



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: MITIGATION PROJECT
Lease Agreement Number (assigned by WRD): L-758

This Lease Agreement is between:

Lessor #1:

(Name) Central Oregon Irrigation District (Quitclaimed)
(Mailing address) 1055 S.W. Lake Court
(City, State, Zip Code) Redmond, OR 97756
(Telephone number) 541-548-6047
(Email address) transfers@coid.org

Lessor #2, 3, etc.

Central Oregon Irrigation District
1055 S.W. Lake Court
Redmond, OR 97756
(541) 548-6047
Email address: transfers@coid.org

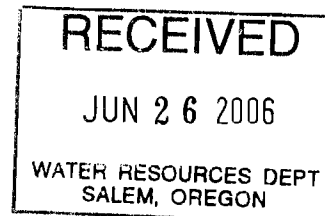
The water right to be leased is located in Deschutes County.

Lessee (if different than Oregon Water Resources Department):

(Name) Deschutes Water Exchange Mitigation Bank Deschutes River Conservancy
(Mailing address) 700 NW Hill
(City, State, Zip Code) Bend, OR 97701
(Telephone number) (541) 382-4077 ext 14
(Email address) ghubert@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 _____ S, Range _____ E, Section _____ and Tax Lot number See Exhibit A. 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

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 $\frac{1}{4}$ $\frac{1}{4}$ 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 ___ S, R ___ E, Section __, $\frac{1}{4}$ $\frac{1}{4}$ - _____ acres to be leased

Enter additional places of use here, using format above:

See Exhibit A

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

Number of acres being leased, if for irrigation: POD #11 - 3.51 POD #1 - 1.0

Acre-feet of storage, if applicable: 0

Maximum rate associated with subject water rights (cfs):

POD#11 - Priority 10/31/1900 Season 1: 0.044 Season 2: 0.059 Season 3: 0.077

Priority 12/02/1907 Season 3: 0.031

POD#1 - Priority 10/31/1900 Season 1: .013 Season 2: 0.017 Season 3: 0.022

Priority 12/02/1907 Season 3: 0.009

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

Maximum duty associated with subject water rights (ac-ft): POD #11 - 34.78 POD #1 - 9.91

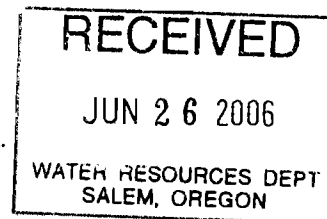
(Use additional lines if there is more than one duty associated with the water right.)

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).



~II~ Instream Water Right Information

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 & POD #1 to Lake Billy Chinhook

Maximum volume in acre-feet: POD#11 - 19.13 POD #1 - 5.45

Rate in cfs: POD #11 - Priority 10/31/1900 Season 1: 0.024 Season 2: 0.032 Season 3: 0.06

POD #1 - Priority 10/31/1900 Season 1: 0.007 Season 2: 0.009 Season 3: 0.017

(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 April 1 through October 26.
- Other (describe): _____

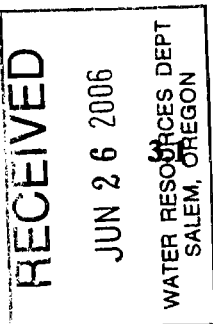
If you need to enter more instream uses, please use the additional water rights form.

2.3 Term of lease. This lease shall terminate on October 31, 2006.

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

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.

- 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]
Central Oregon Irrigation District

Date: 6-5-2006

For additional Lessors, type in space for signature and date

Central Oregon Irrigation District

Date:

Lessee: [Signature]
~~Deschutes Water Exchange Mitigation Bank~~
River Conservancy

Date: 6/22/2006

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)

