



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

# Application for Instream Lease

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](http://www.wrd.state.or.us/OWRD/PUBS/forms.shtml).

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

Optional Identification by Lessor/Lessee: \_\_\_\_\_  
 Lease Application Number (assigned by WRD): FL-992

This Lease is between:

**Lessor #1:**

Name Deschutes River Conservancy  
 Mailing address 700 NW Hill Street  
 City, State, Zip Code Bend, OR 97701  
 Telephone number 541-382-4077, ext 16  
 Email address gen@deschutesriver.org

**Lessor #2, 3, etc.**

None - See attached District Exclusion... public noticed per ORS 545.059

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 700 NW Hill Street  
 City, State, Zip Code Bend, OR 97701  
 Telephone number 541-382-4077, ext 16  
 Email address gen@deschutesriver.org

**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**

1.1 Lessor #1 is the water right holder, or authorized agent for water right holder of the property located at: Township 15 S, Range 10 E, Section 10 and Tax Lot number 705. 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.

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
 SALEM, OREGON

Application for Short-Term Instream Lease / 1

FSD

- 1.2 Lessor #2 is the (Check one):  
 Not applicable  
 Official representative of \_\_\_\_\_, 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 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. C-85385, C-85384, C-85390

- 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.: C-85385

Priority date: 1881 Type of use: IRR

Legal Season of Use: none listed on certificate

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 15 S, R 10 E, Section 10, NE $\frac{1}{4}$  SW $\frac{1}{4}$  - 4.40 acres to be leased

Enter additional places of use here, using format above:

T 15 S, R10 E, Section 10, NWSW, 21.1 acres

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

Number of acres being leased, if for irrigation: 25.5

Acre-feet of storage, if applicable: \_\_\_\_\_

Maximum rate associated with the right to be leased (cfs): 0.510

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

Maximum duty associated with the right to be leased (ac-ft): not duty limited

(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 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).

RECEIVED

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

Application for Short-Term Instream Lease / 2

FSD

**~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:

Whychus Creek

Tributary to Deschutes 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): from T15S, R10E, Section 21, SWSW - W.M: Uncle John Ditch - 140 feet North and 1190 feet East from the SW corner, section 21 to the mouth of Whychus Creek

Maximum volume in acre-feet: 216,48 ac-ft

Rate in cfs: 0.510 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 April 1 through October 31.
- 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, 2013.

**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.

*Application for Short-Term Instream Lease / 3*


FSD

**RECEIVED**

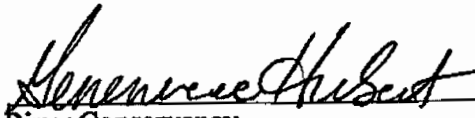
APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

- 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 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.
- 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 #1:  Date: 4/21/09  
Deschutes River Conservancy

For additional Lessors, type in space for signature and date

Lessee:  Date: 21 April 2009  
Deschutes River Conservancy

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
 SALEM, OREGON

Application for Short-Term Instream Lease / 4

FSD

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: District Exclusion

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

*Application for Short-Term Instream Lease / 5*

FSD



**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): \_\_\_\_\_

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON



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

## Additional Water Right Form Standard Application for Instream Lease

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](http://www.wrd.state.or.us/OWRD/PUBS/forms.shtml).

### ~I~ Water Right Holder and Water Right Information

#### Section 1.5 continued from Standard Application for 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.: 85390

Priority date: 1880 Type of use: IRR

Legal Season of Use (if not listed on the certificate): N/A

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  $\frac{1}{4}$   $\frac{1}{4}$ , 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 15 S, R 10 E, Section 10, SW  $\frac{1}{4}$  SW  $\frac{1}{4}$  - 28.40 acres to be leased

Enter additional places of use here, using format above:

T 15 S, R 10 E, Sect 10, SESW 1.6 acres --- all 30.0 acres are in taxlot 705

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

Number of acres, if for irrigation: 30.0

Acre-feet of storage, if applicable: N/A

Rate associated with leased rights (cfs): 0.950 cfs

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

Duty associated with leased rights (AF): 403.24 ac-ft

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

Conditions or other limitations, if any:       

### ~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:

Whychus Creek

Tributary to Deschutes 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): from T 15 S, R 10 E, Sect. 21, SWSW - W.M.: Uncle John Ditch - 140 feet North and 1190 feet East from the SW corner, section 21 to the mouth of Whychus Creek

Maximum volume in acre-feet: 403.24 ac-ft

Rate in cfs: 0.950 cfs

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

**RECEIVED**

APR 21 2009

Additional Water Right Form / 1

FSD



**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): \_\_\_\_\_

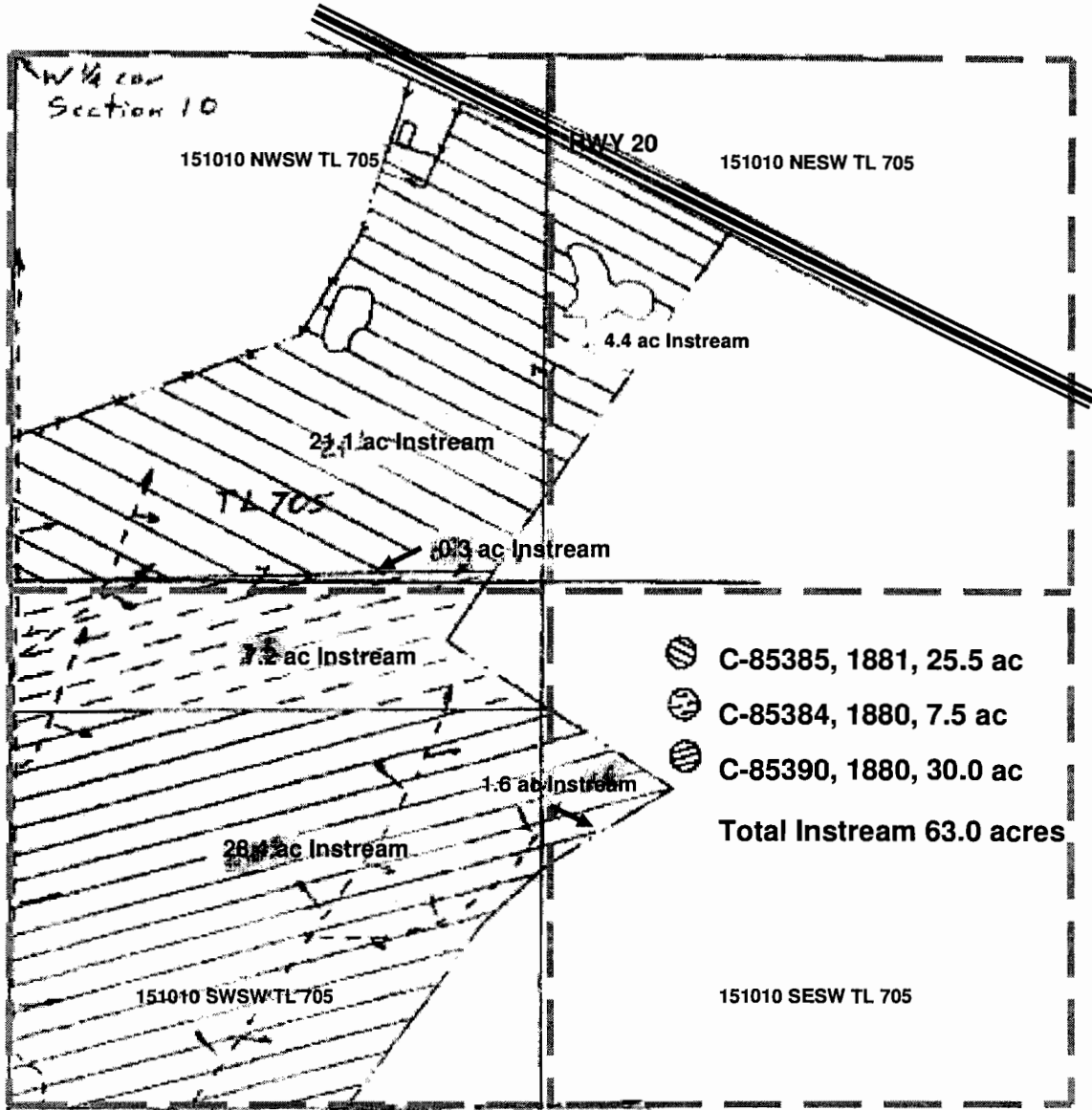
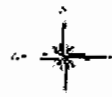
**RECEIVED**

APR 21 2009

**WATER RESOURCES DEPT  
SALEM, OREGON**

**DESCHUTES COUNTY  
SEC 10 T15S R10E**

SCALE: 1" = 400'



*Surveyed Aug 23, 2006*

*Uncle John Ditch*

Source: 02a.m of Aerial Use Map for Lazy / Meadows, LLC



**APPLICATION FOR TEMPORARY INSTREAM TRANSFER  
Deschutes River Conservancy**

**T15S, R10E, Section 10, tax lot 705**

**63.0 acres**

**DATE: 04-08-2009**

MADE WITH THE LATEST TECHNOLOGY

**RECEIVED**

APR 21 2009

**WATER RESOURCES DEPT  
SALEM, OREGON**

Revised 4/7/09

Lazy Z

	Priority	Certificate	Cert. Pg	acres*	sect 1.5/2.2			sect 1.5/2.2		
					cfs/ac	rate*	conv fact	no. days	duty AF	
Lazy Z	1881	85385	x	25.5	0.020	0.610	1.983471	1.01167	214	216.48
Lazy Z	1880	85384	x	7.5	0.021	0.154	1.983471	0.308402	214	85.57
Lazy Z	1880	85390	x	30	0.032	0.950	1.983471	1.884293	214	403.24
<b>totals</b>				63		1.614				685.28
<b>start</b>		<b>end</b>		<b>days instream</b>						
4/1/2009		10/31/2009		214.00 Season 1						

Lazy Z certificates were part of Transfers 8900 & 8902, FO 10/12/2005, duty limited only by rate/acre and term of lease

Old Cert		New Cert	LZ Ac on Cert	Total Cert Ac	Cert CFS	CFS/ac
C291	is now	C85384	7.5 Ac	67	1.38	0.020597
C24187	is now	C85390	30.0 Ac	48	1.52	0.031887
C303	is now	C85385	25.5 Ac	61	1.22	0.02

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

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 CRHEK (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.

0.02 cfs/ac  
 x 25.5 =  
 0.51 cfs

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.

