



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

JUN 8 2000

Mr. Jon-Marc Soule'
Controller, WK&K Land, LP
3122 Stahlbush Island Road
Corvallis OR 97333

Subject: Successor in Interest to Willamette Basin Project Water Service Contract Nos.
14-06-100-7802 and 7-07-10-W0067

Dear Mr. Soule':

Enclosed for the records of WK&K Land, LP are fully executed copies of the documents for the subject contracts (previously with Frank and David Setniker) that recognize WK&K Land, LP as the successor in interest to these contracts. Thank you for completing the subject documents.

We are also enclosing copies of the unpaid billings that need to be paid. A total of \$8,408 is owed, consisting of \$5,108.80 for 1999 and 2000 water service under Contract No. 14-06-100-7802, \$3,199.20 for 1998-2000 water service under Contract No. 7-07-10-W0067, and a \$100 fee for processing the transfer of Contract No. 7-07-10-W0067 (the processing fee of \$100 to transfer Contract 14-06-100-7802 was paid in 1998).

Sec. 31001.(i) of the Debt Collection Improvement Act of 1996 (Chapter 10 of Pub. L. 104-134) requires each contractor with an agency of the United States to furnish their taxpayer identifying number and each agency to disclose to that contractor its intent to use such number for purposes of collecting and reporting on any delinquent amounts arising out of such contractor's relationship with the Government.

Because you are a contractor with the United States (under this contract), we are required to ask that you also provide your taxpayer identifying number (social security number or employer identification number) in the enclosed postage-paid envelope.

Your assistance is appreciated. Should you have any questions about the billings, please contact Nancy Catron of our Finance Office at the above address or telephone (208) 378-5065.

Sincerely,

RECEIVED

JUN 12 2000

**WATER RESOURCES DEPT.
SALEM, OREGON**

Ryan M. Patterson
Program Manager
Lands and Repayment

Enclosures

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

US Army Corps of Engineers
Attention: CENPP-PE-HR
PO Box 2946
Portland OR 97208
(each w/copies of successor in interest documents)


RECOGNITION OF SUCCESSOR IN INTEREST TO WILLAMETTE BASIN PROJECT
WATER SERVICE CONTRACT

WHEREAS, the United States of America entered into a contract on June 15, 1973, Contract No. 14-06-100-7802, with John and Georgina Wahl for an irrigation water supply from the Willamette Basin Project for use on lands owned by the Contractor; and

WHEREAS, all rights, title, and interest in Contract No. 14-06-100-7802 were subsequently assigned to L. Frank and David F. Setniker on November 4, 1990; and

WHEREAS, an authorized representative for WK & K Land L.P. states that WK & K Land L.P. now has acquired the land to which water was to be provided under said contract and requests that it be recognized as the successor in interest to this contract (at mailing address 3122 Stahlbush Island Road, Corvallis OR 97333);

NOW, THEREFORE, all right, title, and interest in Contract No. 14-06-100-7802, dated June 15, 1973, for an irrigation supply not to exceed 686 acre-feet of water annually is hereby recognized to be held by WK & K Land L.P. This contract action is effective only upon the approval thereof by the United States of America as provided in Article 11 of said June 15, 1973, contract.


WK & K Land L.P. *President of W&K, Inc. Managing Partner of W&K L.P.*

5-5-00

Date

The above contract action is hereby approved:



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

RECEIVED

JUN 12 2000

WATER RESOURCES DEPT.
SALEM, OREGON

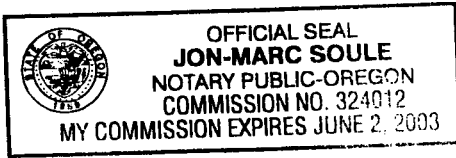
STATE OF OREGON)

: ss

County of Benton)

On this 5th day of May, 2000, personally appeared before me William D. Chambers, known to me to be the authorized representative of the WK & K Land L.P. that executed the within and foregoing instrument and acknowledged that the WK & K Land L.P. is the legal owner of the property for which a water supply is to be provided under the June 15, 1973, contract, and has executed this contract document as his or her free and voluntary act and deed.

