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LEASE AGREEMENT

by and between

THE STATE OF OREGON
acting by and through its
ECONOMIC DEVELOPMENT COMMISSION,
Lessor,

and

KLAMATH MEDICAL SERVICE BUREAU,
a non-profit corporation organized and existing
under the laws of the State of Oregon,
Lessee

Dated as of February 1, 1981

Including Assignment from
Lessor to First National Bank of Oregon,
as Trustee,

Dated as of February 1, 1981

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LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of February 1, 1981, by and between THE STATE OF OREGON (the "Issuer"), acting by and through its Treasurer and its Economic Development Commission as Lessor, and KLAMATH MEDICAL SERVICE BUREAU., a corporation organized and existing under the laws of the State of Oregon (hereinafter called the "Corporation"), as Lessee.

W I T N E S S E T H :

WHEREAS, the Issuer is authorized by the provisions of Oregon Revised Statutes 280.310 through 280.390, as amended, to issue revenue bonds secured by revenues from eligible economic development projects to finance the cost of acquisition, construction, reconstruction, improvement or extension of projects; and

WHEREAS, the Economic Development Commission has adopted by rule standards by which to determine the eligibility of economic development projects for bond financing and has determined that the Project is an eligible project; and

WHEREAS, the Issuer has authorized as a project the acquisition, construction, installation and equipping of certain industrial development facilities located in Portland, Oregon, as more fully described in Exhibits A and B to this Agreement, said Project to be acquired, constructed, installed and equipped for and at the expense of the Issuer and to be leased to the Corporation on the terms and conditions hereinafter set forth; and

WHEREAS, the Treasurer of the State of Oregon has issued his Certificate of Determination to Issue Revenue Bonds and has therein authorized and designated the Economic Development Commission to act on his behalf pursuant to the Act; and

WHEREAS, the Issuer has further authorized the issuance and sale of \$1,180,000 aggregate principal amount of its Economic Development Revenue Bonds, Series XL (Klamath Medical Service Bureau Project) (the "Series XL Bonds"), the proceeds to be used to pay the costs of acquiring, constructing, installing and equipping said Project; and

WHEREAS, the Series XL Bonds are to be issued under and secured by an Indenture dated as of February 1, 1981 by and between the Issuer and First National Bank of Oregon, as Trustee (the "Trustee").

WHEREAS, the Issuer has duly authorized the execution of this Agreement by proper action;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

That the parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

ARTICLE I.

Definitions

The terms defined in this Article I shall, for all purposes of this Agreement and its exhibits, have the meanings in this Article I specified, unless the context clearly otherwise requires:

Agreement:

"Agreement" shall mean this Lease Agreement dated as of February 1, 1981 between the Issuer and the Corporation and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof and the Indenture.

Corporation:

"Corporation" means Klamath Medical Service Bureau, an Oregon non-profit corporation, its subsidiaries and any corporation which is the surviving, resulting or transferee corporation in any merger consolidation or transfer of assets permitted under Section 5.02 of this Agreement and shall also mean, unless the context otherwise requires, an assignee of this Agreement as permitted by Section 6.01 of this Agreement.

Indenture:

"Indenture" shall mean the Mortgage and Indenture of Trust by and between the Issuer and the Trustee dated as of February 1, 1981, pursuant to which the Bonds are to be issued and secured, as the same may be amended or supplemented from time to time in accordance with the provisions thereof.

Lease Term:

"Lease Term" shall mean the term of the Lease as set forth in Section 4.01 hereof.

Rental Payment Date:

"Rental Payment Date" shall mean each date designated as such under Section 4.02 hereof.

Other terms not defined herein shall have the meanings established in the Indenture unless the context clearly otherwise requires. Without limiting the generality of the foregoing sentence, the following terms shall, unless the context clearly otherwise requires, have the same meaning as established in Section 1.01 of the Indenture:

Act
Additional Bonds
Administration Expenses
Authorized Company Representative
Bondholder
Bonds
Bond Fund

Mortgage
Opinion of Counsel
Opinion of Bond Counsel
Permitted Encumbrances
Plans and Specifications
Principal Installment Date
Project
Revenues

Bond Resister and
Bond Registrar
Certificate of Determination
to Issue Revenue Bonds
Certified Cost Estimate
Completion Date
Construction Fund
Cost
Eligible Project
Exempt Costs

Event of Taxability
Financing Statement
Issuer
Revenues
Secretary
Series
Series of Bonds
Series XL Bonds
Supplemental Indenture
Trustee

ARTICLE II.

Representations and Findings

SECTION 2.01 REPRESENTATIONS OF THE ISSUER.

The Issuer makes the following representations as the basis for the undertakings on the part of the Corporation herein contained:

(a) The Economic Development Commission has been created by statute to establish policy for the Economic Development Department, duly appointed by the Governor of the State of Oregon, is part of the Executive Department of the State of Oregon, and is an agency of the State of Oregon duly created and existing under and pursuant to laws of the State of Oregon;

(b) The Economic Development Commission has been designated by the Treasurer of the State of Oregon to act on behalf of the State of Oregon as the designee of the Treasurer of the State of Oregon pursuant to the Act.

(c) The Treasurer of the State of Oregon has issued his Certificate of Determination to Issue Revenue Bonds in connection with the Project.

(d) The Issuer has full power and authority to enter into the transactions contemplated by this Agreement and the Indenture and to carry out its obligations hereunder and thereunder;

(e) The Project consists of and will consist of an Eligible Project.

(f) The Issuer has duly authorized the execution and delivery of this Agreement and the execution and delivery of the Indenture;

(g) To finance the cost of the Project, the Issuer proposes to issue its Series XL Bonds pursuant to the Indenture and the Revenues derived by the Issuer from the leasing of the Project and the Guaranty are, pursuant to the Indenture, pledged as security for payment of the principal and interest on the Bonds.

(h) The Bonds, together with the interest thereon, are limited obligations of the Issuer payable solely from the payments made pursuant to the Agreement, the proceeds of the Bonds and the income earned by the investment of funds under the Indenture, and the Bonds and the interest thereon and the Agreement shall not constitute a lending of credit within the meaning of any constitutional or statutory limitation or an indebtedness, a general obligation or a charge against the general credit or taxing power of the Issuer within the meaning of any constitutional or charter provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Issuer.

SECTION 2.02 REPRESENTATIONS OF THE CORPORATION.

The Corporation makes the following representations as the basis for the undertakings on the part of the Issuer herein contained:

(a) The Corporation is a corporation duly incorporated and in good standing under the laws of the State of Oregon, is duly qualified and authorized to engage in business in the State of Oregon, has power to enter into this Agreement and by proper corporate action has duly authorized the execution and delivery hereof;

(b) The Corporation is not in violation of any provision of its articles of incorporation, its by-laws or any laws in any manner material to its ability to perform its obligations under this Agreement.

(c) The Project is authorized and permitted by the Act and is as described in Exhibit A hereto, the Project will not be changed in any manner except as provided herein, and the estimated Cost of the Project is not less than the principal amount of the Bonds.

(d) Substantially all (90 percent or more) of the proceeds of the Series XL Bonds (after reduction for compensation and expenses of the Trustee, legal, accounting, financial and printing expenses, fees and all other expenses incurred in connection with the issuance of the Bonds) will be used to provide Exempt Costs.

(e) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, conflicts with or results in a breach of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which the Corporation is now a party or by which it is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Corporation under the terms of any instrument or agreement.

(f) The Corporation has title to the Project sufficient for its purposes.

(g) None of the proceeds of the Series XL Bonds will be used, directly or indirectly, to pay or finance the payment of any expenses or obligations associated with the project and incurred before September 30, 1980, the date of the Issuer's determination of Project as an Eligible Project.

ARTICLE III.

Completion of Project; Issuance of the Bonds

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SECTION 3.01 CORPORATION TO CONSTRUCT PROJECT.

The Corporation will acquire, construct, install and equip the Project, or cause the Project to be acquired, constructed, installed and equipped for and at the expense of the Issuer as herein provided substantially in accordance with the Plans and Specifications, and will use its best efforts to cause the acquisition, construction, installation and equipping thereof to be completed by September 1, 1983, or as soon thereafter as may be practicable, delays incident to the events specified in the first sentence of the last paragraph of Section 7.01 hereof or any other delay beyond the reasonable control of the Corporation only excepted; but if for any reason such acquisition, construction, installation and equipping shall not be completed by said date there shall be no resulting diminution in or postponement of the rental payments required in Section 4.02 hereof to be paid by the Corporation. The Project shall belong to and be the property of the Issuer.

Anything in this Agreement notwithstanding, the Corporation shall not be obligated to complete the acquisition, construction, installation and equipping of the Project upon acceleration of the payment of the applicable unpaid portion of the rent therefor pursuant to the provisions of Section 8.01 or 8.02 hereof and the making of any such payment in the amount required by, and in accordance with the terms of, this Agreement.

