

MEMBER OF THE
OREGON AND
CALIFORNIA BAR

LLOYD MATTHEW HAINES

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October 10, 2008

VIA CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1266

Re: Application for Surface Water

Dear Oregon Water Resources:

Enclosed herein is our check number 4961 for \$711 as payment for permit fees regarding our application to use surface water. As required, the following items are also enclosed:

1. Application for a Permit to Use Surface Water
2. Jackson County Planning Verification
3. Property Deed
4. Bureau of Reclamation Contract
5. Easement to Pump Water

Thank you. If you have any questions, please do not hesitate to call.

Sincerely,



Lloyd M. Haines

LMH/jmk

cc: Hollie Cannon
PO Box 4247
Medford, OR 97501

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2. SOURCE AND PROPERTY OWNERSHIP

A. The Proposed Source of Water

Provide the commonly used name of the water body from which water will be diverted, and the name of the stream or lake it flows into. If unnamed, say so:

Source 1: Applegate Lake Reservoir Tributary to: Applegate River

Source 2: _____ Tributary to: _____

Source 3: _____ Tributary to: _____

Source 4: _____ Tributary to: _____

If any source listed above is stored water that is authorized under a water right permit, certificate, or decree, attach a copy of the document or list the document number (for decrees, list the volume, page and/or decree name).

This application is for use of water stored in Applegate Lake Reservoir in the name of United States Bureau of Reclamation by Permit R-7810

B. Applications to Use Stored Water

Complete this section if any source listed in item 2A above is stored water.

Do you, or will you, own the reservoir(s) described in item 2A above?

- Yes
No. (Please enclose a copy of your written notification to the operator of the reservoir of your intent to file this application, which you should have already mailed or delivered to the operator.)

If all sources listed in item 2A are stored water, the Department will review your application using the expedited process provided in ORS 537.147, unless you check the box below. Please see the instruction booklet for more information.

By checking this box, you are requesting that the Department process your application under the standard process outlined in ORS 537.150 and 537.153, rather than the expedited process provided by ORS 537.147. To file an application under the standard process, you must enclose the following:

- A copy of a signed non-expired contract or other agreement with the owner of the reservoir (if not you) to impound the volume of water you propose to use in this application.
A copy of your written agreement with the party (if any) delivering the water from the reservoir to you.

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C. Property Ownership

Do you own all the land where you propose to divert, transport, and use water?

Yes (Please check appropriate box below then skip to section 3 'Water Use')

There are no encumbrances

This land is encumbered by easements, rights of way, roads or other encumbrances
(please provide a copy of the recorded deed(s))

No (Please check the appropriate box below)

I have a recorded easement or written authorization permitting access.

I do not currently have written authorization or easement permitting access.

Written authorization or an easement is not necessary, because the only affected lands I do not own are state-owned submersible lands, and this application is for irrigated and/or domestic use only (ORS 274.040).

You must provide the legal description of: (1) the property from which the water is to be diverted, (2) any property crossed by the proposed ditch, canal or other work, and (3) any property on which the water is to be used as depicted on the map.

List the names and mailing addresses of all affected landowners.

Steve Yoshinaga, 1896 Calle Salto, Thousand Oaks, CA 91360 (owner of property at POD)
Jackson County, 10 Oakdale, Medford, OR 97501 (pipeline crosses County owned road)

3. WATER USE

Please read the instruction booklet for more details on "type of use" definitions, how to express how much water you need and how to identify the water source you propose to use. You must fill out a supplemental form for some uses as they require specific information for that type of use.

A. Type(s) of Use(s)

See list of beneficial uses provided in the instructions.

- If your proposed use is **domestic**, indicate the number of households to be supplied with water: _____
- If your proposed use is **irrigation**, please attach **Form I**
- If your proposed use is **mining**, attach **Form R**
- If your proposed use is **municipal or quasi-municipal**, attach **Form M**
- If your proposed use is **commercial/industrial**, attach **Form Q**

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B. Amount of Water

Provide the amount of water you propose to use from each source, for each use, in cubic feet-per-second (cfs) or gallons-per-minute (gpm). If the proposed use is from storage, provide the amount in acre-feet (af):

(1 cfs equals 448.8 gpm. 1 acre-foot equals 325,851 gallons or 43,560 cubic feet)

Source	Type of use	Amount
Applegate Lake	Irrigation	63 <input type="radio"/> cfs <input type="radio"/> gpm <input checked="" type="radio"/> af
		<input type="text"/> <input type="radio"/> cfs <input type="radio"/> gpm <input type="radio"/> af
		<input type="text"/> <input type="radio"/> cfs <input type="radio"/> gpm <input type="radio"/> af
		<input type="text"/> <input type="radio"/> cfs <input type="radio"/> gpm <input type="radio"/> af

C. Period of Use

Indicate the time of year you propose to use the water: April 1 through October 1
(For seasonal uses like irrigation give dates when water use would begin and end, e.g. March 1-October 31.)