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



JM Soule
Notary Public in and for the
State of OREGON
Residing at: 3122 Stallbush Island Rd; Corvallis, OR 97331
My commission expires: 6-2-03

(SEAL)

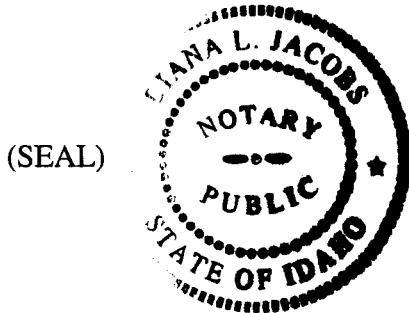
STATE OF IDAHO)

: ss

County of Ada)

On this 7 day of June, 2000, personally appeared before me Ryan 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: 5-22-06

Mattick Benton



United States Department of the Interior



BUREAU OF RECLAMATION
PACIFIC NORTHWEST REGION
FEDERAL BUILDING & U.S. COURTHOUSE
BOX 043-550 WEST FORT STREET
BOISE, IDAHO 83724-0043

IN REPLY
REFER TO:

PN 440

DEC 18 1990

L. Frank and David F. Setniker
3601 NW. Hill Road North
McMinnville OR 97128

Subject: Assignment of Willamette Basin Water Service Contract
No. 14-06-100-7802 (Water Service Contract)

Dear Messrs. Setniker:

This is in regard to your recent purchase of lands owned by John and Georgina Wahl and the transfer of their water service contract, which serves those lands, to you.

Enclosed for your records is a copy of the Assignment of Contract which has been fully executed by the Wahls and transfers all their right, title, and interest in Contract No. 14-06-100-7802 to you.

Also enclosed is a copy of that contract which now provides you an irrigation water supply of 686 acre-feet annually from the Willamette Basin Project.

If you should have any questions, please contact Larry Parsons at the above address or telephone (208) 334-1547.

Sincerely,

WENDEL R. PEDDE

Regional Director

Enclosures

cc: Director
Oregon State Water
Resources Department
3850 Portland Road NE.
Salem OR 97310 (w/copy of Assignment of Contract)

U.S. Army Corps of Engineers
Attention: NPPEN-HH-R
PO Box 2946
Portland OR 97208 (w/copy of Assignment of Contract)

*53945
44147*

ASSISTANT

ASSIGNMENT OF CONTRACT FOR WILLAMETTE BASIN PROJECT

WHEREAS, the United States of America entered into Contract No. 14-06-100-7802, on June 15, 1973, with John and Georgina Wahl for an irrigation water supply from the Willamette Basin Project for use on lands owned by the Contractor; and

WHEREAS, L. Frank Setniker and David F. Setniker have now purchased the land to which water was to be provided under said contract and that contract is now to be assigned to L. Frank Setniker and David F. Setniker;

NOW, THEREFORE, for value received, we, John and Georgina Wahl hereby assign to L. Frank Setniker and David F. Setniker all our right, title, and interest in Contract No. 14-06-100-7802, dated June 15, 1973, for an irrigation water supply not to exceed 686 acre-feet annually. The assignment of this contract is effective only upon the approval thereof by the United States of America as provided in Article 11, of said June 15, 1973, contract.

John Wahl - 11/20/90
John Wahl, Assignor

Georgina Wahl
Georgina Wahl, Assignor

1
Address

11/4/90
Date

CONTRACTING OFFICER

By Kenneth L. Pedde
Assistant Regional Director, PN Region
Bureau of Reclamation
Box 043, 550 W. Fort Street
Boise, Idaho 83724-0043

STATE OF OREGON)
: ss
County of Curry)

On this 4th day of November, 1990, before me, a notary public, personally appeared ~~John and~~ Georgina Wahl, known to me to be the person whose names ~~are~~ subscribed to the foregoing instrument and acknowledged to me that ~~they~~ executed this assignment of Contract as ~~the~~ 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.