The Corporation hereby agrees to convey, on or prior to closing, the land described in Exhibit B attached hereto to the Issuer which land shall thereupon constitute part of the Project. The Corporation shall deliver to the Issuer, without expense to the Issuer, a title insurance policy satisfactory to the Issuer, which shows that the Issuer has acquired from the Corporation good and marketable title to said land, free from all encumbrances other than Permitted Encumbrances and insuring the interests of the Issuer and the Trustee to such land.

In order to effectuate the purposes of this Agreement, the Corporation will make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered, all contracts, orders, receipts, writings and instructions, in the name of the Corporation or otherwise, with or to other persons, firms or corporations, and in general do or cause to be done all such other things as may be requisite or proper for the acquisition, construction and installation of the Project and fulfillment of the obligations of the Corporation under this Agreement.

The Corporation will maintain such records in connection with the acquisition, construction and installation of the Project as to permit reasonably ready identification thereof.

SECTION 3.02 SALE OF SERIES XL BONDS, ADDITIONAL BONDS.

In order to provide funds for payment of the Cost of the Project, the Issuer, as soon as practicable after the execution of this Agreement, will sell, issue and deliver to the initial purchasers thereof the Series XL Bonds and deposit the proceeds thereof with the Trustee, as follows: (a) in the Bond Fund, a sum equal to the accrued interest, if any, paid by the initial purchasers of the Series XL

Bonds, and (b) in the Construction Fund, the balance of the proceeds to be received from said sale.

Upon written request from the Corporation to the Issuer to issue Additional Bonds to complete payment of the Cost of the Project, the Issuer shall use its best efforts to issue such Bonds in one or more Series for such purpose in accordance with the provisions of the Indenture and the Act; provided, however, that the failure of the Issuer to issue Additional Bonds shall not release the Corporation from any of the provisions of this Agreement, regardless of the reason for such failure.

SECTION 3.03 PAYMENTS FROM CONSTRUCTION FUND.

The Issuer has, in the Indenture, authorized and directed the Trustee to make payments from the Construction Fund to pay to or upon the order of the Corporation the Cost of the Project, upon receipt by the Trustee, not less than 8 days before disbursement, of:

(a) A cost certificate, in such form as may be prescribed by the Trustee, signed by an Authorized Company Representative, which shall include (i) the disbursement request number, (ii) the name and address of the Person to whom payment is due (or, in case of payment to the Bond Fund, instructions to make such payments to the Bond Fund), (iii) the amount to be paid, (iv) a statement to the effect that each obligation, item of Cost or expense mentioned in the cost certificate has been properly incurred, is a proper charge against the Construction Fund, and has not been the basis of any previous withdrawal, and, (v) if the payment is to be made to the Corporation, that such item of Cost or expense has been paid by the Corporation.

(b) Copies of any architect's progress vouchers; copies of the invoices and the bills which have been or will be satisfied with the payment; copies of all checks issued in payment thereof; and, with respect to any product manufactured and supplied by the Corporation, machinery or equipment fabricated by the Corporation or construction labor charges incurred by the Corporation, copies of intracompany billings, timesheets, job costs sheets or other such cost accumulation schedules as may be appropriate in the circumstances;

(c) A signed statement of the Corporation's architect or engineer (which may be the Corporation's construction project manager) that the Project has been acquired and constructed in accordance with the Plans and Specifications, and that in his opinion the value of the Project after the application of the disbursement requested will be not less than the amount of all disbursement to date; and

(d) A certificate in such form as may be prescribed by the Major Bondholder and signed by both an authorized Company Representative and the Corporation architect or engineer (which may be the Corporation's construction project manager) as to the completion status to the date of the disbursement request and since the most recent disbursement such certificate may be contained in the certificate indicated in Section 5.03(a).

(e) Appropriate UCC financing statements, when applicable, executed by the Corporation and prepared for filing; and

(f) The written approval of the Major Bondholder, which approval may be based upon:

(i) Prior to the first disbursement from the Construction Fund, the Corporation shall submit to the Trustee and the Major Bondholder evidence satisfactory to the Trustee and the Major Bondholder that the Corporation has expended funds or has funds available in an amount equal to the excess of the total estimated Cost of the Project as indicated in the Certified Cost Estimate over the amount of the Bond proceeds.

(ii) If the actual Costs of the Project in any construction category exceeds the amount for such category as indicated in the Certified Cost Estimate, the Major Bondholder may withhold approval of any disbursements from the Construction Fund until the Corporation makes provisions for payment of excess of such Costs over the amount indicated in the Certified Cost Estimate.

Disbursements by the Trustee from the Construction Fund need not be made more frequently than monthly. Disbursements shall be limited to 95% of completed direct Costs and 100% of the indirect Costs of the Project (as indicated in the Certified Cost Estimate) with the retainage to be disbursed upon Trustee's receipt of the final ALTA policy with survey and mechanics lien exceptions deleted as indicated in Section 5.05(d) of the Indenture. In addition to the financial statements required by Section 7.01, the Trustee shall provide monthly statements to the Issuer and the Corporation itemizing each payment from the Construction Fund and the date thereof, during the preceding month. Both the Trustee and the Issuer may rely and shall be protected in relying upon the foregoing representations and certificates. The payment from the Construction Fund for any portion of the Project constructed by the Corporation shall be made only upon the Corporation's delivering, or causing to be delivered, all such deeds, bills of sale or other title documents as shall be necessary or appropriate to convey title thereto, subject to Permitted Encumbrances, to the Issuer. The Corporation covenants and agrees that it will not submit any requisition or requisitions which, if paid, would result at any time in less than substantially all (as provided in Section 103(b)(6) of the Internal Revenue Code, as amended) of the moneys in the Construction Fund being applied to Exempt Costs.

SECTION 3.04 REVISION OF PLANS AND SPECIFICATIONS.

The Corporation may, with the written consent of the Major Bondholder, revise the Plans and Specifications at any time and from time to time prior to the Completion Date. No material change in the Plans and Specifications shall be made unless (i) a copy of each such revision, duly certified by an Authorized Company Representative has been filed with the Issuer and the Trustee; (ii) an Authorized Company Representative has certified to the Trustee that such revision does not materially decrease the value of the Project; and (iii) the Trustee has been furnished with either an unqualified Opinion of Bond Counsel or a ruling of the Internal Revenue Service that such revision and the expenditure of moneys from the Construction Fund to pay the Cost of the Project in accordance with such revision will not impair the exemption of interest on outstanding Bonds from Federal income taxation.

SECTION 3.05 CERTIFICATE OF COMPLETION OF PROJECT.

When the Project is completed and ready to be placed in service, the Corporation shall so notify the Issuer and the Trustee by furnishing each of them with:

- (a) A certificate of an Authorized Company Representative stating that (i) the Project has been completed in accordance with the Plans and Specification, (ii) the date of such completion and (iii) all Costs of Construction of the Project have been paid or provisions have been made for the payment thereof;
- (b) A certificate of the Corporation's architect or engineer (which may be the Corporation's construction project manager) of substantial completion of the Project;
- (c) A certificate of an independent public accountant stating that Costs of the Project identified in subparagraph (a) above are Exempt Costs.
- (d) The written concurrence of the Major Bondholder that the Project has been completed to the Major Bondholder's satisfaction.
- (e) The Corporation's written acceptance of the Project, provided, however, that no Person other than the Trustee and the Major Bondholder shall be entitled to rely upon such acceptance and such acceptance shall not bar any claim of the Corporation against any third party for any defect in the Project.

The Corporation shall also furnish the Trustee with a revised ALTA title insurance policy as required Section 3.02(9) of the Indenture with the survey exception deleted. The Corporation will deliver a revised ALTA title insurance policy as required by Section 3.02(9) with the survey and mechanics lien exceptions deleted within 60 days of the Completion Date.

Notwithstanding the foregoing, such certificates shall state that they are given without prejudice to any rights of the Company or the Issuer against third parties which may exist at the date of such certificate or which may subsequently come into being.

SECTION 3.06 COMPLETION OF PROJECT IF CONSTRUCTION FUND MONEYS INADEQUATE; SURPLUS IN CONSTRUCTION FUND.

If the moneys in the Construction Fund available for payment of the Cost of the Project (including moneys from the proceeds of any Additional Bonds sold pursuant to the terms and provisions of the Indenture to finance completion of the Project) are not sufficient to pay the Cost of the Project in full, the Corporation will complete or cause to be completed the Project and pay or cause to be paid all of that portion of the Cost of the Project in excess of the moneys available therefor in the Construction Fund. The Issuer does not make any warranty, either express or implied, that the moneys which will be paid into the Construction Fund will be sufficient to pay the Cost of the Project. If the Corporation pays any portion of the Cost of the Project pursuant to the provisions of this Section 3.06, it shall not be entitled to any reimbursement therefor (except to the extent of reimbursement from the proceeds of any Additional Bonds sold to finance completion of the Project) from the Issuer, the Trustee or the holders of any of the

Bonds, nor shall it be entitled to any diminution in or postponement of the rental payments required in Section 4.02 hereof to be paid by the Corporation.