If you will be applying water to land, indicate the total number of acres where water will be applied or used: 21.0 acres
(This number should be consistent with your application map.)

4. WATER MANAGEMENT

A. Diversion

What method will you use to divert water from the source?

- Pump (give horsepower and pump type): 25 HP centrifugal
- Head-gate (give dimensions): _____
- other means (describe): _____

B. Monitoring

How will you monitor your diversion to be sure you are within the limits of your water right (allowed rate and duty) and you are not wasting water?

- Weir
- Meter
- Periodic Sampling
- other means (describe): _____

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C. Transport

How will you transport water to your place of use?

Ditch or canal (give average width and depth):

Width _____ Depth _____

Is the ditch or canal to be lined? Yes No

Pipe (give diameter and total length):

Diameter 6 inch Length 4000 ft

other, describe: _____

D. Application/Distribution Method

What equipment will you use to apply water to your place of use?

Wheel line sprinkler and hand move sprinklers along with in-ground solid set.

Irrigation or land application method (check all that apply):

- Flood
- High pressure sprinkler
- Low pressure sprinkler
- Drip
- Water Cannons
- Center pivot system
- Hand Lines
- Wheel Lines
- Siphon tubes or gated pipe with furrows
- other, describe: in-ground solid set

Distribution method

- Direct pipe from source
- In-line storage (tank or pond)
- Open Canal

E. Conservation

What methods will you use to conserve water? Why did you choose this distribution or application method? Have you considered other methods to transport, apply, distribute or use water? For example, if you are using sprinkler irrigation rather than drip irrigation, explain. If you need additional space, attach a separate sheet.

Water will be applied as needed to replace the water used from the soil by evapotranspiration. The combination of application methods are what is practical considering the type of crop, soil and shape of the area to be irrigated.

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5. RESOURCE PROTECTION

A. Protection Practices

In granting permission to use water from a stream or lake, the state encourages, and in some instances requires, careful control of activities that may affect the waterway or streamside area. See instruction guide for a list of possible permit requirements from other agencies. Please indicate any of the practices you plan to undertake to protect water resources.

Diversion will be screened to prevent uptake of fish and other aquatic life. Describe planned actions:

Excavation or clearing of banks will be kept to a minimum to protect riparian or streamside areas. Describe planned actions:

The diversion is existing for diversion of water by T-3669. No new construction activity is needed.

Operating equipment in a water body will be managed and timed to prevent damage to aquatic life. Describe:

NA. Diversion is existing

Water quality will be protected by preventing erosion and run-off of waste or chemical products. Describe:

By the use of sprinklers and applying water as used by the crop by evapotranspiration the likelihood of runoff of irrigation water is unlikely.

Other:

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6. PROJECT SCHEDULE

Indicate the anticipated dates that the following construction tasks should begin. If construction has already begun, or is completed, please indicate that date.

Proposed date construction will begin: June 2009

Proposed date construction will be completed: July 2010

Proposed date beneficial water use will begin: May 2011

7. REMARKS

If you would like to clarify any information you have provided in the application, please do so here and reference the specific application question you are addressing.

8. MAP REQUIREMENTS

The Department cannot process your application without accurate information showing the source of water and location of water use. You must include a map with this application form that clearly indicates the township, range, section, and quarter/quarter section of the proposed points of diversion and place of use. The map must provide tax lot numbers. See the map guidelines sheet for detailed map specifications.

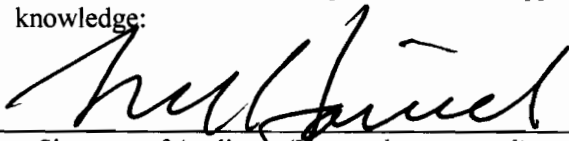
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9. SIGNATURE

By my signature below I confirm that I understand:

- I am asking to use water specifically as described in this application.
- Evaluation of this application will be based on information provided in the application packet.
- I cannot legally use water until the Water Resources Department issues a permit to me.
- If I get a permit, I must not waste water.
- If development of the water use is not according to the terms of the permit, the permit can be canceled.
- The water use must be compatible with local comprehensive land use plans.
- Even if the Department issues a permit, I may have to stop using water to allow senior water right holders to get water to which they are entitled.

