

Partial ASSIGNEDName Forrest E. and Helen M. DrakeBy 202Address 14601 North Applegate Road
Grants Pass, OR 97526Date filed December 17, 1981Priority December 17, 1981Action suspended until SURReturn to applicant JUN 17 1982

Date of approval

CONSTRUCTIONDate for beginning JUN 17 1983Date for completion OCT 1 1984Extended to 10-1-87 10-1-88Date for application of water OCT 1 1985Extended to 10-1-87 10-1-88 10-1-90 (Drake)**PROSECUTION OF WORK**Form "A" filed August 6, 1982Form "B" filed January 4, 1985 Feb. 17, 1989Form "C" filed Feb. 17, 1989
(from Kudlac)**FINAL PROOF**

Blank mailed

Proof received

Date certificate issued

Application No. 63182Permit No. 46663

Certificate No.

Stream Index, Page No. 15 - 8LSec 61481Tele. 476-1036

Date	ASSIGNED To Whom	Address	Volume	Page
7-25-86	Phillip C. + Pamela R. Kudlac	3290 Lower River Rd., Grants Pass, Or.	6	1598
5-11-89	William W. McClellan	14601 N. Applegate Rd., Grants Pass, Or. 97526	7	2210
		32751 Elgin Ave., Newburg, Cal.	91320	

CARD FOR B OCT 22 1984

Card for C OCT 15 1985

CARD FOR BC OCT 13 1987 - To Kudlacs

CARD FOR BC DEC 22 1987 - To Drake

Form 128 sent FEB 23 1989 to Kudlac

SURVEY REGARDLESS 4/89

CARD FOR C OCT 25 1990

Form 100 sent JAN 24 1991

Sent Ext Form 2-4-91

Sent Form to Drake 3/4/91

ASSIGNED

8-24-04 partial assignment to James H. Wester and Sandra K. Wester 14601 N. Applegate Rd, Grant Pass, OR 97527

9/2/2021 Partial assignment: Padre Properties, LLC, a California Limited Liability Co. PO Box 1032; Hughson, CA. 95326

Yosemite Land Bank, FLCA

PO Box 2378; Turlock, CA. 95381

FEES PAID

Date	Amount	Receipt No.
12-17-81	135.00	28930
8/16/93	10.00	103297
8/23/04	30.00	69538
8-24-2021	\$100.00	136254
8-24-2021	\$20.00 Cert. Fee	136255

FEES REFUNDED

Date	Amount	Check No.
------	--------	-----------

ASSIGNMENTS**REMARKS**

NOTICE OF BEGINNING OF CONSTRUCTION

I, Forrest E. Drake, the holder of Permit No. 46663to appropriate the public waters of the state of Oregon, began the actual construction of the works described therein on the 3rd day of August, 19 82

Remarks: Have buried 3000' of 6" PVC pipe, 1000' of 4" & 2400' of 3" alum sprinkler pipe. Use a 50 H.P. elec. motor and 8" x 4" centrifugal pump. Have applied water to approx 33 acres

The appropriator must state the manner of beginning of construction, the amount of work completed and the type of equipment acquired for the water system up to the date of this statement, and any additional information which shows a substantial beginning of construction as authorized by your permit.

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of August, 19 82Forrest E. Drake
(Signature of Applicant)14601 N. Applegate Rd. Grants Pass, Ore
(Address)

SP*35567-690

Fill out, detach and mail to the Water Resources Department, Salem, OR 97310, when construction work is begun.

NOTICE OF COMPLETION OF CONSTRUCTION

I, FORREST E. DRAKE, the holder of Permit No. 46663to appropriate the public waters of the state of Oregon, completed the construction of the works described therein on the 30th day of SEPTEMBER, 19 84

IMPORTANT—This form is a notice to the Water Resources Director that permittee is ready to make final proof to the extent to which the water has actually been applied to the intended use under the terms of the permit. Permittee is cautioned that Certificate of Water Right will be issued based on the extent of the quantity and use as determined by the final proof inspection and survey which will be made in response to the filing of this Form C.

NOTE: In the case of an irrigation permit, this Form C should not be mailed to the Water Resources Department until all of the land described in the permit, which it is intended to irrigate under this permit at any time, has actually been irrigated.

Fill out, detach and mail to the Water Resources Department, Salem, OR 97310, when all of the water has been applied.

NOTICE OF COMPLETE APPLICATION OF WATER TO A BENEFICIAL USE

I, Phil Kudlac, the holder of Permit No. 46663to appropriate the public waters of the state of Oregon, completely applied the waters to a beneficial use in accordance with the terms of said permit, on the 1 day of Oct, 19 88Remarks: Have applied waterIN WITNESS WHEREOF, I have hereunto set my hand this 1 day of Oct, 19 88Phil Kudlac
(Signature of Applicant)14601 North Applegate
(Address)

NOTICE OF COMPLETION OF CONSTRUCTION

I, PHIL KUDLAC, the holder of Permit No. 46663to appropriate the public waters of the state of Oregon, completed the construction of the works described therein on the 1 day of Oct, 19 88Remarks: If the works have less capacity than described in the permit, or you have definitely abandoned part of the proposed develop-

ment, you should so state in order that our records may not be unnecessarily encumbered.

IN WITNESS WHEREOF, I have hereunto set my hand this 1 day of Oct, 19 88Phil Kudlac
(Signature of Applicant)14601 North Applegate
(Address)

Fill out, detach and mail to the Water Resources Department, Salem, OR 97310, when construction work is completed.

NOTICE OF BEGINNING OF CONSTRUCTION

I, Forrest E. Drake, the holder of Permit No. 46663

to appropriate the public waters of the state of Oregon, began the actual construction of the works described

therein on the 3rd day of August, 1982Remarks: Have buried 3000' of 6" PVC pipe, 1000' of 4" & 2400'of 3" alum sprinkler pipe. Use a 50. H.P. elec. motor and

acquired for the water system up to the date of this statement, and any additional information which shows a substantial beginning of construction as

authorized by your permit. 8" x 4" centrifugal pump. Have applied water to approx 33 acresIN WITNESS WHEREOF, I have hereunto set my hand this 4th day of August, 1982Forrest E. Drake
(Signature of Applicant)14601 N. Applegate Rd. Grants Pass, Ore
(Address)

Fill out, detach and mail to the Water Resources Department, Salem, OR 97310, when construction work is begun.

SP*35567-690

NOTICE OF COMPLETION OF CONSTRUCTION

I, FORREST E. DRAKE, the holder of Permit No. 46663

to appropriate the public waters of the state of Oregon, completed the construction of the works described

therein on the 30th day of SEPTEMBER, 1984Remarks: 50 HP PUMP INSTALLED AND PVC PIPE BURIED

If the works have less capacity than described in the permit, or you have definitely abandoned part of the proposed develop-

ment, you should so state in order that our records may not be unnecessarily encumbered. PLAN TO IRRIGATE SPRING 1985IN WITNESS WHEREOF, I have hereunto set my hand this 3RD day of JANUARY, 1985Forrest E. Drake
(Signature of Applicant)14601 NORTH APPLEGATE RD
(Address)

Fill out, detach and mail to the Water Resources Department, Salem, OR 97310, when construction work is completed.

NOTICE OF COMPLETION OF CONSTRUCTION

I, PHIL KUDLAC, the holder of Permit No. 46663

to appropriate the public waters of the state of Oregon, completed the construction of the works described

therein on the 1 day of Oct, 1988Remarks: If the works have less capacity than described in the permit, or you have definitely abandoned part of the proposed develop-

ment, you should so state in order that our records may not be unnecessarily encumbered.

IN WITNESS WHEREOF, I have hereunto set my hand this 1 day of Oct, 1988Phil Kudlac
(Signature of Applicant)

(Address)

Fill out, detach and mail to the Water Resources Department, Salem, OR 97310, when construction work is completed.

RECEIVED

MAY 11 1980

WATER RESOURCES DEPT.
SALEM, OREGON

FORREST E. DRAKE

12-7-81

RECEIVED

MAY 11 1981

WATER RESOURCES DEPT.
SALEM, OREGON

NORTH
1" = 400'

MISSOURI
FLAT
CEMETERY

31
6

TWP 38 S. R. 4 W. A

SE 1/4 NW 1/4

SW 1/4 NE 1/4

170

120

290

30

115

97

NE 1/4 SW 1/4

NW 1/4 SE 1/4

DIV. PT. IS 860' N.
& 1390' E FROM
SW COR OF SEC. 6

APPLEGATE

RIVER

- Primary from Applegate River & then supplemented from storage in Applegate Lake Reservoir
- Supplemental from Applegate Lake Res. (Primary = Cent. GR)
- Supplemental from Applegate Lake Res. (Primary = Permit #457)

Application No. 63182
Permit No. 46663

RECEIVED

WATER RESOURCES DEPT.
SALEM, OREGON

RECEIVED

SEP 13 2004

WATER RESOURCES DEPT.
SALEM, OREGON

RECEIVED
SEP 13 2004
WATER RESOURCES DEPT
SALEM, OREGON

RECEIVED
SEP 13 2004
WATER RESOURCES DEPT
SALEM, OREGON

NORTH
1 1/2 400'
MISSOURI
FLAT
CEMETERY

FORREST E. DRAKE

12-7-81

RECEIVED

DEC 17 1981

WATER RESOURCES DEPT
SALEM, OREGON

TWP. 38 S. R. 4 W. 1/4

SE 1/4 NW 1/4

SW 1/4 NE 1/4

290

170

120

CENTER

115

NE 1/4 SW 1/4

23

NW 1/4 SE 1/4

DIV. PT. IS 860' N.
& 1390' E FROM
SW COR OF SEC. 6

90' E →

APPLEGATE
RIVER

- Primary from Applegate River & then supplemented from storage in Applegate Lake Reservoir.
- Supplemental from Applegate Lake Res. (Primary = Cert. # GR 3494)
- Supplemental from Applegate Lake Res. (Primary = Permit # 45762)

Application No. 63182
Permit No. 46663

RECEIVED

APR 1 1982

WATER RESOURCES
SALEM, OREGON

NER
SEC.

MISSOURI
FLAT 11

Forrest E. Drake

12-781
RECEIVED
HARVEST E. DRAC

DEC 17 1981

WATER RESOURCES DEPT
SALMON, OREGON

TWP 38 S. R. 4 W. N.

$\frac{1}{4}MN \frac{1}{4}$
 $SE \frac{1}{4}$

MISSOURI
FLAT
CENERERY

SW $\frac{1}{4}$ NE $\frac{1}{4}$

290

97

NW 1/4 SE 1/4

NE $\frac{1}{4}$ SW $\frac{1}{4}$

20
1W
↓

90'E →

App

DIV. PT. IS 860' N.
of 1390' E FROM
SW COR of SEC. 6

- Primary from Applegate River & then supplemented from Storage in Applegate Lake Reservoir.
- Supplemental from Applegate Lake Res. - (Primary = Cent# 631994)
- Supplemental from Applegate Lake Res. - (Primary = Permit # 45762)

Application No. 63182
Permit No. 46663

RECEIVED

NER
500

APR 1998

**WATER RESOURCES
SALES, OREGON**

NORTH
1" = 400'

MISSOURI
FLAT
CEMETERY

31
6

Forrest E. Drake
12-7-81

RECEIVED

DEC 17 1981

WATER RESOURCES DEPT
SALEM, OREGON

JOSEPHINE COUNTY
JACKSON COUNTY

TWP. 38 S. R. 4 W. N

SE 1/4 NW 1/4

SW 1/4 NE 1/4

29°

17°

12°

3°

115°

NE 1/4 SW 1/4

23

97

NW 1/4 SE 1/4

DIV. PT. IS 860' N.
+ 1390' E FROM
SW COR OF SEC. 6

1390' E →

APPLEGATE RIVER

- Primary from Applegate River & then supplemented from storage in Applegate Lake Reservoir
- Supplemental from Applegate Lake Res. (Primary = Cert. # GR)
- Supplemental from Applegate Lake Res. (Primary = Permit # 457)

Application No. 63182
Permit No. 46663

RECEIVED

APR 1 1982

WATER RESOURCES
SALEM, OREGON

CORNER
SW SEC. 6

127

NORTH
1" = 400'

MISSOURI
FLAT
CEMETERY

Forrest E. Drake

12-7-81

RECEIVED

DEC 17 1981

WATER RESOURCES DEPT
SALEM, OREGON

TWP. 38 S. R. 4 W. N

SE 1/4 NW 1/4

SW 1/4 NE 1/4

29°

17°

12°

3°

115°

NE 1/4 SW 1/4

23°

97°

NW 1/4 SE 1/4

DIV. PT. IS 860' N.
& 1390' E FROM
SW COR OF SEC. 6

1390' E →

← APPLEGATE

RIVER

- Primary from Applegate River & then supplemented from storage in Applegate Lake Reservoir.
- Supplemental from Applegate Lake Res. (Primary = Cert. #GR3494)
- Supplemental from Applegate Lake Res. (Primary = Permit #45762)

Application No. 63182
Permit No. 46663

RECEIVED

APR 1 1982

WATER RESOURCES
SALEM, OREGON

CORNER

SW SEC. 6

12-7

Application No. 63182
Permit No. 46663

~~AFFIDAVIT~~

RECEIVED

DEC 17 1981

WATER RESOURCES DEPT
SALEM, OREGON

STATE OF OREGON

County of Jackson

ss.

I, Forrest E. Drake, of 14601 North Applegate Road, Grants Pass, Oregon 97526, being first duly sworn, depose and say that I am the legal owner of the following described property:

Tract A:

Beginning at a point 845.0 feet North of the South quarter corner of Section 6 in Township 38 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence West 170.0 feet; thence South 29°30' East 115.0 feet; thence West, to the west line of the Southeast Quarter of the Southwest Quarter of said Section 6; thence North 3215.0 feet to the northwest corner of the Southeast Quarter of the Northwest Quarter of said Section 6; thence East 1320.0 feet to the northeast corner of said quarter-quarter; thence South 3115.0 feet to the point of beginning.

and

Tract B:

All the S½ of NE¼ and the N½ of SE¼ of Section 6, Township 38 South, Range 4 West, Willamette Meridian, Jackson County, Oregon.

WATER RESOURCES DEPARTMENT

725 Summer St. N.E. Ste. A

SALEM, OR 97301-4172

(503) 986-0900 / (503) 986-0904 (fax)

CEIPT # 136254

INVOICE # _____

CEIVED FROM:

Yosemite Farm Credit Assoc
*Yosemite Production Credit*APPLICATION *see below*

PERMIT

TRANSFER

SH:

CHECK #

OTHER: (IDENTIFY)

☒ 700771 ☐

TOTAL RECEIVED \$ 400.00

1083 TREASURY 4170 WRD MISC CASH ACCT

0407 COPIES

\$

OTHER: (IDENTIFY)

\$

0243 VS Lease 0244 Muni Water Mgmt. Plan 0245 Cons. Water

4270 WRD OPERATING ACCT

MISCELLANEOUS

0407 COPY & TAPE FEES

\$

0410 RESEARCH FEES

\$

0408 MISC REVENUE: (IDENTIFY)

\$

TC162 DEPOSIT LIAB. (IDENTIFY)

\$

0240 EXTENSION OF TIME

\$

WATER RIGHTS:

0201 SURFACE WATER

\$

0202

0203 GROUND WATER

\$

0204

0205 TRANSFER

\$

WELL CONSTRUCTION

0218 WELL DRILL CONSTRUCTOR

\$

0219

LANDOWNER'S PERMIT

0220

RECORD FEE

\$

\$

LICENSE FEE

\$

\$

0250 OTHER (IDENTIFY) *Assignments 4 @ 100.00 \$400.00*

0536 TREASURY 0437 WELL CONST. START FEE

0211 WELL CONST START FEE

\$

0210 MONITORING WELLS

\$

OTHER (IDENTIFY)

0607 TREASURY 0467 HYDRO ACTIVITY LIC NUMBER

0233 POWER LICENSE FEE (FW/WRD)

\$

0231 HYDRO LICENSE FEE (FW/WRD)

\$

HYDRO APPLICATION

\$

TREASURY OTHER / RDX

FUND _____ TITLE _____

OBJ. CODE _____ VENDOR # _____

DESCRIPTION _____

RECEIVED
OVER THE COUNTER

CEIPT: 136254

DATED: 8-26-2021 BY: *[Signature]*

Distribution - White Copy - Customer, Yellow Copy - Fiscal, Blue Copy - File, Buff Copy - Fiscal

*one more on
the back*
→

STATE OF OREGON
WATER RESOURCES DEPARTMENT

RECEIPT # 136255

725 Summer St. N.E. Ste. A

SALEM, OR 97301-4172

(503) 986-0900 / (503) 986-0904 (fax)

INVOICE #

RECEIVED FROM:

BY:

CASH:

CHECK #

OTHER: (IDENTIFY)

☐

☒ 700785

APPLICATION

PERMIT

TRANSFER

TOTAL REC'D \$ 80.00

1083 TREASURY 4170 WRD MISC CASH ACCT

0407 COPIES

\$

OTHER: (IDENTIFY)

\$

0243 I/S Lease

0244 Muni Water Mgmt. Plan

0245 Cons. Water

4270 WRD OPERATING ACCT

MISCELLANEOUS

0407 COPY & TAPE FEES

\$

0410 RESEARCH FEES

\$

0408 MISC REVENUE: (IDENTIFY)

\$

TC162 DEPOSIT LIAB. (IDENTIFY)

\$

0240 EXTENSION OF TIME

\$

WATER RIGHTS:

EXAM FEE

RECORD FEE

0201 SURFACE WATER

\$

0202

\$

0203 GROUND WATER

\$

0204

\$

0205 TRANSFER

\$

WELL CONSTRUCTION

EXAM FEE

LICENSE FEE

0218 WELL DRILL CONSTRUCTOR

\$

0219

\$

LANDOWNER'S PERMIT

0220

\$

OTHER

(IDENTIFY)

0536 TREASURY 0437 WELL CONST. START FEE

0211 WELL CONST START FEE

\$

0210 MONITORING WELLS

\$

OTHER

(IDENTIFY)

0607 TREASURY 0467 HYDRO ACTIVITY LIC NUMBER

0233 POWER LICENSE FEE (FW/WRD)

\$

0231 HYDRO LICENSE FEE (FW/WRD)

\$

HYDRO APPLICATION

\$

TREASURY OTHER / RDX

FUND TITLE

OBJ. CODE VENDOR #

DESCRIPTION

RECEIVED
OVER THE COUNTER

RECEIPT: 136255

DATED: 8-26-2001 BY:

Distribution - White Copy - Customer, Yellow Copy - Fiscal, Blue Copy - File, Buff Copy - Fiscal



Oregon

Kate Brown, Governor

Water Resources Department

North Mall Office Building

725 Summer St NE, Ste A

Salem, OR 97301

Phone: 503-986-0900

Fax: 503-986-0904

www.Oregon.gov/OWRD

September 2, 2021

Yosemite Land Bank, FLCA
PO Box 2378
Turlock, CA 95381

Reference: Application S-63182, Permit S-46663
Reference: Application S-61481, Permit S-45762
Reference: Application S-88045, Permit S-54937
Reference: Application GR-3834, GR Registration GR-3494

Regarding Application S-63182, Permit S-46663, the assignment by proof from William McClellan, and James and Sandra Wester to Padre Properties, LLC, a California Limited Liability Company and Yosemite Land Bank, FLCA has been recorded in the records of the Water Resources Department.

Regarding Application S-61481, Permit S-45762 and Application S-88045, Permit S-54937 the assignments from Braden 1996 Family Limited Partnership to Padre Properties, LLC, a California Limited Liability Company and Yosemite Land Bank, FLCA have been recorded in the records of the Water Resources Department.

The Departments records will now show Padre Properties, LLC, a California Limited Liability Company and Yosemite Land Bank, FLCA as the permit holders of record.

A permit is not a perfected water right, and has conditions and timelines that must be satisfied prior to a Certificate of Water Right being issued. Please review the permits to be familiar with the conditions and timelines contained in the permits.

Regarding Application GR-3834, GR Registration GR-3494, the assignment from Braden 1996 Family Limited Partnership to Padre Properties, LLC, a California Limited Liability Company and Yosemite Land Bank, FLCA have been recorded in the records of the Water Resources Department.

The Departments records will now show Padre Properties, LLC, a California Limited Liability Company and Yosemite Land Bank, FLCA as the registration holders of record.

A registration is not a perfected water right, and will in the future be adjudicated.



Request for Assignment By Proof of Ownership (If Water Right Holder is Not Available)



Oregon Water Resources Department
725 Summer Street NE, suite A
Salem, Oregon 97301-1266
(503) 986-0900
www.oregon.gov/owrd

If the Department determines that the application is incomplete, fees have not been paid, or the required documents are not acceptable, the application and all fees submitted will be returned to the applicant.

If for multiple rights, a separate form and fee for each right will be required.

I, Padre Properties, LLC, a California limited liability Company Yosemite Land Bank, FLCA (Lienholder)
(Name of Party Requesting Assignment)
P.O. Box 1032 P.O. Box 2378 Turlock, CA 95381 (209) 667-2366
(Mailing Address) (City) (State) (Zip) (Phone #)
Hughson, CA 95326

- ☒ hereby request assignment of an entire application/permit/transfer order /limited license/groundwater statement;
☐ hereby request assignment of a portion of application/permit/transfer order/limited license/groundwater statement;
(You must include a map showing the portion of the application/permit/ transfer order /limited license/groundwater statement to be assigned.)

Application # S 63182 ; Permit # S 46663 ; Transfer Order # _____;

Limited License # _____; Groundwater Statement # _____;

William McClellan; James and Sandra Wester

(Name of Current Holder of Record)
14601 N. Applegate Road Grants Pass, OR 97526
(Mailing Address) (City) (State) (Zip) (Phone #)

Note: Write the initials (first letters) of your first and last names at the spots indicated below _____.

1) JP I certify that I am the current owner of the property described in this application, permit, transfer order, limited license, or groundwater statement. I have attached proof of ownership that may include but not be limited to: a copy of the deed to the land, a copy of a land sales contract, a court order or decree, documentation of survivorship of property held jointly. The Department cannot accept a copy of a taxstatement.

2) JP I have the legal right to request assignment under OAR 690-310-0280 and 690-320-0060.

3) JP I have not been able to contact the owner(s) of record for the above referenced transaction. I have attached proof acceptable to the Department that notice of the assignment has been given or attempted for each identified property owner not a party to the assignment. ORS 537.220(2) Failure to submit this proof will result in the return of your request. (Proof may include but not be limited to: a copy of returned certified mailing, copy of a Death Certificate, or a court order.)

4) JP I further certify that the information provided herein is true and correct to the best of my knowledge. The current address for the owners of record is my address, therefore unable to reach owners to attain assignment.

Witness my hand this 23 day of August, 2021.
(Day) (Month) (Year)

Signature of Party Requesting Assignment [Signature]

Failure to provide any of the required information will result in the return of your application.

This certifies assignment and record change at Oregon Water Resources Department effective 8:00 a.m. on date of receipt at Salem, Oregon.
Fee receipt # 1362547136255
For Director by Mary Bjork. Program Analyst in Water Rights Division. [Signature]

The completed "Request for Assignment" form must be submitted to the Department along with the recording fee of \$120.

RECEIVED

AUG 26 2021

OWRD

Assign by Draft - approve
LBB 9-9-2021



Helping Our Members Prosper!

1415 East G Street
Oakdale, CA 95361
Office: (209) 847-7021
Fax: (209) 847-7030

www.yosemitefarmcredit.com

August 25, 2021

RECEIVED

AUG 26 2

OWRD

Oregon Water Resources Dept.
725 Summer Street NE, Suite A
Salem, OR 97301

RE: Padre Properties

Enclosed you will find the update Requests for Assignment by Proof of Ownership and we have completed your Ownership Update form for each water rights per your request. The fees for the process of the Requests for Assignment is enclosed in the amount of \$480 (\$120 per each form).

Please email me at dsi@yfc.ag if you have questions. Thank you for your cooperation with this matter.

Sincerely,

YOSEMITE FARM CREDIT, ACA

A handwritten signature in dark ink, appearing to read "Darlene S. Ibarra".

Darlene S. Ibarra
Operations/Credit Support Specialist



Oregon

Kate Brown, Governor

Water Resources Department

North Mall Office Building

725 Summer St NE, Ste A

Salem, OR 97301

Phone: 503-986-0900

Fax: 503-986-0904

www.Oregon.gov/OWRD

July 28, 2021

Yosemite Land Bank, FLCA
PO Box 2378
Turlock, CA 95381

RECEIVED

AUG 26 2021

OWRD

Reference: Fee Increase

Reference: Application S-63182, Permit S-46663

Reference: Application S-61481, Permit S-45762

Reference: Application S-88045, Permit S-54937

Reference: Application GR-3834, GR Registration GR-3494

Dear Yosemite Land Bank, FLCA,

The Department has received your Requests for Assignment on the four referenced water rights. We are unable to accept the requests at this time as insufficient fees were submitted. As of July 1, 2021, the fee for a Request for Assignment is \$120. $\checkmark 400 + 80 = 480$

update \checkmark Regarding the Request for Assignment by Proof of Ownership on Application S-63182, Permit S-46663, the current permit holders of record are William McClellan, and James and Sandra Wester. The submitted request only lists William McClellan. Also on the form, the requestor only initialed item #1 for attaching proof of ownership, items 2 through 4 were not initialed, and proof was not provided that the requestor was unable to contact the owners of record, William McClellan, and James and Sandra Wester. Examples of acceptable proof are listed on the form.

complete \checkmark Additionally, two documents titled Notice of Pledge were submitted. If it is your intent to document current land ownership of Certificates of Water Right, please submit the Department's Ownership Update Forms. A copy of the form is enclosed. Additional copies may be accessed on our website at: <https://www.oregon.gov/owrd/programs/WaterRights/Cert/Pages/default.aspx>

Please return the requests with the required fees and additional items related to Application S-63182, Permit S-46663, so that the Department may process them in a timely manner.

Should you have any questions, please do not hesitate to contact me at the address above or by telephone at 503-979-9895.

Sincerely,

Mary F. Bjork
Water Rights Program Analyst
Water Right Services Division



BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES 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 THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Dated this 30 day of June, 2021.

Braden 1996 Family Ltd. Partnership, a California
Limited Partnership

By: VBB Management & Investments, Inc., a
California corporation

By: [Signature]
Name: Kenneth J. Braden
Title: President

By: [Signature]
Name: Lori G. Braden
Title: Secretary

By: KBF Holdings, LLC

By: _____
Name: Krissa B. Fernandes
Title: Member

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Stanislaus }

On June 30, 2021 before me, Sherrie Lane Wallace, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Kenneth J. and Lori G Braden
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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I certify under PENALTY OF PERJURY under the AUG 26 2021
laws of the State of California that the foregoing
paragraph is true and correct.

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WITNESS my hand and official seal.

Signature Sherrie Lane Wallace
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or
fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney In Fact

☐ Trustee ☐ Guardian of Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney In Fact

☐ Trustee ☐ Guardian of Conservator

☐ Other: _____

Signer Is Representing: _____

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES 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 THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Dated this 7 day of July, 2021.

Braden 1996 Family Ltd. Partnership, a California
Limited Partnership

By: VBB Management & Investments, Inc., a
California corporation

By: _____
Name: Kenenth J. Braden
Title: President

By: _____
Name: Lori G. Braden
Title: Secretary

By: KBF Holdings, LLC

By: Krissa B. Fernandes
Name: Krissa B. Fernandes
Title: Member

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APN: 1-068047-9

Statutory Warranty Deed
- continued

File No.: 7151-3711055 (RAC)

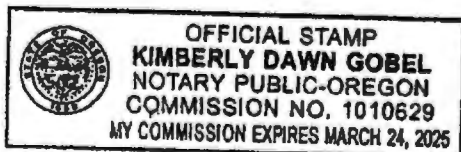
STATE OF California)
)ss.
County of _____)

This instrument was acknowledged before me on this _____ day of _____, 20____
by Kenneth J. Braden as President and Lori G. Braden as Secretary of VBB Management & Investments,
Inc., a California Corporation as as General Partner of Braden 1996 Family Ltd. Partnership, a California
Limited Partnership, on behalf of the limited partnership.

Notary Public for California
My commission expires:

STATE OF Oregon)
)ss.
County of Jackson)

This instrument was acknowledged before me on this 7 day of July, 2021
by Krissa B. Fernandes, as Member of KBF Holdings, LLC as General Partner of Braden 1996 Family Ltd.
Partnership, a California Limited Partnership, on behalf of the limited partnership.



Kimberly D. Gobel
Notary Public for Oregon
My commission expires: 03/24/2025

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APN: 1-068047-9

Statutory Warranty Deed
- continued

File No.: 7151-3711055 (RAC)

EXHIBIT A

LEGAL DESCRIPTION: Real property in the County of Jackson, State of Oregon, described as follows:

TRACT A:

Beginning at a point 845.0 feet North of the South Quarter corner of Section 6 in Township 38 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence West 170.0 feet; thence South 29° 30' East 115.0 feet; thence West, to the West line of the Southeast Quarter of the Southwest Quarter of said Section 6; thence North 3215.0 feet to the Northwest corner of the Southeast Quarter of the Northwest Quarter of said Section 5; thence East 1320.0 feet to the Northeast corner of said Quarter-Quarter; thence South 3115.0 feet to the point of beginning. EXCEPTING THEREFROM the following: Any portion of the above described tract lying Easterly of the North Applegate Road (County Road). ALSO EXCEPTING THEREFROM the following: Beginning at the Northeast corner of the Southeast Quarter of the Northwest Quarter of said Section 6; thence South 150.0 feet; thence West 140.0 feet; thence North 150.0 feet; and thence East 140.0 feet to the point of beginning. ALSO EXCEPTING THEREFROM the following: Commencing at the Northeast corner of the Southeast Quarter of the Northwest Quarter of Section 6 in Township 30 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence South 150.00 feet; thence West 140.00 feet, for the true point of beginning; thence North 150.00 feet; thence West 150.00 feet; thence South 150.00 feet; thence East 150.00 feet to the true point of beginning.

TRACT B:

Commencing at the Northwest corner of the Southwest Quarter of the Northeast Quarter of Section 6 in Township 38 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence South 150.00 feet to the Southwest corner of tract described in Volume 141, Page 159 of the Deed Records of Jackson County, Oregon, for the true point of beginning; thence East, along the South line of said tract, to the Westerly right of way line of Missouri Flats Road (County Road); thence Southwesterly, along said Westerly right of way, to intersect the West line of said Quarter-Quarter; thence North to the true point of beginning.

NOTE: This Legal Description was created prior to January 01, 2008.

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Recording Requested by:

WHEN RECORDED MAIL TO:

Yosemite Land Bank, FLCA
P. O. Box 3278
Turlock, California 95381

Jackson County Official Records **2021-029989**
R-TAF
Stn=62 HALLEH 07/08/2021 02:41:47 PM
\$75.00 \$15.00 \$10.00 \$13.00 \$11.00 \$199.00
\$11.00 \$60.00 \$4.00
I, Christine Walker, County Clerk for Jackson County, Oregon, certify
that the instrument identified herein was recorded in the Clerk
records.
Christine Walker - County Clerk

CERTIFIED TO BE A
TRUE AND EXACT COPY
FIRST AMERICAN TITLE
BY _____

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Space Above This Line For Recorder's Use

Loan Number: 5291070000

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DEED OF TRUST, ASSIGNMENT OF RENTS, FIXTURE FILING AND SECURITY AGREEMENT

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, FIXTURE FILING, AND SECURITY AGREEMENT ("Deed of Trust"), made this 22nd day of June, 2021, between PADRE PROPERTIES, LLC, a California limited liability company, as "Trustor", FIRST AMERICAN TITLE INSURANCE COMPANY, as "Trustee" and YOSEMITE LAND BANK, FLCA, as "Beneficiary", a corporation organized and existing under the laws of the United States of America, with its office at P. O. Box 3278, Turlock, California, 95381.

1. GRANT IN TRUST. Trustor IRREVOCABLY GRANTS, CONVEYS AND ASSIGNS to said Trustee, in trust for the benefit of Beneficiary, with power of sale together with right of entry and possession, the property described below in Sections 1.1 through 1.5 inclusive (collectively, the "Property").

1.1 The real property (the "Real Property") situated in the County of Jackson, State of Oregon, described in Exhibit "A".

1.2. BUILDINGS, FIXTURES, AND OTHER IMPROVEMENTS. All buildings, structures, equipment, fixtures (including, but not limited to, trees, vines and shrubs) and improvements of every kind and description now or hereafter constructed or placed on the Real Property; all standing timber and timber to be cut located on the Real Property; and all pumping plants, electrical generators, wind machines, and fencing and storage tanks, now or hereafter used in connection with the Property, all of which are hereby declared to be fixtures. Without limiting the generality of the foregoing, a description of some fixtures may also be included with the description of the Real Property set forth above or in an exhibit hereto.

1.3. LEASES AND OTHER RIGHTS. All existing and future leases, subleases, licenses, permits, agreements, permits and concessions relating to the use or enjoyment of the Real Property, including all grazing rights, leases, permits and licenses; all oil, gas, and mineral leases, permits and rights used with the Real Property; and all tenements, hereditaments, easements, rights-of-way and appurtenances to the Property.

1.4. WATER ASSETS. All right, title, and interest at any time of Trustor (or any of its bailees, agents, or instrumentalities) relating to the use or enjoyment of the Property, whether now existing or hereafter arising or acquired, whether direct or indirect, whether owned legally, of record, equitably or beneficially, whether constituting real or personal property (or subject to any other characterizations), whether created or authorized under existing or future laws or regulations, and however arising, including without limitation, the water, water



rights and other assets and items described below in Sections 1.4(a) through 1.4(i) inclusive, which shall collectively be called "Water Assets". Water Assets include without limitation water rights which are appurtenant to the Property, arise by virtue of the Property being situated within the boundaries of any city, county, district, agency, or other governmental entity or within the boundaries of any private water company, mutual water company, or other non-governmental entity, or are owned or have been acquired by the Trustor for the benefit of the Property (whether or not appurtenant to the Property). References to "water" and "water rights" are used herein in the broadest and most comprehensive sense of the term(s). The term "water" includes water rights and rights to water or whatever rights to money, proceeds, property or other benefits are exchanged or received for or on account of any Water Assets or any conservation or other nonuse of water, including whatever rights are achieved by depositing one's share of any Water Assets in any water bank or with any water authority, or any other water reallocation rights. Without limiting the generality of the foregoing, a description of some Water Assets may also be included with the description of the Property set forth above or in an exhibit hereto.

- (a) All water (including any water inventory in above or below ground storage), water rights and entitlements, other rights to water and other rights to receive water or water rights of every kind or nature whatsoever including without limitation: (a) the groundwater on, under, pumped from or otherwise available to the Property, whether as the result of groundwater rights, contractual rights, groundwater sustainability or management plans, judicial or administrative decisions, or otherwise; (b) Trustor's right to remove and extract any such groundwater including any permits, rights, authorities or licenses granted by any governmental authority or agency or any rights granted or created by any use, easement, covenant, agreement, or contract with any person or entity; (c) any credits, allocations, entitlements, pumping rights or similar rights associated with or derived from the Property relative to groundwater as the result of any adjudications or other court or regulatory proceedings, or under any groundwater sustainability plan or similar plan; (d) any rights to which the Property is entitled with respect to surface water, whether such right is appropriative, riparian, prescriptive, decreed or otherwise and whether or not pursuant to permit or other governmental authorization, or the right to store any such water (whether above or below ground); (e) any water, water right, water allocation, distribution right, delivery right, water storage right, or other water-related entitlement appurtenant or otherwise applicable to the Property by virtue of the Property being situated within the boundaries of any district, agency, or other governmental entity or within the boundaries of any private water company, mutual water company, or other non-governmental entity; (f) all water and existing and future water rights, however evidenced, to the use of water for irrigation, livestock and domestic purposes, including irrigation and watering equipment and systems, ditches, laterals, conduits, and rights-of-way used to convey such water or to drain the Property, all of which rights are or are hereby made appurtenant to the Property; and (g) any drainage rights (whether surface or subsurface) appurtenant or otherwise applicable to the Property.
- (b) All stock, interest or rights (including any water allocations, voting or decision rights) in any entity, together with any and all rights from any entity or other person to acquire, receive, exchange, sell, lease, or otherwise transfer any Water Assets, to store, deposit or otherwise create water credits in a water bank or similar or other arrangement for allocating water, to transport or deliver water, or otherwise to deal with any Water Asset, including shares of stock.
- (c) All licenses, permits, approvals, contracts, decrees, rights and interests to acquire or appropriate any Water Assets, water bank or other credits evidencing any right to Water Assets, to store, carry, transport or deliver Water Assets, to sell, lease, exchange, or otherwise transfer any Water Asset, or to change the point for diversion of water, the location of any Water Asset, the place of use of any Water Asset, or the purpose of the use of any Water Asset together with water right certificate number 16250 and permit numbers S-46663, S-45762, GR-3834 and S-54937.
- (d) All rights, claims, causes of action, judgments, awards, and other judicial, arbiter or administrative relief in any way relating to any Water Asset.
- (e) All water storage, water recharge, water banking and water treatment rights, whether on or off the Property and whether above or below ground, together with all storage tanks, and other equipment used or usable in connection with such storage and any water bank deposit credits, deposit accounts or other rights arising on account of the storage or nonuse of any Water Asset.
- (f) All rights to transport, carry, allocate or otherwise deliver Water Assets by any means wherever located.

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- (g) All irrigation and watering equipment, including all pumps, pumping plants, storage tanks, pump motors, electrical generators (all of which are declared to be fixtures), including but not limited to all filters, sprinklers, emitters, and surface lines, and all systems, ditches, laterals, conduits, and rights-of-way used to convey such water or to drain the Property.
- (h) All guaranties, warranties, marketing, management or service contracts, indemnity agreements, and water right agreements, other water related contracts and water reallocation rights, all insurance policies regarding or relating to any Water Asset.
- (i) All rents, issues, profits, proceeds and other accounts, instruments, chattel paper, contract rights, general intangibles, deposit accounts, and other rights to payment arising from or on account of any use, nonuse, sale, lease, transfer or other disposition of any Water Asset.

1.5. **ADDITIONS AND PROCEEDS.** All additions, accretions substitutions and replacements of any of the Property; all proceeds of the Property, including all proceeds of present and future insurance policies; and all condemnation awards or payments now or later made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any misrepresentation, damage or injury to, or defect in, the Property.

2. **ASSIGNMENT OF RENTS.** TRUSTOR ABSOLUTELY AND UNCONDITIONALLY ASSIGNS, transfers, conveys and sets over to Beneficiary all the rents, royalties, issues, profits, revenue, income and other benefits of the Property arising from the use, non-use, enjoyment, sale, transfer or other disposition of all or any portion thereof, including those set forth in Paragraph 1.4(i) above, or from any lease, mineral lease, or agreement pertaining to the Property (collectively the "Rents"); whether now existing or hereafter arising and whether now due, past due or to become due; SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Trustor by Paragraph 20 hereof. This assignment of the Rents shall be perfected automatically without appointment of a receiver or Beneficiary becoming a mortgagee in possession.

3. **OBLIGATIONS SECURED.** Trustor makes the grant, conveyance, and assignment of the Property as described above for purposes of securing the following indebtedness and other obligations (collectively, "Indebtedness") in any order of priority that Beneficiary may choose:

- (a) payment of the indebtedness and performance of the obligations of Trustor evidenced by the following promissory note(s) (collectively "Note") and/or the following continuing guaranty(s) (collectively "Guaranty"), and any other documents executed by Trustor in conjunction with the Note or Guaranty:

[X] a Promissory Note and Loan Agreement or a Promissory Note and Supplement to Master Loan Agreement dated as of June 22, 2021, in the stated principal amount of \$1,416,000.00.

- (b) the payment of such additional loans or advances, including advances under a revolving line of credit, with interest thereon, as hereafter may be made to or guaranteed by Trustor, or Trustor's successors or assigns, evidenced by a promissory note, guaranty, loan agreement or otherwise; PROVIDED HOWEVER, THAT, such additional loans or advances will be secured by this Deed of Trust only if the promissory note, guaranty, loan agreement or other document evidencing the obligations of Trustor relative to such loans or advances recites that it is to be secured by this Deed of Trust;
- (c) the payment and performance of the obligations set forth in any document evidencing an extension, renewal, modification, replacement, reamortization, conversion, or restatement of any Indebtedness secured by this Deed of Trust, including without limitation renewal and/or substitute notes, guaranties, and loan agreements.
- (d) the performance of every obligation and agreement of Trustor whether contained or incorporated by reference in this Deed of Trust, or contained in any loan agreement, loan document or guaranty executed by Trustor in favor of Beneficiary, with respect to any loan or advance secured by this Deed of Trust; and
- (e) the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms of this Deed of Trust, together with interest thereon as herein provided.

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The Notes referred to above are payable by Trustor and/or others to the Beneficiary at the times, in the manner and with interest as therein set forth. The Note and other documents evidencing the Indebtedness may contain variable or adjustable interest rate provisions and provisions evidencing revolving lines of credit.

The continuing validity and priority of this Deed of Trust as security for future loans or advances will not be impaired by the fact that at certain times hereafter there may be no outstanding loan or other indebtedness from Trustor to Beneficiary and/or no commitment to make loans or advances.

Notwithstanding the foregoing, this Deed of Trust does not secure any indebtedness or other obligation if the promissory note, guaranty, or any other document evidencing or pertaining to the indebtedness or obligation states that it is unsecured or not secured by real property.

4. **UNIFORM COMMERCIAL CODE.** Trustor does hereby create and grant to Beneficiary a security interest under the California Uniform Commercial Code ("Uniform Commercial Code") as described below in Sections 4.1 and 4.2.

4.1 **PERSONAL PROPERTY SECURITY AGREEMENT.** All of the Property will be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust. To the extent that any of the Property, (including without limitation any Water Assets or fixtures), is deemed to constitute, is adjudicated to be, or declared to be personal property, this Deed of Trust shall also be deemed to be and shall constitute a security agreement. Trustor does hereby create and grant to Beneficiary a security interest in all such personal property described herein; and further, grants to Beneficiary all of the rights and remedies of a secured party under the Uniform Commercial Code and other applicable state law, which rights are cumulative.

4.2 **FIXTURE FILING.** This Deed of Trust shall also be deemed to be a fixture filing under the Uniform Commercial Code and is to be recorded in the real estate records of the county.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES TO EACH OF THE FOLLOWING:

5. **USE OF PROCEEDS.** To use loan proceeds solely for the purposes set forth in the loan application(s) or as otherwise required by Beneficiary.

6. **CONDITION OF PROPERTY.** To keep the Property in good condition, working order and repair; to care for the Property in accordance with standards of good husbandry and to keep all trees, vines and crops on said land properly cultivated, irrigated, fertilized, sprayed, and fumigated; not to sell, transfer, assign, encumber or convey any water or water right from the Property, or to enter into an agreement for the nonuse of water, without the prior written consent of Beneficiary; not to remove, destroy or suffer the removal or destruction of any building, fence, canal, well or other improvements or fixtures thereon; not to remove, replace or alter any horticultural or viticultural tree, vine or shrub planted thereon without the prior written consent of Beneficiary, except in the ordinary course of business; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting the Property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general; to observe and perform all obligations of Trustor under any lease of the Property.

7. **INSURANCE.** To provide, maintain and deliver to Beneficiary, fire, extended coverage, flood, and all other types of insurance, in terms and amounts as may be required by law or Beneficiary, with loss payable endorsements (including lender loss payable endorsements) solely in favor of Beneficiary. In the event of loss, the insurance proceeds, or any part thereof, may be applied by Beneficiary, at its option, to reduce the Indebtedness or restore or repair the property damaged. Failure to obtain, maintain or deliver to Beneficiary the insurance required shall constitute an event of default under this Deed of Trust.

At least thirty (30) days prior to the expiration of any such policy of insurance, Trustor will deliver a policy renewing or extending such expiring insurance and written evidence demonstrating payment of the premium for such insurance. If any such policy and evidence of payment (or copies of same, if originals cannot be delivered to Beneficiary) are not so delivered to Beneficiary, without notice to or demand upon Trustor and without releasing Trustor from any obligation under this Deed of Trust, Beneficiary may (but is not obligated to), at Trustor's expense, obtain insurance in such types, on such terms and in such amounts as Beneficiary in its sole discretion shall decide, through or from

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any insurance agency or company acceptable to it. Any insurance obtained by Beneficiary shall be for its sole benefit and to protect the security of this Deed of Trust. The expense and cost of such insurance shall, at Beneficiary's option, be payable on demand or added to the Indebtedness as provided herein. Neither Trustee nor Beneficiary shall be chargeable with or responsible for the procurement or maintenance of any such insurance, the collection of any proceeds from such insurance, or the insolvency of any insurance company or underwriter.

8. **DEFENSE OF TITLE.** To appear in and litigate any action or proceeding purporting to affect the security hereof, the title to the Property, or the rights or powers of Beneficiary or Trustee. Beneficiary or Trustee may appear in and litigate any such action or proceedings, including any bankruptcy, partition or condemnation proceeding, affecting the Property, or Beneficiary's interest therein, in which event Trustor agrees to pay all costs and expenses thereof, including attorney's fees and costs of securing evidence of title.

9. **TAXES, LIENS AND ASSESSMENTS.** To pay on or before the due date all taxes and assessments affecting the Property, including all assessments upon water company stock, and all rents, assessments and charges for water appurtenant to or used in connection with the Property; to pay when due all encumbrances, charges, and liens on the Property, or any part thereof, which at any time appear to be prior or superior hereto.

10. **FEES AND COSTS.** In the event that Beneficiary or Trustee uses the services of attorneys, accountants, appraisers, consultants, or other professional or outside assistance, including the services of in-house counsel or any other attorney or professional who is an employee of Lender, the reasonable amount of fees, costs and expenses ("Expenses") incurred by Beneficiary or Trustee to use such persons in connection with any of the following shall be payable by Trustor on demand. Beneficiary or Trustee may, at its option, add the amount of such Expenses to any portion of the Indebtedness plus an appropriate amount of Beneficiary's stock or participation certificates required in connection with the loan (as required by federal law or regulation or Beneficiary's bylaws), and charge interest on such amount at the interest rate applicable to such portion of the Indebtedness. These Services include:

- (a) The preparation, modification or enforcement of this Deed of Trust, and any other agreement or document incident to the Indebtedness or to the Property;
- (b) Advising Beneficiary or Trustee concerning its legal rights and obligations with regard to this Deed of Trust and any other agreement or document incident to the Indebtedness, or to the Property, including advising Beneficiary or Trustee with regard to the extent of their rights, if any, under the provisions of the Farm Credit Act of 1971, as amended, ("Act"), Farm Credit Administration ("FCA") regulations, any policy or program of Beneficiary, or any other state or federal law;
- (c) Any litigation, dispute, proceeding, or action (whether or not dismissed, reduced to judgment, or otherwise resolved), and whether instituted by Beneficiary, Trustee or Trustor or any other person, relating to the Indebtedness, the Property or Trustor's affairs;
- (d) The furtherance of Beneficiary's or Trustee's interest in any bankruptcy, insolvency, or reorganization case or proceeding instituted by or against Trustor, including any steps to (i) modify or terminate the automatic stay, (ii) prohibit or condition Trustor's use of cash collateral, (iii) object to any disclosure statement or plan, (iv) propose or confirm a plan, and (v) prosecute or defend adversary proceedings or contested matters, and take or defend examinations or discovery, whether or not related to any adversary proceeding or contested matter and whether or not dismissed, reduced to judgment, or otherwise resolved;
- (e) The inspection, verification, protection, collection, processing, sale, liquidation, or disposition of the Property; and
- (f) Any of the type of Expenses referred to in (a) through (e) above incurred by Beneficiary or Trustee in connection with any guaranty of the Indebtedness.

The Expenses described herein and elsewhere in this Deed of Trust shall be in addition to those set forth in any Security Instrument or any other written agreement between Beneficiary and Trustor.

11. **BENEFICIARY MAY ACT FOR TRUSTOR.** Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent

as either may deem necessary to protect the Property, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; commence, appear in and litigate any action or proceeding purporting to affect the Property or the rights or powers of Beneficiary or Trustee, including any bankruptcy proceeding affecting the Property; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; pay such fees, charges, rents or other payments accruing under the grazing permits described in Section 14 below; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefore, including attorney's, accountant's, and appraisal fees, environmental fees and costs of securing evidence of title, and all amounts so expended shall be obligations of Trustor secured by this Deed of Trust. Nothing contained herein shall prohibit Beneficiary from entering the Property, at a reasonable time and upon reasonable notice to Trustor, without incurring or assuming any obligations or liabilities whatsoever, for the sole purpose of inspecting the Property.

12. SUMS EXPENDED BY BENEFICIARY. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at the same rate as is provided for in the note or notes secured by this Deed of Trust. In the event that such sums are not immediately paid, they shall be added, along with the appropriate amount of stock or participation certificates required in connection with the loan, to the principal balance of the Indebtedness and shall accrue interest as therein set forth. All such sums shall be secured hereby.

13. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.

13.1 DEFINITIONS. Defined Terms as used in this Paragraph 13:

- (a) "Environmental Laws" shall mean all federal, state and local laws, ordinances, rules and regulations now or hereafter in force, as amended from time to time, in any way relating to or regulating human health or safety, industrial hygiene or protection of the environment.
- (b) "Hazardous Substances" shall mean any substance or material that is described, designated or regulated as a toxic or hazardous substance, waste or material or a pollutant or contaminant, or words of similar import, in any of the Environmental Laws.
- (c) "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment, including continuing migration, of Hazardous Substances into, onto or through the soil, surface water or groundwater of the Property, whether or not caused by, contributed to, permitted by, acquiesced to or known to Trustor.
- (d) "User" means any person other than Trustor who occupies, uses or comes onto or has occupied, used or come onto the Property or any part thereof and any agent or contractor of such a person.

13.2 TRUSTOR REPRESENTS AND WARRANTS. Trustor represents and warrants to Beneficiary that, as of the date of this Deed of Trust and to the best of Trustor's knowledge, based on due inquiry and investigation:

- (a) Except as previously disclosed in writing by Trustor to Beneficiary: (i) no Hazardous Substances in excess of permitted levels or reportable quantities under applicable Environmental Laws are present in, on or under the Property or any nearby real property which could migrate to the Property; (ii) no Release or threatened Release exists or has occurred; (iii) neither Trustor nor any User has ever used the Property or any part thereof for the production, manufacture, generation, treatment, handling, storage, transportation or disposal of Hazardous Substances; (iv) no underground, surface or elevated storage tanks of any kind, wells (except domestic water wells), septic tanks, pits, ponds or other impoundments ("Tanks") are or ever have been located in or on the Property; and (v) no investigation, claim, demand, action or proceeding of any kind relating to any Release or threatened Release or any past or present violation of any Environmental Laws relating to the Property has been made or commenced, or is pending, or is being threatened by any governmental authority or other person;
- (b) All operations and activities at, and the use and occupancy of, the Property comply with all applicable Environmental Laws;

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- (c) Trustor and every User has, and is in strict compliance with, every permit, license and approval required by all applicable Environmental Laws for all activities and operations at, and the use and occupancy of, the Property;
- (d) Neither the Property, nor any portion thereof, nor any adjacent property or portion thereof, has been or is proposed to be listed under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et seq.), or any analogous state law; and
- (e) Any written disclosure submitted by or on behalf of Trustor to Beneficiary at Beneficiary's request concerning any Release or threatened Release, past or present compliance by Trustor, User or any other person of any environmental Laws applicable to the Property, the past and present use and occupancy of the Property, any environmental concerns relating to the Property and the like was true and complete when submitted.
- (f) Trustor owns the Water Assets free and clear of all defects, liens, encumbrances, easements, exceptions and assessments, except those that have been disclosed to and approved by Beneficiary, and the Property currently has the continuing, enforceable right to receive irrigation water from such sources, in such quantities, and at such times and locations as has been historically available to the Property, without any currently pending or, to the best knowledge of Trustor, threatened interruption. Trustor has filed with the required agencies or bodies all notices, reports, certifications, and other documents required under applicable Federal, State and local laws, regulations, ordinances and requirements, if any, in connection with the supply of water to and use of water upon the Property, including without limitation the discharge of any water or contaminants from the Property, and has obtained all applicable permits or consents in connection therewith.
- (g) Trustor is and will continue to be in compliance with any judicial or administrative decisions and groundwater sustainability or management plans affecting or relating to water derived from wells used on the Property.

