MEMORANDUM OF ANNEXATION AGREEMENT

BE IT REMEMBERED, on the 17 day of May, 2004, the City of Klamath Falls, an Oregon municipal corporation (CITY), and Jerry O. Anderson, Trustee under Anderson Loving (SIC) Trust, dated October 16, 1990 (OWNER), entered into an irrevocable Annexation Agreement committing the following-described real property:

Beginning at an iron pin which is 30 feet North and 30 feet East of a brass plug marking the intersection of the centerline of the Klamath Falls-Lakeview Highway and a county road to the North and South along the section line between Sections 1 and 2, Township 39 South, Range 9 East of the Willamette Meridian; thence East 1320.0 feet to an iron pipe marking the East boundary of a North-South county road (Patterson St.) and the South boundary of a county road (Simmers Ave.) to the East; thence along the South boundary of said county road to the East, North 88 degrees 55' East 1037.0 feet to a point; thence North 0 degrees 03' East 791.1 feet to an iron pipe which is the true point of beginning of this description; thence South 88 degrees 55' West 95.0 feet to an iron pipe; thence South 88 degrees 55' West 20.3 feet to a point on the centerline of the Enterprise Irrigation District Canal; thence along the said centerline of said canal, South 34 degrees 53' East 9.3 feet; thence South 63 degrees 21' East 29.2 feet; thence South 33 degrees 55 1/2' East 34.2 feet; thence South 12 degrees 16' East 186.9 feet; thence South 27 degrees 25' East, 53.8 feet to a point; thence leaving the centerline of the Enterprise Irrigation District Canal North 0 degrees 03' East 281.5 feet, more or less, to the true point of beginning, and lying in the SE 1/4 NW 1/4 Section 1, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon,

to possible future annexation to the City. Said Annexation Agreement is irrevocable, includes a request to rezone the property following annexation, and is binding upon OWNER and all successive owners of all or part of said Property.

IN WITNESS WHEREOF, the parties have hereunto set their hands this // day of May, 2004.

CITY OF KLAMATH FALLS

JERRY O. ANDERSON, TRUSTEE

COUNTY OF KLAMATH

UNDER ANDERSON LOVING (SIC) TRUST DATED OCTOBER 16, 19907

City Recorder STATE OF OREGON

On the 1st day of May, 2004, personally appeared Jeffrey D. Ball 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.

OFFICIAL SEA SHIRLEY F. KAPPAS NOTARY PUBLIC - OREGON COMMISSION NO. 349468 MY COMMISSION EXPIRES SEPT. 10, 2005

Shule, F- Ke Notary Public for Oregon My Commission Expires: 9-10-05

STATE OF OREGON COUNTY OF KLAMATH

On the 17th day of May, 2004, personally appeared Jerry O. Anderson, Trustee under Anderson Loving Trust dated October 16, 1990, and acknowledged said instrument to be his voluntary act and deed and further acknowledging that the instrument was signed on behalf of said Trust.

BEFORE ME:

OFFICIAL SEAL HEATHER R CRISS OTARY PUBLIC - OREGON COMMISSION NO. 376715 NON EXPIRES MARCH 27, 2008

Notary Public for My Commission Expires:

State of Oregon, County of Klamath Recorded 06/10/2004 2:54 Vol M04 Pg 37273 Linda Smith, County Clerk Fee \$ 2/00 # of Pgs

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