



State of Oregon
 Water Resources Department
 725 Summer Street NE, Suite A
 Salem, Oregon 97301-1266
 (503) 986-0900

Application for District Instream Lease

Part 1 of 4 – Minimum Requirements Checklist

| | | |
|--|------------|---------|
| This Application to be used for water rights in the name of or conveyed by an Irrigation District (or similar organization) Complete Parts 1 through 4 and any required attachments | OWRD # | 1L-1556 |
| | District # | |

Check all items included with this application. (N/A = Not Applicable)

Yes N/A **Pooled Lease**-a lease with more than one Lessor (Landowner/water right interest holder)

Fee in the amount of:

| | |
|---|---|
| <input checked="" type="checkbox"/> \$450.00 for a lease involving four or more landowners or four or more water rights | Or <input type="checkbox"/> \$300.00 for all other leases |
| <input checked="" type="checkbox"/> Check enclosed or | |
| <input type="checkbox"/> Fee Charged to customer account _____ (Account name) | |

Part 1 – Completed Minimum Requirements Checklist

Part 2 – Completed District and Other Party Signature Page

Part 3 – Completed Place of Use and Lessor Signature Page
 (Include a separate Part 3 for each Lessor.)

Part 4 – Completed Water Right and Instream Use Information
 (Include a separate Part 4 for each Water Right.)

How many Water Rights are included in the lease application? 1 (# of rights)

List each water right to be leased instream here: **68665**

Yes N/A **Other water rights**, if any, appurtenant to the lands involved in the lease application and not proposed to be leased instream.

List those other water rights here: There are some Groundwater Registrations within the area being leased, but no surface water rights.

Yes No **Conservation Reserve Enhancement Program CREP** – Are some or all of the lands to be leased part of CREP or another Federal program (list here: _____)?

Required Attachments:

Yes N/A Instream lease application map(s). More than one QQ and property may be included on each map. A map is **not** required if an entire right is being leased or if the right is for use of municipal or quasi-municipal water use. The map should include the following:

- A north arrow and map scale (no smaller than 1" = 1320').
- Label township, range, section and quarter-quarter (QQ).
- If an irrigation right, the numbers of acres to be leased in each quarter-quarter identify and hachure/shade to differentiate between the acreage being leased and any remaining. If the place of use has more than one priority date, source stream, and/or point of diversion you **must identify each with separate hachuring or shading** and label.
- Tax lot lines and numbers must be included on the map and should clearly identify the property(s) involved.


Yes N/A **If the Lessor(s) is not the deeded land owner**, include one of the following:

- A notarized statement from the land owner consenting to the lease and a copy of the recorded deed; or
- A water right conveyance agreement and a copy of the recorded deed for the landowner at the time the water right was conveyed; or
- Other documentation.

Yes N/A If the right has **not** been used in the last five years; provide supporting documentation indicating why a right (or portion thereof) is **not** subject to forfeiture.

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Part 2 of 4 – District and other party Signature

| | |
|---|--|
| <p>Term of the Lease: The lease is requested to begin in: month <u>March</u> year <u>2016</u> and end: month <u>October</u> year <u>2020</u>. </p> | |
| <p>Public use: Check the public use(s) this lease will serve (as defined by ORS 537.332):</p> <p><input checked="" type="checkbox"/> Conservation, maintenance and enhancement of aquatic, fish and wildlife, fish and wildlife habitat and any other ecological values.</p> <p><input checked="" type="checkbox"/> Recreation</p> <p><input checked="" type="checkbox"/> Pollution abatement</p> <p><input checked="" type="checkbox"/> Navigation</p> | <p>Termination provision (for multiyear leases): The parties to the lease request (choose one):</p> <p><input checked="" type="checkbox"/> a. The option of terminating the lease prior to expiration of the full term with written notice to the Department by the Lessor(s) and/or Lessee.</p> <p><input type="checkbox"/> b. The option of terminating the lease prior to expiration of the full term, with consent by all parties to the lease.</p> <p><input type="checkbox"/> c. The parties would not like to include a Termination Provision.</p> <p>(See instructions for limitations to this provision)</p> |
| <p>Additive/Replacing Relationship to other instream water rights: Instream leases are generally additive to other existing instream water rights created as a result of instream leases and transfers and/or allocations of conserved water. Since instream leases are also generally senior to other instream rights created through a state agency process or conversion of minimum flows, they generally replace a portion of these junior instream rights.</p> <p>If you would like this lease to relate to other instream water rights differently than described above, please check this box. <input type="checkbox"/> And attach an explanation of your intent.</p> | |
| <p>Precedent: If a right which has been leased is later proposed to be leased again or later transferred or become part of an allocation of conserved water project, a new injury review shall be required. An instream lease shall not set a precedent on a future transaction.</p> | |
| <p>Validity of the rights to be leased:</p> <p><input checked="" type="checkbox"/> The water right(s) to be leased have been used under the terms and conditions of the right(s) during the last five years or have been leased instream; or</p> <p><input type="checkbox"/> The water right(s) have not been used for the last five years according to the terms and conditions of the rights. However, the water right(s) is not subject to forfeiture under ORS 540.610(2). Documentation describing why the water right is not subject to forfeiture has been provided.</p> | |

