



# United States Department of the Interior

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

**RECEIVED**

JAN 17 2001

IN REPLY  
REFER TO:

PN-3322  
WTR-4.00

JAN 09 2001

WATER RESOURCES DEPT.  
SALEM, OREGON

914257

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

Subject: Amendment of Willamette Basin Project Water Service Contract No. 7-07-10-W1168

This is sent in regard to the subject contract which provides Hayworth Farms, Inc., 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 describes the 94.5 acres of land to be irrigated with not to exceed 236.25 acre-feet of stored water, along with a copy of the new page 2 and page 5 of the contract. Please attach the enclosures to your copy of the contract which was originally executed May 28, 1997.

Copies of this letter, the letter amendment, and the changed contract pages are being sent to all appropriate Federal offices. If you have any questions, please contact Mike Cobell of this office at the above address or telephone (208) 378-5223.

Sincerely,

Ryan M. Patterson  
Program Manager  
Lands and Repayment

## Enclosures

cc: U.S. Army Corps of Engineers  
Attention: CENWP-EC-HR  
PO Box 2946  
Portland OR 97208-2946  
(w/copy of encl)



# United States Department of the Interior

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



PN-3323  
WTR-4.00

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JAN 17 2001

Mr. Lamar Q. Nelson, Manager  
Hayworth Farms, Inc.  
PO Box 269  
Harrisburg OR 97446

WATER RESOURCES DEPT.  
SALEM, OREGON

Subject: Amendment of Water Service Contract No. 7-07-10-W1168, Willamette Basin Project  
(Reply to Your Letter Dated November 2, 1999)

Dear Mr. Nelson:

This is sent in response to your subject letter in which you requested that the adjustment of acres and Claim of Beneficial Use and Site Report be added to the contract (and also enclosed payment of \$100 to process an amendment along with payment of \$189 for next season).

The signature of this letter, or a revised letter, by an authorized representative of Hayworth Farms, Inc., is needed to amend the contract to adjust the acres described therein. We do not add the Claim of Beneficial Use and Site Report to the contract but will maintain it with our copy of the contract.

Based upon the information you submitted, it appears that the following changes are needed: reduction of the lands described in the contract to 94.5 acres, reduction of the maximum diversion to 236.25 acre-feet (AF), reduction of the annual payments to \$1,890, and a change in the second point of diversion listed in the contract.

In accordance with this amendment, the annual payments due under the contract are now \$1,890. Accordingly, we have computed the appropriate credit resulting from the 1999 water year and have determined you are entitled to a credit of \$50.80 after receipt of your recent payment of \$189 for next season. We will apply the credit to future contract payments. We have assumed that you desire to have the contract match the 2.5 AF per acre duty listed in the permit you sent to this office (the state unit duty of water for this area of Oregon).

Please understand that we will charge an additional fee for any subsequent changes to the contract, so you may want to check with the Oregon Water Resources Department to ensure the changes are correct before signing and returning this letter amendment (for example the location of the second diversion point would change from that listed in the permit).

The table of contents page and articles 4, 5, and 8 on pages 2 through 6 of the contract need to be changed to read as follows:

JAN 17 2001

"Lands for Which Water is Furnished: Limitations on Deliveries" WATER RESOURCES DEPT.  
SALEM, OREGON

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

- 6.8 acres, SW1/4 NW1/4, Sec. 1, T. 16 S., R. 4 W., W.M.
- 10.1 acres, NW1/4 SW1/4, Sec. 1, T. 16 S., R. 4 W., W.M.
- 13.1 acres, SE1/4 NE1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 34.6 acres, NE1/4 SE1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 18.4 acres, NW1/4 SE1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 1.6 acres, SW1/4 SE1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 9.9 acres, SE1/4 SE1/4, Sec. 2, T. 16 S., R. 4 W., W.M.

Of the land described, not more than 94.5 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 236.25 acre-feet of stored water annually, measured at the point of delivery of said water.

