

Exhibit A

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Contract No.  
14-06-200-3537A

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
Central Valley Project California

CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND  
MELVIN D. HUGHES AND MARDELLA HUGHES, PROVIDING FOR WATER SERVICE AND FOR  
ADJUSTMENT AND SETTLEMENT OF CERTAIN CLAIMED WATER RIGHTS

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1 UNITED STATES  
2 DEPARTMENT OF THE INTERIOR  
3 BUREAU OF RECLAMATION  
4 Central Valley Project, California

5 CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND  
6 MELVIN D. HUGHES AND MARDELLA HUGHES, PROVIDING FOR WATER SERVICE AND FOR  
7 ADJUSTMENT AND SETTLEMENT OF CERTAIN CLAIMED WATER RIGHTS

8 THIS CONTRACT, made this 11<sup>th</sup> day of October, 1967,  
9 in pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and  
10 acts amendatory or supplementary thereto, all collectively hereinafter  
11 referred to as the Federal reclamation laws, between THE UNITED STATES  
12 OF AMERICA, hereinafter referred to as the United States, acting  
13 through the Secretary of the Interior, and MELVIN D. HUGHES and  
14 MARDELLA HUGHES, hereinafter referred to as the Contractor, acting  
15 pursuant to the laws of the State of California,

16 WITNESSETH, That:

17 EXPLANATORY RECITALS

18 WHEREAS, the United States is constructing and operating  
19 the Central Valley Project, California, for the purpose, among others,  
20 of furnishing water for irrigation, municipal, domestic, and other  
21 beneficial uses; and

22 WHEREAS, the United States has constructed the Delta-Mendota  
23 Canal which will be operated and used, in part, for the furnishing of  
24 water to the Contractor from Mendota Pool pursuant to the terms of  
25 this contract; and

1           WHEREAS, investigations of the Contractor's lands and present  
2 water supply indicate that said lands are at present in need of additional  
3 water for irrigation, and that an additional water supply to meet the  
4 present and potential needs of said lands can be made available by and  
5 through the works constructed by the United States; and

6           WHEREAS, the Contractor desires to contract, pursuant to the  
7 Federal reclamation laws and the laws of the State of California, for  
8 the furnishing by the United States of a supplemental water supply from  
9 the Central Valley Project for which the Contractor will make payment  
10 to the United States upon the basis, at the rates, and pursuant to the  
11 conditions hereinafter set forth; and

12           WHEREAS, the Contractor owns lands lying adjacent to Fresno  
13 Slough as shown on Exhibit A and claims that the construction and operation  
14 of the Central Valley Project has interfered with his claimed rights in  
15 and to the use of the waters of the San Joaquin River by impairing the  
16 quantity thereof and the Contractor is willing to accept an annual  
17 delivery of ninety-three (93) acre-feet of Project water from Mendota  
18 Pool as an adjustment and settlement of these asserted claims; and

19           WHEREAS, the Contractor desires to purchase an additional firm  
20 supply of Project water; and

21           WHEREAS, investigations of the streamflow in the Sacramento  
22 River, the Trinity River, the American River, and the San Joaquin River  
23 and their tributaries indicate that there will be available for furnishing

1 to the Contractor from Mendota Pool an additional supply of water for  
2 surface diversion and direct application for irrigation; and

3 WHEREAS, the United States is willing to furnish water service  
4 to the Contractor from Mendota Pool;

5 NOW, THEREFORE, in consideration of the mutual and dependent  
6 covenants herein contained, it is agreed as follows:

7 DEFINITIONS

8 1. When used herein, unless otherwise distinctly expressed or  
9 manifestly incompatible with the intent hereof, the term:

10 (a) "Secretary" or "Contracting Officer" shall mean the  
11 Secretary of the United States Department of the Interior or his  
12 duly authorized representative;

13 (b) "Project" shall mean the Central Valley Project,  
14 California, of the Bureau of Reclamation;

