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After Recording, Return To:

Thomas J. Wettlaufer
625 Hawthorne Ave SE, Suite 100
Salem, OR 97301

2018-011919

Klamath County, Oregon



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09/28/2018 03:57:59 PM

Fee: \$107.00

MEMORANDUM OF PURCHASE OPTION AGREEMENT

BE IT KNOWN THAT on September 24, 2018 (the "Effective Date"), **Klamath Falls Intercommunity Hospital Authority**, a hospital authority formed pursuant to ORS 441 (the "**Authority**"), **Klamath Falls SNF, LLC**, a California limited liability company ("**KFalls SNF**"), and **Sky Lakes Medical Center, Inc.**, an Oregon nonprofit corporation (the "**Medical Center**") entered into a Purchase Option Agreement, under which KFalls SNF and the Authority granted the Medical Center the right, under certain conditions and certain timelines, to purchase all of the interest of the Authority and KFalls SNF in that certain real property located at 1401 Bryant Williams Drive, Klamath Falls, Oregon, more particularly described on the attached Exhibit A (the "**Real Property**").

IN WITNESS WHEREOF, the undersigned, on behalf of the parties, have executed this instrument as of the Effective Date.

[Signature Pages Follow]

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MEMORANDUM OF PURCHASE OPTION AGREEMENT
AUTHORITY SIGNATURE PAGE

Klamath Falls Intercommunity Hospital Authority,
a hospital authority formed pursuant to ORS 441

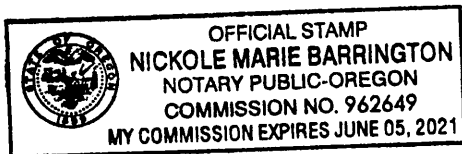
By: [Signature]
Name: Stan Gilbert
Its: Chair

STATE OF OREGON)
) ss.
County of Klamath)

On this 24th day of September, 2018, personally appeared before me the within-named
Stan Gilbert, as Chair of Klamath Falls Intercommunity Hospital
Authority.

Before me: Nickole Marie Barrington
NOTARY PUBLIC FOR Oregon

My Commission Expires: 6/5/2021



MEMORANDUM OF PURCHASE OPTION AGREEMENT
KFALLS SNF SIGNATURE PAGE

KLAMATH FALLS SNF, LLC,
a California limited liability company

By: _____

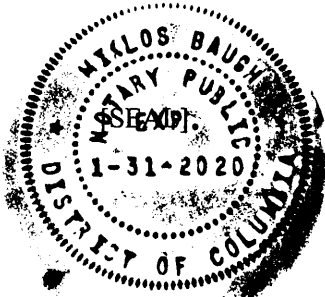
William M. Bryan, Manager

DISTRICT OF COLUMBIA

)ss:

On this 20th day of September, 2018, before me, a Notary Public in and for said District, duly commissioned and sworn, personally appeared William M. Bryan, the Manager of Klamath Falls SNF, LLC, a California limited liability company, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity on behalf of which the person acted, voluntarily executed the instrument.

WITNESS my hand and official seal



Notary Public

MIKLOS BAUGH
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires January 31, 2020

My commission expires: _____

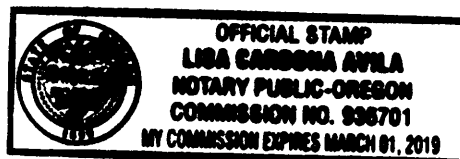
MEMORANDUM OF PURCHASE OPTION AGREEMENT
MEDICAL CENTER SIGNATURE PAGE

Sky Lakes Medical Center, Inc., an Oregon
nonprofit corporation

By: [Signature]

Name: PAUL R STEWART

Its: PRESIDENT/CEO



STATE OF Oregon)
County of Klamath) ss.

On this 24 day of September, 2018, personally appeared before me the within-named
Paul R. Stewart, as President/CEO of Sky Lakes Medical Center, Inc.

Before me: Lisa Cardona Avila [Signature]

NOTARY PUBLIC FOR State of Oregon
My Commission Expires: March 1, 2019

EXHIBIT A
Legal Description of Real Property

A tract of land situated in the SW 1/4 of the NE 1/4 of Section 20, Township 38 South, Range 9 East, Willamette Meridian, Klamath County, Oregon, being a portion of Blocks 7 and 8 and vacated Hilltop Street, McLoughlin Heights Subdivision, 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, 100.0 feet to the true point of beginning of this description; thence South 0°46'00" West, along the East boundary of McLoughlin Heights 572.30 feet to the North boundary of Foothills 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 Foothills 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 SW 1/4 NE 1/4 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 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 4°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.