



Oregon Water Resources Department
 725 Summer Street NE, Suite A
 Salem Oregon 97301-1266
 (503) 986-0900
 www.wrd.state.or.us

Application for a Permit to Use Surface Water

Please type or print in dark ink. If your application is found to be incomplete or inaccurate, we will return it to you. If any requested information does not apply to your application, insert "n/a." Please read and refer to the instructions when completing your application. A summary of review criteria and procedures that are generally applicable to these applications is available at www.wrd.state.or.us/OWRD/PUBS/forms.shtml.

REC-1
MAR 12 2009

1. APPLICANT INFORMATION

A. Applicants

Applicant: Juan RAMIREZ-MORA
First Last

Mailing Address: 18949 SE WALLACE ROAD
Dayton OREGON 97114
City State Zip

Phone: 503.930.0429 503.930.4001
Home Work Other

*Fax: _____ *Email Address: _____

B. Organizations

(Corporations, associations, firms, partnerships, joint stock companies, cooperatives, public and municipal corporations)

Name of Organization: _____

Name and Title of Person Applying: _____

Mailing Address or Organization: _____

City State Zip

Phone : _____
Day Evening

*Fax: _____ *Email Address: _____

**Optional*

For Department Use		
App. No. <u>S-87420</u>	Permit No. _____	Date _____

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: LAMBERT SLOUGH Tributary to: WILLAMETTE 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).

WATER FOR THIS APPLICATION TO BE PURCHASED YEARLY FROM BUM WILLAMETTE BASIN PROJECT. COPY 2008 CONTRACT ATTACHED

B. Applications to Use Stored Water

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

MAR 12 2008

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.

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.

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**

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
LAMBERT SLOUGH (BLM CONTRACT)	IRRIGATION	20 <input type="radio"/> cfs <input type="radio"/> gpm <input checked="" type="radio"/> af
		<input type="radio"/> cfs <input type="radio"/> gpm <input type="radio"/> af
		<input type="radio"/> cfs <input type="radio"/> gpm <input type="radio"/> af
		<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: MARCH 1 - OCTOBER 31
 (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: 446 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): 30 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): _____

C. Transport

How will you transport water to your place of use?

MAR 12 1988

- 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" ϕ & 4" ϕ Length ± 3000'

- other, describe: _____

D. Application/Distribution Method

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

HAND LINES W/ SPRINKLER HEADS

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: _____

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.

MOISTURE PROBE WILL BE USED TO CHECK GROUND MOISTURE
HAND LINES USED DUE TO TYPE OF CROP RAISED

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:

INTAKE PIPE SUCTION WILL BE SCREENED

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

NO BANK EXCAVATION OR CLEARING REQUIRED

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

ONLY PUMP SUCTION WILL BE SUBMERGED

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

IRRIGATION WILL BE ONLY WHAT IS NEEDED BY CROP. NO RUN-OFF IS ALLOWED.

- Other:

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: STARTED

Proposed date construction will be completed: SPRING 2015

Proposed date beneficial water use will begin: SPRING 2016

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

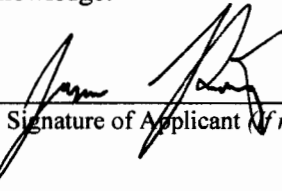
The Department cannot process your application without accurate information showing the source of water and location of water use. You must include a map with this application form that clearly indicates the township, range, section, and quarter/quarter section of the proposed points of diversion and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

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:



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

3/12/09

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



S-87420

Oregon Water Resources Department Land Use Information Form

THIS FORM IS NOT REQUIRED IF: 1) water is to be diverted, conveyed, and/or used only on federal lands; or 2) the application is for a water-right transfer, allocation of conserved water, exchange, permit amendment, or ground water registration modification, and all of the following apply: a) only the place of use is proposed for change, b) there are no structural changes, c) the use of water is for irrigation, and d) the use is located in an irrigation district or exclusive farm-use zone.

