

FIRST AMENDMENT TO SETTLEMENT AGREEMENT

On May 24, 2014, the City of Oregon City (City), the South Fork Water Board (SFWB), the Clackamas River Water District (CRW), the Sunrise Water Authority (SWA) and the Clackamas Regional Water Supply Commission (CRWSC) entered into a Settlement Agreement to address LUBA litigation over the adoption of a 190 Agreement between CRW and SWA to create the CRWSC.

Section II.C of the Settlement Agreement states that, within two years of the execution of the Settlement Agreement, the Parties will reach an agreement regarding a methodology to determine the value of CRW assets for which CRW will be compensated upon withdrawal.

It now appears that the Parties will not be able to reach such an agreement within the two years contemplated by the Settlement Agreement and that, therefore, the Settlement Agreement should be amended for an additional period to allow the Parties to reach such an agreement.

ACCORDINGLY, THE SETTLEMENT AGREEMENT IS AMENDED AS FOLLOWS

Page 3 of 4, Section II, Agreement, Item C, the last sentence shall be replaced in its entirety to read:

Within the next four years, the Parties will reach an agreement regarding a methodology to determine the value of CRW assets for which CRW will be compensated upon withdrawal.

All other terms and provisions of the Settlement Agreement not expressly amended above shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year hereinafter written.

CLACKAMAS RIVER WATER DISTRICT

By: _____

Title: _____

Date _____

CITY OF OREGON CITY

By: _____

Title: _____

Date _____

CLACKAMAS REGIONAL WATER SUPPLY
COMMISSION

By: _____

Title: _____

Date _____

SOUTH FORK WATER BOARD

By: _____

Title: _____

Date _____

SUNRISE WATER AUTHORITY

By: _____

Title: _____

Date _____