

WASTE EASEMENT AND DRAINAGE EASEMENT AGREEMENT

BETWEEN: Gooding Bros. Farm, a general partnership, fka
Gooding Egg Farm ("Gooding")

AND: Willamette Egg Farms, Inc., an Oregon corporation
("Willamette")

DATE: September 17th, 1991

RECITALS

A. This agreement is entered into contemporaneously with an agreement between Gooding and Willamette for the purchase and sale of the assets of Gooding Bros. Farm.

B. Willamette is the owner of approximately 10 acres of real property located at 9732 Highway 140, Klamath Falls, Klamath County, Oregon, more particularly described on Exhibit A (the "Willamette Property").

C. Gooding is the fee owner of approximately 51 acres of real property adjacent to the Willamette Property and located on Highway 140, Klamath Falls, Klamath County, Oregon, more particularly described on Exhibit B (the "Gooding Property").

D. Industrial and other wastes originating at an egg production and other facilities located on the Willamette Property (the "Wastes") drain through certain leach lines onto the Gooding Property. Water from an irrigation ditch on the Gooding Property and the Willamette Property drains through a subsurface pipe under the Willamette Property ("Irrigation Water").

E. Willamette and Gooding desire and intend to create an easement across and under the Gooding Property to be used to

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drain the Wastes onto the Gooding Property, and to create another easement across and under the Willamette Property to be used to drain the Irrigation Water onto the Gooding Property, and to agree on the operation and maintenance of these easements.

In consideration of the mutual promises and conditions contained herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Easements.

(a) Grant of Easements. For the purpose of creating a continuous right of way and an easement for the purpose of draining the Wastes from the egg production and processing operation of Willamette (but not more than 150 percent of current waste volumes) through leach lines in their existing configurations (the "Leach Lines"), Gooding hereby grants and conveys to Willamette a permanent easement across, under, and along those portions of the Gooding Property containing Leach Lines (the "Waste Easement"). For the purpose of creating a continuous right of way and an easement for the purpose of draining the Irrigation Water from the Gooding Property through the subsurface drain line in its existing configuration (the "Drain Line"), Willamette hereby grants and conveys to Gooding a nonexclusive permanent easement across, under, and along that portion of the Willamette Property containing a Drain Line (the "Drainage Easement"). The Waste Easement and the Drainage Easement are hereinafter referred to as "the Easements."

(b) Scope of Easements. The Waste Easement shall be perpetual, shall be appurtenant to and for the benefit of the Willamette Property, and shall burden the Gooding Property, and the Drainage Easement shall be perpetual and shall be appurtenant to and for the benefit of the Gooding Property, and shall burden the Willamette Property. The Waste Easement and Drainage Easement may be used only to drain Wastes through the Leach Lines by Willamette, and Irrigation Water through the Drain Line by Gooding, respectively, and their successors, assigns, employees, and agents. The Easements shall include: (i) incidental rights of installation, maintenance, repair, replacement, and operation of the Leach Lines and the Drainage Line; and (ii) the right to use portions of the Willamette Property or Gooding Property adjacent to the Easements to the extent reasonably necessary to perform the activities described in this subsection.

(c) Use of Easements. Use of the Easements is subject to the terms and conditions of easements, covenants, conditions, and restrictions of record in Klamath County, Oregon, as of the date hereof, as the same may be amended from time to time.

2. No Barriers. No barriers or physical conditions which create an impediment to the use of either Easement shall be constructed or permitted to remain in or upon the property burdened by such Easement, excepting improvements now located on the Willamette Property and repairs and renovations to said improvements.

3. Maintenance of Lines. Willamette, at its sole expense, shall repair and maintain, or cause to be repaired and maintained, the Leach Lines, and Gooding, at its sole expense, shall repair and maintain, or cause to be repaired and maintained, the Drain Line, at all times in good and safe condition.

4. Indemnification. Willamette shall indemnify Gooding, and Gooding shall indemnify Willamette, against all losses, liabilities and expenses incurred as a result of any claims, including, without limitation, claims for personal injury, death, nuisance, or property damage, arising directly or indirectly out of the use, maintenance, repair, or operation of the Leach Lines or the Waste Easement, or of the Drain Line or Drainage Easement, respectively.

