

4. Claimant, Contestant, and OWRD agree that Contest 3736 can be resolved without the need for further proceedings, pursuant to the terms set forth below.

B. TERMS AND PROVISIONS

1. Claimant, Contestant, and OWRD agree that Claim 234 should be approved by the Adjudicator as described below:

POINT OF DIVERSION LOCATION:

Lot 2 (NE ¼ NE ¼), Section 30, Township 35 South, Range 7 East, W.M.

SOURCE: Williamson River, tributary to Upper Klamath Lake

USE: Irrigation of 8.7 acres.

AMOUNT ACTUALLY BENEFICIALLY USED: 0.22 cubic feet per second (cfs) measured at the point of diversion.

DUTY: 3.5 Acre-Feet/Acre/Year.

IRRIGATION PERIOD OF USE: March 1 through October 16.

PRIORITY DATE: October 14, 1864.

PLACE OF USE:

| | | |
|-------------------|-----|------------------|
| LOT 2 (NE ¼ NE ¼) | 8.5 | ACRES IRRIGATION |
| LOT 9 (NE ¼ NE ¼) | 0.2 | ACRES IRRIGATION |

SECTION 30

TOWNSHIP 35 SOUTH, RANGE 7 EAST, W.M.

The place of use is shown more particularly on the map attached hereto as Exhibit 1, which is incorporated by reference as if set forth fully herein.

2. Claimant, Contestant, and OWRD agree that pursuant to the terms and provisions of this Stipulation, Contest 3736 has been satisfactorily resolved, and such

resolution ends the need for further proceedings before the Administrative Law Judge on these contests to Claim 234.

3. Based on the Stipulation of Claimant, Contestant, and OWRD that Claim 234 and the Contest thereto can be resolved without the need for further proceedings, OWRD adjudication staff hereby recommends to the Adjudicator that Claim 234 be withdrawn from the Office of Administrative Hearings. OWRD adjudication staff further recommends that Claim 234 be approved in the Finding of Fact and Order of Determination issued by the Adjudicator in accordance with the terms of paragraph B.1., above.

4. If the Finding of Fact and Order of Determination issued by the Adjudicator for Claim 234 does not conform to the terms set forth in paragraph B.1., above, Claimant and Contestant reserve any rights they may have to file exceptions to the Finding of Fact and Order of Determination as to Claim 234 in the Circuit Court for Klamath County, and reserve any rights they may have to participate in any future proceedings authorized by law concerning Claim 234.

5. The Parties agree that this Stipulation has been reached through good faith negotiations for the purpose of resolving legal disputes, including pending litigation. The Parties agree that no offers and/or compromises made in the course thereof shall be construed as admissions against interest. The parties agree that this Stipulation shall not be offered as evidence or treated as an admission regarding any matter herein and may not be used in proceedings on any other claim or contest whatsoever, except that the Stipulation may be used in any future proceeding to interpret and/or enforce the terms of this Stipulation. Further, the parties agree that neither the Stipulation nor any of its terms

shall be used to establish precedent with respect to any other claim or contest in the Klamath Basin Water Rights Adjudication.

6. This Stipulation shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, affiliated and related entities, officers, directors, principals, agents, employees, assigns, representatives and all persons, firms, associations, and/or corporations connected with them.

7. Each Party to this Stipulation represents, warrants, and agrees that the person who executed this Stipulation on its behalf has the full right and authority to enter into this Stipulation on behalf of that party and bind that party to the terms of the Stipulation.

8. The terms, provisions, conditions, and covenants of this Stipulation are not severable, except, if any term, provision, condition, or covenant of this Stipulation is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the terms, provisions, conditions, and covenants shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

9. This Stipulation may be executed in several counterparts and all documents so executed shall constitute one Stipulation, binding on the Parties, notwithstanding that the Parties did not sign the same original or the same counterparts. Delivery of an executed signature page to this Stipulation by facsimile transmission shall be as effective as delivery of an original signed counterpart of this Stipulation.

10. This Stipulation comprises the entire agreement and no promise, inducement, or representation other than herein set forth has been made, offered, and/or agreed upon, and the terms of this Stipulation are contractual and not merely a recital.

11. The Parties agree to bear their own costs and attorneys' fees.

12. This Stipulation shall be effective as of the date of the last signature hereto.

STIPULATED, AGREED AND APPROVED BY:

CLAIMANT ROBERT RATHBORNE:

Dated: ~~August~~ ^{Sept} 16, 2004



RONALD S. YOCKIM
P.O. Box 2456
548 SE Jackson St., Ste. 7
Roseburg, OR 97470
Telephone: (541) 957-5900
Telefax: (541) 957-5923
e-mail: ryockim@mcsi.net

FOR CONTESTANT, THE UNITED STATES OF AMERICA:

Dated: August 20th, 2004

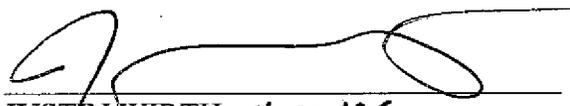


LARRY A. BROWN
General Litigation Section
Environment & Natural Resources Division
U.S. Department of Justice
P.O. Box 663
Washington D.C. 20044-0663
Telephone: (202) 305-0435
Telefax: (202) 305-0274
e-mail: larry.brown@usdoj.gov

FOR THE OREGON WATER RESOURCES DEPARTMENT:

HARDY MEYERS
Attorney General

Dated: ~~August~~ ^{October} 12, 2004


JUSTIN WIRTH # 00426
WALTER PERRY
Assistant Attorneys General
Oregon Department of Justice
1162 Court Street NE
Salem, Oregon 97301-4096
Telephone: (503) 378-4409
Telefax: (503) 378-3802
e-mail: justin.wirth@doj.state.or.us
walter.perry@doj.state.or.us

Dated: ~~August~~ ^{October} 12, 2004


KIMBERLY GRIGSBY
Oregon Water Resources Department
725 Summer St. NE, Suite A
Salem, Oregon 97301-1271
Telephone: (503) 986-0825
Telefax: (503) 986-0901
e-mail: kimberly.j.grigsby@wrд.state.or.us