If, upon the completion of the Project, any surplus funds remain in the Construction Fund which are not required to provide for the payment of the Cost of the Project, such funds, upon written instructions of the Corporation, shall be applied for any of the following purposes, without priority: (i) purchase of Bonds, (ii) redemption of Bonds by depositing such moneys in the Bond Fund or in an appropriate escrow account, (iii) payment of debt service on Bonds by depositing such moneys in the Bond Fund, or (iv) acquisition of additional industrial development facilities, provided, however, that such additional industrial development facilities shall be located on and attached to the real property described in Exhibit B and shall be subject to the Mortgage. In any such event, the Trustee shall also be furnished with either (A) an unqualified Opinion of Bond Counsel designated by the Issuer, or (B) a ruling of the Internal Revenue Service, that such application of such moneys will not impair the exemption of interest on the Bonds from Federal income taxation and, if option (iv) is chosen, an Opinion of Bond Counsel that the acquisition, construction, installation and equipping of such industrial development facilities constitute proper purposes of the Issuer under the Act.

SECTION 3.07 CORPORATION TO PURSUE REMEDIES AGAINST CONTRACTORS IN EVENT OF BREACH OF CONTRACT.

In the event of default of any contractor or subcontractor under any contract made by it in connection with the Project or in the event of a breach of warranty with respect to any materials, workmanship or performance guaranty, the Corporation shall proceed, either separately or in conjunction with others, to pursue such remedies, if any, against the contractor or subcontractor so in default and against each surety for the performance of such contract as it may deem advisable. The Corporation will advise the Issuer of the steps it intends to take in connection with any such default. If the Corporation so notifies the Issuer, the Corporation may, in its own name or in the name of the Issuer, prosecute any action or proceeding or take any other action involving any such contractor, subcontractor or surety which the Corporation reasonably deems necessary, and in such event the Issuer will cooperate fully with the Corporation. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing prior to the Completion Date shall be paid into the Construction Fund or, if recovered after the Completion Date and full disposition of the Construction Fund, shall be paid into the Bond Fund.

SECTION 3.08 INVESTMENT OF MONEYS IN FUNDS CREATED UNDER INDENTURE.

Any moneys held as a part of the Construction Fund or any other fund created pursuant to the Indenture shall, at the written request of the Corporation (or, if the Corporation is in default under this Agreement, at the written request of the Issuer), be invested or reinvested by the Trustee as provided in Article VII of the Indenture; provided, however, that the Corporation shall not direct any investment of such moneys which would cause the Bonds to be "arbitrage bonds," within the meaning of Section 103(c) of the Internal Revenue Code and applicable regulations thereunder, as amended from time to time, as long as the Bonds are outstanding.

ARTICLE IV.

Lease of Project and Lease Term;
Payment of Rent; Operation and
Maintenance; Insurance; Condemnation;
and Taxes

SECTION 4.01 LEASE OF PROJECT AND LEASE TERM.

The Issuer hereby demises and leases to the Corporation and the Corporation hereby leases from the Issuer, upon the terms and conditions of this Agreement, the Project.

The Lease Term shall commence on the date of closing of the Bond sale and, subject to earlier termination as provided herein, shall end on the day following the day on which all Bonds and coupons appertaining thereto and all expenses of the Trustee are deemed to have been paid and discharged under the provisions of the Indenture.

The Issuer agrees to deliver to the Corporation at the commencement of the Lease Term sole and exclusive possession of the Project (subject to the right of the Issuer, the Trustee and the Major Bondholder to enter thereon for inspection purposes and to the other provisions of Section 4.04 hereof) and the Corporation agrees to accept possession of the Project upon such delivery. As long as the Corporation is not in default under this Agreement, the Corporation may peaceably and quietly hold, possess and use the Project without interference of any kind from the Issuer or any person claiming rights through the Issuer.

SECTION 4.02 PAYMENT OF RENT.

The Corporation agrees to pay to the Issuer as rent for the Project a sum equal to the aggregate principal amount of the Bonds issued under the Indenture for the Project, together with any premium due thereon, and with interest on the unpaid balances thereof at the rates payable by the Issuer on such Bonds, in the amounts and on the dates as follows:

(a) On the business day next preceding each interest payment date with respect to any Series of Bonds, the sum which, together with other moneys available therefor in the Bond Fund, will equal the interest to be paid on such Series of Bonds on such interest payment date;

(b) On February 1 and August 1 of each year, commencing August 1, 1981, and continuing until both the principal and interest on the Series XL Bonds are paid, the accrued interest on the Series XL Bonds; and

(c) On the business day next preceding each Principal Installment Date, the sum which, together with other moneys available therefor in the Bond Fund, will equal the principal of Bonds of any Series which will mature on such Principal Installment Date.

SECTION 4.03 ASSIGNMENT TO TRUSTEE; OBLIGATION TO MAKE PAYMENTS ABSOLUTE.

The Issuer has granted, conveyed and sold the Mortgage to the Trustee pursuant to the Indenture. All payments by the Corporation under this Agreement

(but excluding attorneys' fees and other expenses of the Issuer payable pursuant to Section 7.04 of this Agreement, indemnification payable pursuant to Section 4.08 of this Agreement and the Administration Expenses described in clause (i) of the definition of Administration Expenses) are to be assigned by the Issuer to the Trustee. The Corporation assents to such assignment and agrees that, as to the Trustee, its obligation to make such payments shall be absolute and unconditional and shall not be subject to any defense (other than payment) or any right of set-off, counterclaim or recoupment arising out of any breach by the Issuer of any obligation to the Corporation, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Corporation by the Issuer or the Trustee. The Issuer directs the Corporation, and the Corporation agrees, to pay to the Trustee at its principal corporate trust office all payments payable by the Corporation pursuant to this Agreement (except attorney fees and other expenses paid pursuant to Section 7.04 hereof and indemnification payments pursuant to Section 4.08 hereof).

As long as any Bonds are outstanding, the Corporation will pay to the Trustee each year when due the Administration Expenses not theretofore provided for which have then accrued and become payable.

The Corporation further agrees to pay for the expense of printing the Bonds, both coupon and registered, if and to the extent that such expense is not paid from the Construction Fund pursuant to Section 3.03 hereof.

SECTION 4.04 RIGHT OF ACCESS TO THE PROJECT.

The Corporation agrees that the Issuer, the Trustee, the Major Bondholder and their or either of their duly authorized agents, which may include licensed architects or engineers, shall have the right at all reasonable times to enter upon the Project and to examine and inspect the Project, to determine whether it is in conformity with the Plans and Specifications and with the applicable provisions of Lease and Indenture. The expenses of such inspections and determinations shall be borne by the Corporation. Trustee and the Major Bondholder shall also have the right at all reasonable times to inspect all books, records and documents of the Corporation relating to the Project. Any right of inspection, checking or control which Trustee may have or exercise during acquisition and construction of the Project is for the Trustee's benefit only and shall create no right in third parties. The Trustee is under no duty to supervise or inspect the Project and any such inspection is for the sole purpose of preserving Trustee's rights hereunder. Failure to inspect the work, or any part thereof, shall not constitute a waiver of any of Trustee's rights hereunder. Inspection not followed by notice of default shall not constitute a waiver of any default then existing, nor shall it constitute a representation that there has been or will be compliance with the Plans and Specifications or that the construction is free from defective materials or workmanship, or that the Plans and Specifications and construction are adequate for their intended use, or that the construction meets any standards of quality.

SECTION 4.05 MANDATORY ACCELERATION OF PAYMENT WITHOUT PREMIUM UPON HAPPENING OF CERTAIN EVENTS.

The Corporation shall be obligated, and agrees, to accelerate payment of the entire amount payable under Section 4.02 of this Agreement with respect to the Series XL Bonds upon the occurrence of an Event of Taxability and to pay a sum sufficient, together with any other funds held by the Trustee and available

for such purpose, (i) to redeem on the date specified pursuant to the Indenture all outstanding Series XL Bonds at a redemption price equal to the principal amount of such Series XL Bonds, (ii) to pay the interest which will accrue on such Series XL Bonds to the date so fixed for their redemption (such accrued interest to reflect an increased rate of interest as provided in the Indenture), and (iii) to pay all expenses of the Issuer accrued and to accrue through the date fixed for such redemption.