Applicant Name: JUAN RAMIREZ-MOZA
Mailing Address: 18949 SE WALLACE RD
City: Dayton State: OR Zip: 97114 Day Phone: _____

This application is related to a Measure 37 claim. Yes No

A. Land and Location

Please include the following information for all tax lots where water will be diverted (taken from its source), conveyed (transported), or used. Applicants for municipal use, or irrigation uses within irrigation districts may substitute existing and proposed service-area boundaries for the tax-lot information requested below.

Township	Range	Section	1/4 1/4	Tax Lot #	Plan Designation (e.g. Rural Residential/RR-5)	Water to be:			Proposed Land Use:
<u>7S</u>	<u>3W</u>	<u>21</u>		<u>1100</u>	<u>EF80/Exclusive Farm</u>	<input checked="" type="checkbox"/> Diverted	<input checked="" type="checkbox"/> Conveyed	<input checked="" type="checkbox"/> Used	
		<u>22</u>				<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	
						<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	
						<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	

List all counties and cities where water is proposed to be diverted, conveyed, or used. Yamhill

B. Description of Proposed Use

Type of application to be filed with the Water Resources Department:

- Permit to Use or Store Water
- Exchange of Water
- Permit Amendment or Ground Water Registration Modification
- Water-Right Transfer
- Allocation of Conserved Water

Source of water: Reservoir/Pond Ground Water Surface Water (name) LAMBERT SLOUGH

Estimated quantity of water needed: 250 cubic feet per second gallons per minute acre-feet

Intended use of water: Irrigation Commercial Industrial Domestic for _____ household(s)
 Municipal Quasi-municipal Instream Other _____

Briefly describe: IRRIGATION WATER USED TO RAISE STRAWBERRIES

Note to applicant: If the Land Use Information Form cannot be completed while you wait, please have a local government representative sign the receipt below and include it with the application filed with the Water Resources Department.

Receipt for Request for Land Use Information

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

For Local Government Use Only

The following section must be completed by a planning official from each county and city listed unless the project will be located entirely within the city limits. In that case, only the city planning agency must complete this form.

This deals only with the local land-use plan. Do not include approval for activities such as building or grading permits.

Please check the appropriate box below and provide the requested information

- Land uses to be served by proposed water uses (including proposed construction) are allowed outright or are not regulated by your comprehensive plan. Cite applicable ordinance section(s): 402 of the Yamhill County Zoning Ordinance
- Land uses to be served by proposed water uses (including proposed construction) involve discretionary land-use approvals as listed in the table below. (Please attach documentation of applicable land-use approvals which have already been obtained. Record of Action/land-use decision and accompanying findings are sufficient.)
If approvals have been obtained but all appeal periods have not ended, check "Being pursued".

Type of Land-Use Approval Needed (e.g. plan amendments, rezones, conditional-use permits, etc.)	Cite Most Significant, Applicable Plan Policies & Ordinance Section References	Land-Use Approval:	
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued

Local governments are invited to express special land-use concerns or make recommendations to the Water Resources Department regarding this proposed use of water below, or on a separate sheet.

Name: Kenneth F. Fridley Title: Planning Division Manager
 Signature: [Signature] Phone: 503 434-7516 Date: 3/5/2009
 Government Entity: Yamhill County

Note to local government representative: Please complete this form or sign the receipt below and return it to the applicant. If you sign the receipt, you will have 30 days from the Water Resources Department's notice date to return the completed Land Use Information Form or WRD may presume the land use associated with the proposed use of water is compatible with local comprehensive plans.

Receipt for Request for Land Use Information

Applicant name: _____

City or County: _____ Staff contact: _____

Signature: _____ Phone: _____ Date: _____



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

RECEIVED
MAR 18 2008

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

Primary: 31.6 Acres

Supplemental: 13.0 Acres

List the permit or certificate number of the primary water right: No. 26118

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

- 1. STRAWBERRIES Full season Partial season (from: 3/1 to 10/31)
- 2. RASBERRIES Full season Partial season (from: 3/1 to 10/31)
- 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:

± 46 20⁰ JMS 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
- Other, explain: _____