SIGNATURES

The undersigned declare that the information contained in this application is true and accurate.



 Signature of Co-Lessor

Date: 6-24-16

Printed name (and title): Brent Stevenson; District Manager
 Business/organization name: Santiam Water Control District
 Mailing Address (with state and zip): 284 E. Water Street Stayton, OR 97383
 Phone number (include area code): (503) 769-2669 **E-mail address: brents.swcd@wvi.com

 Signature of Co-Lessor

Date: _____

Printed name (and title): _____
 Business/Organization name: _____
 Mailing Address (with state and zip): _____
 Phone number (include area code): _____ **E-mail address: _____

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Date: _____

Signature of Lessee

Printed name (and title): NA

Business/organization name: _____

Mailing Address (with state and zip): _____

Phone number (include area code): _____ **E-mail address: _____

**** BY PROVIDING AN E-MAIL ADDRESS, CONSENT IS GIVEN TO RECEIVE ALL CORRESPONDENCE FROM THE DEPARTMENT ELECTRONICALLY. COPIES OF THE FINAL ORDER DOCUMENTS WILL ALSO BE MAILED TO THE LESSOR**

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Part 3 of 4 – Place of Use – Lessor Information and Signatures

**Complete Table 1 Identify water right(s) proposed to be leased instream
Provide a separate Part 3 for each Lessor (water right interest holder/landowner)**

Table 1

| Irrigation District or other Water Purveyor Name: Santiam Water Control District | | | | | | | | | | | | |
|--|---------------|-------|-----|-----|-----|-----|---------|--|-------|-----|--------|------------------|
| Specify Water Right, Priority Date, point of diversion(s) (POD), place of use, tax lot, gov't lot/DLC, acres to be leased, original use type, certificate page number, and any previous lease. If not enough room below, you may add rows (see instructions) or create a spreadsheet/table (matching Table 1) and attach. Any attached table should include reference to the Lessor. | | | | | | | | | | | | |
| Water Right # | Priority Date | POD # | Twp | Rng | Sec | Q-Q | Tax Lot | Gov't Lot/DLC # | Acres | Use | Page # | Previous Lease # |
| 68665 | 5/14/1909 | POD | | | | | | See attached listing for details related to this table | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Any additional information about the right: _____ | | | | | | | | | | | | |
| Farm Deferral Tax Status: Counties make the determination of whether a property qualifies for the farm use assessment without consideration of whether the lands have an associated water right which is leased instream. If you have questions regarding the farm use assessment you should contact your local county assessor. You should contact your County for any weed ordinance and management requirements. | | | | | | | | | | | | |

The undersigned declare:

1. I/We agree during the term of this lease to suspend use of water allowed under the water right(s) involved in the lease as well as and any other appurtenant primary or supplemental water right(s); and
2. I/We certify are the lessor(s) (water right interest holder) of the water right(s) in Table 1. If not the deeded land owner, I/we have obtained consent from the deeded land owner and/or have provided documentation of authorization to pursue the instream lease; and
3. I/We affirm that the information in this application is true and accurate.

