



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

Application for Instream Lease Pooled Lease Form

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

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

Optional Identification by Lessor/Lessee: IL-2009-02
Lease Application Number (assigned by WRD): IL-966

This Lease is between:

Lessor #2: Irrigation District or Other Water Purveyor

Name Central Oregon Irrigation District
Mailing address 1055 SW Lake Ct
City, State, Zip Code Redmond, OR 97756
Telephone number 541-504-7577
Email address lauraw@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
Mailing address PO Box 1560
City, State, Zip Code Bend, OR 97709
Telephone number 541-382-5186
Email address gen@deschutesriver.org

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WATER RESOURCES DEPT
SALEM, OREGON

Trustee:

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

~I~ Water Right Holder and Water Right Information

1.2 Lessor #2 is the (Check one):

- 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 _____.
- Not applicable.

1.3 For the water right(s) being leased, list all water rights appurtenant to the same lands. Indicate if there are any supplemental or overlying rights.

Certificate No. 83571 & 76714

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

1.5 **Water Rights Proposed to be Leased Instream.**

The first right to be leased identified in Section 1.3 is further described as follows:

Certificate No.: 83571

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

Legal Season of Use: April 1 to November 1

If an irrigation right, total number of acres to be leased: 62.77

Total acre-feet of storage to be leased, if applicable: 0

Maximum rate associated with subject water rights (cfs) being leased:

Priority 10/31/1900: Season 1: 0.782, Season 2: 1.042, Season 3: 1.378

Priority 12/02/1907: Season 3: 0.552

If there is more than one rate associated with a water right, describe below:

Season 1 (cfs) _____ Time period: _____

Season 2 (cfs) _____ Time period: _____

Season 3 (cfs) _____ Time period: _____

Maximum duty associated with subject water rights (ac-ft): 619.34

Conditions or other limitations, if any: None

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SALEM, OREGON

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

~II~ Instream Water Right Information

2.1 **Public use.** This lease will increase streamflows that 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 will 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 #1 to Lake Billy Chinook River mile 8, mouth of the Deschutes

Maximum volume in acre-feet: Priority 10/31/1900: 342.13

Rate in cfs: Priority 10/31/1900: Season 1: 0.432, Season 2: 0.575, Season 3: 1.066

(If more than one rate, describe the rate associated within each time period or instream reach.)

Rate in cfs: _____

Rate in cfs: _____

(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): _____

2.3 Term of lease. This lease shall terminate on 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) and Lessee(s) declare that, to the best of their knowledge and belief, the information contained in this application is true, correct and complete. If after the lease order is signed, any information is determined to be false, the lease order may be modified or terminated. The 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. Lessor(s) and Lessee(s) agree to lease the water rights listed in Section(s) 1.5 for instream use for the term of this lease through Lessee to the Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077.

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 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 water right holder 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.

3.5 Termination provision.

- For multiyear leases, the Lessor(s) shall have the option of terminating the lease each year with written notice to the Department. The lease may be terminated at any time during the calendar year. However, if the termination request is received less than 30-days prior to the period of allowed instream use or after the period of allowed use has begun for the water right(s) being leased, water may not be used under the right(s) leased until the following calendar year, unless the Director determines that enlargement would not occur. The Department may also require:
- Written notice to the Department with original signatures;
 - Consent by all parties to the lease; and/or
 - Written notice to the Watermaster's office.
- For multiyear leases, the lessor shall not have the option of terminating the lease, without consent by all parties to the lease.

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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. Pursuant to ORS 536.050, 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 #2: *Shura Wollen* Date: 02/17/2009
Central Oregon Irrigation District

Lessee: *[Signature]* Date: 02/25/09
Deschutes River Conservancy

Other Attachments as Needed:

- Attachment 1: Tax Lot Map. (See instructions.)
- Attachment 2: Detailed map illustrating lands under subject rights to be leased; required if only part of a right is being leased instream. (See instructions.)
- 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
- Attachment 5: Pooled Lease Water Right Holder Form

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WATER RESOURCES DEPT
SALEM, OREGON

Central Oregon Irrigation District
IL-2009-02
Water Right changes for Instream Maps