Notwithstanding anything contained in this Section to the contrary, in the event that a redemption of a portion of the Series XL Bonds outstanding would have the result that interest payable on any Series XL Bonds remaining outstanding after such redemption would not be includable in the gross income of any holder of any Series XL Bonds (other than a holder who is a "substantial user" of the Project or a "related person" within the meaning of the Internal Revenue Code of 1954, as amended, and the applicable regulations thereunder) then the Corporation, subject to the Corporation's election of the option provided in this Section 4.05, shall be obligated to pay a sum sufficient together with any other funds held by the Trustee and available for such purpose, (i) to redeem on the date specified pursuant to the Indenture such portion of the Series XL Bonds as would accomplish such result at a redemption price equal to the principal amount of such Series XL Bonds, (ii) to pay the interest which will accrue on such 1980 Series Bonds to the date so fixed for their redemption (such accrued interest to reflect an increased rate of interest as provided in the Indenture), and (iii) to pay all expenses of the Issuer accrued and to accrue through the date fixed for such redemption. The Corporation agrees to make the payments required by this Section on or prior to the redemption date set for the Series XL Bonds pursuant to Section 8.05 of the Indenture.

The Corporation agrees that, immediately after receipt by it of notice of an Event of Taxability, it will inform the Trustee and the Issuer in writing that it has received such notice.

If a mandatory acceleration of payments pursuant to this Section results in the payment or provision for payment of all Series XL Bonds the Issuer shall deliver the documents set forth in Section 8.04 hereof to the Corporation to the extent required by said Section 8.04.

SECTION 4.06 MAINTENANCE OF PROJECT; REMODELING.

The Corporation will maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition and will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals, which shall thereupon become part of the Project; provided, however, that the Corporation will have no obligation to maintain, repair, replace or renew any element or unit of the Project (a) the maintenance, repair, replacement or renewal of which becomes uneconomic to the Corporation because of damage or destruction by a cause not within the control of the Corporation, or obsolescence (including economic obsolescence), or change in government standards and regulations, or the termination by the Corporation of the operation of the facilities to which the element or unit of the Project is an adjunct, and (b) with respect to which the Corporation has furnished to the Trustee a certificate of an Authorized Company Representative that the maintenance, repair, replacement or renewal of such element or unit of the Project is being discontinued for one of the foregoing reasons, which shall be stated therein.

Subsequent to the Completion Date, the Corporation may remodel the Project, including the making of substitutions, modifications and improvements, as it, in its discretion, may deem desirable for its uses and purposes, provided:

(a) The cost of such remodeling shall be paid by the Corporation;

(b) Any such remodeling shall be performed in a first-class, workmanlike manner and shall not weaken or impair the structural strength or lessen the fair market value of the project;

(c) If the estimated cost of such remodeling is more than \$100,000.00, the Corporation shall first obtain the consent and approval in writing of the Issuer, the Trustee and the Major Bondholder; and

(d) All such remodeling shall be and become the property of the Issuer and be included under the terms of this Agreement as part of the Project.

SECTION 4.07 INSURANCE.

Commencing with the start of construction, the Corporation shall keep the Project continuously insured against such risks as are customarily insured against by businesses of like size and type, paying as the same become due and payable all premiums with respect thereto. Such insurance coverage shall include:

(a) public liability; and

(b) fire insurance (in builder's risk completed value form 100 percent coverage, and including extended coverage) or, if required by the Trustee and the Major Bondholder, all risk insurance; and

(c) until the Completion Date, workers compensation insurance for all laborers involved in construction of the Project and the Corporation shall cause all its contractors and subcontractors involved in construction of the Project to carry workers compensation for all laborers involved in construction of the Project.

(d) such other hazard insurance as may be required by the Trustee and the Major Bondholder.

All such policies shall be in form and amount satisfactory to the Trustee and the Major Bondholder and shall bear endorsements as deemed necessary by the Trustee and Major Bondholder. Each policy shall contain an endorsement, or other instruments satisfactory to the Trustee shall be delivered to the Trustee, that:

(x) each such policy will not be altered or cancelled without 20 days - prior written notice to the Trustee; and

(y) no act or default of the Corporation or any other person will affect the right of the Trustee to recover under such policy in the event of loss or damage to the Project. In lieu of the separate insurance policies, such insurance may be in the form of a blanket insurance policy or policies of the Corporation.

The originals or certified copies of all such policies or certificates of insurance in respect thereof, stamped "paid" in each case, shall be deposited with the Trustee. The Trustee may require the Corporation at reasonable times throughout the Lease Term to furnish additional evidence satisfactory to the Trustee of such insurance coverage. The Issuer and the Trustee and any of its agents shall be made additional insureds or included therein as their interests may appear of property damage or public liability insurance which specifically refers to the Project or the operation thereof. All claims under any policy of insurance referred to in this Agreement may be settled by the Corporation without the consent of the Issuer or the Trustee or its agents, regardless of whether they are named as insureds thereunder.

All proceeds of insurance against property damage shall be made payable:

(aa) to the Corporation in the case of insurance proceeds not exceeding ten thousand dollars (\$10,000) with respect to any particular loss resulting in damage or destruction to the Project. Such proceeds paid to the Corporation shall be held by the Corporation in trust until the Corporation has determined pursuant to Section 4.09 of this Agreement whether it is practicable and desirable to rebuild, repair or restore such damage or loss. After such determination is made, such proceeds shall be applied pursuant to Section 4.09.

(bb) to the Trustee, as mortgagee, for application pursuant to Section 4.09 in the case of insurance proceeds exceeding ten thousand dollars (\$10,000) with respect to any particular loss resulting in damage or destruction to the Project. The Issuer shall pay any proceeds of insurance received by it to the Trustee.

SECTION 4.08 INDEMNIFICATION.

The Issuer makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Corporation's purposes or needs. The Corporation releases the Issuer and the Trustee and their commissioners, agents, servants, officers and employees now and forever, from and covenants and agrees that the Issuer and the Trustee and their commissioners, agents, servants, officers and employees now and forever, shall not be liable for, and agrees to indemnify and hold the Issuer and the Trustee and their commissioners, agents, servants, officers and employees now and forever, harmless against any loss or damage to property or any injury to or death of any person occurring at or resulting from any cause whatsoever pertaining to the Corporation's construction, operation, or use of the Project.

The Issuer and its commissioners, agents, servants, officers and employees shall not be liable for any damage caused by any act, omission, or negligence of the Issuer, its commissioners, agents, servants, officers or employees, or the Trustee in administering the Bonds or carrying out their respective duties under the Indenture, the Lease, or the Bond Purchase Agreement, and the Corporation hereby indemnifies and holds harmless the Issuer and its commissioners, agents, servants, officers and employees against any loss, claims, damages, expenses or liabilities to which the Issuer and its commissioners, agents, servants, officers and employees may become subject due to any such damage.

Any obligation incurred by the Issuer as contemplated by this Agreement in connection with the Project or the construction thereof, or lease thereof, or issuance, sale and delivery of the Bonds and not paid or satisfied out of Revenues, or out of Bond proceeds, shall be paid by the Corporation.

The Issuer shall promptly notify the Corporation in writing of any action brought against the Issuer or, to the knowledge of the Issuer, threatened against the Issuer which may result in indemnity being sought from the Corporation. Failure of the Issuer to give such notice to the Corporation shall not affect or act as a waiver by the Issuer of the indemnity provisions of this Section 4.08. The Corporation shall have the right to assume the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by the Issuer unless the employment of such counsel has been authorized by the Corporation. The Corporation shall not be liable for any settlement of any such action without its consent but, if any such action is settled with the consent of the Corporation or if there be final judgment for the plaintiff of any such action, the Corporation agrees to indemnify and hold harmless the Issuer from and against any loss by reason of such settlement or judgment.

SECTION 4.09 DAMAGE TO PROJECT.

Immediately after the occurrence of any damage or loss to the Project, the Corporation shall notify the Issuer and the Trustee as to the nature and extent of such damage or loss and, as soon as practicable thereafter, notify the Issuer and the Trustee whether it is practicable and desirable to rebuild, repair or restore such damage or loss. If the Corporation shall determine that such rebuilding, repairing or restoring is practicable and desirable, the Corporation shall forthwith proceed with such rebuilding, repairing or restoring and shall notify the Issuer and the Trustee upon the completion thereof, which rebuilding, repair or restoration shall thereupon become part of the Project. In such case, any insurance proceeds received by the Issuer or the Trustee in respect of such damage or loss shall be made available to and used by the Corporation for payment of, or reimbursement for, the costs of such rebuilding, repairing or restoring. Any insurance proceeds received by the Issuer, the Trustee or the Corporation in respect of such damage or loss not expended in rebuilding, repairing or restoring the Project shall be paid to the Trustee for deposit in the Bond Fund and used solely for redemption of Bonds at the earliest possible date. The Corporation shall be entitled to the net insurance proceeds paid for damage to any property not constituting a part of the Project.

SECTION 4.10 CONDEMNATION OF PROJECT.

In the event that title to or the temporary use of the Project, or any part thereof, shall be taken in condemnation or by the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, there shall be no abatement or reduction in the rent payments required under Section 4.02 hereof to be made by the Corporation and any proceeds received from any award or awards in respect of the Project or any part thereof made in such condemnation or eminent domain proceedings, after payment of all expenses incurred in the collection thereof, shall be paid to the Trustee for deposit in the Bond Fund and used solely for redemption of Bonds at the earliest possible date.

