

WAIVER OF LIABILITY

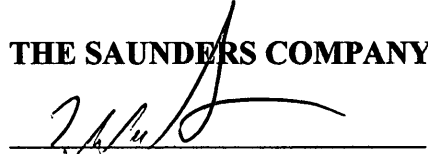
I, Todd Saunders, on behalf of The Saunders Company, its subcontractors and/or suppliers, waive any action that we may have against the City of Newberg ("the City") and Yamhill County ("the County") and hold the City and the County harmless from any damages which The Saunders Company and/or its subcontractors and/or suppliers may incur resulting from our use of Fernwood Road.

The Saunders Company hereby agrees to defend and indemnify the City and the County against any liability, cause of action, or damages which may result from the use of the road by The Saunders Company and/or its subcontractors and/or suppliers.

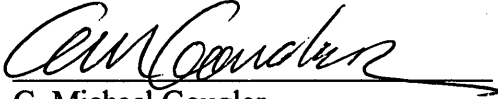
I have represented to the City that we will be moving unloaded trucks along Fernwood Road. Whenever the road is open, we will station a flagger at each end of the presently-closed portion of the road. We will take care not to take any other type of equipment across the road and we will not give permission to others to use the road and will report immediately to the City any other persons using the currently-closed section of the road without first obtaining City permission. We will re-close the currently closed portion of the road straddling West Springbrook Creek each evening and also during the daytime when The Saunders Company and/or its subcontractors and/or suppliers are not using it.

IN WITNESS WHEREOF, I have executed this document this 23 day of Sept., 2002.

THE SAUNDERS COMPANY, INC.


Todd Saunders
President

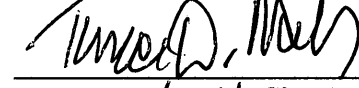
WITNESS:


G. Michael Gougler
President, MJG Development, Inc.

CITY OF NEWBERG


James H. Bennett, City Recorder
Dated: 9/23/02

APPROVED AS TO FORM


Terrence D. Maht, City Attorney
Dated: 9/24/02

CITY OF NEWBERG