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State of Oregon, County of Klamath
Recorded 01/22/2004 10:14a m
Vol M04 Pg 3964-69
Linda Smith, County Clerk
Fee \$ 46.00 # of Pgs 6

IRRIGATION CONTRACT
FOR
CHANGE OR ALTERATION

WHEREAS, Steve and Nancy Kandra Family Trust
Steven L. and Nancy L. Kandra Trustees

hereinafter called Landowners, whether one or more, own the following
described real property in Klamath County, Oregon, to wit:

Real property situated in Sec. 36, Twp. 40., S., R. 10 E.W.M.

or NE NW

Lot(s) _____ in Block _____ of Portion of NW 1/4 Lying North
of USBR #7 Drain

_____ Addition, according to the official plat thereof,
being more particularly described in the Instrument recorded in Vol. M 97
at page 42196 of Klamath County, Oregon, Deed Records and being
Assessor's Account No. 40 10 3600 0020 1;

and Landowners wish KLAMATH IRRIGATION DISTRICT, herinafter called K.I.D.,
to consent and agree to the following change or alteration affecting the
Klamath Project, to wit: 1) Placement of A 60'x24"
Culvert crossing in the toe drain located on the
North Side and Running Parallel with the D-canal.
2) Placement of a Buried 20" steel discharge pipe
with a 3 yard concrete surge block across the
above culvert crossing and through D-canal bank
Right of way for the purpose of Discharging
well water into the D-canal. See Exhibit A
for Location.

which said change or alteration, as the case may be, Landowners deem will
improve and benefit their said property and enhance the value thereof but
which will also directly affect K.I.D.'s operation of the United States of
America's Klamath Project; and

WHEREAS, K.I.D. is willing to consent and agree to Landowners' said
request only if Landowners recognize, ratify, grant and confirm all of the
existing rights, rights-of-way, servitudes and easements of K.I.D. and of
the United States of America, which is hereinafter called the United States,

affecting Landowners' said property and absolve, waive and release both K.I.D. and the United States from any and all claims or liability for any damages or injuries to person or property which may have heretofore occurred or which may now be occurring in connection with the ownership, operation or maintenance of the Klamath Project and to assume full responsibility for and to indemnify and hold both K.I.D. and the United States harmless from any or all matters which may hereafter occur or result from or be attributable to, in whole or in part, directly or indirectly, from that which is herein requested by the Landowners.

NOW THEREFORE, Landowners, jointly and severally agree on behalf of themselves and on behalf of each of their respective heirs, devisees, grantees, transferees, successors and assigns to and with K.I.D. for its benefit and also for the benefit of the United States and for the benefit of each of their respective successors, grantees, transferees and assigns as follows:

(1) The Landowners recognize, ratify, grant and confirm the existence of all existing rights of K.I.D. or the United States affecting Landowners' property, including, without limitation by this recital, all rights-of-way, easements and servitudes for all irrigation and drainage facilities of the United States or K.I.D. as then constructed and located upon or affecting Landowners' said property and agree that K.I.D. and/or the United States each now own, have and hold a prescriptive right, right-of-way, easement and servitude for all percolation and seepage which now exists or which at any time heretofore has occurred or resulted from any K.I.D. irrigation or drainage facility, and shall grant a further and additional right, right-of-way, easement and servitude for any new, additional or aggravated percolation or seepage which may result from the alteration requested by the Landowners.

(2) Landowners give, grant and convey unto K.I.D. and the United States the right, right-of-way, easement and servitude to enter upon the Landowners' said property and premises to maintain District facilities.

(3) Landowners must obtain a revocable permit authorizing what is requested from the United States and must thereafter comply with all terms, or new permit hereafter required by the United States.

(4) All plans, construction and locations must be approved by K.I.D., but the Landowners shall be solely responsible for the condition

and safety of the same and shall hold both K.I.D. and the United States and their respective successors and assigns wholly harmless from all claims, liabilities or damages resulting, occurring or attributable directly or indirectly to what has been requested by Landowners.

(5) All costs and expenses incurred in the performance of the Agreement shall be paid by the Landowners except those costs expressly authorized by the Board of Directors of K.I.D. to be paid by K.I.D. or some other source of payment.