15 (c) "Schedule 2 water" shall mean all water delivered  
16 without charge under the authority of Section 14 of the Reclamation  
17 Project Act of 1939 (53 Stat. 1187, 1197) as a permanent adjustment  
18 and settlement of the Contractor's asserted claims of rights to water  
19 in Fresno Slough tributary to the San Joaquin River in fulfillment  
20 of such rights pursuant to Contract No. Ilr-1145, "Contract for  
21 Purchase of Miller & Lux Water Rights", dated July 27, 1939;

22 (d) "supplemental water" shall mean all Project water in  
23 addition to Schedule 2 water delivered or required to be delivered  
24 under the terms and conditions of this contract;

1 (e) "year" shall mean the calendar year; and

2 (f) "agricultural use" shall mean use of water primarily in  
3 the commercial production of agricultural crops or livestock,  
4 including domestic use incidental thereto, on tracts of land  
5 operated in units of more than two (2) acres.

6 TERM OF CONTRACT--RIGHT TO USE OF WATER

7 2. (a) This contract shall be effective on the date first  
8 hereinabove written and insofar as it pertains to the furnishing of  
9 supplemental water shall remain in effect through December 23, 2003:  
10 Provided, That under terms and conditions mutually agreeable  
11 to the parties hereto, renewals of this contract for furnishing of  
12 supplemental water may be made for successive periods not to exceed  
13 forty (40) years each. The terms and conditions of each renewal shall  
14 be agreed upon not later than one (1) year prior to the expiration of  
15 the then existing contract: Provided further, That upon written request  
16 by the Contractor of the Secretary not later than one (1) year prior  
17 to expiration of this contract, whenever, account being taken of the  
18 amount then credited to the costs of construction of water supply works,  
19 the remaining amount of construction costs of agricultural water supply  
20 works which is properly assignable for ultimate return by the Contractor  
21 as established by the Secretary of the Interior pursuant to (3) of  
22 Section 1 of Public Law 643 (70 Stat. 483) probably can be repaid to  
23 the United States within the term of a contract under subsection (d),  
24 Section 9 of the 1939 Reclamation Project Act (53 Stat. 1187), the

1 portions of this contract pertaining to the furnishing of supplemental  
2 water for agricultural use may be converted to a contract under said  
3 subsection (d) upon terms and conditions mutually agreeable to the  
4 United States and the Contractor.

5 (b) The right to the beneficial use of supplemental water  
6 furnished to the Contractor pursuant to the terms of this contract and  
7 any renewal hereof shall not be disturbed so long as the Contractor  
8 shall fulfill all of his obligations under this contract and any such  
9 renewal.

10 WATER TO BE FURNISHED TO THE CONTRACTOR

11 3. (a) Each year, commencing with the year following that in  
12 which this contract is executed, the United States shall furnish to  
13 the Contractor for his lands shown on Exhibit A, attached hereto and  
14 made a part hereof, ninety-three (93) acre-feet of Schedule 2 water at  
15 times and in quantities called for as provided in subdivision (a) of  
16 Article 4 hereof under the following basic table:

17	<u>Month</u>	<u>Quantities in Acre-Feet</u>
18	January	0
19	February	2
20	March	19
21	April	16
22	May	17
23	June	21
24	July	16

*Restoration period 75*

1	<u>Month</u>	<u>Quantities in Acre-Feet</u>
2	August	2
3	September	0
4	October	0
5	November	0
6	December	<u>0</u>
7	Total	93:

8 Provided, That in any year when: (1) the forecasted full natural inflow  
9 to Shasta Lake for the current water year (October 1 of the preceding  
10 year through September 30 of the current year), as such forecast is made  
11 by the United States on or before February 15 and reviewed as frequently  
12 thereafter as conditions and information warrant, is equal to or less  
13 than three million two hundred thousand (3,200,000) acre-feet; or (2) the  
14 total accumulated actual deficiencies below four million (4,000,000)  
15 acre-feet in the immediately prior water year or series of successive  
16 prior water years, each of which had inflows of less than four million  
17 (4,000,000) acre-feet, together with the forecasted deficiency for the  
18 current water year, exceed eight hundred thousand (800,000) acre-feet,  
19 the United States shall furnish to the Contractor **seventy-two (72) acre-**  
20 **feet of Schedule 2 water at times and in quantities called for as provided**  
21 **in subdivision (a) of Article 4 under the following basic table:**