I swear that all information provided in this application is true and correct to the best of my knowledge:



10/15/08

Signature of Applicant (If more than one applicant, all must sign.)

Date

Before you submit your application be sure you have:

- Answered each question completely.
- Attached a legible map which includes township, range, section, quarter/quarter and tax lot number.
- Included a Land Use Information Form or receipt stub signed by a local official.
- Included the legal description of all the property involved with this application. You may supply a copy of the deed, land sales contract, or title insurance policy, to meet this requirement.
- Included a check payable to the Oregon Water Resources Department for the appropriate amount. The Department's fee schedule can be found at www.wrd.state.or.us or call (503) 986-0900.

WRD on the web:
www.wrd.state.or.us

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Contract No.

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Rogue River Basin Project, Oregon

CONTRACT FOR WATER SERVICE

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Contract No.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Rogue River Basin Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this ___ day of _____, 2008, 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 **Lloyd Haines**, 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 from Applegate Reservoir 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 Released: Limitations on Diversions

4. The United States shall release 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:

10.5 acres, SE1/4 SE1/4, Section 18, T. 40 S., R. 3 W., W.M.
10.5 acres, NW1/4 NE1/4, Section 19, T. 40 S., R. 3 W., W.M.

Of the land described, not more than 21 acres are to be irrigated. The amount of water to be released 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 63 acre-feet of stored water annually, measured at the point of diversion of said water.

Payments for Water

5. (a) An annual payment of \$504 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual payments of \$504 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 divert up to a maximum of 63 acre-feet of stored water for irrigation of the lands described in Article 4 of this contract. The Contracting 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 diverted each month by the Contractor during the irrigation season and on other factors in addition to the amount of stored water actually diverted, 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

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Officer: Provided, that in order for an adjustment to be made, information on the amounts of stored water diverted 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 4 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 14 of this contract.

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Contract Administration Fee

6. (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

7. (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

8. (a) Upon payment of the annual payment specified in subarticle 5(a) above, the United States will release water to the Contractor from the Rogue River Basin Project pursuant to this contract. No water shall be released if the Contractor is delinquent in payment of the required annual payment.

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(b) Water diverted pursuant to this contract shall be measured at the following point(s) of diversion in accordance with Oregon State law:

2,350 feet south and 2,150 feet west of the east quarter corner of Section 18, T. 40 S., R. 3 W., W.M.

The Contractor 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 diverted 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 shall maintain all fish screens used to divert stored water under this contract at all times in compliance with applicable guidelines from the Oregon Department of Fish & Wildlife and the National Marine Fisheries Service and remain available at all times for inspection by representatives of these agencies at no cost to the United States.

Special Conditions

9. (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 4. 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.

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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 4 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

10. This contract shall become effective as of the date first above written and will continue in effect for a period of 40 years unless sooner terminated in accordance with the provisions of Articles 9 or 11 or by agreement of the parties hereto: Provided; that upon expiration of the 40-year 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

11. 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)

12. 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

13. No provision of this contract, nor of any renewal thereof, nor the release 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 for whom water is released.

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Notices

14. 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 Program Manager, Repayment and Acreage Limitation, 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 delivered to Lloyd Haines, 96 N. Main Street, Suite 202, Ashland, OR 97520. 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

15. 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
- 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


Lloyd Haines

UNITED STATES OF AMERICA

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

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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 deliver 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.

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 delivery 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 deliver 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 delivered to the Contractor and is under no obligation to furnish or construct water treatment facilities to maintain or improve the quality of water delivered 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 delivery 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 delivery 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

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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 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 (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

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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

(n). Articles 1 through 15 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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Oregon Water Resources Department

FORM I

FOR IRRIGATION WATER USE

1. Please indicate whether you are requesting a primary or supplemental irrigation water right.

Primary Supplemental

If supplemental, please indicate the number of acres that will be irrigated for each type of use.

