

AFTER RECORDING RETURN TO.

City Recorder Nancy Ide
City of Oregon City
P. O. Box 3040
Oregon City, Oregon 97045-0304



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\$51.00

12/27/2007 11:49:40 AM

D-ANXCON Cnt=1 Str=5 LESLIE
\$25.00 \$16.00 \$10.00

Map No.: 3S2E07D
Tax Lot No.: 600+601+701
Planning No.: AN 07-01

Grantor(s): Donald D. Babst and Vera Maureen Babst

ANNEXATION AGREEMENT

This Annexation Agreement ("Agreement") is entered into by and between Donald D. Babst and Vera Maureen Babst ("Petitioner") and the CITY OF OREGON CITY ("City"), an Oregon municipal corporation on this 3rd day of July 2007.

RECITALS

WHEREAS, Petitioner is the record owner of the property described in Exhibit "A" legal description, located in unincorporated Clackamas County and within the City's Urban Growth Boundary (UGB); and described as follows, to wit:

See attached EXHIBIT "A" Legal description (the "Property") and attached EXHIBIT "B" Sketch for Legal Description; and

WHEREAS, Petitioner has submitted an application to City to annex the Property into the City's corporate limits (City File No. AN 07-01), and the City has accepted and is considering that application; and

WHEREAS, one factor in the City's consideration of Planning File No. AN 07-01 annexation application is whether the City has the capacity or financial resources to provide necessary public services to the Property, most notably law enforcement; and

WHEREAS, City's ability to provide adequate levels of law enforcement to serve the Property is largely dependant upon the availability of funding to pay the cost of these urban services; and

WHEREAS Petitioner recognizes that it is incumbent upon new development to pay the cost of providing urban services and facilities, at sufficient levels, to serve new development, and both parties desire to identify a means by which Petitioner funds the cost of providing law enforcement to the Property if the City consents to annex the Property.

NOW THEREFORE, based on the foregoing Recitals, the mutual covenants provided for in this Agreement, and for valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. The City agrees to review, process and consider Planning File No. AN 07-01 annexation application in the normal course and apply the customary criteria in that process. Execution of this Agreement by the City shall not be construed in any way to be a promise or guarantee that the annexation, or any other land use approval, will be granted by the City.

2. Petitioner agrees that, in the event that the City gives final approval to annex the Property, Petitioner will pay to City a one-time amount of \$3,500.00 for each new dwelling permitted by City to be constructed on the Property to be used for the provision of law enforcement services. The amount provided for in this paragraph shall be due and payable by Petitioner to the City at the time City issues a building permit for each new dwelling on the Property.

3. The City agrees to use any amount paid to it by Petitioner for law enforcement services as provided in Paragraph 2. The funds provided pursuant to this Agreement are intended as a supplement to the City's current funding of its law enforcement and are not intended to serve as replacement for those funds.

4. The parties agree that this Agreement is not, is not intended to be and shall not be construed as, a "development agreement" under ORS 94.504 to 94.528. In the event any form of legal challenge is brought by any entity not a party to this Agreement challenging the Agreement, the City is under no obligation whatsoever to defend the Agreement.

5. Term, extension and modification: If the Property is not annexed to the City by June 30, 2008, this Agreement shall expire on July 1, 2008 and be of no further force or effect. If the Property is annexed to the City by June 30, 2008, the Agreement shall be valid, binding and enforceable until July 1, 2018, after which it shall expire and be of no further force or effect. This Agreement may be extended or modified at any time prior to expiration upon the mutual written consent of the parties.

6. Agreement runs with the land. The rights and obligations set forth in this Agreement shall be recorded with the title to the Property, and, except as provided in Paragraph 5, shall run with the land and be binding upon the parties to this Agreement, their heirs, successors and assigns.

7. No third party beneficiaries. This Agreement is strictly and solely between the parties signed below, and it shall not create any obligation on the part of either party to perform or pay anything to or on behalf of anyone not a party to this Agreement. This Agreement does not create any rights in favor of or for any person or entity that is not a party to this Agreement.

IT IS SO AGREED:

The City of Oregon City:

Alice P. Norris

Alice P. Norris
print name

Date: 12-19-07

_____:

Donald D. Babst Donald Babst
Print Name:

Date: 7-3-07

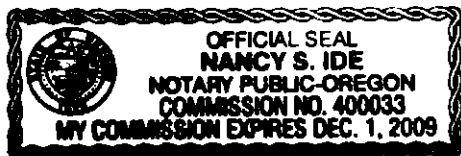
Vera Maureen Babst Vera Maureen Babst
Print Name:

Date: 7-3-07

γ

STATE OF OREGON)
) ss.
County of Clackamas)

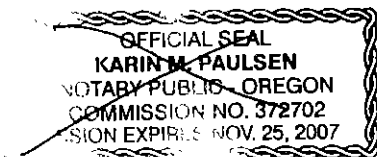
This instrument was personally acknowledged before me on the 19th day of December 2007 by Alice P. Norris, the Mayor of Oregon City, who swore or affirmed that he/she was authorized to execute the foregoing Annexation Agreement on behalf of the City of Oregon City.



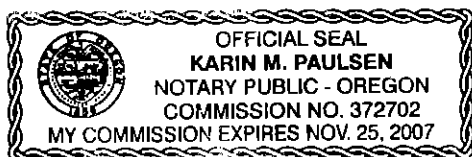
Nancy S. Ide
Notary Public for Oregon,
My Commission Expires 12-01-09

STATE OF OREGON)
) ss.
County of Clackamas)

This instrument was personally acknowledged before me on the 3rd day of July 2007 by Donald J. Babst & Vera Margaret Babst