<u>TRS</u>	<u>QQ</u>	<u>AC</u>	<u>OWRD #</u>
18-13-11	NW SW	0.83 ac Trans off	T-10741
18-13-11	NW SW	0.04 ac Trans on	T-10741
18-13-11	NW SW	0.05 ac Trans on	T-10741
17-12-35	SE SE	2.00 ac Trans off	T-10390

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

Application for Instream Lease

Attachment 5: Pooled Water Right Holder Form

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

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

Optional Identification by Lessor/Lessee: 2851
 Lease Application Number (assigned by WRD): IL-966

This Lease is with:

Lessor #1 (Water Right Holder):

Name James Bouziane & Kerri Shandro
 Mailing address 411 La Cuesta St
 City, State, Zip Code Scotts Valley, CA 95066
 Telephone number 831-461-9219
 Email address _____

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 SALEM, OREGON

If additional water right holders, enter water right holder information below

Note: The section numbering associated with this form corresponds to that found on the "Standard Instream Lease Application" form. The "Pooled Lease" form and "Pooled Water Right Holder" form(s) are used to provide the same information as the "Standard Instream Lease Application" form. Consequently, the numbering on this form is not always sequential.

~I~ Water Right Holder and Water Right Information

1.1 Lessor #1 is the water right holder, or authorized agent for property described in Section 1.5. If the water right appurtenant to these lands is also appurtenant to lands owned by others who are not included in this application, then Attachment 1 (tax lot map), needs to be included.

1.3 For the water right(s) being leased, list all water rights appurtenant to the same lands. Indicate if there are any supplemental or overlying rights.

Certificate No. 83571 & 76714

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

1.5 Water Right(s) Proposed to be Leased Instream. Water right holder proposes to lease the water rights shown on the map attached as Exhibit 5-B and described as follows:
 [This information may be included on Exhibit 5-A, or an additional map may be attached. Crosshatch the area of water rights being leased. Attached map(s) must identify water right holder, township, range, section and ¼ ¼, tax lot number, map orientation and scale.]

T	R	Sect	1/4	Tax Lot	Acres	Type of Use	Certificate #	Page(s) #	Priority*	
*(Identify pertinent page number of certificate, if certificate is greater than 10 pages; identify priority date if there is more than one per certificate)										
1.	17 S	13 E	34	SW SE	200	8.00	Irrigation	83571	49	10/31/1900
2.										
3.										
4.										
5.										

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SALEM, OREGON

Total number of acres, if for irrigation, by certificate and priority date: Cert #83571, Oct. 31, 1900 - 8.00 acres

Conditions or other limitations, if any: None

If you need to enter another leased right, please use the Additional Water Right Form for Pooled Water Right Holder.

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 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 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

2.3 Term of lease. This lease shall terminate on October 31, 2009. (If there is a conflict between the Pooled Lease Form and this form, the Pooled Lease Form will be the official term of the lease.)

~III~ Other Information

3.1 Accuracy. The Undersigned Lessor(s) and Lessee(s) declare that, to the best of their knowledge and belief, the information contained in this application is true, correct and complete. If after the lease order is signed, any information is determined to be false, the lease order may be modified or terminated. The 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. Lessor(s) and Lessee(s) agree to lease the water rights listed in Section(s) 1.5 for instream use for the term of this lease through Lessee to the Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077.

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 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 water right holder 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.

3.5 Termination provision.

- For multiyear leases, the Lessor(s) shall have the option of terminating the lease each year with written notice to the Department. The lease may be terminated at any time during the calendar year. However, if the termination request is received less than 30-days prior to the period of allowed instream use or after the period of allowed use has begun for the water right(s) being leased, water may not be used under the right(s) leased until the following calendar year, unless the Director determines that enlargement would not occur. The Department may also require:
 - Written notice to the Department with original signatures;
 - Consent by all parties to the lease; and/or
 - Written notice to the Watermaster's office.
- For multiyear leases, the lessor shall not have the option of terminating the lease, without consent by all parties to the lease.

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.