**RECEIVED**

APR 21 2009

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

> Lease Instream

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

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT

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 DESCHUTES RIVER for IRRIGATION of 48.0 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 1880.

The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 1.52 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

*.032 cfs/ac.  
 × 30  
 = 0.96 cfs*

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 AND DOMESTIC - CITY OF SISTERS						
Twp	Rng	Mer	Sec	Q-Q	Tax Lot	Acres
15 S	10 E	WM	10	SW SE	704	3.0
15 S	10 E	WM	10	SE SE	704	4.2
15 S	10 E	WM	15	NE NE	200	10.8

**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.

T-8900-cf-24167.ra

Page 1 of 2

Certificate Number 85380

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT

IRRIGATION AND DOMESTIC - LAZY Z MEADOWS, LLC						
Twp	Rng	Mer	Sec	Q-Q	Tax Lot	Acres
15 S	10 E	WM	10	SW SW	705	28.4
15 S	10 E	WM	10	SE SW	705	1.6

*> leased Instream*

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 Application 8900 and 8902, and supercedes Certificate 24167, 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. Alward, Director

8900492167.ra  
**RECEIVED**

Page 2 of 2

Recorded in State Record of Water Right Certificates numbered 85390

APR 21 2009

WATER RESOURCES DEPT  
 SALEM, OREGON

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 DESCHUTES RIVER for IRRIGATION of 67.0 ACRES.

This right was confirmed by decrees of the Circuit Court of the State of Oregon for Deschutes County. The decrees is of record at Salem, in the Order Record of the Water Resources Director in VOLUME 1, PAGE 120. The date of priority is 1880.

The amount of water to which this right is entitled is limited to an amount actually used beneficially, and shall not exceed 1.38 CUBIC FEET PER SECOND, or its equivalent in case of rotation, measured at the point of diversion.

$.021 \text{ cfs/ac}$   
 $\times 7.5 = .158$

The point of diversion is located as follows:

Twp	Rng	Mer	Sec	Q-Q	GLot	DLC	Survey Coordinates
15 S	10 E	WM	21	SW SW			600 FEET NORTH & 1100 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	TL	Acres
15 S	10 E	WM	10	NE SW	704	18.0
15 S	10 E	WM	10	NW SW	704	0.3
15 S	10 E	WM	10	SW SW	704	1.2
15 S	10 E	WM	10	SE SW	704	37.0
15 S	10 E	WM	10	SW SE	704	3.0

**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.

**RECEIVED**

APR 21 2009



IRRIGATION - LAZY Z MEADOWS, LLC						
Twp	Ring	Mer	Sec	Q-Q	TL	Acres
15 S	10 E	WM	10	NW SW	705	0.3
15 S	10 E	WM	10	SW SW	705	7.2

> Lease Instream

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 together with Certificate 83355 supercedes Certificate 82871 and Certificate 291, 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

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT

DESCHUTES COUNTY OFFICIAL RECORDS  
NANCY BLANKENSHIP, COUNTY CLERK

2009-07824

\$55.00



D-D Cnt=1 Str=25 SRB  
\$30.00 \$11.00 \$10.00 \$5.00

02/24/2009 03:33:22 PM

After Recording return to:  
Deschutes River Conservancy  
700 NW Hill St.  
Bend, OR 97701

MAIL TAX STATEMENT:  
TO: No Change

QUITCLAIM DEED

WATER CONVEYANCE AGREEMENT  
FOR TRANSFER OF ALL INTEREST IN THREE WATER RIGHTS

Grantor, Lazy Z Meadows, LLC, releases and quitclaims to the Deschutes River Conservancy, Grantee, all of Grantor's rights, title and interest in the sixty three (63.0) acres of primary water rights described as portions of Certificate # 85384, priority of 1880, Certificate # 85385, priority of 1881 and Certificate # 85390, priority of 1880 and appurtenant to lands commonly known as T 15 South, R 10 East, Section 10, Tax Lot 00705, which are for 63.0 acres of irrigation use, where this subject land is shown on the map attached as Exhibit A, which is the Claim of Beneficial Use Map for Lazy Z Meadows, LLC," prepared by Estes Surveys, LLC pursuant to a survey of August 23, 2006 and submitted to the Oregon Water Resources Department to support the issuance of Certificates of Water Rights 85384, 85385 and 85390.

By the recording of this deed, Grantor hereby notifies any subsequent purchaser of the subject land described herein and shown in Exhibit A that Grantor, as owner of the subject lands and the water rights, has approved the transfer of the water rights) that are appurtenant to the subject lands (including a change in the place and type of use and point of diversion; and that upon completion of the transfer, as such transfer is elected by the Grantee, and certified by the Oregon Water Resources Department, the subject lands no longer will have appurtenant water rights.

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

Consideration for this Quitclaim: \$428,400.00

Grantor:

Date 2-23-09

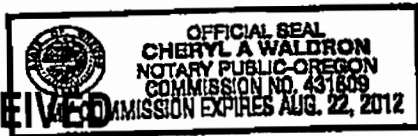
Lazy Z Meadows, LLC

William Willitts - Managing Member, Lazy Z Meadows LLC

State of Oregon, County of Deschutes:

This instrument was acknowledged before me on February 23, 2009 by William Willitts of Lazy Z Meadows, LLC

Cheryl Waldron  
Notary Public - State of Oregon



RECEIVED

APR 21 2009

Grantor:

\_\_\_\_\_  
Lazy Z Meadows, LLC

Date 2/25/09

Curt Kallberg  
Curt Kallberg - Managing Member, Lazy Z Meadows LLC

State of Oregon, County of Deschutes:

This instrument was acknowledged before me on February 23, 2009 by Curt Kallberg of Lazy Z Meadows, LLC

Cheryl A. Waldron  
Notary Public - State of Oregon



Grantor:

\_\_\_\_\_  
Lazy Z Meadows, LLC

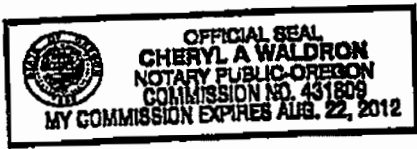
Date 2/25/09

Rod Robinson  
Rod Robinson - Managing Member, Lazy Z Meadows LLC

State of Oregon, County of Deschutes:

This instrument was acknowledged before me on February 23, 2009 by Rod Robinson of Lazy Z Meadows, LLC

Cheryl A. Waldron  
Notary Public - State of Oregon



RECEIVED

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

Grantor:

Date 2-23-09

Lazy Z Meadows, LLC

*Mike Owen*  
Mike Owen - Managing Member, Lazy Z Meadows LLC

State of Oregon, County of Deschutes:

This instrument was acknowledged before me on February 23, 2009 by Mike Owen  
of Lazy Z Meadows, LLC

*Cheryl A. Waldron*  
Notary Public - State of Oregon



Grantor:

Date 2/23/09

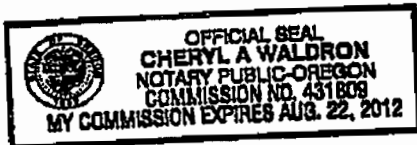
Lazy Z Meadows, LLC

*Patrick J. Thompson*  
Patrick J. Thompson - Managing Member, Lazy Z Meadows LLC

State of Oregon, County of Deschutes:

This instrument was acknowledged before me on February 23, 2009 by Patrick Thompson  
of Lazy Z Meadows, LLC

*Cheryl A. Waldron*  
Notary Public - State of Oregon



RECEIVED

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

Grantor:

LAZY Z MEADOWS, LLC  
Lazy Z Meadows, LLC

Date 2/23/09

David D. Abbas  
David D. Abbas - Managing Member, Lazy Z Meadows LLC

State of Oregon, County of Deschutes:

This instrument was acknowledged before me on February 23, 2009 by David Abbas  
of Lazy Z Meadows, LLC



Cheryl A. Waldron  
Notary Public - State of Oregon

Grantor:

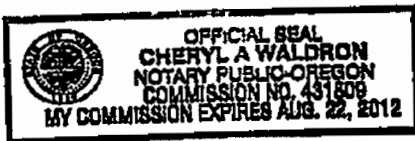
LAZY Z MEADOWS LLC  
Lazy Z Meadows, LLC

Date 2/23/09

Jeffrey S. England  
Jeffrey S. England - Managing Member, Lazy Z Meadows LLC

State of Oregon, County of Deschutes:

This instrument was acknowledged before me on February 23, 2009 by Jeffrey England  
of Lazy Z Meadows, LLC



Cheryl A. Waldron  
Notary Public - State of Oregon

RECEIVED

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

Grantee:

Tod Heisler

Tod Heisler, Executive Director, Deschutes River Conservancy

Date

2/23/09

State of Oregon, County of Deschutes:

This instrument was acknowledged before me on February 23, 2009 by Tod Heisler of the Deschutes River Conservancy



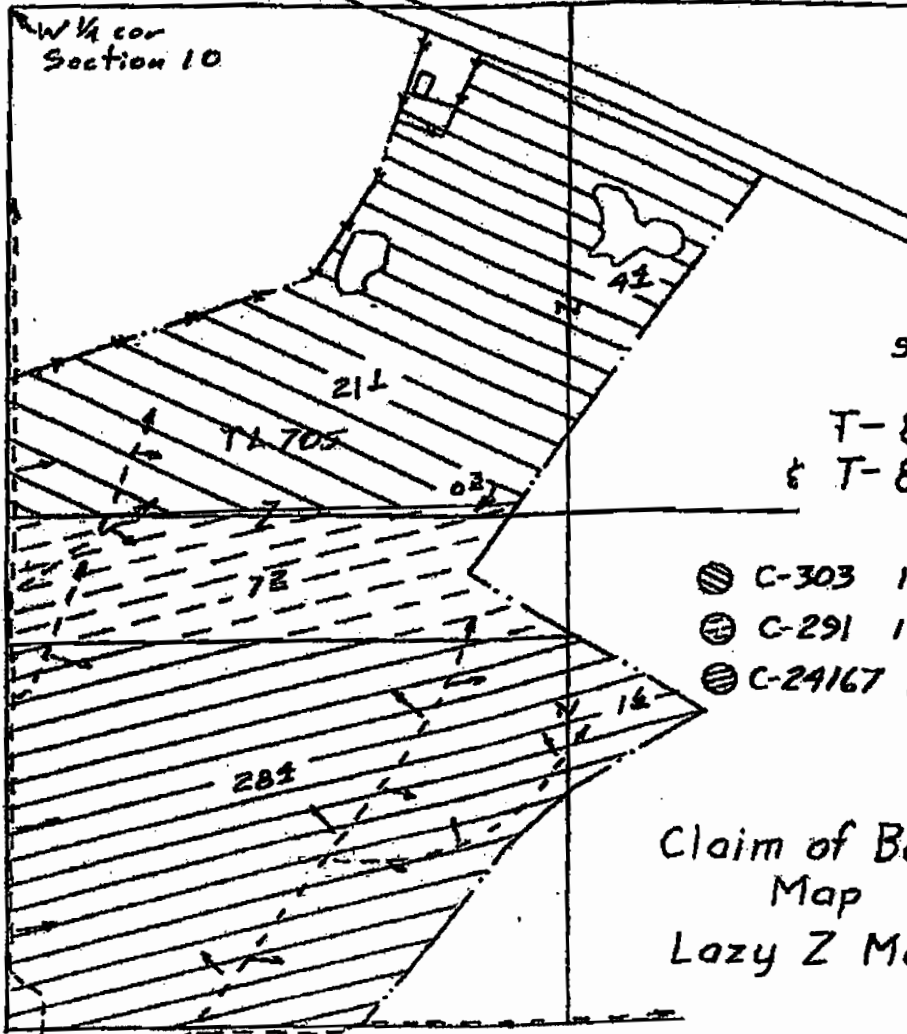
Cheryl A. Waldron  
Notary Public - State of Oregon

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

T.15S., R.10E., W.M.