22	<u>Month</u>	<u>Quantities in Acre-Feet</u>
23	January	0
24	February	2
25	March	14 2

	<u>Month</u>	<u>Quantities in Acre-Feet</u>
1		
2	April	12
3	May	14
4	June	16
5	July	12
6	August	2
7	September	0
8	October	0
9	November	0
10	December	<u>0</u>
11	Total	72

12 for the purpose of determining subsections (1) and (2) hereof, the  
 13 computed inflow to Shasta Lake under present upstream development  
 14 above Shasta Lake shall be used as the full natural inflow to Shasta  
 15 Lake. In the event that major construction occurs above Shasta Lake  
 16 after September 1, 1963, which materially alters the present regimen  
 17 of the stream systems contributing to Shasta Lake, the computed  
 18 inflow to Shasta Lake will be adjusted to eliminate the effect of such  
 19 material alterations. The United States will select the forecast to  
 20 be used and will submit the details of the forecast to the Contractor.  
 21 The same forecasts used by the United States for the operation of the  
 22 Project shall be used to make the forecasts hereunder. Schedule 2 water  
 23 made available by the United States for furnishing to the Contractor  
 24 in accordance with the aforesaid schedule and not accepted by the

1 Contractor shall be deemed to have been accepted by the Contractor at  
2 the time and in the quantities specified in said schedule.

3 (b) Commencing with the year following that in which this  
4 contract is executed and each year thereafter during the remainder of  
5 the term of this contract, the United States shall furnish to the  
6 Contractor and the Contractor shall accept and pay for seventy (70)  
7 acre-feet of supplemental water from Mendota Pool at the times and in  
8 the quantities specified in the schedule submitted by the Contractor in  
9 accordance with subdivision (a) of Article 4 hereof: Provided, That the  
10 parties hereto may at any time or times by mutual agreement increase  
11 or decrease the quantity of supplemental water required thereafter to  
12 be furnished each year to the Contractor by the United States during  
13 the remainder of the term of this contract.

14 (c) To the extent that additional Project water is available,  
15 as determined by the Contracting Officer, and in the event the Contractor  
16 in any year requires a quantity of supplemental water in addition to  
17 the quantity he is obligated to accept and pay for, such additional  
18 water shall be furnished by the United States in accordance with a  
19 schedule revision submitted pursuant to Article 4. The furnishing by  
20 the United States and acceptance by the Contractor of such additional  
21 quantities of water shall neither entitle nor obligate the Contractor  
22 to receive such quantities in subsequent years.

23 (d) If in any year after the Contracting Officer has approved  
24 a schedule or any revision thereof submitted by the Contractor pursuant

1 to Article 4 hereof the United States is unable to furnish any portion  
2 of supplemental water in the quantities and at the times requested in  
3 the schedule and the Contractor does not elect to receive and does not  
4 receive such water at other times during such year, the Contractor shall  
5 be entitled to an adjustment as provided in Article 6.

6 TIME FOR DELIVERY OF WATER--RESALE

7 4. (a) Before January 1 of each year the Contractor shall submit  
8 a schedule in writing to the Contracting Officer, subject to the pro-  
9 visions of Article 3 hereof and satisfactory to the Contracting Officer,  
10 indicating the desired times and quantities for the delivery of all  
11 water pursuant to this contract during such year. In such schedule or  
12 revision thereof the Contractor may reallocate the quantities of  
13 Schedule 2 water for the months of February through June appearing in  
14 the applicable table in subdivision (a) of Article 3 hereof so long  
15 as the total for such months does not exceed the sum of the quantities  
16 for such months established pursuant to subdivision (a) of Article 3.  
17 Within the provisions hereof the United States shall attempt to deliver  
18 such water in accordance with said schedule, or any revision thereof  
19 satisfactory to the Contracting Officer submitted by the Contractor with-  
20 in a reasonable time before the desired change of times or quantities,  
21 or both, for delivery subject to the provisions of subdivision (b) of  
22 Article 8 hereof: Provided, That the United States shall not be  
23 obligated to deliver water to the Contractor during the months of  
24 December and January.