STATE OF OREGON
COUNTY OF YAMHILL
CERTIFICATE OF WATER RIGHT

This Is to Certify, That HAROLD L. STOUTENBERG

of Route 1, Box 151, Dayton, State of Oregon, has made proof to the satisfaction of the STATE ENGINEER of Oregon, of a right to the use of the waters of unnamed lake a tributary of Willamette River for the purpose of irrigation of 13.0 acres.

under Permit No. 21233 of the State Engineer, and that said right to the use of said waters has been perfected in accordance with the laws of Oregon; that the priority of the right hereby confirmed dates from September 21, 1950.

that the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually beneficially used for said purposes, and shall not exceed 0.16 cubic foot per second,

or its equivalent in case of rotation, measured at the point of diversion from the stream. The point of diversion is located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ as projected within Angell DLC #57, Section 21, Township 5 South, Range 3 West, W.M.

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 one-eightieth of one cubic foot per second per acre, or its equivalent for each acre irrigated and shall be further limited to a diversion of not to exceed 2 $\frac{1}{2}$ acre feet per acre for each acre irrigated during the irrigation season of each year.

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

A description of the place of use under the right hereby confirmed, and to which such right is appurtenant, is as follows:

4.2 acres SE $\frac{1}{4}$ NE $\frac{1}{4}$ as projected within S. Angell DLC#57
6.4 acres Lot 2 (SE $\frac{1}{4}$ NE $\frac{1}{4}$)
Section 21
2.4 acres Lot 4 (SW $\frac{1}{4}$ NW $\frac{1}{4}$)
Section 22
Township 5 South, Range 3 West, W.M.

The right to the use of the water for the purposes aforesaid is restricted to the lands or place of use herein described.

WITNESS the signature of the State Engineer, affixed

this date. AUGUST 13 1959

.....LEWIS A. STANLEY.....
State Engineer



MAR 12 1986

Contract No. 089E101690

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Willamette Basin Project, Oregon

TEMPORARY CONTRACT FOR WATER SERVICE

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**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION**

Willamette Basin Project, Oregon

TEMPORARY CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this 29th day of September, 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), the Flood Control Act of 1938 (52 Stat. 1222), and the Flood Control Act of 1950 (64 Stat. 170), between the **UNITED STATES OF AMERICA**, hereinafter referred to as the United States, represented by the Contracting Officer executing this contract, and **Juan Ramirez-Mora**, hereinafter referred to as the Contractor;

WITNESSETH, THAT:

EXPLANATORY RECITALS

2. **WHEREAS**, The United States has constructed and operates a system of multipurpose reservoirs in the Willamette Basin, Oregon, herein styled the Willamette Basin Project, from which there is a flow of stored 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, was 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

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

LANDS FOR WHICH WATER IS FURNISHED: LIMITATIONS ON DELIVERIES

4. The United States shall make available to the Contractor during the remainder of the 2008 irrigation season ending October 31 stored water from the Willamette Basin Project for the irrigation of land owned by the Contractor described as follows:

- 20.6 acres, SW1/4 NE1/4, Section 21, T. 5 S., R. 3 W., W.M.
- 21.6 acres, SE1/4 NE1/4, Section 21, T. 5 S., R. 3 W., W.M.
- 2.4 acres, SW1/4 NW1/4, Section 22, T. 5 S., R. 3 W., W.M.

Of the land described, not more than 44.6 acres are to be irrigated. The amount of stored 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 20 acre-feet of stored water, measured at the point of delivery of said water.

PAYMENTS FOR WATER

5. (a) A payment of \$160 for the 2008 irrigation season shall be made to the United States at the time of executing this contract. This payment will entitle the Contractor to receive up to a maximum of 20 acre-feet of stored water for irrigation of the lands described in Article 4 of this contract. In the event some portion of the 20 acre-feet is not required by the Contractor, the Contracting Officer will consider refunding a portion of the water service payment based on information received from the Contractor, the State of Oregon, or other reliable sources as to the actual amount of stored water delivered each month to the Contractor during the 2008 irrigation season and on other factors in addition to the amount of stored water actually delivered,

as deemed appropriate by the Contracting Officer; Provided, that in order for a refund to be made, information on the amounts of water and stored water delivered each month must be received in writing by the Contracting Officer by **December 1, 2008**.