Scale 1" = 1320'

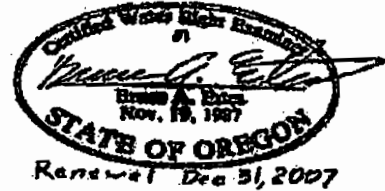
T-8900  
& T-8902

- ⊗ C-303 1881 25<sup>±</sup> acres
- ⊗ C-291 1880 7<sup>±</sup> acres
- ⊗ C-24167 1880 30<sup>±</sup> acres

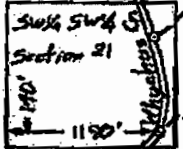
Claim of Beneficial Use  
Map for  
Lazy Z Meadows, LLC

Surveyed Aug 23, 2006

Uncle John Ditch



T.15S., R.10E., W.M.



Scale 1" = 1320'

RECEIVED

This map is for the purpose of locating a water right only and has no intent to provide legal dimensions or the locator of property lines.

**ESTES SURVEYS, LLC**

PO Box 47840  
Salem, OR 97305-7819  
(503) 555-7593

60332 Arnold Rd  
Salem, OR 97302  
(503) 382-7391

APR 21 2009

WATER RESOURCES DEPT

86-

DESCHUTES COUNTY OFFICIAL RECORDS  
NANCY BLANKENSHIP, COUNTY CLERK

2006-12897



\$85.00

00441286206600128970120128

02/24/2006 02:15:41 PM

After recording return to:  
WESTERN TITLE & ESCROW COMPANY  
PO BOX 1963  
SISTERS, OR 97759

D-D Cnt=1 Str=4 TRACY  
\$80.00 \$11.00 \$10.00 \$5.00

Until a change is requested all tax statements  
shall be sent to the following address:  
LAZY Z MEADOWS, LLC  
P. O. BOX 267  
SISTERS, OR 97759

**WARRANTY DEED -- STATUTORY FORM**

ROBINSON ROAD RANCH, LLC, AN OREGON LIMITED LIABILITY COMPANY, Grantor, conveys  
and warrants to LAZY Z MEADOWS, LLC, AN OREGON LIMITED LIABILITY COMPANY,  
Grantee, the following described real property, free of encumbrances except as  
specifically set forth herein, to wit:

PARCEL 2 OF PARTITION PLAT NO. 2002-43, DESCHUTES COUNTY, OREGON

TOGETHER WITH 63 ACRES OF THREE SISTERS IRRIGATION DISTRICT WATER RIGHTS

Tax Account No(s): 206569  
Map/Tax Lot No(s): 15-10-10-00-00705

This property is free from encumbrances, EXCEPT: All those items of record, if  
any, as of the date of this deed, including any real property taxes due, but  
not yet payable, AND COVENANTS, RESTRICTIONS AND RESERVATION OF AND GRANT OF  
EASEMENTS ATTACHED HERETO AND INCORPORATED HEREIN.

The true consideration for this conveyance is \$870,000.00.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE  
SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER CHAPTER 1, OREGON LAWS  
2005 (BALLOT MEASURE 37 (2004)). THIS INSTRUMENT DOES NOT ALLOW USE OF THE  
PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS  
AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON  
ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR  
COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS  
ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 AND TO  
INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY UNDER CHAPTER  
1, OREGON LAWS 2005 (BALLOT MEASURE 37 (2004)).

Dated this 24<sup>th</sup> day of February, 2006.

ROBINSON ROAD RANCH, LLC

BY: [Signature]  
DAVID HERMAN,  
MANAGING MEMBER

STATE OF OREGON, COUNTY OF DESCHUTES ) SS.

This instrument was acknowledged before me on February 24, 2006 by DAVID  
HERMAN AS MANAGING MEMBER OF ROBINSON ROAD RANCH, LLC, AN OREGON LIMITED  
LIABILITY COMPANY.

[Signature]  
(Notary Public for Oregon)  
My commission expires 5-21-06

TITLE NO. 11-0003806  
ESCROW NO. 11-0003806



RECORDED BY  
WESTERN TITLE & ESCROW CO.

RECEIVED

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON



**DEED COVENANTS, RESTRICTIONS AND RESERVATION OF  
AND GRANT OF EASEMENTS**

THIS DEED COVENANT, RESTRICTION, AND GRANT AND RESERVATION OF EASEMENTS ("Declaration") is made this 27th day of February, 2006, by Robinson Road Ranch, LLC, an Oregon Limited Liability Company ("Declarant 1"), Lazy Z Partners, LLC, an Oregon limited liability company ("Declarant 2"), and Horse Heaven Ranch, LLC ("Declarant 3") with reference to the following:

- A. Declarant 1 is the owner of the real property legally described as: Parcel 2 Partition Plat No. 2002-43, Township 15 South, Range 10 East, Section 10, Tax Lot 705, Deschutes County, Oregon ("Parcel 1").
- B. Declarant 2 is the owner of the real property legally described as: that certain parcel of land described in Document No. 2004-027958, Township 15 South, Range 10 East, Sections 10, Tax Lot 704, Deschutes County, Oregon ("Parcel 2").
- C. Declarant 3 is the owner of the real property legally described as: Parcel 1 of Partition Plat No. 2004-24, Township 15 South, Range 10 East, Section 10, Tax Lot 700, Deschutes County Oregon, Lazy Z Partners, LLC (Parcel 3").
- D. Declarant 1 is granting non-exclusive easements on Parcel 1 benefiting Parcels 2 and 3 and Three Sisters Irrigation District. These easements are further described herein below.
- E. Declarant 2 is granting non-exclusive easements on Parcel 2 benefiting Parcel 3 and Three Sisters Irrigation District. These easements are further described herein below.

**1. Irrigation Easements.**

Declarant 1 hereby declares that Parcel 2, Parcel 3, and Three Sisters Irrigation District are benefited by non-exclusive irrigation easement burdening Parcel 1. The location of these easements is described in Exhibit "A", "EXHIBIT MAP 10' WIDE IRRIGATION DITCH EASEMENT" attached hereto. These easements are limited to the transmission of irrigation water in a surface ditch, and the installation, maintenance, and monitoring of devices used for the distribution and measurement of irrigation water. Physical access to the easement area by the owners of Parcel 3 to maintain the irrigation water transmission ditch is allowed at reasonable times in a reasonable manner. Declarant 1 reserves the right to relocate the easement area and/or to replace the surface irrigation ditch with an underground pipe and other approved irrigation water measuring and control devices, provided however that any such relocation or replacement irrigation ditch shall not impair or impede the flow of irrigation water to Parcel 2

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

and Parcel 3. This easement shall inure to the benefit of all successors and assigns, and all parties having or acquiring any right, title or interest in or to Parcel 2 and Parcel 3 or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof. This easement shall burden all successors, assigns and successive owners of Parcel 1, or if Parcel 1 is divided or partitioned, that portion of Parcel 1 where the 10' WIDE IRRIGATION DITCH EASEMENT is located.

Declarant 2 hereby declares that Parcel 3 and Three Sisters Irrigation District are benefited by non-exclusive irrigation easement burdening Parcel 2. The location of the easement is described in Exhibit "A", "EXHIBIT MAP 10' WIDE IRRIGATION DITCH EASEMENT" attached hereto. This easement is limited to the transmission of irrigation water in a surface ditch, and the installation, maintenance, and monitoring of devices used for the distribution and measurement of irrigation water. Physical access to the easement area by the owners of Parcel 3 to maintain the irrigation water transmission ditch is allowed at reasonable times in a reasonable manner. Declarant 2 reserves the right to relocate the easement area and/or to replace the surface irrigation ditch with an underground pipe and other approved irrigation water measuring and control devices, provided however that any such relocation or replacement irrigation ditch shall not impair or impede the flow of irrigation water to Parcel 3. This easement shall inure to the benefit of all successors and assigns, and all parties having or acquiring any right, title or interest in or to Parcel 3 or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof. This easement shall burden all successors, assigns and successive owners of Parcel 2, or if Parcel 2 is divided or partitioned, that portion of Parcel 2 where the 10' WIDE IRRIGATION DITCH EASEMENT is located.

## 2. Utility Easement.

Declarant 1 hereby declares that Parcel 1 is burdened by a non-exclusive underground utility easement benefiting Parcel 2. This utility easement is further described on Exhibit "B" "EXHIBIT MAP 30' WIDE IRRIGATION DISTRIBUTION AND PUBLIC UTILITY EASEMENT" attached hereto. This easement is limited to the installation and maintenance of water pipes and/or utility conduits, a minimum of thirty-six inches under the surface of the ground. Access to the easement areas is allowed in reasonable times and in reasonable manners in order to install and maintain the underground installations. Any disturbance of the surface of the ground by Declarant 2 or any contractor or agent thereof, shall be returned to the original grade within thirty days of the commencement of work and replanting of the area with native grass within forty days after commencement of the work. This easement shall inure to the benefit of all successors and assigns, and on all parties having or acquiring any right, title or interest in or to the described parcels or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

**RECEIVED**

APR 21 2009


## 3. Ingress - Egress Easement.

WATER RESOURCES DEPT  
SALEM, OREGON EASEMENTS, Page 2

Declarant 1 hereby declares that Parcel 1 is burdened by an unimproved, non-exclusive, 30' wide, surface, ingress-egress easement burdening Parcel 1 and benefiting Parcel 2. This ingress-egress easement is further described on Exhibit "B" "EXHIBIT MAP 30' WIDE IRRIGATION DISTRIBUTION, PUBLIC UTILITY, and INGRESS-EGRESS EASEMENT" attached hereto. This easement shall inure to the benefit of all successors and assigns, and on all parties having or acquiring any right, title or interest in or to the described parcels or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

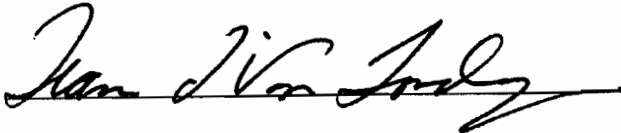
Declarant 1, Declarant 2, and Declarant 3 have executed this document within their named capacity.