Payments for Water

5. (a) Annual payments of \$1,890 will be due on or before March 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive not to exceed 236.25 acre-feet of stored water for irrigation of the lands described in Article 4 of this contract. The Contracting Officer will consider adjusting the water service payment downward based on information received from the Contractor, the State of Oregon, or other reliable sources as to the actual amount of stored water delivered to the Contractor during the irrigation season and on other factors in addition to the amount of stored water actually delivered, as deemed appropriate by the Contracting Officer. Any such adjustment will be determined and subtracted from the payment for the next year by the Contracting Officer; Provided, that in order for an adjustment to be made, information on the amounts of water and stored water delivered each month must be received in writing by the Contracting Officer by December 1 of that year.

(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

JAN 17 2001

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.

WATER RESOURCES DEPT.  
HELM, OREGON

(d) Payments required hereunder shall be made to the Bureau of Reclamation at the location described in Article 14 of this contract.

#### Furnishing of Water

8. (a) Upon payment of the annual payment specified in subarticle 5(a) 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 annual payment.

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

a sump pump located 10 feet south and 910 feet east of the northwest corner of DLC 56, in Sec. 2, T. 16 S., R. 4 W., W.M.

a sump located 100 feet south and 3,740 feet east of the northwest corner of DLC 56, in Sec. 1, T. 16 S., R. 4 W., W.M.

The Contractor shall receive said water at the point of diversion and shall be wholly responsible for securing said water at that point and diverting, conveying, and utilizing it. The 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 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."

If you concur with the above changes, please have an authorized representative of Hayworth Farms, Inc. sign and date 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 and send them a copy of the amended pages.

Enclosed for your records is a duplicate copy of this letter along with a copy of the table of contents page and pages two through six of the contract which reflect the changes cited above. If you should have any questions, please contact Larry Parsons of this office at (208) 378-5346.

Sincerely,

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JAN 17 2001

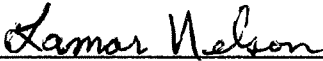


WATER RESOURCES DEPT.  
SALEM, OREGON

Ryan M. Patterson  
Program Manager  
Lands and Repayment

Enclosures

I Concur:



Authorized Representative of Hayworth Farms, Inc.

12-13-2000

Date

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JAN 17 2001

WATER RESOURCES DEPT.  
SALEM, OREGON

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

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 March 1 to October 31, inclusive, stored water from the Willamette Basin

Project for the irrigation of land owned by the Contractor described as follows:

- 6.8 acres, SW1/4 NW1/4, Sec. 1, T. 16 S., R. 4 W., W.M.
- 10.1 acres, NW1/4 SW1/4, Sec. 1, T. 16 S., R. 4 W., W.M.
- 13.1 acres, SE1/4 NE1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 34.6 acres, NE1/4 SE1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 18.4 acres, NW1/4 SE1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 1.6 acres, SW1/4 SE1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 9.9 acres, SE1/4 SE1/4, Sec. 2, T. 16 S., R. 4 W., W.M.

Of the land described, not more than 94.5 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 236.25 acre-feet of stored water annually, measured at the point of delivery of said water.

Payments for Water

5. (a) Annual payments of \$1,890 will be due on or before March 1 of each succeeding irrigation season in advance of water use. This payment will entitle the Contractor to receive not to exceed 236.25 acre-feet of stored water for irrigation of the lands described in Article 4 of this contract. The Contracting Officer will consider adjusting the water service payment

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WATER RESOURCES DEPT.  
SALEM, OREGON

(b) Water for the purposes hereof shall be made available and measured at the

following point(s) of diversion:

a sump pump located 10 feet south and 910 feet east of the northwest corner of DLC 56, in Sec. 2, T. 16 S., R. 4 W., W.M.

a sump located 100 feet south and 3,740 feet east of the northwest corner of DLC 56, in Sec. 1, T. 16 S., R. 4 W., W.M.

