

S-73279
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United States Department of the Interior



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

IN REPLY REFER TO:
PN-3324
WTR-4.00

APR 28 2008

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APR 30 2008

**WATER RESOURCES DEPT
SALEM, OREGON**

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

Subject: Amendment of Water Service Contract No. 5-07-10-W1030, Willamette Basin Project, Oregon

Ladies and Gentlemen:

This is sent in regard to the subject contract which provides Carlton Plants, LLC with an irrigation water supply from the Willamette Basin Project.

Enclosed for your records is a copy of our letter amendment, signed by the Bureau of Reclamation and the Contractor, which corrects the place of use of irrigation water to match the Oregon State water right, along with a copy of page 2 of the contract which reflects this change. Please attach these enclosures to your copy of the contract which was originally executed February 27, 1995.

Copies of this letter and the enclosures are being sent to all appropriate State and Federal offices. If you have any questions, please contact Mr. Bill Parks at the above address or by telephone at 208-378-5344.

Sincerely,

Ryan M. Patterson
Program Manager
Repayment and Acreage Limitation

Enclosures

cc: Mr. Michael Mattick
District 2 Watermaster
Central Lane Justice Court
220 N Fifth
Springfield, OR 97477

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

Carlton Plants, LLC
c/o Mr. Allan Elliott
P.O. Box 399
Dayton, OR 97114-0399
(ea w/cy of encls)



United States Department of the Interior



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

APR 10 2008

BUREAU OF RECLAMATION		
OFFICIAL FILE COPY		
APR 17 '08		
EO	ISA	AWC
CONTROL #:		
FOLDER #:		

IN REPLY REFER TO:

PN-3324
WTR-4.00

Carlton Plants, LLC
% Mr. Allan Elliott
P.O. Box 399
Dayton, OR 97114-0399

Subject: Amendment No. 2 of Water Service Contract No. 5-07-10-W1030, Willamette Basin Project, Oregon

Dear Mr. Elliott:

This is in response to your letter dated March 24, 2008, in which you request an amendment to the subject contract to change the place of use of irrigation water to match your State water right. We understand these changes are necessary in order to reconcile the U.S. Bureau of Reclamation Contract with the May 30, 2007, State of Oregon Notice.

We concur with your request. To effect this change, the following modifications to Article 4 of the subject contract are necessary:

Article 4, page 2, lines 24 and 36 of Contract No. 5-07-10-W1030, are hereby amended to read as follows:

“6.3 acres, NE1/4 NE1/4, Section 9, T. 5 S., R. 3 W., W.M.
2.5 acres, NW1/4 NW1/4, Section 10, T. 5 S., R. 3 W., W.M.”

Additionally, the following land descriptions are hereby included in Article 4, page 2, lines 40 thru 42 to read as follows:

“13.9 acres, SE1/4 SW1/4, Section 28, T. 5 S., R. 3 W., W.M
8.0 acres, SW1/4 SE1/4, Section 28, T. 5 S., R. 3 W., W.M.
10.1 acres, SE1/4 SE1/4, Section 28, T. 5 S., R. 3 W., W.M.”

If you concur with the changes described above, we ask that you sign in the space provided below, have your signature notarized, and return an original of this letter to this office along with payment of \$100 for preparation of this contract amendment. At the time we receive your concurrence and payment described, we will provide copies of this amendment to appropriate State and Federal offices.

RECEIVED

APR 30 2008

WATER RESOURCES DEPT
SALEM, OREGON

Enclosed for your records is a duplicate copy of this letter along with a copy of page 2 of the contract that reflects the above-mentioned changes. If you should have any questions, please contact Mr. Bill Parks at the above address or telephone 208-378-5344.

Sincerely,

Ryan M. Patterson
Program Manager
Repayment and Acreage Limitation

In Duplicate

Enclosures

CONCUR:

CARLTON PLANTS, LLC

By: F. Allan Elliott
Signature and Title Operations Mgr.

ACKNOWLEDGEMENT:

STATE OF oregon)
: ss
County of yamhill)

On this 15th day of April, 2008, before me, a notary public, personally appeared F. Allan Elliott known to me to be the official that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of **CARLTON PLANTS, LLC**, for the uses and purposes therein mentioned, and on oath stated that he/she/they (*please circle one*) is/are authorized to execute said instrument on its behalf.