RECEIVED

JUN 26 2006

WATER RESOURCES DEPT
SALEM, OREGON

EXHIBIT A

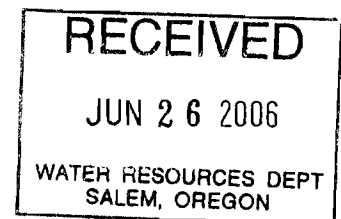
CERTIFICATE # 76358							
T S R	1/4 1/4	TAX LOT	ACRES	TYPE	POD	PAGE	QUITCLAIM
15-12-01	SW SE	1200	0.25	IRRIG	11	25	2006-35864
15-13-04	SE NE	300	1.26	IRRIG	11	*	2006-29773
15-13-17	NE NW	500	2	IRRIG	11	37	2006-35864
		SUB TOTAL:	3.51				
17-12-35	NE SW	3600***	0.7	IRRIG	1	74	2006-35862
17-12-35	NE SW	3700***	0.3	IRRIG	1	74	2006-35862
		SUB TOTAL:	1				
		TOTAL:	4.51				

*Not appurtenant when HB3111 filed. OWRD T-9036.Final Proofed 9/2004

**HB3111 listed as tax lot 404. Water rights remained the same(1.0 acres transferred off in 2002)

***HB 3111 Tax Lot #'s have been changed. Tax lot 801 is now 3600 and 600 is now 3700.

No change was made to the water right

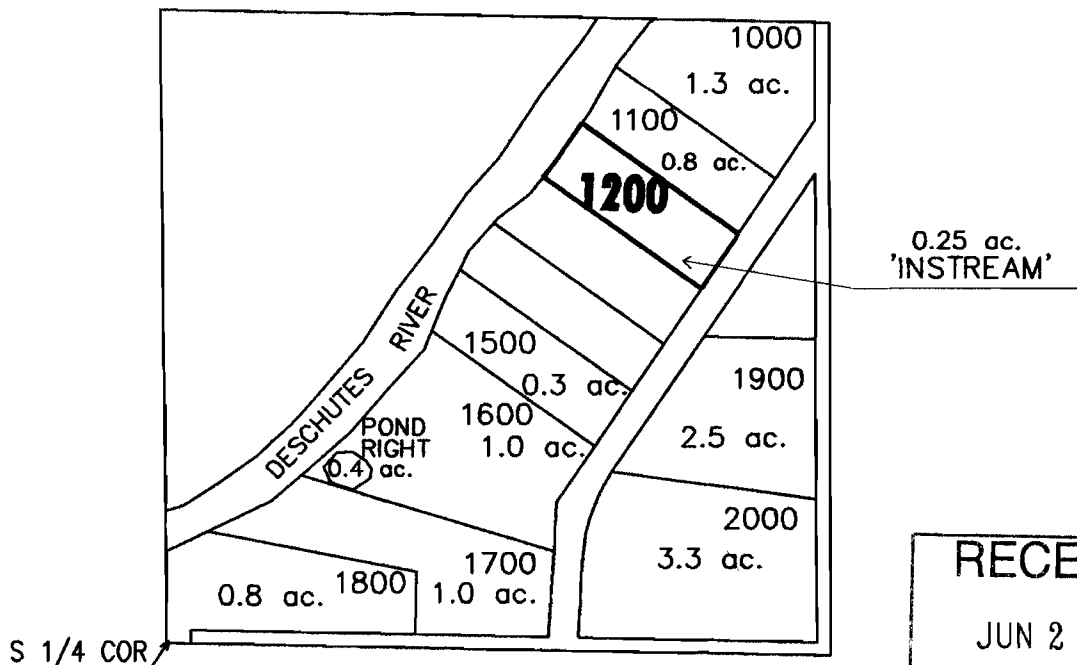


**DESCHUTES COUNTY
SEC.01 T15S. R12E. W.M.**

SCALE - 1" = 400'



SW 1/4 OF THE SE 1/4



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JUN 26 2006
WATER RESOURCES DEPT
SALEM, OREGON

