

MEMORANDUM OF LEASE

This is the memorandum of that certain unrecorded lease dated 26 June 1996, between MERLE WEST MEDICAL CENTER, INC., an Oregon Nonprofit Corporation, Landlord and KLAMATH CHILD AND FAMILY TREATMENT CENTER, INC., an Oregon Nonprofit Corporation, concerning the premises located within the Eldorado Addition more particularly described below.

BASIC TERMS

Section 1.01. **Date of Lease:**

Section 1.02 **Landlord** MERLE WEST MEDICAL CENTER, INC. 2865 Daggett Street, Klamath Falls, Oregon 97601

Section 1.03 **Tenant:** KLAMATH CHILD AND FAMILY TREATMENT CENTER, INC. dba Klamath Youth Development Center, 2220 Eldorado, Klamath Falls, Oregon 97601.

Section 1.04 **Property:** Approximately 34,839.3 square feet of the facility at the agreed upon location within Klamath Falls, Oregon, more particularly described as follows:

See attached Exhibit "A" incorporated herein by reference.

Section 1.05 **Lease Term:** Tenant's right to possession shall commence on 1 July 1996 or on such later date as the premises are available for possession by Tenant if possession not given on the opening day of the term.

Section 1.06 **Permitted Uses:** (See Section 3 of the Lease) Establish, develop, maintain and operate programs and facilities for children and families.

Section 1.07 **Initial Security Deposit:** None

Section 1.08 Vehicle Parking Space: Allocated to Tenant: Enough to accommodate Tenant's employees with extra spaces for visitors.

Section 1.09. Rent and Other Charges Payable by Tenant:

(a) BASE RENT: During the original term, Tenant shall pay to Landlord as base rent the sum of One Dollar (\$1.00) per year, payable on the first day of the term of this lease and each year thereafter on the anniversary of said date.

"LANDLORD"

MERLE WEST MEDICAL CENTER, INC.
An Oregon nonprofit Corporation

By: _____
Its: PRESIDENT

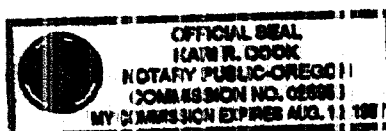
"TENANT"

KLAMATH CHILD AND FAMILY TREATMENT CENTER, INC.
An Oregon nonprofit Corporation

By: _____
Its: Executive Director

STATE OF OREGON)
)
County of Klamath)

On this 24th day of June, 1996, before me personally appeared Paul R. Stewart, Chief Executive Officer of Merle West Medical Center, Inc. and acknowledged the foregoing instrument to be his voluntary act and deed.



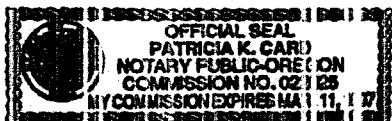
Kari R. Cook
Notary Public for Oregon
My commission expires: 8/10/97

19546

STATE OF OREGON

County of Klamath

On this 26th day of July, 1996, before me personally appeared Stanley Gilbert, Executive Director of Klamath Child and Family Treatment Center, Inc. and acknowledged the foregoing instrument to be his voluntary act and deed.



Patricia K. Card
Notary Public for Oregon
My commission expires: March 11, 1997

AFTER RECORDING RETURN TO:

Robert D. Boivin

BOIVIN, JONES, UERLINGS, DIACONI & ODEN

110 North 6th Street

Klamath Falls, OR 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title of 1 the 1st day
of July A.D., 1996 at 3:28 o'clock PM., and duly recorded in Vol. M96
of Deed on Page 19544.

FEE \$40.00

By Fernetha G. Letsch, County ClerkBy Cheryl Russell