Karin M. Paulsen
Notary Public for Oregon,
My Commission Expires 11/25/2007



T3S R2E Section 7D, Tax Lots 600,601,701

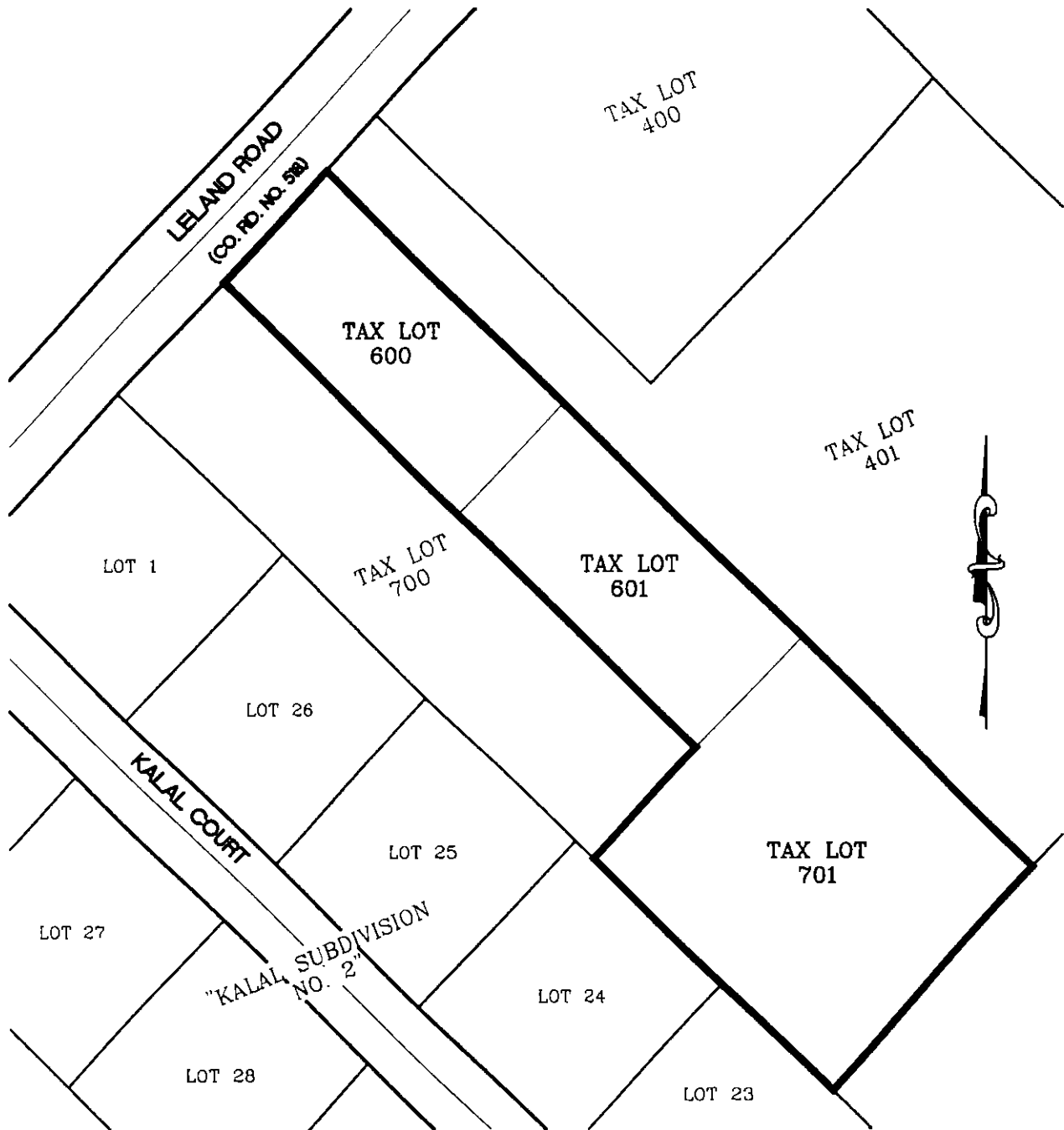
EXHIBIT A

A part of the John S. Howland Donation Land Claim No. 45, in Section 7, Township 3 South, Range 2 East, of the Willamette Meridian, in the County of Clackamas, and State of Oregon described as follows:

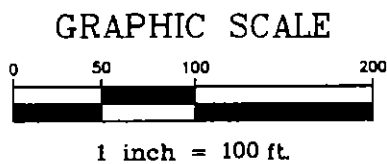
Commencing at a stake at the most Westerly corner of that certain tract conveyed to Tualatin Ventures, Inc., by deed recorded March 1, 1962, in Book 599, Page 352, Fee No. 9243, Deed Records, which point is South 43° West 31.72 chains from the most Northerly corner of said Howland Donation Land Claim; thence North 43° East a distance of 200.00 feet to the Northwesterly corner of that certain tract conveyed to Donald L. Fowler and Vern Fowler, recorded December 14, 1962 in Book 615, Page 119, Fee No. 27181, Deed Records; thence South 45° 45' East a distance of 30 feet to a point in the Easterly line of the County Road and the True Point of Beginning of the tract to be described; thence, continuing South 45° 45' East a distance of 654.00 feet to the Northeasterly corner of said Fowler tract; thence South 43° West a distance of 200.00 feet to the Southeasterly corner of said Fowler tract; thence North 45° 45' West a distance of 218.00 feet to a point in the Southerly line of said Fowler tract and being the most westerly corner of that parcel of land conveyed to Donald D. Babst and Vera Maureen Babst in Clackamas County Deed Record #87-13334; thence North 43° East a distance of 100.00 feet to the most southerly corner of that parcel of land conveyed to Donald D. Babst and Vera Maureen Babst in Clackamas County Deed Record #68-5716; thence North 45° 45' West a distance of 436 feet to a point on the easterly line of said County Road; thence North 43° East along said easterly boundary of said County Road a distance of 100.00 feet to the True Point of Beginning.

EXHIBIT "B"

A TRACT OF LAND LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 07,
TOWNSHIP 3 SOUTH, RANGE 2 EAST, OF THE WILLAMETTE MERIDIAN,
IN THE COUNTY OF CLACKAMAS, STATE OF OREGON



TAX LOT: 600, 601, 701
TAX MAP: 3 2E 7D



| |
|----------------------------|
| DATE: JULY 20, 2007 |
| SCALE: 1" = 100' |
| JOB NO: 2007-010 |
| FILE: 07-010_OC Annex2.dwg |

SISUL ENGINEERING
2400 BROADWAY
VANCOUVER, WA 98663
(360) 698-3664

(5)

SR
2100

After Recording Return To:

City of Oregon City
Attn: City Recorder *Nancy Ide*
PO Box 3040
320 Warner Milne Road
Oregon City, OR 97045

Clackamas County Official Records
Sherry Hall, County Clerk

2007-107286



\$51.00

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12/27/2007 11:49:40 AM

D-OD Cnt=1 Stn=5 LESLIE
\$25.00 \$18.00 \$10.00

Consideration: None.

Tax Statement to be mailed to: No change.

Recordation Authority: OCMC 14.04

Map No.: 3S2E07D

Tax Lot No.: 600+601+701

Planning No.: AN 07-01

Grantor: Donald D. Babst and Vera Maureen Babst

Grantee: City of Oregon City

Covenant Of Waiver Of Rights And Remedies

Whereas, Donald D. Babst and Vera Maureen Babst (hereinafter referred to as "Petitioner"), has petitioned to the City of Oregon City ("City") to commence Planning File No. AN 07-01 ("Proceedings") for the following described real property,

Property as described in Exhibit A and shown on map at Exhibit B.

Whereas, pursuant to the enactment of Ballot Measure 37 (effective December 2, 2004), a property owner may elect to seek just compensation or waiver of land use regulations if a public entity enacts or enforces the land use regulations after the property owner acquired the property;

Whereas, there is the potential that the Oregon electors or the Oregon Legislature may, in the future, enact further statutory or constitutional amendments relating to compensation for the impact of local regulations upon real property, under certain circumstances;

Whereas, City does not wish to approve the Petitioner's requested Proceedings if the result would or could arguably give rise to a later claim by the owner or the owner's successors or assigns for compensation for the land use regulations in effect upon the effective date of the Proceedings or would or could arguably give right to a right to require the City to waive the City's land use regulations in effect upon the effective date of the Proceedings, which are being newly imposed upon the property by reason and result of the Proceedings; and

Whereas, Petitioner seeks to induce the City to proceed with the Proceedings and therefore agrees to eliminate the potential of claim for compensation or the right to seek waiver from the City's land use regulations existing as of the effective date of the Proceedings;

Now, therefore, the undersigned Petitioner warrants that the Petitioner executing this Covenant of Waiver of Rights and Remedies (this "Covenant") holds the full and complete present ownership or any interest therein in the property, and hereby agrees and covenants as follows:

1. As inducement to the City to proceed with the Proceedings which may include designation of the property as subject to additional applicable overlay zones and districts, e.g., Water Quality Resource Overlay Zone, the undersigned Petitioner, on behalf of Petitioner, Petitioner's heirs, devisees, executors, administrators, successors and assigns, agrees and covenants to the City of Oregon City, its officers, agents, employees and assigns that the undersigned hereby remises,

2

GRANTEE:

**City of Oregon City
P.O. Box 3040
320 Warner Milne Road
Oregon City, OR 97045-0304**

Accepted on behalf of the City of Oregon City.