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

MAP 1 OF 4



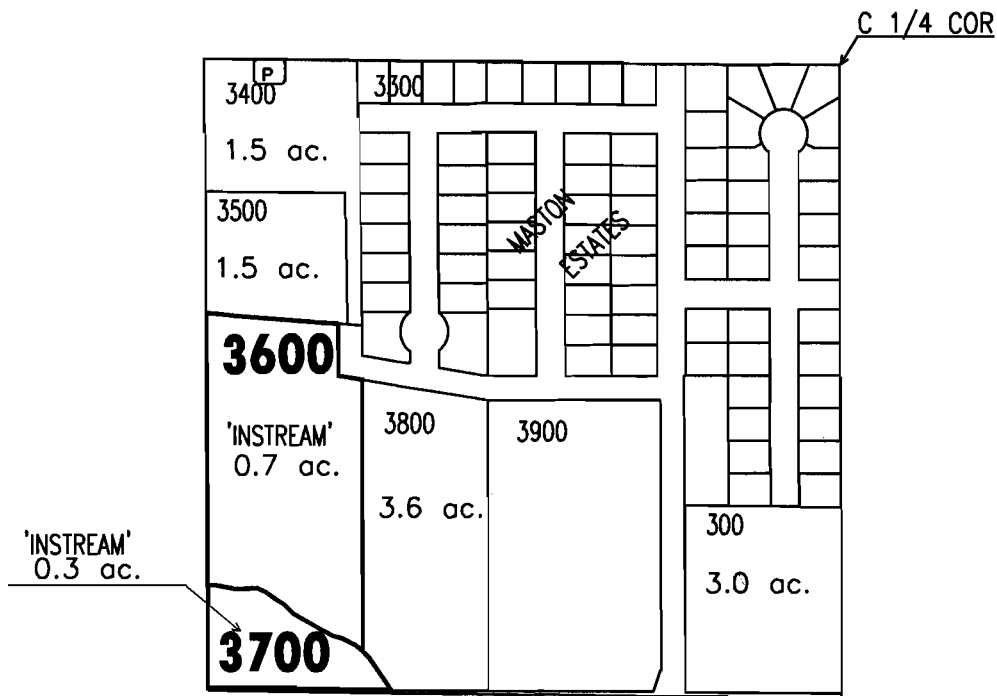
APPLICATION FOR 1YR INSTREAM LEASE
NAME: CENTRAL OREGON IRRIGATION DISTRICT
TAXLOT #: 1200 4.51 ACRES INSTREAM
DATE: 6-08-06
FILE NO: E:\TRANSFER\INSTREAM\INSTRM06\COID\COID_151201

DESCHUTES COUNTY SEC. 35 T17S. R12E. W.M.

SCALE - 1" = 400'



NE 1/4 OF THE SW 1/4



RECEIVED
JUN 26 2006
WATER RESOURCES DEPT
SALEM, OREGON

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

MAP 4 OF 4



APPLICATION FOR 1YR INSTREAM LEASE
NAME: CENTRAL OREGON IRRIGATION DISTRICT
TAXLOT #: 3600, 3700 4.51 ACRES INSTREAM

DATE: 6-08-06

FILE NO: E:\TRANSFER\INSTREAM\INSTRM06\C0ID\C0ID_171235B



DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2006-35862



\$41.00

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D-D Cnt=1 Str=26 SHIRLEY
\$15.00 \$11.00 \$10.00 \$5.00

After Recording return to:
Central Oregon Irrigation District
1055 S.W. Lake Court
Redmond, OR 97756

MAIL TAX STATEMENT
TO: NO CHANGE

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

Grantor, Reserve at Pilot Butte, LLC, an Oregon Limited Liability Company, releases and quitclaims to Central Oregon Irrigation District (COID), Grantee, all rights, title and interest in the following: By this agreement, Grantor, the owner of the lands listed in Exhibit A, release their claim and responsibility for 1.0 acres of COID water rights that are appurtenant to the lands listed in Exhibit A, to COID. The water right in question is further described as a portion of Certificate # 76358, priority date of Oct. 31,1900 and Dec. 2, 1907 and Certificate # 76714, priority date of Feb. 28, 1913, located on land commonly known as: 17-12-35 NE SW 3600 (0.7 acres irrigation); 17-12-35 NE SW 3700 (0.30 acres irrigation), and more particularly described as in Exhibit A, attached, and incorporated by this reference.

By entry of this deed, Grantor hereby notifies any subsequent purchaser of the lands listed in Exhibit A that Grantor, as owner of the subject land, approved the transfer (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, by election of COID, the subject land no longer will have appurtenant water rights.

Furthermore, upon signing of this agreement, Grantor shall no longer be liable for any district assessment or charges pertaining to the described 1.0 acres of water rights incurred.

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this agreement.