The Issuer shall cooperate fully with the Corporation in the handling and conduct of any prospective or pending condemnation proceedings with respect

to the Project or any part thereof. In no event will the Issuer voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Corporation.

SECTION 4.11 CONDEMNATION OTHER THAN PROJECT.

Any provisions of this Agreement to the contrary notwithstanding, the Corporation shall be entitled to that portion of the proceeds of any condemnation award made for damages to or taking of its own property other than the Project.

SECTION 4.12 PAYMENT OF TAXES, LIENS AND ASSESSMENTS.

The Corporation will: (a) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by the Federal, state or any municipal government upon the Issuer with respect to or upon the Project or any part thereof or upon any payments hereunder when the same shall become due; (b) duly observe and comply with all valid requirements of any governmental authority relative to the Project; (c) not create or suffer to be created any lien or charge upon the Project or any part thereof or upon the payments in respect thereof pursuant to this Agreement, except Permitted Encumbrances; and (d) pay or cause to be discharged or make adequate provision to satisfy and discharge, within 60 days after the same shall come into force, any lien or charge upon the Project or any part thereof or any payments hereunder and all lawful claims or demands for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon the Project or any part thereof or any payments hereunder, except Permitted Encumbrances.

The Corporation may, at its expense and in its own name or in the name of the Issuer, in good faith (i) claim or defend any tax exemption for the Project to which it believes it, as lessee of the Project, is entitled to claim or defend or (ii) contest any such taxes, assessments, liens and other charges and, in the event of any such contest, may permit the taxes, assessments, liens or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Issuer or Trustee shall notify the Corporation that, in the Opinion of Bond Counsel, by nonpayment of any such items the security afforded pursuant to the terms of the Indenture will be materially endangered, in which event such taxes, assessments or charges shall be paid forthwith. The Issuer will cooperate fully with the Corporation in any such claim, defense or contest.

SECTION 4.13 ADDITIONAL PAYMENTS BY CORPORATION.

The Corporation will pay, or cause to be paid, in addition to the payments provided for in Sections 4.02 and 4.03 hereof, all Administration Expenses, all of the expenses of operation of the Project, including, without limitation, the cost of all necessary and proper repairs, replacements and renewals made pursuant to Section 4.06 hereof; the cost of insurance, if any, carried pursuant to Section 4.07 hereof; and any and all taxes and assessments payable pursuant to Section 4.14 hereof.

SECTION 4.14 NO ABATEMENT OF PAYMENTS.

It is understood and agreed that the payments under Section 4.02 and other charges payable hereunder shall continue to be payable at the time and in the amounts herein specified, whether or not the Project, or any portion thereof, shall have been destroyed, wholly or partially, by fire or other casualty, and that there shall be no abatement of any such payments and other charges by reason thereof.

SECTION 4.15 ADDITIONAL BONDS.

The Corporation agrees that in the event the Issuer, at the request of the Corporation, issues Additional Bonds under the Indenture for the purpose of (a) completing the acquisition, construction and installation of the Project described in Exhibit A hereto, (b) enlarging, improving or expanding such Project, (c) providing additional industrial development facilities or (d) refunding of outstanding Bonds in accordance with the Indenture the Corporation will, if necessary, enter into an amendment to this Agreement with the Issuer which will contain such provisions as shall be required by the Issuer in respect of the issuance of such Additional Bonds.

ARTICLE V.

Special Covenants

SECTION 5.01 NO WARRANTY AS TO SUITABILITY OF PROJECT.

The Issuer makes no warranty, either express or implied, as to the actual or designed capacity of the Project, as to the suitability of the Project for the purposes specified in this Agreement, as to the condition of the Project, or that the Project will be suitable for the Corporation's purposes or needs.

SECTION 5.02 MAINTENANCE OF CORPORATE EXISTENCE OF CORPORATION; MERGER, SALE OR TRANSFER.

The Corporation agrees that while the Bonds are outstanding it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; provided, that the Corporation may, without violating the agreement contained in this Section, consolidate with or merge into another domestic (United States) corporation, or permit one or more other corporations to consolidate with or merge into it, or sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided the surviving, resulting or transferee corporation, as the case may be, (i) is authorized to do business in the State of Oregon, (ii) is a domestic corporation as aforesaid and (iii) assumes in writing all of the obligations of the Corporation under this Agreement, provided further that the surviving, resulting or transferee corporation, as the case may be, has a consolidated net worth (after giving effect to such consolidation, merger or transfer) at least equal to or greater than that of the Corporation immediately prior to such consolidation, merger or transfer.

If a consolidation, merger or sale or other transfer is made as permitted by this Section 5.02, the provisions of this Section 5.02 shall continue in full force and effect and no further consolidation, merger or sale or other transfer shall be made except in compliance with the provisions of this Section 5.02.

SECTION 5.03 QUIET ENJOYMENT OF PROJECT.

The Issuer covenants and agrees, to the extent permitted by law, that it will not take any action, other than pursuant to Article VII of this Agreement, to prevent Corporation from having quiet and peaceable possession and enjoyment of the Project during the Lease Term and will, at the request of Corporation, and at Corporation's cost, cooperate with Corporation in order that Corporation may have quiet and peaceable possession and enjoyment of the Project. The Issuer shall not create or suffer to be created any lien, charge or encumbrance on the Project or any part thereof other than those consented to by, or arising from the action or inaction of, the Corporation; provided, however, that nothing contained herein shall limit the exercise of the Issuer's governmental powers or authority, including its power of condemnation.

SECTION 5.04 COOPERATION FOR PERMITS, LICENSES AND TAX CREDITS.

In the event it may be necessary for the proper performance of this Agreement, or any rights hereunder, on the part of the Issuer or the Corporation that any application or applications for any permit or license or authorization to do or to perform certain things be made to any governmental or other agency by the Corporation or the Issuer, or both, the Corporation and the Issuer each agree to execute upon the request of the other such application or applications. The Issuer agrees that it will take such actions as may be reasonably requested by the Corporation to secure tax benefits associated with the Project, such as investment tax credits, for the benefit of the Corporation.

SECTION 5.05 PRESERVATION BY ISSUER OF RIGHTS, POWERS AND TAX STATUS.

The Issuer will use its best efforts to maintain, preserve and renew all the rights, powers, privileges and franchises relating to the Project owned by it; and will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Project. The Issuer further covenants that it will not take or fail to take any action that would result in the loss of any tax exemption which it presently enjoys or to which it may subsequently become entitled, the loss of which would adversely affect the Corporation's interest in the Project or under this Agreement.

SECTION 5.06 CORPORATION'S RIGHT TO REMEDY DEFAULTS OF ISSUER.

The Corporation is hereby granted the right, in the event of a default by the Issuer under this Agreement or the Indenture of any of its covenants and obligations, to take such actions as it may deem necessary to remedy such default.

SECTION 5.07 COVENANT AS TO FURTHER ASSURANCES.

The Issuer covenants that, insofar as it is within its legal power to do so, it will from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out

the purpose of this Agreement; provided, however, that no such instruments or actions shall pledge the credit or taxing power of the State of Oregon or any political subdivision of said State.

SECTION 5.08 TAX-EXEMPT STATUS OF THE BONDS.

The Corporation and the Issuer covenant and agree that they, and each of them, will not take or authorize or permit any action to be taken and have not taken or authorized or permitted any action to be taken which results in the interest paid on the Bonds being included in gross income for purposes of Federal income taxation for any Bondholder (other than a holder who is a "substantial user" of the Project or a "related person" as such terms are defined in the Internal Revenue Code of 1954, as amended, and regulations promulgated thereunder).

SECTION 5.09 BONDS REDEEMABLE AT OPTION OF CORPORATION.

If the Corporation is not in default in its payments pursuant to Section 4.02 hereof, the Issuer agrees that, at the request at any time of the Corporation and if the Bonds are then callable, it will forthwith take all steps that may be necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the then outstanding Bonds, as may be specified by the Corporation on the redemption date designated by the Corporation and in which such redemption may be made under such applicable provisions.

SECTION 5.10 REPORTS PROVIDED BY THE CORPORATION.

The Corporation covenants and agrees that it will:

(a) Deliver to the Major Bondholder and the Trustee in form and detail satisfactory to the Major Bondholder:

(i) As soon as reasonably possible, and in any event within 120 days after close of each fiscal year of the Corporation, (1) the balance sheet of the Corporation as at the end of such fiscal year setting forth in comparative form the corresponding figures as at the end of the preceding fiscal year, and (2) statements of income, retained earnings and changes in financial position for such fiscal year of the Corporation setting forth in comparative form the corresponding figures for the previous fiscal year, prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year of containing disclosure of the effect on financial position or results of operations of any change in the application of accounting principles during the year. Such balance sheet and statements shall be accompanied by a report and opinion of a Certified Public Accountant of recognized standing approved by the Trustee and the Major Bondholder and shall be prepared in accordance to generally accepted auditing standards relating to reporting; and

(ii) Such other statement or statements, lists of property and accounts, budgets, forecasts or reports of the Corporation as the Major Bondholder may reasonably request.