The Contractor shall receive said water at the point of diversion and shall be wholly responsible for securing said water at that point and diverting, conveying, and utilizing it. The 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



# 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

Mr. John W. Hayworth  
President  
Hayworth Farms, Inc.  
PO Box 264  
Harrisburg OR 97446

Subject: Willamette Basin Project Water Service Contract No. 7-07-10-W1168

Dear Mr. Hayworth:

Enclosed for your records is an original of the fully executed subject contract, which provides for the use of stored water from the Willamette Basin Project for irrigation use beginning in 1997.

Should you have any questions, please contact Larry Parsons at the above address or telephone (208) 378-5346.

Sincerely,

Ryan M. Patterson  
Program Manager  
Lands and Repayment

Enclosure

cc: Oregon Water Resources Department  
158 12th Street NE  
Salem OR 97310 (w/copy of contract)  
OWRD Reference File No. G-14257

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



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

Willamette Basin Project, Oregon

CONTRACT FOR WATER SERVICE

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

Willamette Basin Project, Oregon

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this 28th day of May, 1997, 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 Hayworth Farms, Inc., 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;

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 March 1 to October 31, inclusive, stored water from the Willamette Basin Project for the irrigation of land owned by the Contractor described as follows:

- 6.8 acres, SW1/4 NW1/4, Sec. 1, T. 16 S., R. 4 W., W.M.
- 10.1 acres, NW1/4 SW1/4, Sec. 1, T. 16 S., R. 4 W., W.M.
- 8.8 acres, SW1/4 NE 1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 13.1 acres, SE 1/4 NE 1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 6.1 acres, SE1/4 NW1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 1.8 acres, NE 1/4 SW1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 34.6 acres, NE1/4 SE 1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 27.9 acres, NW1/4 SE 1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 1.3 acres, SW1/4 SE 1/4, Sec. 2, T. 16 S., R. 4 W., W.M.
- 10.8 acres, SE 1/4 SE 1/4, Sec. 2, T. 16 S., R. 4 W., W.M.

Of the land described, not more than 121.3 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 242.6 acre-feet of stored water annually, measured at the point of delivery of said water.

Payments for Water

5. (a) An annual payment of \$1,940.80 for the first irrigation season shall be made to the United States at the time of executing this contract, and subsequent annual payments of

\$1,940.80 will be due on or before March 1 of each succeeding irrigation season ~~in advance~~ of water use. This payment will entitle the Contractor to receive not to exceed 242.6 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 amount of stored water delivered to the Contractor during the irrigation season and on other factors in addition to the amount of 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.

(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.

#### Charges for Delinquent Payments

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

(b) The interest charge rate shall be the greater of the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month prescribed by section 6 of the Reclamation Project Act of 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed for the duration of the delinquent period.

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

Furnishing of Water

8. (a) Upon payment of the annual payment specified in subarticle 5(a) 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 annual payment.

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

a sump pump located 10 feet south and 910 feet east of the northwest corner of DLC 56, in Sec. 2, T. 16 S., R. 4 W., W.M.

a sump located 20 feet south and 3,640 feet east of the northwest corner of DLC 56, in Sec. 1, T. 16 S., R. 4 W., W.M.

The Contractor shall receive said water at the point of diversion and shall be wholly responsible for securing said water at that point and diverting, conveying, and utilizing it. The 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.

#### Special Conditions

9. (a) It is the responsibility of the Contractor to comply with the laws of the State of Oregon regarding the obtaining and perfecting of permits to divert water to the lands described in Article 4. Prior to executing this contract, the Contractor shall secure any easements from the Corps of Engineers which may be required for constructing facilities to divert and convey the stored water and provide written verification of such agreements to the Contracting Officer. 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 5 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, from time to time, but not less often than once every 5 years, this contract shall be reviewed by the Contracting Officer. The terms and conditions of this contract may be modified, if deemed necessary by the Contracting Officer, to avoid or minimize impacts to candidate, listed or proposed threatened and endangered species, or other valuable natural resources. Any modification by the Contracting Officer shall be announced by written notice to the Contractor.