24<sup>59</sup> *dh*  
DATED THIS ~~27~~<sup>27</sup> day of February, 2006

  
\_\_\_\_\_  
David Herman  
Managing Member  
Robinson Road Ranch, LLC

STATE OF OREGON            )  
  )        ss.  
County of Deschutes        )

On this ~~27~~<sup>27</sup> day of February, 2006, before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared David Herman, known to me as the person whose name is subscribed to the within instrument as the Managing Member of Robinson Road Ranch, LLC, that executed the instrument on behalf of Robinson Road Ranch, LLC, which is subscribed to the within instrument.

  
\_\_\_\_\_



RECEIVED \_\_\_\_\_

APR 21 2009

24 *del*  
DATED THIS 27<sup>th</sup> day of February, 2006

*David Herman*

David Herman  
Managing Member  
Lazy Z Partners, LLC

STATE OF OREGON        )  
  )        ss.  
County of Deschutes    )

On this 27<sup>th</sup> day of February, 2006, before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared David Herman, known to me as the person whose name is subscribed to the within instrument as the Managing Member of Lazy Z Partners, LLC, that executed the instrument on behalf of Lazy Z Partners, LLC, which is subscribed to the within instrument.

*Tiana L. Van Landuyt*



**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

EASEMENTS, Page 4

24<sup>th</sup> *DH*  
DATED THIS 27<sup>th</sup> day of February, 2006

*David L. Herman*  
\_\_\_\_\_  
David Herman  
Managing Member  
Horse Heaven Ranch, LLC

STATE OF OREGON            )  
  )        ss.  
County of Deschutes        )

On this 27<sup>th</sup> day of February, 2006, before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared David Herman, known to me as the person whose name is subscribed to the within instrument as the Managing Member of Horse Heaven Ranch, LLC, that executed the instrument on behalf of Horse Heaven Ranch, LLC, which is subscribed to the within instrument.

*Tiana L. Van Landuyt*  
\_\_\_\_\_



**RECEIVED**

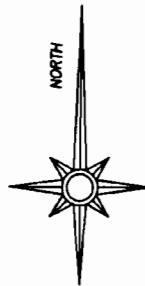
APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

# EXHIBIT MAP

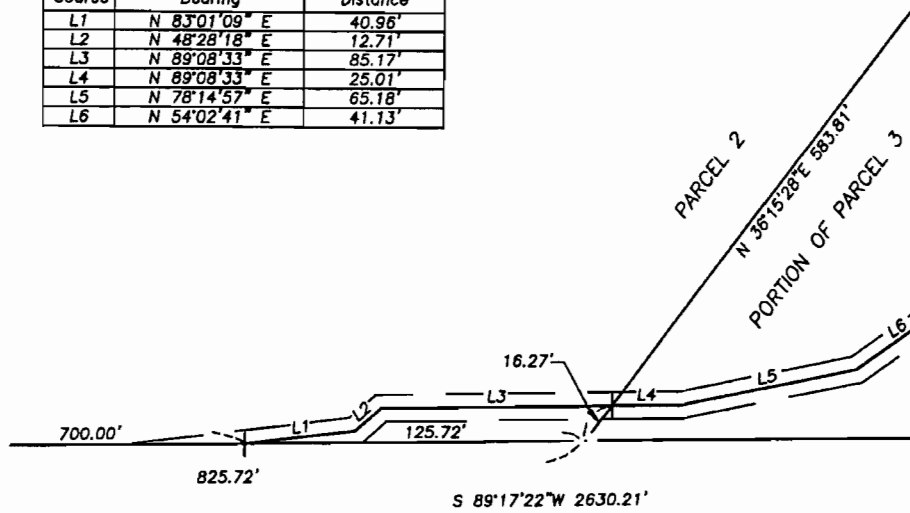
## 10' WIDE IRRIGATION DITCH EASEMENT

**OVER AND ACROSS PORTIONS OF PARCEL 2 AND 3, PARTITION  
PLAT NO. 2002-43, SITUATED IN SECTION 10, T15S,  
R10E, W.M., DESCHUTES COUNTY, OREGON**



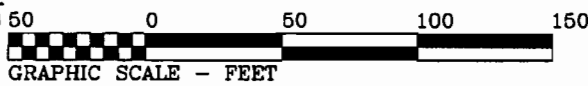
**CENTERLINE DESCRIPTION  
10' WIDE IRRIGATION DITCH EASEMENT**

Course	Bearing	Distance
L1	N 83°01'09" E	40.96'
L2	N 48°28'18" E	12.71'
L3	N 89°08'33" E	85.17'
L4	N 89°08'33" E	25.01'
L5	N 78°14'57" E	65.18'
L6	N 54°02'41" E	41.13'



REGISTERED  
PROFESSIONAL  
LAND SURVEYOR

OREGON  
JULY 17, 1981  
FREDERICK A. AST, Jr.  
1938  
RENEWAL DATE 12/31/07

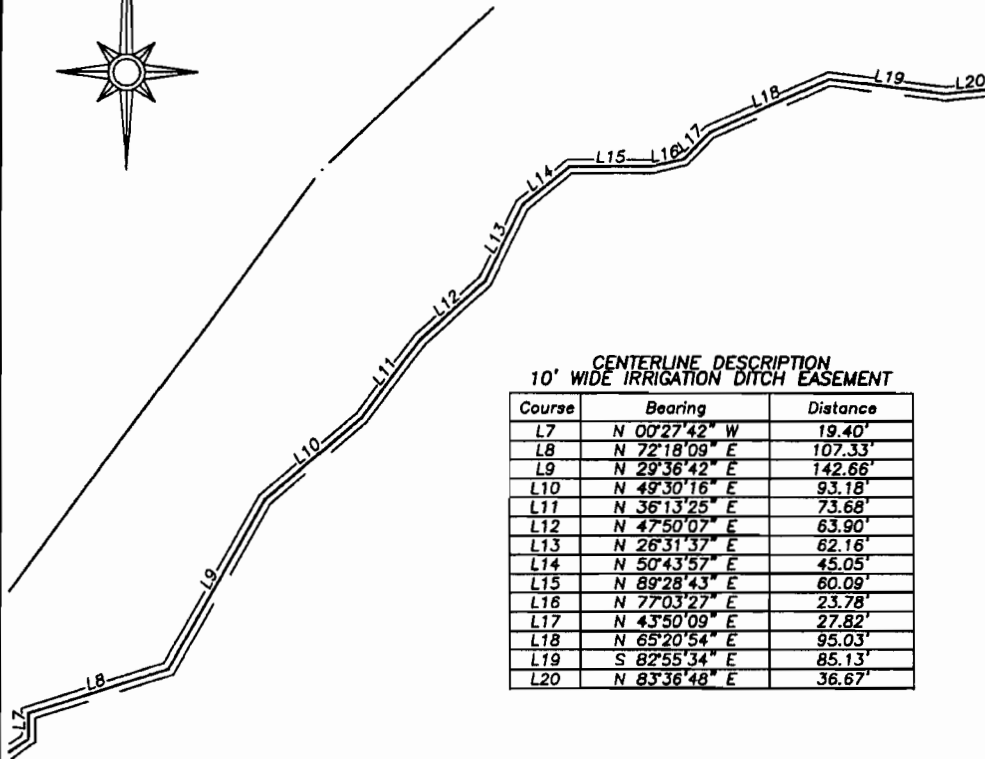
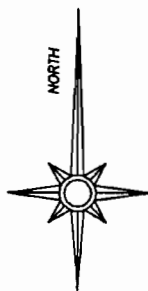


**RECEIVED**  
APR 21 2009  
WATER RESOURCES DEPT  
SALEM, OREGON

# EXHIBIT MAP

## 10' WIDE IRRIGATION DITCH EASEMENT

OVER AND ACROSS PORTIONS OF PARCEL 2 AND 3, PARTITION  
 PLAT NO. 2002-43, SITUATED IN SECTION 10, T15S,  
 R10E, W.M., DESCHUTES COUNTY, OREGON



CENTERLINE DESCRIPTION  
 10' WIDE IRRIGATION DITCH EASEMENT

Course	Bearing	Distance
L7	N 00°27'42" W	19.40'
L8	N 72°18'09" E	107.33'
L9	N 29°36'42" E	142.66'
L10	N 49°30'16" E	93.18'
L11	N 36°13'25" E	73.68'
L12	N 47°50'07" E	63.90'
L13	N 26°31'37" E	62.16'
L14	N 50°43'57" E	45.05'
L15	N 89°28'43" E	60.09'
L16	N 77°03'27" E	23.78'
L17	N 43°50'09" E	27.82'
L18	N 65°20'54" E	95.03'
L19	S 82°55'34" E	85.13'
L20	N 83°36'48" E	36.67'

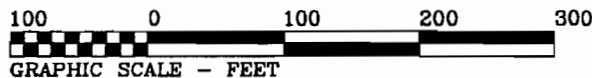
**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
 SALEM, OREGON