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(b) Promptly notify the Trustee and the Major Bondholder of any suit, action or proceeding instituted against the Corporation wherein the Corporation might incur a liability in excess of \$50,000, exclusive of any insurance coverage by an insurer other than the Corporation.

(c) Promptly, and in any event within 30 days after the Corporation knows or has reason to know of such an event, notify the Trustee and the Major Bondholder of any Reportable Event with respect to any Employee Benefit Plan of the Corporation. Such notification shall include a written statement of the Chairman of the Board, President or Treasurer of the Corporation setting forth details of such Reportable Event and the Action which the Corporation proposes with respect thereto. A copy of such notification shall also be sent by the Corporation to the Pension Benefit Guaranty Corporation or its successor. For purposes of this Section 5.10(c), "Employee Benefit Plan" and "Reportable Event" have the respective meanings as defined in Title IV of the Employment Retirement Income Security Act of 1974.

ARTICLE VI.

Assignment and Sublease

SECTION 6.01 ASSIGNMENT AND SUBLEASE OF PROJECT BY CORPORATION.

The Corporation will not assign, sublease or otherwise dispose of Corporation's interest in the Project, except for Permitted Encumbrances and except as provided in Section 5.02 hereof and in this Section 6.01. The Corporation may from time to time sell or permit the sale of any machinery, fixtures, apparatus, tools, instruments or other movable property or any materials constituting part of the Project, if the Corporation certifies, in writing, to the Issuer and the Trustee that such articles are no longer needed or are no longer useful in its operation of the Project and the proceeds thereof are applied to the replacement of or substitution for the properties so sold or disposed of, or are paid to the Trustee for deposit in the Bond Fund. In addition, this Agreement may be assigned in whole or in part, and the Project may be sold or subleased as a whole or in part, and any proceeds therefrom retained, by the Corporation, subject, however, to the consent of the Issuer and the Trustee, and to the following conditions:

(a) No assignment, or sublease (other than pursuant to Section 5.02 hereof) shall relieve the Corporation from primary liability for any of its obligations hereunder, and in the event of any such assignment or sublease the Corporation shall continue to remain primarily liable for the payments specified in Section 4.02 hereof and for performance and observance of the other agreements on its part herein provided;

(b) Any assignment, lease or sublease shall be made subject to the security interest created under this Agreement and the Mortgage created pursuant to the Indenture;

(c) The assignee or sublessee shall assume the obligations of the Corporation hereunder to the extent of the interest assigned or subleased; and

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(d) The Corporation shall, within 15 days after the delivery thereof, furnish or cause to be furnished to the Issuer and the Trustee a true and complete copy of each such assignment or sublease, as the case may be.

SECTION 6.02 ASSIGNMENT TO TRUSTEE.

The Issuer may assign its rights under and interest in this Agreement (but excluding attorneys' fees and other expenses of the Issuer payable pursuant to Section 7.04 of this Agreement, indemnification payable pursuant to Section 4.08 of this Agreement, and the Administration Expenses described in clause (i) of the definition of Administration Expenses) and may pledge and assign any rental payments and receipts and revenues receivable under or pursuant to this Agreement (but excluding attorneys' fees and other expenses of the Issuer payable pursuant to Section 7.04 of this Agreement, indemnification payable pursuant to Section 4.08 of this Agreement, and the Administration Expenses described in clause (i) of the definition of Administration Expenses) any moneys receivable by the Issuer due to other payments or sale of assets which are part of the Project, and income earned by the investment of funds held under the Indenture for the Cost of the Project and otherwise, as provided herein and in the Indenture, to the Trustee pursuant to the Indenture as security for payment of the principal of, premium, if any, and interest on the Bonds. Except as provided in this Section 6.02, the Issuer will not sell, assign, transfer, convey or otherwise dispose of its interest in the Project or any portion thereof or in the revenues therefrom during the term of this Agreement, nor will it create or suffer to be created any lien, charge or encumbrance thereon other than those consented to by, or arising from the action or inaction of, the Corporation. Issuer has granted, conveyed sold, mortgaged and granted a security interest in its interest in the Project to the Trustee pursuant to the Indenture as security for the payment of the Bonds and all rights of the parties hereunder are subject to the terms of the Indenture and the Mortgage.

ARTICLE VII.

Events of Default and Remedies

SECTION 7.01 ENUMERATION OF "EVENTS OF DEFAULT".

The following shall be "events of default" under this Agreement, and the terms "event of default" or "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the Corporation to pay when due any rental payment required to be paid under Section 4.02 hereof;

(b) Failure by the Corporation to pay when due any payment required to be made under this Agreement other than rental payments under Section 4.02 hereof, which failure shall continue for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to the Corporation by the Issuer by registered mail;

(c) Failure by the Corporation to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsections (a) and (b) of this Section 7.01, which failure shall continue for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, is given to the Corporation by the Issuer by registered mail;

(d) The entering of an order or decree appointing a receiver of the Project or any part thereof or of the revenues thereof with consent or acquiescence of the Corporation or the entering of such order or decree without the acquiescence or consent of the Corporation if it shall not be vacated, discharged or stayed within 60 days after entry; or

(e) The dissolution or liquidation of the Corporation or the filing by the Corporation of a voluntary petition in bankruptcy, or failure by the Corporation promptly to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry out its obligations under this Agreement, or adjudication of the Corporation as a bankrupt, or an assignment by the Corporation for the benefit of its creditors, or the entry by the Corporation into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Corporation in any proceeding for its reorganization or management instituted under the provisions of any bankruptcy act, or under any similar act which may hereafter be enacted, and such adjudication or approval shall not be vacated or set aside or dismissed within 60 days of the date of entry thereof. The term "dissolution or liquidation of the Corporation", as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Corporation resulting either from a merger or consolidation of the Corporation into or with another corporation or a dissolution or liquidation of the Corporation following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting such actions contained in Section 5.02 hereof.

The foregoing provisions of this Section 7.01 are subject to the following limitations: if by reason of acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the Government of the United States or of the State of Oregon or any department, agency, political subdivision or official of either of them, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; volcanic eruptions; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; material breakage or accident to machinery; partial or entire failure of utilities; or any cause or event not reasonably within the control of the Corporation, the Corporation is unable in whole or in part to carry out its agreements herein contained, other than the obligations on the part of the Corporation contained in Sections 4.02 and 5.02 hereof, the Corporation shall not be deemed in default during the continuance of such inability. The Corporation agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Corporation,

and the Corporation shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Corporation unfavorable to the Corporation. Any failure of the Corporation to perform its obligations under Sections 4.02 and 5.02 hereof shall constitute an event of default regardless of the reason for such failure to conform.

SECTION 7.02 REMEDIES.

Whenever any event of default referred to in Section 7.01 hereof shall have happened and be subsisting, any one or more of the following remedial steps may be taken, provided that written notice of the default has been given to the Corporation by the Issuer by registered mail and the default has not theretofore been cured, and provided further that no remedial steps shall be taken by the Issuer the effect of which would be to entitle the Issuer to funds necessary for the payment of principal and interest on Bonds which have not yet matured unless such principal and interest shall have been declared due and payable in accordance with the Indenture and such declaration shall not have been rescinded:

(a) The Issuer may at its option declare all unpaid installments of rent payable under Section 4.02 to be immediately due and payable, whereupon the same shall become immediately due and payable;

(b) The Issuer may re-enter and take possession of the Project without terminating this Agreement, and sublease the Project for the account of the Corporation, holding the Corporation liable for the difference in the rent and other amounts payable by the sublessee in such subleasing and the rents and other amounts payable by the Corporation hereunder;

(c) The Issuer may terminate the Lease Term, exclude the Corporation from possession of the Project and use its best efforts to lease the Project to another party for the account of the Corporation, holding the Corporation liable for all rent and other amounts due under this agreement and not paid by such other party;

(d) The Issuer may take any action at law or in equity to collect the payments then due and thereafter to become due, or to secure possession, or to enforce the performance and observance of any obligation, agreement or covenant of the Corporation under this Agreement; and

Any amounts collected pursuant to action taken under this Section 7.02 shall be applied in accordance with the Indenture.

Upon reasonable written notice to the Corporation, the Issuer, during business hours of the Corporation, shall have access to and inspect, examine and make copies of the books and records and any and all accounts and financial data of the Corporation insofar as the same relate to the Project.

SECTION 7.03 NO REMEDY EXCLUSIVE.

No remedy conferred upon or reserved to the Issuer by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and

every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article VII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 7.04 CORPORATION TO REIMBURSE REASONABLE FEES OF ATTORNEYS AND OTHER EXPENSES.