Date: _____

Signature of Lessor

Printed name (and title): Douglas E. Young; New Construction Administrator Business name, if applicable: Oregon Department of Corrections

Mailing Address (with state and zip): 3601 State Street Salem, OR 97301

Phone number (include area code): (503) 934-1064 **E-mail address: Doug.E.Young@doc.state.or.us

See Following Page for Additional Lessor Signatures

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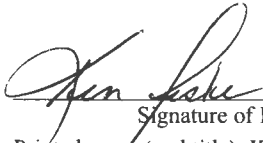
Date: Dec. 16, 16

Signature of Lessor

Printed name (and title): Shannon Ryan; Enterprise Asset Management Administrator Business name, if applicable: Oregon Department of Administrative Services

Mailing Address (with state and zip): 1225 Ferry Street SE U100 Salem, OR 97301-3972

Phone number (include area code): (503) 428-3362 **E-mail address: Shannon.Ryan@state.or.us



Date: 6-15-16

Signature of Lessor

Printed name (and title): Ken Jeske; OCE Administrator Business name, if applicable: Oregon Corrections Enterprises (OCE)

Mailing Address (with state and zip): 3691 State Street Salem, OR 97301

Phone number (include area code): (503) 428-5550 **E-mail address: KJeske@oce.oregon.gov



Date: 12 June 16

Signature of Lessor

Printed name (and title): Cole Mullis; ODOT District 3 Manager Business name, if applicable: Oregon Department of Transportation

Mailing Address (with state and zip): 885 Air Port Road Salem, OR 97301

Phone number (include area code): (503) 986-2900 **E-mail address: Cole.F.Mullis@odot.state.or.us

Signature of Lessor Date: _____

Printed name (and title): Darrick Walker; Partner Business name, if applicable: WB Capital Partner LLC

Mailing Address (with state and zip): P.O. Box 1608 Wilson, WY 83014

Phone number (include area code): (307) 699-1031 **E-mail address: Darrick@thebdhgroup.com

Signature of Lessor Date: _____

Printed name (and title): Peter Fernandez; City of Salem Public Works Director Business name, if applicable: City of Salem

Mailing Address (with state and zip): 555 Liberty Street SE Room 325 Salem, OR 97301

Phone number (include area code): (503) 588-6008 **E-mail address: PFernandez@cityofsalem.net

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Part 4 of 4 – Water Right and Instream Use Information

Use a separate Part 4 for each water right to be leased instream

Table 2

Use Table 2 to illustrate the totals for the water right proposed to be leased instream (based on Part 3 of 4) Water Right # 68665

Total rate and volume by priority date, POD, use and acreage as appropriate considering the right to be leased. If not enough room below, you may add rows (see instructions) or create a spreadsheet (matching Table 2 and clearly labeled) and attach.
(cfs = cubic feet per second and af = acre-feet)

| Priority Date | POD # | Use | Acres | Other Information (such as conditions/limitations on the right) | Rate (cfs) | Volume (af) |
|---------------|-------|-----|--------|---|------------|-------------|
| 5/14/1909 | | Irr | 406.51 | | 5.08 | 1,016.27 |

Total af from storage, if applicable: _____ AF or N/A

If the POD is not described on the certificate or, if there is more than one POD listed on the certificate, then the specific POD must be described:

Table 3

| | | | | | | |
|--|--|---|--------------|---------------------------------|----------------------------|-----------------------------------|
| Instream Use created by the lease | River Basin: <u>Willamette</u> | River/Stream Name: <u>North Santiam River, tributary to Willamette River</u> | | | | |
| Proposed Instream Reach: <input type="checkbox"/> A reach typically begins at the POD and ends at the mouth of the source stream: From the POD _____ to _____ | Or Proposed Instream Point: <input type="checkbox"/> Instream use protected at the POD | | | | | |
| OR <input checked="" type="checkbox"/> Please check this box if you are not sure of the proposed reach and want water to be protected within a reach below the POD, if possible. If no reach is identified or the above box is not checked, and there is only one POD listed on the water right, the lease may be processed to be protected at the POD.) | | | | | | |
| Instream Portion: May not exceed the maximum rate/volume for the right (identified in Table 2) Use the table 3 to illustrate the instream rate, volume and instream period by priority date, POD, Use and acreage, as appropriate. If not enough room below, you may add rows (see instructions) or create a spreadsheet (clearly labeled and matching the below portion of Table 3) and attach. | | | | | | |
| Priority date | POD # | Use | Acres | Proposed Instream Period | Instream Rate (cfs) | Total instream volume (af) |
| 5/14/1909 | | Irr | 406.51 | March 1 to October 31 | 5.08 | 1,016.27 |
| | | | | | | |
| OR <input type="checkbox"/> Please check this box if you are not sure of the proposed rate, volume and instream period. As part of its review process, the Department will identify the appropriate instream rate, volume and period considering the water right(s) being leased and instream benefits. | | | | | | |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A Conditions to avoid enlargement or injury to other water rights, if any, or other limitations: list here _____ | | | | | | |
| Note: The Department may identify additional conditions to prevent injury and/or enlargement. | | | | | | |
| Any additional information about the proposed instream use: _____ | | | | | | |

