

STATE OF OREGON
 COUNTY OF DESCHUTES
 CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

CITY OF SISTERS
 150 N FIR ST
 SISTERS OR 97759

LAZY Z MEADOWS, LLC
 PO BOX 267
 SISTERS OR 97759

confirms the right to use the waters of WHYCHUS CREEK (formerly known as SQUAW CREEK), tributary to the DESCHUTES RIVER for IRRIGATION of 61.0 ACRES.

This right was confirmed by decree of the Circuit Court of the State of Oregon for Crook County. The decree is of record at Salem, in the Order Record of the Water Resources Director in VOLUME 1, PAGE 120. The date of priority is 1881.

The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 1.22 CUBIC FEET PER SECOND, or its equivalent in case of rotation, measured at the point of diversion.

The point of diversion is located as follows:

Twp	Rng	Mer	Sec	Q-Q	Survey Coordinates
15 S	10 E	WM	21	SW SW	UNCLE JOHN DITCH - 140 FEET NORTH AND 1190 FEET EAST FROM THE SW CORNER, SECTION 21

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described.

A description of the place of use to which this right is appurtenant is as follows:

IRRIGATION - CITY OF SISTERS						
Twp	Rng	Mer	Sec	Q-Q	Tax Lot	Acres
15 S	10 E	WM	15	NE NE	200	6.6
15 S	10 E	WM	15	NW NE	200	28.9

NOTICE OF RIGHT TO RECONSIDERATION OR JUDICIAL REVIEW

This is an order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60-day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080, you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

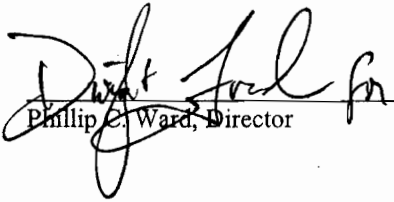
IRRIGATION - LAZY Z MEADOWS, LLC						
Twp	Rng	Mer	Sec	Q-Q	Tax Lot	Acres
15 S	10 E	WM	10	NE SW	705	4.4
15 S	10 E	WM	10	NW SW	705	21.1

When required by the Department, the water user shall install and maintain an in-line flow meter or other suitable device(s) for measuring and recording the quantity of water diverted. The types and plans of the measuring device must be approved by the Department prior to beginning construction and shall be installed under the general supervision of the Department.

This certificate is issued to confirm changes in PLACE OF USE approved by an order of the Water Resources Director entered October 12, 2005, at Special Order Volume 67, Page 271, approving Transfer Applications 8900 and 8902, and supercedes Certificate 303, State record of Water Right Certificates.

The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described and is subject to all other conditions and limitations contained in said decree.

Issued FEB 19 2009


 Phillip C. Ward, Director