Consideration for this Quitclaim: \$2,000.00

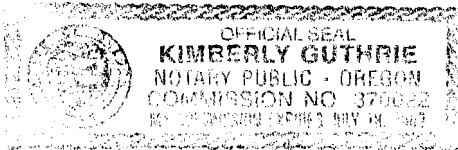
Grantor:

Date 5-5-06

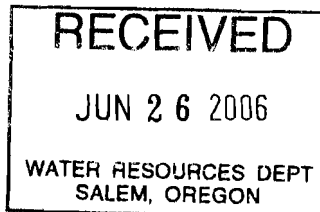
Reserve at Pilot Butte, LLC

State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on May 5th 2006 by Hayden Watson
as manager for Reserve at Pilot Butte LLC.



Kimberly Guthrie
Notary Public



Grantee:

Priscilla Ross
Priscilla Ross CPA, Business Manager Central Oregon Irrigation District

Date May 17, 2006

State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on May 17, 2006 by Priscilla Ross as Business Manager for Central Oregon Irrigation District.

Leslie Clark
Notary Public

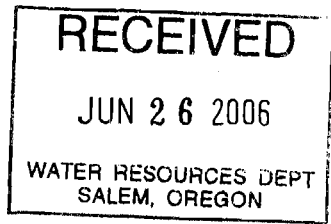


EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1:

In Township 17 South, Range 12 East Of The Willamette Meridian, Deschutes County, Oregon

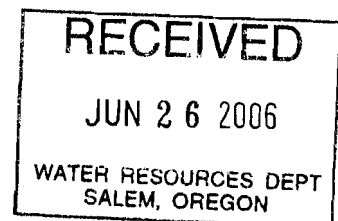
Section Thirty-five (35): A parcel of land in the Northeast One-quarter of the Southwest One-quarter (NE1/4 SW1/4), more particularly described as follows: Beginning at a point in the West line of the said Section subdivision South 0° 45' East 527.6 feet from the Northwest corner of said subdivision and running thence South 0° 45' East along said subdivision 776.3 feet to the North right of way of State Highway, thence Easterly along said right of way line 584 feet to a line parallel to and 740.5 feet West to the North and South centerline of said Section 35; thence North along said parallel line, 570 feet to the South line of a 50 foot roadway; thence North 81° 13' West along said roadway 317.1 feet; thence North 0° 36' West along said roadway 108.2 feet to the end of said road; thence North 85° 47' West 280.1 feet to the place of beginning.

EXCEPTING THEREFROM the East 264.2 feet of the above described tract; and also EXCEPTING THEREFROM that portion of the S.W. corner of said Northeast One-quarter of the Southwest One-quarter (NE1/4SW1/4) described as follows: Beginning at the Southwest corner of the NE1/4SW1/4; thence Northerly along the West boundary of said NE1/4SW1/4 to the undesignated sub-lateral which supplies irrigation water to the Northwest One-quarter of the Southwest One-quarter (NW1/4SW1/4) of Section 35; thence Southeasterly along said undesignated sub-lateral to an intersection with Lateral A-6 of the Central Oregon Irrigation District; thence Southeasterly along said Lateral A-6 to an intersection with the South boundary of the NE1/4SW1/4 of said section; thence Westerly along said South boundary of the NE1/4SW1/4 to the point of beginning.

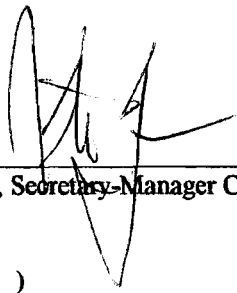
PARCEL 2:

In Township 17 South, Range 12 East Of The Willamette Meridian, Deschutes County, Oregon

Section Thirty-five (35): That portion of the S.W. corner of said Northeast One-quarter of the Southwest One-quarter (NE1/4SW1/4) described as follows: Beginning at the Southwest corner of the NE1/4SW1/4; thence Northerly along the West boundary of said NE1/4SW1/4 to the undesignated sub-lateral which supplies irrigation water to the Northwest One-quarter of the Southwest One-quarter (NW1/4SW1/4) of Section 35; thence Southeasterly along said undesignated sub-lateral to an intersection with Lateral A-6 of the Central Oregon Irrigation District; thence Southeasterly along said Lateral A-6 to an intersection with the South boundary of the NE1/4SW1/4 of said section; thence Westerly along said South boundary of the NE1/4SW1/4 to the point of beginning.



