



State of Oregon
Water Resources Department
725 Summer Street NE, Suite "A"
Salem, Oregon 97301-1271
(503) 986-0900

Application for Short-Term Instream Lease

A summary of review criteria and procedures that are generally applicable to these applications is available at www.wrd.state.or.us/publication/reports/index.shtml.

Pursuant to ORS 537.348(2) and OAR 690-077-0077

Optional Identification by Lessor/Lessee: 2454 *Mitigation Credit Project*
Lease Agreement Number (assigned by WRD): L-640 / NP-44

This Lease Agreement is between:

Lessor #1:

(Name) Arrowood Development (Quitclaim Acct) *Mitigation Credit Project*
(Mailing address) 250 NW Franklin Ave, Suite 203
(City, State, Zip Code) Bend, OR 97701
(Telephone number) 541-617-8936
(Email address) _____

Lessor #2, 3, etc.

Central Oregon Irrigation District
2598 N Hwy 97
Redmond, OR 97756
(541) 548-6047
Email address: transfers@coid.org

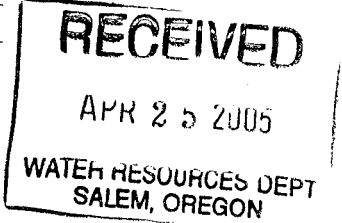
The water right to be leased is located in Deschutes County.

Lessee (if different than Oregon Water Resources Department):

(Name) Deschutes River Conservancy *Water Exchange Mitigation Bank*
(Mailing address) 700 NW Hill
(City, State, Zip Code) Bend, OR 97701
(Telephone number) (541) 382-5186
(Email address) laura@deschutesrc.org

Trustee:

Oregon Water Resources Department
725 Summer Street N.E., Suite "A"
Salem, OR 97301-1271
(503) 986-0900



~I~ Ownership and Water Right Information

1.1 Lessor #1 is the owner, or authorized agent for owner of property located at: Township _____ N, Range _____ W, Section _____ and Tax Lot number See Exhibit #1. If the water right appurtenant to these lands is also appurtenant to lands owned by others, then Attachment 1, (tax lot map of lessor's property) needs to be included.

1.2 Lessor #2 is the (Check one):

- Not applicable
 Official representative of Central Oregon Irrigation District, the irrigation district which conveys water to the subject water rights.
 Another party with an interest in the subject water rights representing _____.

1.3 For the lands being leased, list all water rights appurtenant to the lessor's property. Indicate if there are any supplemental or overlying rights.

Certificate No. 76358 & 76714

1.4 Are some or all of the lands being leased part of a Conservation Reserve Enhancement Program. Yes No

1.5 **Subject water rights.** Lessor proposes to lease the water rights listed in 1.3. The right(s) to be leased are further described as follows:

Certificate No.: 76358

Priority date: October 31, 1900 & December 2, 1907 Type of use: Irrigation

Legal Season of Use: April 1 to November 1 - October 26

Is the entire water right certificate being leased? Yes No

If no, list the acres of the subject water right by legal description of township, range, section, and 1/4 1/4 which will be dried up as part of this lease, and include a map (Attachment 2) showing the lands which will not receive water.

Place of use: T ____, R ____, Section __, 1/4 1/4 - _____ acres to be leased

Enter additional places of use here, using format above:

See Exhibit #1

Page _____ (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres being leased, if for irrigation: 91.45

Acre-feet of storage, if applicable: 0

Maximum rate associated with subject water rights (cfs):

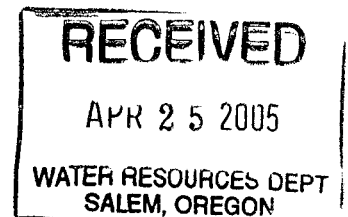
Priority 10/31/1900 Season 1: 1.143 Season 2: 1.524 Season 3: 2.011

Priority 12/2/1907 Season 3: 0.811

(Use additional lines if there is more than one rate associated with the water right.)

Maximum duty associated with subject water rights (ac-ft): 906.27

(Use additional lines if there is more than one duty associated with the water right.)



Conditions or other limitations, if any: None

If you need to enter another leased right, please use the additional water rights form.

1.6 **Validity of rights.** Lessor(s) attests (mark one) that:

the water has been used over the past five years according to the terms and conditions of the owner's water right certificate or as an instream water right or

the water has not been used over the past five years according to the terms and conditions of the owner's water right certificate, however the water right is not subject to forfeiture under ORS 540.610(2)()(include necessary supporting documentation as Attachment 3).

2.1 **Public use.** This lease will increase streamflows which will benefit:

- Conservation, maintenance and enhancement of aquatic and fish life, wildlife, and fish and wildlife habitat
- Pollution abatement
- Recreation and scenic attraction

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

Deschutes River
Tributary to Columbia River in the Deschutes Basin.