1           (b) With the written consent of the Contracting Officer the  
2 Contractor may exchange supplemental water in any year with any other  
3 Contractor contracting with the United States for Project water for  
4 irrigation from Delta-Mendota Canal or Mendota Pool, or both. No  
5 supplemental water shall be sold or otherwise disposed of for use outside  
6 the lands shown on Exhibit A without the written consent of the Contracting  
7 Officer.

8                                   RATE AND METHOD OF PAYMENT FOR WATER

9           5. (a) Unless the Contracting Officer by written notice before  
10 December 15 of any year notifies the Contractor of a decrease in the  
11 rate of payment to be made by the Contractor for supplemental water to  
12 be delivered pursuant to this contract during the ensuing year, the  
13 rate shall be Three Dollars and Fifty Cents (\$3.50) per acre-foot.

14           (b) The Contractor shall make payments to the United States  
15 each year at the rate fixed as provided in subdivision (a) of this  
16 article for the quantity of supplemental water which the Contractor  
17 is required to accept and pay for during such year pursuant to the  
18 provisions of Article 3 hereof. Prior to the delivery of supplemental  
19 water but no later than February 15 the Contractor shall pay one-half  
20 (1/2) of the amount payable for said water scheduled for the year and  
21 shall pay the remainder of the amount payable for said water at the  
22 time the quantity of water furnished to the Contractor equals the  
23 quantity for which payment has been made, but in no event later than  
24 July 1. Supplemental water requested by the Contractor and available

1 for furnishing by the United States in excess of the quantity required  
2 to be furnished pursuant to this contract shall be paid for in full  
3 by the Contractor at the time or times such requests are made.

4 (c) In the event the Contractor is unable, fails, or refuses  
5 to accept delivery of the quantities of water available for delivery  
6 pursuant to this contract or in the event the Contractor in any year  
7 fails to submit a schedule for delivery as provided in subdivision (a)  
8 of Article 4 hereof, said inability, failure, or refusal shall not  
9 relieve the Contractor of his obligation to pay for said water and the  
10 Contractor agrees to make payment therefor in the same manner as if  
11 said water had been delivered and accepted in accordance with this  
12 contract.

#### 13 ADJUSTMENTS

14 6. The amount of any overpayment by the Contractor by reason of  
15 the quantity of supplemental water actually available for the Contractor  
16 during any year, as conclusively determined by the Contracting Officer,  
17 having been less than the quantity of such water which the Contractor  
18 otherwise under the provisions of this contract would have been required  
19 to receive and pay for shall be applied first to any accrued indebtedness  
20 arising out of this contract then due and owing to the United States by  
21 the Contractor and any amount of such overpayment then remaining at the  
22 option of the Contractor shall be refunded or credited upon amounts to  
23 become due to the United States from the Contractor under the provisions  
24 hereof in the ensuing year.



1 States any right, as waste, seepage, or return flow, to water being  
2 used pursuant to this contract for surface irrigation or underground  
3 storage within the Contractor's property by the Contractor.

4 (d) The United States may temporarily discontinue or reduce  
5 the quantity of water to be furnished to the Contractor as herein pro-  
6 vided for the purpose of such investigation, inspection, maintenance,  
7 repair, or replacement as may be reasonably necessary of any of the  
8 Project facilities used for the furnishing of water to the Contractor  
9 or any part thereof, but so far as feasible the United States shall  
10 give the Contractor due notice in advance of such temporary discontinu-  
11 ance or reduction, except in case of emergency, in which case no notice  
12 need be given. In the event of any such discontinuance or reduction,  
13 upon the resumption of service to the extent it may be possible to do  
14 so and within the ability of the Contractor to accept the same, the  
15 United States shall deliver the quantity of water which would have  
16 been furnished to the Contractor in the absence of such contingency.