Lessor #1:  Date: 2/9/09
James Bouziane

 Date: 2/9/09
Kerri Shandro

For additional Lessors, type in space for signature and date

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SALEM, OREGON

Other Attachments As Needed:

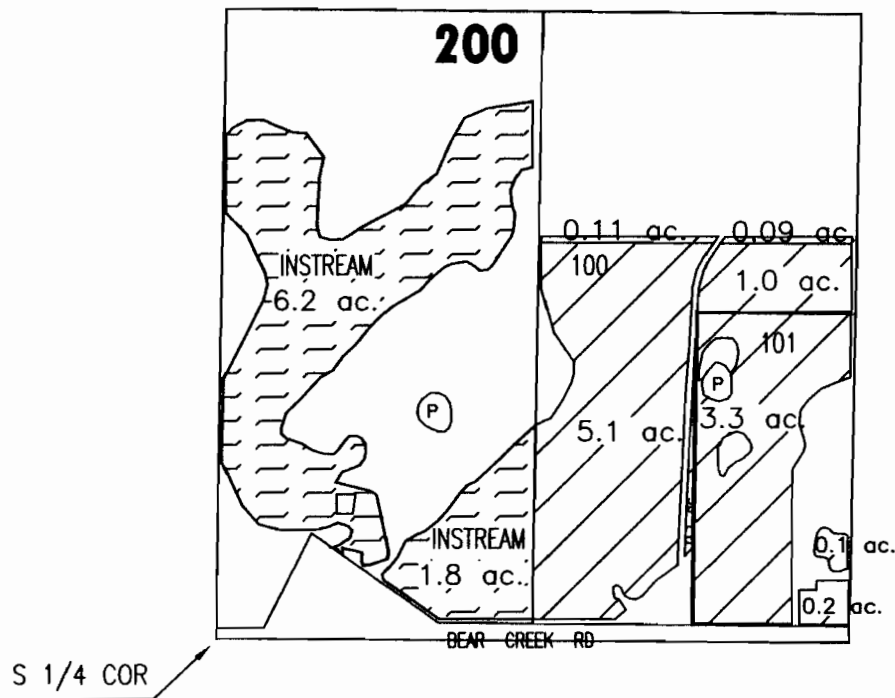
- Exhibit 5-A: Tax Lot Map. (See instructions.)
- Exhibit 5-B: Detailed map illustrating lands under subject rights to be leased; required if only part of a right is being leased instream. Exhibits 5-A and 5-B may be combined into a single map. (See instructions.)
- Exhibit 5-C: Supporting documentation 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 of this form is checked)
- Exhibit 5-D: Split Season Instream Use Form

**DESCHUTES COUNTY
SEC. 34 T17S. R13E. W.M.**

SCALE - 1" = 400'




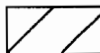
SW 1/4 OF THE SE 1/4



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WATER RESOURCES DEPT
SALEM, OREGON

-  'INSTREAM' LANDS
-  EXISTING WATER RIGHTS



APPLICATION FOR 1 YR INSTREAM LEASE

NAME: JAMES BOUZIANE & KERRI SHANDRO

TAXLOT #: 200

8.0 ACRES INSTREAM

DATE: 02-04-09

FILE NO: E:\TRANSFER\INSTREAM\INSTRM09\1YR\171334_SWSE



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

Application for Instream Lease

Attachment 5: Pooled Water Right Holder Form

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

Optional Identification by Lessor/Lessee: 142450
Lease Application Number (assigned by WRD): IL-966

This Lease is with:

Lessor #1 (Water Right Holder):

Name Daryl Cronen
Mailing address PO Box 1471
City, State, Zip Code Bend, OR 97709
Telephone number _____
Email address _____

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WATER RESOURCES DEPT
SALEM, OREGON

If additional water right holders, enter water right holder information below

Note: The section numbering associated with this form corresponds to that found on the "Standard Instream Lease Application" form. The "Pooled Lease" form and "Pooled Water Right Holder" form(s) are used to provide the same information as the "Standard Instream Lease Application" form. Consequently, the numbering on this form is not always sequential.

~I~ Water Right Holder and Water Right Information

1.1 Lessor #1 is the water right holder, or authorized agent for property described in Section 1.5. If the water right appurtenant to these lands is also appurtenant to lands owned by others who are not included in this application, then Attachment 1 (tax lot map), needs to be included.

1.3 For the water right(s) being leased, list all water rights appurtenant to the same lands. Indicate if there are any supplemental or overlying rights.