Primary: 21.0 Acres

Secondary: _____ Acres

List the permit or certificate number of the primary water right: No. _____

2. Please list the anticipated crops you will grow and whether you will be irrigating them for a full or partial season:

- 1. Hay & Pasture [checked] Full season [] Partial season (from: 4/01 to 10/01)
2. [] Full season [] Partial season (from: to)
3. [] Full season [] Partial season (from: to)
4. [] Full season [] Partial season (from: to)

3. Indicate the maximum total number of acre-feet you expect to use in an irrigation season:

63 acre-feet

(1 acre-foot equals 12 inches of water spread over 1 acre, or 43,560 cubic feet, or 325,851 gallons.)

4. How will you schedule your applications of water? Will you be applying water in the evenings, twice a week, daily?

- [] Daily during daytime hours [] Daily during nighttime hours
[] Two or three times weekly during daytime [] Two or three times weekly during nighttime
[] Weekly, during daytime hours [] Weekly, during nighttime hours
[checked] Other, explain: As needed to replace evapotranspiration

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JACKSON COUNTY DEVELOPMENT SERVICES

1520080000000006463

10/7/2008

3:58:17PM

RECEIPT OF PAYMENT

Receipt #: 1520080000000006463

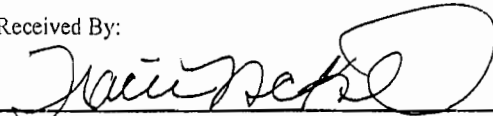
Receipt Date: 10/06/2008

Line Items:

Case No	Tran Code	Description	Revenue Account No	Amount Paid
ZON2008-01814		LUC Application Fee	3701040000.351149	69.00
Line Item Total:				\$69.00

Payments:

Method	Payer	Bank No	Account No	Confirm No	How Received	Amount Paid
Check	WATER RUGHTS SOLUTIONS		5269	TLN	In Person	69.00
Payment Total:						\$69.00
Balance						

Payment Received By:


 (staff signature)

Receipt for Request for Land Use Information

Applicant name: Lloyd Haines

City or County: Jackson Staff contact: TRACIE NICKEL

Signature: Tracie Nickel Phone: 774-6951 Date: 10/6/08

Last updated 12/22/06 WR

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182798-KA



4

Jackson County Official Records 2007-055716
R-v-v-j
THIS SPACE RESERVED I Cnt=1 Stn=3 MORGANSS
\$5.00 \$5.00 \$5.00 \$11.00
12/14/2007 08:03:00 AM
Total: \$26.00



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:

LLOYD M. HAINES

96 North Main Street #202

Ashland, OR 97520

Until a change is requested all tax statements shall be sent to the following address:

LLOYD M. HAINES

96 North Main Street #202

Ashland, OR 97520

Escrow No. AP0782798

Title No. 0782798

SWD

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STATUTORY WARRANTY DEED

JERRY WINNINGHAM and KAREN WINNINGHAM, Grantor(s) hereby convey and warrant to LLOYD M. HAINES, Grantee(s) the following described real property in the County of JACKSON and State of Oregon free of encumbrances except as specifically set forth herein:

That portion of the Southeast quarter of Section 18 lying Easterly of the Easterly right of way of the county Road and Southerly of Mule Creek and that portion of the Northwest quarter of the Northeast quarter of Section 19 lying Easterly of the Easterly right of way of the County Road, all in Township 40 South, Range 3 West of the Willamette Meridian, Jackson County, Oregon.

For Informational purposes only, the following is included:

(Map No. 403W, Tax Lot 2403, Account No. 1-063368-7, Code 49-46)

(Map No. 403W, Tax Lot 2403, Account No. 3-098158-6, Code 49-46)

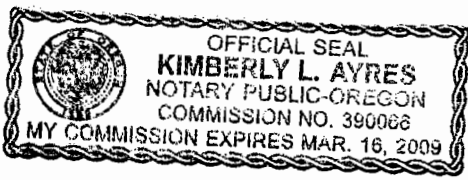
The above-described property is free of encumbrances except all those items of record, if any, as of the date of this deed and those shown below, if any:

The true and actual consideration for this conveyance is \$PURSUANT TO AN IRC 1031 TAX DEFERRED EXCHANGE ON BEHALF OF GRANTOR/GRANTEE.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER SECTIONS 2, 3 AND 5 TO 22 OF CHAPTER 424, OREGON LAWS 2007 (MEASURE 49 (2007)). 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 SECTIONS 2, 3 AND 5 TO 22 OF CHAPTER 424, OREGON LAWS 2007 (MEASURE 49 (2007)).

Dated this 11th day of December 2007.

