

therein, refuse to enter into a contract with the state, the deposit shall be forfeited to the state and credited to the Oregon Irrigation Fund.

555.070 Contract for reclamation of land; contents; examination and report by Water Resources Commission; sale of water right to settlers; bond of contractor; deposit to secure purchasers of water rights. Upon withdrawal of the land by the Department of the Interior, the Water Resources Commission shall enter into a contract for the reclamation of such land with the person submitting the application, which contract shall contain plans and specifications of the proposed irrigation works; provided, that no contract shall be executed by the commission until after an examination by the commission concerning the feasibility of the proposed plan of reclamation, sufficiency and availability of the water supply, and reasonableness of the estimate of cost and the lien requested. The contract shall provide for the sale of the water right to settlers on the land in satisfaction of the reclamation lien allowed. This contract shall not be entered into on the part of the state until the withdrawal of the lands by the Department of the Interior and the filing of a satisfactory bond on the part of the proposed contractor, which bond shall be in a penal sum not less than two percent of the lien to be allowed, and shall be conditioned upon the faithful performance of the provisions of the contract with the state; provided, that in case the contractor is the irrigation district such bond need not be filed. The commission may, however, require the contractor to make a deposit at the time of application for entry of land by settlers to insure the transfer of the system in good condition and repair to the purchasers of water rights as herein provided, which deposit shall be returned by the commission at the time of such transfer. [Amended by 1955 c.707 §69]

555.080 Reclamation works; control by contractor; transfer to purchasers of water rights. For such time as is specified in the contract, and not to exceed 10 years from the date thereof, the control and management of the reclamation works shall be vested in the person having contract with the state. At the expiration of such time the clear and unencumbered title to the reclamation works and all franchises thereunto belonging, also the control and management thereof, shall pass to the purchasers of water rights from the reclamation works in the manner to be prescribed in the contract, the contractor retaining an interest in the works proportional to the amount of water right unsold.

555.090 Time for construction of works; date of commencement; securing of water rights; cessation of work as causing forfeiture; extension of time. No contract shall be made by the Water Resources Commission which requires a greater time than five years for construction of the works. All contracts shall state that the work shall begin within six months from date of contract; that the contractor shall secure for the use and benefit of the reclamation system all necessary water rights, rights of way, reservoir sites, or other property necessary for its construction and operation; that construction shall be prosecuted diligently and continuously to completion; and that a cessation of work under the contract with the state for a period of six months, without the sanction of the commission, will forfeit to the state all rights under the contract. The commission may extend the time in which to begin the construction of works, or for the completion of work, on account of delay caused by physical or engineering difficulties beyond the power of the contractor to control.

555.100 Nonperformance by contractor; forfeiture; notice of forfeiture; sale of incomplete works; disposal of proceeds. (1) Upon the failure of any parties having contracts with the state for the construction of irrigation works, to begin the same within the time specified by the contract, or to complete the same within the time or in accordance with the specifications of the contract with the state, to the satisfaction of the Water Resources Commission, the commission shall give the parties written notice of such failure. If after a period of 60 days from the sending of such notice they have failed to proceed with the work or to conform to the specifications of their contract with the state, or secure an extension of time, their contract and all works constructed thereunder shall be at once forfeited to the state.

(2) In case of any forfeiture, cancellation, or relinquishment of any contract to the state, the commission shall so declare and give notice once each week, for four weeks, in some newspaper of general circulation in the county in which the work is situated, and in one newspaper at the state capital in like manner and for a like period, of the forfeiture, cancellation, or relinquishment of the contract, and that upon a fixed day proposals will be received at the office of the commission for purchase of the incomplete works and for completion of the irrigation works in accordance with plans, specifications and other conditions prescribed by the commission, the time for receiving bids to be at least 60 days subsequent to the issuing of the last notice of forfeiture. The money re-