Sandra L. Todd
Notary Public in and for the
State of Oregon
Residing at: Sipos Ore.

(SEAL)

My commission expires:
10-8-93

STATE OF IDAHO)
: ss
County of Ada)

On this 11th day of December, 1990, personally appeared before me Kenneth R. Redde, to me known to be the official of the UNITED STATES OF AMERICA that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said United States, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

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

Diana L. Jacobs
Notary Public in and for the
State of Idaho
Residing at: Boise

(SEAL)

My commissin expires: 5-23-94

STATE OF OREGON)
 : ss
County of Benton)

On this 20th day of November, 1990, before me, a notary public, personally appeared John Wahl, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed this assignment of 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.

Beverly J. Souma

Notary Public in and for the
State of Oregon
Residing at: Corvallis, Or

(SEAL)

My commission expires: 2-26-93

* * * * *

STATE OF IDAHO)
 : ss
County of Ada)

On this 11th day of December, 1990, personally appeared before me Kenneth R. Pedde, to me known to be the official of the UNITED STATES OF AMERICA that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said United States, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

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

Diana L. Jacobs

Notary Public in and for the
State of Idaho
Residing at: Boise

(SEAL)

My commission expires: 5-23-94

RECEIVED

JUN 16 1978

**WATER RESOURCES DEPT.
SALEM, OREGON**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Willamette Basin Project, Oregon

Contract No.
14-06-100-7802

CONTRACT FOR WATER SERVICE

THIS CONTRACT, made this 15th day of June, 1973, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388) and acts amendatory thereof or supplementary thereto, including section 8 of the Act of December 22, 1944 (58 Stat. 887, 891), all of which acts are commonly known and referred to as the Federal Reclamation Laws, between the UNITED STATES OF AMERICA, hereinafter referred to as the United States, represented by the contracting officer executing this contract, and John and Georgina Wahl, hereinafter referred to as the Contractor,

WITNESSETH, THAT:

EXPLANATORY RECITALS

2. WHEREAS, because the United States is engaged in the construction and operation of a system of multipurpose reservoirs in the Willamette Basin, Oregon, herein styled the Willamette Basin Project, there will be a flow of water that can be used for irrigation of land, and other beneficial uses, which flow as it is 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 is the owner of 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 the payment by the Contractor to the United States of the charges in the manner hereinafter provided, it is agreed:

WATER TO BE PROVIDED BY UNITED STATES

4. The United States shall make available each year to the Contractor during the irrigation season from April 1 to Sept. 30, inclusive, water from the Willamette Basin Project for irrigation of the land of the Contractor described as follows: 30 acres SW $\frac{1}{2}$ SW $\frac{1}{2}$, 40 acres SW $\frac{1}{2}$ SE $\frac{1}{2}$, 40 acres SE $\frac{1}{2}$ SE $\frac{1}{2}$, section 24; 39 acres NW $\frac{1}{2}$ NW $\frac{1}{2}$, 40 acres SW $\frac{1}{2}$ NW $\frac{1}{2}$, 40 acres NW $\frac{1}{2}$ NE $\frac{1}{2}$, 40 acres NE $\frac{1}{2}$ NE $\frac{1}{2}$, 27.3 acres SW $\frac{1}{2}$ NE $\frac{1}{2}$, 23 acres SE $\frac{1}{2}$ NE $\frac{1}{2}$, section 25, T. 13 S., R. 5 W., W.M.

Of the land described, 319.3 acres are to be irrigated. The quantity of water to be made available hereunder shall be that quantity which may be applied beneficially in accordance with good usage in the irrigation of the land above described, but in no event shall it exceed a total diversion of 686 acre-feet annually, measured at the point of delivery of said water.

PLACE OF DELIVERY AND MEASUREMENT OF WATER

5. Water for the purposes hereof shall be made available at the following described point of diversion: 1,320 feet west and 2,198 feet south of the NE corner of sec. 25, T. 13 S., R. 5 W.