Certificate No. 83571 & 76714

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

1.5 **Water Right(s) Proposed to be Leased Instream.** Water right holder proposes to lease the water rights shown on the map attached as Exhibit 5-B and described as follows:
[This information may be included on Exhibit 5-A, or an additional map may be attached. Crosshatch the area of water rights being leased. Attached map(s) must identify water right holder, township, range, section and ¼ ¼, tax lot number, map orientation and scale.]

T	R	Sect	¼ ¼	Tax Lot	Acres	Type of Use	Certificate #	Page(s) #	Priority*	
*(Identify pertinent page number of certificate, if certificate is greater than 10 pages; identify priority date if there is more than one per certificate)										
1.	18 S	13 E	11	NE SW	600	14.17	Irrigation	83571	56	10/31/1900
2.	18 S	13 E	11	NE SW	700	15.60	Irrigation	83571	56	10/31/1900
3.	18 S	13 E	11	NW SW	700	2.00	Irrigation	83571	56	10/31/1900
4.										
5.										

Total number of acres, if for irrigation, by certificate and priority date: Cert #83571, Oct. 31, 1900 - 31.77 acres (Since HB 3111, there has been a lot line adjustment on TL's 600 & 700 in the NE SW QQ putting 14.17 acres water on TL 600 and 15.60 acres water on TL 700.)

Conditions or other limitations, if any: None

If you need to enter another leased right, please use the Additional Water Right Form for Pooled Water Right Holder.

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 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 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

2.3 Term of lease. This lease shall terminate on October 31, 2009. (If there is a conflict between the Pooled Lease Form and this form, the Pooled Lease Form will be the official term of the lease.)

~III~ Other Information

3.1 Accuracy. The Undersigned Lessor(s) and Lessee(s) declare that, to the best of their knowledge and belief, the information contained in this application is true, correct and complete. If after the lease order is signed, any information is determined to be false, the lease order may be modified or terminated. The 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. Lessor(s) and Lessee(s) agree to lease the water rights listed in Section(s) 1.5 for instream use for the term of this lease through Lessee to the Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077.

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- 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 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 water right holder 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.
- 3.5 Termination provision.**
- For multiyear leases, the Lessor(s) shall have the option of terminating the lease each year with written notice to the Department. The lease may be terminated at any time during the calendar year. However, if the termination request is received less than 30-days prior to the period of allowed instream use or after the period of allowed use has begun for the water right(s) being leased, water may not be used under the right(s) leased until the following calendar year, unless the Director determines that enlargement would not occur. The Department may also require:
- Written notice to the Department with original signatures;
 - Consent by all parties to the lease; and/or
 - Written notice to the Watermaster's office.
- For multiyear leases, the lessor shall not have the option of terminating the lease, without consent by all parties to the lease.
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Lessor #1: Daryl C Cronen Date: 2-6-09
Daryl Cronen

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For additional Lessors, type in space for signature and date

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WATER RESOURCES DEPT
 SALEM, OREGON

Other Attachments As Needed:

