Lease Agreement No.:

SHORT TERM WATER RIGHT LEASE AGREEMENT

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

This LEASE AGREEMENT is made between

Wayne L. Webb (Lessor),

Oregon Water Trust (Lessee), and the

Oregon Water Resources Department (Trustee)

- Lessor is the authorized agent for the owner (Exhibit A), of property shown in Exhibit 1.1 B, having water rights that are to be leased.
- 1.2 The following water rights are appurtenant to the property in Exhibit B: [Attach applicable document(s).]

Certificate Nos. 38374, 51048 and 51049, Exhibit C. Permit No. 28518, R-6150 and 38057, Exhibit C.

1.2.1 Lessor proposes to lease all of the water rights listed in 1.2. The rights to be leased are further described for each right as follows:

> Water Right Identification No.: 38374 Priority date of: December 10, 1962

Use: Irrigation

Place of use: (Exhibit D-Map)

T 3S, R 14E, S 35 T 4S, R 14E, S 2

No. acres: 37.3

Rate: .93 cfs

Duty: 149.2 acre feet

Season: April 1 to November 1 Point(s) of diversion (POD):

180'S and 2660' W; 1940'S and 2790'W; both from NE corner, Sec. 2, being within the NE1/4, NW1/4 and SE1/4, NW1/4, Sec. 2, T 4S, R 14E, W.M.

Conditions or other limitations, if any:

Water Right Identification No.: 51048 and 51049

Priority date of: March 1, 1975

Use: Irrigation

Place of use: (Exhibit D-Map)

T 3S, R 14E, S 35 T 4S, R 14E, S 2

No. acres: 11.9 (primary) and 7.4 (supplemental)

Rate: .3 (primary) and .18 (supplemental)

Duty: 47.6 acre feet (primary) and up to 29.6 acre feet (supplemental)

Season: April 1 to November 1 Point(s) of diversion (POD):

NE1/4, NW1/4 and SW1/4, NE1/4, Sec. 2, T 4S, R 14E, W.M., Buck Hollow Creek - 180'S and 2,660'W, Kerr Creek - 1,850'S and 2,520'W both from NE corner, Section 2.

Conditions or other limitations, if any:

- 1.2.2 Lessor attests that the water rights identified in 1.2.1 have been beneficially used on all of the lands subject to the lease, or for any other use specified on the water right, within the last five years.
- Pursuant to the provisions of ORS 537.348(2) and OAR 690-77-077, Lessee desires to lease the water rights listed in 1.2.1 for in-stream use.
- 1.4 The amount, timing and location of the in-stream use provided for under this lease will serve public use as indicated by:

specific uses and needs identified in Exhibit E as signed off by ODFW.

II.

THE PARTIES AGREE AS FOLLOWS:

2.1 Lease. Lessor agrees to lease through lessee to holder, the water rights listed in 1.2.1 for use as an in-stream water right during the term of this agreement. The general nature of the compensation is the purchase of grass hay by OWT for Webb.

2.2 The In-stream Right Created by the Lease. Described as follows:

Certificate No.: 38374
Buck Hollow Creek

Tributary to Deschutes River in Deschutes Basin

Location RM 0.8 to 0

[Identify the applicable point or reach(s) of the in-stream right by river mile, description, or map]

Use is described in section 1.4

Total Volume 149.2 acre feet

Rate .93 cfs

Period of Use April 1 to November 1, 1995

Date of priority December 10, 1962

Conditions to prevent or mitigate injury (if any): None

Certificate No.: 51048 and 51049

Buck Hollow Creek

Tributary to Deschutes River in Deschutes Basin

Location RM 0.8 to 0

[Identify the applicable point or reach(s) of the in-stream right by river mile, description, or map]

Use is described in section 1.4

Total Volume 47.6 acre feet (primary) and up to 29.6 acre feet (supplemental)

Rate .3 cfs (primary) and .18 cfs (supplemental)

Period of Use April 1 to November 1, 1995

Date of priority March 10, 1975

Conditions to prevent or mitigate injury (if any): None

- 2.3 **Suspending the original use.** During the period of the lease the owner agrees to suspend the use of water under the original right and any supplemental right for the same use on the same property.
- 2.4 **Term.** This Lease shall commence on **April 1**, **1995** or no sooner than its execution by the parties and shall continue thereafter through **November 30**, **1995**.
- 2.5 Flow Protection. The trustee will regulate use of water from the source, subject to prior appropriation and 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:
	may include collection of information for calculating stream discharge.
2.7	Water Use Reporting. As Required
2.8	Termination Provisions. None
2.9	Watermaster Review. By signature below, the Watermaster for the District where the reach of the creek described in Paragraph 1.2 is located, verifies the following:
2.9.1	The Lessor is currently entitled to appropriate water under the water right described in Paragraph 1.2.1.
2.9.2	A suitable control device is/will be in place so that use of water under the right described in Paragraph 1.2.1 may be regulated to insure water will not be diverted or applied to the lands described in 1.2.1. or used for any other use described in 1.2.1.
2.9.3	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.
2.9.4	Any necessary conditions: None

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: Date: 5/7, 1993

Lessee: Div Date: 422, 1995

So ordered by trustee: Market Resources Department)

Effective Date: 19

List of Exhibits:

Exhibit A - Power of Attorney Documentation

Exhibit B - Description of Property with Associated Water Rights and Proof of Property Ownership

Exhibit C - Copies of Water Rights

Exhibit D - Location of Lands Associated With Leased Water Right

Exhibit E - Identification of Public Use(s) Being Served