Lease Agreement Number: /	3)
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Short-Term Water Right Lease Agreement for Leases of Existing Water Rights for Instream Use

This Lease Agreement is between:

Lessor:

Gerald S. Thomasson 321 Westwood Lane Roseburg, OR 97470 (541) 673-5646

The water rights to be leased are located in Douglas County.

Lessee:

Oregon Water Trust 111 SW Naito Parkway Suite 404 Portland, OR 97204 (503) 226-9055-Phone (503) 226-3480-Fax

Trustee:

Oregon Water Resources Department 158 12th Street NE Salem, OR 97301-4172 (503) 378-3739-Phone (503) 378-2496-Fax

I.

- 1.1 Lessor is the owner (*Exhibit A*) of property highlighted in *Exhibit B*. The contract of sale is attached.
- 1.2 Section 1.2 is not applicable.
- 1.3 Exhibit C contains a copy of the certificated rights attached to the property in Exhibit B. The rights are listed below as follows:

 Certificate No. 50486 and a portion of Certificate No. 46022.
- 1.4 **Subject Water Rights.** Lessor proposes to lease the water rights set out in Certificate No. 50486 and a portion of the rights set out in Certificate No. 46022, listed in 1.3, above.

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The rights are further described as follows:

Water Right Identification No.: 50486

Source: North Umpqua River Priority date: June 12, 1975

Type of use: Irrigation

Place of use: (map of irrigated lands is in *Exhibit D*.) T 26 S, R 6 W, Section 28, SE ¹/₄ SW ¹/₄ - 0.65 acres T 26 S, R 6 W, Section 33, NE ¹/₄ NW ¹/₄ - 0.85 acres

(Both as projected within Hannan DLC 42)

Total acres - 1.5 acres

Rate: 0.02 cfs

Duty: 3.75 acre-feet

Season of use: March 1 to October 31

Point of Diversion (POD):

NE ¼ NW ¼, Section 33, T 26 S, R 6 W, W.M., 650' S. and 320' E. from NW

corner, NE 1/4 NW 1/4, Section 33.

Conditions or other limitations, if any: None

Water Right Identification No.: 46022

Source: North Umpqua River Priority date: May 17, 1972

Type of use: Irrigation

Place of use: (map of irrigated lands is in Exhibit D.)

T 26 S, R 6 W, Section 33, NE ¼ NW ¼ - 2.3 acres (as projected within Hannan

DLC 42) (0.87 of which are not to be leased)

Total acres – 2.3 acres (of which 1.43 acres are to be leased)

Rate: 0.02 cfs (of which 0.012 are to be leased)

Duty: 5.75 acre-feet (3.58 acre feet of which are to be leased)

Season of use: March 1 to October 31

Point of Diversion (POD):

NE ¼ NW ¼, as projected within Hannan DLC 42, Section 33, T 26 S, R 6 W,

W.M., 650' S. and 980' W. from N1/4 corner, Section 33.

Conditions or other limitations, if any: None

- 1.5 Validity of Rights. Lessor attests that the water rights to be leased are legally valid by having been beneficially used according to the terms of the right or permit. If the right is for irrigation, beneficial use must have occurred in the last five years on all lands indicated in *Exhibit D*.
- 1.6 **Lease.** All lessors agree to lease the subject water rights listed in 1.4 for instream use for the term of this Agreement through Lessee to Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-77-0077.

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- 1.7 **Suspension of original use.** During the period of the lease, the owner agrees to suspend use of water allowed under the subject water rights and under any water right that is supplemental to the subject water rights.
- 1.8 **Water use reporting.** The Trustee agrees to fulfill legal obligations related to water use reporting.

II.

2.1 **Public Use.** The public use served by the amount, timing and location of the instream use provided for under this lease is:

provided by evidence contained in Exhibit E, such as a signed statement by lessee, or other party, explaining how the lease will benefit recreation, scenic attraction, aquatic and fish life, wildlife habitat and ecological values, pollution abatement, navigation or other public use.

2.2 **Instream use created by lease.** The instream use to be created is described as follows:

Certificate No. 50486

North Umpqua River, a tributary to the Umpqua River

Location: POD to mouth of North Umpqua River

Priority date: June 12, 1975

Use: Described in Section 2.1, above

Total volume: 3.75 acre-feet

Rate in cfs: 0.02 cfs

Period of use: March 1 - October 31

Conditions to prevent or mitigate injury, if any: The instream flow will be allocated on a daily average basis up to the described rate from July 30 until October 31, or until such time that the total duty for the irrigation season is met. The instream use period has been diminished to 94 days to insure the duty limitation is not exceeded during the period of use described above.

A portion of Certificate No. 46022

North Umpqua River, a tributary to the Umpqua River Location: POD to mouth of North Umpqua River

Priority date: May 17, 1972

Use: Described in Section 2.1, above

Total volume: 3.58 acre-feet

Rate in cfs: 0.012 cfs

Period of use: March 1 - October 31

Conditions to prevent or mitigate injury, if any: The instream flow will be allocated on a daily average basis up to the described rate from June 4 until October 31, or until such time that the total duty for the irrigation season is met. The instream use period has been diminished to 150 days to insure the duty limitation is not exceeded during the period of use described above.

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- 2.3 Term of lease. This Lease shall commence on March 1, 2000 (not before execution by the parties) and continue through October 31, 2000.
- 2.4 **Compensation.** Lessor has agreed to lease the subject water rights herein to the Oregon Water Trust for cash and other considerations and for the benefit of the people of the state of Oregon.
- 2.5 Flow protection. The Trustee will regulate use of water from the source, subject to prior appropriation and the agency enforcement guidance, to assure the water is delivered to the point of diversion, and through the reach past junior downstream users, so long as flow is sufficient to meet the demand under priority date of the new instream use (see Section 2.2). No party is required to continuously measure the flow of the waterway described in Section 2.2.

III.

- 3.0 Watermaster review. By signature below, the watermaster for the district where the subject water right is located verifies that:
- 3.1 Lessor is currently entitled to appropriate water under the water rights described in Section 1.4.
- 3.2 A suitable control is in place so that WRD staff may regulate use of water under the subject rights to ensure water is not diverted or applied on lands to which the subject right is attached.
- 3.3 Allocation of water to the new instream use described in Section 2.2 during the term of this lease is not reasonably expected to cause injury to other rights to use water from the same source.

Necessary conditions to the proposed instream use: None

Watermaster:

Dave Williams

Field Operations, WRD

1036 SE Douglas, Room 306

Roseburg, OR 97470

(541) 440-4255 - Phone

(541) 440-6264 - Fax

Date: 5-9-2000

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IV.

The Undersigned Lessor, Lessee and Trustee declare that, to the best of their knowledge and belief, the information contained in this lease is true, correct and complete.

Lessor: Serold & Thomasian

Date: 05/18/2000

Lessor:

Date:

Lessee: Checker (No Checker Thust)

Date: 05/15/2000

So ordered by Trustee: 71

Date: 6.28.2000

Director, Oregon Water Resources Department

Effective Date of Lease Agreement:

Exhibits:

Exhibit A: Proof of property ownership (Contract of Sale)

Exhibit B: Tax lot map of Lessor's property

Exhibit C: Copy of the certificates, permits, and decreed rights to be leased Exhibit D: Detailed map illustrating lands under subject right and to be leased

Exhibit E: Identification of public use to be served by instream use