

**MEMORANDUM OF OPTION AGREEMENT**

DATED : January 27<sup>th</sup>, 2004

BETWEEN : AMSTUTZ LLC, an Oregon Limited Liability Company

AND : MERLE WEST MEDICAL CENTER, INC., an Oregon Public Benefit Corporation

Pursuant to a Real Property Lease Option Agreement dated January 15, 2004, Optionor granted to Optionee an option to purchase the following described real property:

SEE ATTACHED EXHIBIT "A"

The option granted expires after January 14, 2006.

**THIS INSTRUMENT WILL NOT ALLOW THE USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.**

STATE OF OREGON )  
 )ss.  
County of Jackson )

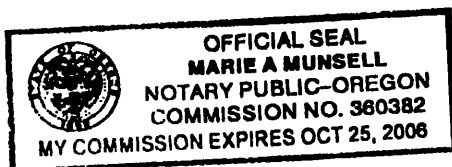
State of Oregon, County of Klamath  
Recorded 02/09/2004 3:44 p m  
Vol M04 Pg. 7877-79  
Linda Smith, County Clerk  
Fee \$ 31.00 # of Pgs 3

DATED this 27 day of January, 2004

AMSTUTZ LLC, an Oregon Limited Liability Company, ("Optionor")

*Lezlie Smith-Amstutz* member of  
By: Lezlie Smith-Amstutz, Authorized Member

This instrument was acknowledged before me on this 27<sup>th</sup> day of January, 2004, by Lezlie Smith-Amstutz, an Authorized Member of Amstutz LLC, an Oregon Limited Liability Company, on behalf of which this instrument was executed.



*Marie A. Munsell*  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 10-25-06

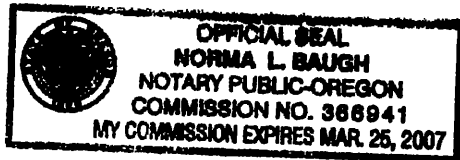
STATE OF OREGON            )  
   )ss.  
 County of Klamath        )

DATED this 27th day of January, 2004

MERLE WEST MEDICAL CENTER,  
 INC., an Oregon Public Benefit Corporation

By: [Signature]  
 Vice-President, ("Optionee")

This instrument was acknowledged before me on this 27 day of January, 2004,  
 by Leslie Flick, the Vice-President of Support Services of Merle West Medical Center,  
 Inc., an Oregon Public Benefit Corporation, on behalf of which this instrument was  
 executed.



[Signature]  
 NOTARY PUBLIC FOR OREGON  
 My Commission Expires: Mar. 25, 2007

**Exhibit A**

**Lot 1 in Block 5 of Tract 1163, Campus View, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.**

**SUBJECT TO:**

**(1) all those items of record and those apparent upon the land, if any, as of the date of this deed and those shown below, if any; and the grantor will warrant and forever defend the said premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described encumbrances.**