Mayor

Alvin F. Morris

Date: 12-19-07

City Recorder

Nancy Hale

Date: 12-19-07

DATED this 19th day of December, 2007.

T3S R2E Section 7D, Tax Lots 600,601,701

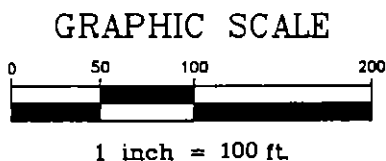
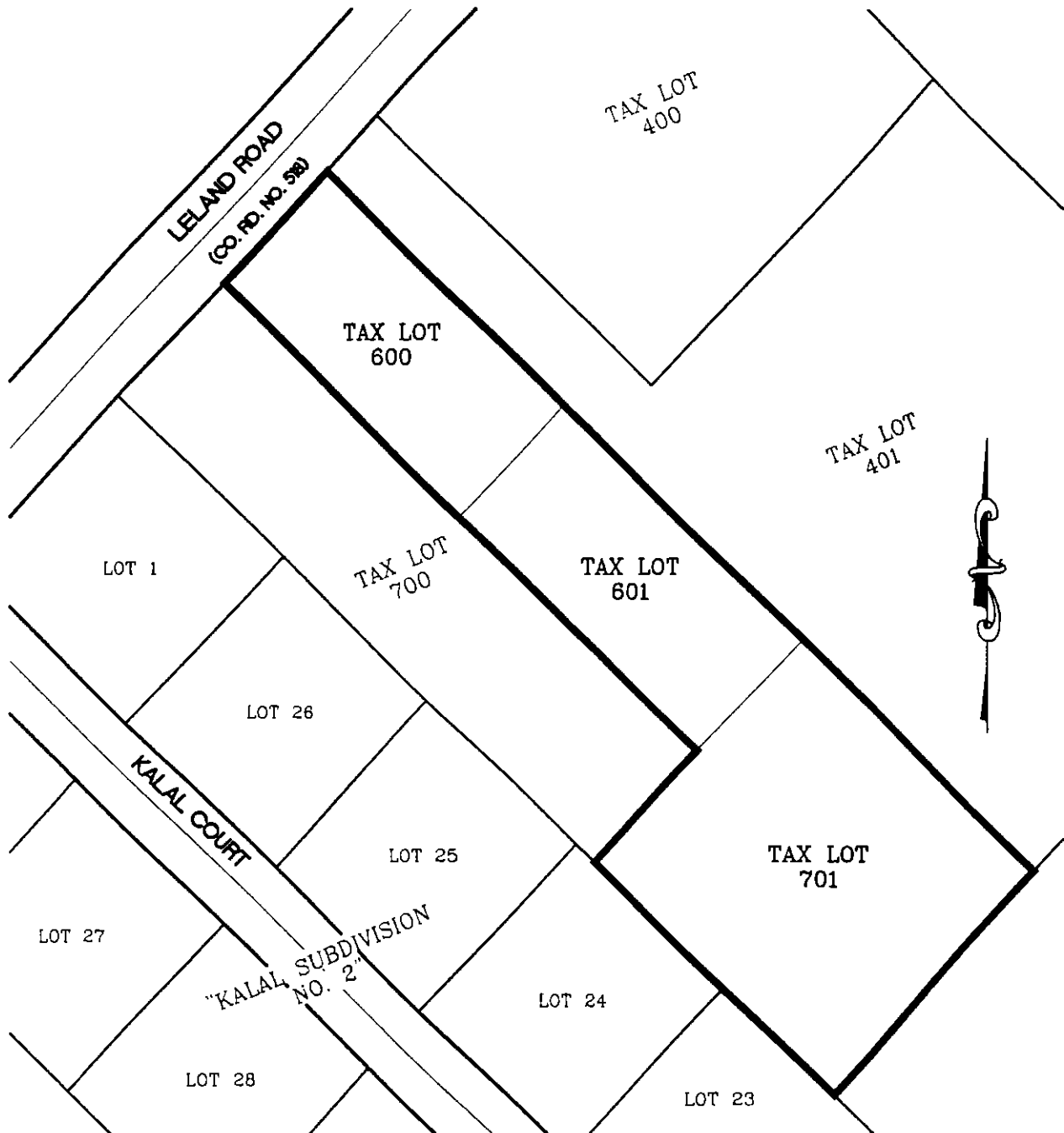
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TOWNSHIP 3 SOUTH, RANGE 2 EAST, OF THE WILLAMETTE MERIDIAN,
IN THE COUNTY OF CLACKAMAS, STATE OF OREGON



TAX LOT: 600, 601, 701
TAX MAP: 3 2E 7D

DATE: JULY 20, 2007

SCALE: 1" = 100'

JOB NO: 2007-010

FILE: 07-010_OC Annex2.dwg

SISUL ENGINEERING

2400 BROADWAY
VANCOUVER, WA 98663
(360) 698-3664

(9)

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City Recorder Nancy Ide
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Oregon City, Oregon 97045-0304



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D-ANXCON Cnt=1 Stn=5 LESLIE
\$25.00 \$16.00 \$10.00

Map No.: 3S2E07D
Tax Lot No.: 700
Planning No.: AN 07-01

Grantor(s) Joseph W. Gray and Elizabeth A. Gray

ANNEXATION AGREEMENT

This Annexation Agreement ("Agreement") is entered into by and between Joseph W. Gray and Elizabeth A. Gray ("Petitioner") and the CITY OF OREGON CITY ("City"), an Oregon municipal corporation on this 3rd day of July 2007

RECITALS

WHEREAS, Petitioner is the record owner of the property described in Exhibit "A" legal description, located in unincorporated Clackamas County and within the City's Urban Growth Boundary (UGB); and described as follows, to wit:

See attached EXHIBIT "A" Legal description (the "Property") and attached EXHIBIT "B" Sketch for Legal Description; and

WHEREAS, Petitioner has submitted an application to City to annex the Property into the City's corporate limits (City File No. AN 07-01), and the City has accepted and is considering that application; and

WHEREAS, one factor in the City's consideration of Planning File No. AN 07-01 annexation application is whether the City has the capacity or financial resources to provide necessary public services to the Property, most notably law enforcement; and

WHEREAS, City's ability to provide adequate levels of law enforcement to serve the Property is largely dependant upon the availability of funding to pay the cost of these urban services; and

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5. Term, extension and modification: If the Property is not annexed to the City by June 30, 2008, this Agreement shall expire on July 1, 2008 and be of no further force or effect. If the Property is annexed to the City by June 30, 2008, the Agreement shall be valid, binding and enforceable until July 1, 2018, after which it shall expire and be of no further force or effect. This Agreement may be extended or modified at any time prior to expiration upon the mutual written consent of the parties.

