Western Credit Services.

Before me:

Donald J. Wallace
Notary Public for Oregon

My Commission Expires:

5/26/2001

EXHIBIT "A"

The W 1/2 of the NE 1/4 of the SW 1/4 of Section 1, Township 39 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon. EXCEPTING THEREFROM the following two parcels of property:

PARCEL 1:

A parcel of land situated in the W 1/2 NE 1/4 SW 1/4 of Section 1, Township 39 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the Southwest corner of the W 1/2 NE 1/4 SW 1/4; thence East along the South line of said W 1/2 NE 1/4 SW 1/4, a distance of 274 feet to a point; thence North parallel with the West line of said W 1/2 NE 1/4 SW 1/4 a distance of 215 feet to a point; thence West parallel with the South line of said W 1/2 NE 1/4 SW 1/4 a distance of 274 feet to the West line of said parcel; thence South along said West line a distance of 215 feet to the point of beginning.

PARCEL 2:

A parcel of land situated in the W 1/2 NE 1/4 SW 1/4 of Section 1, Township 39 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the Southwest corner of the W 1/2 NE 1/4 SW 1/4 of Section 1, Township 39 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon; thence South 89 degrees 49' 54" East 274 feet to the true point of beginning; thence continuing South 89 degrees 49' 54" East 57.47 feet; thence North 00 degrees 13" East 660.10 feet; thence North 89 degrees 49' 54" West 331.61 feet; thence South 00 degrees 00' 31" East 445.51 feet; thence East 274 feet; thence South 215 feet to the point of beginning.

CODE 7 MAP 3908-10 TL 200

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 17th day
of December A.D., 19 98 at 3:27 o'clock P. M., and duly recorded in Vol. M98
of Deeds on Page 46259.

FEE \$35.00

By Bernetha G. Letsch, County Clerk
Kathleen Ross