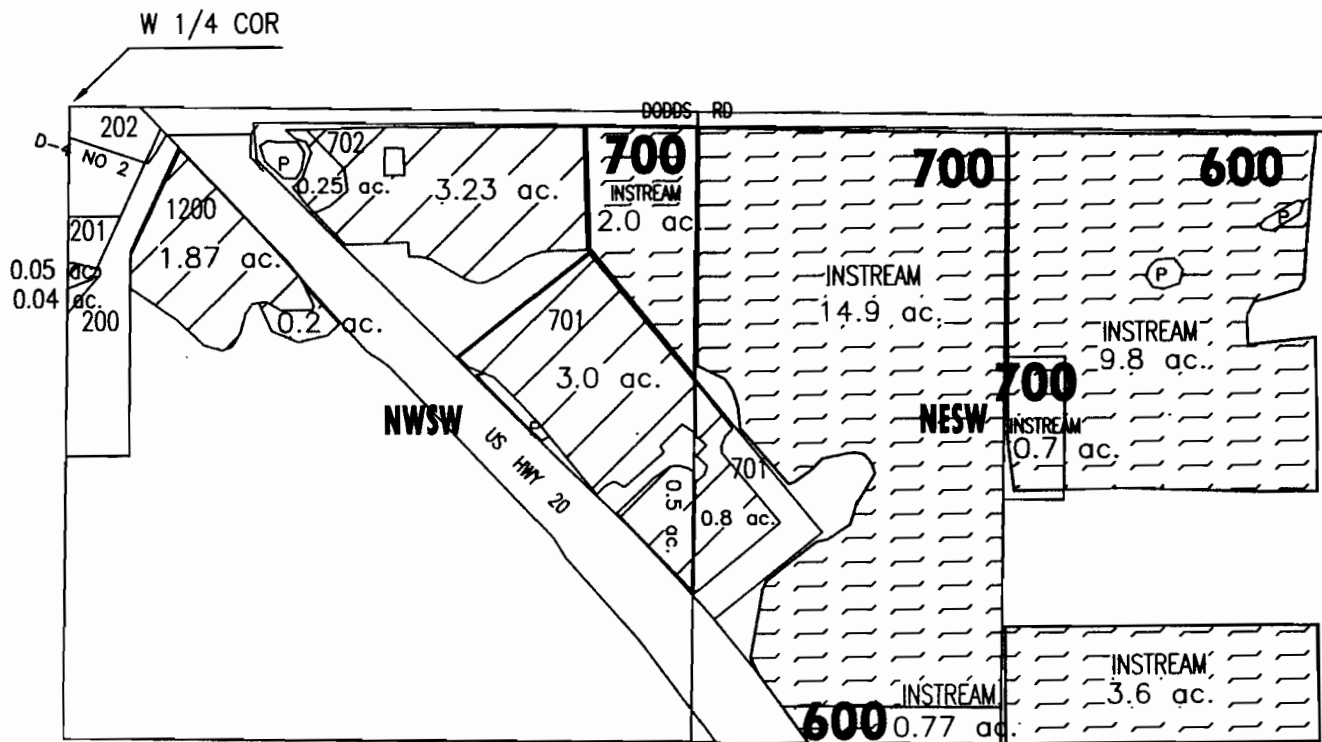
- Exhibit 5-A: Tax Lot Map. (See instructions.)
- Exhibit 5-B: Detailed map illustrating lands under subject rights to be leased; required if only part of a right is being leased instream. Exhibits 5-A and 5-B may be combined into a single map. (See instructions.)
- Exhibit 5-C: Supporting documentation 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 of this form is checked)
- Exhibit 5-D: Split Season Instream Use Form

DESCHUTES COUNTY SEC. 11 T18S. R13E. W.M.

SCALE - 1" = 400'



NW 1/4 OF THE SW 1/4; NE 1/4 OF THE SW 1/4



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WATER RESOURCES DEPT
SALEM, OREGON

- 'INSTREAM' LANDS
- EXISTING WATER RIGHTS



APPLICATION FOR 1 YR INSTREAM LEASE

NAME: DARYL CRONEN

TAXLOT #: 600, 700

31.77 ACRES INSTREAM

DATE: 02-05-09

FILE NO: E:\TRANSFER\INSTREAM\INSTRM09\1YR\181311_NSW



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

Application for
Instream Lease

Attachment 5: Pooled Water Right Holder Form

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

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

Optional Identification by Lessor/Lessee: 3141
Lease Application Number (assigned by WRD): IL-966

This Lease is with:

Lessor #1 (Water Right Holder):

Name Desertscape Hwy 20 South, LLC
Mailing address PO Box 1825
City, State, Zip Code Bend, OR 97709
Telephone number 541-647-0924
Email address craig@desertscape.com

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SALEM, OREGON

If additional water right holders, enter water right holder information below

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1.3 For the water right(s) being leased, list all water rights appurtenant to the same lands. Indicate if there are any supplemental or overlying rights.

Certificate No. 83571 & 76714

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

1.5 Water Right(s) Proposed to be Leased Instream. Water right holder proposes to lease the water rights shown on the map attached as Exhibit 5-B and described as follows: [This information may be included on Exhibit 5-A, or an additional map may be attached. Crosshatch the area of water rights being leased. Attached map(s) must identify water right holder, township, range, section and 1/4 1/4, tax lot number, map orientation and scale.]