REGISTERED  
 PROFESSIONAL  
 LAND SURVEYOR

OREGON  
 JULY 17, 1981  
 FREDERICK A. AST, Jr.  
 1938  
 RENEWAL DATE 12/31/07



PAGE 3 OF 5

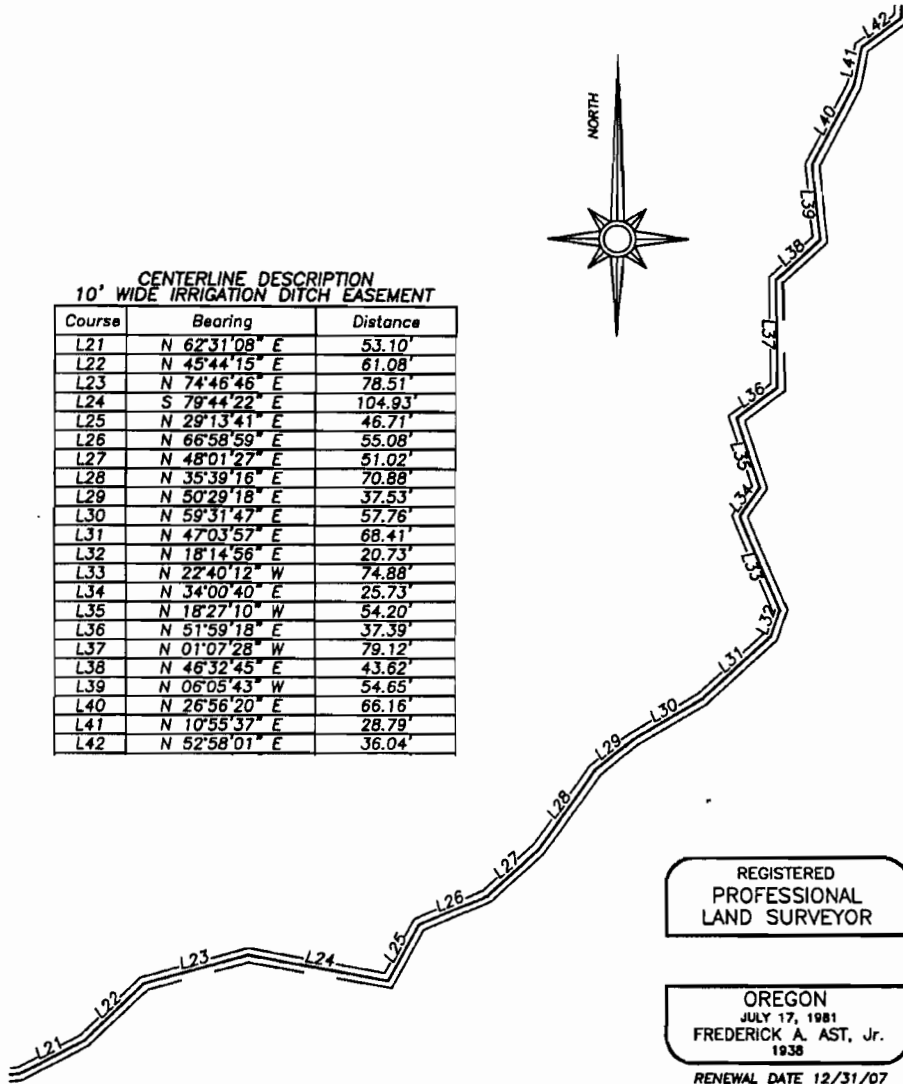
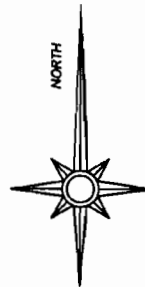
# EXHIBIT MAP

## 10' WIDE IRRIGATION DITCH EASEMENT

**OVER AND ACROSS PORTIONS OF PARCEL 2 AND 3, PARTITION  
PLAT NO. 2002-43, SITUATED IN SECTION 10, T15S,  
R10E, W.M., DESCHUTES COUNTY, OREGON**

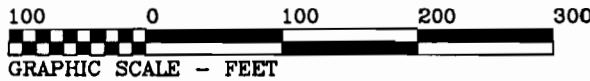
**CENTERLINE DESCRIPTION  
10' WIDE IRRIGATION DITCH EASEMENT**

Course	Bearing	Distance
L21	N 62°31'08" E	53.10'
L22	N 45°44'15" E	61.08'
L23	N 74°46'46" E	78.51'
L24	S 79°44'22" E	104.93'
L25	N 29°13'41" E	46.71'
L26	N 66°58'59" E	55.08'
L27	N 48°01'27" E	51.02'
L28	N 35°39'16" E	70.88'
L29	N 50°29'18" E	37.53'
L30	N 59°31'47" E	57.76'
L31	N 47°03'57" E	68.41'
L32	N 18°14'56" E	20.73'
L33	N 22°40'12" W	74.88'
L34	N 34°00'40" E	25.73'
L35	N 18°27'10" W	54.20'
L36	N 51°59'18" E	37.39'
L37	N 01°07'28" W	79.12'
L38	N 46°32'45" E	43.62'
L39	N 06°05'43" W	54.65'
L40	N 26°56'20" E	66.16'
L41	N 10°55'37" E	28.79'
L42	N 52°58'01" E	36.04'



REGISTERED  
PROFESSIONAL  
LAND SURVEYOR

OREGON  
JULY 17, 1981  
FREDERICK A. AST, Jr.  
1938  
RENEWAL DATE 12/31/07



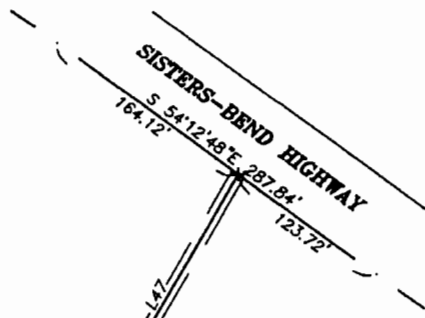
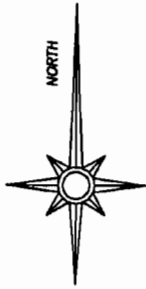
**RECEIVED**  
APR 21 2009  
WATER RESOURCES DEPT  
SALEM, OREGON



# EXHIBIT MAP

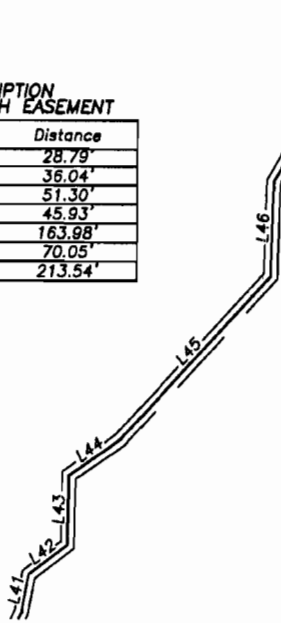
## 10' WIDE IRRIGATION DITCH EASEMENT

**OVER AND ACROSS PORTIONS OF PARCEL 2 AND 3, PARTITION  
PLAT NO. 2002-43, SITUATED IN SECTION 10, T15S,  
R10E, W.M., DESCHUTES COUNTY, OREGON**



**CENTERLINE DESCRIPTION  
10' WIDE IRRIGATION DITCH EASEMENT**

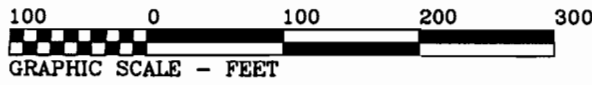
Course	Bearing	Distance
L41	N 10°55'37" E	28.79'
L42	N 52°58'01" E	36.04'
L43	N 01°26'17" E	51.30'
L44	N 55°43'08" E	45.93'
L45	N 42°22'36" E	163.98'
L46	N 01°43'05" E	70.05'
L47	N 29°47'28" E	213.54'



REGISTERED  
PROFESSIONAL  
LAND SURVEYOR

OREGON  
JULY 17, 1981  
FREDERICK A. AST, Jr.  
1938  
RENEWAL DATE 12/31/07

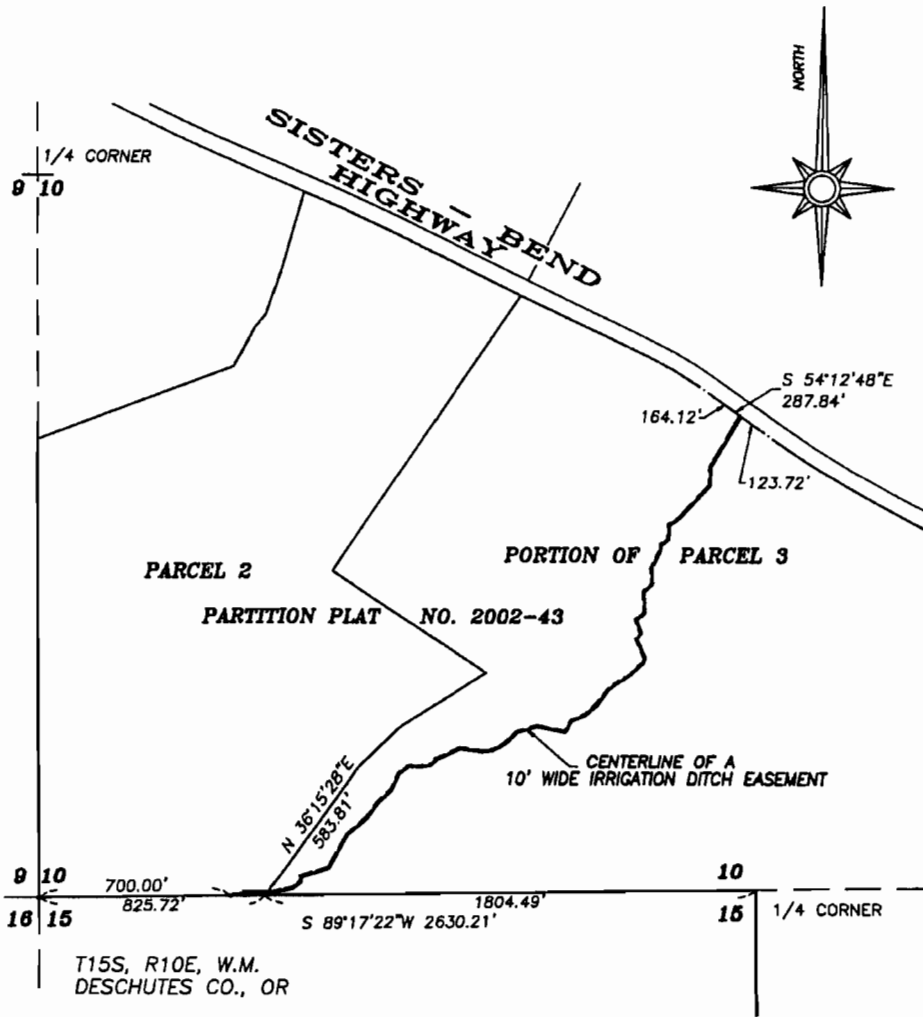
**RECEIVED**  
APR 21 2009  
WATER RESOURCES DEPT  
SALEM, OREGON



# EXHIBIT MAP

## 10' WIDE IRRIGATION DITCH EASEMENT

OVER AND ACROSS PORTIONS OF PARCEL 2 AND 3, PARTITION  
PLAT NO. 2002-43, SITUATED IN SECTION 10, T15S,  
R10E, W.M., DESCHUTES COUNTY, OREGON