(b) The payment set forth in (a) above is based on an initial rate of \$8 per acre-foot of stored water; Provided, that such payment 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.

(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.

CONTRACT ADMINISTRATION FEES

6. (a) Prior to 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, contract amendments, supplements, and assignments will be subject to a charge in an amount sufficient to cover costs to the United States.

FURNISHING OF WATER

7. (a) Upon payment of the monies specified in subarticle 5(a) and Article 6 above, the United States will furnish water to the Contractor from the Willamette Basin Project pursuant to this contract. No water shall be furnished if the Contractor is delinquent in payment of the required payments.

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

1,750 feet south and 350 feet west of the northeast corner of
Section 21, T. 5 S., R. 3 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 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 available for reading and monitoring by the United States or an appropriate State-appointed 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) If requested, the Contractor shall, to the extent practicable, submit to the Contracting Officer an advance schedule as to the time of water deliveries. Changes in such schedule may be made only upon sufficient advance notice to the Contracting Officer to allow him to adjust releases to meet the new schedules. Upon the appointment of a State watermaster to govern diversions from the stream concerned, the Contractor shall be required to conform its diversions and releases to the control of the stream as established by the watermaster.

SPECIAL CONDITIONS

8. (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. The obligation of the United States to deliver water under this contract is subject to an operating plan for the Willamette Basin Project determined in accordance with the law governing the project.

(b) In the event the Contractor is not now a member of an irrigation district, water supply company, or other water user organization, this contract shall be terminated and water service hereunder shall cease automatically when stored water is made available to the lands described in Article 4 by such an organization to serve these and other lands presently irrigated or planned for irrigation in future years from the Willamette Basin Project.

(c) In the interest of conservation and protection of environmental resources, this contract may be reviewed by the Contracting Officer at any time. The terms and conditions of this contract, including the amount of stored water provided hereunder, 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.

(d) Prior to delivery of water under this contract the Contractor shall submit to the Contracting Officer written verification that satisfactory fish screen(s) and/or fish passage structure(s) are operational at the point(s) of diversion described in Article 7(b), or that the Contractor and the Oregon Department of Fish and Wildlife have reached a mutually satisfactory

agreement concerning compliance with State and Federal fish screening/passage standards at said point(s) of diversion. Such fish screen(s) and/or fish passage structure(s) shall be furnished, installed, operated, and maintained by and at the expense of the Contractor, but shall remain at all times available for inspection by the Contracting Officer and or the State of Oregon whose representatives may at all times have access to them over any lands of the Contractor.

TERM OF CONTRACT

9. This contract shall become effective as of the date first above written and shall continue through December 31, 2008, unless sooner terminated in accordance with Article 10, or by agreement of the parties hereto.

TERMINATION OF CONTRACT

10. (a) The United States may terminate this contract and water service hereunder shall cease if the Contractor is delinquent in payment of the water service payment for a period of 90 days or upon failure of the Contractor to abide by the terms and conditions of this Contract, or by any notice, order, rule, or regulation of the United States or the State of Oregon now or hereafter established affecting water service hereunder.

(b) The United States may terminate this contract and water service hereunder shall cease if a decision is reached by a Court of competent jurisdiction requiring termination of water delivery under this contract.

(c) The United States may terminate this contract and water service hereunder shall cease if the water supply becomes unavailable as required by, or due to the application of, federal laws, including, but not limited to, the ESA.

CONSTRAINTS ON THE AVAILABILITY OF WATER (WATER SHORTAGES)

11. 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.

HOLD HARMLESS AND INDEMNIFICATION

12. To the extent permitted by law, the Contractor shall indemnify, defend, and hold harmless the United States and Reclamation, and their officers, employees, and agents, from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any character (hereinafter collectively referred to as "claims") that result from , arise out of, or relate to the quality or quantity of water released pursuant to this contract, including but not limited to claims by patrons or others in privity with the Contractor derived from the settlement or adverse results of litigation brought against the United States or Reclamation by third parties. The Contractor does not agree to indemnify the United States for any damages arising from intentional torts or malicious actions committed by employees of the United States.