Jerry Winningham
JERRY WINNINGHAM
Karen Winningham
KAREN WINNINGHAM



State of Oregon
County of JACKSON

This instrument was acknowledged before me on 12-11, 2007 by JERRY WINNINGHAM and KAREN WINNINGHAM.

Kimberly Ayres
(Notary Public for Oregon)
My commission expires

472676

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WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that we, Edward H. Finley and Viola B. Finley, husband and wife, GRANTORS, in consideration of Ten Dollars and other good and valuable consideration to us paid by Ervin D. Lewis and Ardith E. Lewis, husband and wife, GRANTEES, do hereby grant, bargain, sell and convey unto the said grantees, as tenants by the entirety, their heirs and assigns, all the following real property, with the tenements, hereditaments and appurtenances, situated in the County of Jackson and State of Oregon, bounded and described as follows, to-wit:



Beginning at the Northwest corner of the Northwest Quarter of the Northeast Quarter of Section 19, Township 40 South, Range 3 West of the Willamette Meridian in Jackson County, Oregon; run thence South on the West line of the said Northwest quarter of the Northeast quarter of Section 19, a distance of 125 feet, more or less, to the Northerly boundary of the County Road; Thence North 56°52½' East 286 feet along the Northerly boundary of said County Road for the true point of beginning, said point being the Southeast corner of that certain tract of land described in deed recorded April 8, 1958 as instrument No. 444027 in Volume 454 at page 221 and 222 of the Deed Records of Jackson County, Oregon; thence continue along the Northerly boundary of said County Road a distance of 550 feet; thence North on a line parallel with the West line of the Southwest Quarter of the Southeast Quarter of Section 18, Said township and range, approximately 200 feet to the center line of the Big Applegate River; thence Southwesterly up the center line of said river to the northeast corner of the above mentioned tract of land described in deed recorded in Volume 454 at pages 221 and 222 of the Jackson County Deed Records; thence South along the East boundary of the tract of land described in said deed to the true point of beginning.

Tax lot 800

This deed and the land described herein is subject to the following restrictions and reservations and the grantees by accepting this deed do hereby agree to be bound by each and all of said restrictions and reservations, which are as follows, to-wit:

1. The grantees shall not mortgage or give away the said premises or the improvements hereafter placed on the same at any time.
2. The grantees shall not lease or rent the said premises or the said improvements hereafter placed thereon without first obtaining the consent of grantors.
3. If the grantees decide to sell said premises and the improvements thereon, or if both of said grantees die, the grantors, or the survivor of them, shall have the first and exclusive right to purchase said premises and

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TO HAVE AND TO HOLD the above described and granted premises unto the said grantees as tenants by the entirety, their heirs and assigns forever.

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improvements by paying in cash the actual cost of the land and improvements thereon at that time, less the amount of the actual and reasonable depreciation on said improvements, if any.

- 4. The grantors reserve an easement and right of way on the above described land for the purpose of installing, operating and maintaining a pumping system on the bank of the Big Applegate River, and grantors also reserve as easement and right of way across said land for the purpose of installing, operating and maintaining a pipe line underground from said pumping system to the grantors irrigation ditch or to their land.
5. When the grantors both die, or when they sell the ranch, of which the above tract is a part, then, in either event, all of the restrictions and reservations herein set out, except the above No. 4, shall automatically be cancelled, released, terminated and removed from said land.

TO HAVE AND TO HOLD the above described and granted premises unto the said grantees as tenants by the entirety, their heirs and assigns forever.

And we, the grantors, covenant that we are lawfully seized in fee simple of the above granted premises free from all encumbrances, except as above set forth, and that we will and our heirs, executors, and administrators, shall warrant and forever defend the above granted premises, and every part and parcel thereof, against the lawful claims and demands of all persons whomsoever.

WITNESS our hands and seals this 5th day of August, 1959.

STATE of Oregon, County of Jackson--SS. The within instrument received and filed at 10:20 a.m. on the 6th day of Aug, 1959, recorded in 472676 Records for Jackson County Oregon. W. M. Madson, County Clerk. Hiram Spear, Deputy

Edward H. Finley (SEAL)

Mrs Edward Finley (SEAL)

STATE OF OREGON)
COUNTY OF JACKSON) ss.

On this 5th day of August, 1959, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within-named Edward H. Finley and Viola B. Finley, husband and wife, who are known to me to be the identical individuals described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written. W. M. Madson, Notary Public for Oregon, My Commission Expires: 7-10-63

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