

MEMORANDUM OF SUBDIVISION AGREEMENT

BE IT REMEMBERED, on the 4th day of January, 1999, the City of Klamath Falls, an Oregon municipal corporation (CITY), and Crown Ridge One of Klamath L.L.C., an Oregon limited liability company, (OWNER) entered into a Subdivision Agreement regarding the construction of public improvements within the subdivision situated in Klamath County, Oregon and described as: Phase I of Crown Ridge Subdivision and more particularly described as:

See Exhibit A

IN WITNESS WHEREOF, the parties have hereunto set their hands this 4th day of January, 1999.

CITY OF KLAMATH FALLS

By: James R. Keller

City Manager

CROWN RIDGE ONE OF KLAMATH L.L.C.

Don Rowlett
Manager

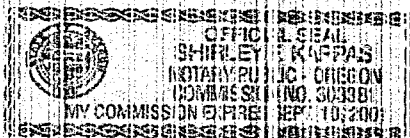
Attest: Elisa D. Olson

City Recorder

STATE OF OREGON } ss.
COUNTY OF KLAMATH

On the 4th day of January, 1999, personally appeared James R. Keller and Elisa D. Olson, who, each being first duly sworn, did say that the former is the City Manager and the latter is the City Recorder of the City of Klamath Falls, an Oregon municipal corporation, and that the instrument was signed on behalf of said municipal corporation, and each of them acknowledged said instrument to be its voluntary act and deed.

BEFORE ME:

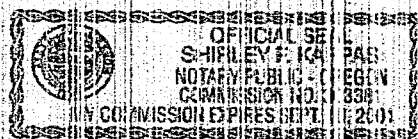


Shirley E. Kappas
Notary Public for Oregon
My Commission Expires: 9-10-01

STATE OF OREGON } ss.
COUNTY OF KLAMATH

On the 4th day of January, 1999, appeared Don Rowlett acting as Manager for Crown Ridge One of Klamath L.L.C. signed said instrument on behalf of Crown Ridge One of Klamath L.L.C. and acknowledged such to be its voluntary act and deed.

BEFORE ME:



Shirley E. Kappas
Notary Public for Oregon
My Commission Expires: 9-10-01

AFTER RECORDING RETURN TO:
Klamath Falls City Recorder
P.O. Box 237
Klamath Falls, OR 97601

EXHIBIT "A"

BEGINNING AT THE INITIAL POINT ON THE NORTH LINE OF THE SE 1/4 OF SECTION 20, SAID TOWNSHIP AND RANGE, FROM WHICH THE 1/4 CORNER COMMON TO SECTIONS 20 AND 21, SAID TOWNSHIP AND RANGE, BEARS NORTH 87°30'33" EAST 414.70 FEET; THENCE SOUTH 02°19'29" EAST 110.05 FEET; THENCE NORTH 87°40'31" EAST 18.00 FEET; THENCE SOUTH 02°19'29" EAST 300.00 FEET; THENCE NORTH 87°40'31" EAST 16.83 FEET; THENCE SOUTH 02°19'29" EAST 193.94 FEET TO THE NORTH LINE OF "TRACT 1263 - QUAIL RIDGE SUBDIVISION", THENCE ALONG SAID NORTH LINE SOUTH 87°25'56" WEST 110.43 FEET; THENCE LEAVING SAID NORTH LINE NORTH 02°34'04" WEST 134.41 FEET; THENCE SOUTH 87°40'31" WEST 394.74 FEET; THENCE ALONG THE ARC OF A 70.00 FOOT RADIUS CURVE TO THE LEFT 110.29 FEET, THE LONG CHORD OF WHICH BEARS SOUTH 42°32'25" WEST 99.23 FEET (DELTA ANGLE = 96°10'13"); THENCE SOUTH 02°35'42" EAST 66.06 FEET TO THE NORTH LINE OF SAID "TRACT 1263 - QUAIL RIDGE SUBDIVISION"; THENCE ALONG SAID NORTH LINE SOUTH 87°25'56" WEST 169.00 FEET TO THE NORTHWEST CORNER OF LOT 3, BLOCK 1 OF SAID "TRACT 1263 - QUAIL RIDGE SUBDIVISION"; THENCE ALONG THE WEST LINE OF SAID "TRACT 1263 - QUAIL RIDGE SUBDIVISION" SOUTH 02°35'42" EAST 393.23 FEET TO A POINT ON THE NORTHERLY LINE OF LOT 37 BLOCK 5, "TRACT 1145 - NOB HILL REPLAT"; THENCE ALONG SAID NORTHERLY LINE AND THE EXTENSION THEREOF, SOUTH 63°38'18" WEST 85.15 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF RIDGE CREST DRIVE; THENCE ALONG THE WESTERLY RIGHT OF WAY LINE OF SAID RIDGE CREST DRIVE, ALONG THE ARC OF A 570.00 FOOT RADIUS CURVE TO THE RIGHT 15.35 FEET, THE LONG CHORD OF WHICH BEARS SOUTH 25°42'19" EAST 15.35 FEET (DELTA ANGLE = 178°45"); THENCE SOUTH 85°48'22" WEST 100.01 FEET; THENCE ALONG THE ARC OF A 570.00 FOOT RADIUS CURVE TO THE LEFT 75.03 FEET, THE LONG CHORD OF WHICH BEARS NORTH 28°58'13" WEST 74.98 FEET (DELTA ANGLE = 7°32'33"); THENCE NORTH 32°44'29" WEST 78.63 FEET; THENCE ALONG THE ARC OF A 480.00 FOOT RADIUS CURVE TO THE RIGHT 159.08 FEET, THE LONG CHORD OF WHICH BEARS NORTH 23°14'50" WEST 158.35 FEET (DELTA ANGLE = 18°59'18"); THENCE NORTH 13°45'11" WEST 172.71 FEET; THENCE NORTH 14°17'25" EAST 651.10 FEET TO THE NORTH LINE OF THE SE 1/4 SECTION 20, SAID TOWNSHIP AND RANGE; THENCE ALONG SAID NORTH LINE NORTH 87°56'35" EAST 800.35 FEET TO THE POINT OF BEGINNING, CONTAINING 21.57 ACRES, WITH BEARINGS BASED ON THE PLAT OF "TRACT 1263 - QUAIL RIDGE SUBDIVISION";

STATE OF OREGON: COUNTY OF KLAMATH:

Filed for record at request of City of Klamath Falls de 26th day
 of January A.D. 1999 at 8:56 o'clock P.M., and duly recorded in Vol. 2199
 of Deeds on Page 2790

FEE \$15.00

Linda Smith, County Clerk

by Kathleen Kiser