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



Michele Thomas
Notary Public in and for the
State of oregon
Residing at: 14301 SE Wallace Rd Dayton OR 97114
My commission expires: 11/28/08

RECEIVED

APR 30 2008

WATER RESOURCES DEPT
SALEM, OREGON

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 each year to the Contractor during the irrigation season from April 1 to September 30, inclusive, stored water from the Willamette Basin Project for the irrigation of land owned by the

Contractor described as follows:

- 3.8 acres, SW1/4 NE1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 8.9 acres, SE1/4 NW1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 25.8 acres, NE1/4 SW1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 1.3 acres, SE1/4 SW1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 20.3 acres, NW1/4 SE1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 0.8 acres, SW1/4 SE1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 15.8 acres, SW1/4 SW1/4, Sec. 3, T. 5 S., R. 3 W., W.M.
- 15.3 acres, NW1/4 SE1/4, Sec. 4, T. 5 S., R. 3 W., W.M.
- 7.0 acres, SW1/4 SE1/4, Sec. 4, T. 5 S., R. 3 W., W.M.
- 21.4 acres, SE1/4 SE1/4, Sec. 4, T. 5 S., R. 3 W., W.M.
- 2.9 acres, SW1/4 NE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 8.6 acres, SE1/4 NE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 16.7 acres, NE1/4 SE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 10.7 acres, NW1/4 SE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 25.0 acres, SW1/4 SE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 32.4 acres, SE1/4 SE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 6.3 acres, NE1/4 NE1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 17.9 acres, NW1/4 NE1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 26.6 acres, SW1/4 NE1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 18.0 acres, NE1/4 NW1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 11.2 acres, NW1/4 NW1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 5.3 acres, SW1/4 NW1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 16.2 acres, SE1/4 NW1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 22.4 acres, SW1/4 SW1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 17.3 acres, SE1/4 SW1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 9.9 acres, SW1/4 SE1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 2.5 acres, NW1/4 NW1/4, Sec. 10, T. 5 S., R. 3 W., W.M.
- 2.8 acres, NW1/4 NE1/4, Sec. 16, T. 5 S., R. 3 W., W.M.
- 4.6 acres, NE1/4 NW1/4, Sec. 16, T. 5 S., R. 3 W., W.M.
- 4.5 acres, NW1/4 NW1/4, Sec. 16, T. 5 S., R. 3 W., W.M.
- 5.6 acres, NE1/4 NE1/4, Sec. 17, T. 5 S., R. 3 W., W.M.
- 4.5 acres, NW1/4 NE1/4, Sec. 17, T. 5 S., R. 3 W., W.M.
- 13.9 acres, SE1/4 SW1/4, Sec. 28, T. 5 S., R. 3 W., W.M.
- 8.0 acres, SW1/4 SE1/4, Sec. 28, T. 5 S., R. 3 W., W.M.
- 10.1 acres, SE1/4 SE1/4, Sec. 28, T. 5 S., R. 3 W., W.M.

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APR 30 2008

WATER RESOURCES DEPT
SALEM, OREGON



IN REPLY
REFER TO:

United States Department of the Interior

BUREAU OF RECLAMATION

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

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FEB 12 1996
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SALEM, OREGON

PN-3323
WTR-4.00

FEB 07 1996

Mr. Douglas L. Baer
Oregon Water Resources Department
158 12th Street NE
Salem OR 97310

Subject: Amendment of Willamette Basin Project Water Service Contract No. 5-07-10-W1030

Dear Mr. Baer:

This is sent in regard to the subject contract which provides Gordon Bailey Revocable Trust (DBA Carlton Plants) with an irrigation water supply from the Willamette Basin Project.

Enclosed for your records is a copy of our letter, signed by Reclamation and the Contractor, to increase the number of acres and acre-feet (a.f.) of water that can be used under the contract from 413.5 to 424.3 acres and from 724 to 742.5 a.f. respectively, along with a copy of pages 2 and 3 of the contract which reflect these changes. Please attach these enclosures to your copy of the contract (reference application file no. 73279).

Copies of this letter and the enclosures are being sent to all appropriate Federal offices.