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MCCC Lease # 2

| LOC_QQ | District_I | Name_Comp | Certificat | Priority_D | Taxlot | Lot | Use_C | Lease_Ac |
|------------------|-----------------------|-----------|--------------|------------|-------------|---------|-------|----------|
| 8S2W18NEN | | | | | | | | |
| E | | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0700600 | R336010 | IR | 4.82 |
| | 2 | | | | | | | |
| | MCCC lease | COS | 68665 | 5/14/1909 | 082W0800107 | R340109 | IR | 7.59 |
| | 2 | | | | | | | |
| | Sum Lease_Acre | | 12.41 | | | | | |
| 8S2W18NW | | | | | | | | |
| NE | | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0700600 | R336010 | IR | 22.66 |
| | 2 | | | | | | | |
| | MCCC lease | ODOT | 68665 | 5/14/1909 | 082W0700500 | R30040 | IR | 1.23 |
| | 2 | | | | | | | |
| | MCCC lease | COS | 68665 | 5/14/1909 | 082W0800107 | R340109 | IR | 0.51 |
| | 2 | | | | | | | |
| | Sum Lease_Acre | | 24.4 | | | | | |
| 8S2W18SWN | | | | | | | | |
| E | | | | | | | | |
| | MCCC lease | COS | 68665 | 5/14/1909 | 082W0800107 | R340109 | IR | 0.06 |
| | 2 | | | | | | | |
| | Sum Lease_Acre | | 0.06 | | | | | |
| 8S2W5NES | | | | | | | | |
| W | | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0502001 | R346785 | IR | 16.11 |
| | 2 | | | | | | | |
| | Sum Lease_Acre | | 16.11 | | | | | |
| 8S2W5NWS | | | | | | | | |
| W | | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0502001 | R346785 | IR | 20.87 |
| | 2 | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0502002 | R346786 | IR | 14.51 |
| | 2 | | | | | | | |
| | Sum Lease_Acre | | 35.38 | | | | | |
| 8S2W5SESW | | | | | | | | |
| | | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0502001 | R346785 | IR | 4.83 |
| | 2 | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0502002 | R346786 | IR | 1.35 |
| | 2 | | | | | | | |
| | Sum Lease_Acre | | 6.18 | | | | | |
| 8S2W5SWN | | | | | | | | |
| W | | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0502001 | R346785 | IR | 1.76 |
| | 2 | | | | | | | |
| | Sum Lease_Acre | | 1.76 | | | | | |

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| LOC_QQ | District_I | Name_Comp | Certificat | Priority_D | Taxlot | Lot | Use_C | Lease_Ac |
|----------------|------------|-----------|------------|------------|-------------|---------|-------|----------|
| 8S2W5SWS | | | | | | | | |
| W | | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0800105 | R327909 | IR | 9.8 |
| | 2 | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0502002 | R346786 | IR | 24.25 |
| | 2 | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0502001 | R346785 | IR | 0.52 |
| | 2 | | | | | | | |
| Sum Lease_Acre | | 34.57 | | | | | | |
| 8S2W6NESE | | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0502002 | R346786 | IR | 2.3 |
| | 2 | | | | | | | |
| Sum Lease_Acre | | 2.3 | | | | | | |
| 8S2W6SESE | | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0502002 | R346786 | IR | 1.14 |
| | 2 | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0800105 | R327909 | IR | 3.97 |
| | 2 | | | | | | | |
| | MCCC lease | COS | 68665 | 5/14/1909 | 082W0800106 | R336011 | IR | 3.59 |
| | 2 | | | | | | | |
| Sum Lease_Acre | | 8.7 | | | | | | |
| 8S2W7NENE | | | | | | | | |
| | MCCC lease | COS | 68665 | 5/14/1909 | 082W0800106 | R336011 | IR | 19.96 |
| | 2 | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0700600 | R336010 | IR | 6.24 |
| | 2 | | | | | | | |
| Sum Lease_Acre | | 26.2 | | | | | | |
| 8S2W7NESE | | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0700600 | R336010 | IR | 34.44 |
| | 2 | | | | | | | |
| | MCCC lease | COS | 68665 | 5/14/1909 | 082W0800106 | R336011 | IR | 4.06 |
| | 2 | | | | | | | |
| Sum Lease_Acre | | 38.5 | | | | | | |
| 8S2W7NWS | | | | | | | | |
| E | | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0700600 | R336010 | IR | 10.1 |
| | 2 | | | | | | | |
| Sum Lease_Acre | | 10.1 | | | | | | |
| 8S2W7SENE | | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0700600 | R336010 | IR | 37.1 |
| | 2 | | | | | | | |
| | MCCC lease | COS | 68665 | 5/14/1909 | 082W0800106 | R336011 | IR | 1 |
| | 2 | | | | | | | |
| Sum Lease_Acre | | 38.1 | | | | | | |
| 8S2W7SESE | | | | | | | | |