Describe the point of diversion (POD) and any associated reach(es) of the instream use being created. If possible list the reach by river mile. If no reach is identified, and there is only one POD listed on the certificate, the lease may be processed to be protected at the POD. (If more than one POD is listed on the certificate, then the POD and any associated reach(es) must be identified): POD# 11 to Lake Billy Chinhook

Maximum volume in acre-feet: Priority 10/31/1900: 389.61 Priority 12/2/1907: 108.84

Rate in cfs: Priority 10/31/1900 Season 1: 0.629 Season 2: 0.838 Season 3: 1.106

Priority 12/2/1907 Season 3: 0.446

(Use the section below to indicate a more restrictive period of use than allowed by the water right.)

Conditions to prevent injury, if any:

- None
- The instream flow will be allocated on a daily average basis up to the described rate from _____ through _____.
- Other (describe): _____

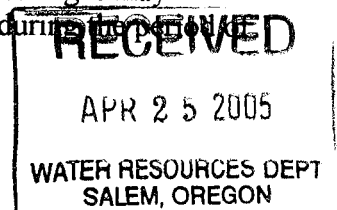
If you need to enter more instream uses, please use the additional water rights form.

2.3 **Term of lease.** This lease shall terminate on ^{November 1} ~~October 26~~, 2009.

2.4 **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). As part of regulation activities the watermaster or a designee has access to the point of diversion and place of use for the water rights involved in this lease. No party is required to continuously measure the flow of the waterway described in Section 2.2.

~III~ Other Information

3.1 **Accuracy.** 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. If after the lease is signed, any information is determined to be false, the lease may be modified or terminated. This lease only exercises the water rights being leased; for the term of the lease; it shall not be construed to overcome any claim that the water right may otherwise be subject to forfeiture for nonuse pursuant to ORS 540.610 during the period of time prior to the execution of the lease.





State of Oregon
Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1271
(503) 986-0900

Additional Water Right Form Standard Application for Short-Term Instream Lease

A summary of review criteria and procedures that are generally applicable to these applications is available at www.wrd.state.or.us/publication/reports/index.shtml.

~I~ Ownership and Water Right Information

Section 1.5 continued from Standard Application for Short-Term Instream Lease.

Subject Water Rights. Lessor proposes to lease the water rights listed in 1.3.

The right(s) to be leased are further described as follows:

Certificate No.: 76714

Priority date: Feb. 28, 1913 Type of use: Irrigation

Legal Season of Use (if not listed on the certificate): April 1 through November 1

Is the entire water right certificate being leased? Yes No

If no, list the acres to be leased by legal description of township, range, section, and 1/4 1/4, which will be dried up as part of this lease. Include a map (Attachment 3) showing the lands that will not receive water.

Place of use: T _____ N, R _____ W, Section _____, 1/4 1/4 - _____ acres to be leased

Field Code Changed
Field Code Changed

Enter additional places of use here, using format above:

See Exhibit #1

Page _____ (Identify page number of certificate, if certificate is greater than 10 pages.)

Number of acres, if for irrigation: 91.45

Acre-feet of storage, if applicable: 0

Rate associated with leased rights (cfs): 0

(Use additional lines if there is more than one rate associated with the water right.)

Duty associated with leased rights (AF): 906.27

(Use additional lines if there is more than one duty associated with the water right.)

Conditions or other limitations, if any: None

~II~ Instream Water Right Information

Section 2.2 continued from Standard Application for Short-Term Instream Lease.

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

Crane Prairie Reservoir River
Tributary to Deschutes River in the Deschutes Basin.

Field Code Changed

Describe the point of diversion and any associated reach(es) of the instream use being created. If possible list the reach by river mile, if no reach is identified, the lease may be processed to be protected at the point of diversion): POD # 11 to Lake Billy Chinook

Total volume in acre-feet: 88.74

Rate in cfs: 0

Conditions to prevent injury, if any:

None

The instream flow will be allocated on a daily average basis up to the described rate from _____ through _____.

Other (describe): _____

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- 3.2 Lease.** All Lessors agree to lease the 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 690-077-0077.
- 3.3 Precedent.** If a right which has been leased is later proposed to be leased again or transferred to an instream use under ORS 537.348 and OAR 690-077- 0070 or OAR 690-077-0075 a new injury review shall be required, and a prior short term lease shall not set a precedent for the amount of water to be leased or transferred instream.
- 3.4 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. In the event that a supplemental water right is not part of this lease, it may be subject to forfeiture.
- 3.5 Termination provision.**
 For multiyear leases, lessor *shall* have the option of terminating the lease each year, prior to the lease being exercised (April 1st), with 30 day written notice to the Department.
 For multiyear leases, lessor *shall not* have the option of terminating the lease each year, prior to the lease being exercised, with written notice to the Department.
- 3.6 Modification to prevent injury.** Allocation of water to the 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. If injury is found after this lease is signed, the lease may be modified or terminated to prevent injury.
- 3.7 Fees.** Effective October 1, 2003, pursuant to ORS 536.050 (1)(v) (2003 SB 820), the following fee is included:
 \$200 for an application with four or more landowners or four or more water rights.
 \$100 for all other applications.