DISCLAIMER

13. No provision of this contract 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. Water service, such as that provided hereunder, may only be provided in a subsequent irrigation season, or seasons, upon execution of a suitable contract for that purpose. Because of possible fluctuations in reservoir surface elevations and downstream flows associated with the Willamette 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

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 N. Curtis Road, Suite 100, Boise, Idaho 83706-1234, and on behalf of the United States, when mailed, postage prepaid, or delivered to Juan Ramirez-Mora, 18949 SE. Wallace Road, Dayton, Oregon 97114. 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.

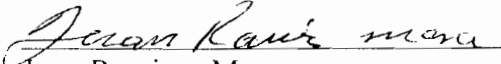
GENERAL PROVISIONS

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. CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS
- b. OFFICIALS NOT TO BENEFIT
- c. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED
- d. BOOKS, RECORDS, AND REPORTS
- e. COMPLIANCE WITH FEDERAL RECLAMATION LAWS
- f. PROTECTION OF WATER AND AIR QUALITY
- g. EQUAL EMPLOYMENT OPPORTUNITY
- h. COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS
- i. PRIVACY ACT COMPLIANCE
- j. MEDIUM FOR TRANSMITTING PAYMENTS
- k. CONTRACT DRAFTING CONSIDERATIONS

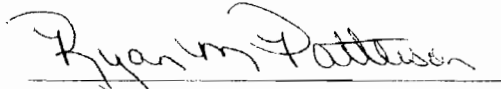
IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

CONTRACTOR



Juan Ramirez-Mora

UNITED STATES OF AMERICA

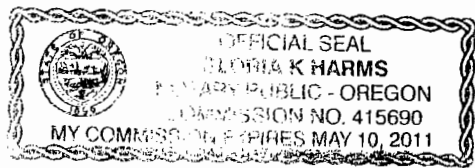


Program Manager
Repayment and Acreage Limitation
PN Region
Bureau of Reclamation
1150 N. Curtis Road, Suite 100
Boise, ID 83706-1234

STATE OF Oregon)
 : ss
County of Marion)

On this 8th day of September, 2008, before me, a notary public, personally appeared Juan Ramirez known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged that he is the legal owner of the property for which a water supply is to be provided under the contract and has executed this contract as his 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.



Gloria K. Harms

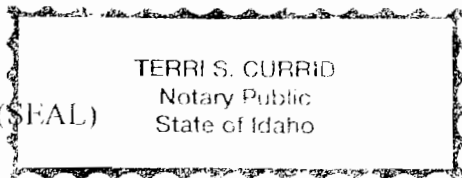
Notary Public in and for the
State of Oregon
Residing at: Salem
My commission expires: May 10, 2011

(SEAL)

STATE OF IDAHO)
 : ss
County of Ada)

On this 29th day of September, 2008, 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.



Terri S. Currid

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

(SEAL)

GENERAL PROVISIONS --- WILLAMETTE BASIN PROJECT

CONTINGENT UPON 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 funds are not appropriated or allotted.

OFFICIALS NOT TO BENEFIT

(b). 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

(c). 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

(d). 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

(e). 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.

PROTECTION OF WATER AND AIR QUALITY

(f). 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.

EQUAL EMPLOYMENT OPPORTUNITY

(g). 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 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 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 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 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 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

(h). 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

(j). 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 (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.

CONTRACT DRAFTING CONSIDERATIONS

(j). Articles 1 through 14 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.



S-87420

Owner's Policy of Title Insurance

Fidelity National Title Insurance Company

A Stock Company

Policy Number

27-31-92- 262069

OWNER'S POLICY OF TITLE INSURANCE

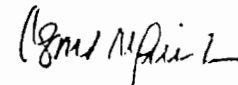
SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIDELITY NATIONAL TITLE INSURANCE COMPANY, a California corporation herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

IN WITNESS WHEREOF, FIDELITY NATIONAL TITLE INSURANCE COMPANY has caused this policy to be signed and sealed by its duly authorized officers as of Date of Policy shown in Schedule A.