13.3 TRUSTOR AGREES THAT:

- (a) Except in the ordinary course of business, in a good and husbandlike manner and in strict compliance with all applicable Environmental Laws, Trustor promises that neither Trustor nor any User shall use, produce, manufacture, generate, treat, handle, store, transport, or dispose of any Hazardous Substances in, on or under the Property, or use the Property for any such purposes;
- (b) Trustor shall not cause, contribute to, permit or acquiesce to any Release or threatened Release;
- (c) Trustor shall comply fully, and shall cause every User to comply fully, with all Environmental Laws applicable to the Property, and all other laws, ordinances and regulations applicable to the use or occupancy thereof, or any operations or activities therein or thereon;
- (d) With respect to any Tanks disclosed in writing to Beneficiary, Trustor shall comply with all Environmental Laws and any requirements of city or county fire departments, applicable to the maintenance and use of such Tanks, including, without limitation, Title 40 of the Code of Federal Regulations part 112;
- (e) To facilitate performance of Trustor's obligations under Paragraph 13.3(a), (b), (c), (d) of this Deed of Trust, Trustor shall regularly inspect the Property, monitor the activities and operations of every User and confirm that every User has obtained and fully complies with all permits, licenses and approvals required by all applicable Environmental Laws;
- (f) Immediately after Trustor obtains any information indicating any Release or threatened Release, or that Hazardous Substances in, on or under any nearby property could migrate to the Property or a violation of any Environmental Laws may have occurred or could occur regarding the Property, Trustor shall give notice thereof to Beneficiary with a reasonably detailed description of the event, occurrence or condition in question;
- (g) If Beneficiary obtains any information that Beneficiary believes in good faith indicates a reasonable possibility of a Release or threatened Release, or that Hazardous Substances in, on or under any nearby real property could migrate to the Property or any violation of any Environmental Laws may have occurred or could occur regarding the Property, then Trustor shall, at the expense of Trustor, promptly after a request by

Beneficiary, or Beneficiary may at Trustor's expense any time prior to completion of a judicial or nonjudicial foreclosure, engage a qualified environmental engineer to conduct a comprehensive environmental assessment of the Property and prepare and submit to Beneficiary a written report containing the findings and conclusions resulting from such investigation. Trustor shall, on demand, pay to Beneficiary all sums expended by Beneficiary in connection with any such comprehensive environmental assessment, together with interest thereon after such demand at the interest rate as set forth in the applicable promissory note(s) evidencing the Indebtedness;

- (h) Trustor shall permit, or cause any User to permit, Beneficiary or its agents or independent contractors to enter and inspect the Property (including the taking of building materials, soil and groundwater samples) at any reasonable time and after reasonable notice, except in an emergency, whether or not a default has occurred under this Deed of Trust, and including after the commencement of judicial or nonjudicial foreclosure proceedings, for purposes of determining, as Beneficiary deems necessary or desirable: the existence, location or nature of any Hazardous Substances into, onto, or spread beneath or from the Property, that is located or has been spilled, disposed of, discharged or released on, under or about the Property. Trustor acknowledges that all inspections and reviews undertaken by Beneficiary are solely for the benefit and protection of Beneficiary and agrees that Beneficiary shall have no duty to Trustor with respect to Hazardous Substances or Environmental Laws as a result of any such inspections, and such inspections shall not result in a waiver of any default by Trustor. If Trustor or any User fails to comply fully with the terms of this section, Beneficiary may obtain affirmative injunctive relief to compel such compliance; and
- (i) If any Release or threatened Release exists or occurs before this Deed of Trust is reconveyed or foreclosed upon, or if Trustor is in breach of any of its representations, warranties or covenants as set forth in this Section 13, Trustor shall immediately give notice of the condition to Beneficiary, and Trustor shall at its own expense cause any Hazardous Substances to be cleaned up and removed from the Property, and the Property shall be restored, in compliance with all applicable Environmental Laws and other laws, ordinances, rules and regulations (the "Remediation Work"). If requested by Beneficiary, Trustor shall submit to Beneficiary, for Beneficiary's prior approval, complete plans and specifications for all Remediation Work to be done before any Remediation Work is performed, except in an emergency. Alternatively, Beneficiary may cause such Remediation Work to be completed at Trustor's expense.
- (j) Until the Note is repaid in full, at Trustor's sole expense, Trustor shall ensure that the Property will continue to have the continuing, enforceable right to receive irrigation water from such sources, in such quantities, and at such times and locations as is reasonably satisfactory for the purposes of farming, without substantially increased cost, and in such quantities, and at such times and locations as has been historically available to the Property and timely file with the required agencies or bodies all notices, reports, certifications and other documents required under applicable Federal, State and local laws, regulations, ordinances and requirements, if any, in connection with the supply of water to and use of water upon the Property, including without limitation the discharge of any water or contaminants from the Property, and maintain all applicable permits or consents in connection therewith.
- (k) Trustor shall comply with any judicial or administrative decisions and groundwater sustainability or management plans affecting or relating to water derived from wells used on the Property.

13.4 NOTICE TO GOVERNMENTAL AUTHORITIES. Beneficiary shall have the right, but not the obligation, to advise appropriate governmental authorities of any environmental condition on or affecting the Property that constitutes or may constitute a breach of Trustor's obligations hereunder.

13.5 INDEMNITY OF TRUSTEE AND BENEFICIARY. Trustor and its successors and assigns shall indemnify, defend, protect, and hold harmless Beneficiary, and/or Trustee, its directors, officers, employees, agents, shareholders, successors and assigns and their officers, employees or agents, from and against any and all claims, suits, damages, foreseeable and unforeseeable consequential damages, liens, losses, liabilities, interest, judgments, cleanup costs, demands, actions, causes of action, injuries, administrative proceedings and orders, consent agreements and orders, penalties, costs and expenses (including any fees and expenses incurred in enforcing this indemnity, any out-of-pocket litigation costs, sums paid in settlement of claims, and all consultant, expert and the reasonable fees and expenses of counsel, including in-house legal services) of any kind whatsoever ("Claims") paid, incurred or suffered by, or asserted against Beneficiary and/or Trustee, including but not limited to Claims arising out of loss of life, injury to persons, trespass or damage to or contamination of

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property or natural resources, or injury to business, in connection with or arising out of the activities of Trustor on the Property, Trustor's predecessors in interest, third parties who have been invited, permitted or trespassed on the Property, or parties in a contractual relationship with Trustor, or any of them, or which directly or indirectly arise out of or result from or in any way connected with the Property, whether or not caused by Trustor or within the control of Trustor, including without limitation: (a) the presence, use, generation, treatment, storage, disposal, Release, threatened Release, or discharge of any Hazardous Material or Contaminant at or from said Property and/or the cleanup of Hazardous Materials or Contaminants within, on or under said Property; (b) Trustor's breach of any of the representations, warranties and covenants contained herein; and (c) Trustor's violation or alleged violation of any applicable Environmental Law, regulation or ordinance.

13.6 SURVIVAL. NOTWITHSTANDING ANY OTHER PROVISION OF THIS DEED OF TRUST, THE NOTE OR ANY LOAN DOCUMENTS, TRUSTOR'S REPRESENTATIONS, WARRANTIES, COVENANTS AND INDEMNITIES CONTAINED IN THIS SECTION 13 SHALL SURVIVE THE OCCURRENCE OF ANY EVENT WHATSOEVER, INCLUDING WITHOUT LIMITATION THE PAYOFF OF THE PROMISSORY NOTE SECURED HEREBY, THE RECONVEYANCE OR FORECLOSURE OF THIS DEED OF TRUST, THE ACCEPTANCE BY TRUSTEE OF A DEED IN LIEU OF FORECLOSURE, OR ANY TRANSFER OR ABANDONMENT OF THE PROPERTY.

14. GRAZING RIGHTS. If any portion of the Property described in this Deed of Trust is used by Trustor as the basis for obtaining grazing permits or other grazing rights issued by any governmental agency, including without limitation the Forest Service, U.S. Department of Agriculture or the Bureau of Land Management, U.S. Department of Interior, Trustor covenants and agrees as follows:

- (a) Said grazing permits or other rights are in good standing and have not been modified, reduced or limited in any other respect, except as fully disclosed in writing to Beneficiary;
- (b) Trustor will perform all obligations imposed as a requirement of exercise of said grazing permits or other rights and will comply with all laws, rules and regulations applicable thereto;
- (c) Trustor will take such timely action as may be required to cause the renewal or reissuance of said grazing permits or other rights from time to time as they expire during the term thereof Trustor agrees and acknowledges that the failure to renew or cause the reissuance of any said permits for any reason, whether the result of an act or omission of Trustor or for reasons beyond Trustor's control, is an event of default hereunder and Beneficiary shall have the right to exercise the rights set forth in this Deed of Trust; and
- (d) Trustor agrees to pay all fees, charges, rents or other payments accruing under said permits or any renewals thereof prior to delinquency. In the event Trustor fails to pay any such payment, the amount unpaid shall become a part of the Indebtedness and shall be immediately due and payable.

15. WATER TRANSFERS. For purposes of this Deed of Trust, a "Water Transfer" shall mean (1) any transfer, assignment, sale, lease, exchange, gift, encumbrance, pledge, hypothecation, alienation, grant of option to purchase, or other disposition of, directly, indirectly or in trust, voluntarily or involuntarily, by operation of law or otherwise, or the entry into a binding agreement to do any of the foregoing with respect to all or any Water Asset or (2) the material loss, restriction or curtailment of any Water Asset, including without limitation any water supply available to the Property, resulting from the implementation or interpretation of applicable Federal, State and local laws, regulations, ordinances, groundwater sustainability plans and requirements or otherwise by operation of law. Trustor represents that Trustor is not in the business of transferring water and, therefore, any Water Transfer is not a transfer of goods in the ordinary course of business. Trustor further agrees that in no event will any water or water rights be goods identified to a contract. Trustor hereby acknowledges that the availability of the water and the other Water Assets to the Property was a significant factor in Beneficiary's decision to extend credit to Trustor and any other persons obligated on the Indebtedness, and that any severance of water or water rights or any other Water Asset from the Property would materially harm the Property.

16. WATER MATTERS. Trustor shall fully comply with any groundwater sustainability plan adopted governing groundwater extractions and use on the Property. Trustor shall advise Beneficiary in writing within 30 days of the adoption or amendment of any such groundwater sustainability plan and its substantive provisions and any notices to Trustor with respect to or under such plan. In the event Beneficiary determines itself to be insecure because of a material long-term reduction in the water supplies available to the Property, whether as the result of the

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implementation of groundwater sustainability plan or otherwise, at Beneficiary's request Trustor shall meet with Beneficiary to provide confirmation of how the reduction in water supplies will be addressed in a manner that reasonably assures Beneficiary that Beneficiary remains secure. If, following such meeting, Beneficiary concludes it remains insecure, it may declare Trustor to be in default under this Deed of Trust and withhold any further advances hereunder.

17. FINANCIAL INFORMATION. At Beneficiary's request, Trustor shall provide to Beneficiary financial information in a form acceptable to Beneficiary, including, when so required, a current balance sheet and profit and loss statement. In the case of multiple Trustors, financial information must be provided for each Trustor or otherwise as requested by Beneficiary. Financial information shall be provided at such times during the term of this Deed of Trust as Beneficiary may request.

IT IS MUTUALLY AGREED THAT:

18. CONDEMNATION AWARDS. Any award of damages in connection with any taking or condemnation or injury to the Property by reason of public use, or for damages resulting from private trespass or injury to the Property, is absolutely and unconditionally assigned and shall be paid to Beneficiary, under the terms and conditions of this Deed of Trust pertaining to Rents. Upon receipt of such money, Beneficiary may apply the same on the Indebtedness. Trustor agrees to execute such further documents as may be required to affect the assignments herein made as Beneficiary or Trustee may require.

19. TRUSTEE ACTIONS. At any time, without affecting the liability of any person for the payment of the Indebtedness, and without otherwise affecting the security hereof, Trustee may: (a) consent to or join in the making of any map or plat of the Property; (b) grant any easement or create any restriction thereof; (c) subordinate this Deed of Trust; (d) extend or modify the term of the loan or loans secured hereby; and (e) reconvey without warranty, all or any part of the Property. Trustor agrees to pay reasonable Trustee's fees for any of the foregoing services.

20. COLLECTION OF RENTS. Prior to any default by Trustor in the payment, observance, performance and discharge of any condition, obligation, covenant, or agreement of Trustor contained herein, Trustor may, as the agent and fiduciary representative of Beneficiary for collection and distribution purposes only, collect and receive the Rents as they come due and payable; the Rents are to be applied by Trustor to the payment of the principal and interest and all other sums due or payable on any promissory note or guaranty secured by this Deed of Trust and to the payment of all other sums payable under this Deed of Trust and, thereafter, so long as aforesaid has occurred, the balance shall be distributed to the account of Trustor. However, Beneficiary shall have the right before or after the occurrence of any default to notify any account debtor to pay all amounts owing with respect to Rents directly to Beneficiary. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the Indebtedness, enter upon and take possession of the Property or any part thereof, in its own name, sue for or otherwise collect such Rents, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any Indebtedness, and in such order as Beneficiary may determine; also perform such acts of repair, cultivation, irrigation or protection, as may be necessary or proper to conserve the value of the Property; also lease the same or any part thereof for such rental, term, and upon such conditions as its judgment may dictate; also prepare for harvest, remove, and sell any crops that may be growing upon the Property, and apply the proceeds thereof upon the Indebtedness.

21. TRUSTEE'S EXERCISE OF REMEDIES IS NO CURE OF DEFAULT. The entering upon and taking possession of the Property, the collection of such Rents, or the proceeds of fire and other insurance policies, or compensation or awards for any taking of or damage to the Property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

22. REMEDIES. Upon default by Trustor in payment of all or a portion of the Indebtedness or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary and in accordance with applicable state law. In the event of default, Beneficiary may employ counsel to enforce payment of the Indebtedness, may cause the Trustee to sell the Property in accordance with the power of sale granted herein and the applicable state law, and may exercise such other rights and remedies granted under this Deed of Trust or by law and equity, including but not limited to California Code of Civil Procedure Sections 726.5 and 736 or similar laws of other jurisdictions, which rights and remedies shall be cumulative and not exclusive.

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Trustee may sell the Property either as a whole or in separate parcels, and in such order as it may determine. The purchase price shall be payable in lawful money of the United States at the time of the sale. In exercising the power of sale contained herein, Trustee may hold one or more sales of all or any portion of the Property by public announcement at the time and place of sale set forth in the notice thereof, and from time to time thereafter may postpone such sale or sales of all or any portion of the Property to the same or separate days by public announcement at such time fixed by the preceding postponement. Any person, including Trustee or Beneficiary, may purchase at such sale. Beneficiary may credit bid at any such sale, and if Beneficiary is the successful purchaser, it may apply any of the outstanding Indebtedness in settlement of the purchase price.

Beneficiary may resort to and realize upon the security hereunder and any other real or personal property security now or hereafter held by Beneficiary for the obligations secured hereby in such order and manner as Beneficiary may, in its sole discretion, determine; or may resort to any or all such security may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawful nonjudicial proceedings, or both. If the Indebtedness is also secured by personal property, fixtures or crops, Beneficiary may enforce its security interest in the personal property, fixtures and crops and its lien under this Deed of Trust in any manner and in any order or sequence permitted by applicable law.

All remedies are cumulative and none are exclusive; no election by Beneficiary to pursue one remedy or item of collateral shall be deemed to be a release or waiver of any other item of collateral or a release or modification of the liability of Trustor or any guarantor to pay all Indebtedness or perform in full all obligations to Beneficiary. The procedures governing the enforcement by Beneficiary of its foreclosure and provisional remedies against Trustor shall be governed by the laws of the state in which the Property is located. Nothing contained herein shall be construed to provide that the substantive law of the state in which the Property is located shall apply to the Beneficiary's rights and the Trustor's obligations hereunder or under the promissory note(s), which are and shall continue to be governed by the substantive law of the state in which the promissory note was executed.

23. NON-WAIVER. The failure on the part of the Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right, and the waiver by Beneficiary of any default shall not constitute a waiver of any other or subsequent defaults. Subsequent acceptance of any payment by the holder hereof shall not be deemed a waiver of any default by Trustor, or of Beneficiary's rights hereunder as the result of any sale, agreement to sell, conveyance, or alienation, regardless of holder's knowledge of such default, sale, agreement to sell, conveyance, or alienation at the time of acceptance of such payment.

24. SUCCESSORS AND ASSIGNS. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of any note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

25. SUBSTITUTE TRUSTEE. Beneficiary may, from time to time or at any time, substitute a Trustee or Trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of the county in which the Property herein described is situated, it shall be conclusive evidence of the appointment of such Trustee or Trustees, and such new Trustee or Trustees shall succeed to all of the powers and duties of the Trustee or Trustees named herein.

26. DUE ON SALE OR TRANSFER.

26.1 In the event the herein-described Property, (including any existing or subsequently acquired or created Water Asset), or any part thereof, or any interest therein, is transferred or agreed to be transferred, without Beneficiary's prior written consent, all Indebtedness, irrespective of the maturity dates, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. Any Water Transfer without Beneficiary's prior written consent shall be deemed such as Transfer. As used herein, "transferred" means sold, conveyed, alienated, exchanged, transferred by gift, further encumbered, pledged, hypothecated, made subject to an option to purchase, or otherwise disposed of, directly or indirectly, or in trust, voluntarily or involuntarily, by Trustor or by operation of law or otherwise. Failure to exercise such option shall not constitute a waiver of the right to exercise this option in the event of subsequent transfer or subsequent agreement to transfer.

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26.2 If Trustor is an entity other than a natural person (such as a corporation or other organization), then all Indebtedness, irrespective of the maturity date, at the option of Beneficiary, and without demand or notice, shall become immediately due and payable if: (a) a beneficial interest in Trustor is transferred; (b) there is a withdrawal or removal of a general partner of a partnership or a manager of a limited liability company; (c) there is a transfer in the aggregate of more than 25% of the voting stock of Trustor if Trustor is a corporation, or there is a transfer in the aggregate of more than 25% of the partnership interests or membership interests if Trustor is a partnership, limited liability company or similar entity; or (d) Trustor is dissolved or its existence as a legal entity is terminated.

27. SEVERABILITY. In the event any one or more of the provisions contained in this Deed of Trust or in any promissory note, guaranty, or other document secured hereby shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Deed of Trust or said promissory note or guaranty, but this Deed of Trust and said promissory notes or guaranties shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

28. NOTICES TO TRUSTOR. The undersigned Trustor agrees that he/she is entitled only to those notices required by applicable law and requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address set forth below.

29. JUDICIAL REFERENCE. It is the desire and intention of the parties to agree upon a mechanism and procedure under which any controversy, breach or dispute arising out of or related to this Deed of Trust may be resolved in a prompt and expeditious manner. Accordingly, where an action is pending before a court of any judicial district in the State of California, whether commenced by Trustor, Trustee or Beneficiary, each shall have the right to require that any controversy, breach, dispute or counterclaim arising out of this Deed of Trust and all other loan documents executed by Trustor, or relating to the interpretation of any term or provision of such documents, whether sounding in tort, contract or otherwise, including any related transaction and its or their negotiation, execution, collateralization, servicing, administration, and its or their modification, amendment or enforcement, or any alleged agreements, promises or representations in connection therewith, be heard by a single referee by consensual general reference pursuant to the provision of the California Code of Civil Procedure, Sections 638 et. seq. The parties shall agree upon a single referee who is a retired superior court judge and who shall have the power to decide all issues of fact and law and to issue all legal and equitable relief appropriate under the circumstances. The judicial reference shall be conducted in accordance with the rules of procedure, evidence and discovery that apply to a trial in superior court. The referee shall report a statement of decision which either party may file with the clerk or judge and have judgment entered thereon. If the parties are unable to agree upon a referee within ten (10) days of a written request to do so by any party, then any party may thereafter seek to have a referee appointed pursuant to the Code of Civil Procedure Sections 638 and 640. The parties shall promptly and diligently cooperate with one another and the referee and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of the dispute or controversy in accordance with the terms hereof. The fees and costs of the judicial reference proceeding shall initially be borne equally by the parties to the dispute. However, the prevailing party in such proceedings shall be entitled to recover its contribution to the fees and costs and its reasonable attorney's fees as items of recoverable costs. This section shall not limit the right of any party to (a) exercise self-help remedies including without limitation, set-off or self-help remedies under the Uniform Commercial Code, (b) non-judicial foreclosure against any real or personal property collateral by power of sale or otherwise, (c) obtain provisional or ancillary remedies, including but not limited to injunctive relief, attachment, garnishment or appointment of a receiver, from a court of competent jurisdiction before, after or during the pendency of any reference proceedings. The exercise of a remedy does not waive the right of either party to resort to reference.

The parties acknowledge their understanding that this agreement to use judicial reference results in a waiver of the right to a jury trial. Each of the parties represents that each has reviewed this agreement for judicial reference and the resulting waiver of the right to a jury trial, and each knowingly and voluntarily has agreed to it and the resulting waiver of the right to a jury trial.

30. EXHIBITS. All exhibits to this Deed of Trust are considered to be incorporated into and made a part of this Deed of Trust.

31. JOINT AND SEVERAL LIABILITY AND LEGAL ENTITY WARRANTY AND CERTIFICATION. If Trustor consists of more than one person, each will be jointly and severally liable for the faithful performance of all of Trustor's obligations under this Deed of Trust. If Trustor is a legal entity, Trustor (and any person signing this Deed

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of Trust in a representative capacity on behalf of Trustor) represents, warrants and certifies that Trustor is duly constituted under applicable laws and in good standing; that Trustor has the power, authority, and appropriate authorization to execute this Deed of Trust and enter into the transactions described herein and that, when executed, this Deed of Trust, and any document executed by Trustor in connection herewith, shall be valid and legally binding on Trustor. If Trustor is a trust, each trustee executing this Deed of Trust on behalf of the trust also represents, warrants and certifies that this Deed of Trust and any document executed in connection herewith is being executed by all the currently acting trustees of the trust and that the trust has not been revoked, modified, or amended in any manner which would cause any of the foregoing to be incorrect.

32. NON-MERGER. No merger will occur as a result of Beneficiary acquiring any other estate in or any other lien on the Property, unless Beneficiary consents to a merger in writing.

33. MISCELLANEOUS. As used herein, the word "including" means "including without limitation" and/or "including but not limited to". The captions used in this Deed of Trust are for convenience only and do not define or limit any terms or provisions. No listing of any specific collateral, items, instances or other matters in any way limits the scope or generality of any language of this Deed of Trust.

ADDRESSES WHERE NOTICES TO TRUSTOR ARE TO BE SENT:

PADRE PROPERTIES, LLC – P.O. Box 1032, Hughson, California 95326

PADRE PROPERTIES, LLC, a California limited liability company

By



RICHARD M. BRADEN, in the following capacity:
as Manager of Padre Properties, LLC, a California limited
liability company

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STATE OF Oregon)
County of Josephine)ss.

This instrument was acknowledged before me on this 27th day of June, 2021
by **Richard M. Braden as Manager of Padre Properties, LLC a California Limited Liability Company** on behalf of the LLC.

Rhea Chojnacki

Notary Public for Oregon
My commission expires: 3-21-2022



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EXHIBIT "A"

TRACT A:

Beginning at a point 845.0 feet North of the South Quarter corner of Section 6 in Township 38 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence West 170.0 feet; thence South 29° 30' East 115.0 feet; thence West, to the West line of the Southeast Quarter of the Southwest Quarter of said Section 6; thence North 3215.0 feet to the Northwest corner of the Southeast Quarter of the Northwest Quarter of said Section 5; thence East 1320.0 feet to the Northeast corner of said Quarter- Quarter; thence South 3115.0 feet to the point of beginning.

EXCEPTING THEREFROM the following: Any portion of the above described tract lying Easterly of the North Applegate Road (County Road).

ALSO EXCEPTING THEREFROM the following: Beginning at the Northeast corner of the Southeast Quarter of the Northwest Quarter of said Section 6; thence South 150.0 feet; thence West 140.0 feet; thence North 150.0 feet; and thence East 140.0 feet to the point of beginning.

ALSO EXCEPTING THEREFROM the following: Commencing at the Northeast corner of the Southeast Quarter of the Northwest Quarter of Section 6 in Township 30 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence South 150.00 feet; thence West 140.00 feet, for the true point of beginning; thence North 150.00 feet; thence West 150.00 feet; thence South 150.00 feet; thence East 150.00 feet to the true point of beginning.

TRACT B:

Commencing at the Northwest corner of the Southwest Quarter of the Northeast Quarter of Section 6 in Township 38 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence South 150.00 feet to the Southwest corner of tract described in Volume 141, Page 159 of the Deed Records of Jackson County, Oregon, for the true point of beginning; thence East, along the South line of said tract, to the Westerly right of way line of Missouri Flats Road (County Road); thence Southwesterly, along said Westerly right of way, to intersect the West line of said Quarter-Quarter; thence North to the true point of beginning.

NOTE: This Legal Description was created prior to January 01, 2008.

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ORIGIN ID:SCKZJ (209) 847-7021
RECEPTION
YOSEMITE FARM CREDIT
1415 EAST G STREET
OAKDALE, CA 95361
UNITED STATES US

SHIP DATE: 25AUG21
ACTWGT: 0.10 LB
CAD: 10670559/NET4400
BILL SENDER

TO

OREGON WATER RESOURCES DEPARTMENT
725 SUMMER STREET NE, SUITE A

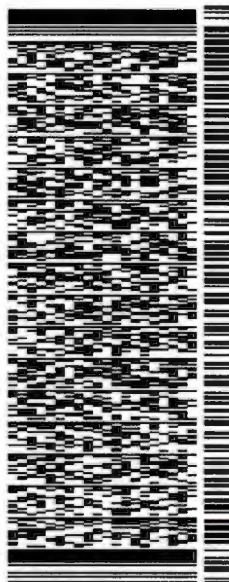
SALEM OR 97301

(503) 886-0800

REF:

PO:

DEPT:

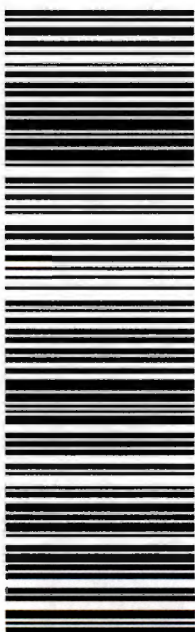


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TRK# 7746 3167 2344
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THU - 26 AUG 10:30A
PRIORITY OVERNIGHT

WS SLEA 97301
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After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

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Oregon

Kate Brown, Governor

Water Resources Department

North Mall Office Building

725 Summer St NE, Ste A

Salem, OR 97301

Phone: 503-986-0900

Fax: 503-986-0904

www.Oregon.gov/OWRD

July 28, 2021

Yosemite Land Bank, FLCA
PO Box 2378
Turlock, CA 95381

Reference: Fee Increase

Reference: Application S-63182, Permit S-46663

Reference: Application S-61481, Permit S-45762

Reference: Application S-88045, Permit S-54937

Reference: Application GR-3834, GR Registration GR-3494

Dear Yosemite Land Bank, FLCA,

The Department has received your Requests for Assignment on the four referenced water rights. We are unable to accept the requests at this time as insufficient fees were submitted. As of July 1, 2021, the fee for a Request for Assignment is \$120.

Regarding the Request for Assignment by Proof of Ownership on Application S-63182, Permit S-46663, the current permit holders of record are William McClellan, and James and Sandra Wester. The submitted request only lists William McClellan. Also on the form, the requestor only initialed item #1 for attaching proof of ownership, items 2 through 4 were not initialed, and proof was not provided that the requestor was unable to contact the owners of record, William McClellan, and James and Sandra Wester. Examples of acceptable proof are listed on the form.

Additionally, two documents titled Notice of Pledge were submitted. If it is your intent to document current land ownership of Certificates of Water Right, please submit the Department's Ownership Update Forms. A copy of the form is enclosed. Additional copies may be accessed on our website at: <https://www.oregon.gov/owrd/programs/WaterRights/Cert/Pages/default.aspx>

Please return the requests with the required fees and additional items related to Application S-63182, Permit S-46663, so that the Department may process them in a timely manner.

Should you have any questions, please do not hesitate to contact me at the address above or by telephone at 503-979-9895.

Sincerely,

Mary F. Bjork
Water Rights Program Analyst
Water Right Services Division



Enclosure: Request for Assignment, Fees, and Ownership Update Form

cc: file

Padre Properties, LLC – PO Box 1032, Hughson, CA 95326



Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301
(503) 986-0900
www.wrd.state.or.us

Request for Assignment By Proof of Ownership (If Water Right Holder is Not Available)

If the Department determines that the application is incomplete, fees have not been paid, or the required documents are not acceptable, the application and all fees submitted will be returned to the applicant.

If for multiple rights, a separate form and fee for each right will be required.

I, Padre Properties, LLC, a California limited liability Company Yosemite Land Bank, FLCA (Lienholder)

(Name of Party Requesting Assignment)

P.O. Box 1032

P.O. Box 2378

Turlock, CA 95381

Hughson, CA 95326

(209) 667-2366

(Mailing Address)

(City)

(State) (Zip)

(Phone #)

- ☒ hereby request assignment of an entire application/permit/transfer/limited license/groundwater statement; hereby request
☐ assignment of a portion of application/permit/transfer/limited license/groundwater statement; (You must include a map
showing the portion of the application/permit/ transfer/limited license/groundwater statement
to be assigned.)

Application # S 63182 ; Permit # S 46663 ; Transfer # _____ ;

Limited License # _____ ; Groundwater Statement # _____ ;

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William McClellan

(Name of Current Holder of Record)

14601 N. Applegate Road

Grants Pass, OR 97526

(Mailing Address)

(City)

(State) (Zip)

(Phone #)

Note: Write the initials (first letters) of your first and last names at the spots indicated below. RM

- 1) RM I certify that I am the current owner of the property described in this application, permit, transfer order, limited license, or groundwater statement. I have attached proof of ownership that may include but not be limited to: a copy of the deed to the land, a copy of a land sales contract, a court order or decree, documentation of survivorship of property held jointly. The Department cannot accept a copy of a tax statement.
- 2) _____ I have the legal right to request assignment under OAR 690-310-0280 and 690-320-0060.
- 3) _____ I have not been able to contact the owner(s) of record for the above referenced transaction. I have attached proof acceptable to the Department that notice of the assignment has been given or attempted for each identified property owner not a party to the assignment. ORS 537.220(2) Failure to submit this proof will result in the return of your request. (Proof may include but not be limited to: a copy of returned certified mailing, copy of a Death Certificate, or a court order.)
- 4) _____ I further certify that the information provided herein is true and correct to the best of my knowledge.

Witness my hand this 29th day of June, 2021.
(Day) (Month) (Year)

Signature of Party Requesting Assignment Richard M. Beach

Failure to provide any of the required information will result in the return of your application.

DO NOT WRITE IN THIS BOX



The completed "Request for Assignment" form must be submitted to the Department along with the recording fee of \$100.

Recording Requested by:

WHEN RECORDED MAIL TO:

Yosemite Land Bank, FLCA
P. O. Box 3278
Turlock, California 95381

Jackson County Official Records **2021-029989**
R-TAF
Stn=62 HALLEH 07/08/2021 02:41:47 PM
\$75.00 \$15.00 \$10.00 \$13.00 \$11.00 \$199.00
\$11.00 \$60.00 \$4.00
I, Christine Walker, County Clerk for Jackson County, Oregon, certify
that the instrument identified herein was recorded in the Clerk
records.
Christine Walker - County Clerk

CERTIFIED TO BE A
TRUE AND EXACT COPY
FIRST AMERICAN TITLE
BY

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FA3711055RC

Space Above This Line For Recorder's Use

Loan Number: 5291070000

DEED OF TRUST, ASSIGNMENT OF RENTS, FIXTURE FILING AND SECURITY AGREEMENT

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, FIXTURE FILING, AND SECURITY AGREEMENT ("Deed of Trust"), made this 22nd day of June, 2021, between PADRE PROPERTIES, LLC, a California limited liability company, as "Trustor", FIRST AMERICAN TITLE INSURANCE COMPANY, as "Trustee" and YOSEMITE LAND BANK, FLCA, as "Beneficiary", a corporation organized and existing under the laws of the United States of America, with its office at P. O. Box 3278, Turlock, California, 95381.

1. GRANT IN TRUST. Trustor IRREVOCABLY GRANTS, CONVEYS AND ASSIGNS to said Trustee, in trust for the benefit of Beneficiary, with power of sale together with right of entry and possession, the property described below in Sections 1.1 through 1.5 inclusive (collectively, the "Property").

1.1 The real property (the "Real Property") situated in the County of Jackson, State of Oregon, described in Exhibit "A".

1.2. BUILDINGS, FIXTURES, AND OTHER IMPROVEMENTS. All buildings, structures, equipment, fixtures (including, but not limited to, trees, vines and shrubs) and improvements of every kind and description now or hereafter constructed or placed on the Real Property; all standing timber and timber to be cut located on the Real Property; and all pumping plants, electrical generators, wind machines, and fencing and storage tanks, now or hereafter used in connection with the Property, all of which are hereby declared to be fixtures. Without limiting the generality of the foregoing, a description of some fixtures may also be included with the description of the Real Property set forth above or in an exhibit hereto.

1.3. LEASES AND OTHER RIGHTS. All existing and future leases, subleases, licenses, permits, agreements, permits and concessions relating to the use or enjoyment of the Real Property, including all grazing rights, leases, permits and licenses; all oil, gas, and mineral leases, permits and rights used with the Real Property; and all tenements, hereditaments, easements, rights-of-way and appurtenances to the Property.

1.4. WATER ASSETS. All right, title, and interest at any time of Trustor (or any of its bailees, agents, or instrumentalities) relating to the use or enjoyment of the Property, whether now existing or hereafter arising or acquired, whether direct or indirect, whether owned legally, of record, equitably or beneficially, whether constituting real or personal property (or subject to any other characterizations), whether created or authorized under existing or future laws or regulations, and however arising, including without limitation; the water, water



rights and other assets and items described below in Sections 1.4(a) through 1.4(i) inclusive, which shall collectively be called "Water Assets". Water Assets include without limitation water rights which are appurtenant to the Property, arise by virtue of the Property being situated within the boundaries of any city, county, district, agency, or other governmental entity or within the boundaries of any private water company, mutual water company, or other non-governmental entity, or are owned or have been acquired by the Trustor for the benefit of the Property (whether or not appurtenant to the Property). References to "water" and "water rights" are used herein in the broadest and most comprehensive sense of the term(s). The term "water" includes water rights and rights to water or whatever rights to money, proceeds, property or other benefits are exchanged or received for or on account of any Water Assets or any conservation or other nonuse of water, including whatever rights are achieved by depositing one's share of any Water Assets in any water bank or with any water authority, or any other water reallocation rights. Without limiting the generality of the foregoing, a description of some Water Assets may also be included with the description of the Property set forth above or in an exhibit hereto.

- (a) All water (including any water inventory in above or below ground storage), water rights and entitlements, other rights to water and other rights to receive water or water rights of every kind or nature whatsoever including without limitation: (a) the groundwater on, under, pumped from or otherwise available to the Property, whether as the result of groundwater rights, contractual rights, groundwater sustainability or management plans, judicial or administrative decisions, or otherwise; (b) Trustor's right to remove and extract any such groundwater including any permits, rights, authorities or licenses granted by any governmental authority or agency or any rights granted or created by any use, easement, covenant, agreement, or contract with any person or entity; (c) any credits, allocations, entitlements, pumping rights or similar rights associated with or derived from the Property relative to groundwater as the result of any adjudications or other court or regulatory proceedings, or under any groundwater sustainability plan or similar plan; (d) any rights to which the Property is entitled with respect to surface water, whether such right is appropriative, riparian, prescriptive, decreed or otherwise and whether or not pursuant to permit or other governmental authorization, or the right to store any such water (whether above or below ground); (e) any water, water right, water allocation, distribution right, delivery right, water storage right, or other water-related entitlement appurtenant or otherwise applicable to the Property by virtue of the Property being situated within the boundaries of any district, agency, or other governmental entity or within the boundaries of any private water company, mutual water company, or other non-governmental entity; (f) all water and existing and future water rights, however evidenced, to the use of water for irrigation, livestock and domestic purposes, including irrigation and watering equipment and systems, ditches, laterals, conduits, and rights-of-way used to convey such water or to drain the Property, all of which rights are or are hereby made appurtenant to the Property; and (g) any drainage rights (whether surface or subsurface) appurtenant or otherwise applicable to the Property.
- (b) All stock, interest or rights (including any water allocations, voting or decision rights) in any entity, together with any and all rights from any entity or other person to acquire, receive, exchange, sell, lease, or otherwise transfer any Water Assets, to store, deposit or otherwise create water credits in a water bank or similar or other arrangement for allocating water, to transport or deliver water, or otherwise to deal with any Water Asset, including shares of stock.
- (c) All licenses, permits, approvals, contracts, decrees, rights and interests to acquire or appropriate any Water Assets, water bank or other credits evidencing any right to Water Assets, to store, carry, transport or deliver Water Assets, to sell, lease, exchange, or otherwise transfer any Water Asset, or to change the point for diversion of water, the location of any Water Asset, the place of use of any Water Asset, or the purpose of the use of any Water Asset together with water right certificate number 16250 and permit numbers S-46663, S-45762, GR-3834 and S-54937.
- (d) All rights, claims, causes of action, judgments, awards, and other judicial, arbiter or administrative relief in any way relating to any Water Asset.
- (e) All water storage, water recharge, water banking and water treatment rights, whether on or off the Property and whether above or below ground, together with all storage tanks, and other equipment used or usable in connection with such storage and any water bank deposit credits, deposit accounts or other rights arising on account of the storage or nonuse of any Water Asset.
- (f) All rights to transport, carry, allocate or otherwise deliver Water Assets by any means wherever located.

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- (g) All irrigation and watering equipment, including all pumps, pumping plants, storage tanks, pump motors, electrical generators (all of which are declared to be fixtures), including but not limited to all filters, sprinklers, emitters, and surface lines, and all systems, ditches, laterals, conduits, and rights-of-way used to convey such water or to drain the Property.
- (h) All guaranties, warranties, marketing, management or service contracts, indemnity agreements, and water right agreements, other water related contracts and water reallocation rights, all insurance policies regarding or relating to any Water Asset.
- (i) All rents, issues, profits, proceeds and other accounts, instruments, chattel paper, contract rights, general intangibles, deposit accounts, and other rights to payment arising from or on account of any use, nonuse, sale, lease, transfer or other disposition of any Water Asset.

1.5. ADDITIONS AND PROCEEDS. All additions, accretions substitutions and replacements of any of the Property; all proceeds of the Property, including all proceeds of present and future insurance policies; and all condemnation awards or payments now or later made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any misrepresentation, damage or injury to, or defect in, the Property.

2. ASSIGNMENT OF RENTS. TRUSTOR ABSOLUTELY AND UNCONDITIONALLY ASSIGNS, transfers, conveys and sets over to Beneficiary all the rents, royalties, issues, profits, revenue, income and other benefits of the Property arising from the use, non-use, enjoyment, sale, transfer or other disposition of all or any portion thereof, including those set forth in Paragraph 1.4(i) above, or from any lease, mineral lease, or agreement pertaining to the Property (collectively the "Rents"); whether now existing or hereafter arising and whether now due, past due or to become due; SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Trustor by Paragraph 20 hereof. This assignment of the Rents shall be perfected automatically without appointment of a receiver or Beneficiary becoming a mortgagee in possession.

3. OBLIGATIONS SECURED. Trustor makes the grant, conveyance, and assignment of the Property as described above for purposes of securing the following indebtedness and other obligations (collectively, "Indebtedness") in any order of priority that Beneficiary may choose:

- (a) payment of the indebtedness and performance of the obligations of Trustor evidenced by the following promissory note(s) (collectively "Note") and/or the following continuing guaranty(s) (collectively "Guaranty"), and any other documents executed by Trustor in conjunction with the Note or Guaranty:

[X] a Promissory Note and Loan Agreement or a Promissory Note and Supplement to Master Loan Agreement dated as of June 22, 2021, in the stated principal amount of \$1,416,000.00.

- (b) the payment of such additional loans or advances, including advances under a revolving line of credit, with interest thereon, as hereafter may be made to or guaranteed by Trustor, or Trustor's successors or assigns, evidenced by a promissory note, guaranty, loan agreement or otherwise; PROVIDED HOWEVER, THAT, such additional loans or advances will be secured by this Deed of Trust only if the promissory note, guaranty, loan agreement or other document evidencing the obligations of Trustor relative to such loans or advances recites that it is to be secured by this Deed of Trust;
- (c) the payment and performance of the obligations set forth in any document evidencing an extension, renewal, modification, replacement, reamortization, conversion, or restatement of any Indebtedness secured by this Deed of Trust, including without limitation renewal and/or substitute notes, guaranties, and loan agreements.
- (d) the performance of every obligation and agreement of Trustor whether contained or incorporated by reference in this Deed of Trust, or contained in any loan agreement, loan document or guaranty executed by Trustor in favor of Beneficiary, with respect to any loan or advance secured by this Deed of Trust; and
- (e) the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms of this Deed of Trust, together with interest thereon as herein provided.

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The Notes referred to above are payable by Trustor and/or others to the Beneficiary at the times, in the manner and with interest as therein set forth. The Note and other documents evidencing the Indebtedness may contain variable or adjustable interest rate provisions and provisions evidencing revolving lines of credit.

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The continuing validity and priority of this Deed of Trust as security for future loans or advances will not be impaired by the fact that at certain times hereafter there may be no outstanding loan or other indebtedness from Trustor to Beneficiary and/or no commitment to make loans or advances.

Notwithstanding the foregoing, this Deed of Trust does not secure any indebtedness or other obligation if the promissory note, guaranty, or any other document evidencing or pertaining to the indebtedness or obligation states that it is unsecured or not secured by real property.

4. **UNIFORM COMMERCIAL CODE.** Trustor does hereby create and grant to Beneficiary a security interest under the California Uniform Commercial Code ("Uniform Commercial Code") as described below in Sections 4.1 and 4.2.

4.1 **PERSONAL PROPERTY SECURITY AGREEMENT.** All of the Property will be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust. To the extent that any of the Property, (including without limitation any Water Assets or fixtures), is deemed to constitute, is adjudicated to be, or declared to be personal property, this Deed of Trust shall also be deemed to be and shall constitute a security agreement. Trustor does hereby create and grant to Beneficiary a security interest in all such personal property described herein; and further, grants to Beneficiary all of the rights and remedies of a secured party under the Uniform Commercial Code and other applicable state law, which rights are cumulative.

4.2 **FIXTURE FILING.** This Deed of Trust shall also be deemed to be a fixture filing under the Uniform Commercial Code and is to be recorded in the real estate records of the county.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES TO EACH OF THE FOLLOWING:

5. **USE OF PROCEEDS.** To use loan proceeds solely for the purposes set forth in the loan application(s) or as otherwise required by Beneficiary.

6. **CONDITION OF PROPERTY.** To keep the Property in good condition, working order and repair; to care for the Property in accordance with standards of good husbandry and to keep all trees, vines and crops on said land properly cultivated, irrigated, fertilized, sprayed, and fumigated; not to sell, transfer, assign, encumber or convey any water or water right from the Property, or to enter into an agreement for the nonuse of water, without the prior written consent of Beneficiary; not to remove, destroy or suffer the removal or destruction of any building, fence, canal, well or other improvements or fixtures thereon; not to remove, replace or alter any horticultural or viticultural tree, vine or shrub planted thereon without the prior written consent of Beneficiary, except in the ordinary course of business; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting the Property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general; to observe and perform all obligations of Trustor under any lease of the Property.

7. **INSURANCE.** To provide, maintain and deliver to Beneficiary, fire, extended coverage, flood, and all other types of insurance, in terms and amounts as may be required by law or Beneficiary, with loss payable endorsements (including lender loss payable endorsements) solely in favor of Beneficiary. In the event of loss, the insurance proceeds, or any part thereof, may be applied by Beneficiary, at its option, to reduce the Indebtedness or restore or repair the property damaged. Failure to obtain, maintain or deliver to Beneficiary the insurance required shall constitute an event of default under this Deed of Trust.

At least thirty (30) days prior to the expiration of any such policy of insurance, Trustor will deliver a policy renewing or extending such expiring insurance and written evidence demonstrating payment of the premium for such insurance. If any such policy and evidence of payment (or copies of same, if originals cannot be delivered to Beneficiary) are not so delivered to Beneficiary, without notice to or demand upon Trustor and without releasing Trustor from any obligation under this Deed of Trust, Beneficiary may (but is not obligated to), at Trustor's expense, obtain insurance in such types, on such terms and in such amounts as Beneficiary in its sole discretion shall decide, through or from

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any insurance agency or company acceptable to it. Any insurance obtained by Beneficiary shall be for its sole benefit and to protect the security of this Deed of Trust. The expense and cost of such insurance shall, at Beneficiary's option, be payable on demand or added to the Indebtedness as provided herein. Neither Trustee nor Beneficiary shall be chargeable with or responsible for the procurement or maintenance of any such insurance, the collection of any proceeds from such insurance, or the insolvency of any insurance company or underwriter.

8. **DEFENSE OF TITLE.** To appear in and litigate any action or proceeding purporting to affect the security hereof, the title to the Property, or the rights or powers of Beneficiary or Trustee. Beneficiary or Trustee may appear in and litigate any such action or proceedings, including any bankruptcy, partition or condemnation proceeding, affecting the Property, or Beneficiary's interest therein, in which event Trustor agrees to pay all costs and expenses thereof, including attorney's fees and costs of securing evidence of title.

9. **TAXES, LIENS AND ASSESSMENTS.** To pay on or before the due date all taxes and assessments affecting the Property, including all assessments upon water company stock, and all rents, assessments and charges for water appurtenant to or used in connection with the Property; to pay when due all encumbrances, charges, and liens on the Property, or any part thereof, which at any time appear to be prior or superior hereto.

10. **FEES AND COSTS.** In the event that Beneficiary or Trustee uses the services of attorneys, accountants, appraisers, consultants, or other professional or outside assistance, including the services of in-house counsel or any other attorney or professional who is an employee of Lender, the reasonable amount of fees, costs and expenses ("Expenses") incurred by Beneficiary or Trustee to use such persons in connection with any of the following shall be payable by Trustor on demand. Beneficiary or Trustee may, at its option, add the amount of such Expenses to any portion of the Indebtedness plus an appropriate amount of Beneficiary's stock or participation certificates required in connection with the loan (as required by federal law or regulation or Beneficiary's bylaws), and charge interest on such amount at the interest rate applicable to such portion of the Indebtedness. These Services include:

- (a) The preparation, modification or enforcement of this Deed of Trust, and any other agreement or document incident to the Indebtedness or to the Property;
- (b) Advising Beneficiary or Trustee concerning its legal rights and obligations with regard to this Deed of Trust and any other agreement or document incident to the Indebtedness, or to the Property, including advising Beneficiary or Trustee with regard to the extent of their rights, if any, under the provisions of the Farm Credit Act of 1971, as amended, ("Act"), Farm Credit Administration ("FCA") regulations, any policy or program of Beneficiary, or any other state or federal law;
- (c) Any litigation, dispute, proceeding, or action (whether or not dismissed, reduced to judgment, or otherwise resolved), and whether instituted by Beneficiary, Trustee or Trustor or any other person, relating to the Indebtedness, the Property or Trustor's affairs;
- (d) The furtherance of Beneficiary's or Trustee's interest in any bankruptcy, insolvency, or reorganization case or proceeding instituted by or against Trustor, including any steps to (i) modify or terminate the automatic stay, (ii) prohibit or condition Trustor's use of cash collateral, (iii) object to any disclosure statement or plan, (iv) propose or confirm a plan, and (v) prosecute or defend adversary proceedings or contested matters, and take or defend examinations or discovery, whether or not related to any adversary proceeding or contested matter and whether or not dismissed, reduced to judgment, or otherwise resolved;
- (e) The inspection, verification, protection, collection, processing, sale, liquidation, or disposition of the Property; and
- (f) Any of the type of Expenses referred to in (a) through (e) above incurred by Beneficiary or Trustee in connection with any guaranty of the Indebtedness.

The Expenses described herein and elsewhere in this Deed of Trust shall be in addition to those set forth in any Security Instrument or any other written agreement between Beneficiary and Trustor.

11. **BENEFICIARY MAY ACT FOR TRUSTOR.** Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent

as either may deem necessary to protect the Property, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; commence, appear in and litigate any action or proceeding purporting to affect the Property or the rights or powers of Beneficiary or Trustee, including any bankruptcy proceeding affecting the Property; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; pay such fees, charges, rents or other payments accruing under the grazing permits described in Section 14 below; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefore, including attorney's, accountant's, and appraisal fees, environmental fees and costs of securing evidence of title, and all amounts so expended shall be obligations of Trustor secured by this Deed of Trust. Nothing contained herein shall prohibit Beneficiary from entering the Property, at a reasonable time and upon reasonable notice to Trustor, without incurring or assuming any obligations or liabilities whatsoever, for the sole purpose of inspecting the Property.

12. SUMS EXPENDED BY BENEFICIARY. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at the same rate as is provided for in the note or notes secured by this Deed of Trust. In the event that such sums are not immediately paid, they shall be added, along with the appropriate amount of stock or participation certificates required in connection with the loan, to the principal balance of the Indebtedness and shall accrue interest as therein set forth. All such sums shall be secured hereby.

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13. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.

13.1 DEFINITIONS. Defined Terms as used in this Paragraph 13:

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- (a) "Environmental Laws" shall mean all federal, state and local laws, ordinances, rules and regulations now or hereafter in force, as amended from time to time, in any way relating to or regulating human health or safety, industrial hygiene or protection of the environment.
- (b) "Hazardous Substances" shall mean any substance or material that is described, designated or regulated as a toxic or hazardous substance, waste or material or a pollutant or contaminant, or words of similar import, in any of the Environmental Laws.
- (c) "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment, including continuing migration, of Hazardous Substances into, onto or through the soil, surface water or groundwater of the Property, whether or not caused by, contributed to, permitted by, acquiesced to or known to Trustor.
- (d) "User" means any person other than Trustor who occupies, uses or comes onto or has occupied, used or come onto the Property or any part thereof and any agent or contractor of such a person.

13.2 TRUSTOR REPRESENTS AND WARRANTS. Trustor represents and warrants to Beneficiary that, as of the date of this Deed of Trust and to the best of Trustor's knowledge, based on due inquiry and investigation:

- (a) Except as previously disclosed in writing by Trustor to Beneficiary: (i) no Hazardous Substances in excess of permitted levels or reportable quantities under applicable Environmental Laws are present in, on or under the Property or any nearby real property which could migrate to the Property; (ii) no Release or threatened Release exists or has occurred; (iii) neither Trustor nor any User has ever used the Property or any part thereof for the production, manufacture, generation, treatment, handling, storage, transportation or disposal of Hazardous Substances; (iv) no underground, surface or elevated storage tanks of any kind, wells (except domestic water wells), septic tanks, pits, ponds or other impoundments ("Tanks") are or ever have been located in or on the Property; and (v) no investigation, claim, demand, action or proceeding of any kind relating to any Release or threatened Release or any past or present violation of any Environmental Laws relating to the Property has been made or commenced, or is pending, or is being threatened by any governmental authority or other person;
- (b) All operations and activities at, and the use and occupancy of, the Property comply with all applicable Environmental Laws;

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- (c) Trustor and every User has, and is in strict compliance with, every permit, license and approval required by all applicable Environmental Laws for all activities and operations at, and the use and occupancy of, the Property;
- (d) Neither the Property, nor any portion thereof, nor any adjacent property or portion thereof, has been or is proposed to be listed under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et seq.), or any analogous state law; and
- (e) Any written disclosure submitted by or on behalf of Trustor to Beneficiary at Beneficiary's request concerning any Release or threatened Release, past or present compliance by Trustor, User or any other person of any environmental Laws applicable to the Property, the past and present use and occupancy of the Property, any environmental concerns relating to the Property and the like was true and complete when submitted.
- (f) Trustor owns the Water Assets free and clear of all defects, liens, encumbrances, easements, exceptions and assessments, except those that have been disclosed to and approved by Beneficiary, and the Property currently has the continuing, enforceable right to receive irrigation water from such sources, in such quantities, and at such times and locations as has been historically available to the Property, without any currently pending or, to the best knowledge of Trustor, threatened interruption. Trustor has filed with the required agencies or bodies all notices, reports, certifications, and other documents required under applicable Federal, State and local laws, regulations, ordinances and requirements, if any, in connection with the supply of water to and use of water upon the Property, including without limitation the discharge of any water or contaminants from the Property, and has obtained all applicable permits or consents in connection therewith.
- (g) Trustor is and will continue to be in compliance with any judicial or administrative decisions and groundwater sustainability or management plans affecting or relating to water derived from wells used on the Property.

