

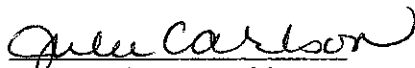
**Letter of Agreement**  
Between  
**SEIU Local 503, OPEU and Pinnacle Healthcare, Inc.**

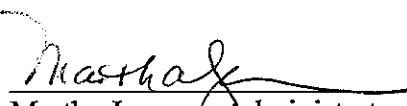
The parties agree that effective October 1<sup>st</sup>, 2009, pursuant to Article 12 Section C of the collectively bargained contract, the negotiated \$.20/hour envelope shall be incorporated into the hourly rate paid to all bargaining unit workers in SEIU represented Pinnacle facilities. The hourly rate shall not exceed the adjusted total economic package. The adjusted total economic package is based on the actual cumulative Medicaid rate increase described in the Exhibit B, the Central Table Agreement.


Projected Economic Package		Actual Economic Package	
Total	\$0.80	Total	\$0.50
Wage Increase	\$0.60	Wage Increase	\$0.50
Envelope	\$0.20	Envelope	\$0.00

The new hourly rate shall also be added to the hiring matrixes, as indicated in Exhibit A of the collectively bargained contract.

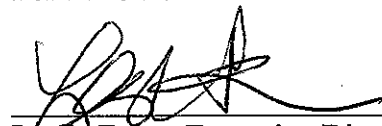
For Management:

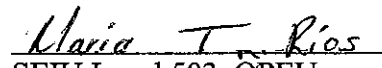
  
Julie Carlson, President  
Pinnacle Healthcare, Inc.

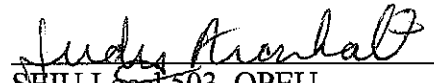
  
Martha Jenness, Administrator  
South Hills

  
Anthony Knippers, Administrator  
Lincoln City

For the Union:

  
Leslie Frane, Executive Director  
SEIU Local 503, OPEU

  
Maria T. Rios  
SEIU Local 503, OPEU  
Pinnacle Bargaining Team

  
Judy Auerhals  
SEIU Local 503, OPEU  
Pinnacle Bargaining Team