#### Term of Contract

10. (a) This contract shall become effective as of the date first above written and will have a term of not to exceed 10 years; Provided; that this contract will automatically renew for a term of not to exceed 10 years at the end of 10, 20, and 30 years from the date first above written unless sooner terminated in accordance with Articles 9 or 11, or by agreement of the parties hereto, or unilaterally as set forth in (b) below, Provided however; that this contract does not qualify as a long-term contract under the Act of July 2, 1956 (70 Stat. 483) and in no event shall this contract be in effect beyond 40 years through automatic renewals.

(b) Either the Contracting Officer or the Contractor may terminate this contract unilaterally at the end of 10, 20, or 30 years, provided the terminating party has given at least 5 years advance notice in writing to the other party.

#### 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 90 days or upon failure of the Contractor to abide by any notice,



order, rule, or regulation of the United States or the State of Oregon now or hereafter established affecting water service hereunder.

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.

Disclaimer

13. No provision of this contract, nor of any renewal thereof, nor the furnishing of water hereunder will be construed to bind the United States after the expiration of this contract as the basis of a permanent water right. Because of possible fluctuations in reservoir surface elevations and downstream flows associated with the 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, Lands and Repayment, Pacific Northwest Region, Bureau of Reclamation, 1150 N. Curtis Road, Boise, Idaho 83706-1234, and on behalf of the United States, when mailed, postage prepaid, or delivered to Hayworth Farms, Inc., PO Box 264, Harrisburg OR 97446. 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.

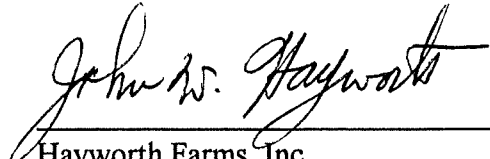
General Provisions

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.

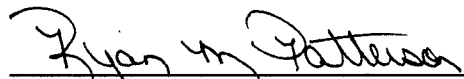
- a. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS
- b. WATER AND AIR POLLUTION CONTROL
- c. QUALITY OF WATER
- d. EQUAL OPPORTUNITY
- e. COMPLIANCE WITH RECLAMATION LAWS
- f. ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED
- g. OFFICIALS NOT TO BENEFIT
- h. WATER CONSERVATION
- i. HAZARDOUS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

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

CONTRACTOR

  
\_\_\_\_\_  
Hayworth Farms, Inc.

UNITED STATES OF AMERICA

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

STATE OF OREGON )  
 : SS  
County of Linn )

On this 9 day of May, 1997, before me, a notary public, personally appeared John W. Hayworth, known to me to be the official of HAYWORTH FARMS, INC. that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said Hayworth Farms, Inc., for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

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



(SEAL)

Carolyn K Christensen

Notary Public in and for the  
State of Oregon  
Residing at: Hornhook OR 97446  
My commission expires: 11-7-99

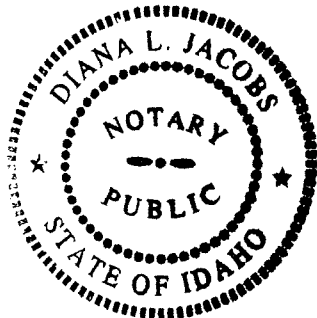
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STATE OF IDAHO )  
 : SS  
County of Ada )

On this 28 day of May, 1997, personally appeared before me, a notary public, Ryer M. Patterson, known to me to be the official of the UNITED STATES OF AMERICA that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said United States, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

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

(SEAL)



Diana L. Jacobs

Notary Public in and for the  
State of IDAHO  
Residing at: Boise  
My commission expires: 5-23-2000