

WATER RIGHT LEASE AGREEMENT

This LEASE AGREEMENT is made this 29 day of July, 94 between Central Oregon Irrigation District [Lessor(s)] and the Oregon Water Resources Department (Lessee).

I.

- 1.1. Lessor is the holder by lease of water rights appurtenant to T. 18 S., R. 13 E, W.M., Deschutes, County, described in Exhibit A.
- 1.2. The following water right(s) is/are appurtenant to said property:
Certificate No. 29052, Exhibit B.
Consolidated Deschutes, Decree, Exhibit D.
Transfers: 2397, 2526, and 3796.
- 1.3. Pursuant to the provisions of ORS 537.348(2), Lessee desires to lease water to increase the instream flow of the Deschutes River below Bend from mile 165 to mile 120.
- 1.4. The following public uses will be served by the increased instream flow made available under this Lease: enhanced habitat for aquatic life.
- 1.5. Lessor confirms that control of these rights has been acquired by Lessor through a valid lease with Kim and Sally Ward, Exhibit C.

II.

IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

- 2.1. Lease. Lessor leases to Lessee the following water right for use as an instream water right:
Certificate No. 29052, Exhibit B.
Consolidated Deschutes, Decree, Exhibit D.
Priority Date: October 31, 1900.
Rate (cfs) : See exhibit E
Duty (acre-feet/season) : See exhibit E
Period of Use: 1994 irrigation season.
Point of Diversion: Central Oregon Canal.
Place of Use: See exhibit A.

- 2.2. Term. This Lease shall commence upon its execution by the parties and shall continue thereafter for the 1994 irrigation season unless terminated as provided herein.
- 2.3. Termination. Either party may terminate this Lease upon 30-days written notice; provided, however, this Lease may not be terminated during any irrigation season in which the lease is effective during a portion of such season.
- 2.4. Flow Protection. Lessor will not divert or use the water described in Paragraph 2.1 during the Term of this Lease. Neither party is required to measure the flow of the river described in Paragraph 1.3. During the term of this Lease, Lessee will regulate all water rights for use of water from the river described in Paragraph 1.3 according to the relative priority dates of such rights. The water right described in Paragraph 2.1, which is subject to this Lease, will be regulated along with all other rights for use of water from the river described in Paragraph 1.3 in accordance with its relative priority date.
- 2.5. Watermaster Review. The Watermaster for the District where the reach of the river described in Paragraph 1.3 is located shall review this Lease to verify the following:
- 2.5.1 The Lessor is currently entitled to appropriate water under the water right described in Paragraph 2.1.
- 2.5.2. A suitable control device is in place so that use of water under the right described in Paragraph 2.1 may be regulated to insure that said water will not be diverted or otherwise withdrawn from the river described in Paragraph 1.3.
- 2.5.3. Allocation of the water described in paragraph 2.1 during the term of this lease will not cause injury to other rights for use of water form the same source.

Watermaster *Kyle Boone* (District 11)

THE UNDERSIGNED LESSOR DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, THE INFORMATION CONTAINED IN THIS LEASE IS TRUE, CORRECT, AND COMPLETE.

Lessor: *Paul Hill*
Manager, Central Oregon Irrigation District

Lessee: *Mustafa D. Pugh*
Director, Water Resources Department