Lessor #1: [Signature] Date: 4-1-05
 Arrowood Development, LLC

For additional Lessors, type in space for signature and date
[Signature] Date: 18 April 2005
 Central Oregon Irrigation District

Lessee: [Signature] Date: 4/21/05
 Deschutes River Conservancy

Other Attachments as Needed:

- Attachment 1: Tax Lot Map of Lessor's Property (required if landowner is not the sole landowner to lands for which the subject water rights are appurtenant)
- Attachment 2: Detailed map illustrating lands under subject rights to be leased (required if only part of a right is being leased instream).
- Attachment 3: Supporting documentation indicating why a right is valid and not subject to forfeiture even though the right has not been exercised for five or more consecutive years (required if the second box in Section 1.6 is checked)
- Attachment 4: Split Season Instream Use Form

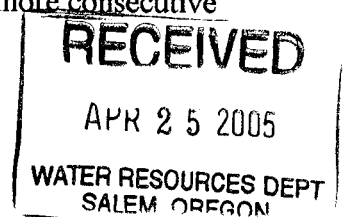


EXHIBIT #1

ARROWOOD DEVELOPMENT

CERTIFICATE # 76358

T S R	1/4 1/4	TAX LOT	ACRES	TYPE	POD	PAGE #
14-13-16-	SE SE	403*	0.36	IRRIG	11	12
14-13-16-	SE SE	414*	0.84	IRRIG	11	12
14-13-26	NE SW	500**	0.85	IRRIG	11	16
15-13-08-	NE SE	8800	2	IRRIG	11	35
15-13-08-	NE SE	8900	8	IRRIG	11	35
15-13-09-	SE NE	801	1	IRRIG	11	35
15-13-09-	SE NE	804	1.15	IRRIG	11	35
15-13-09-	SE NE	900	1.5	IRRIG	11	35
15-13-10-	NW NW	200***	3.4	IRRIG	11	36
15-13-10-	NW NW	201***	4.38	IRRIG	11	36
15-13-10-	NW NW	202***	1.42	IRRIG	11	36
15-13-17	NE NW	800	16	IRRIG	11	37
15-13-17	NW NW	1300	18	IRRIG	11	37
15-13-19	NW NE	100	21.35	IRRIG	11	39
15-13-19	NE SW	1002****	0.2	IRRIG	11	39
15-13-30-	NW SE	600*****	11	IRRIG	11	42

91.45

CERTIFICATE # 76714

T S R	1/4 1/4	TAX LOT	ACRES	TYPE	POD	PAGE #
14-13-16	SE SE	403*	0.36	IRRIG	11	12
14-13-16	SE SE	414*	0.84	IRRIG	11	12
14-13-26	NE SW	500**	0.85	IRRIG	11	17
15-13-08	NE SE	8800	2	IRRIG	11	36
15-13-08	NE SE	8900	8	IRRIG	11	36
15-13-09	SE NE	801	1	IRRIG	11	36
15-13-09	SE NE	804	1.15	IRRIG	11	36
15-13-09	SE NE	900	1.5	IRRIG	11	36
15-13-10	NW NW	200***	3.4	IRRIG	11	37
15-13-10	NW NW	201***	4.38	IRRIG	11	37
15-13-10	NW NW	202***	1.42	IRRIG	11	37
15-13-17	NE NW	800	16	IRRIG	11	38
15-13-17	NW NW	1300	18	IRRIG	11	38
15-13-19	NW NE	100	21.35	IRRIG	11	40
15-13-19	NE SW	1002****	0.2	IRRIG	11	40
15-13-30	NW SE	600*****	11	IRRIG	11	43

91.45

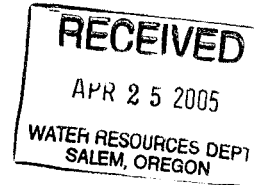
* HB 3111 tax lot 403 had 0.6 acres & lot 402 had .84 acres. Both lots have been Partitioned and water reconfigured as follows:
 lot # 402 has 0.24 acres irrig
 lot #403 has 0.36 acres irrig
 lot #414 has 0.84 acres irrig

**HB 3111 tax lot 500 has been partitioned into 2 lots and water reconfigured:
 lot # 600 has 1.35 acres irrig
 lot # 500 has 0.85 acres irrig

***HB 3111 tax lot 200 had 2.7 acres & lot 201 had 14.3 acres. Both lots have been Partitioned and water reconfigured as follows:
 lot 200 6.20 acres irrig
 lot 201 1.80 acres irrig (T #9748 0.22 off-now 1.58)
 lot 202 10.0 acres irrig (T #9748 0.28 off-now 9.72)

****HB 3111 tax lot 1002 had 1.0 acres. Has been partitioned into 2 lots as follows:
 NE SW 1002 has 0.2 acres irrig
 NE SW 1007 has 0.2 acres irrig
 SE NW 1007 has 0.6 acres irrig