5. Compliance with Laws. The parties and their executors, administrators, successors, assigns, employees, agents, and lessees, with respect to the use of the Easements, shall comply in all respects with all statutes, ordinances, rules, and regulations of the United States, the State of Oregon, the County of Klamath, and all political subdivisions thereof with jurisdiction over the Easements.

6. Default; Cure. In the event either party defaults in the performance of any of its obligations under this agreement, or breaches any provision of this agreement, the other party, after giving written notice to the defaulting party specifying such default or breach in reasonable detail and

allowing such defaulting party 30 days from the receipt of notice to cure such default or breach or to pursue with reasonable diligence cure beginning during such 30-day period, provided the cure is effected within a reasonable period of time, shall be entitled to require such performance by suit for specific performance or, where appropriate, through injunctive relief. Following the cure period, the nondefaulting party shall also have the right to recover from the defaulting party all reasonable costs and expenses expended in connection with such default or breach. Such remedies shall be in addition to any other remedies afforded under Oregon law or under this agreement.

7. Taxes, Assessments. Each party shall pay when due all real property taxes, assessments, or other charges against such party, including that which is part of an Easement located on such party's property, and shall have no right of contribution from the other party for such items.

8. Not a Public Dedication. Nothing contained in this agreement shall be deemed to be a gift or dedication of any portion of the Willamette Property or the Gooding Property to the general public or for the general public or for any public purpose whatsoever, and this agreement shall be strictly limited to and for the purposes expressed herein.

9. Miscellaneous.

(a) Effect of Agreement. Each Easement granted hereunder shall run with the land as to all property burdened and benefited by such Easement, including any division or

partition of such property. The rights, covenants, and obligations contained in this agreement shall bind, burden, and benefit each party's successors, assigns, lessees, sublessees, and mortgagees (or beneficiaries under a deed of trust).

(b) Severability. Invalidation of any provision of this agreement shall in no way affect any of the other provisions of this agreement.

(c) Headings. The captions and headings of paragraphs used in this agreement are for convenience and identification only, and shall not be deemed to limit or define the contents of their respective paragraphs.

(d) Amendments. This agreement is the complete and final agreement of the parties and may not be amended except by written agreement of all the parties. No such amendment shall be effective until recorded in the records of Klamath County, Oregon.

IN WITNESS WHEREOF, this agreement has been duly executed as of the date first set forth above.

GOODING BROS. FARM

By Kent L. Gooding
Kent L. Gooding

By Steven R. Gooding
Steven R. Gooding

WILLAMETTE EGG FARMS, INC.

By Merle E. Kirk
Merle E. Kirk, President

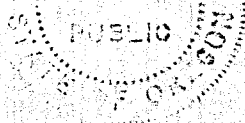
18825

STATE OF OREGON

COUNTY OF *Multnomah*

SS

This instrument was acknowledged before me on
 September *17*, 1991, by Merle E. Kirk as president of
 Willamette Egg Farms, Inc., an Oregon corporation.



David R. Merrill
 Notary Public for Oregon

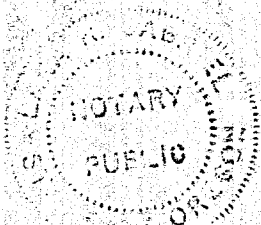
My commission expires: *8-3-93*

STATE OF OREGON

COUNTY OF *Multnomah*

SS

This instrument was acknowledged before me on
 September *17*, 1991, by Kent L. Gooding and Steven R. Gooding
 as the partners of Gooding Bros. Farm, a general partnership.



David R. Merrill
 Notary Public for Oregon

My commission expires: *8-3-93*

EXHIBIT A

18826

Parcel 1 of Minor Land Partition 48-90 situated in the E1/2 SW1/4 of Section 8, Township 39 South, Range 10 East of the Willamette Meridian, and filed in the office of the Klamath County, Oregon, County Clerk, on September 5, 1991.

EXHIBIT B

Parcel 2 of Minor Land Partition 48-90 situated in the E1/2 SW1/4 of Section 8, Township 39 South, Range 10 East of the Willamette Meridian, and filed in the office of the Klamath County, Oregon, County Clerk, on September 5, 1991.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 18th day
of Sept. A.D. 1991 at 12:03 o'clock P.M., and duly recorded in Vol. M91
of Deeds on Page 18819

FEE \$68.00

Evelyn Biehn - County Clerk

By *Pauline Muelandse*

Return to: Willamette Egg Farms, Inc.
31348 South Highway 170
Canby Oregon 97013