The Contractor shall receive said water at said point of diversion and shall be wholly responsible for taking said water at that point and diverting, conveying, and utilizing it. The water to be delivered hereunder shall be measured at: point of diversion

by means of a measuring device or controlling device to be satisfactory to the contracting officer. Such devices shall be furnished, installed, and maintained by and at the expense of the Contractor, but they shall be and remain at all times under the control of the United States or of 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.

RATE OF DELIVERY OF WATER

6. The monthly supply of water hereunder diverted in any one month of the irrigation season, beginning in April and ending on or before September 30, shall not exceed 35 percent of the total maximum annual diversion as hereinabove set forth. The Contractor shall, to the extent practicable, submit to the contracting officer an advance schedule

as to the precise 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 watermaster to govern diversions from the stream concerned, the Contractor shall be required to conform his diversions and releases to the control of the stream as established by the watermaster.

WATER SUPPLY

7. (a) 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 respective maximum contracted rights, 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. 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. 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 that project.

(b) On account of drought, inaccuracy in distribution, or other cause, there may occur at times a shortage in the water supply provided herein, and while the United States will use all reasonable means to guard against such shortages, 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 therefrom.

CHARGE

8. (a) The Contractor shall pay for all supplies of water delivered to him under the terms and conditions hereof, a minimum charge equal to the annual rate per acre-foot as established under (c) of this article times the acreage to be irrigated specified in article 4 and for additional water at the annual rate as established under (c). Prior to the delivery of any water each irrigation season, the Contractor shall make advance payment at the aforesaid rate for the estimated quantity of water desired to be delivered during that season, but in no event less than the amount of the minimum charge. At the end of the irrigation season a determination will be made by the watermaster, if one is available on the stream involved, and if not, by the contracting officer, of the amount of stored water delivered. In the event the total quantity of stored water delivered to the Contractor is less than the estimated amount for which advance payment has been made, the Contractor shall be given credit for the difference between the amount advanced and the amount of obligation based on the water delivered, the latter amount in no event, however, to be less than the minimum charge. Any credit determined to be due will be applied on the payment of charges to come due in the succeeding irrigation season. In the event the total quantity delivered is more than the estimated amount for which advance

payment is made, payment therefor shall be made within sixty (60) days of the issuance of a bill therefor, and in no event later than the first delivery of water in the succeeding irrigation season.

(b) Payments hereunder required shall be made at the office of the Bureau of Reclamation at Boise, Idaho or such other place as may be directed by the contracting officer. Any sum of money required to be paid to the United States which remains unpaid after it has become due shall be subject to a penalty of one-half (1/2) of one (1) percent per month from the date of delinquency until it has been paid.

(c) During the initial period of the contract (not to exceed ten (10) years) the rate per acre-foot of water is hereby established as fifty cents (\$0.50). If this contract is made before April 15, 1955, the initial period will be ten (10) years; if the contract is made after that date a shorter initial period may be established by the Secretary of the Interior. The annual rate per acre-foot of water to govern beginning with the first irrigation season after the initial period has been tentatively established by the Secretary of the Interior as one dollar (\$1.00) per acre-foot, but that rate is subject to revision from time to time throughout the term of this contract in accordance with the construction, operation, and maintenance costs of the Willamette Basin Project as allocated to the water supply available for irrigation uses, the then requirements of law relating to such allocations and the return of such costs, and the effect of the rate on irrigation development through this and similar contracts. Any revision will be made only

as to future charges and only after consultation with the Willamette River Basin Commission, and shall be announced by written notice to the Contractor at least three months prior to the beginning of the irrigation season to which the new rate would be applicable.

REFUSAL OF WATER IN CASE OF DEFAULT: TERMINATION

9. The United States reserves the right either to refuse to deliver water to the Contractor or to cancel this contract in the event of default for a period of more than one year in any payment due to the United States under this contract. The provisions of this article are not exclusive and shall not in any manner hinder the United States from exercising any other remedy to enforce collection of moneys payable hereunder. This contract shall be terminated and water service hereunder shall cease automatically when water is made available to the lands involved through an agreement with an organized group or association for the benefit of the lands described in article 4.