*****HB 3111 tax lot 1412 has been changed to tax lot #600. Water placement remains the same

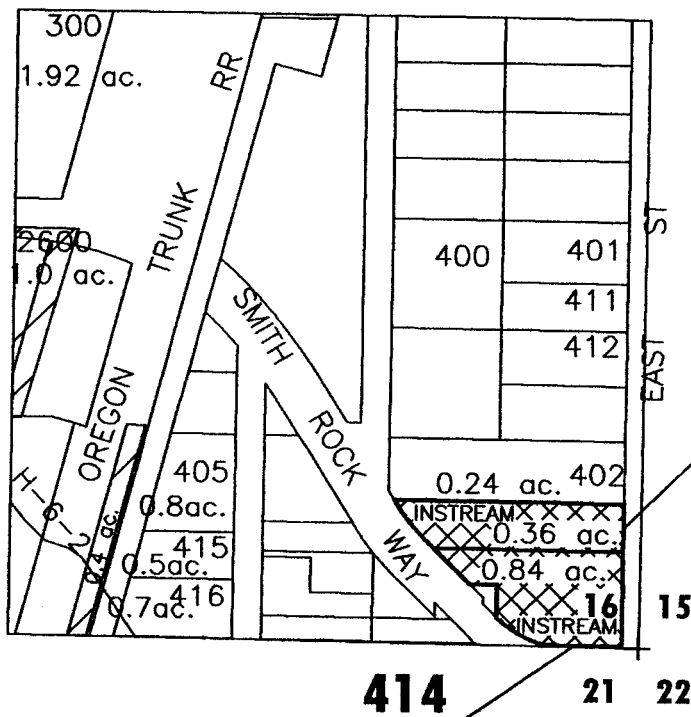


**DESCHUTES COUNTY
SEC.16 T14S. R13E. W.M.**


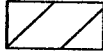
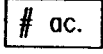
SCALE - 1" = 400'



SE 1/4 OF THE SE 1/4



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-  'INSTREAM' LAND PARCELS
-  EXISTING WATER RIGHTS
-  # ac. PARCELS W/ WATER RIGHTS



APPLICATION FOR 5YR INSTREAM LEASE

NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 403, 414

1.2 ACRES INSTREAM

DATE: 04-18-05

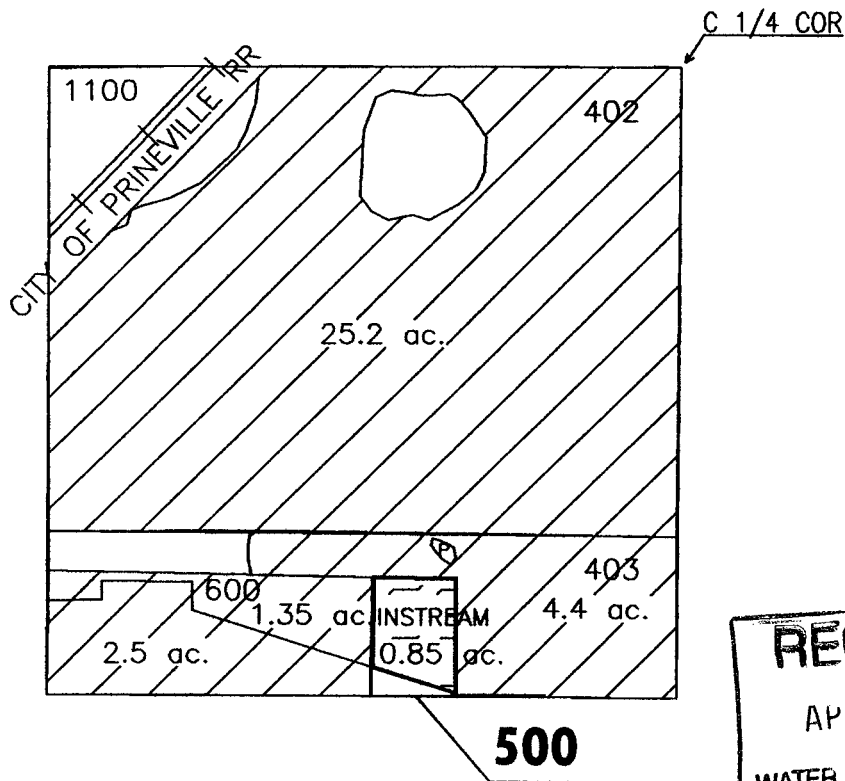
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**DESCHUTES COUNTY
SEC. 26 T114S. R13E. W.M.**

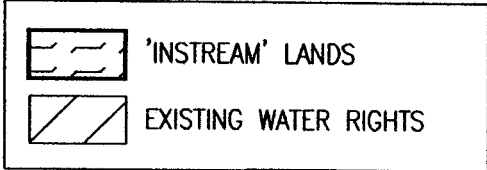
SCALE - 1" = 400'



NE 1/4 OF THE SW 1/4



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APPLICATION FOR 5YR INSTREAM LEASE

NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 500

0.85 ACRES INSTREAM

DATE: 04-18-05

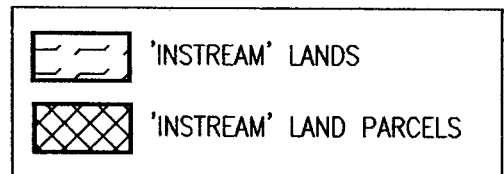
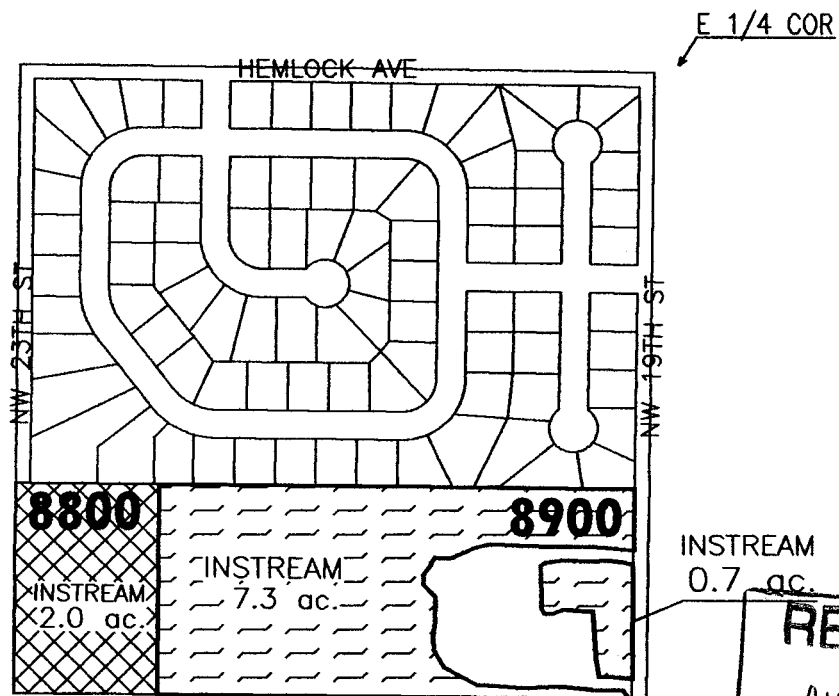
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**DESCHUTES COUNTY
SEC.08 T15S. R13E. W.M.**

SCALE - 1" = 400'



NE 1/4 OF THE SE 1/4



APPLICATION FOR 5YR INSTREAM LEASE

NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 8800, 8900

10.0 ACRES INSTREAM

DATE: 04-18-05

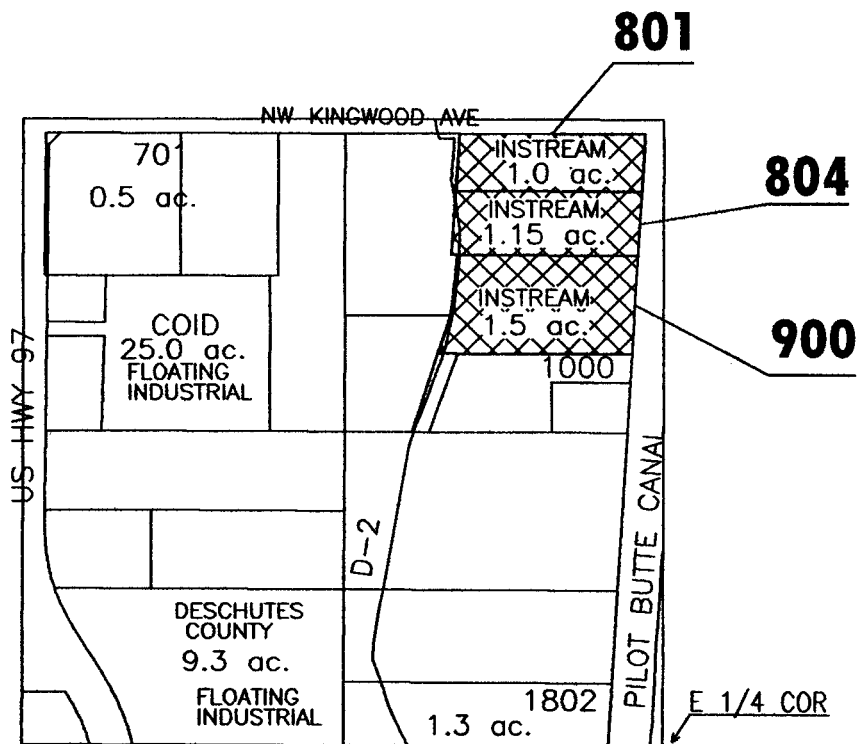
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**DESCHUTES COUNTY
SEC.09 T15S. R13E. W.M.**


SCALE - 1" = 400'



SE 1/4 OF THE NE 1/4



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ac. PARCELS W/ WATER RIGHTS
 'INSTREAM' LAND PARCELS