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| LOC_QQ | District_I | Name_Comp | Certificat | Priority_D | Taxlot | Lot | Use_C | Lease_Ac |
|------------------|-----------------|-----------|------------|------------|-------------|---------|-------|----------|
| | MCCC lease 2 | DAS | 68665 | 5/14/1909 | 082W0700600 | R336010 | IR | 29.47 |
| | MCCC lease 2 | COS | 68665 | 5/14/1909 | 082W0800107 | R340109 | IR | 6 |
| | MCCC lease 2 | COS | 68665 | 5/14/1909 | 082W0800107 | R340109 | IR | 3.73 |
| Sum Lease_Acre | | | 39.2 | | | | | |
| 8S2W7SWN | | | | | | | | |
| E | | | | | | | | |
| | MCCC lease 2 | DAS | 68665 | 5/14/1909 | 082W0700600 | R336010 | IR | 0.7 |
| Sum Lease_Acre | | | 0.7 | | | | | |
| 8S2W7SWSE | | | | | | | | |
| | MCCC lease 2 | DAS | 68665 | 5/14/1909 | 082W0700600 | R336010 | IR | 25.7 |
| | MCCC lease 2 | ODOT | 68665 | 5/14/1909 | 082W0700500 | R30040 | IR | 2.7 |
| Sum Lease_Acre | | | 28.4 | | | | | |
| 8S2W8NEN | | | | | | | | |
| W | | | | | | | | |
| | MCCC lease 2 | DAS | 68665 | 5/14/1909 | 082W0800109 | R343448 | IR | 5.85 |
| | MCCC lease 2 | FED EX | 68665 | 5/14/1909 | 082W0800108 | R343447 | IR | 0.1 |
| Sum Lease_Acre | | | 5.95 | | | | | |
| 8S2W8NWN | | | | | | | | |
| W | | | | | | | | |
| | MCCC lease 2 | DAS | 68665 | 5/14/1909 | 082W0800105 | R327909 | IR | 7.64 |
| | MCCC lease 2 | COS | 68665 | 5/14/1909 | 082W0800106 | R336011 | IR | 15.45 |
| | MCCC lease 2 | DAS | 68665 | 5/14/1909 | 082W0800109 | R343448 | IR | 6.62 |
| | MCCC lease 2 | FED EX | 68665 | 5/14/1909 | 082W0800108 | R343447 | IR | 4.4 |
| Sum Lease_Acre | | | 34.11 | | | | | |
| 8S2W8NWS | | | | | | | | |
| W | | | | | | | | |
| | MCCC lease 2 | DAS | 68665 | 5/14/1909 | 082W0700600 | R336010 | IR | 2.51 |
| | MCCC lease 2 | COS | 68665 | 5/14/1909 | 082W0800106 | R336011 | IR | 7.8 |
| Sum Lease_Acre | | | 10.31 | | | | | |
| 8S2W8SEN | | | | | | | | |
| W | | | | | | | | |
| | MCCC lease 2 | DAS | 68665 | 5/14/1909 | 082W0800109 | R343448 | IR | 0.47 |
| Sum Lease_Acre | | | 0.47 | | | | | |

| LOC_QQ | District_I | Name_Comp | Certificat | Priority_D | Taxlot | Lot | Use_C | Lease_Ac |
|----------------|------------|-----------|------------|------------|-------------|---------|-------|----------|
| 8S2W8SWN | | | | | | | | |
| W | | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0700600 | R336010 | IR | 0.8 |
| | 2 | | | | | | | |
| | MCCC lease | COS | 68665 | 5/14/1909 | 082W0800106 | R336011 | IR | 16.94 |
| | 2 | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0800109 | R343448 | IR | 9.8 |
| | 2 | | | | | | | |
| Sum Lease_Acre | | 27.54 | | | | | | |

| | | | | | | | | |
|----------------|------------|--------|-------|-----------|-------------|---------|----|------|
| 8S2W8SWS | | | | | | | | |
| W | | | | | | | | |
| | MCCC lease | DAS | 68665 | 5/14/1909 | 082W0700600 | R336010 | IR | 0.18 |
| | 2 | | | | | | | |
| | MCCC lease | COS | 68665 | 5/14/1909 | 082W0800107 | R340109 | IR | 4.88 |
| | 2 | | | | | | | |
| Sum Lease_Acre | | 5.06 | | | | | | |
| Sum Lease_Acre | | 406.51 | | | | | | |