T15S, R10E, W.M.  
DESCHUTES CO., OR

REGISTERED  
PROFESSIONAL  
LAND SURVEYOR

OREGON  
JULY 17, 1981  
FREDERICK A. AST, Jr.  
1938

RENEWAL DATE 12/31/07

500 0 500 1000 1500

2/13/08 00-026/rev\_0wp/1p-02-1 Int:case:Parcel11&13.dwg

GRAPHIC SCALE: 1"=500'

PAGE 1 OF 5

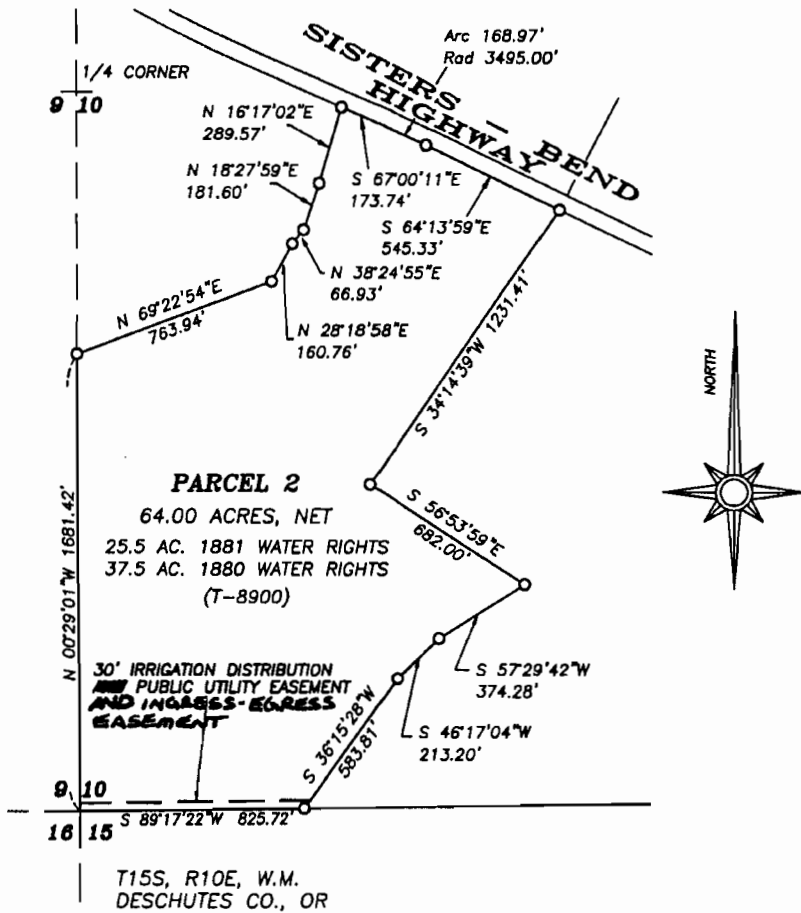
Fred A. Ast, Jr. and Associates 250 W. Cascade Ave. P.O. Box 751 Sisters, OR 97759 541-549-7851

RECEIVED

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

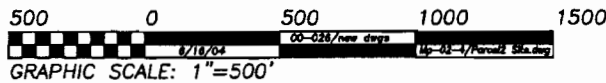
**EXHIBIT MAP**  
**30' WIDE IRRIGATION DISTRIBUTION**  
**PUBLIC UTILITY EASEMENT**  
 AND INGRESS-EGRESS EASEMENT  
**OVER AND ACROSS PARCEL 2, PARTITION PLAT NO. 2002-43,**  
**SITUATED IN SECTION 10, T15S, R10E, W.M., DESCHUTES**  
**COUNTY, OREGON**



**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON





**PRELIMINARY TITLE REPORT**

DESCHUTES RIVER CONSERVANCY  
700 N W HILL ST  
BEND, OR 97701

February 23, 2009  
Report #1  
Title Number : 113207  
Title Officer : DEBORAH RAUSCHER

Attn: ZACH TILLMAN

REPORT \$200.00

We are prepared to issue ALTA (06/17/06) title insurance policy(ies) of CHICAGO TITLE INSURANCE COMPANY of OREGON, in the usual form insuring the title to the land described as follows:

Parcel 2 of Partition Flat No. 2002-43, recorded May 7, 2002, in Partition Cabinet 2, Page 292, Deschutes County, Oregon.

Vestee:

*LAZY Z. MEADOWS, LLC, an Oregon Limited Liability Company*

Dated as of February 23, 2009 at 7:30 a.m.

Schedule B of the policy(ies) to be issued will contain the following general and special exceptions unless removed prior to issuance:

**GENERAL EXCEPTIONS:**

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Facts, rights, interests or claims which are not shown by the Public Records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the Public Records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment (of existing improvements located on the subject Land onto adjoining Land or of existing improvements located on adjoining Land onto the subject Land) encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the subject Land.
5. Any lien, or right to a lien, for services, labor, material, equipment rental or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
6. Unpatented mining claims whether or not shown by the Public Records.

EXCEPTIONS 1 THROUGH 6 ABOVE APPLY TO STANDARD COVERAGE POLICIES AND MAY BE MODIFIED OR ELIMINATED ON AN EXTENDED COVERAGE POLICY.

**RECEIVED**

APR 21 2009

**SPECIAL EXCEPTIONS:**

Taxes assessed under Code No. 6-002 Map and Tax Lot Number 15 10 10 00 00705  
Account No. 206568

NOTE: The 2008-2009 Taxes: \$229.78, Paid in full.

Taxes assessed under Code No. 6-008 Map and Tax Lot Number 15 10 10 00 00705  
Account No. 206569

NOTE: The 2008-2009 Taxes: \$1,391.91, Paid in full.  
(Includes \$188.00, Fire Patrol)

7. Taxes deferred, as disclosed by the tax roll, the premises herein described have been zoned or classified for farm use. At any time that said land is disqualified for such use the property will be subject to additional taxes or penalties and interest.
8. Regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals of Three Sisters Irrigation District.
9. Right of way of lateral or ditch as shown on the Deschutes County Assessor's Map.
10. The rights of the public in and to that portion of the herein described property lying within the limits of public roads, streets or highways.
11. A copy of the terms and provisions of the operating agreement of Lazy Z Meadows, LLC, an Oregon Limited Liability Company should be furnished for our examination prior to closing. Any conveyance or encumbrance of limited liabilities companies' property must be executed by all of the members unless otherwise provided for in the operating agreement. In addition, if there have been any changes in membership from the date of original creation of the limited liabilities companies to the present date of approval of withdrawal and acceptance of the new member should be furnished for our examination.
12. Rights of way and easements for ditches, canals and reservoir sites as disclosed in instrument recorded January 19, 1917, in Book 20, Page 39, Deed Records.
13. Reservation of ingress and egress to maintain ditch as disclosed in instrument recorded September 15, 1950, in Book 94, Page 518, Deed Records.
14. Easement, including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein  
As granted to: Central Electric Cooperative, Inc.  
Recorded: June 12, 1964  
Book-Page: 139-435, Deed Records
15. Disclaimer regarding legal lots as disclosed in instrument recorded April 10, 2000, in Volume 2000, Page 13924, Deschutes County Records.
16. Nonexclusive Access Easement Agreement, including the terms and provisions thereof, between Lazy Z Partners, LLC and William G. Willitts and Patricia Z. Willitts, Trustees of the William G. Willitts and Patricia Z. Willitts 1988 Trust, as Restated, recorded October 15, 2001, in Volume 2001, Page 50599, Deschutes County Records.

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
SALEM OREGON

17. Nonexclusive Affirmative Easement Appurtenant Agreement, including the terms and provisions thereof, between William G. Willitts and Patricia Z. Willitts, Trustees of the William G. Willitts and Patricia Z. Willitts 1988 Trust, as Restated, and Lazy Z Partners, LLC, recorded October 15, 2001, in Volume 2001, Page 50600, Deschutes County Records.
18. Development Agreement, including the terms and provisions thereof, between Squaw Creek Irrigation District and Lazy Z Partners, LLC, recorded May 14, 2002, in Volume 2002, Page 26416, Deschutes County Records.
19. Covenants, Conditions and Restrictions, but omitting any Covenants or Restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as contained in instrument recorded February 24, 2006, in Volume 2006, Page 12897, Deschutes County Records.
20. Easements for ingress and egress, irrigation and utilities as disclosed in instrument February 24, 2006, in Volume 2006, Page 12897, Deschutes County Records.
21. Deed of Trust, including the terms and provisions thereof, to secure an indebtedness of the amount herein stated.  
Amount: \$455,000.00  
Dated: February 10, 2006  
Recorded: February 24, 2006  
Volume-Page: 2006-12898, Deschutes County Records  
Grantor: Lazy Z Meadows, LLC  
Trustee: Western Title and Escrow  
Beneficiary: Bank of the Cascades  
(Said Deed of Trust is a Line of Credit Deed of Trust)
22. Deed of Trust, including the terms and provisions thereof, to secure an indebtedness of the amount herein stated.  
Amount: \$110,000.00  
Dated: February 10, 2006  
Recorded: February 24, 2006  
Volume-Page: 2006-12899, Deschutes County Records  
Grantor: Lazy Z Meadows, LLC  
Trustee: Western Title and Escrow  
Beneficiary: Bank of the Cascades  
(Said Deed of Trust is a Line of Credit Deed of Trust)
23. Easement, including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein  
As granted to: Central Electric Cooperative, Inc.  
Recorded: April 9, 2007  
Volume-Page: 2007-20456, Deschutes County Records

NOTE: The property address as shown on the Assessor's Roll is:  
68589 Hwy 20, Bend, Oregon 97701

NOTE: As of the date hereof, there are no matters against Lazy Z. Meadows, LLC, an Oregon Limited Liability Company which would appear as exceptions in the policy to issue, except as shown herein.

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
BEND, OREGON

Order No. 113207  
Page 4

NOTE: Any map or sketch enclosed as an attachment herewith is furnished for information purposes only to assist in property location with reference to streets and other parcels. No representation is made as to accuracy and the company assumes no liability for any loss occurring by reason of reliance thereon.

This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued and the full premium paid.