APPLICATION FOR 5YR INSTREAM LEASE

NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 801, 804, 900

3.65 ACRES INSTREAM

DATE: 04-18-05

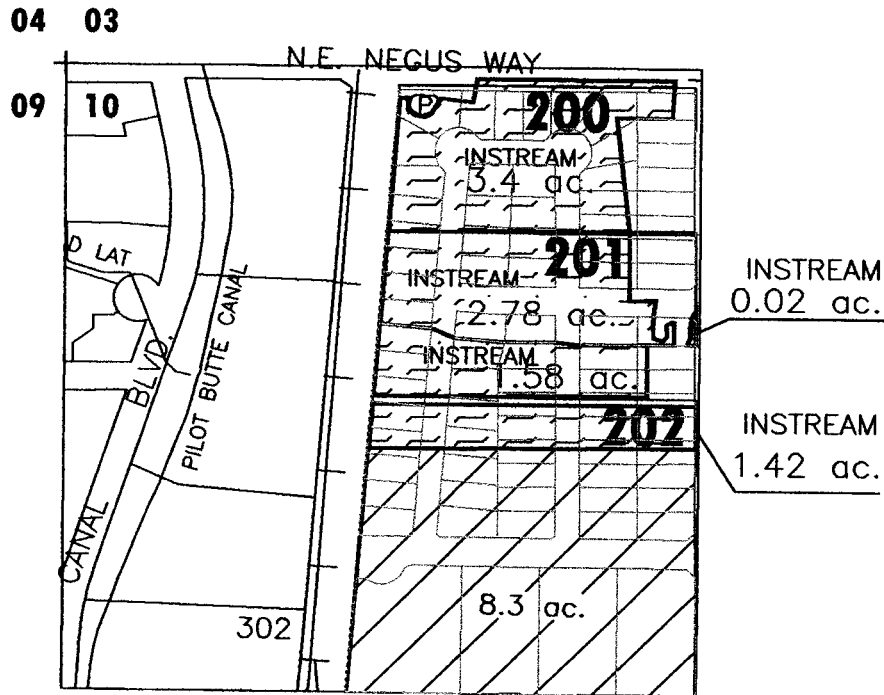
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**DESCHUTES COUNTY
SEC. 10 T15S. R13E. W.M.**

SCALE - 1" = 400'



NW 1/4 OF THE NW 1/4



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	'INSTREAM' LANDS
	EXISTING WATER RIGHTS



APPLICATION FOR 5YR INSTREAM LEASE

NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 200, 201, 202

9.2 ACRES INSTREAM

DATE: 04-18-05

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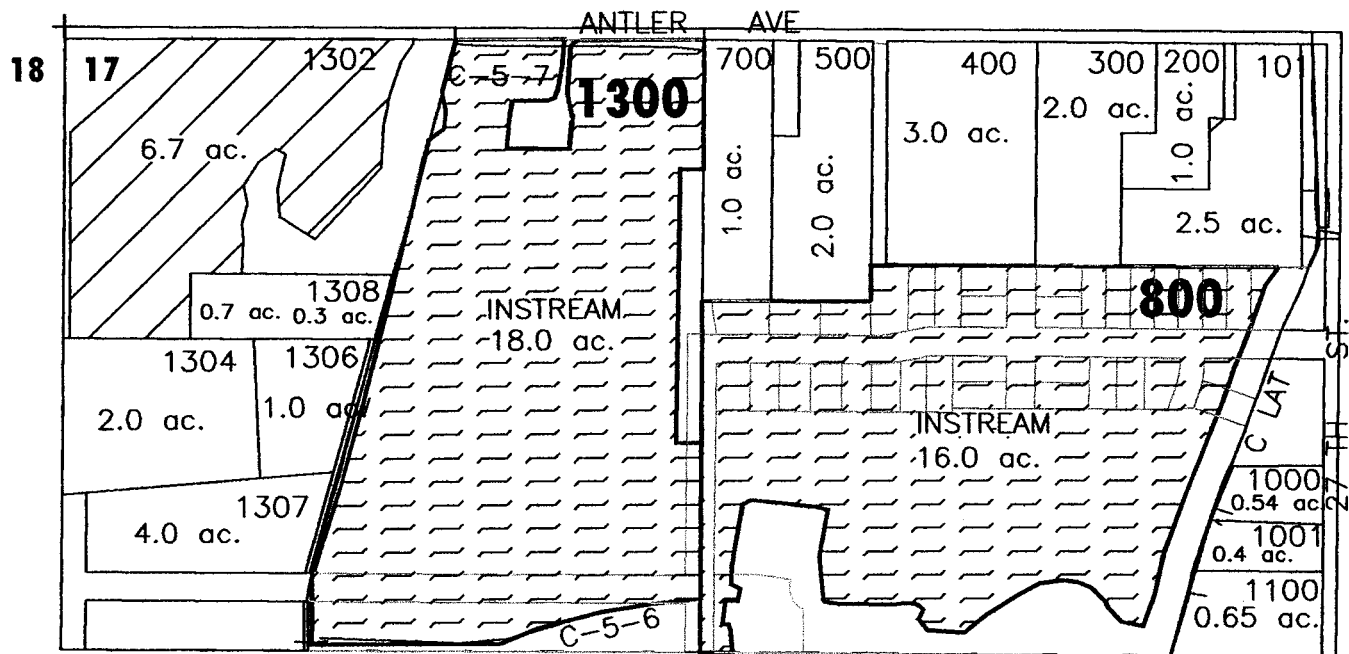
DESCHUTES COUNTY SEC. 17 T15S. R13E. W.M.