IRRIGABLE AREA LIMITATION

10. Pursuant to the provisions of the Federal Reclamation Laws, water made available to the Contractor hereunder shall not be delivered to more than 160 irrigable acres in the ownership of any one person or other entity, nor more than 320 irrigable acres held by a husband and wife as community property, except that, if irrigable lands in excess thereof have been acquired by foreclosure or other process of law, by conveyance in satisfaction of mortgages, by inheritance or devise, water

therefor may be furnished temporarily for a period not to exceed two years from the effective date of such acquisition, and except that delivery may be made to lands held in excess of this limitation if the excess lands are covered by a recordable contract made in accordance with the provisions of section 46 of the Act of May 25, 1926 (44 Stat. 649). In the event there is a repeal of the so-called excess land provisions of the Federal Reclamation Laws, this article will no longer be of any force or effect, and, in the event these provisions are amended in material respects, the United States will, at the request of the Contractor, negotiate amendments of this article in order to conform them to the excess land provisions of the law as so amended.

SUCCESSORS AND ASSIGNS OBLIGATED

11. The terms of this agreement shall inure to the benefit of and be binding upon the successors in interest and assigns of the parties hereto. No assignment of this agreement shall be effective without the prior approval of the contracting officer.

OFFICIALS NOT TO BENEFIT

12. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

CONTINGENT ON APPROPRIATIONS OR ALLOTMENT OF FUNDS

13. The expenditure of any money or the performance of any work by the United States herein provided for, which may require appropriations of money by the Congress or the allotment of Federal funds, shall be contingent on such appropriations or allotments being made. The failure of the Congress to appropriate funds, or the failure of any allotment of funds shall not, however, relieve the Contractor from any obligations theretofore accrued under this contract, nor give the Contractor the right to terminate this contract as to any of its executory features. No liability shall accrue against the United States in case such funds are not so appropriated or allotted.

TERM OF CONTRACT

14. This contract shall become effective as of the date first above written after its execution on behalf of the United States, and shall remain effective for a term of forty (40) years from that date except as otherwise herein provided. At the expiration of the term, the contract may be extended by the Secretary of the Interior for additional terms of not to exceed forty (40) years each.

WATER POLLUTION CONTROL

15. The Contractor agrees that it will comply fully with all applicable Federal laws, orders, and regulations, and the laws of the State of Oregon, all as administered by appropriate authorities, concerning the pollution of streams, reservoirs, groundwater, or water courses with respect to thermal pollution or the discharge of refuse, garbage, sewage

effluent, industrial waste, oil, mine tailings, mineral salts, or other pollutants. The Contractor further agrees that any contract it may enter into with a third party for the furnishing of project water will contain a similar water pollution control article.

QUALITY OF WATER

16. The operation and maintenance of project facilities and the construction of new project facilities for the provision of project water under this contract shall be performed in such manner as is practicable to maintain the quality of raw water to be furnished hereunder. The United States is under no obligation to construct or furnish water treatment facilities to maintain or to better the quality of water except to the extent such facilities are expressly referred to elsewhere in this contract as part of the project facilities to be constructed by the United States pursuant to reclamation law or as otherwise required by law. Further, the United States does not warrant the quality of water to be furnished pursuant to this contract.

EQUAL EMPLOYMENT OPPORTUNITY

17. This contract is subject to the Equal Employment Opportunity provisions attached hereto and by this reference made a part hereof.

UNITED STATES OF AMERICA

ACTING Norman H. Moore
Regional Director, Region 1
Bureau of Reclamation
~~Box~~ Box ~~043~~ 043, Boise, Idaho ~~83724~~ 83724
John Wall
Contractor
Georgia Wall

Equal Opportunity

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

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

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

(3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under this Equal Opportunity clause, 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 Equal Opportunity clause of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in said amended Executive Order, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of paragraph (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Contracting Officer may direct 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 by the Contracting Officer, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.