Sincerely,

ACTING FOR Ryan M. Patterson
Program Manager
Lands and Repayment

Enclosures

cc: U.S. Army Corps of Engineers
Attention: CENPP-PE-HR
PO Box 2946
Portland OR 97208
(w/cy of enclosure)



United States Department of the Interior

BUREAU OF RECLAMATION

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

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WATER RESOURCES DEPT.
SALEM, OREGON

IN REPLY REFER TO:

PN-3323
WTR-4.00

DEC 21 1995

Mr. Allan Elliot
Carlton Plants
PO Box 398
Dayton OR 97114-0398

Subject: Amendment of Willamette Basin Project Water Service Contract
No. 5-07-10-W1030

Dear Mr. Elliot:

This is sent in response to your December 5, 1995, letter and enclosures which outline the discrepancy between the acres listed in the subject contract with Gordon Bailey Revocable Trust (DBA Carlton Plants) and the application with the Oregon Water Resources Department.

We concur with your proposal to resolve this situation by increasing the number of acres and acre-feet (a.f.) of water that can be used under the subject contract from 413.5 to 424.3 acres and from 724 to 742.5 a.f. respectively.

The following changes to the contract are needed:

In Article 4 on page 2 of the contract; the 9th, 10th, and 17th lines of land descriptions need to be replaced with the following land descriptions:

"7.0 acres, SW1/4 SE1/4, Sec. 4, T. 5 S., R. 3 W., W.M.
21.4 acres, SE1/4 SE1/4, Sec. 4, T. 5 S., R. 3 W., W.M.
21.6 acres, NE1/4 NE1/4, Sec. 9, T. 5 S., R. 3 W., W.M."

The last two sentences in Article 4, listed on page 3 of the contract, need to be changed to the following:

"Of the land described, not more than 424.3 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, but not to exceed a maximum diversion of 742.5 acre-feet of stored water annually, measured at the point of delivery of said water."

The first two sentences in Article 5 (a), listed on page 3 of the contract, need to be changed to the following:

"An annual payment of \$5,940 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual

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WATER RESOURCES DEPT.
SALEM, OREGON

payments of \$5,940 will be due on or before April 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive not to exceed 742.5 acre-feet of stored water, hereinafter referred to as the base entitlement, for irrigation of the lands described in Article 4 of this contract."

If you concur with the above changes, please sign in the spaces provided below and return this letter to this office. At the time we receive your concurrence, we will advise all appropriate state and Federal offices that the change has been made.

Enclosed for your records is a duplicate copy of this letter along with a copy of pages two and three of the contract which reflect the changes cited above. We have received your payment of \$100 for preparation of this contract amendment.

If you should have any questions, please contact Larry Parsons of this office at (208) 378-5346.

Sincerely,




Ryan M. Patterson
Program Manager
Lands and Repayment

Enclosures

I Concur:

Gordon Bailey Revocable Trust

Gordon Bailey Revocable Trust by 

Gordon Bailey Revocable Trust
DBA Carlton Plants

1/8/96
Date

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WATER RESOURCES DEPT.
SALEM, OREGON

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 each year to the Contractor during the irrigation season from April 1 to September 30, inclusive, stored water from the Willamette Basin Project for the irrigation of land owned by the Contractor described as follows:

- 3.8 acres, SW1/4 NE1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 8.9 acres, SE1/4 NW1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 25.8 acres, NE1/4 SW1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 1.3 acres, SE1/4 SW1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 20.3 acres, NW1/4 SE1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 0.8 acres, SW1/4 SE1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 15.8 acres, SW1/4 SW1/4, Sec. 3, T. 5 S., R. 3 W., W.M.
- 15.3 acres, NW1/4 SE1/4, Sec. 4, T. 5 S., R. 3 W., W.M.
- 7.0 acres, SW1/4 SE1/4, Sec. 4, T. 5 S., R. 3 W., W.M.
- 21.4 acres, SE1/4 SE1/4, Sec. 4, T. 5 S., R. 3 W., W.M.
- 2.9 acres, SW1/4 NE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 8.6 acres, SE1/4 NE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 16.7 acres, NE1/4 SE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 10.7 acres, NW1/4 SE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 25.0 acres, SW1/4 SE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 32.4 acres, SE1/4 SE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 21.6 acres, NE1/4 NE1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 17.9 acres, NW1/4 NE1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 26.6 acres, SW1/4 NE1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 18.0 acres, NE1/4 NW1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 11.2 acres, NW1/4 NW1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 5.3 acres, SW1/4 NW1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 16.2 acres, SE1/4 NW1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 22.4 acres, SW1/4 SW1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
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- 9.9 acres, SW1/4 SE1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 19.2 acres, NW1/4 NW1/4, Sec. 10, T. 5 S., R. 3 W., W.M.
- 2.8 acres, NW1/4 NE1/4, Sec. 16, T. 5 S., R. 3 W., W.M.
- 4.6 acres, NE1/4 NW1/4, Sec. 16, T. 5 S., R. 3 W., W.M.
- 4.5 acres, NW1/4 NW1/4, Sec. 16, T. 5 S., R. 3 W., W.M.
- 5.6 acres, NE1/4 NE1/4, Sec. 17, T. 5 S., R. 3 W., W.M.
- 4.5 acres, NW1/4 NE1/4, Sec. 17, T. 5 S., R. 3 W., W.M.