13.3 TRUSTOR AGREES THAT:

- (a) Except in the ordinary course of business, in a good and husbandlike manner and in strict compliance with all applicable Environmental Laws, Trustor promises that neither Trustor nor any User shall use, produce, manufacture, generate, treat, handle, store, transport, or dispose of any Hazardous Substances in, on or under the Property, or use the Property for any such purposes;
- (b) Trustor shall not cause, contribute to, permit or acquiesce to any Release or threatened Release;
- (c) Trustor shall comply fully, and shall cause every User to comply fully, with all Environmental Laws applicable to the Property, and all other laws, ordinances and regulations applicable to the use or occupancy thereof, or any operations or activities therein or thereon;
- (d) With respect to any Tanks disclosed in writing to Beneficiary, Trustor shall comply with all Environmental Laws and any requirements of city or county fire departments, applicable to the maintenance and use of such Tanks, including, without limitation, Title 40 of the Code of Federal Regulations part 112;
- (e) To facilitate performance of Trustor's obligations under Paragraph 13.3(a), (b), (c), (d) of this Deed of Trust, Trustor shall regularly inspect the Property, monitor the activities and operations of every User and confirm that every User has obtained and fully complies with all permits, licenses and approvals required by all applicable Environmental Laws;
- (f) Immediately after Trustor obtains any information indicating any Release or threatened Release, or that Hazardous Substances in, on or under any nearby property could migrate to the Property or a violation of any Environmental Laws may have occurred or could occur regarding the Property, Trustor shall give notice thereof to Beneficiary with a reasonably detailed description of the event, occurrence or condition in question;
- (g) If Beneficiary obtains any information that Beneficiary believes in good faith indicates a reasonable possibility of a Release or threatened Release, or that Hazardous Substances in, on or under any nearby real property could migrate to the Property or any violation of any Environmental Laws may have occurred or could occur regarding the Property, then Trustor shall, at the expense of Trustor, promptly after a request by

Beneficiary, or Beneficiary may at Trustor's expense any time prior to completion of a judicial or nonjudicial foreclosure, engage a qualified environmental engineer to conduct a comprehensive environmental assessment of the Property and prepare and submit to Beneficiary a written report containing the findings and conclusions resulting from such investigation. Trustor shall, on demand, pay to Beneficiary all sums expended by Beneficiary in connection with any such comprehensive environmental assessment, together with interest thereon after such demand at the interest rate as set forth in the applicable promissory note(s) evidencing the Indebtedness;

- (h) Trustor shall permit, or cause any User to permit, Beneficiary or its agents or independent contractors to enter and inspect the Property (including the taking of building materials, soil and groundwater samples) at any reasonable time and after reasonable notice, except in an emergency, whether or not a default has occurred under this Deed of Trust, and including after the commencement of judicial or nonjudicial foreclosure proceedings, for purposes of determining, as Beneficiary deems necessary or desirable: the existence, location or nature of any Hazardous Substances into, onto, or spread beneath or from the Property, that is located or has been spilled, disposed of, discharged or released on, under or about the Property. Trustor acknowledges that all inspections and reviews undertaken by Beneficiary are solely for the benefit and protection of Beneficiary and agrees that Beneficiary shall have no duty to Trustor with respect to Hazardous Substances or Environmental Laws as a result of any such inspections, and such inspections shall not result in a waiver of any default by Trustor. If Trustor or any User fails to comply fully with the terms of this section, Beneficiary may obtain affirmative injunctive relief to compel such compliance; and
- (i) If any Release or threatened Release exists or occurs before this Deed of Trust is reconveyed or foreclosed upon, or if Trustor is in breach of any of its representations, warranties or covenants as set forth in this Section 13, Trustor shall immediately give notice of the condition to Beneficiary, and Trustor shall at its own expense cause any Hazardous Substances to be cleaned up and removed from the Property, and the Property shall be restored, in compliance with all applicable Environmental Laws and other laws, ordinances, rules and regulations (the "Remediation Work"). If requested by Beneficiary, Trustor shall submit to Beneficiary, for Beneficiary's prior approval, complete plans and specifications for all Remediation Work to be done before any Remediation Work is performed, except in an emergency. Alternatively, Beneficiary may cause such Remediation Work to be completed at Trustor's expense.
- (j) Until the Note is repaid in full, at Trustor's sole expense, Trustor shall ensure that the Property will continue to have the continuing, enforceable right to receive irrigation water from such sources, in such quantities, and at such times and locations as is reasonably satisfactory for the purposes of farming, without substantially increased cost, and in such quantities, and at such times and locations as has been historically available to the Property and timely file with the required agencies or bodies all notices, reports, certifications and other documents required under applicable Federal, State and local laws, regulations, ordinances and requirements, if any, in connection with the supply of water to and use of water upon the Property, including without limitation the discharge of any water or contaminants from the Property, and maintain all applicable permits or consents in connection therewith.
- (k) Trustor shall comply with any judicial or administrative decisions and groundwater sustainability or management plans affecting or relating to water derived from wells used on the Property.

13.4 NOTICE TO GOVERNMENTAL AUTHORITIES. Beneficiary shall have the right, but not the obligation, to advise appropriate governmental authorities of any environmental condition on or affecting the Property that constitutes or may constitute a breach of Trustor's obligations hereunder.

13.5 INDEMNITY OF TRUSTEE AND BENEFICIARY. Trustor and its successors and assigns shall indemnify, defend, protect, and hold harmless Beneficiary, and/or Trustee, its directors, officers, employees, agents, shareholders, successors and assigns and their officers, employees or agents, from and against any and all claims, suits, damages, foreseeable and unforeseeable consequential damages, liens, losses, liabilities, interest, judgments, cleanup costs, demands, actions, causes of action, injuries, administrative proceedings and orders, consent agreements and orders, penalties, costs and expenses (including any fees and expenses incurred in enforcing this indemnity, any out-of-pocket litigation costs, sums paid in settlement of claims, and all consultant, expert and the reasonable fees and expenses of counsel, including in-house legal services) of any kind whatsoever ("Claims") paid, incurred or suffered by, or asserted against Beneficiary and/or Trustee, including but not limited to Claims arising out of loss of life, injury to persons, trespass or damage to or contamination of

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property or natural resources, or injury to business, in connection with or arising out of the activities of Trustor on the Property, Trustor's predecessors in interest, third parties who have been invited, permitted or trespassed on the Property, or parties in a contractual relationship with Trustor, or any of them, or which directly or indirectly arise out of or result from or in any way connected with the Property, whether or not caused by Trustor or within the control of Trustor, including without limitation: (a) the presence, use, generation, treatment, storage, disposal, Release, threatened Release, or discharge of any Hazardous Material or Contaminant at or from said Property and/or the cleanup of Hazardous Materials or Contaminants within, on or under said Property; (b) Trustor's breach of any of the representations, warranties and covenants contained herein; and (c) Trustor's violation or alleged violation of any applicable Environmental Law, regulation or ordinance.

13.6 SURVIVAL. NOTWITHSTANDING ANY OTHER PROVISION OF THIS DEED OF TRUST, THE NOTE OR ANY LOAN DOCUMENTS, TRUSTOR'S REPRESENTATIONS, WARRANTIES, COVENANTS AND INDEMNITIES CONTAINED IN THIS SECTION 13 SHALL SURVIVE THE OCCURRENCE OF ANY EVENT WHATSOEVER, INCLUDING WITHOUT LIMITATION THE PAYOFF OF THE PROMISSORY NOTE SECURED HEREBY, THE RECONVEYANCE OR FORECLOSURE OF THIS DEED OF TRUST, THE ACCEPTANCE BY TRUSTEE OF A DEED IN LIEU OF FORECLOSURE, OR ANY TRANSFER OR ABANDONMENT OF THE PROPERTY.

14. GRAZING RIGHTS. If any portion of the Property described in this Deed of Trust is used by Trustor as the basis for obtaining grazing permits or other grazing rights issued by any governmental agency, including without limitation the Forest Service, U.S. Department of Agriculture or the Bureau of Land Management, U.S. Department of Interior, Trustor covenants and agrees as follows:

- (a) Said grazing permits or other rights are in good standing and have not been modified, reduced or limited in any other respect, except as fully disclosed in writing to Beneficiary;
- (b) Trustor will perform all obligations imposed as a requirement of exercise of said grazing permits or other rights and will comply with all laws, rules and regulations applicable thereto;
- (c) Trustor will take such timely action as may be required to cause the renewal or reissuance of said grazing permits or other rights from time to time as they expire during the term thereof Trustor agrees and acknowledges that the failure to renew or cause the reissuance of any said permits for any reason, whether the result of an act or omission of Trustor or for reasons beyond Trustor's control, is an event of default hereunder and Beneficiary shall have the right to exercise the rights set forth in this Deed of Trust; and
- (d) Trustor agrees to pay all fees, charges, rents or other payments accruing under said permits or any renewals thereof prior to delinquency. In the event Trustor fails to pay any such payment, the amount unpaid shall become a part of the Indebtedness and shall be immediately due and payable.

15. WATER TRANSFERS. For purposes of this Deed of Trust, a "Water Transfer" shall mean (1) any transfer, assignment, sale, lease, exchange, gift, encumbrance, pledge, hypothecation, alienation, grant of option to purchase, or other disposition of, directly, indirectly or in trust, voluntarily or involuntarily, by operation of law or otherwise, or the entry into a binding agreement to do any of the foregoing with respect to all or any Water Asset or (2) the material loss, restriction or curtailment of any Water Asset, including without limitation any water supply available to the Property, resulting from the implementation or interpretation of applicable Federal, State and local laws, regulations, ordinances, groundwater sustainability plans and requirements or otherwise by operation of law. Trustor represents that Trustor is not in the business of transferring water and, therefore, any Water Transfer is not a transfer of goods in the ordinary course of business. Trustor further agrees that in no event will any water or water rights be goods identified to a contract. Trustor hereby acknowledges that the availability of the water and the other Water Assets to the Property was a significant factor in Beneficiary's decision to extend credit to Trustor and any other persons obligated on the Indebtedness, and that any severance of water or water rights or any other Water Asset from the Property would materially harm the Property.

16. WATER MATTERS. Trustor shall fully comply with any groundwater sustainability plan adopted governing groundwater extractions and use on the Property. Trustor shall advise Beneficiary in writing within 30 days of the adoption or amendment of any such groundwater sustainability plan and its substantive provisions and any notices to Trustor with respect to or under such plan. In the event Beneficiary determines itself to be insecure because of a material long-term reduction in the water supplies available to the Property, whether as the result of the

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implementation of groundwater sustainability plan or otherwise, at Beneficiary's request Trustor shall meet with Beneficiary to provide confirmation of how the reduction in water supplies will be addressed in a manner that reasonably assures Beneficiary that Beneficiary remains secure. If, following such meeting, Beneficiary concludes it remains insecure, it may declare Trustor to be in default under this Deed of Trust and withhold any further advances hereunder.

17. FINANCIAL INFORMATION. At Beneficiary's request, Trustor shall provide to Beneficiary financial information in a form acceptable to Beneficiary, including, when so required, a current balance sheet and profit and loss statement. In the case of multiple Trustors, financial information must be provided for each Trustor or otherwise as requested by Beneficiary. Financial information shall be provided at such times during the term of this Deed of Trust as Beneficiary may request.

IT IS MUTUALLY AGREED THAT:

18. CONDEMNATION AWARDS. Any award of damages in connection with any taking or condemnation or injury to the Property by reason of public use, or for damages resulting from private trespass or injury to the Property, is absolutely and unconditionally assigned and shall be paid to Beneficiary, under the terms and conditions of this Deed of Trust pertaining to Rents. Upon receipt of such money, Beneficiary may apply the same on the Indebtedness. Trustor agrees to execute such further documents as may be required to affect the assignments herein made as Beneficiary or Trustee may require.

19. TRUSTEE ACTIONS. At any time, without affecting the liability of any person for the payment of the Indebtedness, and without otherwise affecting the security hereof, Trustee may: (a) consent to or join in the making of any map or plat of the Property; (b) grant any easement or create any restriction thereof; (c) subordinate this Deed of Trust; (d) extend or modify the term of the loan or loans secured hereby; and (e) reconvey without warranty, all or any part of the Property. Trustor agrees to pay reasonable Trustee's fees for any of the foregoing services.

20. COLLECTION OF RENTS. Prior to any default by Trustor in the payment, observance, performance and discharge of any condition, obligation, covenant, or agreement of Trustor contained herein, Trustor may, as the agent and fiduciary representative of Beneficiary for collection and distribution purposes only, collect and receive the Rents as they come due and payable; the Rents are to be applied by Trustor to the payment of the principal and interest and all other sums due or payable on any promissory note or guaranty secured by this Deed of Trust and to the payment of all other sums payable under this Deed of Trust and, thereafter, so long as aforesaid has occurred, the balance shall be distributed to the account of Trustor. However, Beneficiary shall have the right before or after the occurrence of any default to notify any account debtor to pay all amounts owing with respect to Rents directly to Beneficiary. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the Indebtedness, enter upon and take possession of the Property or any part thereof, in its own name, sue for or otherwise collect such Rents, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any Indebtedness, and in such order as Beneficiary may determine; also perform such acts of repair, cultivation, irrigation or protection, as may be necessary or proper to conserve the value of the Property; also lease the same or any part thereof for such rental, term, and upon such conditions as its judgment may dictate; also prepare for harvest, remove, and sell any crops that may be growing upon the Property, and apply the proceeds thereof upon the Indebtedness.

21. TRUSTEE'S EXERCISE OF REMEDIES IS NO CURE OF DEFAULT. The entering upon and taking possession of the Property, the collection of such Rents, or the proceeds of fire and other insurance policies, or compensation or awards for any taking of or damage to the Property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

22. REMEDIES. Upon default by Trustor in payment of all or a portion of the Indebtedness or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary and in accordance with applicable state law. In the event of default, Beneficiary may employ counsel to enforce payment of the Indebtedness, may cause the Trustee to sell the Property in accordance with the power of sale granted herein and the applicable state law, and may exercise such other rights and remedies granted under this Deed of Trust or by law and equity, including but not limited to California Code of Civil Procedure Sections 726.5 and 736 or similar laws of other jurisdictions, which rights and remedies shall be cumulative and not exclusive.

Trustee may sell the Property either as a whole or in separate parcels, and in such order as it may determine. The purchase price shall be payable in lawful money of the United States at the time of the sale. In exercising the power of sale contained herein, Trustee may hold one or more sales of all or any portion of the Property by public announcement at the time and place of sale set forth in the notice thereof, and from time to time thereafter may postpone such sale or sales of all or any portion of the Property to the same or separate days by public announcement at such time fixed by the preceding postponement. Any person, including Trustee or Beneficiary, may purchase at such sale. Beneficiary may credit bid at any such sale, and if Beneficiary is the successful purchaser, it may apply any of the outstanding Indebtedness in settlement of the purchase price.

Beneficiary may resort to and realize upon the security hereunder and any other real or personal property security now or hereafter held by Beneficiary for the obligations secured hereby in such order and manner as Beneficiary may, in its sole discretion, determine; or may resort to any or all such security may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawful nonjudicial proceedings, or both. If the Indebtedness is also secured by personal property, fixtures or crops, Beneficiary may enforce its security interest in the personal property, fixtures and crops and its lien under this Deed of Trust in any manner and in any order or sequence permitted by applicable law.

All remedies are cumulative and none are exclusive; no election by Beneficiary to pursue one remedy or item of collateral shall be deemed to be a release or waiver of any other item of collateral or a release or modification of the liability of Trustor or any guarantor to pay all Indebtedness or perform in full all obligations to Beneficiary. The procedures governing the enforcement by Beneficiary of its foreclosure and provisional remedies against Trustor shall be governed by the laws of the state in which the Property is located. Nothing contained herein shall be construed to provide that the substantive law of the state in which the Property is located shall apply to the Beneficiary's rights and the Trustor's obligations hereunder or under the promissory note(s), which are and shall continue to be governed by the substantive law of the state in which the promissory note was executed.

23. NON-WAIVER. The failure on the part of the Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right, and the waiver by Beneficiary of any default shall not constitute a waiver of any other or subsequent defaults. Subsequent acceptance of any payment by the holder hereof shall not be deemed a waiver of any default by Trustor, or of Beneficiary's rights hereunder as the result of any sale, agreement to sell, conveyance, or alienation, regardless of holder's knowledge of such default, sale, agreement to sell, conveyance, or alienation at the time of acceptance of such payment.

24. SUCCESSORS AND ASSIGNS. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of any note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

25. SUBSTITUTE TRUSTEE. Beneficiary may, from time to time or at any time, substitute a Trustee or Trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of the county in which the Property herein described is situated, it shall be conclusive evidence of the appointment of such Trustee or Trustees, and such new Trustee or Trustees shall succeed to all of the powers and duties of the Trustee or Trustees named herein.

26. DUE ON SALE OR TRANSFER.

26.1 In the event the herein-described Property, (including any existing or subsequently acquired or created Water Asset), or any part thereof, or any interest therein, is transferred or agreed to be transferred, without Beneficiary's prior written consent, all Indebtedness, irrespective of the maturity dates, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. Any Water Transfer without Beneficiary's prior written consent shall be deemed such as Transfer. As used herein, "transferred" means sold, conveyed, alienated, exchanged, transferred by gift, further encumbered, pledged, hypothecated, made subject to an option to purchase, or otherwise disposed of, directly or indirectly, or in trust, voluntarily or involuntarily, by Trustor or by operation of law or otherwise. Failure to exercise such option shall not constitute a waiver of the right to exercise this option in the event of subsequent transfer or subsequent agreement to transfer.

26.2 If Trustor is an entity other than a natural person (such as a corporation or other organization), then all indebtedness, irrespective of the maturity date, at the option of Beneficiary, and without demand or notice, shall become immediately due and payable if: (a) a beneficial interest in Trustor is transferred; (b) there is a withdrawal or removal of a general partner of a partnership or a manager of a limited liability company; (c) there is a transfer in the aggregate of more than 25% of the voting stock of Trustor if Trustor is a corporation, or there is a transfer in the aggregate of more than 25% of the partnership interests or membership interests if Trustor is a partnership, limited liability company or similar entity; or (d) Trustor is dissolved or its existence as a legal entity is terminated.

27. SEVERABILITY. In the event any one or more of the provisions contained in this Deed of Trust or in any promissory note, guaranty, or other document secured hereby shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Deed of Trust or said promissory note or guaranty, but this Deed of Trust and said promissory notes or guaranties shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

28. NOTICES TO TRUSTOR. The undersigned Trustor agrees that he/she is entitled only to those notices required by applicable law and requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address set forth below.

29. JUDICIAL REFERENCE. It is the desire and intention of the parties to agree upon a mechanism and procedure under which any controversy, breach or dispute arising out of or related to this Deed of Trust may be resolved in a prompt and expeditious manner. Accordingly, where an action is pending before a court of any judicial district in the State of California, whether commenced by Trustor, Trustee or Beneficiary, each shall each have the right to require that any controversy, breach, dispute or counterclaim arising out of this Deed of Trust and all other loan documents executed by Trustor, or relating to the interpretation of any term or provision of such documents, whether sounding in tort, contract or otherwise, including any related transaction and its or their negotiation, execution, collateralization, servicing, administration, and its or their modification, amendment or enforcement, or any alleged agreements, promises or representations in connection therewith, be heard by a single referee by consensual general reference pursuant to the provision of the California Code of Civil Procedure, Sections 638 et. seq. The parties shall agree upon a single referee who is a retired superior court judge and who shall have the power to decide all issues of fact and law and to issue all legal and equitable relief appropriate under the circumstances. The judicial reference shall be conducted in accordance with the rules of procedure, evidence and discovery that apply to a trial in superior court. The referee shall report a statement of decision which either party may file with the clerk or judge and have judgment entered thereon. If the parties are unable to agree upon a referee within ten (10) days of a written request to do so by any party, then any party may thereafter seek to have a referee appointed pursuant to the Code of Civil Procedure Sections 638 and 640. The parties shall promptly and diligently cooperate with one another and the referee and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of the dispute or controversy in accordance with the terms hereof. The fees and costs of the judicial reference proceeding shall initially be borne equally by the parties to the dispute. However, the prevailing party in such proceedings shall be entitled to recover its contribution to the fees and costs and its reasonable attorney's fees as items of recoverable costs. This section shall not limit the right of any party to (a) exercise self-help remedies including without limitation, set-off or self-help remedies under the Uniform Commercial Code, (b) non-judicial foreclosure against any real or personal property collateral by power of sale or otherwise, (c) obtain provisional or ancillary remedies, including but not limited to injunctive relief, attachment, garnishment or appointment of a receiver, from a court of competent jurisdiction before, after or during the pendency of any reference proceedings. The exercise of a remedy does not waive the right of either party to resort to reference.

The parties acknowledge their understanding that this agreement to use judicial reference results in a waiver of the right to a jury trial. Each of the parties represents that each has reviewed this agreement for judicial reference and the resulting waiver of the right to a jury trial, and each knowingly and voluntarily has agreed to it and the resulting waiver of the right to a jury trial.

30. EXHIBITS. All exhibits to this Deed of Trust are considered to be incorporated into and made a part of this Deed of Trust.

31. JOINT AND SEVERAL LIABILITY AND LEGAL ENTITY WARRANTY AND CERTIFICATION. If Trustor consists of more than one person, each will be jointly and severally liable for the faithful performance of all of Trustor's obligations under this Deed of Trust. If Trustor is a legal entity, Trustor (and any person signing this Deed

of Trust in a representative capacity on behalf of Trustor) represents, warrants and certifies that Trustor is duly constituted under applicable laws and in good standing; that Trustor has the power, authority, and appropriate authorization to execute this Deed of Trust and enter into the transactions described herein and that, when executed, this Deed of Trust, and any document executed by Trustor in connection herewith, shall be valid and legally binding on Trustor. If Trustor is a trust, each trustee executing this Deed of Trust on behalf of the trust also represents, warrants and certifies that this Deed of Trust and any document executed in connection herewith is being executed by all the currently acting trustees of the trust and that the trust has not been revoked, modified, or amended in any manner which would cause any of the foregoing to be incorrect.

32. NON-MERGER. No merger will occur as a result of Beneficiary acquiring any other estate in or any other lien on the Property, unless Beneficiary consents to a merger in writing.

33. MISCELLANEOUS. As used herein, the word "including" means "including without limitation" and/or "including but not limited to". The captions used in this Deed of Trust are for convenience only and do not define or limit any terms or provisions. No listing of any specific collateral, items, instances or other matters in any way limits the scope or generality of any language of this Deed of Trust.

ADDRESSES WHERE NOTICES TO TRUSTOR ARE TO BE SENT:

PADRE PROPERTIES, LLC – P.O. Box 1032, Hughson, California 95326

PADRE PROPERTIES, LLC, a California limited liability company

By



RICHARD M. BRADEN, in the following capacity:
as Manager of Padre Properties, LLC, a California limited
liability company

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STATE OF Oregon

County of

Josephine

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This instrument was acknowledged before me on this 29th day of June, 2021
by **Richard M. Braden as Manager of Padre Properties, LLC a California Limited Liability Company on behalf of the LLC.**

Rhea Chojnacki

Notary Public for Oregon

My commission expires: 3-21-2022



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EXHIBIT "A"

TRACT A:

Beginning at a point 845.0 feet North of the South Quarter corner of Section 6 in Township 38 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence West 170.0 feet; thence South 29° 30' East 115.0 feet; thence West, to the West line of the Southeast Quarter of the Southwest Quarter of said Section 6; thence North 3215.0 feet to the Northwest corner of the Southeast Quarter of the Northwest Quarter of said Section 5; thence East 1320.0 feet to the Northeast corner of said Quarter- Quarter; thence South 3115.0 feet to the point of beginning.

EXCEPTING THEREFROM the following: Any portion of the above described tract lying Easterly of the North Applegate Road (County Road).

ALSO EXCEPTING THEREFROM the following: Beginning at the Northeast corner of the Southeast Quarter of the Northwest Quarter of said Section 6; thence South 150.0 feet; thence West 140.0 feet; thence North 150.0 feet; and thence East 140.0 feet to the point of beginning.

ALSO EXCEPTING THEREFROM the following: Commencing at the Northeast corner of the Southeast Quarter of the Northwest Quarter of Section 6 in Township 30 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence South 150.00 feet; thence West 140.00 feet, for the true point of beginning; thence North 150.00 feet; thence West 150.00 feet; thence South 150.00 feet; thence East 150.00 feet to the true point of beginning.

TRACT B:

Commencing at the Northwest corner of the Southwest Quarter of the Northeast Quarter of Section 6 in Township 38 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence South 150.00 feet to the Southwest corner of tract described in Volume 141, Page 159 of the Deed Records of Jackson County, Oregon, for the true point of beginning; thence East, along the South line of said tract, to the Westerly right of way line of Missouri Flats Road (County Road); thence Southwesterly, along said Westerly right of way, to intersect the West line of said Quarter-Quarter; thence North to the true point of beginning.

NOTE: This Legal Description was created prior to January 01, 2008.

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APN: 1-068047-9

Statutory Warranty Deed
- continued

File No.: 7151-3711055 (RAC)

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES 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 THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Dated this 30 day of June, 2021.

Braden 1996 Family Ltd. Partnership, a California
Limited Partnership

By: VBB Management & Investments, Inc., a
California corporation

By: [Signature]
Name: Kenneth J. Braden
Title: President

By: [Signature]
Name: Lori G. Braden
Title: Secretary

By: KBF Holdings, LLC

By: _____
Name: Krissa B. Fernandes
Title: Member

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Stanislaus }

On June 30, 2021 before me, Sherrie Lane Wallace, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Kenneth J. and Lori G Braden
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal and/or Stamp Above

Signature Sherrie Lane Wallace
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian of Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian of Conservator

☐ Other: _____

Signer Is Representing: _____

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES 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 THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Dated this 7 day of July, 2021.

Braden 1996 Family Ltd. Partnership, a California
Limited Partnership

By: VBB Management & Investments, Inc., a
California corporation

By: _____
Name: Kenenth J. Braden
Title: President

By: _____
Name: Lori G. Braden
Title: Secretary

By: KBF Holdings, LLC

By: Krissa B. Fernandes
Name: Krissa B. Fernandes
Title: Member

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JUL 21 2021
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APN: 1-068047-9

Statutory Warranty Deed
- continued

File No.: 7151-3711055 (RAC)

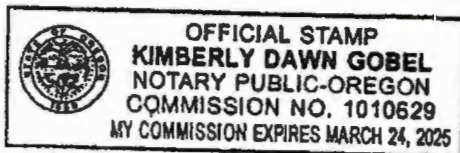
STATE OF California)
County of _____) ss.

This instrument was acknowledged before me on this _____ day of _____, 20____
by Kenneth J. Braden as President and Lori G. Braden as Secretary of VBB Management & Investments,
Inc., a California Corporation as as General Partner of Braden 1996 Family Ltd. Partnership, a California
Limited Partnership, on behalf of the limited partnership.

Notary Public for California
My commission expires:

STATE OF Oregon)
County of Jackson) ss.

This instrument was acknowledged before me on this 7 day of July, 2021
by Krissa B. Fernandes, as Member of KBF Holdings, LLC as General Partner of Braden 1996 Family Ltd.
Partnership, a California Limited Partnership, on behalf of the limited partnership.



Kimberly D. Gobel
Notary Public for Oregon
My commission expires: 03/24/2025

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EXHIBIT A

LEGAL DESCRIPTION: Real property in the County of Jackson, State of Oregon, described as follows:

TRACT A:

Beginning at a point 845.0 feet North of the South Quarter corner of Section 6 in Township 38 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence West 170.0 feet; thence South 29° 30' East 115.0 feet; thence West, to the West line of the Southeast Quarter of the Southwest Quarter of said Section 6; thence North 3215.0 feet to the Northwest corner of the Southeast Quarter of the Northwest Quarter of said Section 5; thence East 1320.0 feet to the Northeast corner of said Quarter-Quarter; thence South 3115.0 feet to the point of beginning. EXCEPTING THEREFROM the following: Any portion of the above described tract lying Easterly of the North Applegate Road (County Road). ALSO EXCEPTING THEREFROM the following: Beginning at the Northeast corner of the Southeast Quarter of the Northwest Quarter of said Section 6; thence South 150.0 feet; thence West 140.0 feet; thence North 150.0 feet; and thence East 140.0 feet to the point of beginning. ALSO EXCEPTING THEREFROM the following: Commencing at the Northeast corner of the Southeast Quarter of the Northwest Quarter of Section 6 in Township 30 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence South 150.00 feet; thence West 140.00 feet, for the true point of beginning; thence North 150.00 feet; thence West 150.00 feet; thence South 150.00 feet; thence East 150.00 feet to the true point of beginning.

TRACT B:

Commencing at the Northwest corner of the Southwest Quarter of the Northeast Quarter of Section 6 in Township 38 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence South 150.00 feet to the Southwest corner of tract described in Volume 141, Page 159 of the Deed Records of Jackson County, Oregon, for the true point of beginning; thence East, along the South line of said tract, to the Westerly right of way line of Missouri Flats Road (County Road); thence Southwesterly, along said Westerly right of way, to intersect the West line of said Quarter-Quarter; thence North to the true point of beginning.

NOTE: This Legal Description was created prior to January 01, 2008.

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United States Department of the Interior



IN REPLY REFER TO:

PN-3324
WTR-4.00

BUREAU OF RECLAMATION
Pacific Northwest Region
1150 North Curtis Road, Suite 100
Boise, Idaho 83706-1234

MAY 27 2009

Mr. George and Ms. Sheila Kolby
14402 N. Applegate Road
Grants Pass, OR 97527

Subject: Applegate Reservoir Water Service Contract No. 099E101707, Rogue River Basin
Project, Oregon

Dear Mr. and Ms. Kolby:

Enclosed for your records is an original of the fully executed subject contract, which provides for the irrigation use of up to 10 acre-feet of stored water from the Applegate Reservoir beginning with the 2009 irrigation season.

Thank you for executing the subject contract. If you have any questions, please contact Mr. Bill Parks at the above address or by telephone at 208-378-5344.

Sincerely,

Ryan M. Patterson
Program Manager
Repayment and Acreage Limitation

Enclosure

cc: Water Rights Division
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1271

Mr. Bruce Sund
District 14 Watermaster
942 SW 6th Street, Suite E
Grants Pass, OR 97526
(w/encl to each)

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WATER RESOURCES DEPT
SALEM, OREGON

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Rogue River Basin Project, Oregon

CONTRACT FOR WATER SERVICE

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WATER RESOURCES DEPT
SALEM, OREGON

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Rogue River Basin Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this 27th day of May, 2009, pursuant to section 9(e) of the Act of August 4, 1939 (53 Stat. 1187), and section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), (which acts are commonly known and referred to as the Reclamation Laws), and the Flood Control Act of 1962 (76 Stat. 1173), between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the Contracting Officer executing this contract, and George and Sheila Kolby, hereinafter referred to as the Contractor;

WITNESSETH, THAT:

Explanatory Recitals

2. WHEREAS, The United States has constructed and operates Applegate and Lost Creek Reservoirs in the Rogue River Basin, Oregon, herein styled the Rogue River Basin Project, from which there is a flow of water that can be used for irrigation of land and other beneficial uses, which flow, as it has been developed or as it will be augmented, has been appropriated by the United States pursuant to the laws of Oregon for beneficial use under the Federal Reclamation Laws; and

3. WHEREAS, the Contractors own land hereinafter described, for which a water supply is desired to be secured from the United States; and

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4. WHEREAS, The United States entered into a contract on April 8, 1994, Contract No. 4-07-10-W1001, with Judith Hofmann for an irrigation water supply from Applegate Reservoir for lands owned by the Contractor;

NOW, THEREFORE, in consideration of the premises and the payment by the Contractor to the United States of the charges in the manner hereinafter provided, it is agreed:

Termination of Prior Contract

5. Contract No. 4-07-10-W1001, dated April 8, 1994, is being replaced by this contract and is no longer of any force and effect.

Lands for Which Water is Released: Limitations on Releases

6. The United States shall make available each year to the Contractor during the irrigation season from April 1 to October 31, inclusive, water from the Rogue River Basin Project for the irrigation of land owned by the Contractor described as follows:

80.0 acres, Tax Lot 1000, Section 6, T. 38 S., R. 4 W., W.M.

Of the land described, not more than 80 acres are to be irrigated. The amount of water to be made available hereunder shall be that quantity which may be applied beneficially in accordance with good usage in the irrigation of the land above described, up to a maximum diversion of 10 acre feet of stored water annually, measured at the point of release of said water.

Payments for Water

7. (a) An annual payment of \$80 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual payments of \$80 will be due on or before April 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive up to a maximum of 10 acre-feet of stored water for irrigation of the lands described in Article 6 of this contract. The Contracting

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Officer will consider adjusting the water service payment downward based on information received from the Contractor, the State of Oregon, or other reliable sources as to the actual amount of stored water released each month to the Contractor during the irrigation season and on other factors in addition to the amount of stored water actually released, as deemed appropriate by the Contracting Officer. Any such adjustment will be determined and subtracted from the payment for the next year by the Contracting Officer: Provided, that in order for an adjustment to be made, information on the amounts of water and stored water released each month must be received in writing by the Contracting Officer by December 1 of that year.

(b) The annual charge set forth in (a) above is based on an initial rate of \$8 per acre-foot of stored water; Provided, that such annual charge shall as a minimum be the greater of either the product of \$2 multiplied by the number of acres described in Article 6 of this contract or \$50. From time to time, but not less often than once every 5 years, the rate per acre-foot of stored water and the minimum payment shall be reviewed by the Contracting Officer and revised, if necessary, by the United States for the irrigation water marketing program of the Rogue River Basin Project. Any revision by the Contracting Officer will apply only to future payments and shall be announced by written notice to the Contractor at least 3 months prior to the beginning of the irrigation season to which the new rate would be applicable.

(c) All payments from the Contractor to the United States under this contract shall be made by the medium requested by the United States. The required medium of payment may include checks, wire transfers, or other types of payment specified by the United States. Except when otherwise specified by the United States, all payments shall be made by check.

(d) Upon execution of the contract, the Contractor shall furnish the Contracting Officer with the Contractor's taxpayer's identification number (TIN). The purpose

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SALEM OREGON

for requiring the Contractor's TIN is for collecting and reporting any delinquent amounts arising out of the Contractor's relationship with the United States.

(e) Payments required hereunder shall be made to the Bureau of Reclamation at the location described in Article 16 of this contract.

Contract Administration Fee

8. (a) Upon execution of this contract, a \$100 fee for the preparation of this contract is due and payable by the Contractor to the United States.

(b) All future contract actions, including new contracts, contract amendments, supplements, and assignments will be charged a \$100 fee: Provided, That the fee shall be reviewed by the Contracting Officer and revised from time to time to cover costs to the United States.

Charges for Delinquent Payments

9. (a) The Contractor shall be subject to interest, administrative and penalty charges on delinquent payments. If a payment is not received by the due date, the Contractor shall pay an interest charge on the delinquent payment for each day the payment is delinquent beyond the due date. If a payment becomes 60 days delinquent, in addition to the interest charge, the Contractor shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. If a payment is delinquent 90 days or more, in addition to the interest and administrative charges, the Contractor shall pay a penalty charge for each day the payment is delinquent beyond the due date, based on the remaining balance of the payment due at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments or the interest rate of 0.5 percent per month. The interest charge rate will be determined as of the due date and remain fixed for the duration of the delinquent period.

(c) When a partial payment on a delinquent account is received, the amount received shall be applied first to the penalty charges, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.

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WATER RESOURCES DEPT
SALEM, OREGON

Release of Water

10. (a) Upon payment of the annual payment specified in subarticle 7(a) above, the United States will furnish water to the Contractor from the Rogue River Basin Project pursuant to this contract. No water shall be furnished if the Contractor is delinquent in payment of the required annual payment.

(b) Water for the purposes hereof shall be made available and measured at the following point(s) of diversion:

860 feet north and 1,390 feet east of the southwest corner of
Section 6, T. 38 S., R. 4 W., W.M.

The Contractor shall receive said water at the point of diversion and shall be wholly responsible for securing said water at that point and diverting, conveying, and utilizing it. The Contractor shall be required to conform its diversions and releases to the control of the stream as established by the appropriate State-appointed watermaster. The water to be released hereunder shall be measured by means of measuring or controlling devices satisfactory to the Contracting Officer. Such devices shall be furnished, installed, and maintained by and at the expense of the Contractor, but they shall be and remain at all times available for reading and monitoring by the United States or the watermaster whose representative may at all times have access to them over any lands of the Contractor. All losses of water from seepage, evaporation, or other cause, below said point of measurement, shall be borne by the Contractor.

(c) The Contractor and all other entities heretofore or hereafter contracting with the United States for a right to use water from the Rogue River Basin Project shall, to the extent of their entitlement, have equal priority to the use of water from such project so far as that may be physically practicable and legally possible, without regard to the date of their respective contracts.

Special Conditions

11. (a) It is the responsibility of the Contractor to comply with the laws of the State of Oregon regarding the obtaining and perfecting of permits to divert water to the lands described in Article 6. Prior to executing this contract, the Contractor shall secure any easements from the Corps of Engineers which may be required for constructing facilities to divert and convey the stored water and provide written verification of such agreements to the Contracting Officer. The obligation of the United States to release water under this contract is subject to an operating plan for the Rogue River Basin Project determined in accordance with the law governing the project.

(b) If, at some future date, the Contracting Officer determines there is sufficient demand for irrigation water from the Rogue River Basin Project to justify the formation of an irrigation district, water supply company, or other water user organization, future water service may then be made contingent upon the establishment of such an organization. Under this condition, the Contractor will be notified at least 1 year in advance of the date this contract is terminated and continued water service to the lands described in Article 6 becomes dependent upon membership in the organization established for that purpose.

(c) In the interest of conservation and protection of environmental resources, from time to time, but not less often than once every 5 years, this contract shall be reviewed by the Contracting Officer. The terms and conditions of this contract may be modified, if deemed necessary by the Contracting Officer, to avoid or minimize impacts to candidate, listed or proposed threatened and endangered species, or other valuable natural resources. Any modification by the Contracting Officer shall be announced by written notice to the Contractor.

Term of Contract

12. This contract shall become effective as of the date first above written and will remain effective through April 7, 2034, unless sooner terminated in accordance with the provisions of Articles 11 or 13 or by agreement of the parties hereto: Provided; that upon expiration of the term, renewals may be made by the Secretary of the Interior for successive periods not to exceed 40 years and under terms and conditions mutually agreeable to the parties hereto: Provided further; that the terms and conditions of each renewal shall be negotiated in light of circumstances prevailing at the time of renewal and agreed upon not later than 1 year prior to the expiration of the then existing contract.

Termination of Contract

13. This contract may be terminated and water service hereunder shall cease at the option of the United States or at any time if the Contractor is delinquent in payment of the water service charge for a period of 90 days or upon failure of the Contractor to abide by any notice, order, rule, or regulation of the United States or the State of Oregon now or hereafter established affecting water service hereunder.

Constraints on the Availability of Water (Water Shortages)

14. In its operation of the Project, the United States will use all reasonable means to guard against a Condition of Shortage in the quantity of water to be made available to the Contractor pursuant to this Contract. In the event the United States determines that a Condition of Shortage appears probable, the Contracting Officer will notify the Contractor of said determination as soon as practicable.

If there is a Condition of Shortage because of errors in physical operations of the Project, drought, other physical causes beyond the control of the United States, or actions taken by the Contracting Officer to meet current and future legal obligations, then no liability shall accrue against the United States or any of its officers, agents or employees for any damage, direct or indirect, arising therefrom.

Disclaimer

15. No provision of this contract, nor of any renewal thereof, nor the furnishing of water hereunder will be construed to bind the United States after the expiration of this contract as the basis of a permanent water right. Because of possible fluctuations in reservoir surface elevations and downstream flows associated with the Rogue River Basin Project, the United States does not guarantee the availability of water at the point of the Contractor's diversion facilities as they may now be constructed or constructed hereafter. Further, the United States will not be held responsible for any acts or omissions of the Contractor's agents or of persons to whom water is furnished.

Notices

16. Any notice, demand, or request authorized or required by this contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or released to the Program Manager, Lands and Repayment, Pacific Northwest Region, Bureau of Reclamation, 1150 North Curtis Road, Suite 100, Boise, Idaho 83706-1234, and on behalf of the United States, when mailed, postage prepaid, or released to George or Sheila Kolby, 14402 N. Applegate Rd, Grants Pass, Oregon 97527. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

General Provisions

17. The general provisions applicable to this contract are listed below. The full text of these general provisions is attached as Exhibit A and is hereby made a part of this contract.

- a. GENERAL OBLIGATION -- BENEFITS CONDITIONED UPON PAYMENT
- b. CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS
- c. OFFICIALS NOT TO BENEFIT
- d. ASSIGNMENT LIMITED -- SUCCESSORS AND ASSIGNS OBLIGATED
- e. BOOKS, RECORDS, AND REPORTS
- f. COMPLIANCE WITH FEDERAL RECLAMATION LAWS
- g. PROTECTION OF WATER AND AIR QUALITY
- h. WATER CONSERVATION

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WATER RESOURCES DEPT
SALEM, OREGON

- i. EQUAL EMPLOYMENT OPPORTUNITY
- j. COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS
- k. PRIVACY ACT COMPLIANCE
- l. MEDIUM FOR TRANSMITTING PAYMENTS
- m. CONTRACT DRAFTING CONSIDERATIONS

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SALEM, OREGON

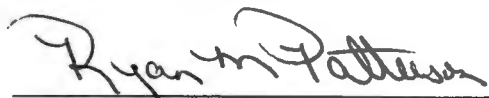
IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

CONTRACTOR


George Kolby


Sheila Kolby

UNITED STATES OF AMERICA


Program Manager, Lands and Repayment
PN Region
Bureau of Reclamation
1150 North Curtis Road, Suite 100
Boise, ID 83706-1234

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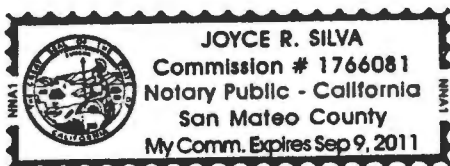
MAY 29 2009

WATER RESOURCES DEPT
SALEM, OREGON

STATE OF)
 : SS
County of San Mateo)

On this 8 day of May, 2009, before me, a notary public, personally appeared George Kolby and Sheila Kolby known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged that they are the legal owners of the property for which a water supply is to be provided under the contract and have executed this contract as their free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.



(SEAL)

Joyce R. Silva
Notary Public in and for the
State of California
Residing at: 1650 Borel PL #230 San Mateo, CA
My commission expires: 9-9-2011

STATE OF IDAHO)
 : SS
County of Ada)

On this 27th day of May, 2009, personally appeared before me Ryan Patterson, to me known to be the official of the UNITED STATES OF AMERICA that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said United States, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.



(SEAL)

Terri S. Currid
Notary Public in and for the
State of IDAHO
Residing at: Borser, ID
My commission expires: 2/27/2014

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WATER RESOURCES DEPT
SALEM, OREGON

GENERAL PROVISIONS --- ROGUE RIVER BASIN PROJECT

GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

(a). (1) The obligation of the Contractor to pay the United States as provided in this contract is a general obligation of the Contractor notwithstanding the manner in which the obligation may be distributed among the Contractor's water users and notwithstanding the default of individual water users in their obligation to the Contractor.

(2) The payment of charges becoming due pursuant to this contract is a condition precedent to receiving benefits under this contract. The Contractor shall not release water under the terms and conditions of this contract for lands or parties that are in arrears in the advance payment of water rates as levied or established by the Contractor.

CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

(b). The expenditure or advance of any money or the performance of any obligation of the United States under this contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this contract. No liability shall accrue to the United States in case funds are not appropriated or allotted.

OFFICIALS NOT TO BENEFIT

(c). No Member of or Delegate to the Congress, Resident Commissioner, or official of the Contractor shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

CHANGES IN CONTRACTOR'S ORGANIZATION

(d). While this contract is in effect, no change may be made in the Contractor's organization, by inclusion or exclusion of lands or by any other changes which may affect the respective rights, obligations, privileges, and duties of either the United States or the Contractor under this contract including, but not limited to, dissolution, consolidation, or merger, except upon the Contracting Officer's written consent.

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

(e). The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest therein by either party shall be valid until approved in writing by the other party.

BOOKS, RECORDS, AND REPORTS

(f). The Contractor shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this contract, including the Contractor's water supply data; the water users' land-use (crop census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting Officer may require. Reports shall be furnished to the Contracting Officer in such form and on such date or dates as the Contracting Officer may require. Subject to applicable Federal laws and regulations, each party to this contract shall have the right during office hours to examine and make copies of the other party's books and records relating to matters covered by this contract.

COMPLIANCE WITH FEDERAL RECLAMATION LAWS

(g). The parties agree that the release of irrigation water or use of Federal facilities pursuant to this contract is subject to Federal reclamation law, including but not limited to the Reclamation Reform Act of 1982 (43 U.S.C. 390aa *et seq.*), as amended and supplemented, and the rules and regulations promulgated by the Secretary of the Interior under Federal reclamation law.

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SALEM, OREGON

MAY 29 2009

WATER RESOURCES DEPT
SALEM, OREGONPROTECTION OF WATER AND AIR QUALITY

(h). (1) Project facilities used to make available and release water to the Contractor shall be operated and maintained in the most practical manner to maintain the quality of the water at the highest level possible as determined by the Contracting Officer: Provided, That the United States does not warrant the quality of the water released to the Contractor and is under no obligation to furnish or construct water treatment facilities to maintain or improve the quality of water released to the Contractor.

(2) The Contractor shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Oregon and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities necessary for the release of water by the Contractor; and shall be responsible for compliance with all Federal, State, and local water quality standards applicable to surface and subsurface drainage and/or discharges generated through the use of Federal or Contractor facilities or project water provided by the Contractor within the Contractor's Project Water Service Area.

(3) This article shall not affect or alter any legal obligations of the Secretary to provide drainage or other discharge services.

WATER CONSERVATION

(i). Prior to the release of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this contract, the Contractor shall develop a water conservation plan, as required by Section 210(b) of the Reclamation Reform Act of 1982 (RRA) and Part 427.1 of the Water Conservation Rules and Regulations effective January, 1, 1998.

EQUAL EMPLOYMENT OPPORTUNITY

(j). During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, disability, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, disability, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole

MAY 29 2009

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SALEM, OREGON

or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965 or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

(k). (1) The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112, as amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101, *et seq.*), Title II of the Americans with Disabilities Act of 1990 if the entity is a State or local government entity [Title III if the entity is a non-government entity], and any other applicable civil rights laws, as well as with their respective implementing regulations and guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.

(2) These statutes require that no person in the United States shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation on the grounds of race, color, national origin, disability, or age. By executing this contract, the Contractor agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

(3) The Contractor makes this agreement in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal financial assistance extended after the date hereof to the Contractor by the Bureau of Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Contractor recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this article and that the United States reserves the right to seek judicial enforcement thereof.

(4) Complaints of discrimination against the Contractor shall be investigated by the Contracting Officer's Office of Civil Rights.

PRIVACY ACT COMPLIANCE

(l). (1) The Contractor shall comply with the Privacy Act of 1974 (5 U.S.C. 552a) (Privacy Act) and the Department of the Interior rules and regulations under the Privacy Act (43 CFR 2.45 *et seq.*) in maintaining landholder certification and reporting records required to be submitted to the Contractor for compliance with Sections 206, 224(c), and 228 of the Reclamation Reform Act of 1982 (96 Stat. 1261), and pursuant to 43 CFR 426.18.

(2) With respect to the application and administration of the criminal penalty provisions of the Privacy Act (5 U.S.C. 552a(i)), the Contractor and the Contractor's employees who are responsible for maintaining the certification and reporting records referenced in (a) above and are considered to be employees of the Department of the Interior. See 5 U.S.C. 552a(m).

(3) The Contracting Officer or a designated representative shall provide the Contractor with current copies of the Interior Department Privacy Act regulations and the Bureau of Reclamation Federal Register Privacy Act System of Records Notice (Interior/WBR-31, Acreage Limitation) which govern the maintenance, safeguarding, and disclosure of information contained in the landholders' certification and reporting records.

(4) The Contracting Officer shall designate a full-time employee of the Bureau of Reclamation to be the System Manager responsible for making decisions on denials pursuant to 43 CFR 2.61 and 2.64 and amendment

requests pursuant to 43 CFR 2.72. The Contractor is authorized to grant requests by individuals for access to their own records.

(5) The Contractor shall forward promptly to the System Manager each proposed denial of access under 43 CFR 2.64 and each request for amendment of records filed under 43 CFR 2.71; notify the requester accordingly of such referral; and provide the System Manager with information and records necessary to prepare an appropriate response to the requester. These requirements do not apply to individuals seeking access to their own certification and reporting forms filed with the Contractor pursuant to 43 CFR 426.18 unless the requester elects to cite the Privacy Act as authority for the request.

MEDIUM FOR TRANSMITTING PAYMENTS

(m). 1) All payments from the Contractor to the United States under this contract shall be by the medium requested by the United States on or before the date payment is due. The required method of payment may include checks, wire transfers, or other types of payment specified by the United States.

2) Upon execution of the contract, the Contractor shall furnish the Contracting Officer with the Contractor's taxpayer's identification number (TIM). The purpose for requiring the Contractor's TIM is for collecting and reporting any delinquent amounts arising out of the Contractor's relationship with the United States.

CONTRACT DRAFTING CONSIDERATIONS

(m). Articles 1 through 17 of this Contract have been drafted, negotiated, and reviewed by the parties hereto, each of whom is sophisticated in the matters to which this Contract pertains, and no one party shall be considered to have drafted the stated articles.

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IN REPLY REFER TO:

PN-3324

WTR-4.00

United States Department of the Interior

BUREAU OF RECLAMATION
Pacific Northwest Region
 1150 North Curtis Road, Suite 100
 Boise, Idaho 83706-1234



MAY 27 2009

Ms. Judith Hofmann
 14202 N. Applegate Road
 Grants Pass, OR 97527

Subject: Applegate Reservoir Water Service Contract No. 099E101704, Rogue River Basin
 Project, Oregon

Dear Ms. Hofmann:

Enclosed for your records is an original of the fully executed subject contract, which provides for the irrigation use of up to 19 acre-feet of stored water from the Applegate Reservoir beginning with the 2009 irrigation season.

Thank you for executing the subject contract. If you have any questions, please contact Mr. Bill Parks at the above address or by telephone at 208-378-5344.

Sincerely,

Ryan M. Patterson
 Program Manager
 Repayment and Acreage Limitation

Enclosure

cc: Water Rights Division
 Oregon Water Resources Department
 725 Summer Street NE, Suite A
 Salem, OR 97301-1271

Mr. Bruce Sund
 District 14 Watermaster
 942 SW 6th Street, Suite E
 Grants Pass, OR 97526
 (w/encl to each)

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Rogue River Basin Project, Oregon

CONTRACT FOR WATER SERVICE

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Rogue River Basin Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this 27th day of May, 2009, pursuant to section 9(e) of the Act of August 4, 1939 (53 Stat. 1187), and section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), (which acts are commonly known and referred to as the Reclamation Laws), and the Flood Control Act of 1962 (76 Stat. 1173), between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the Contracting Officer executing this contract, and Judith Hofmann, hereinafter referred to as the Contractor;

WITNESSETH, THAT:

Explanatory Recitals

2. WHEREAS, The United States has constructed and operates Applegate and Lost Creek Reservoirs in the Rogue River Basin, Oregon, herein styled the Rogue River Basin Project, from which there is a flow of water that can be used for irrigation of land and other beneficial uses, which flow, as it has been developed or as it will be augmented, has been appropriated by the United States pursuant to the laws of Oregon for beneficial use under the Federal Reclamation Laws; and

3. WHEREAS, the Contractor owns land hereinafter described, for which a water supply is desired to be secured from the United States; and

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4. WHEREAS, The United States entered into a contract on April 8, 1994, Contract No. 4-07-10-W1001, with Judith Hofmann for an irrigation water supply from Applegate Reservoir for lands owned by the Contractor;

NOW, THEREFORE, in consideration of the premises and the payment by the Contractor to the United States of the charges in the manner hereinafter provided, it is agreed:

Termination of Prior Contract

5. Contract No. 4-07-10-W1001, dated April 8, 1994, is being replaced by this contract and is no longer of any force and effect.

Lands for Which Water is Released: Limitations on Releases

6. The United States shall make available each year to the Contractor during the irrigation season from April 1 to October 31, inclusive, water from the Rogue River Basin Project for the irrigation of land owned by the Contractor described as follows:

43.0 acres, Tax Lot 703, Section 6, T. 38 S., R. 4 W., W.M.

Of the land described, not more than 43 acres are to be irrigated. The amount of water to be made available hereunder shall be that quantity which may be applied beneficially in accordance with good usage in the irrigation of the land above described, up to a maximum diversion of 19 acre-feet of stored water annually, measured at the point of release of said water

Payments for Water

7. (a) An annual payment of \$152 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual payments of \$152 will be due on or before April 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive up to a maximum of 19 acre-feet of stored water for irrigation of the lands described in Article 6 of this contract. The Contracting

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Officer will consider adjusting the water service payment downward based on information received from the Contractor, the State of Oregon, or other reliable sources as to the actual amount of stored water released each month to the Contractor during the irrigation season and on other factors in addition to the amount of stored water actually released, as deemed appropriate by the Contracting Officer. Any such adjustment will be determined and subtracted from the payment for the next year by the Contracting Officer: Provided, that in order for an adjustment to be made, information on the amounts of water and stored water released each month must be received in writing by the Contracting Officer by December 1 of that year.

(b) The annual charge set forth in (a) above is based on an initial rate of \$8 per acre-foot of stored water; Provided, that such annual charge shall as a minimum be the greater of either the product of \$2 multiplied by the number of acres described in Article 6 of this contract or \$50. From time to time, but not less often than once every 5 years, the rate per acre-foot of stored water and the minimum payment shall be reviewed by the Contracting Officer and revised, if necessary, by the United States for the irrigation water marketing program of the Rogue River Basin Project. Any revision by the Contracting Officer will apply only to future payments and shall be announced by written notice to the Contractor at least 3 months prior to the beginning of the irrigation season to which the new rate would be applicable.

(c) All payments from the Contractor to the United States under this contract shall be made by the medium requested by the United States. The required medium of payment may include checks, wire transfers, or other types of payment specified by the United States. Except when otherwise specified by the United States, all payments shall be made by check.

(d) Upon execution of the contract, the Contractor shall furnish the Contracting Officer with the Contractor's taxpayer's identification number (TIN). The purpose

for requiring the Contractor's TIN is for collecting and reporting any delinquent amounts arising out of the Contractor's relationship with the United States.

(e) Payments required hereunder shall be made to the Bureau of Reclamation at the location described in Article 16 of this contract.

Contract Administration Fee

8. (a) Upon execution of this contract, a \$100 fee for the preparation of this contract is due and payable by the Contractor to the United States.

(b) All future contract actions, including new contracts, contract amendments, supplements, and assignments will be charged a \$100 fee: Provided, That the fee shall be reviewed by the Contracting Officer and revised from time to time to cover costs to the United States.

Charges for Delinquent Payments

9. (a) The Contractor shall be subject to interest, administrative and penalty charges on delinquent payments. If a payment is not received by the due date, the Contractor shall pay an interest charge on the delinquent payment for each day the payment is delinquent beyond the due date. If a payment becomes 60 days delinquent, in addition to the interest charge, the Contractor shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. If a payment is delinquent 90 days or more, in addition to the interest and administrative charges, the Contractor shall pay a penalty charge for each day the payment is delinquent beyond the due date, based on the remaining balance of the payment due at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments or the interest rate of 0.5 percent per month. The interest charge rate will be determined as of the due date and remain fixed for the duration of the delinquent period.

(c) When a partial payment on a delinquent account is received, the amount received shall be applied first to the penalty charges, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.

Release of Water

10. (a) Upon payment of the annual payment specified in subarticle 7(a) above, the United States will furnish water to the Contractor from the Rogue River Basin Project pursuant to this contract. No water shall be furnished if the Contractor is delinquent in payment of the required annual payment.

