After Recording Return To:	
Boivin, Uerlings & Dilaconi,	P.C.
803 Main Street, Suite 201	
Klamath Falls, OR 97601	

MEMORANDUM OF LEASE

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K-55769

BE IT KNOWN THAT on May 8, 2001, MERLE WEST MEDICAL CENTER, INC. entered into a Sublease with PLUM RIDGE CARE COMMUNITY, LLC for real property described in the attached Exhibit "A" for a term commencing May 2001, and ending March 31, 2090. Reference is made to the Sublease for all terms and conditions. Dated this grand day of May, 2001. MERLE WEST MEDICAL CENTER, INC. State of Oregon County of Klamath June day of May, 2001, before me personally appeared On this (, who, each being first duly sworn did say that the former is the of Merle West Medical Center, Inc., and that the instrument was signed on behalf of said Merle West Medical Center, Inc.; and that each of them acknowledge said instrument to be the voluntary act and deed of Merle West Medical Center, Inc. IN WITNESS WHEREOF, I have hereunto set my hand and official seal. My Commission expires: PLUM RUGE CARE COMMUNITY, LLC STACY HILFERT NOTARY PUBLIC-OREGON COMMISSION NO. 325805 MY COMMISSION EXPIRES AUG 2, 2003 State of Oregon)ss. County of Klamath Marion On this 22 day of May, 2001, before me personally appeared _ who is the ______ of Plum Ridge Care Community, LLC, and that the instrument was signed on behalf of said Plum Ridge Care Community, LLC, and that they acknowledge said instrument to be the voluntary act and deed of Plum Ridge Care Community, LLC. IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

OFFICIAL SEAL
SANDRA E. FEYEN
NOTARY PUBLIC-OREGON
COMMISSION NO. 326011
MY COMMISSION EXPIRES AUG. 8, 2003

NOTARY PUBLIC for Oregon
My Commission expires: 8 8 03



Engineers

Planners

Surveyors

PROPERTY DESCRIPTION FOR PLUM RIDGE CARE CENTER EXCLUDING PORTION OF MWMC PARKING LOT AND INCLUDING SIDEWALK ENCROACHMENT

A tract of land situated in the SW¼ NE¼ of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being a portion of Blocks 6, 7 and 8 and vacated Hilltop Street and vacated Foothill Boulevard, McLoughlin Heights subdivision, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, and more particularly described as follows:

Commencing at the northeast corner of McLoughlin Heights; thence South 0°46'00" West along the east boundary of McLoughlin Heights 100.00 feet to the true point of beginning of this description; thence continuing South 0°46'00" West along the east boundary of McLoughlin Heights 572.30 feet to the north boundary of vacated Foothill Boulevard; thence 40.57 feet along the arc of a 20.00 foot radius curve to the right (the long chord of which bears South 58°53' West 33.97 feet); thence North 63°00'00" West along the north boundary of Foothill Boulevard 104.35 feet; thence 482.81 feet along the arc of a 774.83 foot radius curve to the left (the long chord of which bears North 80°51'03" West 475.03 feet); thence leaving said road boundary North 20°39'40" East 504.11 feet; thence South 89°21'00" East 420.87 feet to the true point of beginning, TOGETHER WITH the northerly one-half of vacated Foothill Boulevard abutting the southerly boundary of the above described parcel;

ALSO INCLUDING Lots 8, 9, 10, 11, 12, 13, 14 and 15 of Block 6 of McLoughlin Heights subdivision, TOGETHER WITH the southerly one-half of vacated Foothill Boulevard abutting the northerly boundary of said Lots 8, 9, 10, 11, 12, 13, 14 and 15 of Block 6;

EXCEPTING THEREFROM Lots 8, 9, 10, 11, 12, 13, 14 and 15 of Block 6 of McLoughlin Heights subdivision, TOGETHER WITH the southerly one-half of vacated Foothill Boulevard abutting the northerly boundary of said Lots 8, 9, 10, 11, 12, 13, 14 and 15 of Block 6;

ALSO EXCEPTING THEREFROM the following described parcel: Commencing at the NE 1/16 corner of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being the northeast corner of McLoughlin Heights subdivision; thence along the east boundary of said McLoughlin Heights and the east line of the SW¼ NE¼ of said Section 20 South 0°46′00" West 100.00 feet to the northeast corner of that parcel described as Parcel 1 in Deed Volume M91, Page 13596, Records of Klamath County, Oregon; thence along the northerly boundary of said parcel North 89°21′00" West 420.87 feet to the northwest corner of said parcel; thence South 20°39'40" West 504.11 feet to the southwest corner of that parcel described in Deed



