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Lease Agreement No. 9629.01

WATER RESOURCES DEPT.
SALEM, OREGON

SHORT TERM WATER RIGHT LEASE AGREEMENT

(Leases of Existing Water Rights For In-stream Use)

This LEASE AGREEMENT is made between:

Lessor #1:

Power of Attorney: Roger Skeen
Sundance Land and Livestock
43425 Sage Rd
Aguanga, CA 92536
(909) 767-1956

Lessor #2:

Arnold Irrigation District
19885 Rocking Horse Rd
Bend, OR 97702
(541) 382-7664

and

Trustee:

Oregon Water Resources Department

The water rights to be leased are in Deschutes County

I.

- 1.1 Lessor #1 is the authorized agent for the owner (*Exhibit A*), of property shown in *Exhibit B*.
- 1.2 Section 1.2 is not applicable
- 1.3 *Exhibit C* contains a copy of the certificated right attached to the property in *Exhibit B*. The right is described as follows:
Certificate/Permit # No.: 29053

1.4 Subject Water Rights. Lessor proposes to lease part of the water right listed in

1.3, above.

The right to be leased is further described as follows:

Water Right Identification #: 29053
Source: Deschutes River
Priority date of: 1905
Type of use: Irrigation
Place of use: *Exhibit D*, and further described at:
T18S, R13E, section 30, NE1/4, Tax Lot 6004
No. acres: 1.98
Rates: 1 cfs to 51ac, 1 cfs to 39 ac, 1cfs 20.8 ac
Duty: 15.42 acre-feet at the diversion for entire season per acre
Season: April 1 through October 31
Point of diversion (POD): RM 174.5 in SW1/4 sec. 27, T18S, R11E
Conditions or other limitations, if any: NONE

- 1.5 **Validity of the Rights.** Lessor attests that the subject water right is legally by having been used beneficially used according to the terms of the right within the last five years, if the right is for irrigation, on all lands identified in *Exhibit D*.
- 1.6 **Lease.** Lessor agrees to lease the water right(s) 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 690-77-077.
- 1.7 **Suspending the original use.** During the period of the lease the owner agrees to suspend the use of water under the original right, or the portion of the right that is leased, and any supplemental right for the same use on the same property.
- 1.8 **Water use Reporting.** The Trustee agrees to fulfill legal obligations related to water use reporting.

II.

- 2.1 **Public Use:** The amount, timing and location of the in-stream use provided for under this lease will serve public uses (s) as indicated by: (check one)
 deficiencies in the water supply for an instream water right #_____
 unsatisfied needs identified in an application for an instream water right or Diack flow,

- specific uses and needs identified in *Exhibit E* as signed off by ODFW, PARKS, or DEQ.
- another specified piece of evidence in *Exhibit E*, such as, a statement signed by the lessee, or some other person, explaining how the lease would benefit recreation, scenic attraction, aquatic and fish life, wildlife habitat and ecological values, pollution abatement, navigation, or other public uses.

2.2 Instream use created by the Lease. Described as follows:

Deschutes River

Tributary to Columbia River in the Deschutes Basin

Location: Bend to Lake Billy Chinook

Use is described in section 2.1, above

Total Volume 30.8 acre-feet

Rates cfs; 0.038, 0.05, 0.095

Period of Use April 1 through October 31

Date of priority 1905

Conditions to prevent or mitigate injury (if any): Arnold Irrigation District stipulates this Short Term Water Right Lease Agreement is only to be in effect when the District is entirely diverting natural flow. At which point the District relies on any stored water, the lease shall cease until natural flow increases so that stored water is not necessary to meet demand or natural flow rights change so as to make natural flow fully available.

- 2.3 Term of the lease.** This Lease shall commence on September 1, 1996 (Not before the date of final execution by all parties) and continue through: December 31, 1996.
- 2.4 Compensation.** The sum of \$1.00 and other valuable considerations to 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 that the water is delivered to the point of diversion, and through the reach past downstream users so long as flow is sufficient to meet the demands under this date of priority. No party is required to continuously measure the flow of the river/stream described in Paragraph 2.2.
- 2.6 Additional Monitoring.** The lessee intends to manage and participate in the protection of the in-stream right as follows: [optional]
- 2.7 Modification or termination provisions.** None

III.

3 **Watermaster Review.** By signature below, the Watermaster for the District where the subject water right is located, verifies the following:

- 3.1 The Lessor is currently entitled to appropriate water under the water right described in Paragraph 1.4.
- 3.2 A suitable control device is/will be in place so WRD staff may regulate use of water under the subject right to ensure water is not diverted or applied on lands to which subject right is attached.
- 3.3 Allocation of the water described in Paragraph 2.2 during the term of this lease is not reasonably expected to cause injury to other rights for use of water from the same source.
- 3.4 Necessary conditions to the proposed instream use:

Watermaster: *Fyle Bow* (District 11)
Date: 9-5 19 96

THE UNDERSIGNED LESSOR(S), 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 #1: *Boyer Phelan* Date: 9-5 19 96

Lessor #2: *[Signature]* Date: 9/10 19 96

(Director, Oregon Water Resources Department

G. Huntington (for)
Effective Date: October 27 19 96

List of Exhibits:

- Exhibit A - Power of Attorney Documentation (copy of property deed)
- Exhibit B - Map of lessors property