(b) Water for the purposes hereof shall be made available and measured at the following point(s) of diversion:

860 feet north and 1,390 feet east of the southwest corner of
Section 6, T. 38 S., R. 4 W., W.M.

The Contractor shall receive said water at the point of diversion and shall be wholly responsible for securing said water at that point and diverting, conveying, and utilizing it. The Contractor shall be required to conform its diversions and releases to the control of the stream as established by the appropriate State-appointed watermaster. The water to be released hereunder shall be measured by means of measuring or controlling devices satisfactory to the Contracting Officer. Such devices shall be furnished, installed, and maintained by and at the expense of the Contractor, but they shall be and remain at all times available for reading and monitoring by the United States or the watermaster whose representative may at all times have access to them over any lands of the Contractor. All losses of water from seepage, evaporation, or other cause, below said point of measurement, shall be borne by the Contractor.

(c) The Contractor and all other entities heretofore or hereafter contracting with the United States for a right to use water from the Rogue River Basin Project shall, to the extent of their entitlement, have equal priority to the use of water from such project so far as that may be physically practicable and legally possible, without regard to the date of their respective contracts.

Special Conditions

11. (a) It is the responsibility of the Contractor to comply with the laws of the State of Oregon regarding the obtaining and perfecting of permits to divert water to the lands described in Article 6. Prior to executing this contract, the Contractor shall secure any easements from the Corps of Engineers which may be required for constructing facilities to divert and convey the stored water and provide written verification of such agreements to the Contracting Officer. The obligation of the United States to release water under this contract is subject to an operating plan for the Rogue River Basin Project determined in accordance with the law governing the project.

(b) If, at some future date, the Contracting Officer determines there is sufficient demand for irrigation water from the Rogue River Basin Project to justify the formation of an irrigation district, water supply company, or other water user organization, future water service may then be made contingent upon the establishment of such an organization. Under this condition, the Contractor will be notified at least 1 year in advance of the date this contract is terminated and continued water service to the lands described in Article 6 becomes dependent upon membership in the organization established for that purpose.

(c) In the interest of conservation and protection of environmental resources, from time to time, but not less often than once every 5 years, this contract shall be reviewed by the Contracting Officer. The terms and conditions of this contract may be modified, if deemed necessary by the Contracting Officer, to avoid or minimize impacts to candidate, listed or proposed threatened and endangered species, or other valuable natural resources. Any modification by the Contracting Officer shall be announced by written notice to the Contractor.

Term of Contract

12. This contract shall become effective as of the date first above written and will remain effective through April 7, 2034, unless sooner terminated in accordance with the provisions of Articles 11 or 13 or by agreement of the parties hereto: Provided; that upon expiration of the term, renewals may be made by the Secretary of the Interior for successive periods not to exceed 40 years and under terms and conditions mutually agreeable to the parties hereto: Provided further; that the terms and conditions of each renewal shall be negotiated in light of circumstances prevailing at the time of renewal and agreed upon not later than 1 year prior to the expiration of the then existing contract.

Termination of Contract

13. This contract may be terminated and water service hereunder shall cease at the option of the United States or at any time if the Contractor is delinquent in payment of the water service charge for a period of 90 days or upon failure of the Contractor to abide by any notice, order, rule, or regulation of the United States or the State of Oregon now or hereafter established affecting water service hereunder.

Constraints on the Availability of Water (Water Shortages)

14. In its operation of the Project, the United States will use all reasonable means to guard against a Condition of Shortage in the quantity of water to be made available to the Contractor pursuant to this Contract. In the event the United States determines that a Condition of Shortage appears probable, the Contracting Officer will notify the Contractor of said determination as soon as practicable.

If there is a Condition of Shortage because of errors in physical operations of the Project, drought, other physical causes beyond the control of the United States, or actions taken by the Contracting Officer to meet current and future legal obligations, then no liability shall accrue against the United States or any of its officers, agents or employees for any damage, direct or indirect, arising therefrom.

Disclaimer

15. No provision of this contract, nor of any renewal thereof, nor the furnishing of water hereunder will be construed to bind the United States after the expiration of this contract as the basis of a permanent water right. Because of possible fluctuations in reservoir surface elevations and downstream flows associated with the Rogue River Basin Project, the United States does not guarantee the availability of water at the point of the Contractor's diversion facilities as they may now be constructed or constructed hereafter. Further, the United States will not be held responsible for any acts or omissions of the Contractor's agents or of persons to whom water is furnished.

Notices

16. Any notice, demand, or request authorized or required by this contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or released to the Program Manager, Lands and Repayment, Pacific Northwest Region, Bureau of Reclamation, 1150 North Curtis Road, Suite 100, Boise, Idaho 83706-1234, and on behalf of the United States, when mailed, postage prepaid, or released to Judith Hofmann, 14202 N. Applegate Rd, Grants Pass, Oregon 97527. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

General Provisions

17. The general provisions applicable to this contract are listed below. The full text of these general provisions is attached as Exhibit A and is hereby made a part of this contract.

- a. GENERAL OBLIGATION -- BENEFITS CONDITIONED UPON PAYMENT
- b. CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS
- c. OFFICIALS NOT TO BENEFIT
- d. ASSIGNMENT LIMITED -- SUCCESSORS AND ASSIGNS OBLIGATED
- e. BOOKS, RECORDS, AND REPORTS
- f. COMPLIANCE WITH FEDERAL RECLAMATION LAWS
- g. PROTECTION OF WATER AND AIR QUALITY
- h. WATER CONSERVATION

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- i. EQUAL EMPLOYMENT OPPORTUNITY
- j. COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS
- k. PRIVACY ACT COMPLIANCE
- l. MEDIUM FOR TRANSMITTING PAYMENTS
- m. CONTRACT DRAFTING CONSIDERATIONS

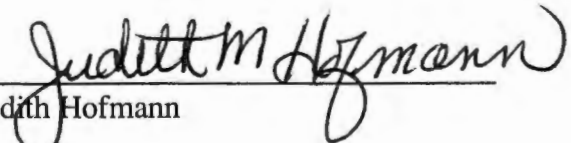
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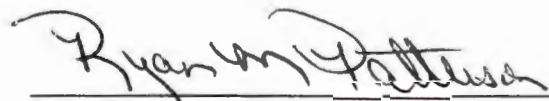
IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

CONTRACTOR



Judith Hofmann

UNITED STATES OF AMERICA



Program Manager, Lands and Repayment
PN Region
Bureau of Reclamation
1150 North Curtis Road, Suite 100
Boise, ID 83706-1234

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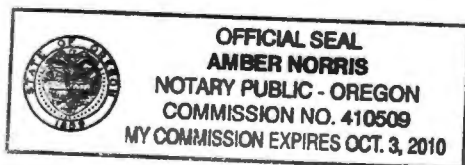
MAY 29 2009

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STATE OF Oregon)
 : ss
County of Josephine)

On this 21st day of April, 2009, before me, a notary public, personally appeared Judith Hoffmann known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged that she is the legal owner of the property for which a water supply is to be provided under the contract and have executed this contract as her free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.



(SEAL)

[Signature]
Notary Public in and for the
State of Oregon
Residing at: Grants Pass, OR
My commission expires: Oct 3rd, 2010

STATE OF IDAHO)
 : ss
County of Ada)

On this 27th day of May, 2009, personally appeared before me Ryan Patterson, to me known to be the official of the UNITED STATES OF AMERICA that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said United States, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.



(SEAL)

[Signature]
Notary Public in and for the
State of IDAHO
Residing at: Boise, ID
My commission expires: 2/27/2014

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Exhibit A

GENERAL PROVISIONS --- ROGUE RIVER BASIN PROJECT**GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT**

(a). (1) The obligation of the Contractor to pay the United States as provided in this contract is a general obligation of the Contractor notwithstanding the manner in which the obligation may be distributed among the Contractor's water users and notwithstanding the default of individual water users in their obligation to the Contractor.

(2) The payment of charges becoming due pursuant to this contract is a condition precedent to receiving benefits under this contract. The Contractor shall not release water under the terms and conditions of this contract for lands or parties that are in arrears in the advance payment of water rates as levied or established by the Contractor.

CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

(b). The expenditure or advance of any money or the performance of any obligation of the United States under this contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this contract. No liability shall accrue to the United States in case funds are not appropriated or allotted.

OFFICIALS NOT TO BENEFIT

(c). No Member of or Delegate to the Congress, Resident Commissioner, or official of the Contractor shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

CHANGES IN CONTRACTOR'S ORGANIZATION

(d). While this contract is in effect, no change may be made in the Contractor's organization, by inclusion or exclusion of lands or by any other changes which may affect the respective rights, obligations, privileges, and duties of either the United States or the Contractor under this contract including, but not limited to, dissolution, consolidation, or merger, except upon the Contracting Officer's written consent.

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

(e). The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest therein by either party shall be valid until approved in writing by the other party.

BOOKS, RECORDS, AND REPORTS

(f). The Contractor shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this contract, including the Contractor's water supply data; the water users' land-use (crop census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting Officer may require. Reports shall be furnished to the Contracting Officer in such form and on such date or dates as the Contracting Officer may require. Subject to applicable Federal laws and regulations, each party to this contract shall have the right during office hours to examine and make copies of the other party's books and records relating to matters covered by this contract.

COMPLIANCE WITH FEDERAL RECLAMATION LAWS

(g). The parties agree that the release of irrigation water or use of Federal facilities pursuant to this contract is subject to Federal reclamation law, including but not limited to the Reclamation Reform Act of 1982 (43 U.S.C. 390aa *et seq.*), as amended and supplemented, and the rules and regulations promulgated by the Secretary of the Interior under Federal reclamation law.

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PROTECTION OF WATER AND AIR QUALITY

(h). (1) Project facilities used to make available and release water to the Contractor shall be operated and maintained in the most practical manner to maintain the quality of the water at the highest level possible as determined by the Contracting Officer: Provided, That the United States does not warrant the quality of the water released to the Contractor and is under no obligation to furnish or construct water treatment facilities to maintain or improve the quality of water released to the Contractor.

(2) The Contractor shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Oregon and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities necessary for the release of water by the Contractor; and shall be responsible for compliance with all Federal, State, and local water quality standards applicable to surface and subsurface drainage and/or discharges generated through the use of Federal or Contractor facilities or project water provided by the Contractor within the Contractor's Project Water Service Area.

(3) This article shall not affect or alter any legal obligations of the Secretary to provide drainage or other discharge services.

WATER CONSERVATION

(i). Prior to the release of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this contract, the Contractor shall develop a water conservation plan, as required by Section 210(b) of the Reclamation Reform Act of 1982 (RRA) and Part 427.1 of the Water Conservation Rules and Regulations effective January, 1, 1998.

EQUAL EMPLOYMENT OPPORTUNITY

(j). During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, disability, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, disability, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole

MAY 29 2009

WATER RESOURCES DEPT
SALEM, OREGON

or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965 or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

(k). (1) The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112, as amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101, *et seq.*), Title II of the Americans with Disabilities Act of 1990 if the entity is a State or local government entity [Title III if the entity is a non-government entity], and any other applicable civil rights laws, as well as with their respective implementing regulations and guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.

(2) These statutes require that no person in the United States shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation on the grounds of race, color, national origin, disability, or age. By executing this contract, the Contractor agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

(3) The Contractor makes this agreement in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal financial assistance extended after the date hereof to the Contractor by the Bureau of Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Contractor recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this article and that the United States reserves the right to seek judicial enforcement thereof.

(4) Complaints of discrimination against the Contractor shall be investigated by the Contracting Officer's Office of Civil Rights.

PRIVACY ACT COMPLIANCE

(i). (1) The Contractor shall comply with the Privacy Act of 1974 (5 U.S.C. 552a) (Privacy Act) and the Department of the Interior rules and regulations under the Privacy Act (43 CFR 2.45 *et seq.*) in maintaining landholder certification and reporting records required to be submitted to the Contractor for compliance with Sections 206, 224(c), and 228 of the Reclamation Reform Act of 1982 (96 Stat. 1261), and pursuant to 43 CFR 426.18.

(2) With respect to the application and administration of the criminal penalty provisions of the Privacy Act (5 U.S.C. 552a(i)), the Contractor and the Contractor's employees who are responsible for maintaining the certification and reporting records referenced in (a) above and are considered to be employees of the Department of the Interior. See 5 U.S.C. 552a(m).

(3) The Contracting Officer or a designated representative shall provide the Contractor with current copies of the Interior Department Privacy Act regulations and the Bureau of Reclamation Federal Register Privacy Act System of Records Notice (Interior/WBR-31, Acreage Limitation) which govern the maintenance, safeguarding, and disclosure of information contained in the landholders' certification and reporting records.

(4) The Contracting Officer shall designate a full-time employee of the Bureau of Reclamation to be the System Manager responsible for making decisions on denials pursuant to 43 CFR 2.61 and 2.64 and amendment

requests pursuant to 43 CFR 2.72. The Contractor is authorized to grant requests by individuals for access to their own records.

(5) The Contractor shall forward promptly to the System Manager each proposed denial of access under 43 CFR 2.64 and each request for amendment of records filed under 43 CFR 2.71; notify the requester accordingly of such referral; and provide the System Manager with information and records necessary to prepare an appropriate response to the requester. These requirements do not apply to individuals seeking access to their own certification and reporting forms filed with the Contractor pursuant to 43 CFR 426.18 unless the requester elects to cite the Privacy Act as authority for the request.

MEDIUM FOR TRANSMITTING PAYMENTS

(m). 1) All payments from the Contractor to the United States under this contract shall be by the medium requested by the United States on or before the date payment is due. The required method of payment may include checks, wire transfers, or other types of payment specified by the United States.

2) Upon execution of the contract, the Contractor shall furnish the Contracting Officer with the Contractor's taxpayer's identification number (TIM). The purpose for requiring the Contractor's TIM is for collecting and reporting any delinquent amounts arising out of the Contractor's relationship with the United States.

CONTRACT DRAFTING CONSIDERATIONS

(m). Articles 1 through 17 of this Contract have been drafted, negotiated, and reviewed by the parties hereto, each of whom is sophisticated in the matters to which this Contract pertains, and no one party shall be considered to have drafted the stated articles.

RECEIVED
MAY 29 2009
WATER RESOURCES DEPT
SALEM, OREGON



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1271
503-986-0900
FAX 503-986-0904

October 19, 2004

James H. and Sandra K. Wester
14601 N. Applegate Rd.
Grants Pass, Oregon 97527

Reference: Application S-63182, Permit S-46663
Application S-61481, Permit S-45762

Regarding Application S-63182, Permit S-46663, the partial assignment by deed to James H. Wester and Sandra K. Wester, has been recorded in the records of the Water Resources Department.

Regarding Application S-61481, Permit S-45762, the assignment by deed to James H. Wester and Sandra K. Wester, has been recorded in the records of the Water Resources Department.

Our records have been changed accordingly and the original request is enclosed. Receipt number 69538 covering the recording fee of \$60.00 is also enclosed.

Sincerely,

Jerry Sauter
Water Rights Program Analyst

Enclosure: Receipt 69538

cc: Watermaster 13
William W. McClellan
Data Center, OWRD
Mary Rohling
File

REQUEST FOR ASSIGNMENT

BY PROOF OF OWNERSHIP (IF PERMIT/TRANSFER HOLDER IS NOT AVAILABLE)

JAMES H. WESTER and SANDRA K. WESTER

(Name of Party Requesting Assignment)

14601 N. Applegate Rd. Grants Pass OR 97527 541-846-0471
(Mailing address) (City) (State) (Zip) (Phone #)

RECEIVED

AUG 23 2004

WATER RESOURCES DEPT
SALEM, OREGON

CHECK ONE

☒ ...hereby request assignment in and to application/permit/transfer;

☐ ...hereby request assignment in and to a portion of application/permit/transfer;

(You must include a map showing the portion of the application/permit/transfer to be assigned.)

☐ ...I have attached proof of ownership that may include but not be limited to: a copy of the deed to the land, a copy of a land sales contract, a court order or decree, documentation of survivorship of property held jointly;

(Remember to include \$5 for each additional page.)

Application # 61481, Permit # 45762, Transfer # _____

-OR-

GR Statement # _____, GR Certificate of Registration # _____

I don't know?

(Name of Permit/Transfer Holder of Record)

OR

(Mailing address) (City) (State) (Zip) (Phone #)

NOTE:

If there are other owners of the property described in this Application, Permit, Transfer, or Certificate of Ground Water Registration, **you must provide a list of all other owners' names and mailing addresses and attach it to this form.**

I hereby certify that I have notified all other owners of the property described in this Application, Permit or Certificate of Registration of this request for assignment.

Witness my hand this 20th day of August, 2004.

Party Requesting Assignment [Signature]

Party Requesting Assignment Sandra K. Wester

OK - Assigned by Deed
J.H.S. 8/24/04

DO NOT WRITE IN THIS BOX

• This certifies assignment and record change at Oregon Water Resources Department effective 3:00a.m. on date of receipt at Salem, Oregon.
• Fee receipt # 68538
• For Director by Jerry Santos, Program Analyst in Water Rights Division [Signature]

The completed "Request for Assignment" form must be submitted to the Department along with the appropriate recording fees:

- ♦ \$25 for the first page, and
- ♦ \$5 for each additional page.
[as required by ORS 536.050(1)(d)]

WATER RESOURCES DEPARTMENT
725 SUMMER STREET NE, SUITE A
SALEM, OREGON 97301-1271

**STATE OF OREGON
WATER RESOURCES DEPARTMENT**

RECEIPT # **69538**

725 Summer St. N.E. Ste. A
SALEM, OR 97301-4172
(503) 986-0900 / (503) 986-0904 (fax)

INVOICE # _____

RECEIVED FROM: Westerdale Living Waters Ranch
BY: _____

APPLICATION	<u>Below</u>
PERMIT	
TRANSFER	

CASH: ☐ CHECK: # 1113 ☒ OTHER: (IDENTIFY) ☐

TOTAL REC'D \$ 60.00

1083 TREASURY 4170 WRD MISC CASH ACCT

0407 COPIES

\$
\$

OTHER: (IDENTIFY) _____

0243 I/S Lease _____ 0244 Muni Water Mgmt. Plan _____ 0245 Cons. Water _____

4270 WRD OPERATING ACCT

MISCELLANEOUS

0407 COPY & TAPE FEES

63182 - \$30.00
61481 - \$30.00

\$
\$
\$ <u>60.00</u>
\$
\$

0410 RESEARCH FEES

0408 MISC REVENUE: (IDENTIFY) _____

Assign

TC162 DEPOSIT LIAB. (IDENTIFY) _____

0240 EXTENSION OF TIME

WATER RIGHTS:

0201 SURFACE WATER

EXAM FEE
\$
\$
\$

0202

0203 GROUND WATER

\$

0204

0205 TRANSFER

\$

RECORD FEE
\$
\$

WELL CONSTRUCTION

0218 WELL DRILL CONSTRUCTOR

EXAM FEE
\$

0219

LANDOWNER'S PERMIT

0220

LICENSE FEE
\$
\$

OTHER (IDENTIFY) _____

0536 TREASURY 0437 WELL CONST. START FEE

0211 WELL CONST START FEE

\$
\$

CARD #	
CARD #	

0210 MONITORING WELLS

OTHER (IDENTIFY) _____

0607 TREASURY 0467 HYDRO ACTIVITY LIC NUMBER

0233 POWER LICENSE FEE (FW/WRD)

\$
\$

0231 HYDRO LICENSE FEE (FW/WRD)

\$

HYDRO APPLICATION

TREASURY OTHER / RDX

FUND _____ TITLE _____

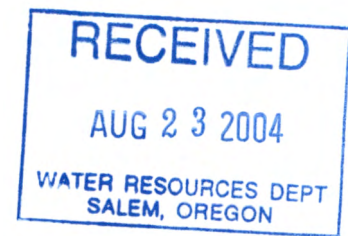
OBJ. CODE _____ VENDOR # _____

DESCRIPTION _____ \$ _____

RECEIPT: **69538**

DATED: 8/23/04 BY: X Alkin

Westerdale, *Living Waters Ranch*
James and Sandra Wester
14601 N. Applegate Road
Grants Pass, OR 97527



August 20, 2004

Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1271

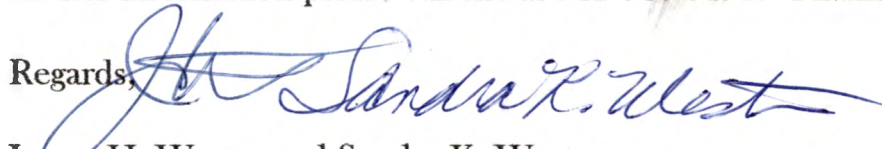
Dear Sir or Madame;

We have recently purchased 90 acres of river front property in Grants Pass, Oregon. We are very confused as to the usage of the water pumped from the river. Our water rights are very confusing as they pertain to our neighbors. It appears that they have made applications for permits to use some of the water that is pumped through our system. According to the Water Master here in Grants Pass the process has not been completed, but the permits have been issued. Where do we stand? What needs to happen next to complete the process?

We are interested in being within the law and would like to understand how the system works. We have purchased water from the Federal Government, do they need to do the same? As I have said we are very concerned, if we pump water to them through our lines and they are not in compliance with the law are we out of order, will we put our rights to the water in jeopardy?

We are hereby responding to the advice of the Water Master for Jackson County (letter enclosed) and are submitting request for assignment forms for the two water applications applied for in 1981 by the owner at that time. There is no record in Jackson County of these applications ever being finalized. Our concern is what our current water rights are, and could you send us the water permits that are currently in effect for our property. I am enclosing \$60 for answers on these two assignment requests. If you need further information please call me at 541-846-0471. Thank you.

Regards,


James H. Wester and Sandra K. Wester



RECORDING COVER SHEET
PER ORS 205.234

THIS COVER SHEET HAS BEEN PREPARED BY THE PERSON PRESENTING THE ATTACHED INSTRUMENT FOR RECORDING. ANY ERRORS IN THIS COVER SHEET DOES NOT AFFECT THE TRANSACTION(S) CONTAINED IN THE INSTRUMENT ITSELF.

I, Kathleen S. Beckett, County Clerk for Jackson County, Oregon, certify that the instrument identified herein was recorded in the Clerk records.

Kathleen S. Beckett - County Clerk

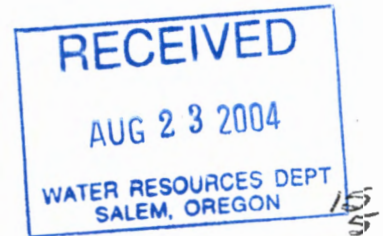
AFTER RECORDING RETURN TO:

name and address of the person authorized to receive the instrument after recording, as required by ORS 205.180(4) and ORS 205.238

M/M James WESTER
14601 N Applegate Rd.
Grants Pass OR 97527

FA Accom

1002254901/284440



1. NAMES OF THE TRANSACTION(S), described in the attached instrument and required by ORS 205.234(A)
NOTE: Transaction as defined by ORS 205.010 "means any action required or permitted by state law or rule federal law or regulation to be recorded including, but not limited to, any transfer, encumbrance or release affecting title to or an interest in real property".

2. Grantor(s) as described in ORS 205.160.

JAMES H. WESTER
SANDRA K. WESTER

3. Grantee(s) as described in ORS 205.160.

JAMES H. WESTER TRUSTEE
SANDRA WESTER TRUSTEE

4. TRUE AND ACTUAL CONSIDERATION PAID for instruments conveying or contracting to convey fee title to any real estate and all memoranda of such instruments, reference ORS 93.030.

NONE

5. UNTIL A CHANGE IS REQUESTED, ALL TAX STATEMENTS SHALL BE SENT TO THE FOLLOWING ADDRESS: for instruments conveying or contracting to convey fee title to any real estate reference ORS 93.260.

14601 N Applegate Rd. Grants Pass OR 97527

NN

NO PART OF ANY STEVENS-NESS FORM MAY BE REPRODUCED IN ANY FORM OR BY ANY ELECTRONIC OR MECHANICAL MEANS.

STATE OF OREGON, } ss.
County of _____

Grantor's Name and Address

Grantee's Name and Address

After recording, return to (Name, Address, Zip):

Until requested otherwise, send all tax statements to (Name, Address, Zip):

14601 N Applegate Road
Grants Pass, OR 97527SPACE RESERVED
FOR
RECORDER'S USEI certify that the within instrument was
received for recording on _____,
at _____ o'clock _____ M., and recorded in
book/reel/volume No. _____ on page _____
and/or as fee/file/instrument/microfilm/reception
No. _____, Records of this County.

Witness my hand and seal of County affixed.

NAME

TITLE

By _____, Deputy.

FA 000000

BARGAIN AND SALE DEED - STATUTORY FORM
(INDIVIDUAL GRANTOR)JAMES H. WESTER AND SANDRA K. WESTER HUSBAND AND WIFE, Grantor,
conveys to JAMES H. WESTER AND SANDRA WESTER TRUSTEES OF THE JAMES AND SANDRA WESTER
REVOCABLE TRUST DATED DECEMBER 31, 1998, Grantee,
the following real property situated in JACKSON County, Oregon, to-wit:

SEE ATTACHED EXHIBIT "A"

RECEIVED

AUG 23 2004

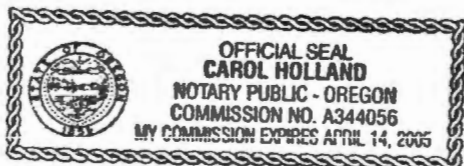
WATER RESOURCES DEPT
SALEM, OREGON

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE)

The true consideration for this conveyance is \$ NONE (Here, comply with the requirements of ORS 93.030.)DATED JANUARY 6 2004THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN
THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGU-
LATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON
ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPRO-
PRIATE 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.

JAMES H. WESTER

SANDRA K. WESTER

STATE OF OREGON, County of JOSEPHINE) ss.This instrument was acknowledged before me on JANUARY 6 2004
by JAMES H. WESTER AND SANDRA K. WESTER

Carol Holland

Notary Public for Oregon

My commission expires _____

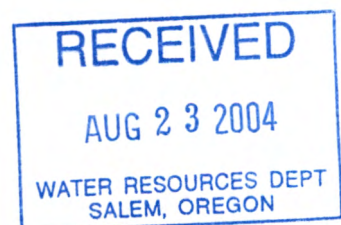
EXHIBIT "A"

TRACT A:

Beginning at a point 845.0 feet North of the South Quarter corner of Section 6 in Township 38 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence West 170.0 feet; thence South 29° 30' East 115.0 feet; thence West, to the West line of the Southeast Quarter of the Southwest Quarter of said Section 6; thence North 3215.0 feet to the Northwest corner of the Southeast Quarter of the Northwest Quarter of said Section 6; thence East 1320.0 feet to the Northeast corner of said Quarter-Quarter; thence South 3115.0 feet to the true point of beginning. EXCEPTING THEREFROM the following: Any portion of the above described tract lying Easterly of the North Applegate Road (County Road). ALSO EXCEPTING THEREFROM the following: Beginning at the Northeast corner of the Southeast Quarter of the Northwest Quarter of said Section 6; thence South 150.0 feet; thence West 140.0 feet; thence North 150.0 feet; and thence East 140.0 feet to the point of beginning. ALSO EXCEPTING THEREFROM the following: Commencing at the Northeast corner of the Southeast Quarter of the Northwest Quarter of Section 6 in Township 38 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence South 150.00 feet; thence West 140.00 feet, for the true point of beginning; thence North 150.00 feet; thence West 150.00 feet; thence South 150.00 feet; thence East 150.00 feet to the true point of beginning.

TRACT B:

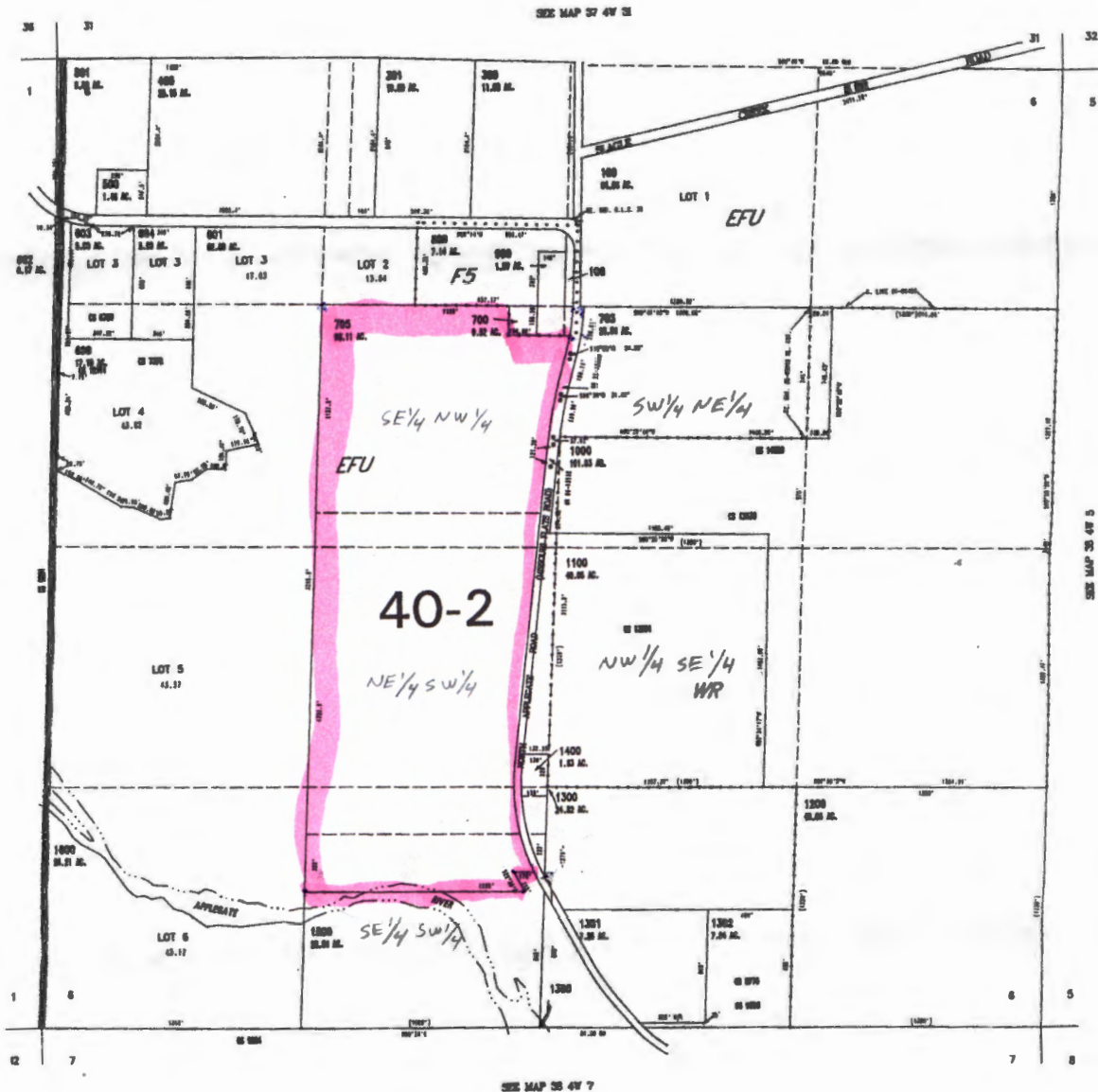
Commencing at the Northwest corner of the Southwest Quarter of the Northeast Quarter of Section 6 in Township 38 South, Range 4 West of the Willamette Meridian in Jackson County, Oregon; thence South 150.00 feet to the Southwest corner of tract described in Volume 141, Page 159, Jackson County, Oregon, Deed Records, for the true point of beginning; thence East, along the South line of said tract, to the Westerly right of way line of Missouri Flats Road (County Road); thence Southwesterly, along said Westerly right of way, to intersect the West line of said Quarter-Quarter; thence North to the true point of beginning.



SECTION 6 T36S. R4W. WM.
JACKSON COUNTY
T= 400

38 4W 6

THIS MAP WAS PREPARED FOR
ASSESSMENT PURPOSE ONLY



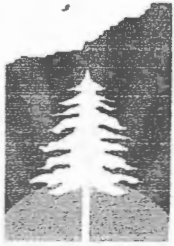
CANCELLED NO.
101
1000

38 4W 6
DO NOT COPY

RECEIVED

AUG 23 2004

WATER RESOURCES DEPT
SALEM, OREGON



JACKSON COUNTY

Oregon

Watermaster's Office
Larry Menteer
Watermaster, District 13

10 S. Oakdale, Rm 309A
Medford, OR 97501
Phone: (541) 774-6880
Fax: (541) 774-6187
menteelp@jacksoncounty.org

August 10, 2004

Mr. James H. Wester
14601 N. Applegate road
Grants Pass, OR 97527

RE: Water Right Research - T. 38S, R. 4W, Sec. 06, Tax Lot 705

Dear Mr. Wester:

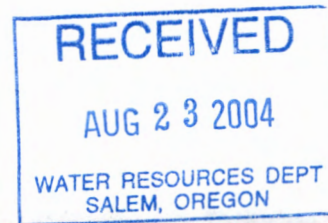
A water right research was conducted for the above stated parcel per your July 23, 2004 request.

The following water rights of record are on this property:

Permit/Decree/ Transfer	Certificate	Priority Date	Use
	16250	1886	Irrigation
GR-3834	GR-3494	1953	Irrigation

There are two other permits associated with the property, Permit 45762 for the irrigation of 20 acres and Permit 46663 for the irrigation of 41 acres and the supplemental irrigation of 84 acres. The water right process involves three steps: application, permit and certificated water right. These two are stalled at the permit stage awaiting a survey by the State. (This part of the process is now handled by Certified Water Right Examiners (CWRE). These two permits got caught in the transition period along with several hundred others.) While you wait for the State to proceed, you have a couple options. You can continue using the water as outlined in the permit, or you can hire a CWRE to complete the survey, submit it to Salem and await their review and decision about certification.

Please refer to the attached documents and maps for acreage amounts and places of use. This will allow you to compare how the water rights of record lay in relation to the parcel. In order to determine the **exact** location of a water right, you may want to hire a CWRE to survey. Keep in mind, while this office can tell you water rights are attached to a tract of land, we cannot tell you about continued use or non-use of the right. Five years of non-use constitutes forfeiture of the right.



August 10, 2004
Page 2

I would encourage you to fill out the attached assignment forms, so that when the workload allows Salem to move forward on these permits you will be the person notified.

If this office can be of any further assistance, please don't hesitate to call and set up an appointment to discuss these water rights.

Sincerely,



Sue A. Waldron
Office Assistant

Attachments

Data provided by this office is based on the best and most current information available within our files and data base. The "Official Records" however, reside in the Department's Salem office. For additional information, please contact the Oregon Water Resources Department at 1-503-986-0900 or at www.wrd.state.or.us.



assigned to 31
Phillip C. + Amelia E. Kudlac

FORFEIT -
Appl. No. P.45762
Permit No.

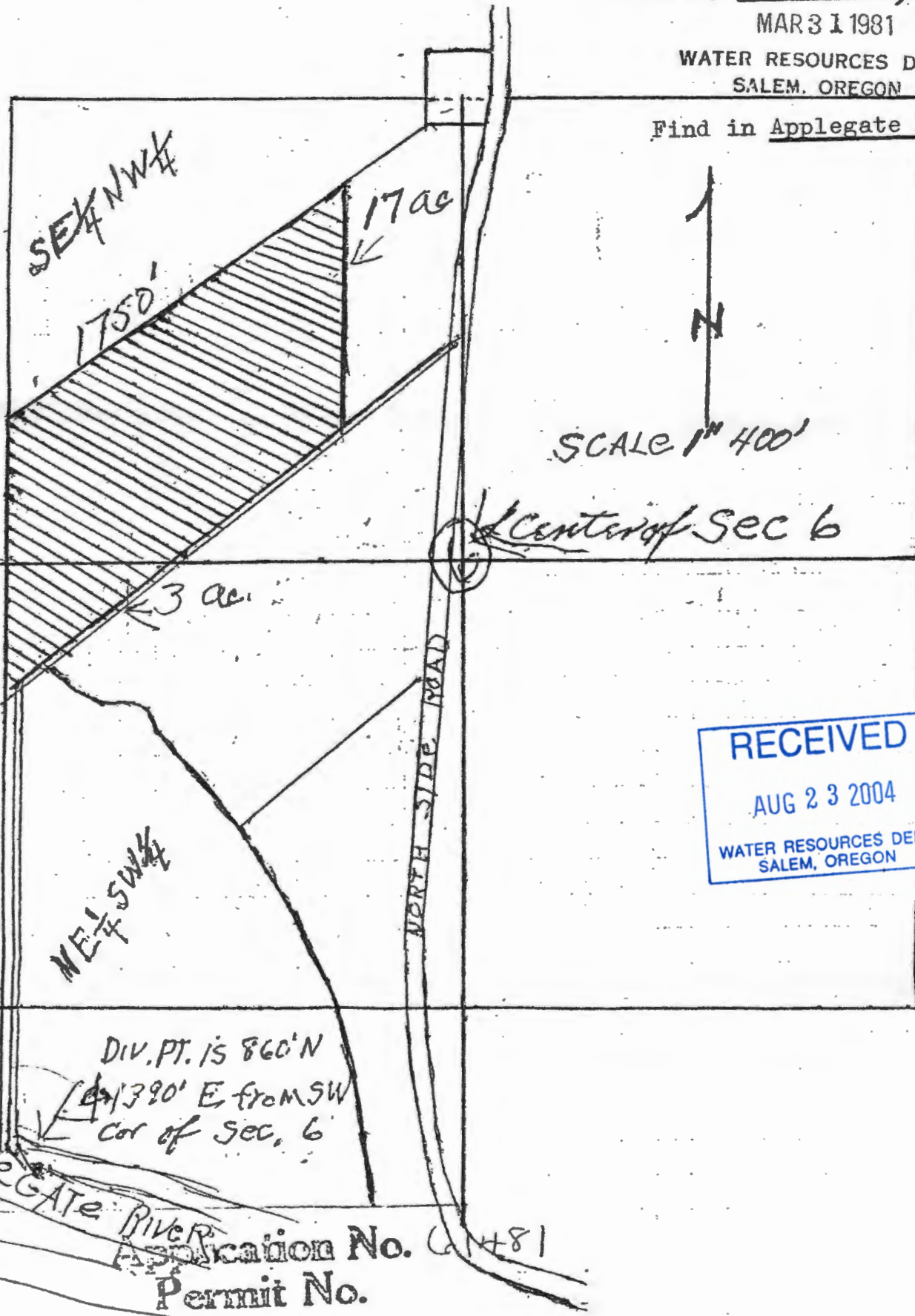
Priority RECEIVED
MARCH 31, 1981

MAR 31 1981

WATER RESOURCES DEPT
SALEM, OREGON

Find in Applegate River

TWP 38 S, R. 4, W. 11



SCALE 1" = 400'

RECEIVED
AUG 23 2004
WATER RESOURCES DEPT
SALEM, OREGON

Application No. 64481
Permit No.

7-4-76-10000 changed to:
Phillip + Pamela Radloe
3290 Lower River Rd
Grants Pass, Or 97526

819187
Assigned to 208

Abstract of Permit No. 46663

ASSIGNED TO WILLIAM McCLEAN

✓ This is to certify that I have examined APPLICATION 63182 and do hereby grant the same SUBJECT TO EXISTING RIGHTS INCLUDING THE APPROPRIATE MINIMUM FLOW POLICIES ESTABLISHED BY THE WATER POLICY REVIEW BOARD and the following limitations and conditions:

This permit is issued to Forrest E. and/or Helen M. Drake of 14601 North Applegate Road, Grants Pass, Oregon 97526, phone 846-6547, for the use of the waters of Applegate River and Applegate Lake Reservoir constructed under Permit R-7810, being 0.51 cubic foot of water per second from Applegate River for irrigation and 80.0 acre-feet stored water only from Applegate Lake Reservoir for supplemental irrigation; that the PRIORITY OF THE RIGHT dates from December 17, 1981, and is limited to the amount of water which can be applied to beneficial use and shall not exceed 0.51 cfs measured at the point of diversion from Applegate River, or its equivalent in case of rotation with other water users, and 80.0 acre-feet stored water only from Applegate Lake Reservoir.

The POINT OF DIVERSION is to be LOCATED: 860 feet North and 1,390 feet East from the Southwest Corner of Section 6, being within the SE 1/4 SW 1/4 of Section 6, Township 38 South, Range 4 West, WM, in the County of Jackson.

Applegate Dam is located in the S 1/2 SE 1/4 of Section 25, Township 40 South, Range 4 West, WM.

A description of the PLACE OF USE under the permit, and to which such right is appurtenant, is as follows:

Township 38 South	Range 4 West, WM	Section 6			Primary
			SW 1/4	NE 1/4	29.0 acres
			NE 1/4	SW 1/4	2.3 acres
			NW 1/4	SE 1/4	9.7 acres
					<u>41.0</u>
		Section 6			Supplemental
			SW 1/4	NE 1/4	29.0 acres
			NE 1/4	SW 1/4	2.3 acres
			NW 1/4	SE 1/4	9.7 acres
			SE 1/4	NW 1/4	29.0 acres
			NE 1/4	SW 1/4	14.5 acres
					<u>74.5</u>

The AMOUNT OF WATER used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to 1/100 of one cubic foot per second per acre, from direct flow and shall be further limited to a diversion of not to exceed 4.5 acre-feet per acre for each acre irrigated during the irrigation season of each year from direct flow and storage from reservoir constructed under Permit R-7810, provided further that the right allowed herein shall be limited to any deficiency in the available supply of any prior right existing for the same land and shall not exceed the limitation allowed herein, and is subject to the terms and conditions of Contract 2-07-10-W/0455 between the Bureau of Reclamation and the applicant, or a satisfactory replacement, a copy of which is on file in the records of the Water Resources Director, and shall conform to such reasonable rotation system as may be ordered by the proper state officer.

Applegate River
Basin 15 Vol. 6
APPLICATION 63182

PERMIT 46663

307 N

JACKSON COUNTY

1390'E

DIV. PT. IS 860' N.
1390'E FROM
SW COR OF SEC. 6

APPLE GATE RIVER

TWP. 38 S. R. 4 W. A

SE 1/4 NW 1/4

NORTH

1 1/2 400'

CEMETERY

MISSOURI FLAT

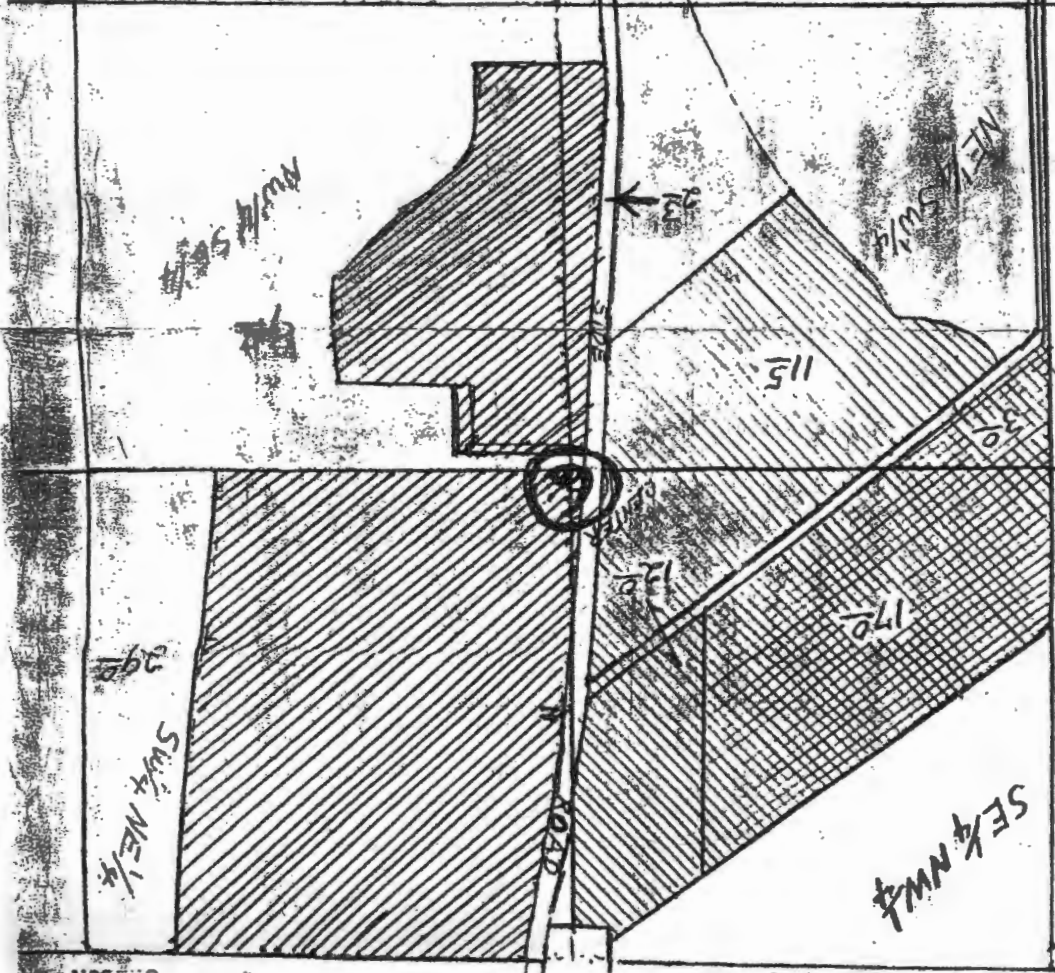
31/6

RECEIVED
AUG 23 2004
WATER RESOURCES DEPT
SALEM, OREGON

4th 7-4-96.
Transf. changed to: Holly Family
3270 Lower River Rd.
Grants Pass, Or. 97526

Application No. 63182
Permit No. 46663
Priority - December 17, 1981
Find in Applegate River, Vol. 6

Application No. 63182
Permit No. 46663
Primary from Applegate River &
then supplemented from St. John
Lake Res. (Primary = Center)
Supplemental from Applegate
Lake Res. (Primary = Permit #457)



RECEIVED
12-1-1981
FOREST E. DRAKE



Mr. James Wester
14601 N Applegate Rd
Grants Pass, OR 97527-9405



Water Resources Department
425 Summer Street NE
Suite A
Salem, Oregon 97301-1271

97301#1271





Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1271
503-986-0900
FAX 503-986-0904

September 17, 2004

Gene G. Yie
14500 N. Applegate Road
Grants Pass, Oregon 97527

Reference: Application S-63182, Permit S-46663

Dear Gene G. Yie:

I am in receipt of your letter of September 10, 2004 regarding the above referenced water right. This water right is a valid permit and subject to the conditions as set forth in it. As set forth in the permit, the lands that you own are allowed primary irrigation water from the Applegate river and supplemental irrigation from stored water released from Applegate Reservoir under a contract with the Bureau of Reclamation. The Westers have the right to supplemental irrigation of 45.8 acres from this permit with primary irrigation from other rights.

You and the Hofmann's may be partially assigned to this permit as well by providing proof of ownership such as a copy of the deed with the legal description and a map showing which parcel you own, a tax statement is not acceptable. I am enclosing the appropriate assignment forms for your use.

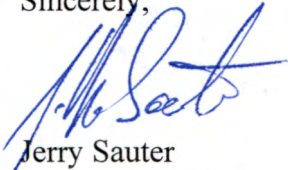
The Bureau of Reclamation is responsible for the storage of water in a number of Willamette Project reservoirs. As such they administer contracts for the release of stored water from those reservoirs for various uses when sufficient natural water flow is not available. In this case there is not sufficient water flow in the river, so contracted water is released and carried downstream for your use. The Jackson County Watermaster is an extension of this office and is charged with the oversight and enforcement of water use in that area. The Watermaster would investigate complaints of illegal water use, use outside of what is allowed by permit and the distribution of water when supplies are low or restricted. I advise the contacting of the local Watermaster to make sure that all permit conditions are being met.

As to forcing someone to share a diversion point, that is a different situation. A water right does not grant the right of trespass or authority to go on lands other than you own to access water. I am not sure if there was an agreement or easement given originally to facilitate the three users. That could well be a civil matter, that we would not have authority in. A note, only the amount of water allowed by each right for each identified acre may be allowed. Use of water on land not authorized by the permits cannot be allowed. Again I encourage contacting the local watermaster. The local Watermaster is Larry Menteer and can be reached at 541-774-6880.

The Watermaster will have the legal determination of how much water and how many acres per permit will allowed and what will not be allowed under the terms of the permit.

I hope this helps, should you have further questions, please do not hesitate to contact me.

Sincerely,



Jerry Sauter
Water Rights Program Analyst

Gene G. Yie
14500 N. Applegate Road, Grants Pass, OR 97527 USA
Telephone: (541) 846-9545, Fax: (541) 846-9846

RECEIVED

SEP 13 2004

WATER RESOURCES DEPT
SALEM, OREGON

September 10, 2004

Oregon Water Resources Department
Water Rights Section
725 Summer Street NE, Suite A
Salem, OR 97301-1271

Reference: Water Right Dispute with Neighbor

Dear Sir:

This letter is to request your assistance in resolving dispute on water right with our new neighbor.

My wife Nancy and I are the owner of a 40-acre land with a street address shown in my letterhead. The description and plat map of this property are attached. To the north of our property is 14202 and is owned by Judith Hofmann. To the west of us and across the N. Applegate Road is our new neighbor from California James and Sandra Wester. Our water right dispute is with the Westers.

When we purchased this property in 2001 we were informed by our realtor that our property has irrigation water right from the Applegate River and there are pipes buried in the ground for that purpose. We were provided with a copy of Abstract of Permit No. 46663 issued to Forrest and Helen Drake in 1981. The Drakes were the original owners of the land that is now divided to 3 pieces known as 14202, 14601, and our 14500 N. Applegate Road. A copy of this permit and a map are attached here for your review. In this permit, our property is clearly identified as Section 6 NW1/4 SE1/4.

The existence of this water right was also confirmed to us by our north neighbor Judith Hofmann, who is the daughter of Forrest and Helen Drake. She grew up in the house that is now occupied by Westers.

When we first moved into our property, the land west of us was owned by Rick and Debbie Johns. They were aware of Permit No. 46663 and respected our right for the water. We, the three property owners, shared the water during the summer months in perfect harmony. We paid 1/9 of the power used, Hofmann paid 1/3, and Johns, being the biggest user, paid the rest. We also agreed to shared the maintenance expenses for the pump, motor, and the main pipe.

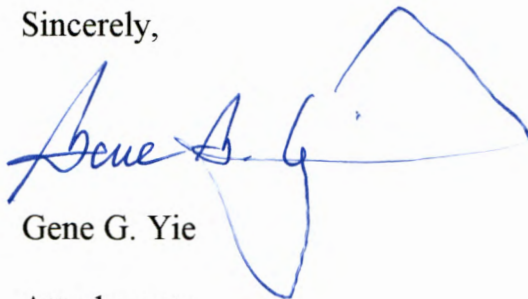
Then, Johns sold their property to Westers early this year and trouble began. Westers claimed that they are the sole owner of the river front, water right, pump, motor, and the buried pipe. They refused to share any water from the river with Hofmann and us. They refused to honor Permit 46663. They further claimed that they have paid BLM for the river water and that they are not allowed by law to share this water with anybody else.

We are now left with no alternative but to look into the details of this matter. We plan to take legal actions if necessary to protect our rights. Before we proceed, we wish to know if we are on solid legal ground. We need your help to clarify some points:

1. Is Permit 46663 still valid? Can our portion of the water right be assigned to us clearly? Can Hofmann be assigned with the right as well?
2. How do we go about getting our right assigned? Do we need to fill some forms and submit some documents?
3. What is the role of BLM and Jackson County Water Master in this matter?
4. How can we persuade Westers to share the pump, motor, and the pipe? There is a 6-inch buried pipe transporting water from the river to all three properties but the pump, motor and the main section of the pipe are situated in Wester's property. If Westers insist on not cooperating, what recourse do we have?

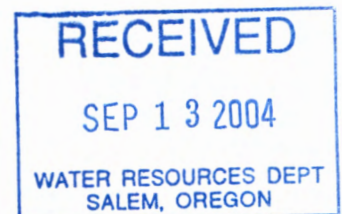
We sincerely hope that you can be help in this matter. We will be waiting for your reply.

Sincerely,



Gene G. Yie

Attachments



"Our Product is Peace of Mind"

P.O. Box 250

Medford, Oregon 97501

(503) 779-7250

FAX (503) 779-4013



SEP 13 2004

WATER RESOURCES DEPT
SALEM, OREGON

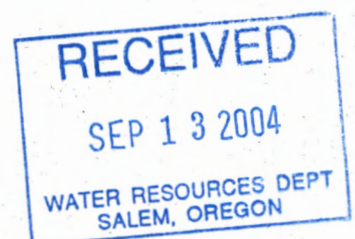
TOWNSHIP 38 RANGE 4w SECTION 6

THIS SKETCH IS FOR LOCATION PURPOSES ONLY. NUMBERS ON SKETCH ARE COMPANY NUMBERS AND NO LIABILITY IS ASSUMED FOR VARIATIONS DISCLOSED BY SURVEY OR COUNTY RECORDS.

