

## SETTLEMENT AGREEMENT

BETWEEN: Crooked River Ranch Special Road District ("District")  
AND: Crooked River Ranch Club and Maintenance Association ("Association")  
DATED: June 27, 2000 (Amended June 27, 2010)

This Settlement Agreement ("Agreement") is by and between the Crooked River Ranch Special Road District ("District") and the Crooked River Ranch Club and Maintenance Association ("Association") and is effective June 27, 2000. (Amended June 27, 2010)

### RECITALS

A. The District is a special road district established and authorized pursuant to ORS 371.305 to 371.360.

B. The Association is a private, not for profit, corporation with those powers provided in its articles and bylaws and state law.

E. The parties are engaged in a dispute regarding authority and jurisdiction over the public roads within the boundaries of the District. The dispute precipitated a lawsuit by the District, captioned "Crooked River Ranch · Special Road District v. Crooked River Ranch Club and Maintenance Association." Jefferson County Case No. 99CVOO52 (the "Litigation").

D. It is the purpose of this Agreement to resolve the Litigation and the disputed issues between the parties.

NOW THEREFORE, the parties mutually agree as follows:

### AGREEMENT

1. **Authority and Jurisdiction.** The parties agree that the District has primary authority and jurisdiction over the public roads within the boundaries of the District, including authority over improvements, construction, reconstruction and maintenance of all public roads except roads accepted by Deschutes or Jefferson County.

2. **Stipulated Decree.** The parties shall cause to be entered a stipulated decree in the Litigation consistent with the provisions of paragraph 1 above, and Association shall dismiss its counterclaim with prejudice.

3. **Election of District Board Members.** The District Board members are elected pursuant to ORS 371.318.

4. Road Maintenance. The District delegates to the Association the authority to perform road maintenance on District roads. The District shall determine, and the Association shall comply with District road maintenance standards. Current levels of maintenance by the Association shall be maintained.

5. Notice of Maintenance. The Association shall notify the District of all regular or anticipated maintenance activities and projects to be performed on District roads at least ten (10) days prior to commencement. Notification of emergency maintenance shall be given to the District as soon as practicable. All notices shall be in writing.

6. Notice of improvements. The District shall notify the Association of all regular improvements to be performed by the District on District roads at least thirty (30) days prior to commencement of such improvements. Such notice shall be in writing.

7. Coordination. The parties agree to coordinate their planning and road projects. To this end, the District shall notify the Association road superintendent of all regular and special District Board meetings, and the Association, shall cause attendance by the superintendent. The Association shall notify the District of all regular or special Board meetings at which road issues are to be discussed, and the District shall cause a representative of the Board to attend. Such notices shall include the date, time, and place of such meetings and the proposed agenda, if any. Notices shall be given at least seven (7) days in advance of regular meetings and twenty-four (24) hours in advance of special meetings. All regular and special meetings of each Board shall be open to the other party, except executive sessions as allowed by law. At any meeting of either Board at which road improvements or maintenance projects, budgets or expenditures are discussed, such Boards shall permit the representative of the other Board to comment orally or in writing on such matters.

8. Purchase Road Equipment. The Association may request that the District purchase road equipment and the District will do so upon payment of the costs of such purchases by the Association.

9 Insurance. Subject to the availability of insurance coverage from District's current insurer, District will add Association as an additional named insured for liability coverage. Such coverage shall include negligence, but exclude gross negligence, malfeasance and willful or wanton neglect of duty. Association will insure its own vehicles. Such coverage shall not exceed tort claim limits.

10. Term. The term of this agreement shall be ten (10) years from the date of execution. Unless a party notifies the other party in writing at least 90 days prior to termination, this agreement shall automatically renew for an additional five (5) year term. The parties may terminate the agreement at any time by mutual agreement in writing. The termination provisions in this paragraph shall be subject to any vote of the District voters which may be inconsistent with such provisions.

11. New Agreement. Prior to the end of the initial term of this Agreement, the parties shall meet to negotiate a new agreement.

12. Mediation/Arbitration. In the event of any dispute between the parties regarding the meaning, application, or compliance with any term of this Agreement, or in the event of failure to agree on maintenance standards, the parties agree to submit the dispute first to mediation before a mediator selected and paid for equally by the parties, and then, if not

settled, to binding arbitration before a single arbitrator pursuant to the arbitration statutes of the State of Oregon. This paragraph shall preclude a party from seeking injunctive relief in Circuit Court to enjoin any breach or violation hereof.

13. Integration. This Agreement is the entire agreement between the parties.

14. Attorney Fees. In any arbitration or litigation between the parties arising from this Agreement, the prevailing party shall be entitled to recover its costs, disbursements, and reasonable attorney fees at trial and on appeal. This section shall not apply to a mediation or arbitration regarding maintenance standards.

**CROOKED RIVER RANCH SPECIAL  
ROAD DISTRICT**

**Chairman** Vincent C Pelly Sr **Vincent C Pelly Sr**

**Secretary** John H Williams **John Williams**

**Treasurer** Clarence Palm **Clarence Palm**

**CROOKED RIVER RANCH CLUB  
AND MAINTENANCE ASSOCIATION**

**President** Frank Ferraro **Frank Ferraro**

**Vice President** Ted Cook **Ted Cook**

**Secretary** George Lynn **George Lynn**

**Treasurer** Paul Nemitz **Paul Nemitz**

**Director** Frank Wood **Frank Wood**

**Director** Vona E. Huggins-Nichols **Vona Huggins-Nichols**

**Director** Phil Sroufe **Phil Sroufe**

**Director** Jay Nordin **Jay Nordin**

**Director** Vince Pelly Sr **Vince Pelly Sr**