SCALE - 1" = 400'



N 1/2 OF THE NW 1/4

07 08



	'INSTREAM' LANDS
	EXISTING WATER RIGHTS
	PARCELS W/ WATER RIGHTS



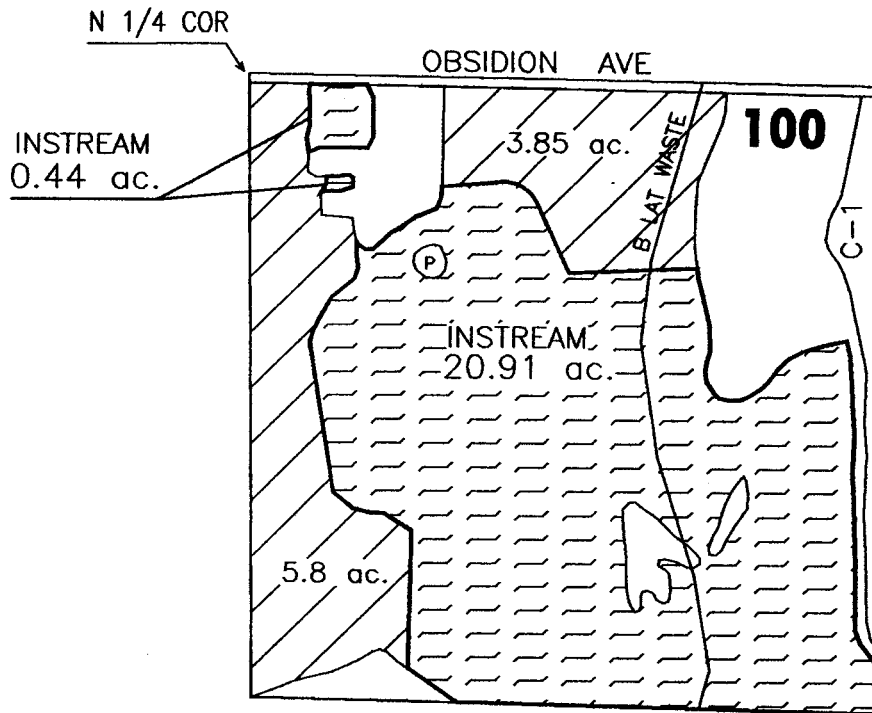
APPLICATION FOR 5YR INSTREAM LEASE
NAME: ARROWOOD DEVELOPMENT
TAXLOT #: 800, 1300 34.0 ACRES INSTREAM
DATE: 04-19-05
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**DESCHUTES COUNTY
SEC. 19 T15S. R13E. W.M.**

SCALE - 1" = 400'



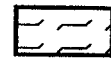
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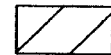
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SALEM, OREGON



'INSTREAM' LANDS



EXISTING WATER RIGHTS

CENTRAL OREGON



IRRIGATION DISTRICT

APPLICATION FOR 5YR INSTREAM LEASE

NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 100

21.35 ACRES INSTREAM

DATE: 04-19-05

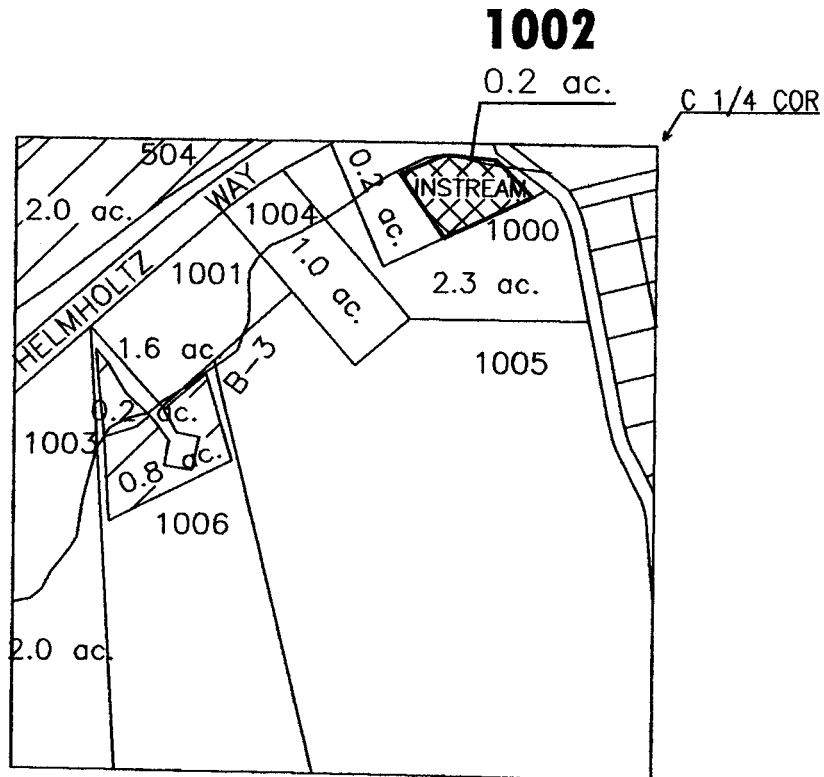
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**DESCHUTES COUNTY
SEC.19 T15S. R13E. W.M.**