DESCRIPTION SHEET

The land referred to in this report/policy is situated in the State of Oregon, County of Jackson, and is described as follows:

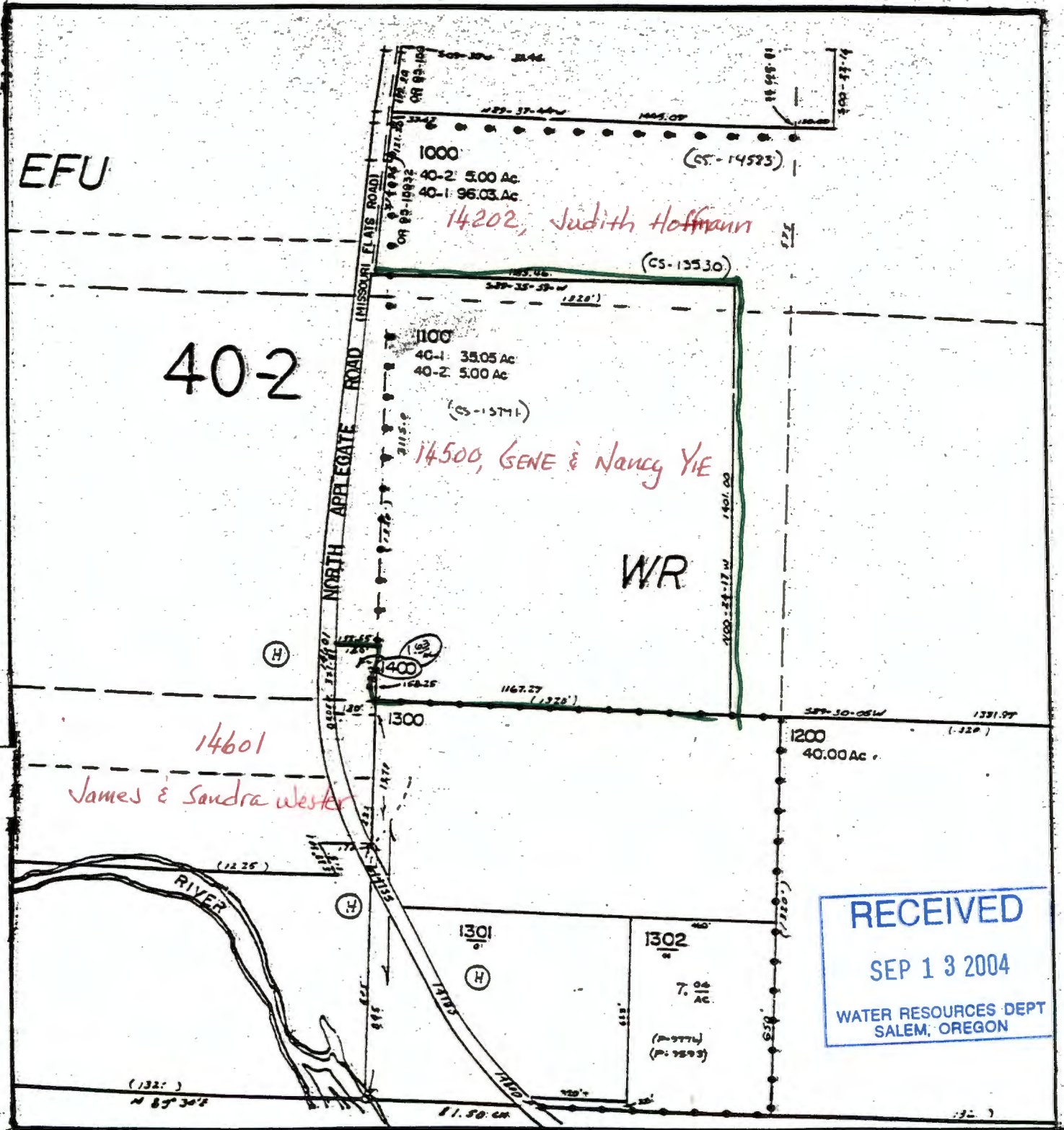
All that tract or parcel of land situated in Section 6, Township 38 South of Range 4 West, Willamette Base and Meridian in Jackson County, Oregon and being more fully described as follows: Commencing at a 2 and 1/2 inch brass disk on a 1 and 1/2 inch galvanized iron pipe for the center Quarter corner of said Section 6, thence South 00° 18' 44" West along the North-South centerline of said Section 6, for a distance of 1331.75 feet to a 1 inch by 30 inch galvanized iron pipe for the center South-sixteenth corner of said Section 6 and being the true point of beginning; thence leaving said North-South centerline, North 89° 30' 05" East along the Southerly line of the tract of land as described in Document No. 91-06457, Official Records of Jackson County, Oregon for a distance of 1167.27 feet to a 5/8 inch by 30 inch iron rod; thence leaving said Southerly line, North 00° 24' 17" West for a distance of 1401.00 feet to a 5/8 inch by 30 inch iron rod; thence South 89° 35' 31" West for a distance of 1185.46 feet to a 5/8 inch by 30 inch iron rod witness corner; thence South 89° 35' 31" West for a distance of 10.00 feet to a point on the Easterly right of way line of the North Applegate County Road; thence along said Easterly right of way line as follows: along a curve to the right having a radius of 126840.12 feet and an arc length of 224.18 feet, being subtended by a chord of South 05° 13' 14" West for a distance of 224.18 feet to a point from which a 5/8 inch by 30 inch iron rod witness corner bears South 84° 43' 44" East for a distance of 5.00 feet; thence South 05° 16' 16" West for a distance of 545.81 feet to a 5/8 inch by 30 inch iron rod; thence along a curve to the left having a radius of 5464.08 feet and an arc length of 477.58 feet, being subtended by a chord of South 02° 46' 02" West for a distance of 477.43 feet to a 5/8 inch by 30 inch iron rod; thence leaving said Easterly right of way line, South 89° 41' 17" East along the Northerly line of that tract of land as excepted and described in Document No. 91-06457, Official Records of Jackson County, Oregon, for a distance of 132.55 feet to a 5/8 inch by 30 inch iron rod for the Northeast corner of said excepted tract of land; thence leaving said Northerly line South 00° 18' 44" West along the Easterly line of said excepted tract of land for a distance of 158.25 feet to the true point of beginning.



CRATER TITLE INSURANCE CO.

"Our Product is Peace of Mind"

300 W. Main Street • P.O. Box 250 • Medford, Oregon 97501 • (503) 779-7250 • FAX (503) 779-4013



TOWNSHIP 38 RANGE 4W SECTION 6

THIS SKETCH IS FOR LOCATION PURPOSES ONLY. NUMBERS ON SKETCH ARE COMPANY NUMBERS AND NO LIABILITY IS ASSUMED FOR VARIATIONS DISCLOSED BY SURVEY OR COUNTY RECORDS.

REAL PROPERTY TAX STATEMENT
JULY 1, 2002 TO JUNE 30, 2003
JACKSON COUNTY, OREGON
10 S OAKDALE ROOM 111
MEDFORD, OR 97501

ACCOUNT NO:
10704795

PROPERTY DESCRIPTION

CODE: 4002
MAP: 38 4W 06 0 0 01100
ACRES: 5.00
SITUS: 14500 NORTH APPLGATE RD County

YIE GENE G/NANCY A
 14500 N APPLGATE RD
 GRANTS PASS, OR 97527

(LAST YEAR'S TAX 1,651.07)

CURRENT YEAR TAX DETAIL

EDUCATION SERVICE DISTRICT	61.60
ROGUE COMMUNITY COLLEGE	89.62
THREE RIVERS SCHOOL DIST 40	673.14
EDUCATION TOTAL:	824.36
JACKSON COUNTY	350.91
VECTOR CONTROL	7.52
APPLGATE VALLEY RFPD #9	303.26
APPLGATE VALLEY RFPD #9 LOCAL L	180.65
JACKSON COUNTY URBAN RENEWAL	71.32
GENERAL GOVT TOTAL:	913.66
JACKSON COUNTY BONDS:	64.49
THREE RIVERS SCHOOL DIST 40 BOND	132.27
BONDS - OTHER TOTAL:	196.76

VALUES:	LAST YEAR	THIS YEAR
REAL MARKET (RMV)		
LAND	20,340	26,440
STRUCTURES	220,190	192,230
TOTAL RMV	240,530	218,670

ASSESSED (AV)		
TOTAL AV	154,160	180,650

NET TAXABLE:	154,160	180,650
---------------------	----------------	----------------

2002-03 TAX (Before Discount) **1,934.78**

TAX STATEMENT INFORMATION WAS SENT TO:

CMM Chase Manhattan Mortgage Corp - Ut
 2141000 1988671305

VALUE QUESTIONS (541) 774-6059
PAYMENT QUESTIONS (541) 774-6541

1968.85

POTENTIAL TAX LIABILITY

TOTAL DUE (After Discount) **1,876.74**

PAYMENT OPTIONS	Date Due	Amount	Date Due	Amount	Date Due	Amount
Full Payment with 3% Discount:	11/15/2002	1,876.74				
or 2/3 Payment with 2% Discount:	11/15/2002	1,264.05			and on 05/15/2003	644.93
or 1/3 Payment:	11/15/2002	644.93	02/15/2003	644.93	& 05/15/2003	644.92

↑ Tear Here

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Tear Here ↑

TOTAL PROPERTY TAXES

JACKSON COUNTY REAL

ACCOUNT NO. 10704795

PAYMENT OPTIONS	Discount	Date Due	Amount	Date Due	Amount	Date Due	Amount
Full Payment Enclosed	3%	11/15/2002	1,876.74				
or 2/3 Payment Enclosed	2%	11/15/2002	1,264.05			and on 05/15/2003	644.93
or 1/3 Payment Enclosed	0%	11/15/2002	644.93	02/15/2003	644.93	& 05/15/2003	644.92

DISCOUNT IS LOST & INTEREST APPLIES AFTER DUE DATE

☐ Mailing address change on back

MAKE PAYMENT TO:

JACKSON COUNTY PYMNT CTR
PO BOX 5020
PORTLAND OR 97208-5020

YIE GENE G/NANCY A
14500 N APPLGATE RD
GRANTS PASS, OR 97527

Enter Payment Amount
 \$

RECEIVED

SEP 13 2004

WATER RESOURCES DEPT
SALEM, OREGON

20581 - 193478

15100107047950000064493000012640500001876741

Phillip + Pamela Kudlach
3290 Lower River Rd
Grants Pass, OR 97526

307
ASSIGNED
Abstract of Permit No. 46663

This is to certify that I have examined APPLICATION 63182 and do hereby grant the same SUBJECT TO EXISTING RIGHTS INCLUDING THE APPROPRIATE MINIMUM FLOW POLICIES ESTABLISHED BY THE WATER POLICY REVIEW BOARD and the following limitations and conditions:

This permit is issued to Forrest E. and/or Helen M. Drake of 14601 North Applegate Road, Grants Pass, Oregon 97526, phone 846-6547, for the use of the waters of Applegate River and Applegate Lake Reservoir constructed under Permit R-7810, being 0.51 cubic foot of water per second from Applegate River for irrigation and 80.0 acre-feet stored water only from Applegate Lake Reservoir for supplemental irrigation; that the PRIORITY OF THE RIGHT dates from December 17, 1981, and is limited to the amount of water which can be applied to beneficial use and shall not exceed 0.51 cfs measured at the point of diversion from Applegate River, or its equivalent in case of rotation with other water users, and 80.0 acre-feet stored water only from Applegate Lake Reservoir.

The POINT OF DIVERSION is to be LOCATED: 860 feet North and 1,390 feet East from the Southwest Corner of Section 6, being within the SE 1/4 SW 1/4 of Section 6, Township 36 South, Range 4 West, W.M., in the County of Jackson.

Applegate Dam is located in the S 1/2 SE 1/4 of Section 25, Township 40 South, Range 4 West, W.M.

A description of the PLACE OF USE under the permit, and to which such right is appurtenant, is as follows:

Township 38 South Range 4 West, W.M.		Section 6		Primary	
	SW 1/4	NE 1/4	29.0 acres	X	
	NE 1/4	SW 1/4	2.3 acres	X	
	NW 1/4	SE 1/4	9.7 acres	X	
			41.0		
			Supplemental		
Section 6	SW 1/4	NE 1/4	29.0 acres	X	
	NE 1/4	SW 1/4	2.3 acres	X	
	NW 1/4	SE 1/4	9.7 acres	X	
	SE 1/4	NW 1/4	29.0 acres	X	
	NE 1/4	SW 1/4	14.5 acres	X	
			74.5		

The AMOUNT OF WATER used for irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to 1/100 of one cubic foot per second per acre, from direct flow and shall be further limited to a diversion of not to exceed 4.5 acre-feet per acre for each acre irrigated during the irrigation season of each year from direct flow and storage from reservoir constructed under Permit R-7810, provided further that the right allowed herein shall be limited to any deficiency in the available supply of any prior right existing for the same land and shall not exceed the limitation allowed herein, and is subject to the terms and conditions of Contract 2-07-10-W0455 between the Bureau of Reclamation and the applicant, or a satisfactory replacement, a copy of which is on file in the records of the Water Resources Director, and shall conform to such reasonable rotation system as may be ordered by the proper state officer.

Applegate River
Basin 15 Vol. 6
APPLICATION 63182

RECEIVED
SEP 13 2004
WATER RESOURCES DEPT
SALEM, OREGON

PERMIT 46663

Priority - December 17, 1981



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1271
503-986-0900
FAX 503-986-0904

August 24, 2004

James and Sandra Wester
14601 N. Applegate Road
Grants Pass, Oregon 97527

Dear James and Sandra Wester:

I am in receipt of your assignment requests for two water rights and your request for information. I shall attempt to answer your questions as best as I can. For ease of understanding I shall address each right in turn:

* Certificate 16250 is an adjudicated right from the Rogue River Decree with a priority date of 1886 for irrigation

* Application. GR-3834, Certificate of Registration GR-3494 is for the irrigation of 31 acres, being 15 acres in the SE1/4, NW1/4, and 15.0 acres in the NE1/4, SW1/4, Section 6, T. 38 S., R. 4 W., W.M. This is a registration and will someday in the future be adjudicated to determine its validity. In the meantime continued use from its source which is a sump is advised. This right also needs to be assigned to you as well. I will hold off on the assignment for a while so that you can send me a letter authorizing the addition of this file to the assignment form you submitted for App. S-61480.

* Application S-61481, Permit S-45762 is for the is for the irrigation of 20.0 acres from the Applegate River this permit will be assigned to you as it it for lands you own according to the deed description you submitted.

* Application S-63182, Permit S-46663 is for the irrigation of 41.0 acres from the Applegate River and the Supplemental irrigation of 84.5 acres from stored water under contract from Applegate Lake Reservoir. This is the federal water you mentioned. This permit will be partially assigned to you as it also covers land to the East of your land. The owners of the rest of this permit should also be partially assigned on as well.

The first two rights, need to be used on a regular basis during the irrigation season to maintain them. A period of 5 consecutive years of non-use can lead to forfeiture of a water right. The GR right will be adjudicated sometime in the future. I cannot give a time-line for that, it may well be many years. But the right is valid to use if it has not been forfeited.

page 2

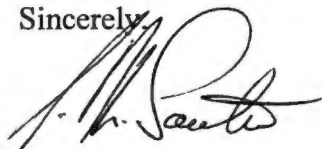
The second two rights are in permit status and are still valid to use. These were filed on in 1981 and therefore they are the responsibility of the department to survey prior to issuance of a final certificate. At this time the department has no crews available to do this. It may be some time

before the department is in the position to do the survey work on these. You may wait and continue to use these permits and keep them valid or you may choose to hire a CWRE to come and perform the Claim of Beneficial Use and Final Proof Survey for you and not wait. This would involve your hiring a CWRE at your expense. Water rights filed after July 9, 1987 are required to hire a CWRE to do this work. Water rights prior to this date are handled by department staff when we have staff available.

I will hold off on the assignments as I mentioned so that you can send me a letter authorizing the addition of GR-3834 to the same form as S-61481. You have submitted fees of \$60.00 dollars and that will cover all the assignments. The fee is \$25.00 for each assignment plus \$5.00 for each additional page of supporting documentation. I can include the assignment of GR-3834 on the form with S-61481 for no additional fee.

I have also enclosed copies of the permits and maps. Should you have any questions, please do not hesitate to contact me at the address above or by telephone at 503-986-0817.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Sauter", written over a horizontal line.

Jerry Sauter

Water Rights Program Analyst



IN REPLY
REFER TO:

PN-3322
WTR-4.00

United States Department of the Interior

BUREAU OF RECLAMATION
Pacific Northwest Region
1150 North Curtis Road, Suite 100
Boise, Idaho 83706-1234

FEB 27 2004

RECEIVED

MAR 03 2004

**WATER RESOURCES DEPT
SALEM, OREGON**

Mr. James H. and Ms. Sandra K. Wester
14601 N Applegate Road
Grants Pass, OR 97527

Subject: Successors in Interest to Water Service Contract No. 7-07-10-W0627,
Applegate Reservoir, Rogue River Basin Project, Oregon

Dear Mr. and Ms. Wester:

Enclosed for your records is a fully executed copy of the document for the subject contract recognizing you as the successors in interest to Contract No. 7-07-10-W0627, formerly with Richard and Deborah Johns.

Thank you for completing the subject document. Should you have any contract questions, please contact Mr. Michael Cobell at the above address or by telephone at 208-378-5223. Should you have any billing questions, please contact Ms. Nancy Catron at 208-378-5065.

Sincerely,

Ryan M. Patterson
Program Manager
Lands and Repayment

Enclosure

cc: Water Rights Division
Oregon Water Resources Department
725 Summer Street N.E., Suite A
Salem, OR 97301-1271

U.S. Army Corps of Engineers
Attention: CENWP-EC-HR
P.O. Box 2946
Portland, OR 97208-2946

Mr. Larry Menteer
District 13 Watermaster
10 S Oakdale
Medford, OR 97501
(ea w/encl)

RECOGNITION OF SUCCESSOR IN INTEREST TO ROGUE RIVER BASIN PROJECT
WATER SERVICE CONTRACT NO. 7-07-10-W0627

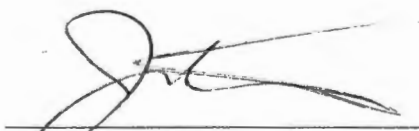
WHEREAS, the United States of America entered into a contract on November 19, 1986, Contract No. 7-07-10-W0627, with Phillip C. and/or Pamela R. Kudlac for a supplemental irrigation water supply from Applegate Reservoir for use on lands owned by the Contractor; and

WHEREAS, all rights, title, and interest in Contract No. 7-07-10-W0627 were subsequently assigned to William W. McClellan on May 22, 1989; and

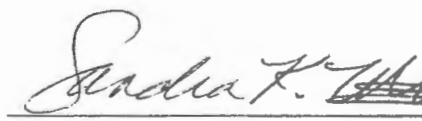
WHEREAS, all rights, title, and interest in Contract No. 7-07-10-W0627 were subsequently assigned to Richard Johns and Deborah Johns on March 12, 2003; and

WHEREAS, James H. Wester and Sandra K. Wester state that they now own the land to which water was to be provided under said contract and request that they be recognized as the successors in interest to this contract (at mailing address: 14601 North Applegate Road, Grants Pass, Oregon 97527);

NOW, THEREFORE, all right, title, and interest in Contract No. 7-07-10-W0627 dated November 19, 1986, for a supplemental irrigation water supply not to exceed 40 acre-feet annually is hereby recognized to be held by James H. Wester and Sandra K. Wester. This contract action is effective only upon the approval thereof by the United States of America as provided in General Provisions, Article 14.f. of said November 19, 1986, contract.


James H. Wester,

2/17/04
Date


Sandra K. Wester

2/17/04
Date

The above contract action is hereby approved:



Program Manager
Lands and Repayment
PN Region
Bureau of Reclamation
1150 N Curtis Road, Suite 100
Boise ID 83706-1234

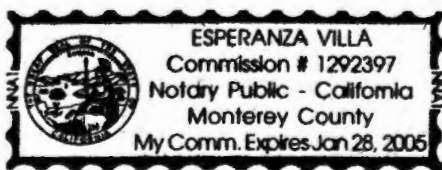
RECOGNITION OF SUCCESSOR IN INTEREST TO ROGUE RIVER BASIN PROJECT
WATER SERVICE CONTRACT NO. 7-07-10-W0627

STATE OF California)

County of Monterey) : SS

On this 17th day of February, 20 04 before me, a notary public, personally appeared James H and Sandra K West and _____, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged that they are the legal owners of the property for which a water supply is to be provided under the November 19, 1986, contract and have executed this contract document as their free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.



(SEAL)

Esperanza Villa
Notary Public in and for the
State of California
Residing at: Salinas CA
My commission expires: Jan 28, 2005

STATE OF IDAHO)

County of Ada) : SS

On this 27th day of February, 20 04, personally appeared before me Ryan M. Patterson, to me known to be the official of the UNITED STATES OF AMERICA that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said United States, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.



(SEAL)

Michele McGinnis
Notary Public in and for the
State of IDAHO
Residing at: Boise
My commission expires: 10-24-09

5-63182



IN REPLY
PN-3322
WTR-4.00

United States Department of the Interior

BUREAU OF RECLAMATION
Pacific Northwest Region
1150 North Curtis Road, Suite 100
Boise, Idaho 83706-1234

MAR 14 2003

RECEIVED

MAR 17 2003

WATER RESOURCES DEPT.
SALEM, OREGON

Mr. Richard and Ms. Deborah Johns
14601 N Applegate Road
Grants Pass, OR 97527

Subject: Successors in Interest to Water Service Contract No. 7-07-10-W0627,
Applegate Reservoir, Rogue River Basin Project, Oregon

Dear Mr. and Ms. Johns:

On March 12, 2003, this office notified you of the execution of the contract document recognizing you as the successors in interest to the subject contract. Unfortunately, the document enclosed with our letter was not a proper copy of the fully executed contract document. Consequently, we ask that you please disregard our March 12, 2003 notice.

Enclosed herein is a correct copy of the fully executed document for the subject contract recognizing you as the successors in interest to Contract No. 7-07-10-W0627, formerly with William W. McClellan. The appropriate State and Federal offices will also receive a copy of this letter and correction.

Thank you for your attention in this matter. If you have any questions about this notice or the contract, please contact Michael Cobell at the above address or telephone 208-378-5223.

Sincerely,

Ryan M. Patterson
Program Manager
Lands and Repayment

Enclosure

cc: Water Rights Division
Oregon Water Resources Department
158 12th Street NE
Salem, OR 97310

U.S. Army Corps of Engineers
Attention: CENWP-EC-HR
P.O. Box 2946
Portland, OR 97208-2946

Mr. Larry Menteer
District 13 Watermaster
10 S Oakdale
Medford, OR 97501
(w/encl to each)

bc: Mr. Michael R. Crouse
National Marine Fisheries Service
525 NE Oregon Street Suite 500
Portland, OR 97232
(w/encl)

PN-1820, PN-1832, PN-3300
(w/encl to each)
LCA-1000
(w/o encl)
PN-7632
(w/original encl)

RECEIVED
MAR 17 2003
WATER RESOURCES DEPT.
SALEM, OREGON

RECOGNITION OF SUCCESSOR IN INTEREST TO ROGUE RIVER BASIN PROJECT
WATER SERVICE CONTRACT NO. 7-07-10-W0627

WHEREAS, the United States of America entered into a contract on November 19, 1986, Contract No. 7-07-10-W0627, with Phillip C. and/or Pamela R. Kudlac for a supplemental irrigation water supply from Applegate Reservoir for use on lands owned by the Contractor; and

WHEREAS, all rights, title, and interest in Contract No. 7-07-10-W0627 were subsequently assigned to William W. McClellan on May 22, 1989; and

WHEREAS, Richard Johns and Deborah Johns state that they now own the land to which water was to be provided under said contract and request that they be recognized as the successors in interest to this contract (at mailing address: 14601 North Applegate Road, Grants Pass, Oregon 97527);

NOW, THEREFORE, all right, title, and interest in Contract No. 7-07-10-W0627 dated November 19, 1986, for a supplemental irrigation water supply not to exceed 40 acre-feet annually is hereby recognized to be held by Richard Johns and Deborah Johns. This contract action is effective only upon the approval thereof by the United States of America as provided in General Provisions, Article 14.f. of said November 19, 1986, contract.

Richard R Johns 2-21-03
Richard Johns Date

Debra D Johns 2-21-03
Deborah Johns Date
Deborah Johns

The above contract action is hereby approved:

Ryan M Pattison
Program Manager
Lands and Repayment
PN Region
Bureau of Reclamation
1150 N Curtis Road, Suite 100
Boise ID 83706-1234

RECEIVED
MAR 17 2003
WATER RESOURCES DEPT.
SALEM, OREGON

RECOGNITION OF SUCCESSOR IN INTEREST TO ROGUE RIVER BASIN PROJECT
WATER SERVICE CONTRACT NO. 7-07-10-W0627

RECEIVED

MAR 17 2003

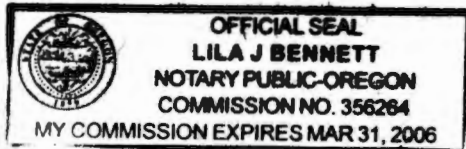
WATER RESOURCES DEPT.
SALEM, OREGON

STATE OF Oregon)

County of Josephine)

On this 31st day of Feb., 2003, before me, a notary public, personally appeared Richard Johns and Debra Johns, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged that they are the legal owners of the property for which a water supply is to be provided under the November 19, 1986, contract and have executed this contract document as their free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.



(SEAL)

Lila J. Bennett
Notary Public in and for the
State of Oregon
Residing at: Prosser, Papp, Or
My commission expires: 3/31/06

STATE OF IDAHO)

: ss

County of Ada)

On this 12 day of March, 2003, personally appeared before me Ryan M. Patterson, to me known to be the official of the UNITED STATES OF AMERICA that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said United States, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

(SEAL)



Diana L. Jacobs
Notary Public in and for the
State of IDAHO
Residing at: Boise
My commission expires: 5-23-06

**UNITED STATES
DEPARTMENT OF THE INTERIOR**

BUREAU OF RECLAMATION
1150 NORTH CURTIS ROAD, SUITE 100
BOISE, ID 83706-1234

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

(PN-3322)



Water Rights Division
Oregon Water Resources Department
58 12th Street NE
Salem, OR 97310

97310/9999



563182



United States Department of the Interior

BUREAU OF RECLAMATION
Pacific Northwest Region
1150 North Curtis Road, Suite 100
Boise, Idaho 83706-1234

IN REPLY
REFER TO:

PN-3322
WTR-4.00

MAR 12 2003

RECEIVED

MAR 14 2003
WATER RESOURCES DEPT.
SALEM, OREGON

Mr. Richard and Ms. Deborah Johns
14601 N Applegate Road
Grants Pass, OR 97527

Subject: Successors in Interest to Water Service Contract No. 7-07-10-W0627,
Applegate Reservoir, Rogue River Basin Project, Oregon

Dear Mr. and Ms. Johns:

Enclosed for your records is a fully executed copy of the document for the subject contract recognizing you as the successors in interest to Contract No. 7-07-10-W0627, formerly with William W. McClellan.

Thank you for completing the subject document. Should you have any contract questions, please contact Michael Cobell at the above address or telephone 208-378-5223.

Sincerely,

Ryan M. Patterson
Program Manager
Lands and Repayment

Enclosure

cc: Water Rights Division
Oregon Water Resources Department
158 12th Street NE
Salem, OR 97310

U.S. Army Corps of Engineers
Attention: CENWP-EC-HR
P.O. Box 2946
Portland, OR 97208-2946

Mr. Larry Menteer
District 13 Watermaster
10 S Oakdale
Medford, OR 97501
(w/encl to each)

RECOGNITION OF SUCCESSOR IN INTEREST TO ROGUE RIVER BASIN PROJECT
WATER SERVICE CONTRACT NO. 7-07-10-W0627

WHEREAS, the United States of America entered into a contract on November 19, 1986, Contract No. 7-07-10-W0627, with Phillip C. and/or Pamela R. Kudlac for a supplemental irrigation water supply from Applegate Reservoir for use on lands owned by the Contractor; and

WHEREAS, all rights, title, and interest in Contract No. 7-07-10-W0627 were subsequently assigned to William W. McClellan on May 22, 1989; and

WHEREAS, Richard Johns and Deborah Johns state that they now own the land to which water was to be provided under said contract and request that they be recognized as the successors in interest to this contract (at mailing address: 14601 North Applegate Road, Grants Pass, Oregon 97527);

NOW, THEREFORE, all right, title, and interest in Contract No. 7-07-10-W0627 dated November 19, 1986, for a supplemental irrigation water supply not to exceed 40 acre-feet annually is hereby recognized to be held by Richard Johns and Deborah Johns. This contract action is effective only upon the approval thereof by the United States of America as provided in General Provisions, Article 14.f. of said November 19, 1986, contract.

Richard N Johns 2-21-03
Richard Johns Date

Debra D Johns 2-21-03
Deborah Johns Date
Deborah Johns

The above contract action is hereby approved:

Ryan M Patterson
Program Manager
Lands and Repayment
PN Region
Bureau of Reclamation
1150 N Curtis Road, Suite 100
Boise ID 83706-1234

RECEIVED
MAR 14 2003
WATER RESOURCES DEPT.
SALEM, OREGON

RECOGNITION OF SUCCESSOR IN INTEREST TO ROGUE RIVER BASIN PROJECT
WATER SERVICE CONTRACT NO. 7-07-10-W0627

RECEIVED

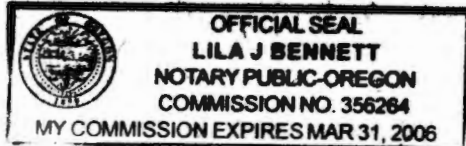
MAR 14 2003

WATER RESOURCES DEPT.
SALEM, OREGON

STATE OF Oregon : ss
County of Josephine

On this 31st day of Feb., 2003, before me, a notary public, personally appeared Richard Johns and Debra Johns, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged that they are the legal owners of the property for which a water supply is to be provided under the November 19, 1986, contract and have executed this contract document as their free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.



(SEAL)

Lila J. Bennett
Notary Public in and for the
State of Oregon
Residing at: Pratt Pass, Or
My commission expires: 3/31/06

STATE OF IDAHO)
: ss
County of Ada)

On this ____ day of _____, 20__, personally appeared before me _____, to me known to be the official of the UNITED STATES OF AMERICA that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said United States, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

(SEAL)

Notary Public in and for the
State of IDAHO
Residing at:
My commission expires:

**UNITED STATES
DEPARTMENT OF THE INTERIOR**

BUREAU OF RECLAMATION
1150 NORTH CURTIS ROAD, SUITE 100
BOISE, ID 83706-1234

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300



Water Rights Division
Oregon Water Resources Department
158 12th Street NE
Salem, OR 97310

37301+4172 03



[illegible]

Phillip + Pamela Kudlac
3290 Lower River Rd
Grants Pass, OR 97526

201
ASSIGNED
Abstract of Permit No. 46663

This is to certify that I have examined APPLICATION 63182 and do hereby grant the same SUBJECT TO EXISTING RIGHTS INCLUDING THE APPROPRIATE MINIMUM FLOW POLICIES ESTABLISHED BY THE WATER POLICY REVIEW BOARD and the following limitations and conditions:

This permit is issued to Forrest E. and/or Helen M. Drake of 14601 North Applegate Road, Grants Pass, Oregon 97526, phone 846-6347, for the use of the waters of Applegate River and Applegate Lake Reservoir constructed under Permit R-7810, being 0.51 cubic foot of water per second from Applegate River for irrigation and 80.0 acre-feet stored water only from Applegate Lake Reservoir for supplemental irrigation; that the PRIORITY OF THE RIGHT dates from December 17, 1981, and is limited to the amount of water which can be applied to beneficial use and shall not exceed 0.51 cfs measured at the point of diversion from Applegate River, or its equivalent in case of rotation with other water users, and 80.0 acre-feet stored water only from Applegate Lake Reservoir.

The POINT OF DIVERSION is to be LOCATED: 860 feet North and 1,390 feet East from the Southwest Corner of Section 6, being within the SE 1/4 SW 1/4 of Section 6, Township 38 South, Range 4 West, WM, in the County of Jackson.

Applegate Dam is located in the S 1/2 SE 1/4 of Section 25, Township 40 South, Range 4 West, WM.

A description of the PLACE OF USE under the permit, and to which such right is appurtenant, is as follows:

Township 38 South	Range 4 West, WM	Section 6			Primary	
			SW 1/4	NE 1/4	29.0 acres	A
			NE 1/4	SW 1/4	2.3 acres	A
			NW 1/4	SE 1/4	9.7 acres	A
					41.0	
		Section 6			Supplemental	
			SW 1/4	NE 1/4	29.0 acres	A
			NE 1/4	SW 1/4	2.3 acres	A
			NW 1/4	SE 1/4	9.7 acres	A
			SE 1/4	NW 1/4	29.0 acres	A
			NE 1/4	SW 1/4	14.5 acres	A
					74.5	

The AMOUNT OF WATER used for Irrigation, together with the amount secured under any other right existing for the same lands, shall be limited to 1/100 of one cubic foot per second per acre, from direct flow and shall be further limited to a diversion of not to exceed 4.5 acre-feet per acre for each acre irrigated during the irrigation season of each year from direct flow and storage from reservoir constructed under Permit R-7810, provided further that the right allowed herein shall be limited to any deficiency in the available supply of any prior right existing for the same land and shall not exceed the limitation allowed herein, and is subject to the terms and conditions of Contract 2-07-10-VU455 between the Bureau of Reclamation and the applicant, or a satisfactory replacement, a copy of which is on file in the records of the Water Resources Director, and shall conform to such reasonable rotation system as may be ordered by the proper state officer.

Applegate River
Basin 15 Vol. 6
APPLICATION 63182

PERMIT 46663

Priority - December 17, 1981

Actual construction work shall begin on or before June 17, 1965 and shall thereafter be prosecuted with reasonable diligence and be completed on or before ~~October 1, 1984.~~

10-1-87

Complete application of the water to the proposed use shall be made on or before ~~October 1, 1985.~~ *10-1-87 extended*

WITNESS my hand this 17th day of June, 1982.

WATER RESOURCES DIRECTOR

APPLICATION 63182

PERMIT _____

88831

Application No. 63182

Permit No.

STATE OF OREGON WATER RESOURCES DEPARTMENT

Application for Permit to Appropriate Surface Water

DEC 17 1981

WATER RESOURCES DEPT
SALMON, OREGONI, Forrest E. Drake and/or Helen M. Drake

(Name of Applicant)

of 14601 N. Applegate Road Grants Pass,

(Mailing Address)

(City)

State of Oregon, 97526 Phone No. 846-6547 do hereby

(Zip Code)

make application for a permit to appropriate the following described waters of the State of Oregon:

1. The source of the proposed appropriation is Applegate River and Applegate Lake Res.
(See remarks)
constructed under Permit R7810/, a tributary of Rogue River and Applegate River.

2. The point of diversion is to be located 860 ft. N. and 1390 ft. E.
(N. or S.) (E. or W.)
from the SW corner of Section 6
(Public Land Survey Corner)

(If there is more than one point of diversion, each must be described)

being within the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of
Sec. 6 Tp. 38 S. R. 4 W., W.M., in the county of Jackson County
(N. or S.) (E. or W.)

3. Location of area to be irrigated, or place of use if other than irrigation.

Township	Range	Section	List $\frac{1}{4}$ $\frac{1}{4}$ of Section	List use and/or number of acres to be irrigated
38 S.	4 W.	6	SW $\frac{1}{4}$ NE $\frac{1}{4}$ ✓	29.0 ac. primary (& suppl. from storage)
			NE $\frac{1}{4}$ SW $\frac{1}{4}$ ✓	2.3 ac. primary (& suppl. from storage)
			NW $\frac{1}{4}$ SE $\frac{1}{4}$	9.7 ac. primary (& suppl. from storage)
			SE $\frac{1}{4}$ NW $\frac{1}{4}$ ✓	12.0 ac. suppl. irrig. storage (Cert. GR-3494)
			NE $\frac{1}{4}$ SW $\frac{1}{4}$ ✓	11.5 ac. suppl. irrig. storage (Cert. GR-3494)
			SE $\frac{1}{4}$ NW $\frac{1}{4}$ ✓	17.0 ac. suppl. irrig. storage (Permit #45762)
			NE $\frac{1}{4}$ SW $\frac{1}{4}$ ✓	3.0 ac. suppl. irrig. storage (Permit #45762)
			Total	84.5 ac.

4. The amount of water which the applicant intends to apply to beneficial use is 0.51 c.f.s. and

~~which is to be used from more than one source, give quantity from each~~ 80 acre feet of water from Applegate Lake Reservoir.
(If water is to be used from more than one source, give quantity from each)

5. The use to which the water is to be applied is irrigation and supplemental irrigation.

6.

DESCRIPTION OF WORKS

Include dimensions and type of construction of diversion dam and headgate, length and dimensions of supply ditch or pipeline, size and type of pump and motor, type of irrigation system to adequately describe the proposed distribution system.

6" x 4" centrifugal pump powered by a 50.0 H.P. electric motor

3000 feet of 6-inch mainline.

1200 feet of 4-inch and 2400 feet of 3-inch sprinkler line.

If for domestic use state number of families to be supplied

7. Construction work will begin on or before one year from date of priority

8. Construction work will be completed on or before October 1, 1983

9. The water will be completely applied to the proposed use on or before October 1, 1984

Application No. 63182

Permit No.

Remarks: The 41 acres east of North Side Road to be covered by primary right from Applegate River...then all 84.5 acres involved in this filing will be supplemented from storage water releases from Applegate Lake Reservoir.

This permit, when issued, is for the beneficial use of water. By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan. It is possible that the land use you propose may not be allowed if it is not in keeping with the goals and the acknowledged plan. Your city or county planning agency can advise you about the land-use plan in your area.

Forrest E. Drake
Signature of Applicant
X Helen M. Drake

This is to certify that I have examined the foregoing application, together with the accompanying maps and data, and return the same for.....completion.....

In order to retain its priority, this application must be returned to the Water Resources Director with corrections on or beforeMay 25....., 1982.....

WITNESS my hand this25th..... day of.....March....., 19.82.....

James E. Sexson..... Water Resources Director

By *Chris L. Hughes*
Chris L. Hughes

This instrument was first received in the office of the Water Resources Director at Salem, Oregon, on the *17th* day of *December*, 19*81*, at *11:30* o'clock *A.M.*

Application No. *63182*.....

Permit No.

RECEIVED

APR 1 1982

WATER RESOURCES DEPT
SALEM, OREGON

Application No. 63182

Permit No.

96

Permit to Appropriate the Public Waters of the State of Oregon

This is to certify that I have examined the foregoing application and do hereby grant the same **SUBJECT TO EXISTING RIGHTS INCLUDING THE EXISTING FLOW POLICIES ESTABLISHED BY THE WATER POLICY REVIEW BOARD** and the following limitations and conditions:

The right herein granted is limited to the amount of water which can be applied to beneficial use and shall not exceed .51 cubic feet per second measured at the point of diversion from the

stream, or its equivalent in case of rotation with other water users, from Applegate R. and
80.0 Ac. ft. ^{stored water only} from Applegate Lake Res. const under
App R-57600, Per. R-2810

The use to which this water is to be applied is ir. from Applegate R
supp ir. from Applegate Res.

If for irrigation, this appropriation shall be limited to 1/80 of one cubic foot per second
or its equivalent for each acre irrigated 4 1/2

Supp clause

Bureau of Reclamation clause
contract no. 2-07-10-W0455

and shall be subject to such reasonable rotation system as may be ordered by the proper state officer.

The priority date of this permit is Dec. 17, 1981

Actual construction work shall begin on or before and shall
thereafter be prosecuted with reasonable diligence and be completed on or before October 1, 19.....

Complete application of the water to the proposed use shall be made on or before October 1, 19.....

WITNESS my hand this day of, 19.....

PAK A

RECEIVED

AUG 10 1993

WATER RESOURCES DEPT

SALEM, OREGON

Forrest E. Drake

12-7-81

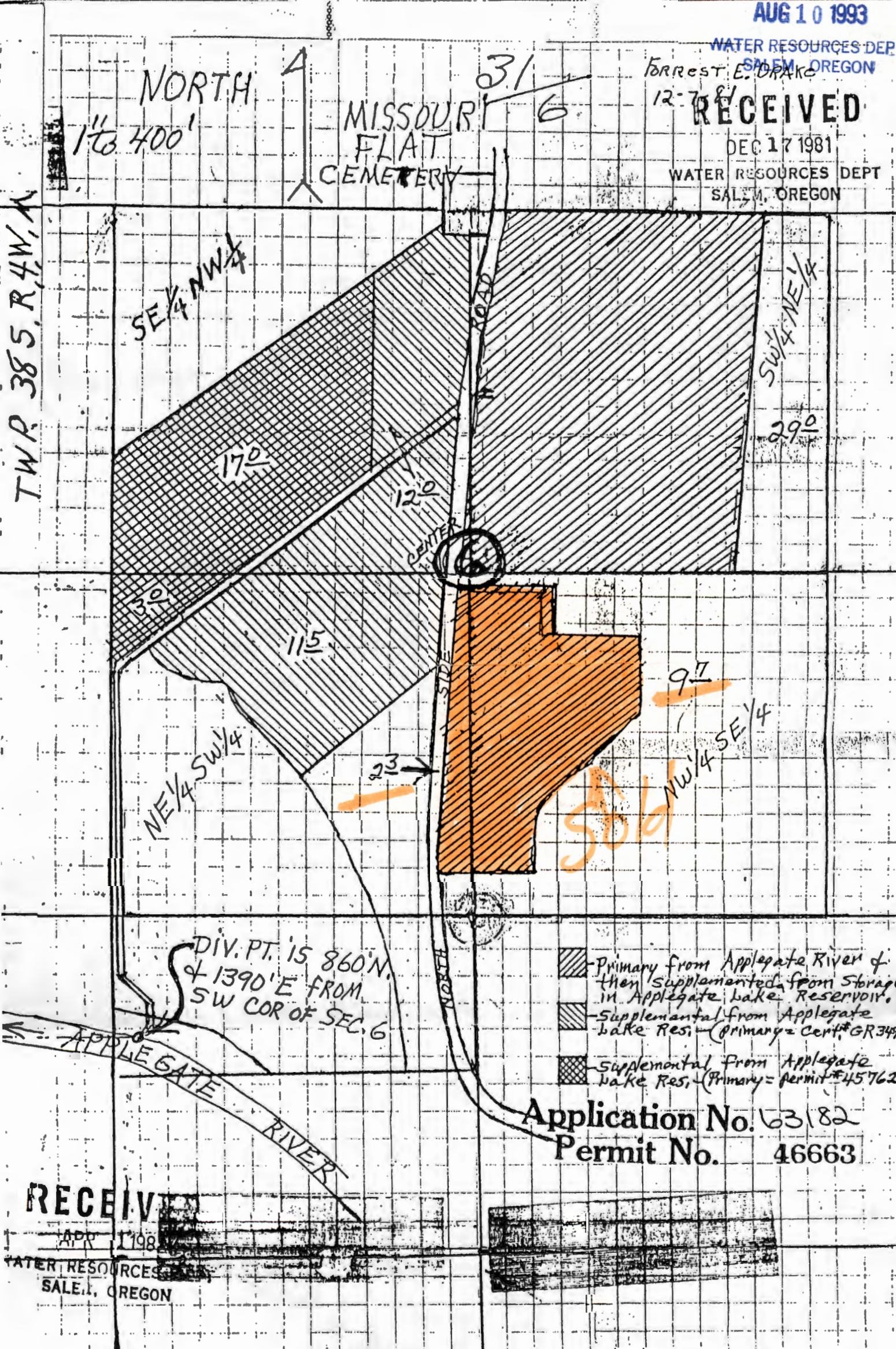
RECEIVED

DEC 17 1981

WATER RESOURCES DEPT

SALEM, OREGON

TWP 38 S. R. 4 W. N. 4



- Primary from Applegate River & then supplemented from Storage in Applegate Lake Reservoir.
- Supplemental from Applegate Lake Res. (Primary = Permit # GR349A)
- Supplemental from Applegate Lake Res. (Primary = Permit # 45762)

Application No. 63182
Permit No. 46663

RECEIVED

APR 1 1982

WATER RESOURCES
SALEM, OREGON

RECEIVED

MAY 11 1981

WATER RESOURCES DEPT.
SALEM, OREGON

FORREST E. DRAKE

12-7-81

RECEIVED

WATER RESOURCES DEPT.
SALEM, OREGON

NORTH
1 1/2 400'

MISSOURI
FLAT
CEMETERY

31
6

TWP. 38 S. R. 4 W. A

SE 1/4 NW 1/4

SW 1/4 NE 1/4

290

170

120

CENTER

30

115

NE 1/4 SW 1/4

23

97

NW 1/4 SE 1/4

Forrest & daughter

DIV. PT. IS 860' N.
& 1390' E FROM
SW COR OF SEC. 6

APPLEGATE

RIVER

- Primary from Applegate River & then supplemented from Stor in Applegate Lake Reservoir
- Supplemental from Applegate Lake Res. (Primary = Cert. #GR)
- Supplemental from Applegate Lake Res. (Primary = permit #457)

Application No. 63182
Permit No. 46663

RECEIVED

WATER RESOURCES DEPT.
SALEM, OREGON



IN REPLY
REFER TO:

PN-443

United States Department of the Interior

BUREAU OF RECLAMATION

Pacific Northwest Region
1150 North Curtis Road
Boise, Idaho 83706-1234

RECEIVED

APR 11 1994

WATER RESOURCES DEPT.
SALEM, OREGON

APR - 8 1994

Ms. Judith M. Hofmann
14402 N. Applegate Road
Grants Pass OR 97527

Subject: Water Service Contract No. 4-07-10-W1001, Applegate Reservoir

Dear Ms. Hofmann:

Enclosed for your records is a fully executed original of Contract No. 4-07-10-W1001, which provides for an irrigation water from Applegate Reservoir.

If you have not yet contacted the Oregon Water Resources Department regarding the permit to divert, we suggest you do so. We are furnishing that agency a conformed copy of the contract so they will be in a position to process or change the required permit to divert stored water. In conjunction with Contract No. 4-07-10-W0988, dated December 6, 1993, with Jerald D. and Juanita F. Munson, this contract replaces Contract No. 2-07-10-W0900, dated June 19, 1992, with Forrest E. Drake.

Sincerely,

Max E. Van Den Berg
Regional Supervisor of
Water, Power, and Lands

Enclosure

cc: Oregon Water Resources Department
158 12th Street NE.
Salem OR 97310
Portion of Application No. 63182, Permit No. 46663

US Army Corps of Engineers
Attention: CENPP-PE-HR
PO Box 2946
Portland OR 97208

Mr. Bruce Sund, Watermaster
101 NW. A
Grants Pass OR 97526
(above w/cy of contract)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this 8th day of April, 1994, pursuant to section 9(e) of the Act of August 4, 1939 (53 Stat. 1187), and section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), (which acts are commonly known and referred to as the Reclamation Laws), and the Flood Control Act of 1962 (76 Stat. 1173), between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the Contracting Officer executing this contract, and Judith M. Hofmann, 14402 N. Applegate Road, Grants Pass, Oregon 97527, hereinafter referred to as the Contractor;

WITNESSETH, THAT:

Explanatory Recitals

2. WHEREAS, The United States has constructed and operates Applegate Reservoir in the Rogue River Basin, Oregon, herein styled the Applegate Project, from which there is a flow of water that can be used for irrigation of land and other beneficial uses, which flow, as it has been developed or as it will be augmented, has been appropriated by the United States pursuant to the laws of Oregon for beneficial use under the Federal Reclamation Laws; and

3. WHEREAS, The United States of America entered into a contract on June 19, 1992, Contract No. 2-07-10-W0900, with Forrest E. Drake for an irrigation water supply from the Applegate Project for 41 acres of land of which 29 acres are now owned by the Contractor; and

4. WHEREAS, the Contractor desires to secure an irrigation water supply from the Applegate Project for these lands hereinafter described;

NOW, THEREFORE, in consideration of the premises and the payment by the Contractor to the United States of the charges in the manner hereinafter provided, it is agreed:

Termination of Prior Contract

5. Contract No. 2-07-10-W0900, dated June 19, 1992, is being replaced by this contract and is no longer of any force and effect.

Lands for Which Water is Furnished: Limitations on Deliveries

6. The United States shall make available each year to the Contractor during the irrigation season from April 1 to October 31, inclusive, water from the Applegate Project for the irrigation of land owned by or served by the Contractor described as follows:

29.0 acres, SW1/4 NE1/4, Section 6, T. 38 S., R. 4 W., W.M.

Of the land described, not more than 29 acres are to be irrigated. The amount of water to be made available hereunder shall be that quantity which may be applied beneficially in accordance with good usage in the irrigation of the land above described, but in no event shall it exceed a total diversion of 29 acre-feet annually, measured at the point of delivery of said water.

Recitals 3, 4
Articles 5, 6

Payments for Water

7. (a) An annual payment of \$145 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual payments of \$145 will be due on or before April 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive 29 acre-feet of stored water, hereinafter referred to as the entitlement, for the irrigation of the lands described above. Payment for the annual charge is nonrefundable regardless of the amount of water actually used.

(b) The annual charge set forth in (a) above is based on an initial rate of \$5 per acre-foot of water; Provided, that such annual charge shall not be less than \$50. From time to time, but not less often than once every 5 years, the rate per acre-foot and the minimum charge shall be reviewed by the Contracting Officer and revised, if necessary, to cover costs to the United States for the irrigation water marketing program of the Applegate Project. Any revision by the Contracting Officer will apply only to future charges and shall be announced by written notice to the Contractor at least 3 months prior to the beginning of the irrigation season to which the new rate would be applicable.

(c) All payments from the Contractor to the United States under this contract shall be made by the medium requested by the United States. The required medium of payment may include checks, wire transfers, or other types of payment specified by the United States. Except when otherwise specified by the United States, all payments shall be made by check.

(d) Payments required hereunder shall be made to the Bureau of Reclamation at the location described in Article 16 of this contract.

Contract Preparation Assignment Fee

8. All future contract actions, including new contracts, contract amendments, supplements, and assignments will be charged a \$100 fee: Provided, That the fee shall be reviewed by the Contracting Officer and revised from time to time to cover costs to the United States.

Charges for Delinquent Payments

9. (a) The Contractor shall be subject to interest, administrative and penalty charges on delinquent installments or payments. When a payment is not received by the due date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes 60 days delinquent, the Contractor shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. When a payment is delinquent 90 days or more, the Contractor shall pay an additional penalty charge of 6 percent per year for each day the payment is delinquent beyond the due date. Further, the Contractor shall pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month prescribed by section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

(c) When a partial payment on a delinquent account is received, the amount received shall be applied, first to the penalty, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.

Furnishing of Water

10. (a) Upon payment of the annual charge specified in subarticle 7(a) above, the United States will furnish a maximum of 29 acre-feet of water to the Contractor from the Applegate Project. No water shall be furnished if the Contractor is delinquent in payment of the required annual charge.

(b) Water for the purposes hereof shall be made available and measured at the following point(s) of diversion:

860 feet north and 1,390 feet east of the southwest corner of Section 6, T. 38 S., R. 4 W., W.M.

The Contractor shall receive said water at the point of diversion and shall be wholly responsible for securing said water at that point and diverting, conveying, and utilizing it. The Contractor shall be required to conform its diversions and releases to the control of the stream as established by the appropriate State-appointed watermaster. The water to be delivered hereunder shall be measured by means of measuring or controlling devices satisfactory to the Contracting Officer. Such devices shall be furnished, installed, and maintained by and at the expense of the Contractor, but they shall be and remain at all times under the control of the United States or the watermaster whose representative may at all times have access to them over any lands of the Contractor. All losses of water from seepage, evaporation, or other cause, below said point of measurement, shall be borne by the Contractor.

(c) The Contractor and all other entities heretofore or hereafter contracting with the United States for a right to use water from the Applegate Project shall, to the extent of their entitlement, have equal

priority to the use of water from such project so far as that may be physically practicable and legally possible, without regard to the date of their respective contracts.

Special Conditions

11. (a) It is the responsibility of the Contractor to comply with the laws of the State of Oregon regarding the obtaining and perfecting of permits to divert water to the lands described in Article 6. The obligation of the United States to deliver water under this contract is subject to an operating plan for the Applegate Project determined in accordance with the law governing the project.

(b) If, at some future date, the Contracting Officer determines there is sufficient demand for irrigation water from the Applegate Project to justify the formation of an irrigation district, water supply company, or other water user organization, future water service may then be made contingent upon the establishment of such an organization. Under this condition, the Contractor will be notified at least 1 year in advance of the date this contract is terminated and continued water service to the lands described in Article 6 becomes dependent upon membership in the organization established for that purpose.

Term of Contract

12. This contract shall become effective as of the date first above written and will continue in force for 25 years unless sooner terminated in accordance with Articles 11 or 13 or by agreement of the parties hereto.

Termination of Contract

13. This contract may be terminated and water service hereunder shall cease at the option of the United States as set forth in Article 11(b) or at any other time if the Contractor is delinquent in payment of the water service charge for a period of 30 days or upon failure of the Contractor to abide by any notice, order, rule, or regulation of the United States or the State of Oregon now or hereafter established affecting water service hereunder.

United States Not Liable for Water Shortages--Adjustments

14. On account of drought or uncontrollable forces, there may occur a shortage in the total quantity of water available for furnishing to the Contractor by the United States pursuant to this contract. In no event shall any liability accrue against the United States or any of its officers, agents, or employees for any damage direct or indirect arising from such shortages. If such a shortage occurs, the United States will apportion the available water supply among the Contractor and others entitled by existing and future contracts to receive water from the Applegate Project.

Disclaimer

15. No provision of this contract, nor of any renewal thereof, nor the furnishing of water hereunder will be construed to bind the United States after the expiration of this contract as the basis of a permanent water right.

Because of possible fluctuations in reservoir surface elevations and downstream flows associated with the Applegate Project, the United States does not guarantee the availability of water at the point of the Contractor's diversion facilities as they may now be constructed or constructed hereafter. Further, the United States will not be held responsible for any acts or omissions of the Contractor's agents or of persons to whom water is furnished.