T	R	Sect	¼¼	Tax Lot	Acres	Type of Use	Certificate #	Page(s) #	Priority*
*(Identify pertinent page number of certificate, if certificate is greater than 10 pages; identify priority date if there is more than one per certificate)									
1.	17 S	12 E	35	SE SE	1600	20.00	Irrigation	83571	45 10/31/190 0
2.									RECEIVED
3.									
4.									FEB 27 2009
5.									WATER RESOURCES DEPT SALEM, OREGON

Total number of acres, if for irrigation, by certificate and priority date: Cert #83571, Oct. 31, 1900 - 20.00 acres

Conditions or other limitations, if any: None

If you need to enter another leased right, please use the Additional Water Right Form for Pooled Water Right Holder.

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 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 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

2.3 Term of lease. This lease shall terminate on October 31, 2009. (If there is a conflict between the Pooled Lease Form and this form, the Pooled Lease Form will be the official term of the lease.)

~III~ Other Information

3.1 Accuracy. The Undersigned Lessor(s) and Lessee(s) declare that, to the best of their knowledge and belief, the information contained in this application is true, correct and complete. If after the lease order is signed, any information is determined to be false, the lease order may be modified or terminated. The 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. Lessor(s) and Lessee(s) agree to lease the water rights listed in Section(s) 1.5 for instream use for the term of this lease through Lessee to the Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077.

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 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 water right holder 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.

3.5 Termination provision.

- For multiyear leases, the Lessor(s) shall have the option of terminating the lease each year with written notice to the Department. The lease may be terminated at any time during the calendar year. However, if the termination request is received less than 30-days prior to the period of allowed instream use or after the period of allowed use has begun for the water right(s) being leased, water may not be used under the right(s) leased until the following calendar year, unless the Director determines that enlargement would not occur. The Department may also require:
- Written notice to the Department with original signatures;
 - Consent by all parties to the lease; and/or
 - Written notice to the Watermaster's office.
- For multiyear leases, the lessor shall not have the option of terminating the lease, without consent by all parties to the lease.

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.

Lessor #1:  Date: 2/4/09
Desertscape Hwy 20 South, LLC

For additional Lessors, type in space for signature and date

Other Attachments As Needed:

- Exhibit 5-A: Tax Lot Map. (See instructions.)
- Exhibit 5-B: Detailed map illustrating lands under subject rights to be leased; required if only part of a right is being leased instream. Exhibits 5-A and 5-B may be combined into a single map. (See instructions.)
- Exhibit 5-C: 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 of this form is checked)
- Exhibit 5-D: Split Season Instream Use Form

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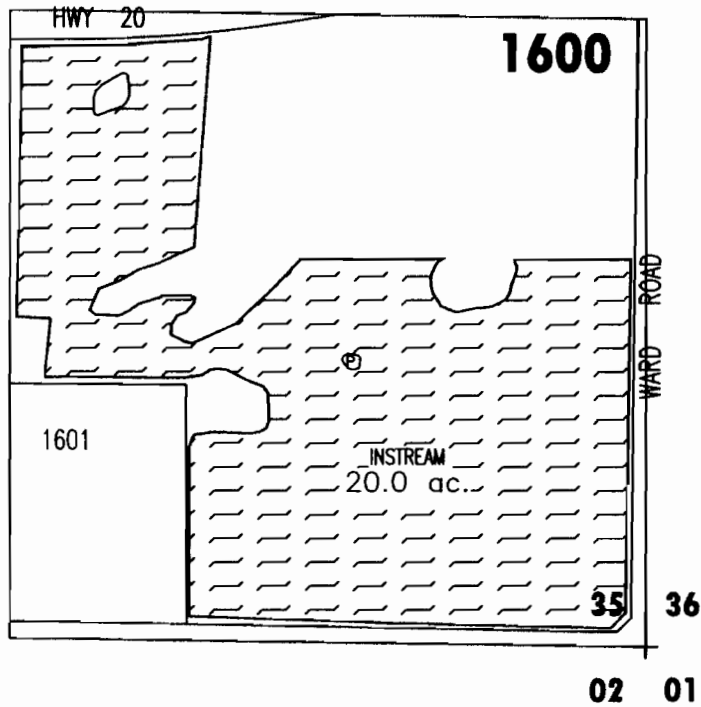
WATER RESOURCES DEPT
SALEM, OREGON