17 UNITED STATES NOT LIABLE FOR WATER SHORTAGE

18 8. (a) There may occur at times a shortage during any year in  
19 the quantity of water available for furnishing to the Contractor by  
20 the United States pursuant to this contract through and by means of  
21 the Project, but in no event shall any liability accrue against the  
22 United States or any of its officers, agents or employees for any damage,  
23 direct or indirect, therefrom. In any year in which there may occur  
24 such a shortage, the United States will furnish Schedule 2 water in

1 accordance with Article 3 hereof and reserves the right to apportion  
2 the available supplemental water supply among the Contractor and others  
3 entitled under the then existing contracts to receive water from Delta-  
4 Mendota Canal or Mendota Pool, or both, in accordance with conclusive  
5 determination of the Contracting Officer, as follows:

6 (i) A determination shall be made of the total  
7 quantity of supplemental water agreed to be accepted during  
8 the respective year under all contracts then in force for the  
9 delivery of water from Delta-Mendota Canal or Mendota Pool,  
10 or both, the quantity so determined being herein referred to  
11 as the contractual commitments;

12 (ii) A determination shall be made of the total  
13 quantity of water from Delta-Mendota Canal or Mendota Pool,  
14 or both, which is in excess of the quantity necessary to  
15 meet the requirements of the Amended Contract for Exchange  
16 of Waters, No. Ilr-1144, dated March 17, 1956, hereinafter  
17 referred to as the Exchange Contract, and which is available  
18 for meeting the contractual commitments, the quantity so  
19 determined being hereinafter referred to as the available  
20 supply;

21 (iii) The total quantity of supplemental water agreed  
22 to be furnished to the Contractor by the United States during  
23 the respective year under Article 3 hereof shall be divided by

1 the contractual commitments, the quotient thus obtained being  
2 hereinafter referred to as the Contractor's contractual entitle-  
3 ment; and

4 (iv) The available supply shall be multiplied by the  
5 Contractor's contractual entitlement and the result shall be the  
6 quantity of supplemental water required to be delivered by the  
7 United States to the Contractor for the respective year.

8 Insofar as determined by the Contracting Officer to be practicable,  
9 in the event a shortage appears probable the United States shall notify  
10 the Contractor of such determination in advance of the irrigation  
11 season.

12 (b) In the event that in any year there is delivered to the  
13 Contractor, by reason of any shortage or apportionment as provided in  
14 subdivision (a) of this article or any discontinuance or reduction of  
15 service as set forth in subdivision (d) of Article 7 hereof, less than  
16 the quantity of supplemental water which the Contractor otherwise would  
17 be entitled to receive, there shall be made an adjustment on account  
18 of the amounts paid to the United States by the Contractor for water  
19 for said year in a manner similar to that provided for in Article 6  
20 hereof. To the extent of such deficiency, such adjustment shall  
21 constitute the sole remedy of the Contractor or anyone having or  
22 claiming to have by, through, or under this contract the right to  
23 the use of any of the water.

1 (c) The rights of the Contractor to supplemental water  
2 under this contract are subject to the terms of the Exchange Contract.

3 USE OF WATER FURNISHED TO CONTRACTOR

4 9. Supplemental water furnished to the Contractor pursuant to  
5 this contract shall not be used by him for any purposes other than  
6 agricultural purposes, including but not restricted to the watering  
7 of livestock, incidental domestic use, or underground water replenish-  
8 ment, without written consent of the Contracting Officer.

9 QUALITY OF WATER

10 10. (a) The water to be furnished under this contract shall be  
11 of the best quality that the United States, following its established  
12 operating procedures, can deliver by means of either the Delta-Mendota  
13 Canal or the San Joaquin River or both and shall be at all times suitable  
14 irrigation water for use upon the Contractor's lands. The fact that the  
15 requirements of such water quality are herein stated only in terms of  
16 parts per million of total dissolved solids should not be construed as  
17 meaning that this particular measurement of water quality is the sole  
18 indication of requisite water quality. The best data presently available  
19 on the character of the possible sources of water supplying Delta-Mendota  
20 Canal indicate that as concentration changes there will be no significant  
21 change in the character of the water with respect to the proportions of  
22 the various constituents. However, if such water meets the following  
23 specific requirements it shall be deemed conclusively to be suitable  
24 irrigation water hereunder:

1                   (i)     Daily: The quality of water shall not exceed a  
2                   mean daily value of eight hundred (800) parts per million of  
3                   total dissolved solids. The mean daily values are to be computed  
4                   by weighting the instantaneous values on the basis of time of  
5                   occurrence during each day;