6. Agreement runs with the land. The rights and obligations set forth in this Agreement shall be recorded with the title to the Property, and, except as provided in Paragraph 5, shall run with the land and be binding upon the parties to this Agreement, their heirs, successors and assigns.

7. No third party beneficiaries. This Agreement is strictly and solely between the parties signed below, and it shall not create any obligation on the part of either party to perform or pay anything to or on behalf of anyone not a party to this Agreement. This Agreement does not create any rights in favor of or for any person or entity that is not a party to this Agreement.

IT IS SO AGREED:

The City of Oregon City:

Alice P. Norris

Alice P. Norris
print name

Date: 12-19-07

Joseph W. Gray
Print Name:

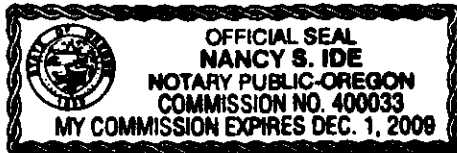
Date: 7/31/07

Elizabeth A. Gray
Print Name:

Date: 7/31/07

STATE OF OREGON)
) ss.
County of Clackamas)

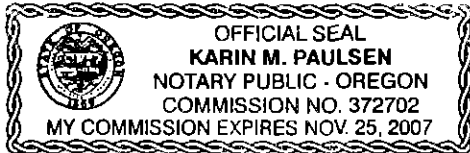
This instrument was personally acknowledged before me on the 19th day of December 2007 by Alice P. Norris, the Mayor of Oregon City, who swore or affirmed that he/she was authorized to execute the foregoing Annexation Agreement on behalf of the City of Oregon City.



Nancy S. Ide
Notary Public for Oregon,
My Commission Expires 12-01-09

STATE OF OREGON)
) ss.
County of Clackamas)

This instrument was personally acknowledged before me on the 31st day of July 2007 by JOSEPH + ELIZABETH GRAY.



Karin M. Paulsen
Notary Public for Oregon,
My Commission Expires 11-25-2007

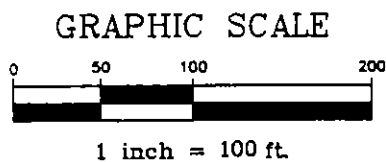
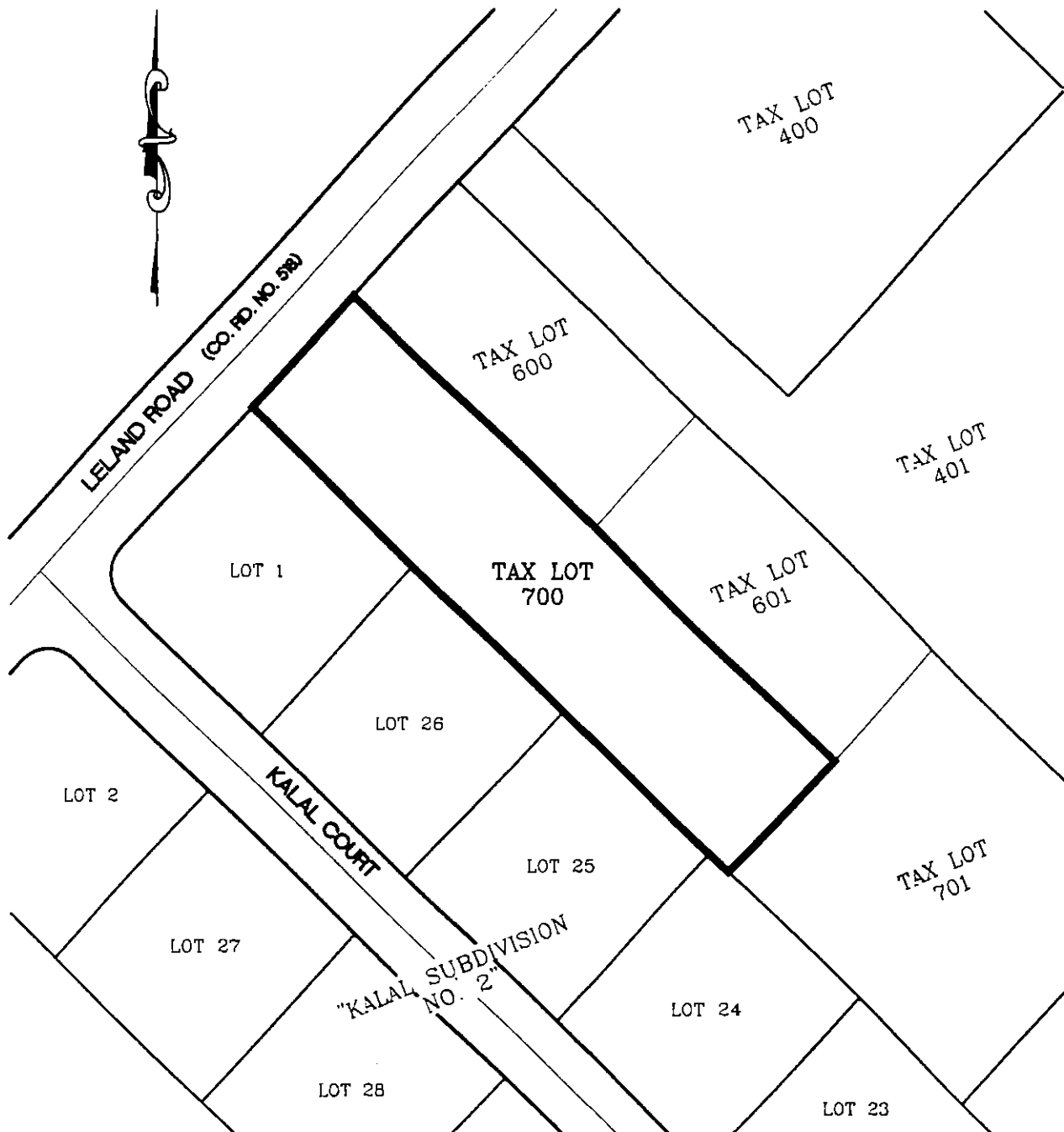
EXHIBIT A

A part of the John S. Howland Donation Land Claim No. 45, in Section 7, Township 3 South, Range 2 East of the Willamette Meridian, in the County of Clackamas, and State of Oregon described as follows:

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EXHIBIT "B"

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TOWNSHIP 3 SOUTH, RANGE 2 EAST, OF THE WILLAMETTE MERIDIAN,
IN THE COUNTY OF CLACKAMAS, STATE OF OREGON



TAX LOT: 700
TAX MAP: 3 2E 7D

| |
|----------------------------|
| DATE: JULY 20, 2007 |
| SCALE: 1" = 100' |
| JOB NO: 2007-010 |
| FILE: 07-010_OC Annex1.dwg |

SISUL ENGINEERING
2400 BROADWAY
VANCOUVER, WA 98663
(360) 696-3664

(5)

62.
After Recording Return To:
City of Oregon City
Attn: City Recorder *Nancy Ide*
PO Box 3040
320 Warner Milne Road
Oregon City, OR 97045

Clackamas County Official Records
Sherry Hall, County Clerk

2007-107282



\$51.00

01174597200701072820050057

12/27/2007 11:49:40 AM

Consideration: None.