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

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SALEM, OREGON



'INSTREAM' LANDS



APPLICATION FOR 1 YR INSTREAM LEASE
NAME: DESERTSCAPE HWY 20 SOUTH, LLC
TAXLOT #: 1600 20.0 ACRES INSTREAM

DATE: 02-09-09

FILE NO: E:\TRANSFER\INSTREAM\INSTRM09\1YR\171235_SESE



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

Application for Instream Lease

Attachment 5: Pooled Water Right Holder Form

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

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

Optional Identification by Lessor/Lessee: 2325
Lease Application Number (assigned by WRD): IL-966

This Lease is with:

Lessor #1 (Water Right Holder):

Name Desertscape Properties, LLC
Mailing address PO Box 1825
City, State, Zip Code Bend, OR 97709
Telephone number 541-647-0924
Email address craig@desertscape.com

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If additional water right holders, enter water right holder information below

Note: The section numbering associated with this form corresponds to that found on the "Standard Instream Lease Application" form. The "Pooled Lease" form and "Pooled Water Right Holder" form(s) are used to provide the same information as the "Standard Instream Lease Application" form. Consequently, the numbering on this form is not always sequential.

~I~ Water Right Holder and Water Right Information

1.1 Lessor #1 is the water right holder, or authorized agent for property described in Section 1.5. If the water right appurtenant to these lands is also appurtenant to lands owned by others who are not included in this application, then Attachment 1 (tax lot map), needs to be included.

1.3 For the water right(s) being leased, list all water rights appurtenant to the same lands. Indicate if there are any supplemental or overlying rights.

Certificate No. 83571 & 76714

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

1.5 **Water Right(s) Proposed to be Leased Instream.** Water right holder proposes to lease the water rights shown on the map attached as Exhibit 5-B and described as follows:
[This information may be included on Exhibit 5-A, or an additional map may be attached. Crosshatch the area of water rights being leased. Attached map(s) must identify water right holder, township, range, section and ¼ ¼, tax lot number, map orientation and scale.]

T	R	Sect	¼ ¼	Tax Lot	Acres	Type of Use	Certificate #	Page(s) #	Priority*	
*(Identify pertinent page number of certificate, if certificate is greater than 10 pages; identify priority date if there is more than one per certificate)										
1.	17 S	12 E	35	NE SE	1401	1.00	Irrigation	83571	45	10/31/1900
2.	18 S	12 E	02	SE SW	1405	2.00	Irrigation	83571	53	10/31/1900
3.										
4.										
5.										

Total number of acres, if for irrigation, by certificate and priority date: Cert #83571, Oct. 31, 1900 - 3.00 acres

Conditions or other limitations, if any: None

If you need to enter another leased right, please use the Additional Water Right Form for Pooled Water Right Holder.

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 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 water right certificate, however the water right is not subject to forfeiture under ORS 540.610(2)()(include necessary supporting documentation as Attachment 3).

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~II~ Instream Water Right Information

2.3 Term of lease. This lease shall terminate on October 31, 2009. (If there is a conflict between the Pooled Lease Form and this form, the Pooled Lease Form will be the official term of the lease.)

~III~ Other Information

3.1 Accuracy. The Undersigned Lessor(s) and Lessee(s) declare that, to the best of their knowledge and belief, the information contained in this application is true, correct and complete. If after the lease order is signed, any information is determined to be false, the lease order may be modified or terminated. The 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. Lessor(s) and Lessee(s) agree to lease the water rights listed in Section(s) 1.5 for instream use for the term of this lease through Lessee to the Trustee, the Oregon Water Resources Department, pursuant to the provisions of ORS 537.348(2) and OAR 690-077.