Notices

16. Any notice, demand, or request authorized or required by this contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Regional Supervisor of Water, Power, and Lands, Pacific Northwest Region, Bureau of Reclamation, Box 043, 550 West Fort Street, Boise, Idaho 83724-0043, and on behalf of the United States, when mailed, postage prepaid, or delivered to Judith M. Hofmann, 14402 N. Applegate Road, Grants Pass, Oregon 97527. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

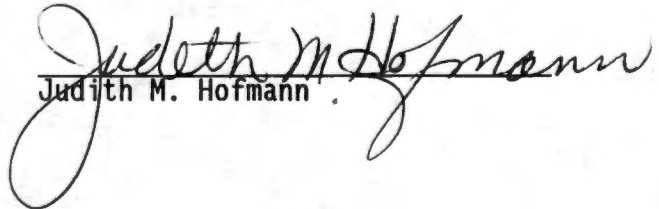
General Provisions

17. The general provisions applicable to this contract are listed below. The full text of these general provisions is attached as Exhibit A and is hereby made a part of this contract.


- a. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS
- b. WATER AND AIR POLLUTION CONTROL
- c. QUALITY OF WATER
- d. EQUAL OPPORTUNITY
- e. COMPLIANCE WITH RECLAMATION LAWS
- f. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED
- g. OFFICIALS NOT TO BENEFIT
- h. WATER CONSERVATION

IN WITNESS WHEREOF, the parties hereto have signed their names the
day and year first above written.

CONTRACTOR


Judith M. Hofmann

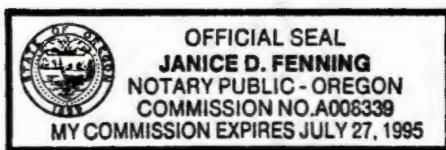
UNITED STATES OF AMERICA


Regional Supervisor of
Water, Power, and Lands, PN Region
Bureau of Reclamation
1150 N. Curtis Road
Boise ID 83706-1234

STATE OF Oregon
County of Jackson ^{ss}

On this 9th day of December, 1993, before me,
Janice D. Fenning, a Notary Public, personally appeared
Valita M. Hofmann, known to me to be the person whose name is
subscribed to the within instrument and acknowledged to me that she executed the
same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal as of the day and year first above written.



(SEAL)

Janice D. Fenning
Notary Public in and for the
State of OREGON
Residing at: Medford
97504
My commission expires: 7/27/95

STATE OF IDAHO)
County of Ada) : ss

On this 8th day of April, 1994, personally
appeared before me Max E. Van Den Berg, to me known to be the
official of the United States of America that executed the within and foregoing
instrument and acknowledged said instrument to be the free and voluntary act and
deed of said United States, for the uses and purposes therein mentioned, and on
oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal as of the day and year first above written.

(SEAL)

Max E. Carlen
Notary Public in and for the
State of IDAHO
Residing at: Boise
My commission expires: 5/5/99

GENERAL PROVISIONS--APPLGATE PROJECT, OREGON

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

a. The expenditure or advance of any money or the performance of any obligation of the United States under this contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this contract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

WATER AND AIR POLLUTION CONTROL

b. The Contractor, in carrying out this contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Oregon, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

QUALITY OF WATER

c. The operation and maintenance of project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable, as determined by the Contracting Officer. The United States does not warrant the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.

EQUAL OPPORTUNITY

d. During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the such rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH RECLAMATION LAWS

e. The parties agree that the delivery of irrigation water or the use of Federal facilities pursuant to this contract is subject to Reclamation law, as amended and supplemented, including, but not limited to, the Reclamation Reform Act of 1982 (Public Law 97-293).

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

f. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.

OFFICIALS NOT TO BENEFIT

g. No Member of or Delegate to Congress, Resident Commissioner or official of the Contractor shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

WATER CONSERVATION

h. Prior to the delivery of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this contract, the Contractor shall develop an effective water conservation program acceptable to the Contracting Officer. The water conservation program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. At subsequent 5-year intervals, the Contractor shall submit a report on the results of the program to the Contracting Officer for review. Based on the conclusions of the review, the Contracting Officer and the Contractor shall consult and agree to continue or to revise the existing water conservation program.



IN REPLY
REFER TO:

PN-443

United States Department of the Interior

BUREAU OF RECLAMATION

Pacific Northwest Region
1150 North Curtis Road
Boise, Idaho 83706-1234



RECEIVED

DEC - 9 1993

WATER RESOURCES DEPT.
SALEM, OREGON

DEC - 7 1993

Mr. Jerald D. and Juanita F. Munson
14500 N. Applegate Road
Grants Pass OR 97527

Subject: Water Service Contract No. 4-07-10-W0988, Applegate Project
(Water Service Contract)

Dear Mr. and Mrs. Munson:

Enclosed for your records is a fully executed original of Contract No. 4-07-10-W0988, which provides for an irrigation water supply from Applegate Reservoir.

If you have not yet contacted the Oregon Water Resources Department regarding the permit to divert, we suggest you do so. We are furnishing that agency a conformed copy of the contract so they will be in a position to process or change the required permit to divert stored water. This contract replaces Contract No. 2-07-10-W0900, dated June 19, 1992, with Forrest E. Drake.

Sincerely,

Ryan M. Patterson

For

Max E. Van Den Berg
Regional Supervisor of
Water, Power, and Lands

Enclosure

cc: Oregon Water Resources Department
3850 Portland Road NE.
Salem OR 97310
Portion of Application No. 63182, Permit No. 46663

US Army Corps of Engineers
Attention: CENPP-PE-HR
PO Box 2946
Portland OR 97208

Mr. Bruce Sund
Watermaster
101 NW. A
Grants Pass OR 97526
(above w/cy of contract)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this 6th day of December, 1993, pursuant to section 9(e) of the Act of August 4, 1939 (53 Stat. 1187), and section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), (which acts are commonly known and referred to as the Reclamation Laws), and the Flood Control Act of 1962 (76 Stat. 1173), between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the Contracting Officer executing this contract, and Jerald D. and Juanita F. Munson, 14500 N. Applegate Road, Grants Pass, Oregon 97527, hereinafter referred to as the Contractor;

WITNESSETH, THAT:

Explanatory Recitals

2. WHEREAS, The United States has constructed and operates Applegate Reservoir in the Rogue River Basin, Oregon, herein styled the Applegate Project, from which there is a flow of water that can be used for irrigation of land and other beneficial uses, which flow, as it has been developed or as it will be augmented, has been appropriated by the United States pursuant to the laws of Oregon for beneficial use under the Federal Reclamation Laws; and

3. WHEREAS, The United States of America entered into a contract on June 19, 1992, Contract No. 2-07-10-W0900, with Forrest E. Drake for an irrigation water supply from the Applegate Project for 41 acres of land of which 12 acres are now owned by the Contractor; and

4. WHEREAS, the Contractor desires to secure an irrigation water supply from the Applegate Project for these lands hereinafter described;

NOW, THEREFORE, in consideration of the premises and the payment by the Contractor to the United States of the charges in the manner hereinafter provided, it is agreed:

Termination of Prior Contract

5. Contract No. 2-07-10-W0900, dated June 19, 1992, is being replaced by this contract and is no longer of any force and effect.

Lands for Which Water is Furnished: Limitations on Deliveries

6. The United States shall make available each year to the Contractor during the irrigation season from April 1 to October 31, inclusive, water from the Applegate Project for the irrigation of land owned by or served by the Contractor described as follows:

2.3 acres, NE1/4 SW1/4, Section 6, T. 38 S., R. 4 W., W.M.
9.7 acres, NW1/4 SE1/4, Section 6, T. 38 S., R. 4 W., W.M.

Of the land described, not more than 12 acres are to be irrigated. The amount of water to be made available hereunder shall be that quantity which may be applied beneficially in accordance with good usage in the irrigation of the land above described, but in no event shall it exceed a total diversion of 12 acre-feet annually, measured at the point of delivery of said water.

Recitals 3, 4
Articles 5, 6

Payments for Water

7. (a) An annual payment of \$60 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual payments of \$60 will be due on or before April 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive 12 acre-feet of stored water, hereinafter referred to as the entitlement, for the irrigation of the lands described above. Payment for the annual charge is nonrefundable regardless of the amount of water actually used.

(b) The annual charge set forth in (a) above is based on an initial rate of \$5 per acre-foot of water; Provided, that such annual charge shall not be less than \$50. From time to time, but not less often than once every 5 years, the rate per acre-foot and the minimum charge shall be reviewed by the Contracting Officer and revised, if necessary, to cover costs to the United States for the irrigation water marketing program of the Applegate Project. Any revision by the Contracting Officer will apply only to future charges and shall be announced by written notice to the Contractor at least 3 months prior to the beginning of the irrigation season to which the new rate would be applicable.

(c) All payments from the Contractor to the United States under this contract shall be made by the medium requested by the United States. The required medium of payment may include checks, wire transfers, or other types of payment specified by the United States. Except when otherwise specified by the United States, all payments shall be made by check.

(d) Payments required hereunder shall be made to the Bureau of Reclamation at the location described in Article 16 of this contract.

Contract Preparation Assignment Fee

8. All future contract actions, including new contracts, contract amendments, supplements, and assignments will be charged a \$100 fee: Provided, That the fee shall be reviewed by the Contracting Officer and revised from time to time to cover costs to the United States.

Charges for Delinquent Payments

9. (a) The Contractor shall be subject to interest, administrative and penalty charges on delinquent installments or payments. When a payment is not received by the due date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes 60 days delinquent, the Contractor shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. When a payment is delinquent 90 days or more, the Contractor shall pay an additional penalty charge of 6 percent per year for each day the payment is delinquent beyond the due date. Further, the Contractor shall pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month prescribed by section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

(c) When a partial payment on a delinquent account is received, the amount received shall be applied, first to the penalty, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.

Furnishing of Water

10. (a) Upon payment of the annual charge specified in subarticle 7(a) above, the United States will furnish a maximum of 12 acre-feet of water to the Contractor from the Applegate Project. No water shall be furnished if the Contractor is delinquent in payment of the required annual charge.

(b) Water for the purposes hereof shall be made available and measured at the following point(s) of diversion:

860 feet north and 1,390 feet east of the southwest corner of Section 6, T. 38 S., R. 4 W., W.M.

The Contractor shall receive said water at the point of diversion and shall be wholly responsible for securing said water at that point and diverting, conveying, and utilizing it. The Contractor shall be required to conform its diversions and releases to the control of the stream as established by the appropriate State-appointed watermaster. The water to be delivered hereunder shall be measured by means of measuring or controlling devices satisfactory to the Contracting Officer. Such devices shall be furnished, installed, and maintained by and at the expense of the Contractor, but they shall be and remain at all times under the control of the United States or the watermaster whose representative may at all times have access to them over any lands of the Contractor. All losses of water from seepage, evaporation, or other cause, below said point of measurement, shall be borne by the Contractor.

(c) The Contractor and all other entities heretofore or hereafter contracting with the United States for a right to use water from the Applegate Project shall, to the extent of their entitlement, have equal

priority to the use of water from such project so far as that may be physically practicable and legally possible, without regard to the date of their respective contracts.

Special Conditions

11. (a) It is the responsibility of the Contractor to comply with the laws of the State of Oregon regarding the obtaining and perfecting of permits to divert water to the lands described in Article 6. The obligation of the United States to deliver water under this contract is subject to an operating plan for the Applegate Project determined in accordance with the law governing the project.

(b) If, at some future date, the Contracting Officer determines there is sufficient demand for irrigation water from the Applegate Project to justify the formation of an irrigation district, water supply company, or other water user organization, future water service may then be made contingent upon the establishment of such an organization. Under this condition, the Contractor will be notified at least 1 year in advance of the date this contract is terminated and continued water service to the lands described in Article 6 becomes dependent upon membership in the organization established for that purpose.

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12. This contract shall become effective as of the date first above written and will continue in force for 25 years unless sooner terminated in accordance with Articles 11 or 13 or by agreement of the parties hereto.

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13. This contract may be terminated and water service hereunder shall cease at the option of the United States as set forth in Article 11(b) or at any other time if the Contractor is delinquent in payment of the water service charge for a period of 30 days or upon failure of the Contractor to abide by any notice, order, rule, or regulation of the United States or the State of Oregon now or hereafter established affecting water service hereunder.

United States Not Liable for Water Shortages--Adjustments

14. On account of drought or uncontrollable forces, there may occur a shortage in the total quantity of water available for furnishing to the Contractor by the United States pursuant to this contract. In no event shall any liability accrue against the United States or any of its officers, agents, or employees for any damage direct or indirect arising from such shortages. If such a shortage occurs, the United States will apportion the available water supply among the Contractor and others entitled by existing and future contracts to receive water from the Applegate Project.

Disclaimer

15. No provision of this contract, nor of any renewal thereof, nor the furnishing of water hereunder will be construed to bind the United States after the expiration of this contract as the basis of a permanent water right.

Because of possible fluctuations in reservoir surface elevations and downstream flows associated with the Applegate Project, the United States does not guarantee the availability of water at the point of the Contractor's diversion facilities as they may now be constructed or constructed hereafter. Further, the United States will not be held responsible for any acts or omissions of the Contractor's agents or of persons to whom water is furnished.

Notices

16. Any notice, demand, or request authorized or required by this contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Regional Supervisor of Water, Power, and Lands, Pacific Northwest Region, Bureau of Reclamation, Box 043, 550 West Fort Street, Boise, Idaho 83724-0043, and on behalf of the United States, when mailed, postage prepaid, or delivered to Jerald D. and Juanita F. Munson, 14500 N. Applegate Road, Grants Pass, Oregon 97527. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

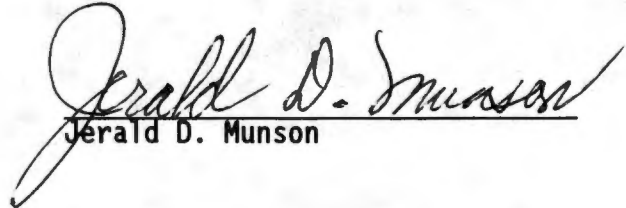
General Provisions

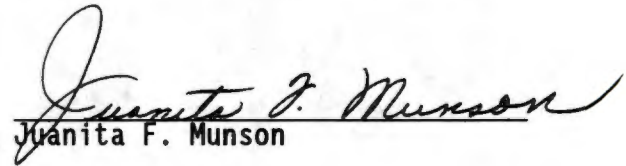
17. The general provisions applicable to this contract are listed below. The full text of these general provisions is attached as Exhibit A and is hereby made a part of this contract.

- a. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS
- b. WATER AND AIR POLLUTION CONTROL
- c. QUALITY OF WATER
- d. EQUAL OPPORTUNITY
- e. COMPLIANCE WITH RECLAMATION LAWS
- f. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED
- g. OFFICIALS NOT TO BENEFIT
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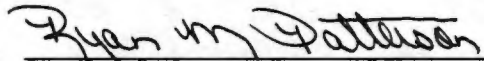
IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

CONTRACTOR


Gerald D. Munson


Juanita F. Munson

UNITED STATES OF AMERICA


For Regional Supervisor of
Water, Power, and Lands, PN Region
Bureau of Reclamation
1150 N. Curtis Road
Boise ID 83706-1234

STATE OF Oregon)
 : ss
County of Josephine)

On this 29th day of November, 1993, before me,
Suzanne Stewart, a Notary Public, personally appeared
Jerald D. Munson and Jeanita F. Munson,
known to me to be the persons whose names are subscribed to the within
instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal as of the day and year first above written.

(SEAL)



Suzanne Stewart
Notary Public in and for the
State of OREGON
Residing at: Grants Pass, OR
My commission expires: 8/27/97

* * * * *

STATE OF IDAHO)
 : ss
County of Ada)

On this 6th day of December, 1993, personally
appeared before me Ryan M. Patterson, to me known to be the
official of the United States of America that executed the within and foregoing
instrument and acknowledged said instrument to be the free and voluntary act and
deed of said United States, for the uses and purposes therein mentioned, and on
oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal as of the day and year first above written.

(SEAL)

Marva Watson
Notary Public in and for the
State of IDAHO
Residing at: Boise ID
My commission expires: 1-30-97

GENERAL PROVISIONS--APPLEGATE PROJECT, OREGON

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

a. The expenditure or advance of any money or the performance of any obligation of the United States under this contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this contract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

WATER AND AIR POLLUTION CONTROL

b. The Contractor, in carrying out this contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Oregon, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

QUALITY OF WATER

c. The operation and maintenance of project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable, as determined by the Contracting Officer. The United States does not warrant the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.

EQUAL OPPORTUNITY

d. During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the such rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH RECLAMATION LAWS

e. The parties agree that the delivery of irrigation water or the use of Federal facilities pursuant to this contract is subject to Reclamation law, as amended and supplemented, including, but not limited to, the Reclamation Reform Act of 1982 (Public Law 97-293).

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

f. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.

OFFICIALS NOT TO BENEFIT

g. No Member of or Delegate to Congress, Resident Commissioner or official of the Contractor shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

WATER CONSERVATION

h. Prior to the delivery of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this contract, the Contractor shall develop an effective water conservation program acceptable to the Contracting Officer. The water conservation program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. At subsequent 5-year intervals, the Contractor shall submit a report on the results of the program to the Contracting Officer for review. Based on the conclusions of the review, the Contracting Officer and the Contractor shall consult and agree to continue or to revise the existing water conservation program.



IN REPLY
REFER TO:

PN-443

United States Department of the Interior

BUREAU OF RECLAMATION

Pacific Northwest Region
1150 North Curtis Road
Boise, Idaho 83706-1234



NOV 23 1993

RECEIVED

NOV 26 1993

WATER RESOURCES DEPT.
SALEM, OREGON

Ms. Judith M. Hofmann
14402 N. Applegate Road
Grants Pass OR 97527

Subject: Proposed Water Service Contract, Applegate Reservoir
(Water Service Contract)

Dear Ms. Hofmann:

Enclosed for your signature are two copies of a replacement form of water service contract which, when properly executed, will make up to 29 acre-feet (a.f.) of irrigation water available from Applegate Reservoir for the irrigation of 29 acres, commencing with the 1994 irrigation season. Execution of the proposed contract would replace Contract No. 2-07-10-W0900, dated June 19, 1992, with Forrest E. Drake (that provided up to 40 a.f. of stored water for the irrigation of 41 acres). A replacement contract has also been sent to Jerald D. and Juanita F. Munson (providing up to 12 a.f. for 12 acres).

If you find the contract acceptable, we ask that you sign both copies, have your signature notarized, and return both copies of the contract to this office, Attention: PN-443, along with the 1994 annual payment which is specified in Article 7. There is a \$100 fee for preparation of a new contract which should also be submitted along with the payment for the 1994 water year. Upon receipt by this office, the contracts will be executed on behalf of the United States, dated, and assigned a contract number for identification purposes. A signed original and as many conformed copies as you desire will then be returned for your records.

We will also furnish a conformed copy of the contract to the Oregon Water Resources Department. When provided with this information, that agency will then be in a position to proceed with changing the required permit to divert stored water, if needed.

If you have any questions, please contact Larry Parsons at the above address or telephone (208) 378-5346.

Sincerely,

Max E. Van Den Berg
Regional Supervisor of
Water, Power, and Lands

Enclosures

cc: Oregon Water Resources Department, 3850 Portland Road NE., Salem OR 97310
Portion of Application No. 63182, Permit No. 46663 (w/enc1)

Contract No.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

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Contract No.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this ____ day of _____, 19____, pursuant to section 9(e) of the Act of August 4, 1939 (53 Stat. 1187), and section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), (which acts are commonly known and referred to as the Reclamation Laws), and the Flood Control Act of 1962 (76 Stat. 1173), between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the Contracting Officer executing this contract, and Judith M. Hofmann, 14402 N. Applegate Road, Grants Pass, Oregon 97527, hereinafter referred to as the Contractor;

WITNESSETH, THAT:

Explanatory Recitals

2. WHEREAS, The United States has constructed and operates Applegate Reservoir in the Rogue River Basin, Oregon, herein styled the Applegate Project, from which there is a flow of water that can be used for irrigation of land and other beneficial uses, which flow, as it has been developed or as it will be augmented, has been appropriated by the United States pursuant to the laws of Oregon for beneficial use under the Federal Reclamation Laws; and

Recital 2

3. WHEREAS, The United States of America entered into a contract on June 19, 1992, Contract No. 2-07-10-W0900, with Forrest E. Drake for an irrigation water supply from the Applegate Project for 41 acres of land of which 29 acres are now owned by the Contractor; and

4. WHEREAS, the Contractor desires to secure an irrigation water supply from the Applegate Project for these lands hereinafter described;

NOW, THEREFORE, in consideration of the premises and the payment by the Contractor to the United States of the charges in the manner hereinafter provided, it is agreed:

Termination of Prior Contract

5. Contract No. 2-07-10-W0900, dated June 19, 1992, is being replaced by this contract and is no longer of any force and effect.

Lands for Which Water is Furnished: Limitations on Deliveries

6. The United States shall make available each year to the Contractor during the irrigation season from April 1 to October 31, inclusive, water from the Applegate Project for the irrigation of land owned by or served by the Contractor described as follows:

29.0 acres, SW1/4 NE1/4, Section 6, T. 38 S., R. 4 W., W.M.

Of the land described, not more than 29 acres are to be irrigated. The amount of water to be made available hereunder shall be that quantity which may be applied beneficially in accordance with good usage in the irrigation of the land above described, but in no event shall it exceed a total diversion of 29 acre-feet annually, measured at the point of delivery of said water.

Recitals 3, 4
Articles 5, 6

Payments for Water

7. (a) An annual payment of \$145 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual payments of \$145 will be due on or before April 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive 29 acre-feet of stored water, hereinafter referred to as the entitlement, for the irrigation of the lands described above. Payment for the annual charge is nonrefundable regardless of the amount of water actually used.

(b) The annual charge set forth in (a) above is based on an initial rate of \$5 per acre-foot of water; Provided, that such annual charge shall not be less than \$50. From time to time, but not less often than once every 5 years, the rate per acre-foot and the minimum charge shall be reviewed by the Contracting Officer and revised, if necessary, to cover costs to the United States for the irrigation water marketing program of the Applegate Project. Any revision by the Contracting Officer will apply only to future charges and shall be announced by written notice to the Contractor at least 3 months prior to the beginning of the irrigation season to which the new rate would be applicable.

(c) All payments from the Contractor to the United States under this contract shall be made by the medium requested by the United States. The required medium of payment may include checks, wire transfers, or other types of payment specified by the United States. Except when otherwise specified by the United States, all payments shall be made by check.

(d) Payments required hereunder shall be made to the Bureau of Reclamation at the location described in Article 16 of this contract.

Contract Preparation Assignment Fee

8. All future contract actions, including new contracts, contract amendments, supplements, and assignments will be charged a \$100 fee: Provided, That the fee shall be reviewed by the Contracting Officer and revised from time to time to cover costs to the United States.

Charges for Delinquent Payments

9. (a) The Contractor shall be subject to interest, administrative and penalty charges on delinquent installments or payments. When a payment is not received by the due date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes 60 days delinquent, the Contractor shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. When a payment is delinquent 90 days or more, the Contractor shall pay an additional penalty charge of 6 percent per year for each day the payment is delinquent beyond the due date. Further, the Contractor shall pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month prescribed by section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

(c) When a partial payment on a delinquent account is received, the amount received shall be applied, first to the penalty, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.

Furnishing of Water

10. (a) Upon payment of the annual charge specified in subarticle 7(a) above, the United States will furnish a maximum of 29 acre-feet of water to the Contractor from the Applegate Project. No water shall be furnished if the Contractor is delinquent in payment of the required annual charge.

(b) Water for the purposes hereof shall be made available and measured at the following point(s) of diversion:

860 feet north and 1,390 feet east of the southwest
corner of Section 6, T. 38 S., R. 4 W., W.M.

The Contractor shall receive said water at the point of diversion and shall be wholly responsible for securing said water at that point and diverting, conveying, and utilizing it. The Contractor shall be required to conform its diversions and releases to the control of the stream as established by the appropriate State-appointed watermaster. The water to be delivered hereunder shall be measured by means of measuring or controlling devices satisfactory to the Contracting Officer. Such devices shall be furnished, installed, and maintained by and at the expense of the Contractor, but they shall be and remain at all times under the control of the United States or the watermaster whose representative may at all times have access to them over any lands of the Contractor. All losses of water from seepage, evaporation, or other cause, below said point of measurement, shall be borne by the Contractor.

(c) The Contractor and all other entities heretofore or hereafter contracting with the United States for a right to use water from the Applegate Project shall, to the extent of their entitlement, have equal

priority to the use of water from such project so far as that may be physically practicable and legally possible, without regard to the date of their respective contracts.

Special Conditions

11. (a) It is the responsibility of the Contractor to comply with the laws of the State of Oregon regarding the obtaining and perfecting of permits to divert water to the lands described in Article 6. The obligation of the United States to deliver water under this contract is subject to an operating plan for the Applegate Project determined in accordance with the law governing the project.

(b) If, at some future date, the Contracting Officer determines there is sufficient demand for irrigation water from the Applegate Project to justify the formation of an irrigation district, water supply company, or other water user organization, future water service may then be made contingent upon the establishment of such an organization. Under this condition, the Contractor will be notified at least 1 year in advance of the date this contract is terminated and continued water service to the lands described in Article 6 becomes dependent upon membership in the organization established for that purpose.

Term of Contract

12. This contract shall become effective as of the date first above written and will continue in force for 25 years unless sooner terminated in accordance with Articles 11 or 13 or by agreement of the parties hereto.

Termination of Contract

13. This contract may be terminated and water service hereunder shall cease at the option of the United States as set forth in Article 11(b) or at any other time if the Contractor is delinquent in payment of the water service charge for a period of 30 days or upon failure of the Contractor to abide by any notice, order, rule, or regulation of the United States or the State of Oregon now or hereafter established affecting water service hereunder.

United States Not Liable for Water Shortages--Adjustments

14. On account of drought or uncontrollable forces, there may occur a shortage in the total quantity of water available for furnishing to the Contractor by the United States pursuant to this contract. In no event shall any liability accrue against the United States or any of its officers, agents, or employees for any damage direct or indirect arising from such shortages. If such a shortage occurs, the United States will apportion the available water supply among the Contractor and others entitled by existing and future contracts to receive water from the Applegate Project.

Disclaimer

15. No provision of this contract, nor of any renewal thereof, nor the furnishing of water hereunder will be construed to bind the United States after the expiration of this contract as the basis of a permanent water right.

Because of possible fluctuations in reservoir surface elevations and downstream flows associated with the Applegate Project, the United States does not guarantee the availability of water at the point of the Contractor's diversion facilities as they may now be constructed or constructed hereafter. Further, the United States will not be held responsible for any acts or omissions of the Contractor's agents or of persons to whom water is furnished.

Notices

16. Any notice, demand, or request authorized or required by this contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Regional Supervisor of Water, Power, and Lands, Pacific Northwest Region, Bureau of Reclamation, Box 043, 550 West Fort Street, Boise, Idaho 83724-0043, and on behalf of the United States, when mailed, postage prepaid, or delivered to Judith M. Hofmann, 14402 N. Applegate Road, Grants Pass, Oregon 97527. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

General Provisions

17. The general provisions applicable to this contract are listed below. The full text of these general provisions is attached as Exhibit A and is hereby made a part of this contract.

- a. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS
- b. WATER AND AIR POLLUTION CONTROL
- c. QUALITY OF WATER
- d. EQUAL OPPORTUNITY
- e. COMPLIANCE WITH RECLAMATION LAWS
- f. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED
- g. OFFICIALS NOT TO BENEFIT
- h. WATER CONSERVATION

IN WITNESS WHEREOF, the parties hereto have signed their names the
day and year first above written.

CONTRACTOR

Judith M. Hofmann

UNITED STATES OF AMERICA

Regional Supervisor of
Water, Power, and Lands, PN Region
Bureau of Reclamation
1150 N. Curtis Road
Boise ID 83706-1234

STATE OF _____)
County of _____) : ss

On this _____ day of _____, 19____, before me,
_____, a Notary Public, personally appeared _____,
known to me to be the person whose name is
subscribed to the within instrument and acknowledged to me that she executed the
same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

(SEAL)

Notary Public in and for the
State of OREGON
Residing at:

My commission expires:

* * * * *

STATE OF IDAHO)
County of Ada) : ss

On this _____ day of _____, 19____, personally
appeared before me _____, to me known to be the
official of the United States of America that executed the within and foregoing
instrument and acknowledged said instrument to be the free and voluntary act and
deed of said United States, for the uses and purposes therein mentioned, and on
oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

(SEAL)

Notary Public in and for the
State of IDAHO
Residing at:

My commission expires:

GENERAL PROVISIONS--APPLEGATE PROJECT, OREGONCONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

a. The expenditure or advance of any money or the performance of any obligation of the United States under this contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this contract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

WATER AND AIR POLLUTION CONTROL

b. The Contractor, in carrying out this contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Oregon, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

QUALITY OF WATER

c. The operation and maintenance of project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable, as determined by the Contracting Officer. The United States does not warrant the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.

EQUAL OPPORTUNITY

d. During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the such rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

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COMPLIANCE WITH RECLAMATION LAWS

e. The parties agree that the delivery of irrigation water or the use of Federal facilities pursuant to this contract is subject to Reclamation law, as amended and supplemented, including, but not limited to, the Reclamation Reform Act of 1982 (Public Law 97-293).

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

f. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.

OFFICIALS NOT TO BENEFIT

g. No Member of or Delegate to Congress, Resident Commissioner or official of the Contractor shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

WATER CONSERVATION

h. Prior to the delivery of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this contract, the Contractor shall develop an effective water conservation program acceptable to the Contracting Officer. The water conservation program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. At subsequent 5-year intervals, the Contractor shall submit a report on the results of the program to the Contracting Officer for review. Based on the conclusions of the review, the Contracting Officer and the Contractor shall consult and agree to continue or to revise the existing water conservation program.

RECEIVED

AUG 20 1993



IN REPLY
REFER TO:

PN-443

WATER RESOURCES DEPT.
United States Department of the Interior

BUREAU OF RECLAMATION

Pacific Northwest Region
1150 North Curtis Road
Boise, Idaho 83706-1234



AUG 18 1993

Mr. Jerald D. and Mrs. Juanita F. Munson
14500 N. Applegate Road
Grants Pass OR 97527

Subject: Proposed Water Service Contract, Applegate Reservoir
(Water Service Contract)

Dear Mr. and Mrs. Munson:

Enclosed for your signature are two copies of a replacement form of water service contract which, when properly executed, will make up to 12 acre-feet (a.f.) of irrigation water available from Applegate Reservoir for the irrigation of 12 acres, commencing with the 1994 irrigation season. Execution of the proposed contract would replace Contract No. 2-07-10-W0900, dated June 19, 1992, with Forrest E. Drake (that provided up to 40 a.f. of stored water for the irrigation of 41 acres). A replacement contract is also being sent to Judith M. Hofmann and Forrest E. Drake (that would provide up to 29 a.f. for 29 acres).

If you find the contract acceptable, we ask that you sign both copies, have your signatures notarized, and return both copies of the contract to this office, Attention: PN-443, along with the 1994 annual payment which is specified in Article 7. There is a \$100 fee for preparation of a new contract which should be submitted along with the payment for the 1994 water year. Upon receipt by this office, the contracts will be executed on behalf of the United States, dated, and assigned a contract number for identification purposes. A signed original and as many conformed copies as you desire will then be returned for your records.

We will also furnish a conformed copy of the contract to the Oregon Water Resources Department. When provided with this information, that agency will then be in a position to proceed with changing the required permit to divert stored water, if needed.

If you have any questions, please contact Larry Parsons at the above address or telephone (208) 378-5346.

Sincerely,

Regional Supervisor of
Water, Power, and Lands

Enclosures

cc: Oregon Water Resources Department, 3850 Portland Road NE., Salem OR 97310
Portion of Application No. 63182, Permit No. 46663
(w/encl)

Contract No.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

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Contract No.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this ____ day of _____, 19____, pursuant to section 9(e) of the Act of August 4, 1939 (53 Stat. 1187), and section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), (which acts are commonly known and referred to as the Reclamation Laws), and the Flood Control Act of 1962 (76 Stat. 1173), between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the Contracting Officer executing this contract, and Jerald D. and Juanita F. Munson, 14500 N. Applegate Road, Grants Pass, Oregon 97527, hereinafter referred to as the Contractor;

WITNESSETH, THAT:

Explanatory Recitals

2. WHEREAS, The United States has constructed and operates Applegate Reservoir in the Rogue River Basin, Oregon, herein styled the Applegate Project, from which there is a flow of water that can be used for irrigation of land and other beneficial uses, which flow, as it has been developed or as it will be augmented, has been appropriated by the United States pursuant to the laws of Oregon for beneficial use under the Federal Reclamation Laws; and

3. WHEREAS, The United States of America entered into a contract on June 19, 1992, Contract No. 2-07-10-W0900, with Forrest E. Drake for an irrigation water supply from the Applegate Project for 41 acres of land of which 12 acres are now owned by the Contractor; and

4. WHEREAS, the Contractor desires to secure an irrigation water supply from the Applegate Project for these lands hereinafter described;

NOW, THEREFORE, in consideration of the premises and the payment by the Contractor to the United States of the charges in the manner hereinafter provided, it is agreed:

Termination of Prior Contract

5. Contract No. 2-07-10-W0900, dated June 19, 1992, is being replaced by this contract and is no longer of any force and effect.

Lands for Which Water is Furnished: Limitations on Deliveries

6. The United States shall make available each year to the Contractor during the irrigation season from April 1 to October 31, inclusive, water from the Applegate Project for the irrigation of land owned by or served by the Contractor described as follows:

2.3 acres, NE1/4 SW1/4, Section 6, T. 38 S., R. 4 W., W.M.
9.7 acres, NW1/4 SE1/4, Section 6, T. 38 S., R. 4 W., W.M.

Of the land described, not more than 12 acres are to be irrigated. The amount of water to be made available hereunder shall be that quantity which may be applied beneficially in accordance with good usage in the irrigation of the land above described, but in no event shall it exceed a total diversion of 12 acre-feet annually, measured at the point of delivery of said water.

Recitals 3, 4
Articles 5, 6

Payments for Water

7. (a) An annual payment of \$60 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual payments of \$60 will be due on or before April 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive 12 acre-feet of stored water, hereinafter referred to as the entitlement, for the irrigation of the lands described above. Payment for the annual charge is nonrefundable regardless of the amount of water actually used.

(b) The annual charge set forth in (a) above is based on an initial rate of \$5 per acre-foot of water; Provided, that such annual charge shall not be less than \$50. From time to time, but not less often than once every 5 years, the rate per acre-foot and the minimum charge shall be reviewed by the Contracting Officer and revised, if necessary, to cover costs to the United States for the irrigation water marketing program of the Applegate Project. Any revision by the Contracting Officer will apply only to future charges and shall be announced by written notice to the Contractor at least 3 months prior to the beginning of the irrigation season to which the new rate would be applicable.

(c) All payments from the Contractor to the United States under this contract shall be made by the medium requested by the United States. The required medium of payment may include checks, wire transfers, or other types of payment specified by the United States. Except when otherwise specified by the United States, all payments shall be made by check.

(d) Payments required hereunder shall be made to the Bureau of Reclamation at the location described in Article 16 of this contract.

Contract Preparation Assignment Fee

8. All future contract actions, including new contracts, contract amendments, supplements, and assignments will be charged a \$100 fee: Provided, That the fee shall be reviewed by the Contracting Officer and revised from time to time to cover costs to the United States.

Charges for Delinquent Payments

9. (a) The Contractor shall be subject to interest, administrative and penalty charges on delinquent installments or payments. When a payment is not received by the due date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes 60 days delinquent, the Contractor shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. When a payment is delinquent 90 days or more, the Contractor shall pay an additional penalty charge of 6 percent per year for each day the payment is delinquent beyond the due date. Further, the Contractor shall pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month prescribed by section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

(c) When a partial payment on a delinquent account is received, the amount received shall be applied, first to the penalty, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.

Furnishing of Water

10. (a) Upon payment of the annual charge specified in subarticle 7(a) above, the United States will furnish a maximum of 12 acre-feet of water to the Contractor from the Applegate Project. No water shall be furnished if the Contractor is delinquent in payment of the required annual charge.

(b) Water for the purposes hereof shall be made available and measured at the following point(s) of diversion:

860 feet north and 1,390 feet east of the southwest corner of Section 6, T. 38 S., R. 4 W., W.M.

The Contractor shall receive said water at the point of diversion and shall be wholly responsible for securing said water at that point and diverting, conveying, and utilizing it. The Contractor shall be required to conform its diversions and releases to the control of the stream as established by the appropriate State-appointed watermaster. The water to be delivered hereunder shall be measured by means of measuring or controlling devices satisfactory to the Contracting Officer. Such devices shall be furnished, installed, and maintained by and at the expense of the Contractor, but they shall be and remain at all times under the control of the United States or the watermaster whose representative may at all times have access to them over any lands of the Contractor. All losses of water from seepage, evaporation, or other cause, below said point of measurement, shall be borne by the Contractor.

(c) The Contractor and all other entities heretofore or hereafter contracting with the United States for a right to use water from the Applegate Project shall, to the extent of their entitlement, have equal

priority to the use of water from such project so far as that may be physically practicable and legally possible, without regard to the date of their respective contracts.

Special Conditions

11. (a) It is the responsibility of the Contractor to comply with the laws of the State of Oregon regarding the obtaining and perfecting of permits to divert water to the lands described in Article 6. The obligation of the United States to deliver water under this contract is subject to an operating plan for the Applegate Project determined in accordance with the law governing the project.

(b) If, at some future date, the Contracting Officer determines there is sufficient demand for irrigation water from the Applegate Project to justify the formation of an irrigation district, water supply company, or other water user organization, future water service may then be made contingent upon the establishment of such an organization. Under this condition, the Contractor will be notified at least 1 year in advance of the date this contract is terminated and continued water service to the lands described in Article 6 becomes dependent upon membership in the organization established for that purpose.

Term of Contract

12. This contract shall become effective as of the date first above written and will continue in force for 25 years unless sooner terminated in accordance with Articles 11 or 13 or by agreement of the parties hereto.

Termination of Contract

13. This contract may be terminated and water service hereunder shall cease at the option of the United States as set forth in Article 11(b) or at any other time if the Contractor is delinquent in payment of the water service charge for a period of 30 days or upon failure of the Contractor to abide by any notice, order, rule, or regulation of the United States or the State of Oregon now or hereafter established affecting water service hereunder.

United States Not Liable for Water Shortages--Adjustments

14. On account of drought or uncontrollable forces, there may occur a shortage in the total quantity of water available for furnishing to the Contractor by the United States pursuant to this contract. In no event shall any liability accrue against the United States or any of its officers, agents, or employees for any damage direct or indirect arising from such shortages. If such a shortage occurs, the United States will apportion the available water supply among the Contractor and others entitled by existing and future contracts to receive water from the Applegate Project.

Disclaimer

15. No provision of this contract, nor of any renewal thereof, nor the furnishing of water hereunder will be construed to bind the United States after the expiration of this contract as the basis of a permanent water right.

Because of possible fluctuations in reservoir surface elevations and downstream flows associated with the Applegate Project, the United States does not guarantee the availability of water at the point of the Contractor's diversion facilities as they may now be constructed or constructed hereafter. Further, the United States will not be held responsible for any acts or omissions of the Contractor's agents or of persons to whom water is furnished.

Notices

16. Any notice, demand, or request authorized or required by this contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Regional Supervisor of Water, Power, and Lands, Pacific Northwest Region, Bureau of Reclamation, Box 043, 550 West Fort Street, Boise, Idaho 83724-0043, and on behalf of the United States, when mailed, postage prepaid, or delivered to Jerald D. and Juanita F. Munson, 14500 N. Applegate Road, Grants Pass, Oregon 97527. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

General Provisions

17. The general provisions applicable to this contract are listed below. The full text of these general provisions is attached as Exhibit A and is hereby made a part of this contract.

- a. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS
- b. WATER AND AIR POLLUTION CONTROL
- c. QUALITY OF WATER
- d. EQUAL OPPORTUNITY
- e. COMPLIANCE WITH RECLAMATION LAWS
- f. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED
- g. OFFICIALS NOT TO BENEFIT
- h. WATER CONSERVATION

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

CONTRACTOR

Jerald D. Munson

Juanita F. Munson

UNITED STATES OF AMERICA

Regional Supervisor of
Water, Power, and Lands, PN Region
Bureau of Reclamation
1150 N. Curtis Road
Boise ID 83706-1234

STATE OF _____)
County of _____) ss

On this _____ day of _____, 19____, before me,
_____, a Notary Public, personally appeared _____ and _____,
known to me to be the persons whose names are subscribed to the within
instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

(SEAL)

Notary Public in and for the
State of OREGON
Residing at:

My commission expires:

* * * * *

STATE OF IDAHO)
County of Ada) : ss

On this _____ day of _____, 19____, personally
appeared before me _____, to me known to be the
official of the United States of America that executed the within and foregoing
instrument and acknowledged said instrument to be the free and voluntary act and
deed of said United States, for the uses and purposes therein mentioned, and on
oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

(SEAL)

Notary Public in and for the
State of IDAHO
Residing at:

My commission expires:

GENERAL PROVISIONS--APPLIGATE PROJECT, OREGON**CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS**

a. The expenditure or advance of any money or the performance of any obligation of the United States under this contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this contract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

WATER AND AIR POLLUTION CONTROL

b. The Contractor, in carrying out this contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Oregon, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

QUALITY OF WATER

c. The operation and maintenance of project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable, as determined by the Contracting Officer. The United States does not warrant the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.

EQUAL OPPORTUNITY

d. During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the such rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH RECLAMATION LAWS

e. The parties agree that the delivery of irrigation water or the use of Federal facilities pursuant to this contract is subject to Reclamation law, as amended and supplemented, including, but not limited to, the Reclamation Reform Act of 1982 (Public Law 97-293).

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

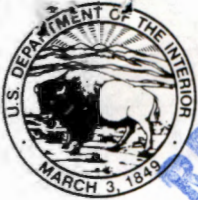
f. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.

OFFICIALS NOT TO BENEFIT

g. No Member of or Delegate to Congress, Resident Commissioner or official of the Contractor shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

WATER CONSERVATION

h. Prior to the delivery of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this contract, the Contractor shall develop an effective water conservation program acceptable to the Contracting Officer. The water conservation program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. At subsequent 5-year intervals, the Contractor shall submit a report on the results of the program to the Contracting Officer for review. Based on the conclusions of the review, the Contracting Officer and the Contractor shall consult and agree to continue or to revise the existing water conservation program.



IN REPLY
REFER TO:

PN-443

United States Department of the Interior

BUREAU OF RECLAMATION

Pacific Northwest Region
1150 North Curtis Road
Boise, Idaho 83706-1234

TAKE
PRIDE IN
AMERICA

AUG 18 1993

Ms. Judith M. Hofmann
14500 N. Applegate Road
Grants Pass OR 97527

**Subject: Proposed Water Service Contract, Applegate Reservoir
(Water Service Contract)**

Dear Ms. Hofmann:

Enclosed for signature by you and Forrest E. Drake are two copies of a replacement form of water service contract which, when properly executed, will make up to 29 acre-feet (a.f.) of irrigation water available from Applegate Reservoir for the irrigation of 29 acres, commencing with the 1994 irrigation season. Execution of the proposed contract would replace Contract No. 2-07-10-W0900, dated June 19, 1992, with Forrest E. Drake (that provided up to 40 a.f. of stored water for the irrigation of 41 acres). A replacement contract is also being sent to Jerald D. and Juanita F. Munson (that would provide up to 12 a.f. for 12 acres).

If you find the contract acceptable, we ask that you sign both copies, have your signatures notarized, and return both copies of the contract to this office, Attention: PN-443, along with the 1994 annual payment which is specified in Article 7. There is a \$100 fee for preparation of a new contract which should be submitted along with the payment for the 1994 water year. Upon receipt by this office, the contracts will be executed on behalf of the United States, dated, and assigned a contract number for identification purposes. A signed original and as many conformed copies as you desire will then be returned for your records.

We will also furnish a conformed copy of the contract to the Oregon Water Resources Department. When provided with this information, that agency will then be in a position to proceed with changing the required permit to divert stored water, if needed.

If you have any questions, please contact Larry Parsons at the above address or telephone (208) 378-5346.

Sincerely,

Regional Supervisor of
Water, Power, and Lands

Enclosures

cc: Oregon Water Resources Department, 3850 Portland Road NE., Salem OR 97310
Portion of Application No. 63182, Permit No. 46663
(w/encl)

Contract No.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

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Contract No.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this ____ day of _____, 19____, pursuant to section 9(e) of the Act of August 4, 1939 (53 Stat. 1187), and section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), (which acts are commonly known and referred to as the Reclamation Laws), and the Flood Control Act of 1962 (76 Stat. 1173), between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the Contracting Officer executing this contract, and Forrest E. Drake and Judith M. Hofmann, 14500 N. Applegate Road, Grants Pass, Oregon 97527, hereinafter referred to as the Contractor;

WITNESSETH, THAT:

Explanatory Recitals

2. WHEREAS, The United States has constructed and operates Applegate Reservoir in the Rogue River Basin, Oregon, herein styled the Applegate Project, from which there is a flow of water that can be used for irrigation of land and other beneficial uses, which flow, as it has been developed or as it will be augmented, has been appropriated by the United States pursuant to the laws of Oregon for beneficial use under the Federal Reclamation Laws; and

Recital 2

3. WHEREAS, The United States of America entered into a contract on June 19, 1992, Contract No. 2-07-10-W0900, with Forrest E. Drake for an irrigation water supply from the Applegate Project for 41 acres of land of which 29 acres are now owned by the Contractor; and

4. WHEREAS, the Contractor desires to secure an irrigation water supply from the Applegate Project for these lands hereinafter described;

NOW, THEREFORE, in consideration of the premises and the payment by the Contractor to the United States of the charges in the manner hereinafter provided, it is agreed:

Termination of Prior Contract

5. Contract No. 2-07-10-W0900, dated June 19, 1992, is being replaced by this contract and is no longer of any force and effect.

Lands for Which Water is Furnished: Limitations on Deliveries

6. The United States shall make available each year to the Contractor during the irrigation season from April 1 to October 31, inclusive, water from the Applegate Project for the irrigation of land owned by or served by the Contractor described as follows:

29.0 acres, SW1/4 NE1/4, Section 6, T. 38 S., R. 4 W., W.M.

Of the land described, not more than 29 acres are to be irrigated. The amount of water to be made available hereunder shall be that quantity which may be applied beneficially in accordance with good usage in the irrigation of the land above described, but in no event shall it exceed a total diversion of 29 acre-feet annually, measured at the point of delivery of said water.

Recitals 3, 4
Articles 5, 6

Payments for Water

7. (a) An annual payment of \$145 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual payments of \$145 will be due on or before April 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive 29 acre-feet of stored water, hereinafter referred to as the entitlement, for the irrigation of the lands described above. Payment for the annual charge is nonrefundable regardless of the amount of water actually used.

(b) The annual charge set forth in (a) above is based on an initial rate of \$5 per acre-foot of water; Provided, that such annual charge shall not be less than \$50. From time to time, but not less often than once every 5 years, the rate per acre-foot and the minimum charge shall be reviewed by the Contracting Officer and revised, if necessary, to cover costs to the United States for the irrigation water marketing program of the Applegate Project. Any revision by the Contracting Officer will apply only to future charges and shall be announced by written notice to the Contractor at least 3 months prior to the beginning of the irrigation season to which the new rate would be applicable.

(c) All payments from the Contractor to the United States under this contract shall be made by the medium requested by the United States. The required medium of payment may include checks, wire transfers, or other types of payment specified by the United States. Except when otherwise specified by the United States, all payments shall be made by check.

(d) Payments required hereunder shall be made to the Bureau of Reclamation at the location described in Article 16 of this contract.

Contract Preparation Assignment Fee

8. All future contract actions, including new contracts, contract amendments, supplements, and assignments will be charged a \$100 fee: Provided, That the fee shall be reviewed by the Contracting Officer and revised from time to time to cover costs to the United States.

Charges for Delinquent Payments

9. (a) The Contractor shall be subject to interest, administrative and penalty charges on delinquent installments or payments. When a payment is not received by the due date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes 60 days delinquent, the Contractor shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. When a payment is delinquent 90 days or more, the Contractor shall pay an additional penalty charge of 6 percent per year for each day the payment is delinquent beyond the due date. Further, the Contractor shall pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month prescribed by section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

(c) When a partial payment on a delinquent account is received, the amount received shall be applied, first to the penalty, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.

Furnishing of Water

10. (a) Upon payment of the annual charge specified in subarticle 7(a) above, the United States will furnish a maximum of 29 acre-feet of water to the Contractor from the Applegate Project. No water shall be furnished if the Contractor is delinquent in payment of the required annual charge.

(b) Water for the purposes hereof shall be made available and measured at the following point(s) of diversion:

860 feet north and 1,390 feet east of the southwest corner of Section 6, T. 38 S., R. 4 W., W.M.

The Contractor shall receive said water at the point of diversion and shall be wholly responsible for securing said water at that point and diverting, conveying, and utilizing it. The Contractor shall be required to conform its diversions and releases to the control of the stream as established by the appropriate State-appointed watermaster. The water to be delivered hereunder shall be measured by means of measuring or controlling devices satisfactory to the Contracting Officer. Such devices shall be furnished, installed, and maintained by and at the expense of the Contractor, but they shall be and remain at all times under the control of the United States or the watermaster whose representative may at all times have access to them over any lands of the Contractor. All losses of water from seepage, evaporation, or other cause, below said point of measurement, shall be borne by the Contractor.

(c) The Contractor and all other entities heretofore or hereafter contracting with the United States for a right to use water from the Applegate Project shall, to the extent of their entitlement, have equal

priority to the use of water from such project so far as that may be physically practicable and legally possible, without regard to the date of their respective contracts.

Special Conditions

11. (a) It is the responsibility of the Contractor to comply with the laws of the State of Oregon regarding the obtaining and perfecting of permits to divert water to the lands described in Article 6. The obligation of the United States to deliver water under this contract is subject to an operating plan for the Applegate Project determined in accordance with the law governing the project.

(b) If, at some future date, the Contracting Officer determines there is sufficient demand for irrigation water from the Applegate Project to justify the formation of an irrigation district, water supply company, or other water user organization, future water service may then be made contingent upon the establishment of such an organization. Under this condition, the Contractor will be notified at least 1 year in advance of the date this contract is terminated and continued water service to the lands described in Article 6 becomes dependent upon membership in the organization established for that purpose.

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12. This contract shall become effective as of the date first above written and will continue in force for 25 years unless sooner terminated in accordance with Articles 11 or 13 or by agreement of the parties hereto.

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13. This contract may be terminated and water service hereunder shall cease at the option of the United States as set forth in Article 11(b) or at any other time if the Contractor is delinquent in payment of the water service charge for a period of 30 days or upon failure of the Contractor to abide by any notice, order, rule, or regulation of the United States or the State of Oregon now or hereafter established affecting water service hereunder.

United States Not Liable for Water Shortages--Adjustments

14. On account of drought or uncontrollable forces, there may occur a shortage in the total quantity of water available for furnishing to the Contractor by the United States pursuant to this contract. In no event shall any liability accrue against the United States or any of its officers, agents, or employees for any damage direct or indirect arising from such shortages. If such a shortage occurs, the United States will apportion the available water supply among the Contractor and others entitled by existing and future contracts to receive water from the Applegate Project.

Disclaimer

15. No provision of this contract, nor of any renewal thereof, nor the furnishing of water hereunder will be construed to bind the United States after the expiration of this contract as the basis of a permanent water right.

Because of possible fluctuations in reservoir surface elevations and downstream flows associated with the Applegate Project, the United States does not guarantee the availability of water at the point of the Contractor's diversion facilities as they may now be constructed or constructed hereafter. Further, the United States will not be held responsible for any acts or omissions of the Contractor's agents or of persons to whom water is furnished.

Notices

16. Any notice, demand, or request authorized or required by this contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Regional Supervisor of Water, Power, and Lands, Pacific Northwest Region, Bureau of Reclamation, Box 043, 550 West Fort Street, Boise, Idaho 83724-0043, and on behalf of the United States, when mailed, postage prepaid, or delivered to Judith M. Hofmann, 14500 N. Applegate Road, Grants Pass, Oregon 97527. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

General Provisions

17. The general provisions applicable to this contract are listed below. The full text of these general provisions is attached as Exhibit A and is hereby made a part of this contract.

- a. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS
- b. WATER AND AIR POLLUTION CONTROL
- c. QUALITY OF WATER
- d. EQUAL OPPORTUNITY
- e. COMPLIANCE WITH RECLAMATION LAWS
- f. ASSIGNMENT LIMITED---SUCCESSORS AND ASSIGNS OBLIGATED
- g. OFFICIALS NOT TO BENEFIT
- h. WATER CONSERVATION

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

CONTRACTOR

Forrest E. Drake

Judith M. Hofmann

UNITED STATES OF AMERICA

Regional Supervisor of
Water, Power, and Lands, PN Region
Bureau of Reclamation
1150 N. Curtis Road
Boise ID 83706-1234

STATE OF _____)
County of _____) ss

On this _____ day of _____, 19____, before me,
_____, a Notary Public, personally appeared
_____ and _____,
known to me to be the persons whose names are subscribed to the within
instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

(SEAL)

Notary Public in and for the
State of OREGON
Residing at:

My commission expires:

* * * * *

STATE OF IDAHO)
County of Ada) : ss

On this _____ day of _____, 19____, personally appeared before me _____, to me known to be the official of the United States of America that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said United States, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

(SEAL)

Notary Public in and for the
State of IDAHO
Residing at:

My commission expires:

GENERAL PROVISIONS--APPLEGATE PROJECT, OREGON**CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS**

a. The expenditure or advance of any money or the performance of any obligation of the United States under this contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this contract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

WATER AND AIR POLLUTION CONTROL

b. The Contractor, in carrying out this contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Oregon, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

QUALITY OF WATER

c. The operation and maintenance of project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable, as determined by the Contracting Officer. The United States does not warrant the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.