(6) Landowners shall be solely responsible for and shall pay for or reimburse all future costs of cleaning, maintenance, repair, replacement, change, substitution, improvement, enlargement, construction or removal which may thereafter be necessary or desirable in connection with that which is requested by Landowners. If Landowners shall fail to do any such work, K.I.D. may, at its option, perform the same or cause it to be done and Landowners shall forthwith pay or reimburse K.I.D. for all expenses and costs incurred in connection with the same.

(7) It is expressly understood and agreed that if the matters requested by the Landowners shall thereafter cause any damage or risk of damage or loss to the Landowners or any other party, K.I.D. may require the Landowners, at Landowners' sole expense, to restore the conditions which existed prior to the performance of this Agreement or any part thereof.

(8) The Agreement is subject to all applicable laws, regulations, rules, directives, notices or orders now or hereafter established by K.I.D., the United States or any other governmental body, agency or official having proper jurisdiction or authority and Landowners agree to observe and comply with the same.

(9) The Landowners' agreements shall be covenants running with Landowners' said Land and each and every part and parcel thereof in perpetuity, forever binding the same for the use and benefit of K.I.D. and the United States of America, herein called the United States, and their respective successors, grantees, transferees and assigns.

(10) The Landowners shall covenant and warrant that they are the sole owners of all right, title, estate and interest in the premises and property and have good right to execute the Agreement and to bind said premises and property as therein agreed.

(11) An executed copy of the Agreement shall be recorded in Deed Records of Klamath County, Oregon, at Landowners' expense.

(12) The Agreement shall take effect only upon the approval of same by the Board of Directors of Klamath Irrigation District.

Landowners do hereby acknowledge that they have read all of the foregoing Instrument and consent and agree to each of the terms, conditions and agreements above set forth and do hereby acknowledge receipt of a copy of this Agreement.

Landowners hereby covenant and warrant that the undersigned are the sole owners of all right, title, estate and interests in the above-described premises and property and have good right to execute this Agreement and to bind said premises and property as herein agreed.

WITNESS their hands this 17th day of DECEMBER, 2003.

Steve & Nancy Kandra - Trustee Steve & Nancy Kandra Family Trust

LANDOWNERS

STATE OF OREGON)
) SS
County of Klamath)

On this 17th day of DECEMBER, 2003, personally appeared

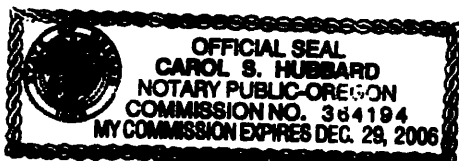
STEVEN L KANDRA TRUSTEE OF STEVE and NANCY
KANDRA FAMILY TRUST

and acknowledged the foregoing Instrument to be their voluntary act and deed.

BEFORE ME:

Carol S. Hubbard
Notary Public for Oregon
My Commission Expires: 12-29-06

(SEAL)



I hereby recommend approval of the foregoing Agreement.

[Signature]
Manager, KLAMATH IRRIGATION DISTRICT

Date January 8, 2004

The foregoing Instrument having been read and considered by the Board of Directors of Klamath Irrigation District at a Meeting of said Board of Directors and it having been duly moved, seconded and voted that Klamath Irrigation District approve and agree to the same.

Now, Therefore, Klamath Irrigation District does hereby duly execute this Agreement.

KLAMATH IRRIGATION DISTRICT

(SEAL)

By [Signature]
Its President

By [Signature]
Its Secretary

STATE OF OREGON)
) SS.
County of Klamath)

On this 8th day of January, 2004, personally appeared David Cacka and David Solem, who, being duly sworn did each say that David Cacka is the President and David Solem is the Secretary of Klamath Irrigation District and that the Seal affixed to this Instrument is the Official Seal of said Klamath Irrigation District and that said Instrument was signed on behalf of Klamath Irrigation District by authority of its Board of Directors and each of them acknowledged said Instrument to be the voluntary act and deed of Klamath Irrigation District.