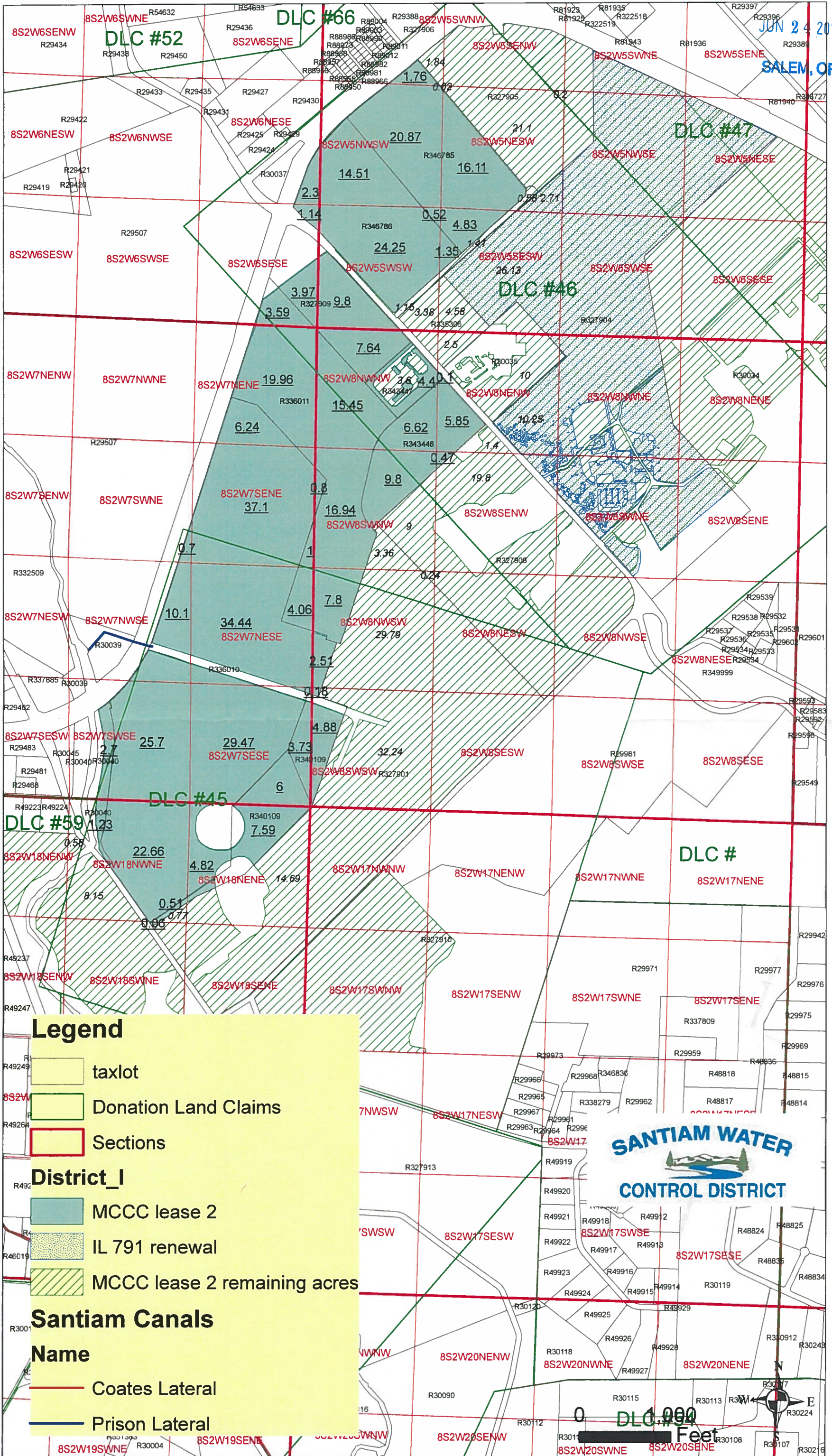
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Legend