If the Corporation shall default under any of the provisions of this Agreement and the Issuer or the Trustee shall employ attorneys or incur other expenses for the collection of rent or to secure possession, or to sell the Project or for the enforcement of performance or observance of any obligation or agreement on the part of the Corporation contained in this Agreement, the Corporation will on demand therefor pay the reasonable fees and expenses of the Issuer, the Trustee and their attorneys, including attorneys' fees for appeals, as they are incurred.

SECTION 7.05 WAIVER OF BREACH.

In the event any agreement contained in this Agreement shall be breached and such breach shall thereafter be waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the Issuer's rights in and under this Agreement to the Trustee, the Issuer shall have no power to waive any default hereunder by the Corporation without the consent of the Trustee to such waiver. Notwithstanding the foregoing, if, after the maturity of the outstanding Bonds has been accelerated by the Trustee upon occurrence of an event of default under the Indenture, all arrears of interest on the outstanding Bonds and the principal and premium (if any) on all Bonds then outstanding which have become due and payable otherwise than by acceleration, and all other sums payable under the Indenture, except the principal of and the interest on such Bonds which by such acceleration shall have become due and payable, shall have been paid, all other things shall have been performed in respect of which there was a default, there shall have been paid the reasonable fees and expenses of the Trustee and the Issuer and of the holders of such Bonds, including reasonable attorneys' fees (including attorneys' fees for appeals) paid or incurred and such event of default shall be waived by the Trustee and the Issuer with the consequence under Section 10.01 of the Indenture that such acceleration is rescinded, then the Corporation's default hereunder shall be waived without further action by the Trustee or the Issuer.

ARTICLE VIII.

Options in Favor of Corporation

SECTION 8.01 OPTIONS TO TERMINATE.

The Corporation shall have the following options to cancel or terminate the Lease Term:

(a) At any time and prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the Corporation may terminate the Lease Term by paying to the Trustee, for the account of the Issuer, for deposit in the Bond Fund an amount which, when added to the amount on deposit in the Bond Fund, will be sufficient to pay, retire and redeem all the outstanding Bonds in accordance with the provisions of the Indenture (including, without limiting the generality of the foregoing, principal, premium, if any, and interest to maturity or redemption date specified by the Corporation, as the case may be, expenses of redemption and Trustee's and paying agents' fees and expenses and the Administration Expenses), and in case of redemption, making arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

(b) At any time and after full payment of the principal, premium, if any, and interest on the Bonds and all expenses and fees as stated in subparagraph (a) above, (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the Corporation may terminate the Lease Term by giving the Issuer notice in writing of such termination and such termination shall forthwith become effective.

Upon compliance with the foregoing and the giving of notice to the Issuer in writing of such termination, such termination shall forthwith become effective.

SECTION 8.02 OPTION TO PURCHASE PROJECT PRIOR TO PAYMENT OF THE BONDS.

The Corporation may purchase the Project prior to the full payment of the principal and interest on the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), if any of the following shall have occurred:

(a) The Project shall have been damaged or destroyed as set forth in Section 4.09 hereof to such extent that, in the opinion of the Corporation and an opinion of an independent engineer expressed in a certificate, in each case, filed with the Issuer and the Trustee, (i) it cannot be reasonably restored within a period of six months to the condition thereof immediately preceding such damage or destruction, or (ii) the Corporation is thereby prevented or likely to be prevented from carrying on its normal operations for a period of six months, or (iii) the cost of restoration thereof would exceed \$75,000.

(b) Title to, or the temporary use of, all or substantially all of the Project shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority.

(c) As a result of legislative or executive action of the State of Oregon or any political subdivision thereof or of a final decree or judgment of any court after the Corporation's contest thereof, this Agreement becomes void or unenforceable or impossible of

performance in accordance with the intent and purpose of the parties as expressed in this Agreement, or unreasonable burdens or excessive liabilities are imposed upon the Corporation.

To exercise such option, the Corporation shall, within four months following the event authorizing the exercise of such option, or such shorter period as shall be required by the provisions of Section 8.03 hereof, give written notice to the Issuer, and to the Trustee if any of the Bonds shall then be unpaid and provision for the payment thereof has not been made in accordance with the provisions of the Indenture, and shall specify therein the date of closing such purchase, and in case of a redemption of the Bonds in accordance with the provisions of the Indenture shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. The purchase price payable by the Corporation in the event of its exercise of the option granted in this Section shall be the sum of the following:

(1) An amount of money to be paid into the Bond Fund which, when added to the amount then on deposit in the Bond Fund for payment of the Bonds, will be sufficient to retire and redeem all the then outstanding Bonds;

(2) An amount of money equal to the Trustee's and paying agents' fees and expenses and the administration expenses and the expenses of the Issuer accrued and to accrue until such final payment and redemption of the Bonds, plus

(3) The sum of \$10 to the Issuer.

In the event the Corporation elects to exercise such option, the Corporation may direct the Trustee to pay into the Bond Fund any net proceeds of insurance or condemnation award which the Trustee may then hold. Upon the exercise of the option granted in this Section the Lease Term shall thereupon be terminated. At the closing of the foregoing purchase, the Issuer will deliver to the Corporation the documents referred to in Section 8.04 hereof.

SECTION 8.03 OPTION TO PURCHASE PROJECT OR ANY PART THEREOF SUBSEQUENT TO PAYMENT OF THE BONDS.

The Corporation shall have, and is hereby granted, the option to purchase, and the Issuer hereby agrees to sell the Project or any part thereof for \$10 at the expiration or sooner termination of the Lease Term following full payment of the principal and interest on the Bonds or provision for payment thereof having been made in accordance with the provisions of the Indenture, and payment of an amount of money equal to the Trustee's and paying agents' fees and expenses under the Indenture and the expenses of the Issuer accrued to such full payment of the Bonds. At the closing of the foregoing purchase, the Issuer will deliver to the Corporation the documents referred to in Section 8.04 hereof.

SECTION 8.04 CONVEYANCE ON EXERCISE OF OPTION TO PURCHASE.

Upon the Corporation's exercise of any option to purchase granted herein, the Issuer will, upon Trustee's receipt of the purchase price, deliver to the Trustee, in escrow, the following documents: (i) a statutory special warranty deed to the real property described in Exhibit B hereto, (ii) a bill of sale to all personal property which is a part of the Project, (iii) an instrument in recordable

form evidencing the satisfaction of the Mortgage, (iv) valid termination statements with respect to all Financing Statements, and (v) a certificate in recordable form executed by the Issuer and the Trustee evidencing the termination of the Lease, such documents conveying to the Corporation good and marketable title to the Project, as it then exists, subject to the following: (i) those liens and encumbrances, if any, to which title to the property was subject when conveyed to the Issuer; (ii) those liens and encumbrances created by the Corporation or to the creation or suffering of which the Corporation consented, but not including the Mortgage or any Financing Statement; (iii) those liens and encumbrances resulting from the failure of the Corporation to perform or observe any of the agreements on its part contained in this Agreement; and (iv) if the option is exercised pursuant to the provisions of Section 8.02(b) hereof, the rights and title of the condemning authority. The Trustee and the Issuer further agree to execute and deliver to the Corporation any additional documents reasonably requested by the Corporation to confirm or evidence the conveyance to the Corporation of title to the Project. All documents delivered to the Corporation pursuant to this section shall be in form and substance reasonably acceptable to the Corporation and its counsel. The documents of conveyance referred to in this section shall be executed by the Issuer, and, if necessary, by the Trustee, shall be left undated and shall be deposited by the Issuer in escrow with the Trustee and held until the closing of the purchase pursuant to any option to purchase granted herein. All expenses of such escrow shall be paid by the Corporation.

SECTION 8.05 NOTICE OF PURCHASE.

To exercise an option granted in this Article VIII, the Corporation shall give written notice to the Issuer and the Trustee of the date of closing of the purchase, which date shall not be less than 60 nor more than 180 days from the date the notice is mailed. The option to purchase granted pursuant to Section 8.03 may be exercised simultaneously with the exercise of an option to terminate pursuant to Section 8.01, provided that the date of the closing of the purchase shall be no earlier than the effective date of the termination pursuant to Section 8.01.

ARTICLE IX

Miscellaneous

SECTION 9.01 DISPOSITION OF FUNDS AFTER PAYMENT OF BONDS.

Any amounts remaining in the Bond Fund and other funds established under the Indenture after payment in full of the Bonds (including interest and premium, if any, thereon), or provision for payment thereof having been made in accordance with the provisions of the Indenture, and payment of all other reasonable and necessary obligations and expenses incurred by the Issuer to pay for the Cost of the Project, including interest, premiums and other charges, if any, thereon, and payment of Administration Expenses shall belong to and be paid to the Corporation by the Trustee as overpayment of rent. This Agreement shall be terminated upon discharge of the Indenture as provided in Section 14.01 thereof.

SECTION 9.02 NOTICES.