6                   (ii)    Monthly: The quality of water shall not exceed  
7                   a mean monthly value of six hundred (600) parts per million of  
8                   total dissolved solids. The mean monthly value is to be computed  
9                   by weighting each mean daily value of total dissolved solids on  
10                  the basis of the quantity of water delivered each day of the month;

11                  (iii)   Annual: The quality of water shall not exceed  
12                  a mean annual value during the year of four hundred and fifty (450)  
13                  parts per million of total dissolved solids. The mean annual  
14                  value is to be computed by weighting each mean daily value of  
15                  total dissolved solids on the basis of quantity of water delivered  
16                  each day of the year; and

17                  (iv)    Five-year: The average quality of water for any  
18                  five (5) consecutive years shall not exceed a mean value of four  
19                  hundred (400) parts per million of total dissolved solids. The  
20                  5-year average shall be computed by weighting each mean daily value  
21                  of total dissolved solids on the basis of quantity of water delivered  
22                  each day of the five (5) consecutive years ending with the last  
23                  year of the period.





1 to the United States in such form and on such date or dates as may be  
2 required by the Contracting Officer. Each party shall have the right,  
3 during office hours, to examine and make copies of the other party's  
4 books and official records relating to matters covered by this contract.

5 PENALTY FOR DELINQUENT PAYMENTS

6 17. The Contractor shall pay a penalty on installments or charges  
7 which become delinquent computed at the rate of one-half of one percent  
8 per month of the amount of such delinquent installment or charges for  
9 each day from the date of such delinquency until paid: Provided, That  
10 no penalty shall be charged to the Contractor unless such delinquency  
11 continues for more than thirty days.

12 CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

13 18. The expenditure of any money or the performance of any work  
14 by the United States hereunder which may require appropriation of money  
15 by the Congress or the allotment of funds shall be contingent upon  
16 such appropriation or allotment being made. The failure of the Congress  
17 so to appropriate funds or the absence of an allotment of funds shall  
18 not relieve the Contractor from any obligations then accrued under this  
19 contract and no liability shall accrue to the United States in case such  
20 funds are not appropriated or allotted.

21 OFFICIALS NOT TO BENEFIT

22 19. No Member of or Delegate to Congress or Resident Commissioner  
23 shall be admitted to any share or part of this contract or to any benefit  
24 that may arise herefrom, but this restriction shall not be construed

1 to extend to this contract if made with a corporation or company for  
2 its general benefit.

3 NOTICES

4 20. (a) Any notice authorized or required to be given to the  
5 United States shall be deemed to have been given when mailed, postage  
6 prepaid, or delivered to the Regional Director, Region 2, Bureau of  
7 Reclamation, Post Office Box 15011, Sacramento, California 95813. Any  
8 notice authorized or required to be given to the Contractor shall be  
9 deemed to have been given when mailed in a postage-prepaid or franked  
10 envelope or delivered to Melvin D. Hughes, Tranquillity, California  
11 93668.

12 (b) The designation of the addressee or the address given  
13 above may be changed by notice given in the same general manner as  
14 provided in this article for other notices.

15 (c) This article shall not preclude the effective service  
16 of any such notice or announcement by other means.

17 EXCESS LANDS

18 21. Water furnished pursuant to this contract shall be used by  
19 the Contractor on the lands of his ownership shown on Exhibit A. If  
20 by virtue of the acquisition of additional land the Contractor becomes  
21 an owner of excess land then the water service under this contract,  
22 except as it pertains to Schedule 2 water, shall be subject to the  
23 excess-land provisions of the Act of June 17, 1902 (32 Stat. 388),  
24 and acts amendatory or supplementary thereto. As used herein, the

1 term "excess land" means that part of the irrigable land in excess of  
2 one hundred and sixty (160) acres held in the beneficial ownership of  
3 any single person, or in excess of three hundred and twenty (320) acres  
4 held in the beneficial ownership of husband and wife jointly, as tenants  
5 in common or by the entirety, or as community property.