Fidelity National Title Insurance Company

BY 

ATTEST

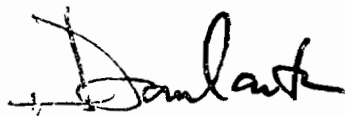
President



Secretary



Countersigned:



Authorized Signature

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured Or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or,

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the estate or interest, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the estate or interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title or otherwise establishes the lien of the insured mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at:

Fidelity National Title Insurance Company
National Claims Administration:
17911 Von Karman Avenue, Suite 300
Irvine, CA 92614-6253

OWNER'S INFLATION PROTECTION ENDORSEMENT

Attached to Policy No. 27-31-92-262069

Borrower: Juan Ramirez-Mora

Dated: February 18, 2005 at 2:28 P.M.

Premium: \$0.00

The Company, recognizing the current effect of inflation on real property valuation and intending to provide additional monetary protection to the insured owner named in the policy, hereby modifies the policy as follows:

1. notwithstanding anything contained in the policy to the contrary, the amount of insurance provided by the policy, as stated in Schedule A thereof, is subject to cumulative annual upward adjustments in the manner and to the extent hereinafter specified;
2. "adjustment date" is defined, for the purposes of this endorsement, to be 12:01 a.m. on the first January 1 which occurs more than six months after the Date of Policy, as shown in Schedule A of the policy to which this endorsement is attached and on each succeeding January 1;
3. an upward adjustment will be made on each of the adjustment dates, as defined above, by increasing the maximum of insurance provided by the policy by 10% (ten percent) per year for 5 (five) years; provided, however, that the maximum amount of insurance in force shall never exceed 150% of the amount of insurance stated in Schedule A of the policy, less the amount of any claim paid under the policy which, under the terms of the conditions and stipulations, reduces the amount of insurance in force;
4. in the settlement of any claim against the Company under the policy, the amount of insurance in force shall be deemed to be the amount which is in force as of the date on which the insured claimant first learned of the assertion or possible assertion of such claim, or as of the date of receipt by the Company of the first notice of the claim, whichever shall first occur.

This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements.

FIDELITY NATIONAL TITLE INSURANCE COMPANY

in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right

necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in the above paragraph shall terminate any liability of the Company

Order No. 21-27000

SCHEDULE A

AMOUNT: \$379,900.00

DATE: February 18, 2005

At: 2:28 P.M.

PREMIUM: \$780.50

POLICY NUMBER: 27-31-92-262069

1. NAME OF INSURED:

Juan Ramirez-Mora, an estate in fee simple

2. THE ESTATE OR INTEREST IN THE LAND WHICH IS COVERED BY THIS POLICY IS:

Fee.

3. TITLE TO THE ESTATE OR INTEREST IN THE LAND IS VESTED IN:

Juan Ramirez-Mora, an estate in fee simple

4. THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS:

Parcel 1
PARCEL I: A tract of land in Section 21, Township 5 South, Range 3 West, Willamette Meridian, in the County of Yamhill and State of Oregon and being a point of the Samuel Angell Donation Land Claim, #57, described as follows:

Beginning at the intersection of the center line of the Salem-Dayton State Highway with the division line of said Claim, said point being 29.383 chains South 89° West and 22.497 chains South 7° 57' West from the Northeast corner of said Claim; thence East along the division line of said Claim 32.53 chains to the East line of said Claim; thence South along the East line of said Claim to the most Easterly Southeast corner of said Claim; thence West 24.50 chains to an angle corner of said Claim; thence South from the angle corner of said Claim, 9.775 chains to the Northeast corner of a tract conveyed to J.P. Dorsey and Huldah Dorsey, by Deed Recorded November 28, 1905, in Book 48, Page 299, Deed Records of Yamhill County, Oregon; thence South 89° 15' West along the North line of said J.P. Dorsey and Huldah Dorsey tract to the center of said Salem-Dayton State Highway; thence North 7° 57' East along the center of said State Highway to the place of beginning.