Grantee:

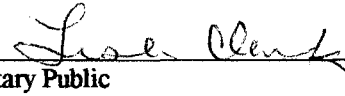


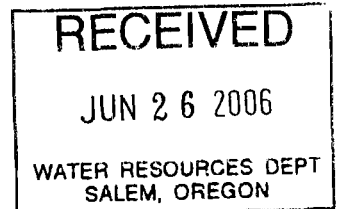
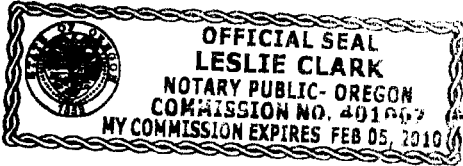
Date 9 May, 2006

Steven C. Johnson, Secretary-Manager Central Oregon Irrigation District

State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on May 9, 2006 by Steven C. Johnson as Secretary-Manager for Central Oregon Irrigation District.


Notary Public





\$41.00

00465640200600358640030037

05/24/2006 01:41:49 PM

D-D Cnt=1 Str=26 SHIRLEY
\$15.00 \$11.00 \$10.00 \$5.00

After Recording return to:
Central Oregon Irrigation District
1055 S.W. Lake Court
Redmond, OR 97756

MAIL TAX STATEMENT
TO: NO CHANGE

QUITCLAIM DEED

FOR TRANSFER OF INTEREST IN A WATER RIGHT

Grantor, Albert Wesley Payton as to Parcel 1 and Albert Payton as to Parcel 2, releases and quitclaims to Central Oregon Irrigation District (COID), Grantee, all rights, title and interest in the following: By this agreement, Grantor, the owner of the lands listed in Exhibit A, release their claim and responsibility for 2.25 acres of COID water rights that are appurtenant to the lands listed in Exhibit A, to COID. The water right in question is further described as a portion of Certificate # 76358, priority date of Oct. 31, 1900 and Dec. 2, 1907 and Certificate # 76714, priority date of Feb. 28, 1913, located on land commonly known as: 15-12-01 SW SE 1200 (Parcel 2)(0.25 acres irrigation); 15-13-17 NE NW 500 (Parcel 1)(2.0 acres irrigation), and more particularly described as in Exhibit A, attached, and incorporated by this reference.

By entry of this deed, Grantor hereby notifies any subsequent purchaser of the lands listed in Exhibit A that Grantor, as owner of the subject land, approved the transfer (including a change in the place and type of use and point of diversion) of the water rights that are appurtenant to the subject land; and that upon completion of a transfer, by election of COID, the subject land no longer will have appurtenant water rights.

Furthermore, upon signing of this agreement, Grantor shall no longer be liable for any district assessment or charges pertaining to the described 2.25 acres of water rights incurred.

This agreement is binding upon the heirs, executors, administrators, successors, and permitted assigns of the parties to this agreement.

Consideration for this Quitclaim: \$2,700.00

Grantor:

Albert Wesley Payton
Albert Wesley Payton

Date 5-17-06

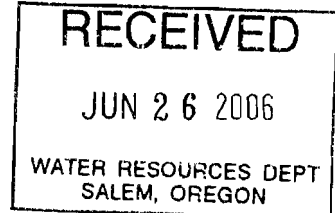
Albert Payton
Albert Payton

Date 5-17-06

State of Oregon)
) ss.
County of Deschutes)

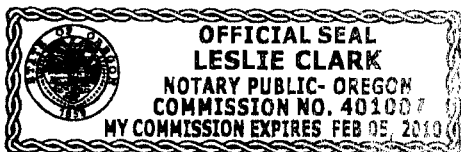
This instrument was acknowledged before me on May 17, 2006 by Albert Wesley Payton.

Leslie Clark
Notary Public



State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on May 17, 2006 by Albert Payton.



Leslie Clark
Notary Public

Grantee:

A handwritten signature in black ink, appearing to read "Steven C. Johnson".

Date 5/18/2006

Steven C. Johnson, Secretary-Manager Central Oregon Irrigation District

State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on May 18, 2006 by Steven C. Johnson as Secretary-Manager for Central Oregon Irrigation District.