6 CONTRACT ASSIGNMENT OR TERMINATION UPON TRANSFER OF LAND

7 22. (a) The rights and obligations of the Contractor may be  
8 transferred in connection with the transfer of title to the land or  
9 any portion thereof delineated on Exhibit A on the following terms  
10 and conditions:

11 (i) A voluntary inter vivos transfer may be made upon  
12 agreement of the United States and the Contractor; and

13 (ii) In the event the title of the Contractor to such  
14 land, or any portion thereof, is transferred by operation of law,  
15 such as by conveyance in satisfaction of a mortgage, by inheritance,  
16 or by devise, the rights and obligations of the Contractor shall  
17 pass with the title.

18 (b) The Contractor shall notify the Contracting Officer in  
19 writing of any proposed transfer of this contract. In addition, in  
20 the case of a partial assignment the Contractor shall:

21 (i) Designate the proportionate quantities of Schedule 2  
22 and supplemental water which he desires to assign. The supply of  
23 Schedule 2 water not assigned by the Contractor shall in no event

1 exceed the quantity which can beneficially be used on the land  
2 retained by the Contractor; and

3 (ii) Furnish the United States with a copy of the deed  
4 transferring title.

5 (c) No transfer of this contract shall be effective unless  
6 and until approved by the Contracting Officer and if approved shall be  
7 effective from the date of such approval.

8 (d) By mutual agreement of the parties this contract may be  
9 amended if title to a portion of the contractor's land is transferred,  
10 or terminated if title to all of said land shown on Exhibit A is trans-  
11 ferred. New owners of title who are qualified to receive water for the  
12 land may enter into separate renewable contracts for service of their  
13 appropriate share of the water supply herein provided for the remainder  
14 of the term of this contract.

15 DETERMINATIONS

16 23. (a) Where the terms of this contract provide for action to  
17 be based upon the opinion or determination of either party to this  
18 contract, whether or not stated to be conclusive, said terms shall not  
19 be construed as permitting such action to be predicated upon arbitrary,  
20 capricious or unreasonable opinions or determinations.

21 (b) In the event the Contractor questions any factual deter-  
22 mination made by any representative of the Secretary as required in the  
23 administration of this contract any findings as to the facts in dispute  
24 thereafter made by the Secretary shall be made only after consultation  
25 with the Contractor.

1 (c) Except as otherwise provided herein, the Secretary's  
2 decision on all questions of fact arising under this contract shall  
3 be conclusive and binding upon the parties hereto.

4 IN WITNESS WHEREOF, the parties hereto have executed this  
5 contract the day and year first above written.

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*Rita Singer*  
Appd. Sol. Off.

THE UNITED STATES OF AMERICA

By *EF Sullivan*  
Acting Regional Director, Region 2  
Bureau of Reclamation

CONTRACTOR

*Malvin D. Hughes*  
Malvin D. Hughes

*Mardella Hughes*  
Mardella Hughes

ACKNOWLEDGMENT

STATE OF California )  
COUNTY OF \_\_\_\_\_ ) ss.

On this 27th day of September, 1967,  
before me, Alfred Stricklin, personally  
appeared Melvin De Hughes, and  
Murdella Hughes, the persons whose names are  
subscribed to the within instrument and acknowledged that they executed  
the same.