D-OD Cnt=1 Stn=5 LESLIE
\$25.00 \$16.00 \$10.00

Tax Statement to be mailed to: No change.

Recordation Authority: OCMC 14.04

Map No.: 3S2E07D

Tax Lot No.: 700

Planning No.: AN 07-01

Grantor: Joseph W. Gray and Elizabeth A. Gray

Grantee: City of Oregon City

Covenant Of Waiver Of Rights And Remedies

Whereas, Joseph W. Gray and Elizabeth A. Gray (hereinafter referred to as "Petitioner"), has petitioned to the City of Oregon City ("City") to commence Planning File No. AN 07-01 ("Proceedings") for the following described real property,

Property as described in Exhibit A and shown on map at Exhibit B.

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Whereas, there is the potential that the Oregon electors or the Oregon Legislature may, in the future, enact further statutory or constitutional amendments relating to compensation for the impact of local regulations upon real property, under certain circumstances;

Whereas, City does not wish to approve the Petitioner's requested Proceedings if the result would or could arguably give rise to a later claim by the owner or the owner's successors or assigns for compensation for the land use regulations in effect upon the effective date of the Proceedings or would or could arguably give right to a right to require the City to waive the City's land use regulations in effect upon the effective date of the Proceedings, which are being newly imposed upon the property by reason and result of the Proceedings; and

Whereas, Petitioner seeks to induce the City to proceed with the Proceedings and therefore agrees to eliminate the potential of claim for compensation or the right to seek waiver from the City's land use regulations existing as of the effective date of the Proceedings;

Now, therefore, the undersigned Petitioner warrants that the Petitioner executing this Covenant of Waiver of Rights and Remedies (this "Covenant") holds the full and complete present ownership or any interest therein in the property, and hereby agrees and covenants as follows:

1. As inducement to the City to proceed with the Proceedings which may include designation of the property as subject to additional applicable overlay zones and districts, e.g., Water Quality Resource Overlay Zone, the undersigned Petitioner, on behalf of Petitioner, Petitioner's heirs, devisees, executors, administrators, successors and assigns, agrees and covenants to the City of Oregon City, its officers, agents, employees and assigns that the undersigned hereby remises,

waives, releases and forever discharges, and agrees that Petitioner shall be estopped from asserting any rights and remedies, actions, causes of action, suits, claims, liabilities, demands, and rights to waivers arising under or granted by any statutory or constitutional regulatory compensation or waiver provisions, including but not limited to Ballot Measure 37 (2004), or otherwise enacted after the date of this Covenant that would create a right of claim for compensation or waiver from city land use regulations that exist upon the effective date of this Covenant and which, by the approval of the Proceedings, become applicable to the property.

2. This Covenant shall bind the undersigned's heirs, devisees, executors and administrators, successors in interests, and assigns. This Covenant shall run with the land, and may be recorded in the official records of the County in which the subject real property is located. This Covenant may be terminated upon the filing of a Notice of Termination of Covenant filed by the City of Oregon City if otherwise allowed by law.

3. If this Covenant is given contemporaneous with a consent to future proceedings to be initiated by the City, Petitioner acknowledges that the proceedings may, or may not, be initiated by the City of Oregon City at any time in the discretion of the City of Oregon City and that this Covenant is applicable to any ordinances adopted prior to the effective date of this Covenant.

4. This Covenant is executed of my own free will and without duress. I, or if more than one, each of us respectively acknowledge that I/we have been advised to obtain legal advice prior to the execution of this document, and that either I, or each of us respectively, have either obtained legal advice or have independently elected not to seek legal advice prior to the execution of this document, recognizing that this document may affect our legal rights and remedies.

IN WITNESS WHEREOF, the grantors have executed this instrument this 3rd day of July, 2007.

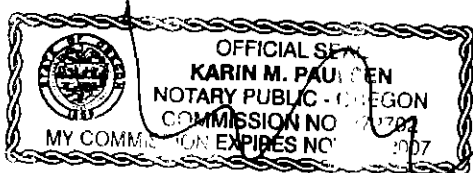
GRANTOR: (Name and Address)

Joseph W. Gray
Elizabeth A. Gray
19526 Leland Road
Oregon City, OR 97045

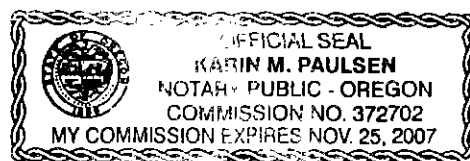
By: Joseph W. Gray
Elizabeth A. Gray

STATE OF OREGON)
County of CLACKAMAS) ss.

This instrument was acknowledged before me on this 31st day of July, 2007 by JOSEPH & ELIZABETH GRAY.



Karin M. Paulsen
Notary Public of Oregon
My Commission Expires: 11-25-2007



GRANTEE:

**City of Oregon City
P.O. Box 3040
320 Warner Milne Road
Oregon City, OR 97045-0304**

Accepted on behalf of the City of Oregon City.

Mayor

Ann Morris

Date: 12-19-07

City Recorder

Nancy Cole

Date: 12-19-07

DATED this 19th day of December, 2007.