**AmeriTitle**

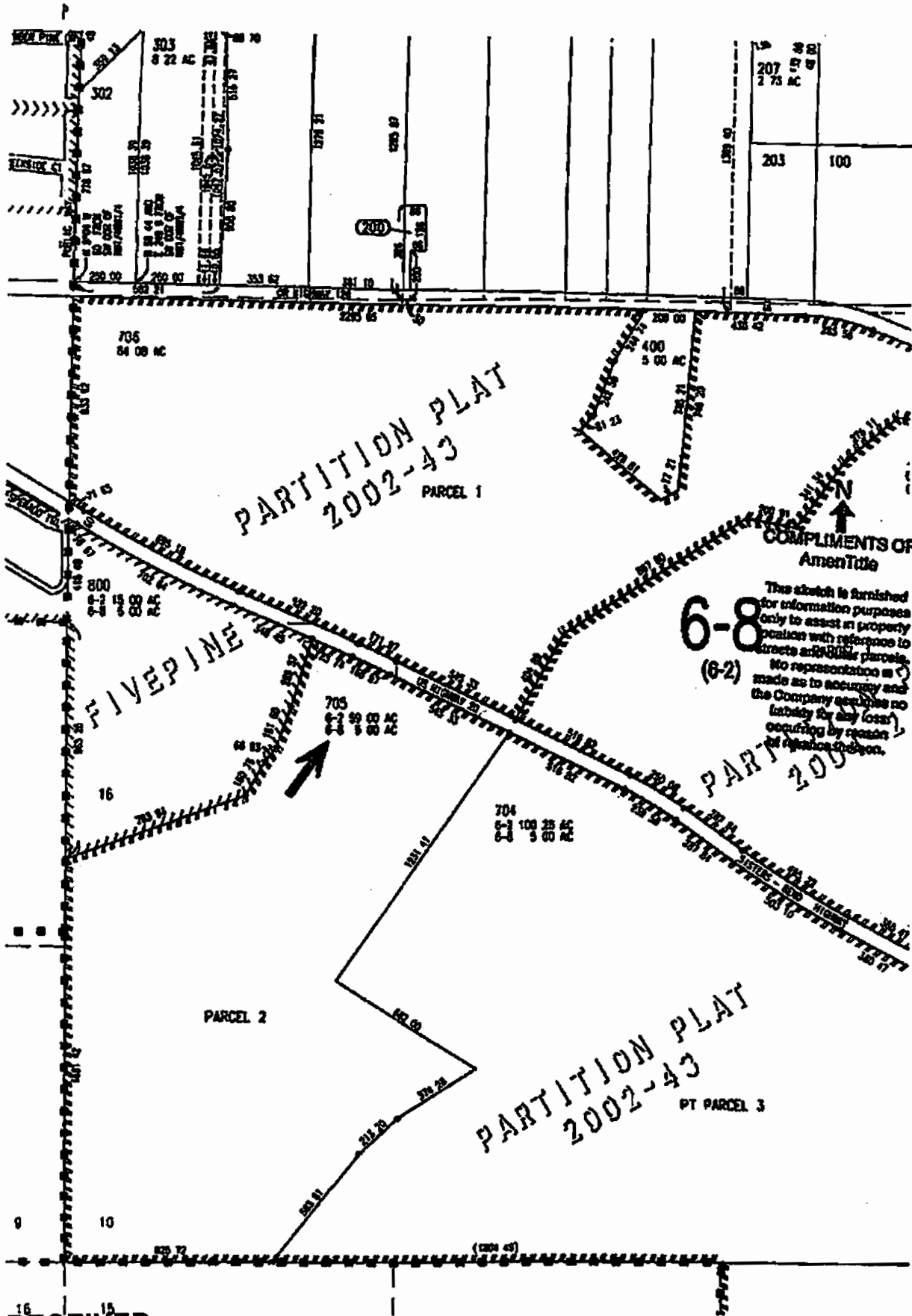
By: Deborah Rauscher  
Deborah Rauscher  
DR:kg

*"Superior Service with Commitment and Respect for Customers and Employees"*

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON



RECEIVED

APR 21 2009

SALEM, OREGON





D-0L Cnt=1 Str=4 SRB  
\$50.00 \$11.00 \$10.00 \$5.00

**AFTER RECORDING RETURN TO:**

Three Sisters Irrigation District  
P.O. Box 2230  
Sisters, Oregon 97759

**THREE SISTERS IRRIGATION DISTRICT  
ORDER OF LAND EXCLUSION**

WHEREAS, Lazy Z Meadows, LLC (the "Petitioner(s)"), has filed with the Board of Directors of the Three Sisters Irrigation District (the "District") a Petition requesting a change of the District boundary and the exclusion from the District of the following described land: see Exhibit A (attached and incorporated by this reference);

AND WHEREAS, the Board of Directors of the District has published notices in the manner prescribed by ORS 545.059 that said Petition would be heard at the regular meeting of the Board of Directors held in the District office at 68000 Highway 20 West, Sisters, Oregon, on March 3, 2009 as designated in said notices, with said notices directing that any and all persons interested in said Petition should appear before the Board and show cause why said Petition should not be approved;

AND WHEREAS, the Board of Directors has concluded from an examination of the file in connection with this action that it was in all ways regular and legal, and that no persons or interested parties have appeared to object to the Petition or the exclusion of such land within the District as requested;

AND WHEREAS, Petitioner(s) has/have agreed to pay severally its/their pro-rata share of (charges, loans and the interest) thereon previously issued by the District.

AND WHEREAS, Petitioner(s) agree(s) to pay all costs in connection with the processing of, and any and all proceedings under, the Petition;

AND WHEREAS, Petitioner(s) agree(s) that the Board of Directors may condition the Order granting the request of Petitioner(s) to ensure that the exclusion of the land in the District as described in Exhibit A is in the best interest of the District;

AND WHEREAS, Petitioner(s) agree(s) that the Order granting the request of Petitioner(s) may be conditioned on Petitioner's(s) agreement to grant to the District any easement, right-of-way, or access as may be requested by the District; to consent to any District maintenance, construction, or improvement project or activity (including the piping of existing open ditch or canal) as may be requested by the District; and to take any other action or engage in any other activity as determined by the Board of Directors in order for the Board of Directors to conclude that the exclusion of the land in the District as described in Exhibit A is in the best interest of the District;

AND WHEREAS, it is the policy of the District not to allow any water rights to leave the District boundaries, this exclusion is governed by a prior inclusion agreement dated October 1, 2001. This agreement predicated inclusion upon future exclusion of this property, as stated herein;

AND WHEREAS, the Board of Directors, pursuant to ORS 545.097 -545-126, has determined that in order for the exclusion of the land in the District as described in Exhibit A to be in the best interest of the District, the Petitioner(s) shall agree, and by virtue of the executed attachments has/have agreed, to the following:

Incorporating the above recitals as if stated herein;

**RECEIVED**

APR 21 2009

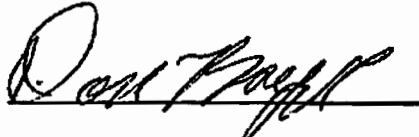
NOW IT IS HEREBY ORDERED that the above-described lands, as described in Exhibit A, be, and the same are hereby, excluded within the boundaries of the Three Sisters Irrigation District.

IT IS FURTHER ORDERED that this Order be filed in the office of the county clerk of Deschutes County, Oregon, and recorded in the County records.

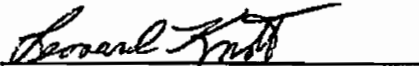
DATED and SIGNED at Sisters, Oregon, this 3 day of March, 2009.

**THREE SISTERS IRRIGATION DISTRICT**

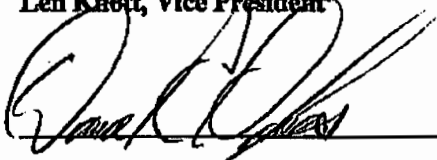
**BOARD OF DIRECTORS:**



**Don Boyer, President**



**Len Knott, Vice President**



**Dana Dykes, Secretary/Treasurer**

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

STATE OF OREGON, County of Deschutes, SS:

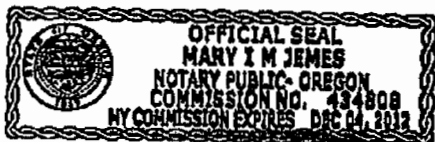
Don Boyer, Board President, Three Sisters Irrigation District, acknowledged this instrument before me on this 11 day of March 2009.



Mary I M James  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 12/4/2012

STATE OF OREGON, County of Deschutes, SS:

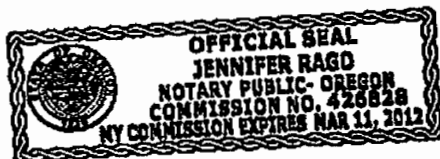
Len Knott, Board Vice-President, Three Sisters Irrigation District, acknowledged this instrument before me on this 9<sup>th</sup> day of March 2009.



Mary I M James  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 12/04/2012

STATE OF OREGON, County of Deschutes, SS:

Dana Dykes, Board Secretary/Treasurer, Three Sisters Irrigation District, acknowledged this instrument before me on this 9<sup>th</sup> day of March 2009.



Jennifer Rago  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: March 11, 2012

D:\Data\CLIENT FILES\THREE SISTERS IRRIGATION\LAZY Z PARTNERS LLC 5354.043\Order of Land Exclusion Final EAD 3.3.09.doc

RECEIVED

3

APR 21 2009

# Exhibit A

## THREE SISTERS IRRIGATION DISTRICT

### PETITION FOR EXCLUSION OF LANDS WITHIN THE DISTRICT

In accordance with Oregon Revised Statutes Ch. 545.097-545.126, Lazy Z Meadows LLC, ("Petitioner") petitions the Three Sisters Irrigation District ("District") to exclude and take certain tracts of land from the District, more particularly described in "Exhibit A," attached and incorporated by this reference, ("Subject Property"). The boundaries of the Subject Property are stated as required by law.

The Subject Property comprises a gross area of 64 acres, and water rights appurtenant thereon cover 63 acres, as described or depicted in "Exhibit B," attached and incorporated by this reference, ("Water Rights").

Petitioner's reason for exclusion is that petitioner no longer requires delivery of water to their property as described in "Exhibit B".