- taxlot
- Donation Land Claims
- Sections
- District_1**
- MCCC lease 2
- IL 791 renewal
- MCCC lease 2 remaining acres
- Santiam Canals**
- Name**
- Coates Lateral
- Prison Lateral



0 1000 Feet



After recording, return to:

This Space Reserved for Recorder's Use

✓
Until a change is requested, all tax statements should be delivered to Grantee at: City of Salem
Urban Development, Real Estate Division
350 Commercial Street NE
Salem, OR 97301

**STATUTORY BARGAIN AND SALE DEED
SUBJECT TO 1) RESERVATION OF MINERAL RIGHTS, 2) RESERVATION OF
WATER RIGHTS, 3) RESTRICTIVE COVENANT, AND 4) RESERVATION OF WATER
MAIN EASEMENT.**

Section 1

Conveyance by Bargain and Sale Deed

The State of Oregon, acting by and through the Department of Administrative Services, Grantor, conveys to the City of Salem, an Oregon municipal corporation, Grantee, the property described in Exhibit A, attached hereto and incorporated herein by reference, (referred to herein as "the Property") subject to the terms, conditions and reservations set forth below.

**Section 2
Consideration**

The consideration is certain agreements made by Grantee in an Intergovernmental Agreement between the Grantor and Grantee, dated On March 14, 2005, as subsequently amended on March 23, 2006 and January 29, 2008, the sufficiency of which Grantor hereby acknowledges.

**Section 3
Reservation of Mineral Estate**

Grantor excepts and reserves to itself, its successors and assigns all minerals as defined in ORS 273.775(1), including soil, clay, stone, sand and gravel, and all geothermal resources, as defined in ORS 273.775(2), together with the right to make such use of the surface as may be reasonably necessary for prospecting for, exploring for, mining, extracting, re-injecting, storing, drilling for, and removing, such minerals, materials and geothermal resources. In the event use of the Property by a surface rights owner would be damaged by one or more of the activities described above, then such owner shall be entitled to compensation from the state's lessee to the extent of the

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diminution in value of the real property, based on the actual use by the surface rights owner at the time the state's lessee conducts any of the above activities.

**Section 4
Reservation of Water Rights**

Grantor reserves all surface water rights described in Certificate of Water Rights No. 68665 and any other permitted or certificated surface water rights as may exist for and are appurtenant to the Property.

**Section 5
Restrictive Covenant**

Grantee, its successors and assigns shall use the Property solely for wetlands, stormwater retention, open space and public purposes. Grantee shall use and maintain all wetlands areas within the Property for open space and public park purposes. This covenant runs with the land and inures to the benefit of the State of Oregon and its successors and assigns.

Notwithstanding the above, the Property may be leased or subleased for agricultural purposes, provided that no lease shall extend beyond the year 2013 without Grantor's consent.

**Section 5
Reservation of Water Main Easement**

Grantor excepts and reserves to itself, its successors and assigns a water main easement over, under and across that portion of the Property described in Exhibit B (the "Easement Area") to construct, maintain, repair, improve and replace a forced water main and pump house and for incidental uses associated therewith, together with the right of ingress, egress and access over the Property to and from the Easement Area. The exact ingress, egress and access location shall be agreed to by Grantee prior to Grantor's entry. Grantor shall promptly repair any damage to the Property caused by Grantor's use of the Easement Area and shall promptly restore the Property to the same condition it was in immediately prior to Grantor's use. Grantor, its successors or assigns shall bear all costs of such repairs. Under no circumstance may Grantee charge Grantor a fee, however denominated, for Grantor's use of this easement.

"BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY,

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UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009."

IN WITNESS WHEREOF, Grantor has executed this instrument this 1st day of April, 2011.

STATE OF OREGON, acting by and through
Its Department of Administrative Services

By: [Signature]

As: ADMINISTRATOR

STATE OF OREGON)
County of MARION) ss.

On this 1st day of April, 2011, before me personally appeared Robin E. Harpster, who being duly sworn stated that he/she is the ADMINISTRATOR of the FACILITIES DIVISION and acknowledged the foregoing instrument to be the voluntary act of the ADMINISTRATOR, and that he/she executed the foregoing instrument on behalf of said state agency, acting on behalf of the State of Oregon.