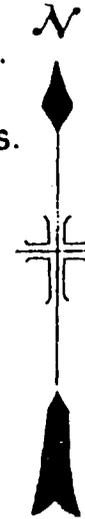
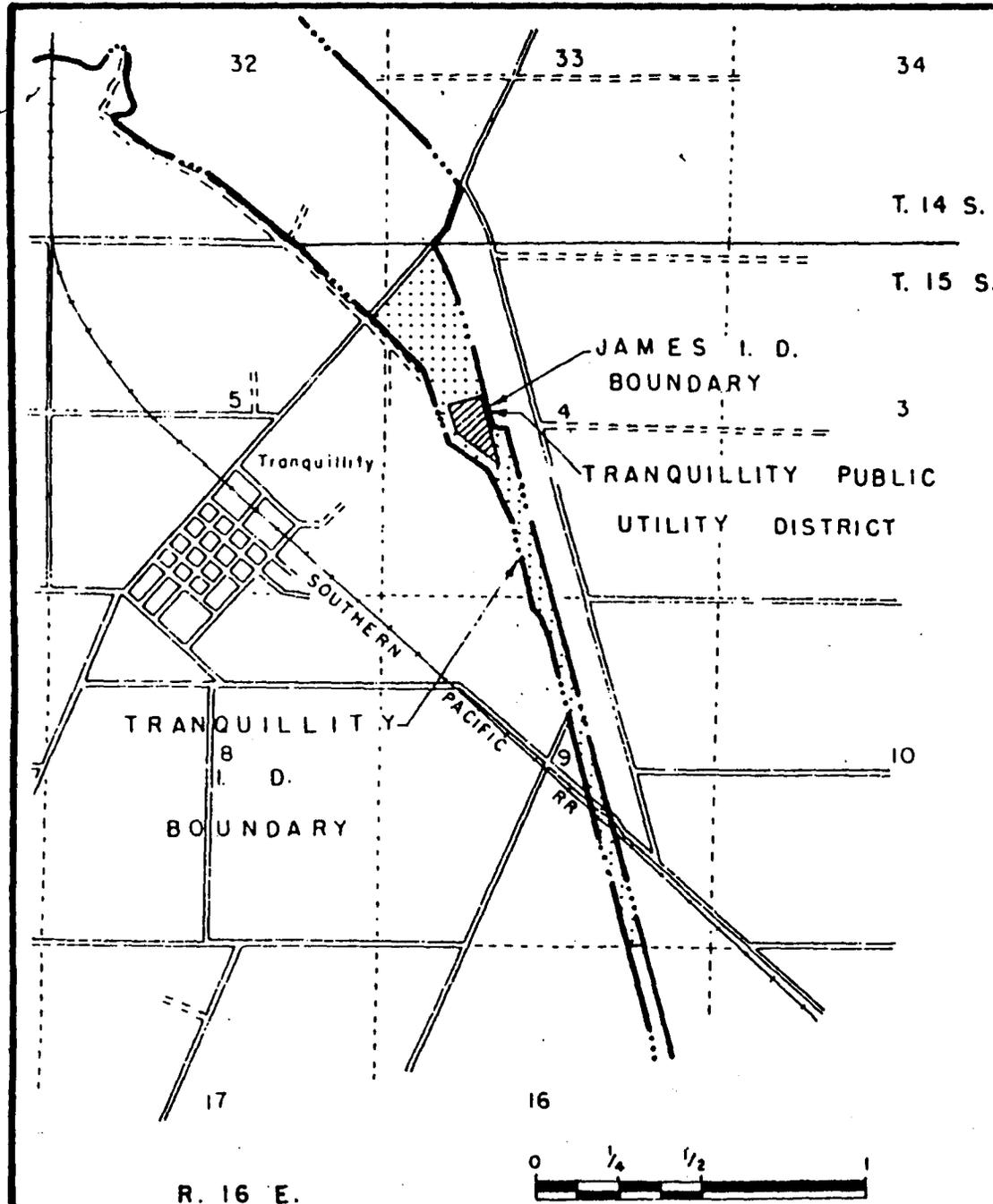
IN WITNESS WHEREOF, I have hereunto set my hand affixed my  
official seal the day and year in this acknowledgment first above  
written.



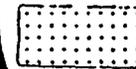
Alfred Stricklin  
Notary Public in and for the  
County of Fresno  
State of Calif

My Commission expires 11-16-67.

EXHIBIT - A



LEGEND



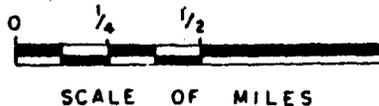
MELVIN D. HUGHES  
PROPERTY (Located in  
Sec. 4, 5, 9 - T. 15 S. -  
R. 16 E.)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
CENTRAL VALLEY PROJECT - CALIF.

**MELVIN D. HUGHES PROPERTY**  
**(A tract of approximately 66 acres)**

DRAWN - B. S. L. \_\_\_\_\_ SUBMITTED \_\_\_\_\_  
TRACED \_\_\_\_\_ RECOMMENDED \_\_\_\_\_  
CHECKED - G. M. A. \_\_\_\_\_ APPROVED \_\_\_\_\_

FRESNO, CALIF. 9-19-66 214-228-3435



R. 16 E.