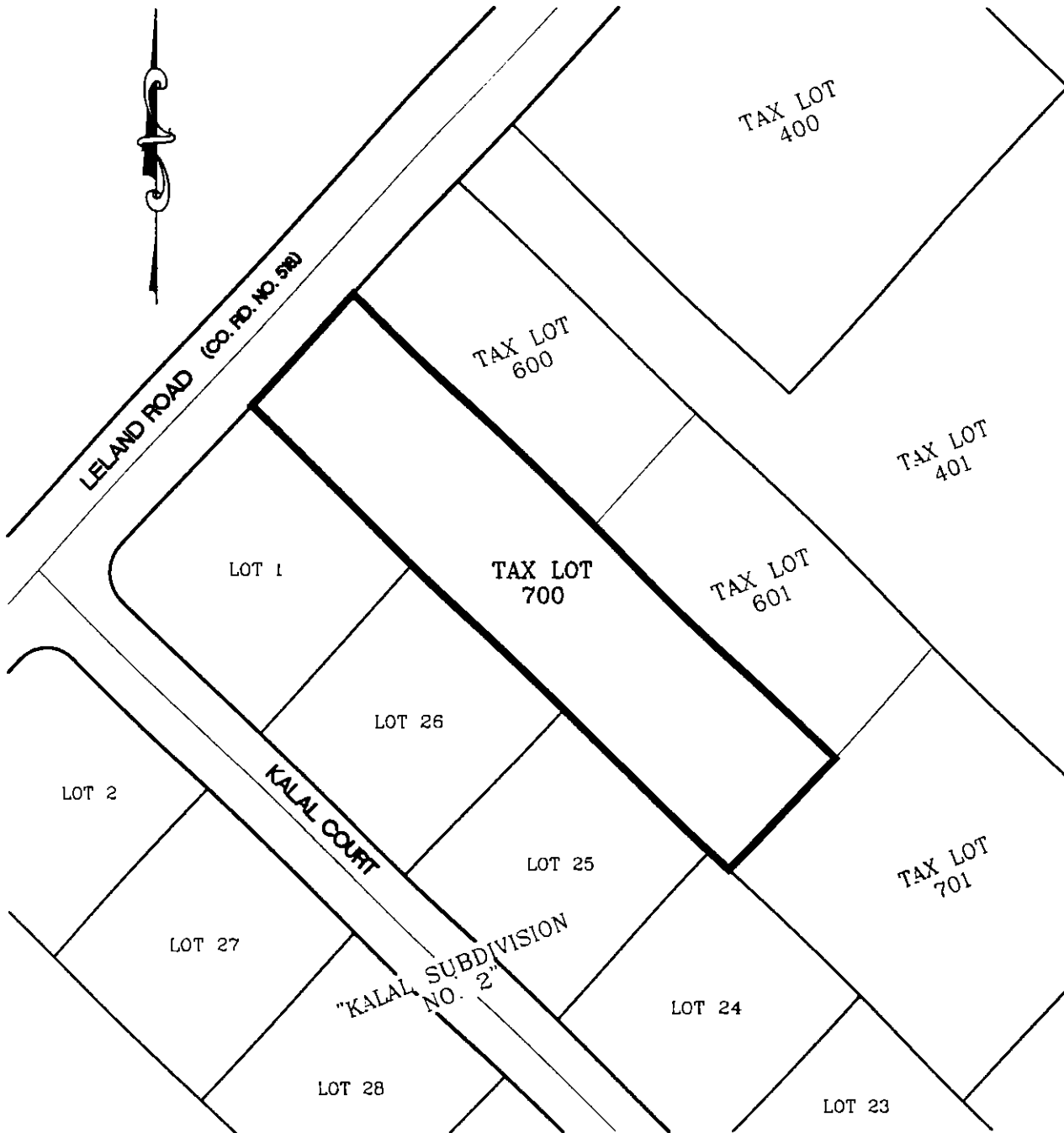
EXHIBIT A

A part of the John S. Howland Donation Land Claim No. 45, in Section 7, Township 3 South, Range 2 East of the Willamette Meridian, in the County of Clackamas, and State of Oregon described as follows:

Commencing at a stake at the most Westerly corner of that certain tract conveyed to Tualatin Ventures, Inc., by deed recorded March 1, 1962, in Book 599, Page 352, Deed Records, Fee No. 9243 which point is South 43° West 31.72 chains from the most Northerly corner of said Howland Donation Land Claim; thence North 43° East a distance of 100 feet to a point which is South 43° West and a distance of 100.0 feet from the Northwest corner of that certain tract conveyed to Donald L. Fowler and Vern Fowler, recorded December 14, 1962 in Book 615, Page 119, Deed Records, Fee No 27181; thence South 45° 45' East a distance of 30.0 feet to a point in the Easterly line of the County Road, and the true point of beginning of the tract to be described; thence South 45° 45' East along a line drawn parallel with and 100.0 feet Southerly of the Northerly line of said Fowler tract a distance of 436.0 feet; thence South 43° West a distance of 100.0 feet to a point in the Southerly line of said Fowler tract; thence North 45° 45' West a distance of 436.0 feet to a point in the Easterly line of said County Road; thence North 43° East a distance of 100.0 feet to the true point of beginning.

EXHIBIT "B"

A TRACT OF LAND LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 07,
TOWNSHIP 3 SOUTH, RANGE 2 EAST, OF THE WILLAMETTE MERIDIAN,
IN THE COUNTY OF CLACKAMAS, STATE OF OREGON



GRAPHIC SCALE



1 inch = 100 ft.

TAX LOT: 700
TAX MAP: 3 2E 7D

DATE: JULY 20, 2007

SCALE: 1" = 100'

JOB NO: 2007-010

FILE: 07-010_OC Annex1.dwg

SISUL ENGINEERING

2400 BROADWAY
VANCOUVER, WA 98663
(360) 696-3664

(5)

68
AFTER RECORDING RETURN TO:

City Recorder Nancy Ide
City of Oregon City
P. O. Box 3040
Oregon City, Oregon 97045-0304



01174598200701072830050054

\$51.00

12/27/2007 11:49:40 AM

D-ANXCON Cnt=1 Stn=5 LESLIE
\$25.00 \$16.00 \$10.00

Map No.: 3S2E07DC
Tax Lot No.: 100
Planning No.: AN 07-01

Grantor(s): Joseph C. McKinney and Gloria J. McKinney

ANNEXATION AGREEMENT

This Annexation Agreement ("Agreement") is entered into by and between Joseph C. McKinney and Gloria J. McKinney ("Petitioner") and the CITY OF OREGON CITY ("City"), an Oregon municipal corporation on this 3rd day of July 2007

RECITALS

WHEREAS, Petitioner is the record owner of the property described in Exhibit "A" legal description, located in unincorporated Clackamas County and within the City's Urban Growth Boundary (UGB); and described as follows, to wit:

See attached EXHIBIT "A" Legal description (the "Property") and attached EXHIBIT "B" Sketch for Legal Description; and

WHEREAS, Petitioner has submitted an application to City to annex the Property into the City's corporate limits (City File No. AN 07-01), and the City has accepted and is considering that application; and

WHEREAS, one factor in the City's consideration of Planning File No. AN 07-01 annexation application is whether the City has the capacity or financial resources to provide necessary public services to the Property, most notably law enforcement; and

WHEREAS, City's ability to provide adequate levels of law enforcement to serve the Property is largely dependant upon the availability of funding to pay the cost of these urban services; and

WHEREAS Petitioner recognizes that it is incumbent upon new development to pay the cost of providing urban services and facilities, at sufficient levels, to serve new development, and both parties desire to identify a means by which Petitioner funds the cost of providing law enforcement to the Property if the City consents to annex the Property.

NOW THEREFORE, based on the foregoing Recitals, the mutual covenants provided for in this Agreement, and for valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. The City agrees to review, process and consider Planning File No. AN 07-01 annexation application in the normal course and apply the customary criteria in that process. Execution of this Agreement by the City shall not be construed in any way to be a promise or guarantee that the annexation, or any other land use approval, will be granted by the City.

2. Petitioner agrees that, in the event that the City gives final approval to annex the Property, Petitioner will pay to City a one-time amount of \$3,500.00 for each new dwelling permitted by City to be constructed on the Property to be used for the provision of law enforcement services. The amount provided for in this paragraph shall be due and payable by Petitioner to the City at the time City issues a building permit for each new dwelling on the Property.

3. The City agrees to use any amount paid to it by Petitioner for law enforcement services as provided in Paragraph 2. The funds provided pursuant to this Agreement are intended as a supplement to the City's current funding of its law enforcement and are not intended to serve as replacement for those funds.

4. The parties agree that this Agreement is not, is not intended to be and shall not be construed as, a "development agreement" under ORS 94.504 to 94.528. In the event any form of legal challenge is brought by any entity not a party to this Agreement challenging the Agreement, the City is under no obligation whatsoever to defend the Agreement.