BEFORE ME:

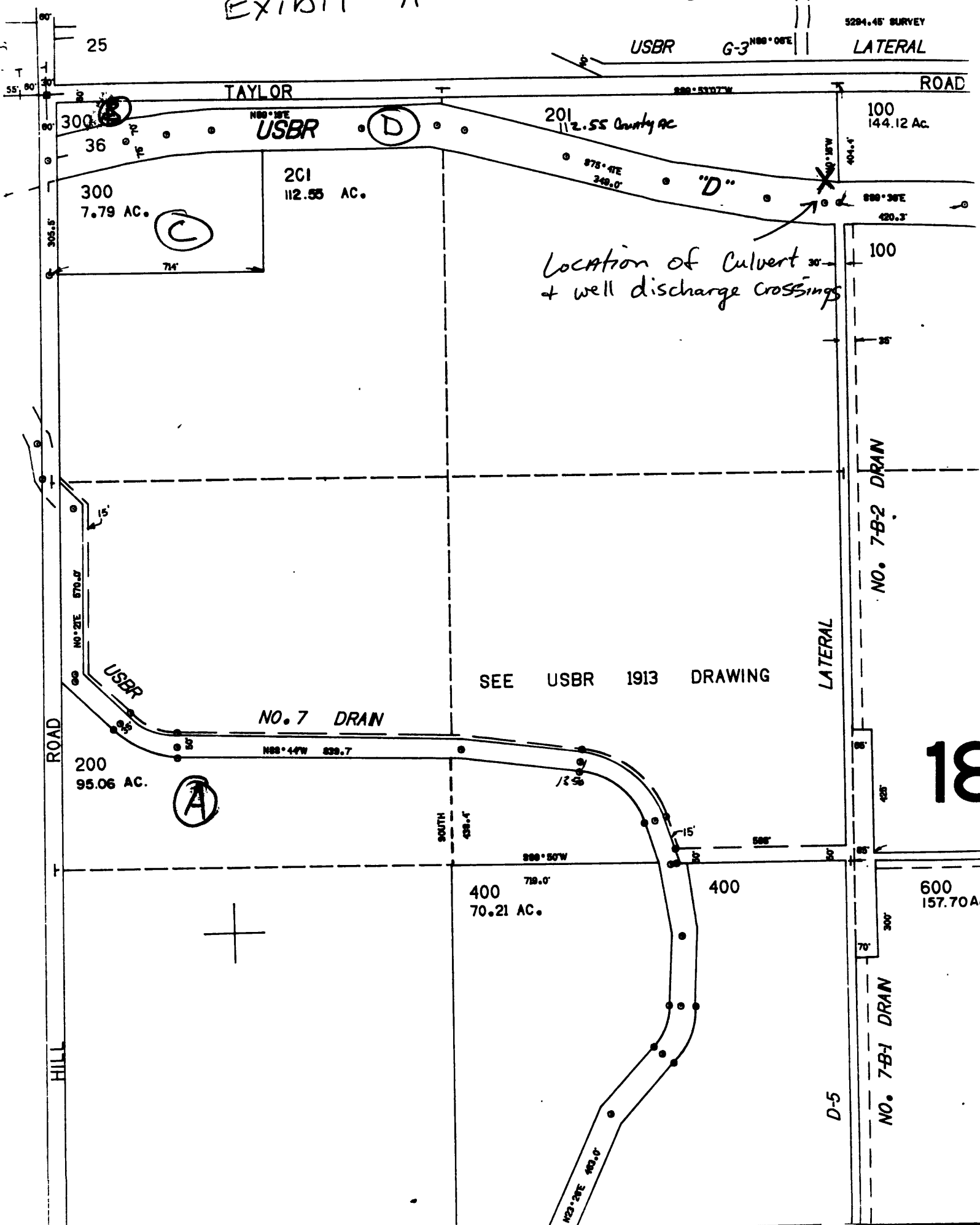


[Signature]
Notary Public for Oregon
My Commission Expires: 4/12/07

pk After recording return to Klamath irrigation District, 6640 K.I.D. Lane, Klamath Falls, Oregon 97601.

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Exhibit A



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