BEFORE THE OREGON WATER RESOURCES DEPARTMENT

In the Matter of Water Right Applications G-15241,)
G-15243, G-15244, and S-85336 in the name of ⟩
Springfield Utility Board ⟩   **SETTLEMENT**
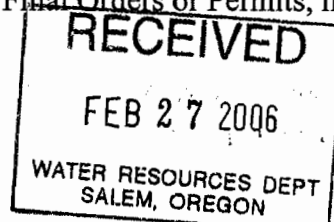   *Applicants and Protestants* ⟩   **AGREEMENT**
⟩

The Oregon Water Resources Department ("OWRD") and Springfield Utility Board ("Applicant"), referred to collectively as "the Parties" and each individually a "Party," do hereby stipulate and agree in this "Settlement Agreement" as follows:

Stipulations

I.   On December 11, 2000, Applicant submitted Applications G-15241, G-15243, and G-15244. These applications proposed to use water from various wells in the vicinity of Cedar Creek for municipal use. On February 9, 2001, OWRD determined that the applications would have the potential for substantial interference with Cedar Creek which, if not mitigated, would result in denial of the applications. On November 8, 2002, Applicant submitted application S-85336. In addition to proposing to use water from the McKenzie River for municipal use, Applicant proposed in S-85336 to mitigate the impacts to Cedar Creek by the use of water from the wells, by diverting water from the McKenzie River into Cedar Creek.

II.   On November 8, 2005, OWRD issued Proposed Final Orders ("PFOs") for Applications G-15241, G-15243, G-15244, and S-85336, recommending approval of all four applications.

III.   On December 19, 2005, Applicant protested all four PFOs. All four protests were timely filed.

IV.   OWRD and Applicant agree that all issues raised in Applicant's protests against the PFOs for Applications G-15241, G-15243, G-15244, and S-85336 are resolved solely on the following terms.
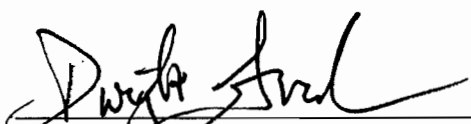
Terms of Agreement

1.   In signing this Settlement Agreement, and contingent on OWRD performing in accordance with this Settlement Agreement, Applicant withdraws its protests to the PFOs for Applications G-15241, G-15243, G-15244, and S-85336 with prejudice.

2.   Regarding Applications G-15241, G-15243, G-15244, and S-85336, upon full performance under this Settlement Agreement, Applicant expressly waives all right and opportunity to file a protest or request for contested case hearing, request for reconsideration, exceptions, or to seek judicial review of the Final Orders or Permits, in

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addition to waiving any right and opportunity to challenge this Settlement Agreement.
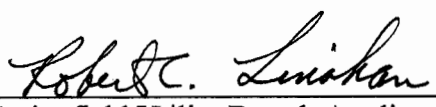
3.   After Applicant signs this Settlement Agreement, it will mail the signed original back to Oregon Water Resources Department, ATTN: Mike Reynolds, 725 Summer St. NE Suite A, Salem OR 97301-1266.

4.   Within 30 days after OWRD receives the original Settlement Agreement signed by OWRD and Applicant, OWRD will issue Final Orders and Permits that are consistent with the Draft Final Orders and Draft Permits attached to this Settlement Agreement. The Final Orders will incorporate this Settlement Agreement by reference and as an attachment.

5.   Each Party to this Settlement Agreement represents, warrants, and agrees that the person who executed this Settlement Agreement on its behalf has the full right and authority to enter into this Settlement Agreement on behalf of that Party and bind that Party to the terms of this Settlement Agreement.

6.   Each Party to this Settlement Agreement certifies that they have had a reasonable opportunity to review and request changes to the Settlement Agreement, and that they have signed this Settlement Agreement of their own free will and accord. Each Party to this Settlement Agreement also certifies that it has read the entire Settlement Agreement, Draft Final Orders, and Draft Permits, and understands and fully agrees with the contents thereof.

7.   This Settlement Agreement may be signed in counterparts.

_____   2-14-06
Dwight French, Administrator,   Date
Water Rights and Adjudications Division
for
Phillip C. Ward, Director
Oregon Water Resources Department
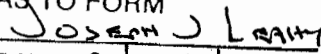725 Summer St. NE, Suite A
Salem, OR 97301

_____   2/24/06
Springfield Utility Board, Applicant   Date

REVIEWED & APPROVED
AS TO FORM
Joseph J Leahy
DATE: 2 24 06
LEGAL COUNSEL
SPRINGFIELD UTILITY BOARD

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