

ASSIGNMENT OF EASEMENT

After recording, this Assignment shall be delivered to:

John D. Sorlie
P.O. Box 1151
Bend, OR 97709

DATE: October 21, 1998

PARTIES: WAYNE G. ERNST, JAN K. HOUCK, ASSIGNORS
WILLIAM L. ERNST and JOHN S. ERNST,

GILCHRIST SEWER COMPANY, L.L.C., ASSIGNEE
an Oregon limited liability company

RECITALS:

A. Assignors are the holders of certain easements under, over and upon the property in Tract 1318 - Gilchrist Townsite, Klamath County, Oregon, as shown on the plat for such property recorded in Book 23, Pages 67, 67a and 67b, in the records of Klamath County, Oregon, for the operation, maintenance and expansion of the sewage distribution, treatment and disposal system and related infrastructure (the "Easements").

B. Assignors desire to assign and convey their interest in the Easements to Assignee and Assignee desires to acquire such interests on the terms and conditions set forth below.

AGREEMENT:

1. **ASSIGNMENT AND CONVEYANCE.** Assignors assign their interest in the Easements to Assignee effective as of January 1, 1997.

2. **COVENANTS.** Assignors covenant that they are the owners of the Easements and have the right to convey the same.

3. **ASSIGNEE'S ASSUMPTION.** Assignee hereby assumes the rights and obligations

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Reb Bryant Leiden Jarvis

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of the Assignors under the Easements and agree to defend, indemnify and hold Assignors harmless therefrom.

4. **CONSIDERATION.** The true and actual consideration paid for this Assignment is other property, receipt of which is acknowledged by Assignor.

5. **ATTORNEY FEES.** In the event action is instituted to enforce any term of this Assignment, the prevailing party shall recover from the losing party reasonable attorney fees incurred in such action as set by the trial court and, in the event of an appeal, as set by the appellate courts.

6. **BINDING EFFECT.** The provisions of this Agreement shall be binding upon, and shall inure to the benefit of, each of the parties and their respective successors and assigns.

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 30.930.

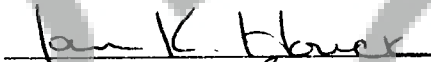
ASSIGNORS:

ASSIGNEE:


WAYNE G. ERNST

GILCHRIST SEWER COMPANY, L.L.C.

By: 
Its: _____


JAN K. HOUCK


WILLIAM L. ERNST


JOHN S. ERNST

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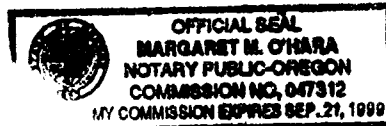
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Bryant Lechen & Jarvis

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STATE OF OREGON, County of Klamath, ss:

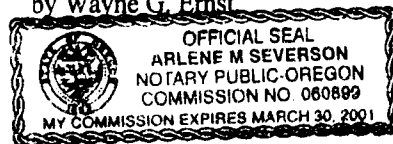
The foregoing instrument was acknowledged before me this 20 day of October, 1998,
by William L. Ernst, who stated that he is the Manager of Gilchrist
Sewer Company, L.L.C. and that he is authorized to execute the foregoing instrument on behalf
of the limited liability company.



Margaret M. O'Hara
Notary Public for Oregon
My Commission Expires: Sept 21, 1999

STATE OF OREGON, County of Klamath, ss:

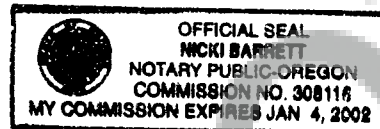
The foregoing instrument was acknowledged before me this 21st day of Oct., 1998.
by Wayne G. Ernst



Arlene M. Severson
Notary Public for Oregon
My Commission Expires: 3/30/2001

STATE OF OREGON, County of Klamath, ss:

The foregoing instrument was acknowledged before me this 29 day of October, 1998.
by Jan K. Houck.



Nicki Barrett
Notary Public for Oregon
My Commission Expires: 01/04/2002

STATE OF OREGON, County of Klamath, ss:

The foregoing instrument was acknowledged before me this 20 day of October, 1998.
by William L. Ernst.

Margaret M. O'Hara
Notary Public for Oregon
My Commission Expires: Sept 21, 1999

STATE OF OREGON, County of Klamath, ss:

The foregoing instrument was acknowledged before me this 21st day of Oct., 1998.
by John S. Ernst.



Arlene M. Severson
Notary Public for Oregon
My Commission Expires: 3/30/2001

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State of Oregon, County of Klamath
Recorded 10/05/99, at 2:14 p. m.
In Vol. M99 Page 39664
Linda Smith
County Clerk Fee \$ 40⁰⁰