Petitioner further requests that, upon the recording of an Order granting Petitioner's request for Exclusion, the Subject Property shall no longer be liable for future obligations and indebtedness of the District. However Petitioner agrees to pay to the District for all past assessments due and payable, arising from the Petitioner's pro rata share of all charges, loans and the interest thereon previously issued by the District. These charges are listed on "Exhibit C," attached and incorporated by this reference, ("Sums Due and Payable.") Petitioner shall tender payment of Sums Due and Payable in full to the District as a condition of completion of the Exclusion, and shall be paid prior to District recording the Order of Exclusion in County land records. Charges listed in Exhibit C represent all costs to petitioner

In addition, Petitioner agrees to satisfy the following conditions, as specified by ORS 545.097, 545.099 and 545.126, prior to recording:

- 1) Petitioner shall pay all costs and fees incurred by District in connection with the consideration and processing of this Petition, up to and including completion of the Exclusion process as listed on Exhibit C.
- 2) Petitioner shall grant to the District all necessary easements, rights-of-way, or accesses as may be required by the District. Such grant shall include District rights to perform necessary maintenance, construction, or improvement project or other operational activities, including, but not limited to piping of existing open ditches or canals, as may be required by the District. This grant shall be made in substantial conformance with the attached "Grant of Right-of-Way," attached as "Exhibit D" and incorporated by this reference.
- 3) Petitioner shall sign an Oregon Water Resources Department POD transfer form

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

to transfer the point of diversion ("POD") from the existing POD of the Uncle John Ditch to the District Main Canal POD, as required by the Oregon Water Resources Department.

4) It is acknowledged by the parties that currently, maintenance of the Uncle John Ditch lateral, from the diversion at Whychus Creek, through United States Forest Service lands, to the last D-box south of the southwest corner of the Lazy Z Ranch is the sole responsibility of Lazy Z Meadows and the City of Sisters. Upon the recording of an Order granting Petitioner's request for Exclusion, District shall release Petitioner from maintenance obligations, since they will no longer be receiving water delivered through the Uncle John Ditch. In exchange for this release, Petitioner shall assign all interest in the Uncle John Ditch to District.

Petitioner warrants that it has full authority to make this Petition as owner of the Subject Property and beneficiary of the Water Rights, and warrants and represents that all of the obligations contained herein are within Petitioner's legal authority to so promise.

It is the intent of Petitioner that this Petition, if granted, shall be subject to benefits and burdens that shall run with the land and shall be binding on and inure to Petitioner's heirs, successors, and assigns.

In the event that Petitioner does not fulfill all of its obligations under this Petition or the resulting documents to follow in the Exclusion process, District may rescind grant of this Petition and thus include the Subject Property and appurtenant Water Rights into the District. Petitioner agrees to be responsible for and liable to the District for all costs incurred and fees associated with such failure to fulfill obligations and rescission.

Petitioner: Jeffrey England - LAZY Z MEADOWS LLC

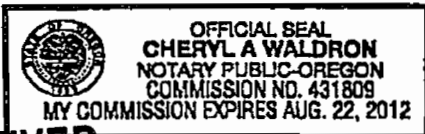
Printed Name: JEFFREY S. ENGLAND

Date: 2/18/09

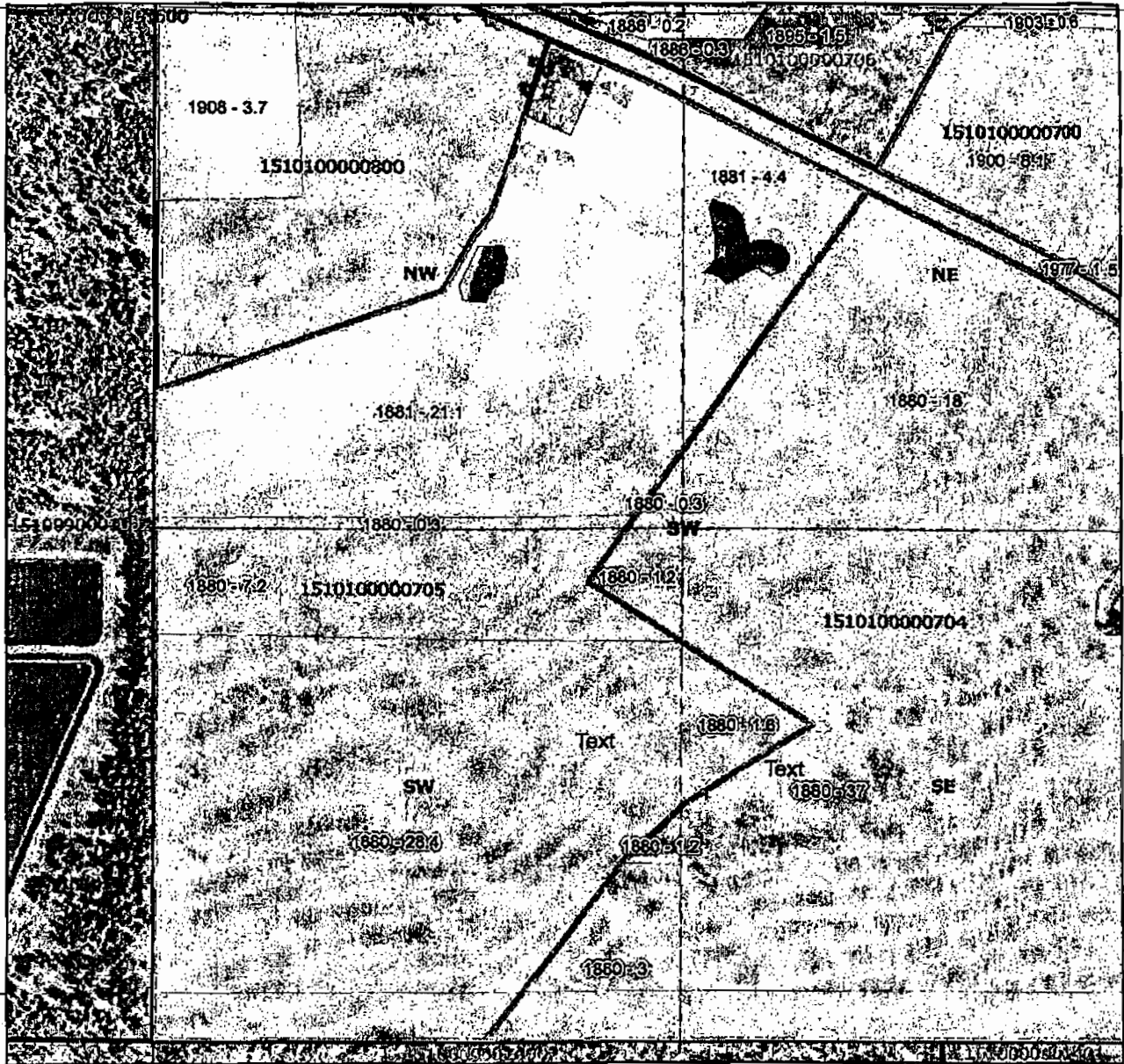
STATE OF OREGON )  
 )ss.  
County of Deschutes )

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of February, 2009, by Jeffrey England, Petitioner.

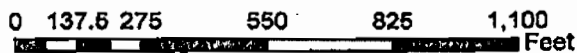
Cheryl A. Waldron  
NOTARY PUBLIC FOR OREGON



RECEIVED  
APR 21 2009



Lazy Z Meadows LLC Property & Water Rights Map  
 15S-10EWM-Section 10 Tax Lot 705  
 Exhibit B



**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
 OREGON

**Exhibit C**

**Lazy Z Meadows LLC Sums Due and Payable**

TSID BOC Mortgage	\$945.37
TSID BOC DH-1 Remodel	\$217.20
TSID Flex-Lease Loan	\$1,340.76
Account Fee & Capital Charges	\$741.00
Advertising Exclusion in the Nuggett	\$224.57
Deschutes County Recording Costs	\$61.50
<b>Total</b>	<b>\$3,530.40</b>

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON

**Exhibit D**

Recorded at the Request of and  
After Recording, Return to:  
Three Sisters Irrigation District  
P.O. Box 2230  
Sisters, OR 97759

**EASEMENT**  
(Grant of Right of Way)

Lazy Z Meadows LLC      "Grantor"

Three Sisters Irrigation District,      "Grantee"  
An Oregon Municipal Corporation

Grantor is the owner of real property described on the attached "Exhibit A" (Subject Property) and incorporated by this reference. In exchange for no dollars but other good and valuable consideration, Grantor grants to Grantee a non exclusive maintenance and operations right-of-way over and through Grantor's real property on the ditch commonly known as the Uncle John Ditch as follows:

From Whychus Creek (identified as the Reed Ditch on the 1909 Squaw Creek Adjudication Map) with the point of diversion in the SW 1/4 SW 1/4 of Section 21, T. 15S., R.10E. W.M. and running in a Northeasterly direction to the Southwest corner of the Lazy Z Ranch located near the Southwest corner of Section 10, Township 15 South, Range 10 East, W.M.

And also across and through Grantor's real property as follows:

The centerline description of a 20' non exclusive easement for an existing delivery ditch from the Uncle John Ditch located beginning at a point which is 85' east of the southwest corner of Section 10, Township 15 South, Range 10 East, W.M. on the south line of said section ; thence North approximately 65'; thence N 36 degrees W – approximately 45'; thence N 61 degrees W – approximately 71' to a point which is 10' East of the west line of Section 10; thence Northerly on a line 10.0 feet east of and parallel to the west line of Section 10, to a point of intersection with the northern boundary of subject property (parcel 2 of Partition Plat 2002-43)

Grantor makes this grant to Grantee as an irrevocable and perpetual right to come onto the Subject Property in a reasonable manner, at all reasonable times, for the purpose of inspecting, operating, repairing, maintaining and performing necessary operational functions to the irrigation water transmission system located in the areas described above.

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
SALEM OREGON



**INDEMNIFICATION.** Grantee agrees to indemnify and defend Grantor from any liability to any third party, which arises in any manner out of the exercise by Grantee of its rights under this Easement.

Grantor: Jeffrey S. England - LAZY Z MEADOWS LLC

Printed Name: JEFFREY S. ENGLAND

Title: MEMBER

STATE OF OREGON )  
County of Deschutes ) ss.

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of February, 2009, by Jeffrey England.



Cheryl A. Waldron  
NOTARY PUBLIC FOR OREGON

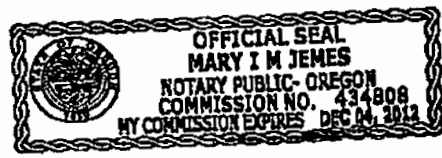
Grantee: Don Boyer

Printed Name: DON BOYER

Title: PRES.

STATE OF OREGON )  
County of Deschutes ) ss.

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of March, 2009, by Don Boyer.



Mary I M. Jemes  
NOTARY PUBLIC FOR OREGON

**RECEIVED**

APR 21 2009

WATER RESOURCES DEPT  
SALEM, OREGON