EQUAL OPPORTUNITY

d. During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the such rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH RECLAMATION LAWS

e. The parties agree that the delivery of irrigation water or the use of Federal facilities pursuant to this contract is subject to Reclamation law, as amended and supplemented, including, but not limited to, the Reclamation Reform Act of 1982 (Public Law 97-293).

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

f. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.

OFFICIALS NOT TO BENEFIT

g. No Member of or Delegate to Congress, Resident Commissioner or official of the Contractor shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

WATER CONSERVATION

h. Prior to the delivery of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this contract, the Contractor shall develop an effective water conservation program acceptable to the Contracting Officer. The water conservation program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. At subsequent 5-year intervals, the Contractor shall submit a report on the results of the program to the Contracting Officer for review. Based on the conclusions of the review, the Contracting Officer and the Contractor shall consult and agree to continue or to revise the existing water conservation program.

August 17, 1993

FORREST E. DRAKE
14202 NORTH APPLGATE RD
GRANTS PASS, OR 97527

REFERENCE FILE: 63182

We have received your request to assign a portion of permit 46663 and your check in the amount of \$10 from Timothy Hofmann.

Under the terms of the permit, water was to have been used to the fullest extent intended by October 1, 1990. To date, we have not been advised as to whether or not this requirement was met. The validity of your portion of the permit is questionable.

I have enclosed a form for reporting. If the terms of the permit were met, the number of acres irrigated by October 1, 1990 should be listed on the notice.

We will also have to have a copy of the Water Service Contract for the new owners.

Further action will be withheld on the file for a reasonable length of time pending your reply.

Sincerely,

Thomas E. Shook
Water Right Specialist

cc: Munson



3850 Portland Rd NE
Salem, OR 97310
(503) 378-3739
FAX (503) 378-8130

**STATE OF OREGON
WATER RESOURCES DEPARTMENT**

RECEIPT #

103297

3850 PORTLAND ROAD NE

SALEM, OR 97310

378-8455/378-8130 (FAX)

RECEIVED FROM:

Timothy Hyman

BY:

APPLICATION

63182

PERMIT

TRANSFER

CASH:

CHECK: #

OTHER: (IDENTIFY)

☐
☒ *96-614*
☐

TOTAL REC'D

\$ *10.00*

01-00-0 WRD MISC CASH ACCT

842.010 ADJUDICATIONS

831.087 PUBLICATIONS/MAPS

830.650 PARKING FEES Name/month

OTHER: (IDENTIFY)

\$
\$
\$
\$

REDUCTION OF EXPENSE

CASH ACCT.

COST CENTER AND OBJECT CLASS

VOUCHER #

\$

03-00-0 WRD OPERATING ACCT

MISCELLANEOUS:

840.001 COPY FEES

850.200 RESEARCH FEES

880.109 MISC REVENUE: (IDENTIFY)

520.000 OTHER (P-6) (IDENTIFY)

assignment

\$
\$
\$ <i>10.00</i>
\$

WATER RIGHTS:

842.001 SURFACE WATER

842.003 GROUND WATER

842.005 TRANSFER

WELL CONSTRUCTION

842.022 WELL DRILL CONSTRUCTOR

LANDOWNER'S PERMIT

OTHER (IDENTIFY)

EXAM FEE

\$
\$
\$
EXAM FEE
\$

842.002

842.004

842.006

842.023

842.024

RECORD FEE

\$
\$
\$
LICENSE FEE
\$
\$

06-00-0 WELL CONST START FEE

842.013 WELL CONST START FEE

MONITORING WELLS

\$
\$

CARD #

CARD #

45-00-0 LOTTERY PROCEEDS

864.000 LOTTERY PROCEEDS

\$

07-00-0 HYDRO ACTIVITY

LIC NUMBER

842011 POWER LICENSE FEE(FW/WRD)

842.115 HYDRO LICENSE FEE(FW/WRD)

\$
\$

HYDRO APPLICATION

\$

RE:CEIPT #

103297

DATED:

8/10/93

BY:

Kristy Jones

RECEIPT #

103297

STATE OF OREGON
WATER RESOURCES DEPARTMENT

3850 PORTLAND ROAD NE

SALEM, OR 97310

378-8455/378-8130 (FAX)

RECEIVED FROM:

BY:

Timothy Hyman

APPLICATION

63182

PERMIT

TRANSFER

CASH:

CHECK: #

OTHER: (IDENTIFY)

☐
☒

96-614

☐

TOTAL REC'D

\$ *10.00*

01-00-0 WRD MISC CASH ACCT

842.010 ADJUDICATIONS

\$

831.087 PUBLICATIONS/MAPS

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830.650 PARKING FEES Name/month

\$

OTHER: (IDENTIFY)

\$

REDUCTION OF EXPENSE

CASH ACCT.

\$

COST CENTER AND OBJECT CLASS

VOUCHER #

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842.006

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WELL CONSTRUCTION

EXAM FEE

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842.024

\$

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OTHER (IDENTIFY)

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CARD #

MONITORING WELLS

\$

CARD #

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864.000 LOTTERY PROCEEDS

\$

07-00-0 HYDRO ACTIVITY

LIC NUMBER

842.011 POWER LICENSE FEE(FW/WRD)

\$

842.115 HYDRO LICENSE FEE(FW/WRD)

\$

HYDRO APPLICATION

\$

RECEIPT #

103297

DATED:

5/11/93

BY:

Timothy Hyman

RECEIVED

AUG 10 1993

WATER RESOURCES DEPT.
SALEM, OREGON

August 5, 1993

ASSIGNMENT

I, Forrest E. Deake of 14202 N. Applegate Road do hereby Assign that part of my interest in and to Water Right Application Number 63182, Permit Number 46663 that is in T.W.R. 38S R4WM section 6. 2.3 A in the NE 1/4, SW 1/4 and the 9.7 A in NW 1/4, SE 1/4.

To: Jerald D. Munson and Juanita Munson
14500 N. Applegate Road
Grants Pass, Oregon 97527

Witness my hand this 5 day of August, 1993


Signature of permittee



IN REPLY REFER TO:
PN-440

United States Department of the Interior

BUREAU OF RECLAMATION
Pacific Northwest Region
Federal Building & U.S. Courthouse
Box 043-550 West Fort Street
Boise, Idaho 83724-0043



RECEIVED

JUN 23 1992

JUN 25 1992

WATER RESOURCES DEPT.
SALEM, OREGON

Mr. Forrest E. Drake
14202 North Applegate Road
Grants Pass OR 97527

Subject: Water Service Contract No. 2-07-10-W0900, Applegate Reservoir
(Water Service Contract)

Dear Mr. Drake:

Enclosed for your records are a fully executed original and one conformed copy of Contract No. 2-07-10-W0900, which provides for an irrigation water supply from Applegate Reservoir commencing with the 1992 irrigation season.

We are furnishing the Oregon Water Resources Department with a conformed copy of the contract so they will be in a position to proceed with changing the required permit to divert water. This contract replaces Contract No. 2-07-10-W0455, dated March 26, 1982, with you.

If there are any questions regarding the terms or conditions set forth in the contract, please feel free to contact Larry Parsons of this office at the above address or telephone (208) 334-1547.

Sincerely,

Richard M. Riefky

Acting Regional Supervisor of
Water, Power, and Lands

Enclosures

cc: Director, Oregon Water Resources Department, 3850 Portland Road NE.,
Salem OR 97310 (w/cy of contract) - Application No. 63182, Permit No. 46663

U.S. Army Corps of Engineers, Attention: NPPEN-HH-R, PO Box 2946,
Portland OR 97208 (w/cy of contract)

Mr. Bruce Sund, Watermaster, 101 NW. A, Grants Pass OR 97526
(w/cy of contract)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this 19th day of June, 19 92, pursuant to section 9(e) of the Act of August 4, 1939 (53 Stat. 1187), and section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), (which acts are commonly known and referred to as the Reclamation Laws), and the Flood Control Act of 1962 (76 Stat. 1173), between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the Contracting Officer executing this contract, and Forrest E. Drake, 14202 North Applegate Road, Grants Pass, Oregon 97527, hereinafter referred to as the Contractor;

WITNESSETH, THAT:

Explanatory Recitals

2. WHEREAS, The United States has constructed and operates Applegate Reservoir in the Rogue River Basin, Oregon, herein styled the Applegate Project, from which there is a flow of water that can be used for irrigation of land and other beneficial uses, which flow, as it has been developed or as it will be augmented, has been appropriated by the United States pursuant to the laws of Oregon for beneficial use under the Federal Reclamation Laws; and

3. WHEREAS, The United States of America entered into a contract on March 26, 1982, Contract No. 2-07-10-W0455, with the Contractor for an irrigation water supply from the Applegate Project for 84.5 acres of land of which 41 acres are now owned by the Contractor; and

4. WHEREAS, the Contractor desires to secure an irrigation water supply from the Applegate Project for these lands hereinafter described;

NOW, THEREFORE, in consideration of the premises and the payment by the Contractor to the United States of the charges in the manner hereinafter provided, it is agreed:

Termination of Prior Contract

5. Contract No. 2-07-10-W0455, dated March 26, 1982, is being replaced by this contract and is no longer of any force and effect.

Lands for Which Water is Furnished: Limitations on Deliveries

6. The United States shall make available each year to the Contractor during the irrigation season from April 1 to October 31, inclusive, water from the Applegate Project for the irrigation of land owned by or served by the Contractor described as follows:

29.0 acres, SW1/4 NE1/4, Section 6, T. 38 S., R. 4 W., W.M.
2.3 acres, NE1/4 SW1/4, Section 6, T. 38 S., R. 4 W., W.M.
9.7 acres, NW1/4 SE1/4, Section 6, T. 38 S., R. 4 W., W.M.

Of the land described, not more than 41 acres are to be irrigated. The amount of water to be made available hereunder shall be that quantity which may be applied beneficially in accordance with good usage in the irrigation of the land above described, but in no event shall it exceed a total diversion of 40 acre-feet annually, measured at the point of delivery of said water.

Recitals 3, 4
Articles 5, 6

Payments for Water

7. (a) An annual payment of \$200 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual payments of \$200 will be due on or before April 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive 40 acre-feet of stored water, hereinafter referred to as the entitlement, for the irrigation of the lands described above. Payment for the annual charge is nonrefundable regardless of the amount of water actually used.

(b) The annual charge set forth in (a) above is based on an initial rate of \$5 per acre-foot of water; Provided, that such annual charge shall not be less than \$50. From time to time, but not less often than once every 5 years, the rate per acre-foot and the minimum charge shall be reviewed by the Contracting Officer and revised, if necessary, to cover costs to the United States for the irrigation water marketing program of the Applegate Project. Any revision by the Contracting Officer will apply only to future charges and shall be announced by written notice to the Contractor at least 3 months prior to the beginning of the irrigation season to which the new rate would be applicable.

(c) All payments from the Contractor to the United States under this contract shall be made by the medium requested by the United States. The required medium of payment may include checks, wire transfers, or other types of payment specified by the United States. Except when otherwise specified by the United States, all payments shall be made by check.

(d) Payments required hereunder shall be made to the Bureau of Reclamation at the location described in Article 16 of this contract.

Contract Preparation Assignment Fee

8. All future contract actions, including new contracts, contract amendments, supplements, and assignments will be charged a \$100 fee: Provided, That the fee shall be reviewed by the Contracting Officer and revised from time to time to cover costs to the United States.

Charges for Delinquent Payments

9. (a) The Contractor shall be subject to interest, administrative and penalty charges on delinquent installments or payments, pursuant to section 11 of the Debt Collection Act of 1982 (Public Law 97-365). When a payment is not received within 30 days of the due date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes 60 days delinquent, the Contractor shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. When a payment is delinquent 90 days or more, the Contractor shall pay an additional penalty charge of 6 percent per year for each day the payment is delinquent beyond the due date. Further, the Contractor shall pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month prescribed by section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

(c) When a partial payment on a delinquent account is received, the amount received shall be applied first to the penalty and administrative charges, second, to the accrued interest, and third to the overdue payment.

Furnishing of Water

10. (a) Upon payment of the annual charge specified in subarticle 7(a) above, the United States will furnish a maximum of 40 acre-feet of water to the Contractor from the Applegate Project. No water shall be furnished if the Contractor is delinquent in payment of the required annual charge.

(b) Water for the purposes hereof shall be made available and measured at the following point(s) of diversion:

860 feet north and 1,390 feet east of the southwest corner of Section 6, T. 38 S., R. 4 W., W.M.

The Contractor shall receive said water at the point of diversion and shall be wholly responsible for securing said water at that point and diverting, conveying, and utilizing it. The Contractor shall be required to conform its diversions and releases to the control of the stream as established by the appropriate State-appointed watermaster. The water to be delivered hereunder shall be measured by means of measuring or controlling devices satisfactory to the Contracting Officer. Such devices shall be furnished, installed, and maintained by and at the expense of the Contractor, but they shall be and remain at all times under the control of the United States or the watermaster whose representative may at all times have access to them over any lands of the Contractor. All losses of water from seepage, evaporation, or other cause, below said point of measurement, shall be borne by the Contractor.

(c) The Contractor and all other entities heretofore or hereafter contracting with the United States for a right to use water from the Applegate Project shall, to the extent of their entitlement, have equal

priority to the use of water from such project so far as that may be physically practicable and legally possible, without regard to the date of their respective contracts.

Special Conditions

11. (a) It is the responsibility of the Contractor to comply with the laws of the State of Oregon regarding the obtaining and perfecting of permits to divert water to the lands described in Article 6. The obligation of the United States to deliver water under this contract is subject to an operating plan for the Applegate Project determined in accordance with the law governing the project.

(b) If, at some future date, the Contracting Officer determines there is sufficient demand for irrigation water from the Applegate Project to justify the formation of an irrigation district, water supply company, or other water user organization, future water service may then be made contingent upon the establishment of such an organization. Under this condition, the Contractor will be notified at least 1 year in advance of the date this contract is terminated and continued water service to the lands described in Article 6 becomes dependent upon membership in the organization established for that purpose.

Term of Contract

12. This contract shall become effective as of the date first above written and will continue in force for 40 years unless sooner terminated in accordance with Articles 11 or 13 or by agreement of the parties hereto.

Termination of Contract

13. This contract may be terminated and water service hereunder shall cease at the option of the United States as set forth in Article 11(b) or at any other time if the Contractor is delinquent in payment of the water service charge for a period of 30 days or upon failure of the Contractor to abide by any notice, order, rule, or regulation of the United States or the State of Oregon now or hereafter established affecting water service hereunder.

United States Not Liable for Water Shortages--Adjustments

14. On account of drought or uncontrollable forces, there may occur a shortage in the total quantity of water available for furnishing to the Contractor by the United States pursuant to this contract. In no event shall any liability accrue against the United States or any of its officers, agents, or employees for any damage direct or indirect arising from such shortages. If such a shortage occurs, the United States will apportion the available water supply among the Contractor and others entitled by existing and future contracts to receive water from the Applegate Project.

Disclaimer

15. No provision of this contract, nor of any renewal thereof, nor the furnishing of water hereunder will be construed to bind the United States after the expiration of this contract as the basis of a permanent water right.

Because of possible fluctuations in reservoir surface elevations and downstream flows associated with the Applegate Project, the United States does not guarantee the availability of water at the point of the Contractor's diversion facilities as they may now be constructed or constructed hereafter. Further, the United States will not be held responsible for any acts or omissions of the Contractor's agents or of persons to whom water is furnished.

Notices

16. Any notice, demand, or request authorized or required by this contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Regional Supervisor of Water, Power, and Lands, Pacific Northwest Region, Bureau of Reclamation, Box 043, 550 West Fort Street, Boise, Idaho 83724-0043, and on behalf of the United States, when mailed, postage prepaid, or delivered to Forrest E. Drake, 14202 North Applegate Road, Grants Pass, Oregon 97527. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

General Provisions

17. The general provisions applicable to this contract are listed below. The full text of these general provisions is attached as Exhibit A and is hereby made a part of this contract.

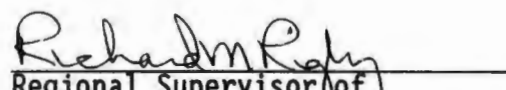
- a. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS
- b. WATER AND AIR POLLUTION CONTROL
- c. QUALITY OF WATER
- d. EQUAL OPPORTUNITY
- e. COMPLIANCE WITH RECLAMATION LAWS
- f. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED
- g. OFFICIALS NOT TO BENEFIT
- h. WATER CONSERVATION

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

CONTRACTOR


Forrest E. Drake

UNITED STATES OF AMERICA


Acting Regional Supervisor of
Water, Power, and Lands, PN Region
Bureau of Reclamation
Box 043-550 West Fort Street
Boise, Idaho 83724-0043

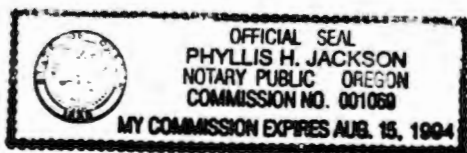
STATE OF OREGON)
 : ss
County of JACKSON)

On this 12th day of MAY, 1992, before me,

PHYLLIS H. JACKSON, a Notary Public, personally appeared

FORREST E. DRAKE, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.



(SEAL)

Phyllis H. Jackson
Notary Public in and for the
State of OREGON
Residing at: JACKSON COUNTY
My commission expires: 8/15/94

STATE OF IDAHO)
 : ss
County of Ada)

On this 19th day of June, 1992, personally

appeared before me Richard M. Rigley, to me known to be the official of the United States of America that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said United States, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

(SEAL)

Diana L. Jacobs
Notary Public in and for the
State of Idaho
Residing at: Boise
My commission expires: 5-23-94

GENERAL PROVISIONS--APPELATE PROJECT, OREGON

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

a. The expenditure or advance of any money or the performance of any obligation of the United States under this contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this contract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

WATER AND AIR POLLUTION CONTROL

b. The Contractor, in carrying out this contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Oregon, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

QUALITY OF WATER

c. The operation and maintenance of project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable, as determined by the Contracting Officer. The United States does not warrant the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.

EQUAL OPPORTUNITY

d. During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the such rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH RECLAMATION LAWS

e. The parties agree that the delivery of irrigation water or the use of Federal facilities pursuant to this contract is subject to Reclamation law, as amended and supplemented, including, but not limited to, the Reclamation Reform Act of 1982 (Public Law 97-293).

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

f. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.

OFFICIALS NOT TO BENEFIT

g. No Member of or Delegate to Congress, Resident Commissioner or official of the Contractor shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

WATER CONSERVATION

h. Prior to the delivery of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this contract, the Contractor shall develop an effective water conservation program acceptable to the Contracting Officer. The water conservation program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. At subsequent 5-year intervals, the Contractor shall submit a report on the results of the program to the Contracting Officer for review. Based on the conclusions of the review, the Contracting Officer and the Contractor shall consult and agree to continue or to revise the existing water conservation program.



IN REPLY
REFER TO:

PN 440

United States Department of the Interior

BUREAU OF RECLAMATION
PACIFIC NORTHWEST REGION
FEDERAL BUILDING & U.S. COURTHOUSE
BOX 043-550 WEST FORT STREET
BOISE, IDAHO 83724-0043

JUN 17 1991



RECEIVED

JUN 20 1991

WATER RESOURCES DEPT.
SALEM OREGON

Mr. Stephen C. Brown
Oregon State Water Resources Department
3850 Portland Road NE.
Salem OR 97310

Subject: Amendment of Contract No. 7-07-10-W0627, Applegate Reservoir
(Water Service Contract)

Dear Mr. Brown:

This is in regard to Contract No. 7-07-10-W0627, dated November 19, 1986, which provides William W. McClellan with a supplemental irrigation water supply from Applegate Reservoir.

When it was determined that the legal description of the land to receive supplemental water in Article 4 of the contract was incorrect, this office requested Mr. McClellan's concurrence to the change in the contract. Enclosed is a copy of our letter to Mr. McClellan with his concurrence along with a copy of page 2 of the contract, which amends the contract, to reflect the correct legal description. Please attach the enclosures to your copy of the contract.

Sincerely,

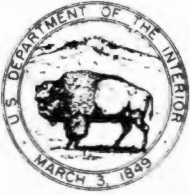
Acting *James Budolfson*

Regional Supervisor of
Water, Power, and Lands

Enclosures

cc: Watermaster
Jackson County
Jackson County Courthouse
Medford OR 97501 (w/cy of enclosures)

U.S. Army Corps of Engineers
Attention: NPPEN-HH-R
PO Box 2946
Portland OR 97208 (w/cy of enclosures)



IN REPLY
REFER TO:

United States Department of the Interior

BUREAU OF RECLAMATION
PACIFIC NORTHWEST REGION
FEDERAL BUILDING & U.S. COURTHOUSE
BOX 043-550 WEST FORT STREET
BOISE, IDAHO 83724-0043



PN 440

MAY 31 1991

Mr. William W. McClellan
3275 Erinlea Avenue
Newbury Park CA 91320

Subject: Water Service Contract No. 7-07-10-W0627, Applegate Reservoir
(Water Service Contract)

Dear Mr. McClellan:

This is in regard to Contract No. 7-07-10-W0627, which provides you with a supplemental irrigation water supply from Applegate Reservoir.

It has been determined that the legal description of the land to receive supplemental water in Article 4 of the contract is incorrect. The contract should be changed to read as follows:

Page 2, Article 4, Lines 12 and 13:

29 acres, SE1/4NW1/4, Sec. 6, T. 38 S., R.4 W., W.M.
11 acres, NE1/4SW1/4, Sec. 6, T. 38 S., R.4 W., W.M.

If you concur with this change, please sign in the spaces provided below and return this letter to this office.

Enclosed for your records is a duplicate copy of this letter along with three copies of page 2 of the contract which reflects the corrected legal description.

Thank you for your prompt assistance.

If you should have any questions, please feel free to contact Larry Parsons at (208) 334-1547.

Sincerely,

Acting Regional Supervisor of
Water, Power, and Lands

Enclosures

Concur:

Contractor

June 4, 1991
Date

3. WHEREAS, The Contractor owns land or provides water service to the owners of lands hereinafter described, for which a water supply is desired to be secured from the United States;

NOW, THEREFORE, in consideration of the premises and the payment by the Contractor to the United States of the charges in the manner hereinafter provided, it is agreed:

Lands for Which Water is Furnished: Limitations on Deliveries

4. The United States shall make available each year to the Contractor during the irrigation season from April 1 to October 31, inclusive, water from the Lost Creek Project for the irrigation of land owned by or served by the Contractor described as follows:

29 acres, SE1/4NW1/4, Sec. 6, T. 38 S., R.4 W., W.M.
11 acres, NE1/4SW1/4, Sec. 6, T. 38 S., R.4 W., W.M.

Of the land described, not more than 40 acres are to be irrigated. The amount of water to be made available hereunder shall be that quantity which may be applied beneficially in accordance with good usage in the irrigation of the land above described, but in no event shall it exceed a total diversion of 40 acre-feet annually, measured at the point of delivery of said water.



IN REPLY REFER TO:

United States Department of the Interior

BUREAU OF RECLAMATION
Pacific Northwest Region
Federal Building & U.S. Courthouse
Box 043-550 West Fort Street
Boise, Idaho 83724-0043

63182
TAKE
PRIDE IN
AMERICA

PN-440

APR 24 1992

RECEIVED

APR 27 1992

Mr. Forrest E. Drake
14202 North Applegate Road
Grants Pass OR 97527

WATER RESOURCES DEPT.
SALEM, OREGON

Subject: Proposed Water Service Contract, Applegate Reservoir
(Water Service Contract)

Dear Mr. Drake:

Enclosed for your signature are two copies of a replacement form of water service contract which, when properly executed, will make irrigation water available from the Applegate Reservoir, commencing with the 1992 irrigation season. Execution of the proposed contract would replace Contract No. 2-07-10-W0455, dated March 26, 1982, between the United States and yourself. Execution of the proposed contract will provide the 41 acres described in contract article 6 with a maximum of 40 acre-feet of stored water. Because 40 of the 84.5 acres described in your original contract have been provided stored water under another contract, Reclamation agrees to waive collection of your entire Applegate water service bills for 1990 and 1991 and of our \$100 contract preparation fee for the proposed contract as compensation for collecting payments from you in prior years for water service to these lands.

If you find the contract acceptable, we ask that you sign both copies, have your signatures notarized, and return both copies of the contract to this office, attention Code 440, along with the 1992 annual payment of \$200 which is specified in article 7. Upon receipt by this office, the contracts will be executed on behalf of the United States, dated, and assigned a contract number for identification purposes. A signed original and as many conformed copies as you desire will then be returned for your records.

We will also furnish a conformed copy of the contract to the Oregon State Department of Water Resources. When provided with this information, that agency will then be in a position to proceed with changing the current permit to divert water.

We appreciate your assistance in straightening out our contracts.

If you should have any questions, please feel free to contact Larry Parsons at the above address or telephone (208) 334-1547.

Sincerely,

Regional Supervisor of
Water, Power, and Lands

Enclosures

cc: Oregon State Water Resources Department, 3850 Portland Road NE.,
Salem OR 97310 (w/cy of encl)

Contract No.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

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Contract No.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this ____ day of _____, 19____, pursuant to section 9(e) of the Act of August 4, 1939 (53 Stat. 1187), and section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), (which acts are commonly known and referred to as the Reclamation Laws), and the Flood Control Act of 1962 (76 Stat. 1173), between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the Contracting Officer executing this contract, and Forrest E. Drake, 14202 North Applegate Road, Grants Pass, Oregon 97527, hereinafter referred to as the Contractor;

WITNESSETH, THAT:

Explanatory Recitals

2. WHEREAS, The United States has constructed and operates Applegate Reservoir in the Rogue River Basin, Oregon, herein styled the Applegate Project, from which there is a flow of water that can be used for irrigation of land and other beneficial uses, which flow, as it has been developed or as it will be augmented, has been appropriated by the United States pursuant to the laws of Oregon for beneficial use under the Federal Reclamation Laws; and

Recital 2

3. WHEREAS, The United States of America entered into a contract on March 26, 1982, Contract No. 2-07-10-W0455, with the Contractor for an irrigation water supply from the Applegate Project for 84.5 acres of land of which 41 acres are now owned by the Contractor; and

4. WHEREAS, the Contractor desires to secure an irrigation water supply from the Applegate Project for these lands hereinafter described;

NOW, THEREFORE, in consideration of the premises and the payment by the Contractor to the United States of the charges in the manner hereinafter provided, it is agreed:

Termination of Prior Contract

5. Contract No. 2-07-10-W0455, dated March 26, 1982, is being replaced by this contract and is no longer of any force and effect.

Lands for Which Water is Furnished: Limitations on Deliveries

6. The United States shall make available each year to the Contractor during the irrigation season from April 1 to October 31, inclusive, water from the Applegate Project for the irrigation of land owned by or served by the Contractor described as follows:

29.0 acres, SW1/4 NE1/4, Section 6, T. 38 S., R. 4 W., W.M.
2.3 acres, NE1/4 SW1/4, Section 6, T. 38 S., R. 4 W., W.M.
9.7 acres, NW1/4 SE1/4, Section 6, T. 38 S., R. 4 W., W.M.

Of the land described, not more than 41 acres are to be irrigated. The amount of water to be made available hereunder shall be that quantity which may be applied beneficially in accordance with good usage in the irrigation of the land above described, but in no event shall it exceed a total diversion of 40 acre-feet annually, measured at the point of delivery of said water.

Recitals 3, 4
Articles 5, 6

Payments for Water

7. (a) An annual payment of \$200 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual payments of \$200 will be due on or before April 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive 40 acre-feet of stored water, hereinafter referred to as the entitlement, for the irrigation of the lands described above. Payment for the annual charge is nonrefundable regardless of the amount of water actually used.

(b) The annual charge set forth in (a) above is based on an initial rate of \$5 per acre-foot of water; Provided, that such annual charge shall not be less than \$50. From time to time, but not less often than once every 5 years, the rate per acre-foot and the minimum charge shall be reviewed by the Contracting Officer and revised, if necessary, to cover costs to the United States for the irrigation water marketing program of the Applegate Project. Any revision by the Contracting Officer will apply only to future charges and shall be announced by written notice to the Contractor at least 3 months prior to the beginning of the irrigation season to which the new rate would be applicable.

(c) All payments from the Contractor to the United States under this contract shall be made by the medium requested by the United States. The required medium of payment may include checks, wire transfers, or other types of payment specified by the United States. Except when otherwise specified by the United States, all payments shall be made by check.

(d) Payments required hereunder shall be made to the Bureau of Reclamation at the location described in Article 16 of this contract.

Contract Preparation Assignment Fee

8. All future contract actions, including new contracts, contract amendments, supplements, and assignments will be charged a \$100 fee: Provided, That the fee shall be reviewed by the Contracting Officer and revised from time to time to cover costs to the United States.

Charges for Delinquent Payments

9. (a) The Contractor shall be subject to interest, administrative and penalty charges on delinquent installments or payments, pursuant to section 11 of the Debt Collection Act of 1982 (Public Law 97-365). When a payment is not received within 30 days of the due date, the Contractor shall pay an interest charge for each day the payment is delinquent beyond the due date. When a payment becomes 60 days delinquent, the Contractor shall pay an administrative charge to cover additional costs of billing and processing the delinquent payment. When a payment is delinquent 90 days or more, the Contractor shall pay an additional penalty charge of 6 percent per year for each day the payment is delinquent beyond the due date. Further, the Contractor shall pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month prescribed by section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

(c) When a partial payment on a delinquent account is received, the amount received shall be applied first to the penalty and administrative charges, second, to the accrued interest, and third to the overdue payment.

Furnishing of Water

10. (a) Upon payment of the annual charge specified in subarticle 7(a) above, the United States will furnish a maximum of 40 acre-feet of water to the Contractor from the Applegate Project. No water shall be furnished if the Contractor is delinquent in payment of the required annual charge.

(b) Water for the purposes hereof shall be made available and measured at the following point(s) of diversion:

860 feet north and 1,390 feet east of the southwest corner of Section 6, T. 38 S., R. 4 W., W.M.

The Contractor shall receive said water at the point of diversion and shall be wholly responsible for securing said water at that point and diverting, conveying, and utilizing it. The Contractor shall be required to conform its diversions and releases to the control of the stream as established by the appropriate State-appointed watermaster. The water to be delivered hereunder shall be measured by means of measuring or controlling devices satisfactory to the Contracting Officer. Such devices shall be furnished, installed, and maintained by and at the expense of the Contractor, but they shall be and remain at all times under the control of the United States or the watermaster whose representative may at all times have access to them over any lands of the Contractor. All losses of water from seepage, evaporation, or other cause, below said point of measurement, shall be borne by the Contractor.

(c) The Contractor and all other entities heretofore or hereafter contracting with the United States for a right to use water from the Applegate Project shall, to the extent of their entitlement, have equal

priority to the use of water from such project so far as that may be physically practicable and legally possible, without regard to the date of their respective contracts.

Special Conditions

11. (a) It is the responsibility of the Contractor to comply with the laws of the State of Oregon regarding the obtaining and perfecting of permits to divert water to the lands described in Article 6. The obligation of the United States to deliver water under this contract is subject to an operating plan for the Applegate Project determined in accordance with the law governing the project.

(b) If, at some future date, the Contracting Officer determines there is sufficient demand for irrigation water from the Applegate Project to justify the formation of an irrigation district, water supply company, or other water user organization, future water service may then be made contingent upon the establishment of such an organization. Under this condition, the Contractor will be notified at least 1 year in advance of the date this contract is terminated and continued water service to the lands described in Article 6 becomes dependent upon membership in the organization established for that purpose.

Term of Contract

12. This contract shall become effective as of the date first above written and will continue in force for 40 years unless sooner terminated in accordance with Articles 11 or 13 or by agreement of the parties hereto.

Termination of Contract

13. This contract may be terminated and water service hereunder shall cease at the option of the United States as set forth in Article 11(b) or at any other time if the Contractor is delinquent in payment of the water service charge for a period of 30 days or upon failure of the Contractor to abide by any notice, order, rule, or regulation of the United States or the State of Oregon now or hereafter established affecting water service hereunder.

United States Not Liable for Water Shortages--Adjustments

14. On account of drought or uncontrollable forces, there may occur a shortage in the total quantity of water available for furnishing to the Contractor by the United States pursuant to this contract. In no event shall any liability accrue against the United States or any of its officers, agents, or employees for any damage direct or indirect arising from such shortages. If such a shortage occurs, the United States will apportion the available water supply among the Contractor and others entitled by existing and future contracts to receive water from the Applegate Project.

Disclaimer

15. No provision of this contract, nor of any renewal thereof, nor the furnishing of water hereunder will be construed to bind the United States after the expiration of this contract as the basis of a permanent water right.

Because of possible fluctuations in reservoir surface elevations and downstream flows associated with the Applegate Project, the United States does not guarantee the availability of water at the point of the Contractor's diversion facilities as they may now be constructed or constructed hereafter. Further, the United States will not be held responsible for any acts or omissions of the Contractor's agents or of persons to whom water is furnished.

Notices

16. Any notice, demand, or request authorized or required by this contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Regional Supervisor of Water, Power, and Lands, Pacific Northwest Region, Bureau of Reclamation, Box 043, 550 West Fort Street, Boise, Idaho 83724-0043, and on behalf of the United States, when mailed, postage prepaid, or delivered to Forrest E. Drake, 14202 North Applegate Road, Grants Pass, Oregon 97527. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

General Provisions

17. The general provisions applicable to this contract are listed below. The full text of these general provisions is attached as Exhibit A and is hereby made a part of this contract.

- a. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS
- b. WATER AND AIR POLLUTION CONTROL
- c. QUALITY OF WATER
- d. EQUAL OPPORTUNITY
- e. COMPLIANCE WITH RECLAMATION LAWS
- f. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED
- g. OFFICIALS NOT TO BENEFIT
- h. WATER CONSERVATION

IN WITNESS WHEREOF, the parties hereto have signed their names the
day and year first above written.

CONTRACTOR

Forrest E. Drake

UNITED STATES OF AMERICA

Regional Supervisor of
Water, Power, and Lands, PN Region
Bureau of Reclamation
Box 043-550 West Fort Street
Boise, Idaho 83724-0043

STATE OF _____)
County of _____) : ss

On this _____ day of _____, 19____, before me,
_____, a Notary Public, personally appeared
_____, known to me to be the person whose name is
subscribed to the within instrument and acknowledged to me that he executed the
same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal as of the day and year first above written.

(SEAL)

Notary Public in and for the
State of _____
Residing at: _____

My commission expires:

* * * * *

STATE OF IDAHO)
County of Ada) : ss

On this _____ day of _____, 19____, personally
appeared before me _____, to me known to be the
official of the United States of America that executed the within and foregoing
instrument and acknowledged said instrument to be the free and voluntary act and
deed of said United States, for the uses and purposes therein mentioned, and on
oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal as of the day and year first above written.

(SEAL)

Notary Public in and for the
State of Idaho
Residing at: _____

My commission expires:

GENERAL PROVISIONS--APPLEGATE PROJECT, OREGON

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

a. The expenditure or advance of any money or the performance of any obligation of the United States under this contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this contract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

WATER AND AIR POLLUTION CONTROL

b. The Contractor, in carrying out this contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Oregon, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

QUALITY OF WATER

c. The operation and maintenance of project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable, as determined by the Contracting Officer. The United States does not warrant the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.

EQUAL OPPORTUNITY

d. During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the such rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH RECLAMATION LAWS

e. The parties agree that the delivery of irrigation water or the use of Federal facilities pursuant to this contract is subject to Reclamation law, as amended and supplemented, including, but not limited to, the Reclamation Reform Act of 1982 (Public Law 97-293).

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

f. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.

OFFICIALS NOT TO BENEFIT

g. No Member of or Delegate to Congress, Resident Commissioner or official of the Contractor shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

WATER CONSERVATION

h. Prior to the delivery of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this contract, the Contractor shall develop an effective water conservation program acceptable to the Contracting Officer. The water conservation program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. At subsequent 5-year intervals, the Contractor shall submit a report on the results of the program to the Contracting Officer for review. Based on the conclusions of the review, the Contracting Officer and the Contractor shall consult and agree to continue or to revise the existing water conservation program.

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery
(Extra charge) (Extra charge)

3. Article Addressed to:

Forrest E. Drake
292 North Applegate Rd
Lewiston, Ore 97526

4. Article Number

P-56245

Type of Service:

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt
for Merchandise

Always obtain signature of addressee
or agent and DATE DELIVERED.

5. Signature — Address

X Forrest Drake

6. Signature — Agent

X

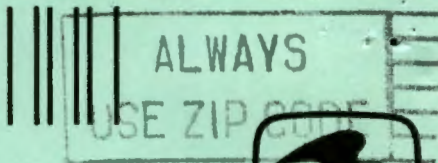
7. Date of Delivery

3-6-91

8. Addressee's Address (ONLY if
requested and fee paid)

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS



SENDER INSTRUCTIONS

Print your name, address and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.



PENALTY FOR PRIVATE
USE, \$300

RETURN
TO



Print Sender's name, address, and ZIP Code in the space below.

WATER RESOURCES DEPARTMENT
3850 PORTLAND ROAD NE
SALEM OR 97310



March 4, 1991

Forrest E. Drake
202 North Applegate Road
Grants Pass, Oregon 97526

REFERENCE: File 63182

According to the terms of your Permit 46663 complete application of water was to have been made by October 1, 1991.

Complete application of water means use of the water for the beneficial purpose described in the permit to the full extent intended. (In the case of irrigation, it means beneficial irrigation of the lands the permittee intends to cover.) This may be a smaller amount than the permit allowed.

ORS 537.260 provides that: "Whenever the time within which any appropriation under a permit should have been perfected has expired and the owner of the permit fails or refuses within three months thereafter to submit to the Water Resources Director proof of completion of the appropriation as required by ORS 537.230 and 537.250, the Water Resources Director may, after 60 days notice by registered mail, order the cancellation of the permit."

You are hereby notified that, unless proof of beneficial use is received within 60 days from the date of this letter, the permit may be canceled without further notice.

If you are no longer interested in the project described by the permit, we would appreciate being advised. If the property involved has been sold and any part of the project was completed, you should assign the permit to the new owner. An assignment form will be furnished upon request.

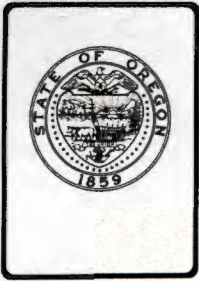
If additional information is needed, please contact the Water Rights Section.

cam

CERTIFIED - RETURN RECEIPT REQUESTED



3850 Portland Rd NE
Salem, OR 97310
(503) 378-3739
FAX 378-8130



Water Resources Department

3850 PORTLAND ROAD NE, SALEM, OREGON 97310

PHONE 378-3739

January 24, 1991

William W McClellan

~~14601 N Applegate Rd~~

~~Grants Pass OR 97526~~

Tele. 805 499 7404
3275 Eginlee Ave.

Newbury Park, CA. 91320

REFERENCE: File 63182

According to the terms of your Permit 46663 complete application of water was to have been made by October 1, 1990.

Complete application of water means use of the water for the beneficial purpose described in the permit to the full extent intended. (In the case of irrigation, it means beneficial irrigation of the lands the permittee intends to cover.) This may be a smaller amount than the permit allowed. If the water has been used, you should promptly submit notice describing the extent of completion as set forth in the letter accompanying your permit and also in our postal card of October 25, 1990.

ORS 537.260 provides that: "Whenever the time within which any appropriation under a permit should have been perfected has expired and the owner of the permit fails or refuses within three months thereafter to submit to the Water Resources Director proof of completion of the appropriation as required by ORS 537.230 and 537.250, the Water Resources Director may, after 60 days notice by registered mail, order the cancellation of the permit."

You are hereby notified that, unless proof of beneficial use is received within 60 days from the date of this letter, the permit may be canceled without further notice.

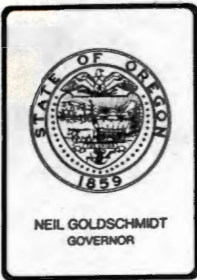
If you are no longer interested in the project described by the permit, we would appreciate being advised. If the property involved has been sold and any part of the project was completed, you should assign the permit to the new owner. An assignment form will be furnished upon request.

If additional information is needed, please contact the Water Rights Section.

tle

CERTIFIED - RETURN RECEIPT REQUESTED

*Note - McClellan
is successor to Kudlac.
C-form already submitted -
Form 100 should have been sent
to Drake instead.
LWN 3/1/91*



Water Resources Department

3850 PORTLAND ROAD NE, SALEM, OREGON 97310

PHONE 378-3739

January 3, 1990

Forrest E. Drake
14202 North Applegate Road
Grants Pass, OR 97527

Reference File: 63182

Your application for extension of the time limit to make complete application of water under the terms of your Permit 46663 has been received. We also have your check for \$100.

The application indicates reasonable diligence toward completion of the proposed project; therefore, the time limit to make complete application of water is extended to October 1, 1990.

You should make every attempt to complete your project on or before that date. It is doubtful any further extensions could be allowed.

Sincerely,

Steven P. Applegate, Manager
Application/Permit Section



While You Were Out

To

Mum

Date

Time

10:40 AM

called

Wilton McClellan

of

Phone

805-499-7404



Telephoned



In person



Please call



Wants to see you



Will call again



Returned your call

Message

Available till noon

Taken by

fw

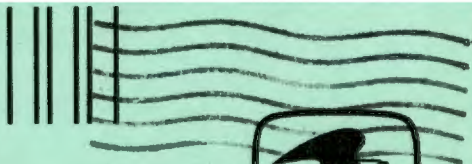
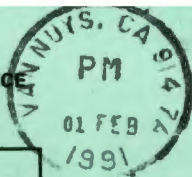
UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address and ZIP Code in the space below.

- Complete Items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.



PENALTY FOR PRIVATE
USE, \$300

RETURN
TO



Print Sender's name, address, and ZIP Code in the space below.

WATER RESOURCES DEPARTMENT
3850 PORTLAND ROAD NE
SALEM OR 97310



● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:

William W McClellan
14601 N Applegate Rd
Grants Pass OR 97526

4. Article Number

D-57753

Type of Service:

- | | |
|---------------------------------------|---|
| <input type="checkbox"/> Registered | <input type="checkbox"/> Insured |
| <input type="checkbox"/> Certified | <input type="checkbox"/> COD |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Return Receipt for Merchandise |

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Address

X

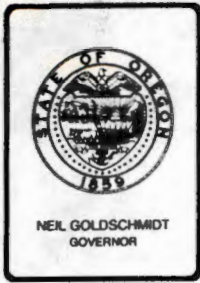
6. Signature — Agent

X

7. Date of Delivery

28 FEB 1988
ALM 818

8. Addressee's Address (ONLY if requested and fee paid)



Water Resources Department

3850 PORTLAND ROAD NE, SALEM, OREGON 97310

PHONE 378-8509

August 4, 1989

Lawyers Title
323 NE 7th Street
PO Box 968
Grants Pass, OR 97526

REFERENCE: Files ⁴⁵⁷⁶²63181 and ⁴⁶⁶⁶³63182

Gentlemen:

The assignment of Permits 45762 and 46663 from Phillip C. and Pamela R. Kudlac to William W. McClellan have been recorded in the records of the Water Resources Department.

Our records have been changed accordingly and the original assignment forms along with our Receipt Numbers 57923 and 57924 covering the \$20 recording fees are enclosed.

Sincerely,

Vestal Garner, Manager
Survey/Certificate Section

VG/jw

Enclosures

cc: Phillip C. and Pamela R. Kudlac
William W. McClellan
Bruce Sund, Watermaster District #13
Suzie Joachims, Engineering Technician

RECEIVED

AUG 10 1989

WATER MASTER
DISTRICT 13

T385, R 4w, Sec 6
Wm

Application for Extension of Time

TO THE WATER RESOURCES DIRECTOR OF OREGON

I, Forrest E. Drake
Name
14202 N. Applegate, RD,
Mailing Address
Drants Pass, OR 97527
City State Zip

record owner of water permit No. 46663, do hereby request that the time in which to:

☐ complete the construction of works and/or purchase and installation of the equipment necessary to the use of water, which time now expires on October 1, 1988, be extended to October 1, 19 ; and/or the time in which to

☒ accomplish beneficial use of water to the full extent now intended under the terms of said permit, which time now expires on October 1, 1988, be extended to October 1, 1990.

I have accomplished the following described works and/or purchase and installation of equipment necessary to the use of water under said permit:

(1) within the past year Installed 1600 ft 6" steel pipeline along east side of road. Cleared additional 20 acres. Seeded for pasture. Have added about 15 acres to project since October 1987.

(2) prior to this past year (see previous request)

DOC: Medford
 field crew -
 "Please return this"
 field form - 3854W

(3) and have accomplished beneficial use of water to the extent of (IF FOR IRRIGATION)

ACRES HAVE BEEN IRRIGATED) Approx 30 acres on east side were irrigated in 1989, leaving approx 10 acres to complete clearing & seeding.

(If additional space is required, attach separate sheet)

Forrest E. Drake
(If signing for a corporation please identify your title)

Dated

12-27-89

MAIL COMPLETED APPLICATION AND STATUTORY FEE OF \$100.00 FOR EACH PERMIT TO:

Water Resources Department
 3850 Portland Road N.E.
 Salem, Oregon 97310

(Letter to Drake only)
 OK C lost to 10-1-90 JHK

12-27-89
 \$100.00
 Reg# 60506

Application for Extension of Time

TO THE WATER RESOURCES DIRECTOR OF OREGON

I, Forrest E. Drake
Name
14202 N. Applegate Rd,
Mailing Address
Drantsess, OR 97527
City State Zip

record owner of water permit No. 46663, do hereby request that the time in which to:

☐ complete the construction of works and/or purchase and installation of the equipment necessary to the use of water, which time now expires on October 1, 1988, be extended to October 1, 19 ; and/or the time in which to

☒ accomplish beneficial use of water to the full extent now intended under the terms of said permit, which time now expires on October 1, 1988, be extended to October 1, 1990.

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(1) within the past year Installed 1600 ft 6" steel pipeline along east side of road. Cleared additional 20 acres. Seeded for pasture. Have added about 15 acres to project since October 1987.

(2) prior to this past year (see previous request)

(3) and have accomplished beneficial use of water to the extent of (IF FOR IRRIGATION, STATE HOW MANY

ACRES HAVE BEEN IRRIGATED) Approx 30 acres on east side were irrigated in 1989, leaving approx 10 acres to complete clearing & seeding.

(If additional space is required, attach separate sheet)

Forrest E. Drake
(If signing for a corporation please identify your title)

Dated 12-27-89

MAIL COMPLETED APPLICATION AND STATUTORY FEE OF \$100.00 FOR EACH PERMIT TO:

Water Resources Department
 3850 Portland Road N.E.
 Salem, Oregon 97310

12-27-89
\$100.00
 REG# 60506

(Letter to Drake only)
 OK C last to 10-1-90
 JHK



Water Resources Department

3850 PORTLAND ROAD NE, SALEM, OREGON 97310

PHONE 378-8509

August 4, 1989

Lawyers Title
323 NE 7th Street
PO Box 968
Grants Pass, OR 97526

REFERENCE: Files 63181 and 63182

Gentlemen:

The assignment of Permits 45762 and 46663 from Phillip C. and Pamela R. Kudlac to William W. McClellan have been recorded in the records of the Water Resources Department.

Our records have been changed accordingly and the original assignment forms along with our Receipt Numbers 57923 and 57924 covering the \$20 recording fees are enclosed.

Sincerely,

Vestal Garner, Manager
Survey/Certificate Section

VG/jw

Enclosures

cc: Phillip C. and Pamela R. Kudlac
William W. McClellan
Bruce Sund, Watermaster District #13
Suzie Joachims, Engineering Technician

The completed assignment must be submitted to the Water Resources Dept.
3850 Portland Rd. N.E. -Salem, OR. 97310, together with a recording
fee of \$10.00.

#5-9923
\$10-
5-11-89

NUMBER 59068

Check 5⁰⁰ NO Cash

 Surface Application

 Reservoir Application

 Ground Water Application

 Transfer Application

 Power Claim

 Hydroelectric Examination

 Hydroelectric License

 Copying

✓ Assignment

 Extension of Time

 Other

 P-6

 Quadrangle

 Basin

 Protest

 Constructors Examination

 Constructors License

 Adjudication

Tim Hoffman called
27 July 89.

Land west of road
irrigated in BB by
Bill McClellan. Tim
will inform J that he
needs to send "C" slip.

Part of Drake ^(E. of road) ~~acres~~
not irrigated in BB due
to Tim's logging accident -
broke both legs. Sent
X form to him.

Processed assignments.

Æ

7/29/88

RECEIVED

AUG - 1 1989

WATER RESOURCES DEPT.
S. E. L. C. S. I.

Water Resource Dept.

Thomas E Shook -

There seems to be a big mess in the water right²ect to our property we purchased from Forest Drake and recently sold to Bill McClellan -

1st We found out Drake lost ~~some~~ some water allocation to our property we own I bought from him so he assign other rights over to us, I filed for a completion on the property I thought was ours but now in turns out to be Hoffmanns.

I don't know how we are supposed to handle all this. I was told to pump out of ground water and told that to McClellan as of time too I don't know if he is doing that or not.

I think I was suppose to send to the ⁶¹⁴⁰¹ 45762 # 110 + ⁶³¹⁸² 46663 because that has nothing to do with the Property we own -

Phil Kudlac

I can be contacted at 476-4612

please call so we can try to straighten this mess

By phone call 2 Aug 88. Kudlac assignments are proper & in order. The under stood. Extensions allowed was to be made on Kudlac portion of 63182. All of 61481 went to Kudlac and was in within terms as extended. Land cost of road still belongs to Drake. No problems apparent in so far as Kudlac concerned. Assignments should be processed.



RECEIVED

AUG - 1 1989

Water Resources Department

3850 PORTLAND ROAD NE, SALEM, OREGON 97310

PHONE

378-3739

February 23, 1989

Phillip C. and Pamela R. Kudlac
3290 Lower River Rd.,
Grants Pass, OR 97526

REFERENCE: File 63182

We have received your notice that complete application of water has been made under permit 46663 .

At a later date, a representative of this office will make an inspection and survey of your project.

You will be mailed a proposed certificate of water right covering the actual use of water as found by our Inspector. Any use described in the permit that was not made will not be included in the certificate.

In the meantime, the permit you hold is valid evidence of your right so long as you continue to use the water.

If you have any questions, please contact the Survey/Certificate Section at 378-3739.

Form C (690-9-77)

IMPORTANT—This form is a notice to the Water Resources Director that permittee is ready to make final proof to the extent to which the water has actually been applied to the intended use under the terms of the permit. Permittee is cautioned that Certificate of Water Right will be issued based on the extent of the quantity and use as determined by the final proof inspection and survey which will be made in response to the filing of this Form C.

NOTE: In the case of an irrigation permit, this Form C should not be mailed to the Water Resources Department until all of the land described in the permit, which it is intended to irrigate under this permit at any time, has actually been irrigated.

Fill out, detach and mail to the Water Resources Department, Salem, OR 97310, when all of the water has been applied.

Application No.

NOTICE OF COMPLETE APPLICATION OF WATER TO A BENEFICIAL USE

I,, the holder of Permit No. 45762
to appropriate the public waters of the state of Oregon, completely applied the waters to a beneficial use in
accordance with the terms of said permit, on the day of, 19.....

Remarks:

IN WITNESS WHEREOF, I have hereunto set my hand this day of, 19.....

.....
(Signature of Applicant)

.....
(Address)

RECEIVED

AUG - 1 1939

WATER RESOURCES DEPT.

NORTH
1 1/2 400'

MISSOURI
FLAT
CEMETERY

FORREST E. DRAKE

12-7-39

RECEIVED

J. 1901

WATER RESOURCES DEPT.

ST. LOUIS

TWP. 38 S. R. 4 W. A

SE 1/4 NW 1/4
This is part
of water right
and water

SW 1/4 NE 1/4

295

170

125

CENTER

6

35

115

92

NE 1/4 SW 1/4

23

NW 1/4 SE 1/4

DIV. PT. IS 860' N.
& 1390' E FROM
SW COR OF SEC. 6

APPLE GATE

RIVER

- Primary from Apple Gate River & then from Applegate Reservoir
- Supplemental from Applegate Lake Res. (Primary & Center)
- Supplemental from Applegate Lake Res. (Primary & Center)

Application No. 63182
Permit No. 46663

RECEIVED

WATER RESOURCES DEPT.

ST. LOUIS



Water Resources Department

3850 PORTLAND ROAD NE, SALEM, OREGON 97310

PHONE 503 378-3739

July 14, 1989

PHILLIP C. AND PAMELA R. KUDLAC
3290 LOWER RIVER RD
GRANTS PASS, OR 97526

REFERENCE: File 63182 and 61481

To date, we have not had a response to my letter dated May 16, 1989, a copy of which is enclosed and we are unable to withhold action indefinitely on the requested assignments of permits 45762 and 46663.

If the terms of permit 45762 have not been met, the permit should be canceled or an application requesting another extension of time submitted.

Unless I hear from you within 30 days from the date of this letter about the status of permit 45762, I will assume the project has been abandoned and proceed with the assignment of permit 46663 only.

We have received from the Bureau of Reclamation a copy of the assignment of Applegate Reservoir water service contract from you to Mr. McClellan.