EXCEPTING THEREFROM those portions heretofore conveyed to the Trustees of the Unionvale Evangelical United Brethren Church by Deeds Recorded January 18, 1918, in Book 74, Page 232, and Recorded August 8, 1947, in Book 144, Page 231 both in Deed Records of Yamhill County, Oregon.

ALSO EXCEPTING THEREFROM that portion lying within the Streets, Roads and Highways.

ALSO EXCEPTING THEREFROM That portion described as follows:

Beginning at a point which is South 165.0 feet from the interior angle corner of said Claim (said angle corner being also the Northwest corner of U.S. Government Lot 3 of Section 24); thence South along said Claim line 480.15 feet, more or less, to the Northeast corner of the above mentioned Dorsey tract; thence South 89° 15' West along the North line of said Dorsey tract to the center of the Salem-Dayton State Highway; thence North 7° 57' East along the center of said State Highway to a point which is North 82° 03' West of the place of beginning; thence South 82° 03' East to the place of beginning.

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PARCEL II: A tract of land in Sections 21 and 22, Township 5 South, Range 3 West., Willamette Meridian, in the County of Yamhill and State of Oregon, described as follows:

Beginning at an iron pipe on the East line of the Samuel Angell Donation and Claim, #57, in said Township and Range, at a point 2.54 feet North of the most Easterly Southeast corner of said Claim; thence North along the Claim line 1249.20 feet to an iron pipe; thence South $67^{\circ} 28'$ East 166.45 feet to an iron pipe and continuing on said course 25.40 feet to the Government meander line of the left bank of a Slough; thence following said meander line as follows: South 12° East 235.14 feet; South 24° East 316.80 feet; South 48° East 995.50 feet to an iron pipe; thence West 1071.30 feet to the place of beginning.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. a. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
b. Proceedings by a public agency which may result in taxes or assessment, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. a. Easements, liens, encumbrances, interests or claims thereof which are not shown by the public records.
b. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
4. a. Unpatented mining claims;
b. Reservations or exceptions in patents or in Acts authorizing the issuance thereof;
c. Water rights, claims or title to water; whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
5. Any lien or right to a lien, for services, labor or materials heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. The assessment and tax rolls disclose that the premises herein described have been specially assessed as Farm and/or Forest Use Land. If the land becomes disqualified for the special assessment under the statute, an additional tax may be levied for previous years in which the farm use assessment was in effect for the land. In addition thereto, a penalty may be levied if notice of disqualification is not timely given.
7. The rights of the public in and to that portion of the premises herein described lying within the limits of public roads, streets and highways.
8. The following matters are excluded from the coverage of the policy based on the proximity of the property to Lambert slough.
 - a. Rights of the public and governmental bodies (including claims of ownership) to that portion of the premises lying below the high water mark of Lambert slough.
 - b. Any adverse claim based on the assertion that:
 - i. Some portion of said land has been created by artificial means, or has accreted to such portion so created.
 - ii. Some portion of said land has been brought within the boundaries thereof by an avulsive movement of Lambert slough or has been formed by accretion to such portion.

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9. An Easement created by instrument, including the terms and provisions thereof,
In favor of: Junior Ray Clevenger
For: access to pump
Dated: October 21, 1998
Recorded: October 22, 1998
Instrument No.: 199820639
in Yamhill County, Oregon.
10. An Easement created by instrument, including the terms and provisions thereof,
In favor of: 07/05/1983
For: drain field
Dated: June 22, 1983
Recorded: July 5, 1983
Book: 0178 Page: 1007
in Yamhill County, Oregon.
11. Trust Deed, including the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advances as may be provided therein,
Grantor: Juan Ramirez-Mora, a married man
Trustee: Fidelity National Title Company
Beneficiary: Long Beach Mortgage Company
Amount: [REDACTED]
Dated: February 14, 2005
Recorded: February 18, 2005
Instrument No.: 200503403
in Yamhill County, Oregon.

END OF EXCEPTIONS