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Volume M75, Page 8321, Records of Klamath County, Oregon and the True Point of Beginning for this description; thence South 08°42'06" East 25.00 feet to the centerline of vacated Foothill Boulevard; thence following said centerline along the arc of a 749.83 foot radius non-tangent curve to the right 82.06 feet, the long chord of which bears South 84°26'01" West 82.02 feet; thence leaving said centerline North 09°10'20" West 12.82 feet; thence South 80°17'48" West 17.62 feet; thence North 09°32'02" West 17.40 feet; thence South 80°54'52" West 63.92 feet to the point of beginning;

ALSO EXCEPTING THEREFROM the following described portion of Parcel 1 of Deed Volume M91, Page 13596, Records of Klamath County, Oregon,: Beginning at a point on the east boundary of McLoughlin Heights which bears South 0°46'00" West 100.00 feet from the northeast corner thereof, said point being the northeast corner of said Parcel 1 of Deed Volume M91, Page 13596; thence North 89°21'00" West along the north line of said parcel 420.87 feet to the northwest corner thereof; thence South 20°39'40" West along the westerly line of said parcel 173.00 feet to a point; thence along the southerly line of said parcel South 86°54'35" East 274.87 feet; thence leaving said southerly line North 15°01'01"East 28.90 feet; thence North 72°20'55" East 13.09 feet; thence South 69°41'02" East 99.96 feet; thence South 24°30'18" East 3.74 feet to the southerly line of said Parcel 1; thence South 86°54'35" East to a point on the east line of said parcel; thence North 0°46'00" East along said east line 183.00 feet to the point of beginning;

1047-28 March 7, 2001

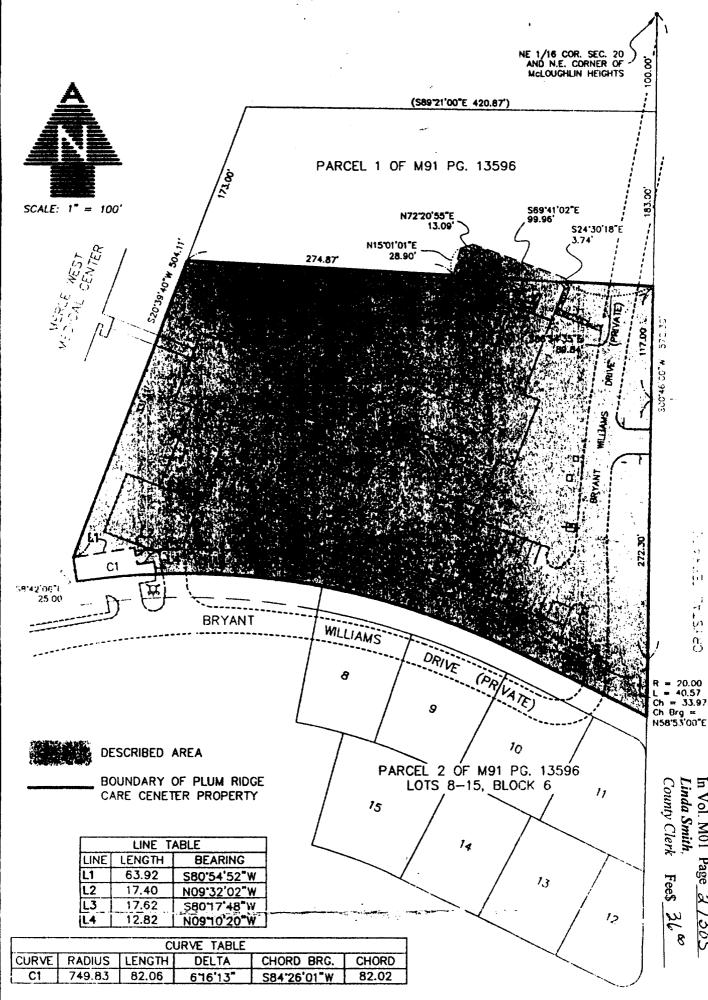


Exhibit A Page 3 of 3

<u>ADKINS</u>

SKETCH OF PLUM RIDGE **PROPERTY**

MARCH 7, 2001

1047-28

TLU

In Vol. M01 Linda Smith,

State of Oregon, County of Klamath