SCALE - 1" = 400'



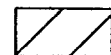
NE 1/4 OF THE SW 1/4



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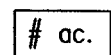
WATER RESOURCES DEPT
SALEM, OREGON



EXISTING WATER RIGHTS



'INSTREAM' LAND PARCELS



PARCELS W/ WATER RIGHTS

CENTRAL OREGON



IRRIGATION DISTRICT

APPLICATION FOR 5YR INSTREAM LEASE

NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 1002

0.2 ACRES INSTREAM

DATE: 04-19-05

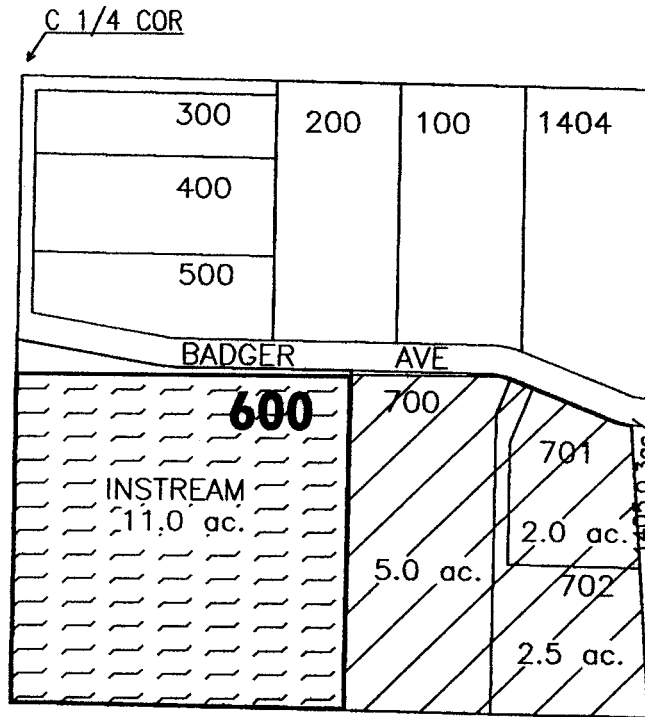
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**DESCHUTES COUNTY
SEC.30 T15S. R13E. W.M.**



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NW 1/4 OF THE SE 1/4



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SALEM, OREGON

	'INSTREAM' LANDS
	EXISTING WATER RIGHTS



APPLICATION FOR 5YR INSTREAM LEASE

NAME: ARROWOOD DEVELOPMENT

TAXLOT #: 600

11.0 ACRES INSTREAM

DATE: 04-19-05

FILE NO: E:\TRANSFER\INSTREAM\INSTRMOS\5YR\ARROW9

**This table will calculate flow rate factors and duty for Central Canyon Irrigation District
Instream Leases**

Enter Total Number of Acres Leased Instream Here	→	91.450
---	---	--------

For Human Water Right - Certificate 76458

Rate (CFS) associated with leased rights for Section 1.5 of the Lease Application Form			
Enter Rates by Priority Date on Lease Form	Full Rate	October 31, 1900	December 2, 1907
Season 1	1.143	1.143	
Season 2	1.524	1.524	
Season 3	2.823	2.011	0.811

Duty (AF) associated with leased right for Section 1.5 of the Lease Application Form	
Duty (decree) AF/Acre =	9.91
	906.27

Rate (CFS) leased instream for Section 2.2 of the Lease Application Form			
Enter Rates by Priority Date on Lease Form	Full Rate	October 31, 1900	December 2, 1907
Season 1	0.629	0.629	
Season 2	0.838	0.838	
Season 3	1.552	1.106	0.446

Volume (AF) leased instream for Section 2.2 of the Lease Application Form			
	# days	AF/Season	(decree) AF/Acre =
Season 1*	56	69.83	5.45
Season 2	30	49.88	1900 portion =
Season 3	123	378.73	1907 portion =
	Season total =	498.45	Total = 498.45
			389.61
			108.84

Additional Conditions to Prevent Injury for Section 2.2 of the Lease Application Form	
Water protected instream:	April 1 through October 26

* Note - The number of days that water may be protected instream in Season 1 has been reduced to prevent enlargement of the right.

For Supplemental Water Right from Crane Prairie Reservoir - Certificate 76714

Duty Associated with Leased Right for Section 1.5 of the Additional Water Right Form
906.27

Volume (AF) leased instream for Section 2.2 of the Additional Water Right Form
88.74