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SALEM, OREGON

Of the land described, not more than 424.3 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, but not to exceed a maximum diversion of 742.5 acre-feet of stored water annually, measured at the point of delivery of said water.

Payments for Water

5. (a) An annual payment of \$5,940 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual payments of \$5,940 will be due on or before April 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive not to exceed 742.5 acre-feet of stored water, hereinafter referred to as the base entitlement, for irrigation of the lands described in Article 4 of this contract. The Contracting Officer will consider adjusting the water service payment downward or upward from the base entitlement based on information received from the Contractor, the State of Oregon, or other reliable sources as to the actual amounts of water and stored water delivered each month to the Contractor during the irrigation season and on other factors in addition to the amounts of water and stored water actually delivered, as deemed appropriate by the Contracting Officer. Any such adjustment will be determined and subtracted or added to the payment for the next year by the Contracting Officer; Provided, that in order for an adjustment to be made, information on the amounts of water and stored water delivered each month must be received by the Contracting Officer by December 1 of that year.



IN REPLY
REFER TO:

PN-3323
WTR-4.00

United States Department of the Interior

BUREAU OF RECLAMATION

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

73279
see files 73277+73278

MAR 10 1995

Carlton Plants
PO Box 398
Dayton OR 97114-9988

Subject: Willamette Basin Project Water Service Contract No. 5-07-10-W1030

Dear Ladies and Gentlemen:

Enclosed for your records is a conformed original of the fully executed subject contract, which provides for the use of stored water for irrigation use from the Willamette Basin Project commencing with the 1995 irrigation season.

If you have not yet contacted the Oregon Water Resources Department for your permits to divert, we suggest you do so. We are furnishing that agency a conformed copy of the contract so they will be in a position to proceed with issuing the required permit to divert stored water.

Sincerely,

Ryan M. Patterson
Program Manager
Lands and Repayment

Enclosure

cc: Oregon Water Resources Department, 158 12th Street NE,
Salem OR 97310 (w/cy of contract)

U S Army Corps of Engineers, Attention: CENPP-PE-HR, PO Box 2946,
Portland OR 97208 (w/cy of contract)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

Willamette Basin Project, Oregon

CONTRACT FOR WATER SERVICE

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	Exhibit A	

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 each year to the Contractor during the irrigation season from April 1 to September 30, inclusive, stored water from the Willamette Basin Project for the irrigation of land owned by the Contractor described as follows:

- 3.8 acres, SW1/4 NE1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 8.9 acres, SE1/4 NW1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 25.8 acres, NE1/4 SW1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 1.3 acres, SE1/4 SW1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 20.3 acres, NW1/4 SE1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 0.8 acres, SW1/4 SE1/4, Sec. 21, T. 4 S., R. 3 W., W.M.
- 15.8 acres, SW1/4 SW1/4, Sec. 3, T. 5 S., R. 3 W., W.M.
- 15.3 acres, NW1/4 SE1/4, Sec. 4, T. 5 S., R. 3 W., W.M.
- 7.0 — 5.0 acres, SW1/4 SE1/4, Sec. 4, T. 5 S., R. 3 W., W.M.
- 21.4 — 16.2 acres, SE1/4 SE1/4, Sec. 4, T. 5 S., R. 3 W., W.M.
- 2.9 acres, SW1/4 NE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 8.6 acres, SE1/4 NE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 16.7 acres, NE1/4 SE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 10.7 acres, NW1/4 SE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 25.0 acres, SW1/4 SE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 32.4 acres, SE1/4 SE1/4, Sec. 8, T. 5 S., R. 3 W., W.M.
- 21.6 — 18.0 acres, NE1/4 NE1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 17.9 acres, NW1/4 NE1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
- 26.6 acres, SW1/4 NE1/4, Sec. 9, T. 5 S., R. 3 W., W.M.
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- 4.6 acres, NE1/4 NW1/4, Sec. 16, T. 5 S., R. 3 W., W.M.
- 4.5 acres, NW1/4 NW1/4, Sec. 16, T. 5 S., R. 3 W., W.M.
- 5.6 acres, NE1/4 NE1/4, Sec. 17, T. 5 S., R. 3 W., W.M.
- 4.5 acres, NW1/4 NE1/4, Sec. 17, T. 5 S., R. 3 W., W.M.

(b) The annual payment set forth in (a) above is based on an initial rate of \$8 per acre-foot of stored water; Provided, that such annual 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. 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 Willamette 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) Payments required hereunder shall be made to the Bureau of Reclamation at the location described in Article 14 of this contract.

Contract Preparation Assignment 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.

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) 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.

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

Term of Contract

10. This contract shall become effective as of the date first above written and will continue in force for 5 years unless sooner terminated in accordance with Articles 9 or 11 or by agreement of the parties hereto. Either the Contracting Officer or the Contractor may terminate this contract unilaterally by providing a five-year advance notice in writing to the other party; Provided, that unless such notice is provided, on January 1 of each year, the contract shall be automatically renewed for 5 years.

Termination of Contract

11. This contract may be terminated and water service hereunder shall cease at the option of the United States at any time if the Contractor is delinquent in payment of the water service payment for a period of 30 days or upon failure of the Contractor to abide by any notice, order, rule, or regulation of the United States or the State of Oregon now or hereafter established affecting water service hereunder.

United States Not Liable for Water Shortages--Adjustments

12. On account of drought or uncontrollable forces, there may occur a shortage in the total quantity of water available for furnishing to the Contractor by the United States pursuant to this contract. In no event shall any liability accrue against the United States or any of its officers, agents, or employees for any damage direct or indirect arising from such shortages. If such a shortage occurs, the United States will apportion the available water supply among the Contractor and others entitled by existing and future contracts to receive water from the Willamette Basin Project.

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 ON APPROPRIATION OR ALLOTMENT OF FUNDS
- b. WATER AND AIR POLLUTION CONTROL
- c. QUALITY OF WATER
- d. EQUAL OPPORTUNITY
- e. COMPLIANCE WITH RECLAMATION LAWS
- f. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED
- g. OFFICIALS NOT TO BENEFIT
- h. WATER CONSERVATION
- i. HAZARDOUS MATERIALS

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

CONTRACTOR

*Gordon Bailey Trustee for The Gordon Bailey
Beneficial Trust + DBA CARLTON PLANTS*

[Signature]
Carlton Plants

UNITED STATES OF AMERICA

[Signature]

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

STANDARD PROVISIONS --- WILLAMETTE BASIN PROJECT

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

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

WATER AND AIR POLLUTION CONTROL

b. The Contractor, in carrying out this contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of Oregon, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

QUALITY OF WATER

c. The operation and maintenance of project facilities shall be performed in such manner as is practicable to maintain the quality of raw water made available through such facilities at the highest level reasonably attainable, as determined by the Contracting Officer. The United States does not warrant the quality of water and is under no obligation to construct or furnish water treatment facilities to maintain or better the quality of water.

EQUAL OPPORTUNITY

d. During the performance of this contract, the Contractor agrees as follows:

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

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

(3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the said labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

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

(5) The Contractor will furnish all information and reports required by said amended Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the such rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(6) The Contractor agrees to include the provision contained in paragraphs (1) through (5) of this Article in any subcontract or third party contract it may enter into pursuant to this contract.

(7) Reclamation agrees to provide information necessary for the Contractor, using reasonable diligence, to comply with the provision of this Article.