Leslie Clark
Notary Public

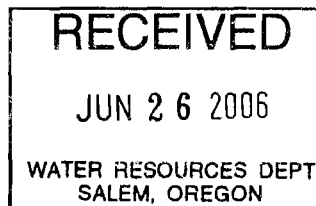


EXHIBIT "A"

PARCEL 1:

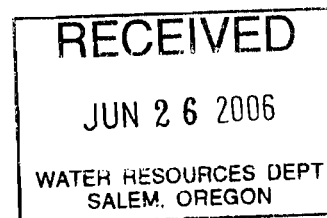
That portion of the Northeast Quarter of the Northwest Quarter (NE1/4NW1/4) of Section Seventeen (17), Township Fifteen (15) South, Range Thirteen (13), East of the Willamette Meridian, Deschutes County, Oregon, described as follows:

Commencing at a point on the South line of the County Road which bounds the said Northeast Quarter of the Northwest Quarter (NE1/4NW1/4) on the North, which said point is at a distance measured Easterly along said South line of said County Road of 142 feet from the West line of said Northeast Quarter of the Northwest Quarter (NE1/4NW1/4); thence from said point Southerly along a line parallel with said West line, a distance of 550 feet; thence Easterly along a line parallel with said South line of said County road a distance of 208 feet; thence Northerly along a line parallel with said West line a distance of 550 feet to the South line of said County road; thence Westerly along said South line of said County Road a distance of 208 feet to the point of commencing.

EXCEPTING therefrom the following: Beginning at a point on the South line of the County Road which bounds the said NE1/4NW1/4 on the North, which said point is at a distance measured Easterly along said South line of said County road 142 feet from the West line of said NE1/4NW1/4; thence South 0°05' East 200.00 feet to a point; thence North 89°55' East 55.00 feet, more or less, to an existing barbwire fence; thence Northerly along said existing fence 200.00 feet, more or less, to a point which is located North 89°55' East 55.00 feet from the point of beginning; thence South 89°55' West 55.00 feet to the point of beginning.

PARCEL 2:

Lot Three (3) in Block Four (4), of HOWELL'S RIVER RIM, Deschutes County, Oregon.



Grantee:

Priscilla Ross CPA
Priscilla Ross CPA, Business Manager Central Oregon Irrigation District

Date April 27, 2006

State of Oregon)
) ss.
County of Deschutes)

This instrument was acknowledged before me on April 27, 2006 by Priscilla Ross as Business Manager for Central Oregon Irrigation District.

Leslie Clark
Notary Public

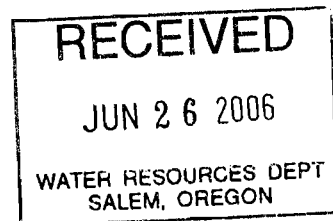


EXHIBIT "A"

In Township Fifteen (15) South, Range Thirteen (13), East of the Willamette Meridian, Deschutes County, Oregon.

Section 4: A portion of the Southeast Quarter of the Northeast Quarter (SE1/4NE1/4) described as follows:

Commencing at the intersection of the North line of the SE1/4NE1/4 with the West right of way of Canal Boulevard, formerly The Dalles-California Highway; thence West along the North line of the SE1/4NE1/4 to the East right of way line of The Dalles-California Highway, being Highway 97; thence South along the East right of way line of The Dalles-California Highway, 630 feet to the point of beginning; thence Easterly and parallel to the North line of the SE1/4NE1/4 for 314.0 feet; thence South and parallel to the West line of said SE1/4NE1/4, a distance of 586.5 feet; thence West, a distance of 314.0 feet to the East line of The Dalles-California Highway right of way line; thence North along the East line of The Dalles-California Highway right of way line, a distance of 586.5 feet to the point of beginning. EXCEPT THAT portion conveyed to State of Oregon, by and through its Highway Commission, recorded April 17, 1990, Book 206, Page 2176, Deschutes County Records.

ALSO EXCEPT that portion conveyed to the State of Oregon, by and through its Department of Transportation, recorded December 7, 2005, in Volume 2005, Page 84087, Deschutes County Records.

