



05/06/2009 10:51:23 AM

Fee: \$31.00

Klamath Basin Improvement Dist
6640 KID Lane
Klamath Falls, OR 97603

**IRRIGATION CONTRACT TO TERMINATE
PRIOR CONTRACT TO SUSPEND FROM
KLAMATH BASIN IMPROVEMENT DISTRICT**

This agreement is by and between Klamath Basin Improvement District ("KBID") and JEMO, LLC, an Oregon limited liability company ("Owner").

WHEREAS:

A. Owner owns real property (the "Property") more particularly described in Exhibit A, attached hereto and incorporated herein by reference, in Klamath County, Oregon, referred to as Klamath County Tax Lot 3910-01500-00800 and 3910-01600-00100.

B. Owner's predecessors-in-interest agreed to be included within KBID for the purpose of receiving services, including delivery of water pursuant to the contracts that KBID has with the United States of America by and through the Bureau of Reclamation, Klamath Irrigation District, and other irrigation districts that deliver water to lands within KBID.

C. Owner's predecessors-in-interest entered into an agreement with KBID on December 17, 2001, to indefinitely suspend the rights and obligations of the respective parties, and said agreement was recorded at Volume M02, Pages 3482-3485, in Klamath County Records.

D. Owner desires to terminate said agreement to suspend and to be reinstated on the assessment rolls of KBID as of July 1, 2008.

NOW THEREFORE, Owner and KBID agree as follows:

1. KBID acknowledges payment by Owner of \$10,550.85, which includes the past assessments due and payable and legal and administrative fees for reinstatement of \$9,624.13, and \$926.72 for the assessment for fiscal year beginning July 1, 2008, and ending June 30, 2009.

2. KBID hereby reinstates Owner, as of the date of payment, on the assessment rolls indefinitely, subject to the ORS Chapter 554, and the rules and bylaws of the district.

3. Owner understands and accepts this reinstatement according to the following terms and caveat: During the period of suspension, the Klamath River Basin Adjudication has proceeded in a number of hearings before Administrative Law Judges appointed by the Oregon Water Resources Department, and the prosecution of the claims and contests by KBID on behalf of the landowners does not guaranty that Owner shall receive an adjudicated water right due to the suspended status of the land in question. KBID shall employ its best effort to provide water to Owner's land indefinitely, but does not warrant

the current or final status of any water right that is appurtenant to Owner's land to be within the place of use for KBID lands or within the place of use for the Klamath Reclamation Project.

4. Owner hereby releases KBID, any delivery district, and the United States from any and all claims of liability for any damages or injuries to person or property which may have occurred or is presently occurring in connection with the ownership, operation, or maintenance of the Klamath project and district operations and assessments.

5. The restrictions, grants, covenants, and agreements contained herein shall run with the subject real property and shall bind and inure to all future owners, heirs, successors, and assigns in perpetuity.

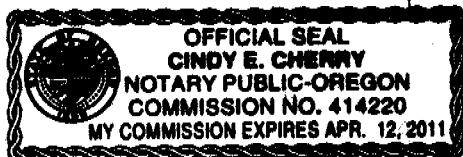
This agreement is executed the 27th day of April, 2009.

JEMO, LLC, by:

Jemo LLC
Larry Jespersen, Partner

STATE OF OREGON)
) ss.
County of Klamath)

The foregoing instrument was acknowledged before me this 27th day of April, 2009, by Larry Jespersen.



Cindy E. Cherry
Notary Public for Oregon
My commission expires: 4-12-2011

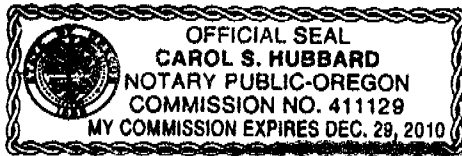
KLAMATH BASIN IMPROVEMENT DISTRICT, by:

Warren Haught Cindy E. Cherry

STATE OF OREGON)
) ss.
County of Klamath)

On this 14th day of APRIL, 2009, personally appeared WARREN HAUGHT and CINDY E. CHERRY, who, begin duly sworn, each for himself and not one for the other, did say that the former is the President and that latter is

the secretary for Klamath Basin Improvement District and that said instrument was signed and sealed in behalf of said district by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed. Before me:



Carol S. Hubbard

Notary Public for Oregon

My commission expires: 12-29-2010