Linda I. Penick
NOTARY PUBLIC FOR OREGON
My commission Expires: 4/19/2013

ACCEPTED ON BEHALF OF
THE CITY OF SALEM BY:

[Signature]

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Exhibit "A"

Parcels 1 and 3 of Partition Plat No. 2006-130 (known as the Mill Creek Corporate Center) as recorded in the Marion County Book of Partition Plats, and also referenced in Reel 2747, Page 81, Deed Record, Marion County, Oregon.

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Exhibit "B"

Parcels 1 and 3 of Partition Plat No. 2006-130 (known as the Mill Creek Corporate Center) as recorded in the Marion County Book of Partition Plats, and also referenced in Reel 2747, Page 81, Deed Record, Marion County, Oregon.

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REEL: 3280

PAGE: 105

April 27, 2011, 11:08 am.

CONTROL #: 292838

State of Oregon
County of Marion

I hereby certify that the attached
instrument was received and duly
recorded by me in Marion County
records:

FEE: \$ 61.00

BILL BURGESS
COUNTY CLERK

THIS IS NOT AN INVOICE.

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CITY MANAGER'S OFFICE

555 Liberty St SE / Room 220 • Salem, OR 97301-3503 • (503) 588-6255 • Fax (503) 588-6354

June 20, 2014

Douglas E. Young
New Construction Administrator
Oregon Department of Corrections
3601 State Street
Salem OR 97301

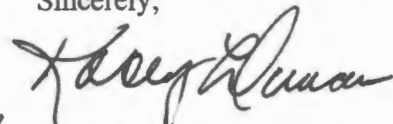
SUBJECT: Surface Water Right Number 68665

Dear Mr. Young:

I understand the Oregon Department of Corrections is in the process of applying for an in-stream lease related to the above-captioned water right. The water right is attached, in part, to property that in 2011 was conveyed to the City of Salem by the Department of Administrative Services, now commonly known as Mill Creek Corporate Center.

The bargain and sale deed that conveyed the property to the City expressly reserved the subject water right to the State of Oregon. As such, the City does not have a property interest in the water right, nor any concerns related to its use by the Oregon Department of Corrections.

Sincerely,


for Steve Powers
City Manager

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EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Women, minorities, and disabled are encouraged to apply • ADA Accommodations will be provided upon request

Young Doug E

From: WILKE Laura K
Sent: Thursday, June 23, 2016 1:13 PM
To: Brent Stevenson
Cc: Young Doug E; FITZGERALD Kate M
Subject: RE: DOC instream leases

Hi Brent - actually the e-mail works out great for this question. We can go ahead and accept the lease application without Fed-Ex's signature - assuming you have everything else. And just have you get their signature as soon as the principle is back in the office.

Feel free to enclose this e-mail with the lease application, if needed.

Laura

-----Original Message-----

From: Brent Stevenson [<mailto:Brents.swcd@wvi.com>]
Sent: Thursday, June 23, 2016 12:34 PM
To: 'WILKE Laura K'
Cc: 'Young Doug E'
Subject: RE: DOC instream leases

Laura

We have played phone tag a bit so I thought I would send an email with my question. I am having trouble getting a signature on the lease form from Fed-Ex. The principle is out of the country and has extremely limited email or phone. He is expected back right after July 4th. I have spoken to him a couple times and he seems on board with the whole lease process, but has not seen the final application. My question is can we submit the lease without his signature and this email as an explanation and then have him sign it when he gets back? Thanks Brent

-----Original Message-----

From: Young Doug E [<mailto:Doug.E.Young@doc.state.or.us>]
Sent: Thursday, June 23, 2016 9:42 AM
To: WILKE Laura K <Laura.K.WILKE@state.or.us>
Cc: Brent Stevenson <Brents.SWCD@wvi.com>
Subject: Re: DOC instream leases

Hi Laura,

I have the check, application, exhibits, and all but FedEx's and SWCD's signatures, which I expect to have today. My plan is to submit Friday morning.

Lease "2" is about 406 acres.

Thanks for the nudge.

Doug

Sent from my iPhone

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On Jun 23, 2016, at 9:34 AM, WILKE Laura K <Laura.K.WILKE@state.or.us<<mailto:Laura.K.WILKE@state.or.us>>> wrote:

Doug - I just wanted to check in and see if you planned to submit anymore leases this year. The deadline for 2016 leases is end of working day June 30th.

Thanks, Laura

Laura Wilke
Flow Restoration Program Coordinator
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1271
Phone: (503) 986-0884
Fax: (503) 986-0903

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