5. Term, extension and modification: If the Property is not annexed to the City by June 30, 2008, this Agreement shall expire on July 1, 2008 and be of no further force or effect. If the Property is annexed to the City by June 30, 2008, the Agreement shall be valid, binding and enforceable until July 1, 2018, after which it shall expire and be of no further force or effect. This Agreement may be extended or modified at any time prior to expiration upon the mutual written consent of the parties.

6. Agreement runs with the land. The rights and obligations set forth in this Agreement shall be recorded with the title to the Property, and, except as provided in Paragraph 5, shall run with the land and be binding upon the parties to this Agreement, their heirs, successors and assigns.

7. No third party beneficiaries. This Agreement is strictly and solely between the parties signed below, and it shall not create any obligation on the part of either party to perform or pay anything to or on behalf of anyone not a party to this Agreement. This Agreement does not create any rights in favor of or for any person or entity that is not a party to this Agreement.

IT IS SO AGREED:

The City of Oregon City:

Alice P. Norris

Alice P. Norris
print name

Date: 12-19-07

Joseph C. McKinney

Joseph C. McKinney
Print Name:

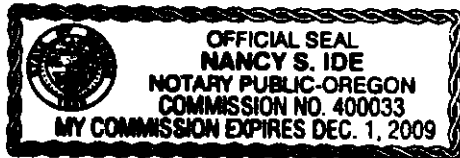
Date: 7-03-07

Gloria J. McKinney
Gloria J. McKinney
Print Name:

Date: 7-3-07

STATE OF OREGON)
) ss.
County of Clackamas)

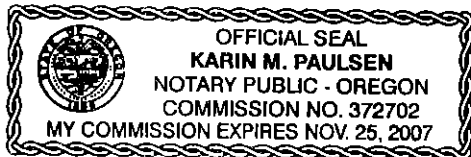
This instrument was personally acknowledged before me on the 19th day of December 2007 by Alice P. Norris, the Mayor of Oregon City, who swore or affirmed that he/she was authorized to execute the foregoing Annexation Agreement on behalf of the City of Oregon City.



Nancy S. Ide
Notary Public for Oregon,
My Commission Expires 12-01-09

STATE OF OREGON)
) ss.
County of Clackamas)

This instrument was personally acknowledged before me on the 3rd day of July 2007 by Joseph C. McKinney & Gloria J. McKinney



Karin M. Paulsen
Notary Public for Oregon,
My Commission Expires 11-25-2007

T3S R2E Section 7DC Tax Lot 100

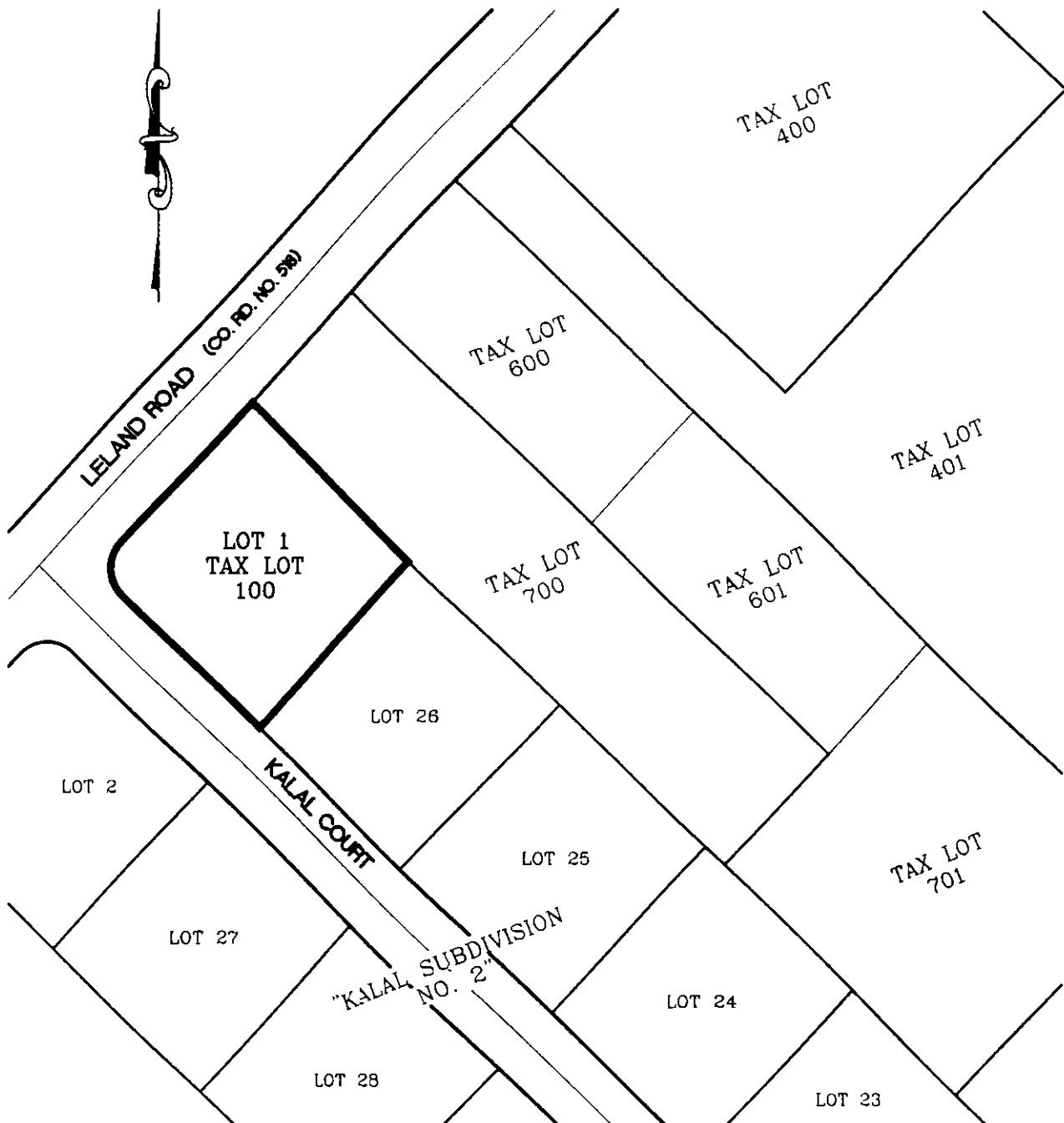
EXHIBIT A

A part of the John S. Howland Donation Land Claim No. 45, in Section 7,
Township 3 South, Range 2 East of the Willamette Meridian, in the County of
Clackamas and State of Oregon described as follows:

Lot 1, Kalal Subdivision, a duly recorded subdivision of Clackamas County.

EXHIBIT "B"

A TRACT OF LAND LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 07,
TOWNSHIP 3 SOUTH, RANGE 2 EAST, OF THE WILLAMETTE MERIDIAN,
IN THE COUNTY OF CLACKAMAS, STATE OF OREGON



GRAPHIC SCALE



1 inch = 100 ft.