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 a new injury review

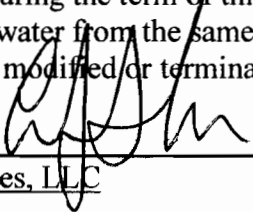
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Lessor #1:  Date: 2/4/09
Desertscape Properties, LLC

For additional Lessors, type in space for signature and date

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Other Attachments As Needed:

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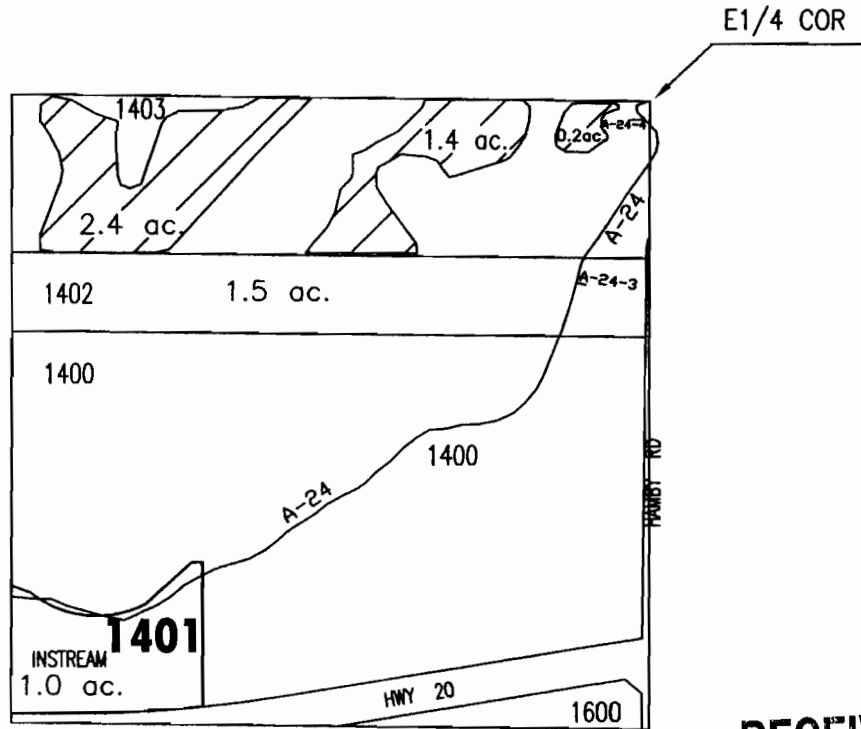
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SALEM, OREGON

**DESCHUTES COUNTY
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	EXISTING WATER RIGHTS
	'INSTREAM' LAND PARCELS
	PARCELS W/ WATER RIGHTS



APPLICATION FOR 1 YR INSTREAM LEASE

NAME: DESERTSCAPE PROPERTIES, LLC

TAXLOT #: 1401

1.0 ACRES INSTREAM

DATE: 02-06-09

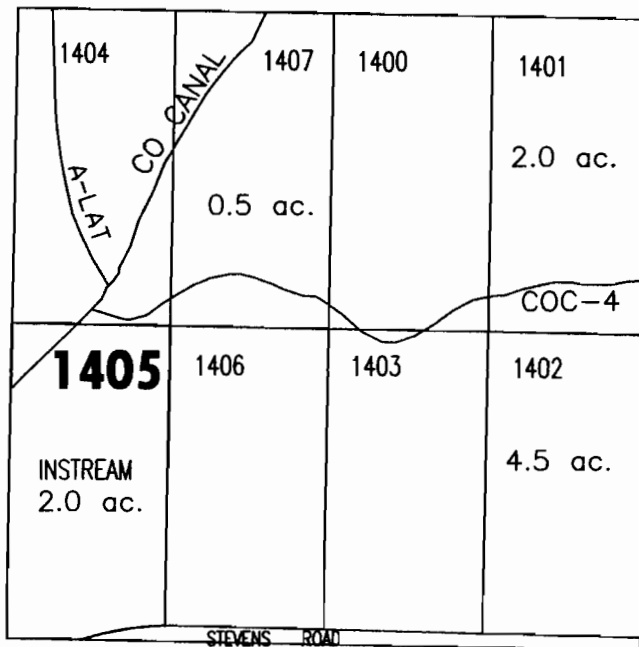
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**DESCHUTES COUNTY
SEC.02 T18S. R12E. W.M.**

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WATER RESOURCES DEPT
SALEM, OREGON

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



APPLICATION FOR 1 YR INSTREAM LEASE

NAME: DESERTSCAPE PROPERTIES, LLC

TAXLOT #: 1405

2.0 ACRES INSTREAM

DATE: 02-09-09

FILE NO: E:\TRANSFER\INSTREAM\INSTRM09\1YR\181208_SESW