Sincerely,

Thomas E. Shook
Water Right Specialist

cc: William W. McClellan
Lawyers Title Escrow No. LG-4696
Sherm Heater Inc., Realtors

*McClellan land west of road. Drake E. of road.
All of west side irr in BB. Much, but not all, of E side
irr in BB due to Tim Hoffman logging accident. Hoffman is
Drake's son-in-law.*

AE



IN REPLY
REFER TO:
PN 440

Applegate *Borden*
United States Department of the Interior

BUREAU OF RECLAMATION
PACIFIC NORTHWEST REGION
FEDERAL BUILDING & U.S. COURTHOUSE
BOX 043-550 WEST FORT STREET
BOISE, IDAHO 83724-0043

RECEIVED

MAY 26 1989

WATER RESOURCES DEPT.
SALEM, OREGON

MAY 24 1989

Mr. Dan Heater
Sherm Heater Inc., Realtors
705 Northeast 7th Street
Grants Pass OR 97526

Subject: Assignment of Applegate Reservoir Water Service Contract
No. 7-07-10-W0627 (Water Service)

Dear Mr. Heater:

This is in regard to Mr. William McClellan's recent purchase of lands owned by Phillip and Pamela Kudlac and the transfer of their water service contract, which serves those lands, to Mr. McClellan.

Enclosed for Mr. McClellan's records is a copy of the Assignment of Contract which has been fully executed by the Kudlacs and transfers all their right, title, and interest in Contract No. 7-07-10-W0627 to Mr. McClellan.

Also enclosed is a copy of that contract which now provides Mr. McClellan a supplemental irrigation water supply of 40 acre-feet annually from Applegate Reservoir to those lands described in Article 4 of the contract.

If you should have any questions, please contact Ryan Patterson at the above address or telephone (208) 334-1894.

Sincerely,

Kenneth R. Pedde
Regional Director

Enclosures

cc: Director
Oregon State Water Resources Department
3850 Portland Road, NE.
Salem OR 97310 (with copy of Assignment of Contract)

U.S. Army Corps of Engineers
Attention: NPPEN-HH-R
P.O. BOX 2946
Portland OR 97208 (with copy of Assignment of Contract)

Mr. Bruce R. Sund
Watermaster, Jackson County
Jackson County Courthouse
Medford OR 97501 (with copy of Assignment of Contract)

Assignment of Contract for Rogue River Project

WHEREAS, the United States of America entered into a contract on November 19, 1986, Contract No. 7-07-10-W0627, with Phillip C. and/or Pamela R. Kudlac for a supplemental irrigation water supply from Applegate Reservoir for use on lands owned by the Contractor; and

WHEREAS, William W. McClellan has purchased the land to which water was to be provided under said contract and that contract is now to be assigned to William W. McClellan;

NOW, THEREFORE, for value received, we, Phillip C. and/or Pamela R. Kudlac hereby assign to William W. McClellan all our right, title, and interest in Contract No. 7-07-10-W0627, dated November 19, 1986, for a supplemental irrigation water supply not to exceed 40 acre-feet annually. This assignment is effective only upon the approval thereof by the United States of America as provided in Exhibit A, General Provisions, Article f. of said November 19, 1986 contract.

Phillip C. Kudlac
Phillip C. Kudlac, Assignor

Pamela R. Kudlac
Pamela R. Kudlac, Assignor

3290 LOWER RIVER ROAD
GRANTS PASS, OR 97526
Address

MAY 5, 1989
Date

CONTRACTING OFFICER

By Kenneth R. Peckie
Assistant Regional Director, PN Region
Bureau of Reclamation
Box 043, 550 West Fort Street
Boise ID 83724

STATE OF OREGON)
 : ss
County of Josephine

On this 5th day of May, 1989, before me, a notary public, personally appeared Phillip C. and/or Pamela R. Kudlac, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed this Assignment of Contract as their free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

Karen Estrada
Notary Public in and for the
State of Oregon
Residing at: Central Point, Oregon
My Commission expires: 2-25-91

(SEAL)

* * * * *

STATE OF IDAHO)
 : ss
County of Ada)

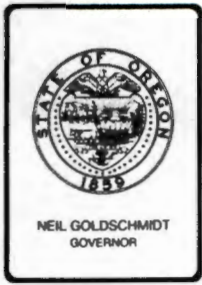
On this 22nd day of May, 1989, personally appeared before me Kenneth R. Pedde, known to me to be the official of the UNITED STATES OF AMERICA that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said United States, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

Diana L. Jacobs
Notary Public in and for the
State of Idaho
Residing at Boise

(SEAL)

My commission expires: 5-23-94



Water Resources Department

3850 PORTLAND ROAD NE, SALEM, OREGON 97310

PHONE 503 378-3739

May 16, 1989

PHILLIP C. AND PAMELA R. KUDLAC
3290 LOWER RIVER RD
GRANTS PASS, OR 97526

REFERENCE: File 63182 and 61481

We have received your requests to assign permits 46663 and 45762 along with a check in the amount of \$20 from Lawyers Title.

Under the terms of permit 45762, water was to have been used to the fullest extent intended on or before October 1, 1988. We have not been advised as to whether or not this requirement was met. Since the validity of the permit is questionable, I will not act on the assignment request until you bring us up to date. A form for reporting is enclosed.

Further action will be withheld for a reasonable length of time pending your reply.

Sincerely,

Thomas E. Shook
Water Right Specialist

SS -

Send C reminder to Drake
Send 128 to Kudlac
mark file for a C from Kudlac
Set up BC 88

Nunn



Water Resources Department

3850 PORTLAND ROAD NE, SALEM, OREGON 97310

PHONE 378-3739

June 21, 1988

Phillip & Pamela Kudlac
3290 Lower River Rd.
Grants Pass, OR 97526

REFERENCE: Files 63182, & 61481

Permit 45762 has been assigned from Forrest E. Drake to you and recorded in the records of Water Resources Department.

Your applications for extension of the time limits to complete construction and make complete application of water under the terms of your Permits 46663, and 45762 were received. We also have your check for \$100 & Forest E. Drake's check for \$100.

The applications indicate reasonable diligence toward completion of the proposed projects; therefore, the time limits to complete construction and make complete application of water are extended to October 1, 1988, for both permits.

I have enclosed a copy of the map originally submitted with Application 63182. Permit 46663 was issued based upon that request and supporting map. I have highlighted in orange the 23.5 acres identified as being "Supplemental from Applegate Lake Reservoir (Primary = Certificate Number GR-3494)". The primary source for this land is a sump well in the NE1/4 SW1/4 under an October, 1953 priority.

Since the sump well is the primary source of supply, the well must be used whenever it is available. Use of stored water from Applegate Lake may only be used when water is not available in the well. Since there is some indication that the well has not been used for a few years, I must caution you that if the ground water right is not exercised, it may be lost, and the supplemental use cannot stand alone.

If you should decide you do not wish to use the sump as the primary source of water for the 23.5 acres you should cancel the groundwater claim, and request a new permit for the use of direct flows from Applegate River for this land.

If you have any questions, please contact us.

Sincerely,

Steven P. Applegate
Field Crews Supervisor

SPA:ldh

Enclosures

cc: Forest E. Drake

Application for Extension of Time

TO THE WATER RESOURCES DIRECTOR OF OREGON

RECEIVED

JAN 29 1988

WATER RESOURCES DEPT.
SALEM, OREGON

I, Forrest E. Drake,
Name
14202 N. Applegate RD
Mailing Address
Drants Pass, OR 97527
City State Zip

record owner of water permit No. 46663, do hereby request that the time in which to:

- ☐ complete the construction of works and/or purchase and installation of the equipment necessary to the use of water, which time now expires on October 1, 19__, be extended to October 1, 19__;
 and/or the time in which to
- ☐ accomplish beneficial use of water to the full extent now intended under the terms of said permit, which time now expires on October 1, 1987 be extended to October 1, 1988

I have accomplished the following described works and/or purchase and installation of equipment necessary to the use of water under said permit:

- (1) within the past year Equipment to use water in place, needed to clear more brush of land, due to
- (2) prior to this past year the fire season and fires in this area could not run cost to do so, also sickness,
- (3) and have accomplished beneficial use of water to the extent of (IF FOR IRRIGATION, STATE HOW MANY ACRES HAVE BEEN IRRIGATED) ~~none~~ 30 Plus acres have been irrigated

(If additional space is required, attach separate sheet)

Forrest E. Drake
(If signing for a corporation please identify your title)

Dated Jan 24 88

MAIL COMPLETED APPLICATION AND STATUTORY FEE
 OF \$100.00 FOR EACH PERMIT TO:

Water Resources Department
 3850 Portland Road N.E.
 Salem, Oregon 97310

OK BIC
 to 10-1-88
 JKA

1-29-88
 \$100.00
 54396



STATE OF OREGON

INTEROFFICE MEMO

TO: STEVE

DATE: 12-15-87

FROM: TOM

SUBJECT: EXTENSION OF TIME

(664-3208)

WES HARTMAN, FARM CREDIT SERVICES (CENTRAL POINT) CALLED IN RESPONSE TO YOUR LETTER TO KUDLACS. DURING OUR DISCUSSION, IT SOUNDED AS IF KUDLACS OWN JUST LAND WEST ROAD. THIS PORTION OF PERMIT IS SUPPLEMENTAL & MORE THAN LIKELY HAS BEEN IRRIGATED WITH CONTRACT WATER. (PRIMARY RIGHT EXERCISED)

I TOLD HIM THEY SHOULD SEND US A STATEMENT RE: USE. (See letter 12-14-87 to the
I DID NOT ADD THAT WE WOULD REFUND \$700, BUT MAYBE WE SHOULD.

ALSO, I'LL BET WE DID NOT SEND A REMINDER CARD TO DRAKE. WE'LL NEED HIS REPORT OF USE ALSO

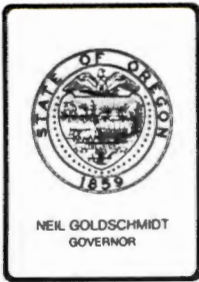
OVER

GETS MORE INTERESTING. (61481)

NOTE PERMIT 45762. DRAKE SAID 20 ACRES WATERED IN '83; HOWEVER, MY 12-16-87 TELEPHONE DISCUSSION WITH HARTMAN SUGGESTS NOT ALL 20 ACRES WERE IRRIGATED BECAUSE THIS IS WHAT KUDLAC ARE ENLARGING.

I SAID 46663 GOOD FOR ONLY LANDS IRRIGATED UNDER 45762 BY 10-1-84. TOO LATE FOR AN EXTENSION OF TIME, BUT NEW PERMIT COULD BE OBTAINED. THEY ALSO NEED AN ASSIGNMENT FOR 45762. THEY WILL GET BACK TO US.

- Surveyed 8/85 by BST - NOT drafted?
2/1/88 - Called Suzie - left messg.
@ 3:30 PM
Suzie has
filled form - will
send back



Water Resources Department

3850 PORTLAND ROAD NE, SALEM, OREGON 97310

PHONE 378-3739

April 20, 1988

Phil Kudlac
3290 Lower River Rd.
Grants Pass, OR 97526

REFERENCE: Files 63182 and 61481

As we discussed by phone, on April 18, 1988, I am enclosing the \$200 check you submitted last week.

Also enclosed is a partially completed assignment form for your use in obtaining an assignment of Forrest Drake's interest in permit 45762 to you. He will need to sign the form and it must then be submitted along with the \$10 recording fee. This permit will be valid only to the extent it was completed as of October 1, 1984, unless the time limits are extended also.

I understand Mr. Drake is planning a trip to Salem next week, so we will be able to straighten this out.

Sincerely,

Steven P. Applegate
Field Crews Supervisor

SPA:ldh

cc: Forest Drake

Enclosure

THE VALLEY LUMBER COMPANY

RETAIL BUILDING MATERIAL

545 N.W. "F" STREET

PHONE 476-4612

P. O. BOX 408

GRANTS PASS, OREGON, _____ 19__

Water Resource

Several weeks ago someone
destroyed some papers on my desk.
I know I owe \$200.00 I believe
the contract # is 7-07-10-W0627
to divert from the Applegate River.

Thank you

Phil Kudlac

*Kudlac
6/31/82*

*Check returned
to Kudlac
4/20/88*

RECEIVED

APR 14 1988

WATER RESOURCES DEPT.,
SALEM, OREGON

Application for Extension of Time**RECEIVED**

TO THE WATER RESOURCES DIRECTOR OF OREGON

NOV 16 1987

I, Phil + Pam KudlacWATER RESOURCES DEPT.
SALEM, OREGON3290 Lower River Rd.

Mailing Address

Grants Pass

City

Oregon

State

9756

Zip

record owner of water permit No. 46663, do hereby request that the time in which to:

☐ complete the construction of works and/or purchase and installation of the equipment necessary to the use of water, which time now expires on October 1, 1987, be extended to October 1, 1988; and/or the time in which to

☐ accomplish beneficial use of water to the full extent now intended under the terms of said permit, which time now expires on October 1, 19 , be extended to October 1, 19

I have accomplished the following described works and/or purchase and installation of equipment necessary to the use of water under said permit:

- (1) within the past year We have semi clear the land but due to the extremely dry weather have not be able to finish the project as soon as we can becu we get back to get
- (2) prior to this past year _____

- (3) and have accomplished beneficial use of water to the extent of (IF FOR IRRIGATION, STATE HOW MANY ACRES HAVE BEEN IRRIGATED) _____

(If additional space is required, attach separate sheet)

Phil Kudlac

(If signing for a corporation please identify your title)

Dated 11-1-87MAIL COMPLETED APPLICATION AND STATUTORY FEE
OF \$100.00 FOR EACH PERMIT TO:Water Resources Department
3850 Portland Road N.E.
Salem, Oregon 97310

Receipt No. 53773
Nov. 16 1987
\$100.00



Water Resources Department

3850 PORTLAND ROAD NE, SALEM, OREGON 97310

PHONE 378-3739

November 25, 1987

Phillip C. and Pamela R. Kudlac
3290 Lower River Road
Grants Pass, OR 97526

Dear Mr. and Mrs. Kudlac:

REFERENCE: File 63182

Your application for an extension of the time limit in which to complete construction under the terms of your Permit 46663 has been received. We also have your check in the amount of \$100. A receipt is enclosed.

The information given on the application is not sufficient to demonstrate that a reasonable effort has been made to complete the project as proposed. The request for additional time can be granted only if such diligence is shown.

Your application is being returned for additional information regarding the water system and/or the use of water within the time limits currently allowed.

Further action on your request will be withheld for 30 days pending your reply.

Sincerely,

Steven P. Applegate
Water Right Specialist

SPA:wpc

Enclosures

2293E-a
2294E

10-14-87

63176

RECEIVED

OCT 16 1987

WATER RESOURCES DEPT.
SALEM, OREGON

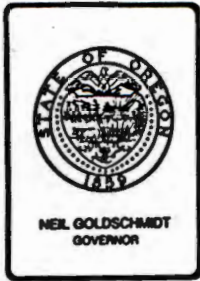
State of Oregon
Water Resources Director
Salem, OR 97310

re: CWP permit # 46663

We would like to file an extension on this permit until May, 1, 1988. We have the land cleared but due to the extreme fire danger and lack of fall rains, we have been unable to burn the brush to enable us to seed the ground. Please send us an application for an extension if one is needed.

Thank you.

Phil & Pam Kudlac
3290 Lower River Rd.
Grants Pass, OR 97526



Water Resources Department

3850 PORTLAND ROAD NE, SALEM, OREGON 97310

PHONE 378-3739

October 20, 1987

Phil and Pam Kudlac
3290 Lower River Rd.
Grants Pass, OR 97526

REFERENCE: File :63182

Enclosed is an application requesting an extension of the time limits imposed on Permit;46663 .

The Water Resources Director is permitted by law to extend the time for completion of a project only upon a showing of reasonable diligence by the permittee. Therefore, please complete this application in detail describing what has been accomplished.

The application must be received in this office with the statutory filing fee of \$100 for each permit.

Sincerely,

THOMAS E. SHOOK
Water Rights Specialist

TES/jw

Enclosure



IN REPLY
REFER TO:

PN 440

*why Young
Gehlbartsek*
United States Department of the Interior

BUREAU OF RECLAMATION
PACIFIC NORTHWEST REGION
FEDERAL BUILDING & U.S. COURTHOUSE
BOX 043 - 550 WEST FORT STREET
BOISE, IDAHO 83724

RECEIVED

NOV 24 1986

**WATER RESOURCES DEPT.
SALEM, OREGON**

NOV 21 1986

Mr. and Mrs. Phillip C. Kudlac
3290 Lower River Road
Grants Pass, Oregon 97526

Dear Mr. and Mrs. Kudlac:

Enclosed for your records is a fully executed original and two conformed copies of Contract No. 7-07-10-W0627, dated November 19, 1986, which provides you a supplemental irrigation water supply from the Applegate Reservoir.

If you have not yet contacted the Oregon State Water Resources Department for your Permit to Divert, we suggest you do so. We are furnishing that agency a conformed copy of the contract so they will be in a position to proceed with issuing the required permit to divert water.

If there are any questions regarding the terms or conditions set forth in the contract, please feel free to contact this office.

Sincerely yours,

Donald E. Kent

Don
Regional Supervisor of
Water, Power and Lands

Enclosure

cc: Director, Oregon State Water Resources Department
3850 Portland Road, NE.
Salem, Oregon 97310
(with copy of enclosure)

U.S. Army Corps of Engineers
Attention: NPPEN-HH-R
P.O. Box 2946
Portland, Oregon 97208
(with copy of enclosure)

Contract No. 7-07-10-W0627

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

Contents

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

1 THIS CONTRACT, made this 19th day of November, 1986,
2 pursuant to section 9(e) of the Act of August 4, 1939 (53 Stat. 1187),
3 and section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), (which
4 acts are commonly known and referred to as the Reclamation Laws), and the
5 Flood Control Act of 1962 (76 Stat. 1173), between the UNITED STATES OF
6 AMERICA, hereinafter referred to as the United States, represented by
7 the Contracting Officer executing this contract, and Phillip C. and/or,
8 Pamela R. Kudlac, 3290 Lower River Road, Grants Pass, Oregon 97526,
9 hereinafter referred to as the Contractor;

10 WITNESSETH, THAT:

11 Explanatory Recitals

12 2. WHEREAS, The United States has constructed and operates
13 Applegate Reservoir in the Rogue River Basin, Oregon, herein styled the
14 Applegate Project, from which there is a flow of water that can be used
15 for irrigation of land and other beneficial uses, which flow, as it has
16 been developed or as it will be augmented, has been appropriated by the
17 United States pursuant to the laws of Oregon for beneficial use under
18 the Federal Reclamation Laws; and

1 3. WHEREAS, The Contractor owns land or provides water service
2 to the owners of lands hereinafter described, for which a water supply
3 is desired to be secured from the United States;

4 NOW, THEREFORE, in consideration of the premises and the
5 payment by the Contractor to the United States of the charges in the
6 manner hereinafter provided, it is agreed:

7 Lands for Which Water is Furnished: Limitations on Deliveries

8 4. The United States shall make available each year to the
9 Contractor during the irrigation season from April 1 to October 31,
10 inclusive, water from the Applegate Project for the irrigation of land
11 owned by or served by the Contractor described as follows:

12 40.0 acres, NW1/4NW1/4, Sec. 6, T. 38 S., R. 4 W., W.M.

13
14
15
16
17
18
19 Of the land described, not more than 40 acres are to be irrigated.
20 The amount of water to be made available hereunder shall be that
21 quantity which may be applied beneficially in accordance with good usage
22 in the irrigation of the land above described, but in no event shall it
23 exceed a total diversion of 40 acre-feet annually, measured at the
24 point of delivery of said water.

1

2

10

20

1 (d) Payments required hereunder shall be made to the Bureau of
2 Reclamation at the location described in Article 13 of this contract.

3 Charges for Delinquent Payments

4 6. (a) The Contractor shall be subject to interest, administrative
5 and penalty charges on delinquent installments or payments, pursuant to
6 section 11 of the Debt Collection Act of 1982 (Public Law 97-365). When a
7 payment is not received within 30 days of the due date, the Contractor
8 shall pay an interest charge for each day the payment is delinquent beyond
9 the due date. When a payment becomes 60 days delinquent, the Contractor
10 shall pay an administrative charge to cover additional costs of billing
11 and processing the delinquent payment. When a payment is delinquent
12 90 days or more, the Contractor shall pay an additional penalty charge of
13 6 percent per year for each day the payment is delinquent beyond the due
14 date. Further, the Contractor shall pay any fees incurred for debt
15 collection services associated with a delinquent payment.

16 (b) The interest charge rate shall be the greater of the rate
17 prescribed quarterly in the Federal Register by the Department of the
18 Treasury for application to overdue payments, or the interest rate of
19 0.5 percent per month prescribed by section 6 of the Reclamation Project
20 Act of 1939 (Public Law 76-260). The interest charge rate shall be
21 determined as of the due date and remain fixed for the duration of the
22 delinquent period.

23 (c) When a partial payment on a delinquent account is received,
24 the amount received shall be applied first to the penalty and administra-
25 tive charges, second, to the accrued interest, and third to the overdue
26 payment.

27 Furnishing of Water

28 7. (a) Upon payment of the annual charge specified in sub-
29 article 5(a) above, the United States will furnish a maximum of 40
30 acre-feet of water to the Contractor from the Applegate Project. No
31 water shall be furnished if the Contractor is delinquent in payment of
32 the required annual charge.

1 (b) Water for the purposes hereof shall be made available and
2 measured at the following point(s) of diversion:

3 860 feet north and 1,390 feet east of the southwest corner of
4 Section 6, Township 38 South, Range 4 West, W.M.
5
6
7
8

9 The Contractor shall receive said water at the point of diversion and
10 shall be wholly responsible for securing said water at that point and
11 diverting, conveying, and utilizing it. The Contractor shall be
12 required to conform its diversions and releases to the control of the
13 stream as established by the appropriate State-appointed watermaster.
14 The water to be delivered hereunder shall be measured by means of
15 measuring or controlling devices satisfactory to the Contracting Officer.
16 Such devices shall be furnished, installed, and maintained by and at the
17 expense of the Contractor, but they shall be and remain at all times
18 under the control of the United States or the watermaster whose represen-
19 tative may at all times have access to them over any lands of the
20 Contractor. All losses of water from seepage, evaporation, or other
21 cause, below said point of measurement, shall be borne by the Contractor.

22 (c) The Contractor and all other entities heretofore or
23 hereafter contracting with the United States for a right to use water
24 from the Applegate Project shall, to the extent of their entitlement,
25 have equal priority to the use of water from such project so far as that

1 may be physically practicable and legally possible, without regard to
2 the date of their respective contracts.

3 Special Conditions

4 8. (a) It is the responsibility of the Contractor to comply with
5 the laws of the State of Oregon regarding the obtaining and perfecting of
6 permits to divert water to the lands described in Article 4. The obliga-
7 tion of the United States to deliver water under this contract is subject
8 to an operating plan for the Applegate Project determined in accordance
9 with the law governing the project.

10 (b) If, at some future date, the Contracting Officer
11 determines there is sufficient demand for irrigation water from the
12 Applegate Project to justify the formation of an irrigation district,
13 water supply company, or other water user organization, future water
14 service may then be made contingent upon the establishment of such an
15 organization. Under this condition, the Contractor will be notified
16 at least 1 year in advance of the date this contract is terminated and
17 continued water service to the lands described in Article 4 becomes
18 dependent upon membership in the organization established for that
19 purpose.

20 Term of Contract

21 9. This contract shall become effective as of the date first above
22 written and will continue in force for 40 years unless sooner terminated
23 in accordance with Articles 8 or 10 or by agreement of the parties
24 hereto.

1 point of the Contractor's diversion facilities as they may now be
2 constructed or constructed hereafter. Further, the United States will
3 not be held responsible for any acts or omissions of the Contractor's
4 agents or of persons to whom water is furnished.

5 Notices

6 13. Any notice, demand, or request authorized or required by this
7 contract shall be deemed to have been given, on behalf of the Contractor,
8 when mailed, postage prepaid, or delivered to the Regional Director,
9 Pacific Northwest Region, Bureau of Reclamation, Box 043, 550 West Fort
10 Street, Boise, Idaho 83724, and on behalf of the United States, when
11 mailed, postage prepaid, or delivered to Phillip C. and/or Pamela R.
12 Kudlac, 3290 Lower River Rd., Grants Pass, OR 97526. The designation
13 of the addressee or the address may be changed by notice given in the
14 same manner as provided in this article for other notices.

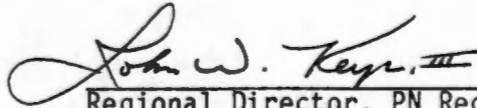
15 General Provisions

16 14. The general provisions applicable to this contract are listed
17 below. The full text of these general provisions is attached as
18 Exhibit A and is hereby made a part of this contract.



- 19 a. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS
- 20 b. WATER AND AIR POLLUTION CONTROL
- 21 c. QUALITY OF WATER
- 22 d. EQUAL OPPORTUNITY
- 23 e. COMPLIANCE WITH RECLAMATION LAWS
- 24 f. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED
- 25 g. OFFICIALS NOT TO BENEFIT
- 26 h. WATER CONSERVATION

1 IN WITNESS WHEREOF, the parties hereto have signed their names
2 the day and year first above written.

UNITED STATES OF AMERICA



Regional Director, PN Region
Bureau of Reclamation
Box 043, 550 West Fort Street
Boise, Idaho 83724

 
Contractor

STATE OF IDAHO)
 : ss
County of Ada)

On this 19th day of November, 1986, personally
appeared before me John W. Keys, III, to me known to be
the official of the United States of America that executed the within and
foregoing instrument and acknowledged said instrument to be the free and
voluntary act and deed of said United States, for the uses and purposes
therein mentioned, and on oath stated that he was authorized to execute
said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal as of the day and year first above written.

Diana L. Jacobs
Notary Public in and for the
State of Idaho
Residing at Boise

(SEAL)

My commission expires: 5-23-88

STATE OF OREGON)
 : ss
County of Josephine)

On this 30th day of October, 1986 before me,
Patricia R. Byrne, a Notary Public, personally appeared
Phillip + Pamela Kudlac, known to me to be the
person whose name is subscribed to the within instrument and acknowledged
to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal as of the day and year first above written.

Patricia R. Byrne
PATRICIA R. BYRNE
NOTARY PUBLIC-OREGON
My Commission Expires 8-14-90
(SEAL)

Notary Public in and for the
State of Oregon
Residing at
302 N.E. D. Grants Pass
My commission expires:
8-14-90

GENERAL PROVISIONS--APPLEGATE PROJECT, OREGON

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

a. The expenditure or advance of any money or the performance of any obligation of the United States under this contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this contract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

WATER AND AIR POLLUTION CONTROL

b. The Contractor, in carrying out this contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Oregon, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

QUALITY OF WATER

c. The operation and maintenance of project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable, as determined by the Contracting Officer. The United States does not warrant the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.

EQUAL OPPORTUNITY

d. During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without discrimination because of race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the such rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH RECLAMATION LAWS

e. The parties agree that the delivery of irrigation water or the use of Federal facilities pursuant to this contract is subject to Reclamation law, as amended and supplemented, including, but not limited to, the Reclamation Reform Act of 1982 (Public Law 97-293).

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

f. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer.

OFFICIALS NOT TO BENEFIT

g. No Member of or Delegate to Congress, Resident Commissioner or official of the Contractor shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

WATER CONSERVATION

h. Prior to the delivery of water provided from or conveyed through federally constructed or federally financed facilities pursuant to this contract, the Contractor shall develop an effective water conservation program acceptable to the Contracting Officer. The water conservation program shall contain definite water conservation objectives, appropriate economically feasible water conservation measures, and time schedules for meeting those objectives. At subsequent 5-year intervals, the Contractor shall submit a report on the results of the program to the Contracting Officer for review. Based on the conclusions of the review, the Contracting Officer and the Contractor shall consult and agree to continue or to revise the existing water conservation program.



by Young Johnson
United States Department of the Interior

BUREAU OF RECLAMATION
PACIFIC NORTHWEST REGION
FEDERAL BUILDING & U.S. COURTHOUSE
BOX 043 - 550 WEST FORT STREET
BOISE, IDAHO 83724

RECEIVED

SEP 29 1986

WATER RESOURCES DEPT.
SALEM, OREGON

IN REPLY
REFER TO:

PN 440

SEP 26 1986

Mr. and Mrs. Phillip C. Kudlae
3290 Lower River Road
Grants Pass, Oregon 97526

Dear Mr. and Mrs. Kudlae:

Enclosed for your signature are two copies of the proposed form of water service contract which, when properly executed, will make supplemental irrigation water available from Applegate Reservoir, commencing with the 1987 irrigation season.

If you find the contract acceptable, we ask that you sign both copies, have your signature notarized, and return both copies of the contract to this office, attention Code 440, along with the 1987 annual payment which is specified in Article 5 (page 3, line 2) of the contract. Upon receipt by this office, the contracts will be executed on behalf of the United States, dated, and assigned a contract number for identification purposes. A signed original and as many conformed copies as you desire will then be returned for your records.

We will also furnish a conformed copy of the contract to the Oregon State Department of Water Resources. When provided with this information, that agency will then be in a position to proceed with issuing the required permit to divert water.

If you should have any questions, please contact Ryan Patterson at (208) 334-1961.

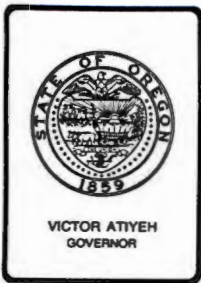
Sincerely yours,

Robert A. Bacho

Regional Supervisor of
Water, Power and Lands

2 Enclosures

cc: Oregon State Water Resources Department
3850 Portland Road, NE.
Salem, Oregon 97310 (without enclosure)



Water Resources Department

3850 PORTLAND ROAD NE, SALEM, OREGON 97310

PHONE 378-8508

September 4, 1986

Phillip C. and Pamela R. Kudlac
3290 Lower River Rd.,
Grants Pass, OR 97526

REFERENCE: File Number 63182

Dear Mr. and Mrs. Kudlac:

The partial assignment of Permit Number 46663 from Forrest E. and Helen M. Drake to you has been recorded in the records of the Water Resources Department. Our records have been changed accordingly, and the original is enclosed.

Our Receipt Number 50045 covering the \$10 recording fee along with a copy of this letter is being sent to Mr. Drake.

Under the terms of the permit, adequate irrigation equipment must be on hand and water used to the fullest extent intended on or before October 1, 1987. Forms for reporting are enclosed.

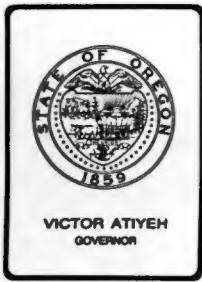
Permit Number 45762 is still in the name of Forrest E. Drake.

Sincerely,

THOMAS E. SHOOK
Senior Water Rights Examiner

TES/jw

Enclosure



Water Resources Department

MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

PHONE 378-8508

March 11, 1986

Forrest E. Drake
14601 North Applegate Rd.,
Grants Pass, OR 97526

REFERENCE: File Number 63182

Dear Mr. Drake:

Your application for an extension of the time limits in which to complete construction and make complete application of water under the terms of your Permit Number 46663 was received. We also have your check in the amount of \$100.

The Water Resources Director is authorized to allow an extension of the time limits only upon a showing by the holder of the permit that reasonable diligence has been exercised toward completion of the project within the time limits allowed.

From the information given in your application, it is questionable whether sufficient diligence has been shown to justify the requested extension. However, you are being given the benefit of the doubt and the time limits to COMPLETE CONSTRUCTION AND MAKE COMPLETE APPLICATION OF WATER are being extended to October 1, 1987, to allow you the opportunity to complete the appropriation.

Sincerely,

Bruce A. Estes, Supervisor
Survey/Certificate Section

BAE/jw

Enclosure

RECEIVED

MAR 10 1986

Application for Extension of Time

TO THE WATER RESOURCES DIRECTOR OF OREGON

WATER RESOURCES DEPT
SALEM, OREGON

I, Forrest E. Drake Name
14601 N. Applegate Rd. Mailing Address
Trout Pass City Ore. State 97527 Zip

record owner of water permit No. 46663, do hereby request that the time in which to:

☐ complete the construction of works and/or purchase and installation of the equipment necessary to the use of water, which time now expires on October 1, 1985 be extended to October 1, 1987 and/or the time in which to

☐ accomplish beneficial use of water to the full extent now intended under the terms of said permit, which time now expires on October 1, 1985 be extended to October 1, 1987

I have accomplished the following described works and/or purchase and installation of equipment necessary to the use of water under said permit:

(1) within the past year _____
 _____;

(2) prior to this past year installed 2900 ft
6 inch PVC underground pipe
with risers and fifty HP Cornell
Pump

(3) and have accomplished beneficial use of water to the extent of (IF FOR IRRIGATION, STATE HOW MANY ACRES HAVE BEEN IRRIGATED) 36 plus acres have been
irrigated,

(If additional space is required, attach separate sheet)

Forrest E. Drake
 (If signing for a corporation please identify your title)

Dated 3-7-86

MAIL COMPLETED APPLICATION AND STATUTORY FEE
 OF \$100.00 FOR EACH PERMIT TO:

Water Resources Department
 3850 Portland Road N.E.
 Salem, Oregon 97310

7.
 B C
 10-1-87
 BAE

2-2A-86
 \$100
 #48777

378-8508

March 3, 1986

Forest E. Drake
14601 North Applegate Road
Grants Pass, OR 97526

Dear Mr. Drake:

REFERENCE: File 63182

We've received your \$100 statutory fee for an extension of time under your Permit 46663, however, we did not receive the request form for the extension of time.

Please fill out the enclosed form and return to this office so we may properly consider your request.

Sincerely,

BRUCE A. ESTES, Supervisor
Survey-Certificate Section

BAE:wpc

enclosure

3252D

378-8508

December 26, 1985

FORREST E. ^{Drake}~~DRAKE~~
14601 N. Applegate Rd.,
Grants Pass, OR 97526

REFERENCE: File No. 63182

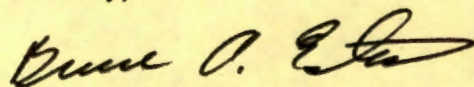
Dear Mr. Drake:

I am enclosing a form for use in making application for an extension of time limits under Permit Number 46663

The Water Resources Director is permitted by law to extend the time for completion of a project only upon a showing of reasonable diligence by the permittee. Therefore, you should fill out this application carefully and completely describing what has been accomplished.

The application must be submitted to this office with the statutory filing fee in the amount of \$100 for each permit.

Sincerely,



BRUCE A. ESTES, Supervisor
Survey/Certificate Section

BAE:wpc

690-10-115
6164A

T
7249
No date
of order

378-8508

December 26, 1985

FORREST E. ^{Drake}~~BRAKE~~
14601 N. Applegate Rd.,
Grants Pass, OR 97526

REFERENCE: File No. 63182

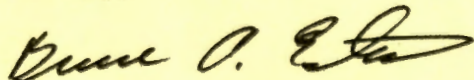
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The application must be submitted to this office with the statutory filing fee in the amount of \$100 for each permit.

Sincerely,



BRUCE A. ESTES, Supervisor
Survey/Certificate Section

BAE:wpc

690-10-115
6164A

June 29, 1982

Forrest E. & Helen M. Drake
14601 North Applegate Road
Grants Pass, OR 97526

63182

Dear Mr. & Mrs. Drake:

46663



Water Resources Department
MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

PHONE 378-3066 or
1-800-452-7813
(message line)

April 6, 1982

Forrest E. and Helen M. Drake
14601 North Applegate Road
Grants Pass, OR 97526

Dear Mr. and Mrs. Drake:

REFERENCE: File 63182

Thank you for submitting the contract with the Bureau of Reclamation for 80 acre-feet of stored water from Applegate Lake Reservoir.

Your application is now in satisfactory form and will be considered for issuance of a permit within 60 days.

Sincerely,

CHRIS L. HUGHES
Senior Water Rights Examiner

CLH:dam



Water Resources Department

MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

PHONE 378-3066 or
1-800-452-7813
(message line)

March 25, 1982

Forrest E. and Helen M. Drake
14601 North Applegate Road
Grants Pass, OR 97526

Dear Mr. and Mrs. Drake:

REFERENCE: File 63182

Your Application 63182 describing the proposed use of 0.51 cubic foot of water per second from the Applegate River and 80.0 acre-feet of stored water from Applegate Lake Reservoir for irrigation and supplemental irrigation of 845.0 acres, together with the map and legal description, has been reviewed.

The application must be signed by both applicants on page three.

The Southwest Corner of Section 6, which was used to locate the diversion point in your application, must be on the map. Also, please state the scale of the map.

I am returning your application and map for completion. The application is endorsed so that in order to retain its priority date, it must be received in this office on or before May 25, 1982.

Sincerely,

Chris L. Hughes
Senior Water Rights Examiner

CLH:tw
enclosures



Application No. 63182
Permit No.

Water Resources Department

JACKSON COUNTY COURTHOUSE, MEDFORD, OREGON 97501 PHONE 776-7056

December 16, 1981

RECEIVED

DEC 17 1981

WATER RESOURCES DEPT
SALEM, OREGON

Mr. James E. Sexson, Director
Water Resources Department
Mill Creek Office Park
Salem, Oregon 97310

Attention: Mr. James W. Carver, Jr.

Dear Mr. Carver:

I am enclosing a signed affidavit in the name of Forrest E. Drake of 14601 North Applegate Road, Grants Pass, Oregon 97526, which authorizes cancellation in part ~~of~~ 20 acres under Ground Water Registration No. GR-3834. Also enclosed is his water right application, his map tracing, and legal land description and personal check in the sum of \$135.00.

Very truly yours,

David C. Hendrix

David C. Hendrix
Water Master, District 13

DCH:pg

enclosures

378-3066
or
1-800-452-7813
(message line)

Forrest E. and Helen M. Drake
14601 North Applegate Road
Grants Pass, OR 97526

Dear Mr. and Mrs. Drake:

REFERENCE: File 63182

We have received your application for use of water for irrigation and supplemental irrigation purposes along with the supporting data and fees. Our Receipt 28930 is enclosed. Your application has been filed and assigned number 63182.

Because of the many applications which have been filed in recent months, we are temporarily behind in our processing. Your application will be examined in detail as soon as possible. We will contact you if we need any additional information. If a permit is required to satisfy the conditions of a loan or land sale or if other emergency conditions exist, please let us know and we will attempt to process your application in the shortest possible time.

After examining your application, a permit may be issued without further correspondence if no additional information is required and it does not conflict with existing rights. The proposed appropriation will be subject to the Water Policy Review Board's Basin Program Statements, existing minimum flows, and demands of prior rights during periods of low water.

Thank you for your patience.

Sincerely,

RALPH H. JACKSON
Supervisor, Application/Permit Section
Water Rights Division

RHJ:wp
enclosure
0427A/1
8960A

SUR

SURVEY REGARDLESS

63182

ASSIGNED

Application No.

Permit No.

46663

12-17-81

Name

Forrest E. and Helen M. Drake

Address

14202-14601 N. Applegate Road; Grants Pass, OR 97526

Assigned

Phillip C. & Pamela R. Kudlac

ASSIGNED

Address

3290 Lower River Rd. Grants Pass, Or. 97526

Beginning construction

JUN 17 1983

Completion of construction

OCT 1 1984

Extended to

10-1-87 10-1-88

Complete application of water

OCT 1 1985

Extended to

10-1-87 10-1-88 10-1-90

New Owner: William W. McClellan
14601 N. Applegate Rd.
Grants Pass, Or. 97526

Contract No. 2-07-10-W0455

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

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Application No. 63182
Permit No. 46663

RECEIVED

APR 2 1982

WATER RESOURCES DEPT
SALEM, OREGON

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Applegate Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this 26th day of March, 1982
pursuant to section 9(e) of the Act of August 4, 1939 (53 Stat. 1187),
and section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), (which
acts are commonly known and referred to as the Reclamation Laws), and the
Flood Control Act of 1962 (76 Stat. 1173), between the UNITED STATES OF
AMERICA, hereinafter referred to as the United States, represented by the
Contracting Officer executing this contract, and Forrest E. and/or Helen M. Drake,
(Name)
14601 North Applegate Road, Grants Pass, Oregon 97526,
(Address)

hereinafter referred to as the Contractor;

WITNESSETH, THAT:

Explanatory Recitals

2. WHEREAS, The United States has constructed and operates Applegate Reservoir in the Rogue River Basin, Oregon, herein styled the Applegate Project, from which there is a flow of water that can be used for irrigation of land and other beneficial uses, which flow, as it has been developed or as it will be augmented, has been appropriated by the United States pursuant to the laws of Oregon for beneficial use under the Federal Reclamation Laws; and

1 3. WHEREAS, The Contractor owns land or provides water service
2 to the owners of lands hereinafter described, for which a water supply
3 is desired to be secured from the United States;

4 NOW, THEREFORE, in consideration of the premises and the payment
5 by the Contractor to the United States of the charges in the manner
6 hereinafter provided, it is agreed:

7 Lands for Which Water is Furnished: Limitations on Deliveries

8 4. The United States shall make available each year to the Contractor
9 during the irrigation season from April 1 to October 31, inclusive, water
10 from the Applegate Project for the irrigation of land owned by or served by
11 the Contractor described as follows:

12 29.0 acres, SW $\frac{1}{4}$ NE $\frac{1}{4}$, Section 6, T. 38 S., R. 4 W., W.M.
13 29.0 acres, SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 6, T. 38 S., R. 4 W., W.M.
14 16.8 acres, NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 6, T. 38 S., R. 4 W., W.M.
15 9.7 acres, NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 6, T. 38 S., R. 4 W., W.M.

16
17
18
19 Of the land described, not more than 84.5 acres are to be irrigated.

20 The amount of water to be made available hereunder shall be that quantity
21 which may be applied beneficially in accordance with good usage in the
22 irrigation of the land above described, but in no event shall it exceed a
23 total diversion of 80 acre-feet annually, measured at the point of
24 delivery of said water.

Recital 3
Article 4

Payments for Water

5. (a) An annual payment of \$ 400 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual payments of \$ 400 will be due on or before April 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive 80 acre-feet of stored water, hereinafter referred to as the entitlement, for the irrigation of the lands described above. Payment for the annual charge is nonrefundable regardless of the amount of water actually used.

(b) The annual charge set forth in (a) above is based on an initial rate of \$5 per acre-foot of water; Provided, that such annual charge shall not be less than \$20. From time to time, but not less often than once every 5 years, the annual charge shall be reviewed by the Contracting Officer and revised, if necessary, to cover costs to the United States for the irrigation water marketing program of the Applegate Project. Any revision by the Contracting Officer will apply only to future charges and shall be announced by written notice to the Contractor at least 3 months prior to the beginning of the irrigation season to which the new rate would be applicable.

(c) Payments required hereunder shall be made to the Bureau of Reclamation at the location described in Article 13 of this contract.

Charge for Late Payments

6. The Contractor shall pay a late payment charge on installments or charges which are received after the due date. The late payment charge percentage rate calculated by the Department of the Treasury and published quarterly in the Federal Register shall be used; Provided, That the late payment charge percentage rate will not be less than 0.5 percent per month. The late payment charge percentage rate applied on an overdue payment will

1 remain in effect until payment is received or a different rate is published.
2 The late payment rate for a 30-day period will be determined on the day
3 immediately following the due date and will be applied to the overdue
4 payment for any portion of the 30-day period of delinquency. In the case of
5 partial late payments, the amount received will first be applied to the late
6 charge on the principal and then to payment of the principal.

7 Furnishing of Water

8 7. (a) Upon payment of the annual charge specified in sub-
9 article 5(a) above, the United States will furnish a maximum of 80
10 acre-feet of water to the Contractor from the Applegate Project. No
11 water shall be furnished if the Contractor is delinquent in payment of the
12 required annual charge.

13 (b) Water for the purposes hereof shall be made available and
14 measured at the following point(s) of diversion:

15 860 feet north and 1,390 feet east of the southwest corner of Section 6,
16 T. 38 S., R. 4 W., W.M.

17
18
19
20
21 The Contractor shall receive said water at the point of diversion and shall
22 be wholly responsible for securing said water at that point and diverting,
23 conveying, and utilizing it. The Contractor shall be required to conform
24 its diversions and releases to the control of the stream as established by
25 the appropriate State-appointed watermaster. The water to be delivered
26 hereunder shall be measured by means of measuring or controlling devices
27 satisfactory to the Contracting Officer. Such devices shall be furnished,

Article 7

1 installed, and maintained by and at the expense of the Contractor, but they
2 shall be and remain at all times under the control of the United States or
3 the watermaster whose representative may at all times have access to them
4 over any lands of the Contractor. All losses of water from seepage, evaporation,
5 or other cause, below said point of measurement, shall be borne by the
6 Contractor.

7 (c) The Contractor and all other entities heretofore or hereafter
8 contracting with the United States for a right to use water from the Applegate
9 Project shall, to the extent of their entitlement, have equal priority to
10 the use of water from such project so far as that may be physically practicable
11 and legally possible, without regard to the date of their respective contracts.

12 Special Conditions

13 8. (a) It is the responsibility of the Contractor to comply with
14 the laws of the State of Oregon regarding the obtaining and perfecting of per-
15 mits to divert water to the lands described in Article 4. The obligation of
16 the United States to deliver water under this contract is subject to an
17 operating plan for the Applegate Project determined in accordance with the
18 law governing the project.

19 (b) If, at some future date, the Contracting Officer determines
20 there is sufficient demand for irrigation water from the Applegate Project
21 to justify the formation of an irrigation district, water supply company, or
22 other water user organization, future water service may then be made contin-
23 gent upon the establishment of such an organization. Under this condition,
24 the Contractor will be notified at least one year in advance of the date
25 this contract is terminated and continued water service to the lands described

1 in Article 4 becomes dependent upon membership in the organization established
2 for that purpose.

3 Term of Contract

4 9. This contract shall become effective as of the date first above
5 written and will continue in force for 40 years unless sooner terminated in
6 accordance with Articles 8 or 10 or by agreement of the parties hereto.

7 Termination of Contract

8 10. This contract may be terminated and water service hereunder shall
9 cease at the option of the United States as set forth in Article 8(b) or at
10 any other time if the Contractor is delinquent in payment of the water
11 service charge for a period of 30 days or upon failure of the Contractor to
12 abide by any notice, order, rule, or regulation of the United States or the
13 State of Oregon now or hereafter established affecting water service hereunder.

14 United States Not Liable for Water Shortages--Adjustments

15 11. On account of drought or uncontrollable forces, there may occur a
16 shortage in the total quantity of water available for furnishing to the
17 Contractor by the United States pursuant to this contract. In no event shall
18 any liability accrue against the United States or any of its officers, agents,
19 or employees for any damage direct or indirect arising from such shortages.
20 If such a shortage occurs, the United States will apportion the available
21 water supply among the Contractor and others entitled by existing and future
22 contracts to receive water from the Applegate Project.

23 Disclaimer

24 12. No provision of this contract, nor of any renewal thereof, nor the
25 furnishing of water hereunder will be construed to bind the United States

Articles 9, 10, 11, 12

1 after the expiration of this contract as the basis of a permanent water
2 right. Because of possible fluctuations in reservoir surface elevations and
3 downstream flows associated with the Applegate Project, the United States
4 does not guarantee the availability of water at the point of the Contractor's
5 diversion facilities as they may now be constructed or constructed hereafter.
6 Further, the United States will not be held responsible for any acts or
7 omissions of the Contractor's agents or of persons to whom water is furnished.

8 Notices

9 13. Any notice, demand, or request authorized or required by this
10 contract shall be deemed to have been given, on behalf of the Contractor,
11 when mailed, postage prepaid, or delivered to the Regional Director, Pacific
12 Northwest Region, Bureau of Reclamation, Box 043, 550 West Fort Street,
13 Boise, Idaho 83724, and on behalf of the United States, when mailed,
14 postage prepaid, or delivered to Forrest E. and/or Helen M. Drake, 14601 N. Applegate
15 Rd., Grants Pass, OR 97526. The designation of the addressee or the
16 address may be changed by notice given in the same manner as provided
17 in this article for other notices.

18 General Provisions

19 14. The general provisions applicable to this contract are listed
20 below. The full text of these general provisions is attached as Exhibit A
21 and is hereby made a part of this contract.

- 22 a. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS
- 23 b. WATER AND AIR POLLUTION CONTROL
- 24 c. QUALITY OF WATER
- 25 d. EQUAL OPPORTUNITY
- 26 e. EXCESS LANDS
- 27 f. COMPLIANCE WITH RULES AND REGULATIONS
- 28 g. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED
- 29 h. OFFICIALS NOT TO BENEFIT

Articles 13, 14

1 i. TITLE VI, CIVIL RIGHTS ACT OF 1964

2 j. WATER CONSERVATION PROGRAM

3 IN WITNESS WHEREOF, the parties hereto have signed their
4 names the day and year first above written.

5 UNITED STATES OF AMERICA

Nedra A. Blumell
Acting Regional Director, PN Region
Bureau of Reclamation
Box 043, 550 West Fort Street
Boise, Idaho 83724

Forrest E. Drake
Thur M. Drake
Contractor

STATE OF IDAHO)
 : ss
County of Ada)

On this 26th day of March, 198², personally appeared before me Nedra A. Blackwell, to me known to be the official of the United States of America that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said United States, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

Carmine M. Keat
Notary Public in and for the
State of Idaho
Residing at Boise

(SEAL)

My commission expires: 3-20-84

STATE OF OREGON)
 : ss
County of Jackson)

On this 19th day of March, 198², before me, Phyllis Gilman, a Notary Public, personally appeared Forrest E. & Helen M. Drake, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above written.

Phyllis Gilman
Notary Public in and for the
State of Oregon
Residing at 92 Hinema Way
Medford, Oregon 97501

(SEAL)

My commission expires: ~~3-17-85~~
3-17-85

GENERAL PROVISIONS--APPLEGATE PROJECT, OREGON

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

a. The expenditure or advance of any money or the performance of any work by the United States hereunder which may require appropriation of money by the Congress or the allotment of funds shall be contingent upon such appropriation or allotment being made. The failure of the Congress to appropriate funds or the absence of any allotment of funds shall not relieve the Contractor from any obligations under this contract. No liability shall accrue to the United States in case such funds are not appropriated or allotted.

WATER AND AIR POLLUTION CONTROL

b. The Contractor, in carrying out this contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Oregon and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

QUALITY OF WATER

c. The operation and maintenance of project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable as determined by the Contracting Officer. The United States does not warrant the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.

EQUAL OPPORTUNITY

d. During the performance of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers, with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the such rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions or paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

EXCESS LANDS

e. (1) All irrigable land held in private ownership by any one owner in excess of 160 irrigable acres shall be appraised in a manner to be prescribed by the Secretary of the Interior and the sale prices thereof fixed by the Secretary on the basis of its actual bona fide value at the date of appraisal without reference to the construction or proposed construction of the project.

(2) No such excess lands shall receive water from any project or division if the owners thereof refuse to execute valid recordable contracts for the sale of such lands under terms and conditions satisfactory to the Secretary of the Interior and at prices not to exceed those fixed by the Secretary. Until one-half the construction charges against the lands in the district shall have been paid, no sale of any such lands shall carry the right to receive water unless and until the purchase price involved in such sale is approved by the Secretary of the Interior.

(3) These provisions shall remain in effect throughout the term of this contract, unless Congress expressly provides otherwise in legislation modifying or repealing the excess land or other provisions of Reclamation Law.

COMPLIANCE WITH RULES AND REGULATIONS

f. The Secretary of the Interior may from time to time promulgate rules and regulations to implement the Reclamation Laws. The Contractor agrees to abide by such final rules and regulations lawfully adopted. This contract is subject to all such lawful rules and regulations now or hereafter in force when not inconsistent with any express and specific provisions herein. Such rules and regulations are made a part of this contract. This requirement shall be incorporated in all recordable contracts executed pursuant to this contract.

ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

g. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this contract or any part or interest therein shall be valid until approved by the Contracting Officer.

OFFICIALS NOT TO BENEFIT

h. (1) No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom. This restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

(2) No official of the Contractor shall receive any benefit that may arise by reason of this contract other than as a landowner within the project and in the same manner as other landowners within the project.

TITLE VI, CIVIL RIGHTS ACT OF 1964

(Not applicable if Contractor is the actual water user.)

i. (1) The Contractor agrees that it will comply with Title VI of the Civil Rights Act of July 2, 1964 (78 Stat. 241), and all requirements imposed by or pursuant to the Department of the Interior Regulation (43 CFR 17) issued pursuant to that title, to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Contractor receives financial assistance from the United States and hereby gives assurance that it will immediately take any measures to effectuate this agreement.

(2) If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Contractor by the United States, this assurance obligates the Contractor, or in the case of any transfer of such property, any transferee for the period during which the real property or structure is used for a purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance obligates the Contractor for the period during which it retains ownership or possession of the property. In all other cases, this assurance obligates the Contractor for the period during which the Federal financial assistance is extended to it by the United States.

(3) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the Contractor by the United States, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Contractor recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall reserve the right to seek judicial enforcement of this assurance. This assurance is binding on the Contractor, its successors, transferees, and assignees.

Water Conservation Program

j. (1) While the contents and standards of a given water conservation program are primarily matters of State and local determination, there is a strong Federal interest in developing an effective water conservation program because of this contract. The Contractor shall develop and implement an effective water conservation program for all uses of water which is provided from, or conveyed through, Federally constructed or Federally financed facilities. That water conservation program shall contain definite goals, appropriate water conservation measures, and time schedules for meeting the water conservation objectives.

(2) A water conservation program, acceptable to the Contracting Officer, shall be in existence prior to one or all of the following: (a) service of Federally stored/conveyed water; (b) transfer of operation and maintenance of the project facilities to the Contractor; or (c) transfer of the project to an operation and maintenance status. The distribution and use of Federally stored/conveyed water and/or the operation of project facilities transferred to the Contractor shall be consistent with the adopted water conservation program. Following execution of this contract, and at subsequent 5-year intervals, the Contractor shall resubmit the water conservation plan to the Contracting Officer for review and approval. After review of the results of the previous 5 years and after consultation with the Contractor, the Contracting Officer may require modifications in the water conservation program to better achieve program goals.