TAX LOT: 100
TAX MAP: 3 2E 7DC

DATE: JULY 20, 2007

SCALE: 1" = 100'

JOB NO: 2007-010

FILE: 07-010_OC Annex3.dwg

SISUL ENGINEERING

2400 BROADWAY
VANCOUVER, WA 98663
(360) 896-3664

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58

After Recording Return To:

City of Oregon City
Attn: City Recorder *Nancy Ide*
PO Box 3040
320 Warner Milne Road
Oregon City, OR 97045



01174599200701072840050051

\$51.00

12/27/2007 11:49:40 AM

D-OD Cnt=1 Stn=5 LESLIE
\$25.00 \$16.00 \$10.00

Consideration: None.

Tax Statement to be mailed to: No change.

Recordation Authority: OCMC 14.04

Map No.: 3S2E07DC

Tax Lot No.: 100

Planning No.: AN 07-01

Grantor: Joseph C. McKinney and Gloria J. McKinney

Grantee: City of Oregon City

Covenant Of Waiver Of Rights And Remedies

Whereas, Joseph C. McKinney and Gloria J. McKinney (hereinafter referred to as "Petitioner"), has petitioned to the City of Oregon City ("City") to commence Planning File No. AN 07-01 ("Proceedings") for the following described real property,

Property as described in Exhibit A and shown on map at Exhibit B.

Whereas, pursuant to the enactment of Ballot Measure 37 (effective December 2, 2004), a property owner may elect to seek just compensation or waiver of land use regulations if a public entity enacts or enforces the land use regulations after the property owner acquired the property;

Whereas, there is the potential that the Oregon electors or the Oregon Legislature may, in the future, enact further statutory or constitutional amendments relating to compensation for the impact of local regulations upon real property, under certain circumstances;

Whereas, City does not wish to approve the Petitioner's requested Proceedings if the result would or could arguably give rise to a later claim by the owner or the owner's successors or assigns for compensation for the land use regulations in effect upon the effective date of the Proceedings or would or could arguably give right to a right to require the City to waive the City's land use regulations in effect upon the effective date of the Proceedings, which are being newly imposed upon the property by reason and result of the Proceedings; and

Whereas, Petitioner seeks to induce the City to proceed with the Proceedings and therefore agrees to eliminate the potential of claim for compensation or the right to seek waiver from the City's land use regulations existing as of the effective date of the Proceedings;

Now, therefore, the undersigned Petitioner warrants that the Petitioner executing this Covenant of Waiver of Rights and Remedies (this "Covenant") holds the full and complete present ownership or any interest therein in the property, and hereby agrees and covenants as follows:

1. As inducement to the City to proceed with the Proceedings which may include designation of the property as subject to additional applicable overlay zones and districts, e.g., Water Quality Resource Overlay Zone, the undersigned Petitioner, on behalf of Petitioner, Petitioner's heirs, devisees, executors, administrators, successors and assigns, agrees and covenants to the City of Oregon City, its officers, agents, employees and assigns that the undersigned hereby remises,

2

GRANTEE:

**City of Oregon City
P.O. Box 3040
320 Warner Milne Road
Oregon City, OR 97045-0304**

Accepted on behalf of the City of Oregon City.

Mayor

Alai Morris

Date: *12-19-07*

City Recorder

Nancy Bide

Date: *12-19-07*

DATED this *19th* day of *December*, 200*7*.

T3S R2E Section 7DC Tax Lot 100

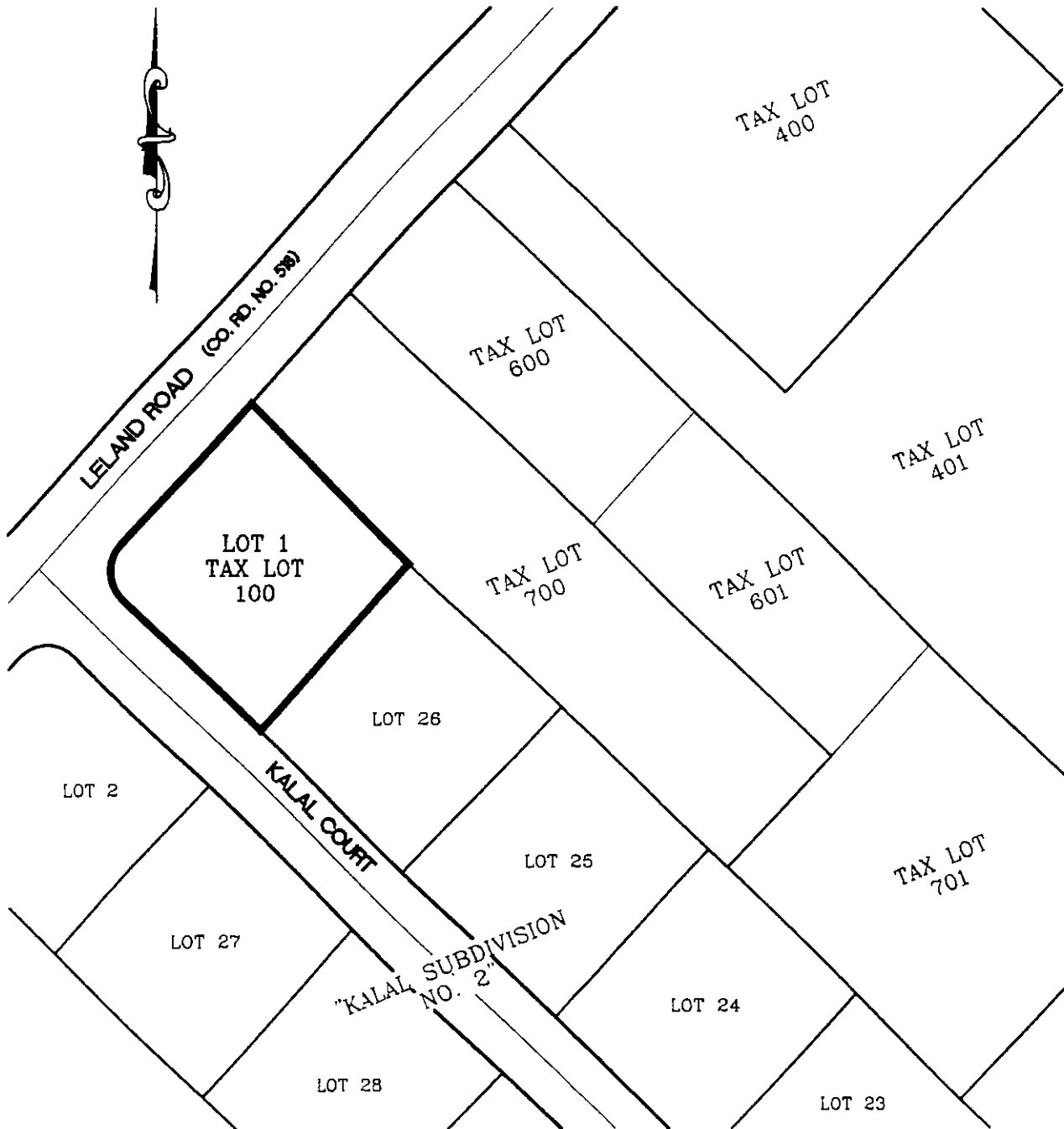
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(5)