All notices, certificates, requests or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by first class mail (except as otherwise specified herein), postage prepaid, addressed as follows:

If to the Issuer:

The Economic Development Commission
c/o The Department of Economic Development
Salem, Oregon 97310
Attn: Executive Director

If to the Corporation:

Klamath Medical Service Bureau.
P. O. Box 5016
Klamath Falls, Oregon 97601
Attn: Executive Director

If to the Trustee:

First National Bank of Oregon
1300 S.W. First Avenue
P.O. Box 2971
Portland, Oregon 97208
Attn: Corporate Trust, T-10

If to the Major Bondholder:

First National Bank of Oregon
P. O. Box 608
Klamath Falls, Oregon 97601
Attn: Manager

A duplicate copy of each notice, certificate, request or other communication given hereunder to the Issuer, the Corporation, the Major Bondholder or the Trustee shall also be given to the others. The Corporation, the Issuer and the Trustee may, by notice given under this Section 9.02, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

SECTION 9.03 AGREEMENT TO BIND AND INURE TO THE BENEFIT OF THE CORPORATION, ISSUER AND HOLDERS OF BONDS.

This Agreement shall inure to the benefit of the Issuer, the Corporation and the holders from time to time of the Bonds, and shall be binding upon the Issuer, the Corporation and their respective permitted successors and assigns, subject to the limitation that any obligation or liability of the Issuer created by or arising out of this Agreement shall not be a general debt of the Issuer, but shall be payable solely out of the proceeds derived from this Agreement or the sale of the Bonds or income earned on invested funds as provided herein or in the Indenture.

SECTION 9.04 MODIFICATION OF AGREEMENT.

Except as otherwise provided in this Agreement or in the Indenture, subsequent to the initial issuance of the Bonds and prior to payment or provision for the payment of the Bonds in full (including interest and premium, if any, thereon), in accordance with the provisions of the Indenture, and payment or provisions for the payment of other obligations incurred by the Issuer to pay the Cost of the Project including interest, premiums and other charges, if any, thereon, and payment or provision for payment of Administration Expenses, this Agreement may not be amended, changed, modified, altered or terminated so as to adversely affect the interests of the Issuer, the Trustee or the holders of the Bonds without the prior written consent of (a) the holders of at least 67 percent in aggregate principal amount of the Bonds then outstanding and (b) in case the modifications or amendments, the holders of not less than 67 percent in aggregate principal amount of the Bonds of each Series so affected then outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain outstanding, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of any calculation of outstanding Bonds under this Section 9.04; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of outstanding Bonds the consent of the holders of which is required for any such amendment, change, modification, alteration or termination or decrease the amount of any payment required to be made under this Agreement or extend the time of payment thereof. This Agreement may be amended, changed, modified and altered without the consent of the holders of Bonds to provide other changes which will not adversely affect the interest of such holders. No amendment, change, modification, alteration or termination of this Agreement shall be made other than pursuant to a written instrument signed by the Issuer, the Trustee and the Corporation.

SECTION 9.05 COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement.

SECTION 9.06 SEVERABILITY.

If any clause, provision or section of this Agreement be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. In case any agreement or obligation contained in this Agreement be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Issuer or the Corporation, as the case may be, to the full extent permitted by law.

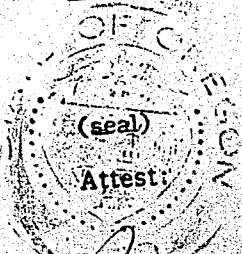
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SECTION 9.07 LAWS OF OREGON TO GOVERN.

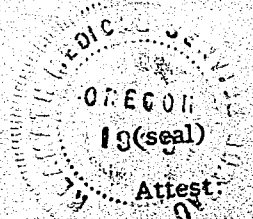
The laws of the State of Oregon shall govern the construction of this Agreement.

THE STATE OF OREGON
acting by and through its
ECONOMIC DEVELOPMENT COMMISSION

By: Kenneth W. Self
Chairman of the Economic Development
Commission



Robert H. Kennedy
Title: Sec.



W. L. Lewis
Title: Secy.

KLAMATH MEDICAL SERVICE BUREAU.

By: Robert H. Graham
President

EXHIBIT A
DESCRIPTION OF THE PROJECT

The Project will consist of a corporate headquarters office building of approximately 17,000 square feet and the Project includes the land described in Exhibit B.

EXHIBIT B
DESCRIPTION OF LAND

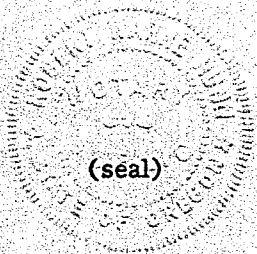
The industrial development facilities described in Exhibit A will be located at the following described land situated in the State of Oregon, County of Klamath.

Lots 1 and 2 in Block 1 of Tract no 1163, Campus View, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

State of Oregon)

County of Oackamas) ss

On this, the 13th day of February, 1981, Kenneth W. Self known to me to be the Chairman of the Economic Development Commission, personally appeared before me, a Notary Public in and for the State of Oregon, and, being a duly authorized person, executed the foregoing instrument on behalf of the Economic Development Commission and, upon oath, did depose and say that he is the Chairman of the Economic Development Commission; that the signature on the instrument is his signature; and that the Economic Development Commission executed the instrument freely and voluntarily and for uses and purposes therein mentioned.

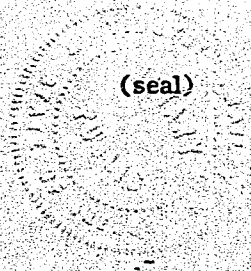


Robert Harne Nunn
Notary Public for the State of Oregon
My Commission Expires: 3/20/81

State of Oregon)

County of KLAMATH) ss

On this, the 17th day of February, 1981, ROBERT W. GRAHAM, known to me to be the President of Klamath Medical Service Bureau, personally appeared before me, a Notary Public in and for the State of Oregon, and, being a duly authorized person, executed the foregoing instrument on behalf of Klamath Medical Service Bureau, and, upon oath, did depose and say that he is President of Klamath Medical Service Bureau; that the signature on the instrument is his signature; and that Klamath Medical Service Bureau executed the instrument freely and voluntarily and for the use and purpose therein mentioned.



Robert W. Graham
Notary Public for the State of Oregon
My Commission Expires: 4-11-84

ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS that THE STATE OF OREGON, acting by and through its Treasurer and its Economic Development Commission, (the "Assignor"), pursuant to the Mortgage and Indenture hereinafter referred to, which Mortgage and Indenture has been heretofore duly executed and delivered, does hereby sell, assign, transfer and set over to First National Bank of Oregon, a National banking corporation having its corporate trust office and place of business in Portland, Oregon, as Trustee (the "Trustee") under the Mortgage and Indenture of Trust by and between the Assignor and the Trustee dated as of February 1, 1981 without recourse, all the right title and interest of the Assignor in and to the Lease Agreement dated as of February 1, 1981, between Assignor and Klamath Medical Service Bureau, an Oregon non-profit corporation, including without limitation, the security interest of the Assignor in the Project described in the Lease Agreement as well as all amounts payable or which may become payable under said Lease Agreement (but excluding attorneys' fees and other expenses of the Assignor payable pursuant to Section 7.04 of the Lease Agreement, indemnification payable pursuant to Section 4.08 of the Lease Agreement and the Administration Expenses described in clause (i) of the definition of Administration Expenses) the same to be held in trust and applied by said trustee as provided in said Indenture; and the Assignor does hereby constitute and appoint First National Bank of Oregon, Trustee as aforesaid, its true and lawful attorney for it and in its name to collect and receive payment of any and all of said payments and to give good and sufficient receipts therefor, hereby ratifying and confirming all that said attorney may do in the premises. Said Trustee may, but except as otherwise provided in said Indenture shall not be required to, institute any proceedings or take any action in its name or in the name of the Assignor to enforce payment or collection of any or all of such payments. First National Bank of Oregon shall have the power to assign, without recourse, all its powers, rights, title and interest under this Assignment to any successor trustee appointed pursuant to said Indenture.

IN WITNESS WHEREOF, the State of Oregon, acting by and through its Economic Development Commission, has caused this Assignment to be duly executed in its name by the Chairman of the Economic Development Commission and attested all as of the 1st day of February, 1981.

THE STATE OF OREGON
acting by and through its
ECONOMIC DEVELOPMENT COMMISSION

By: Kenneth W. Self
Chairman of the Economic Development
Commission

Attest:

Robert G. Kennedy
Sec. of the
Economic Development Commission

State of Oregon

2387

County of Clackamas } ss

On this, the 13th day of February, 1981, Kenneth W. Self known to me to be the Chairman of the Economic Development Commission, personally appeared before me, a Notary Public in and for the State of Oregon, and, being a duly authorized person, executed the foregoing instrument on behalf of the Economic Development Commission and, upon oath, did depose and say that he is the Chairman of the Economic Development Commission; that the signature on the instrument is his signature; and that the Economic Development Commission executed the instrument freely and voluntarily and for uses and purposes therein mentioned.

Robert Horne Munn
Notary Public for the State of Oregon
My Commission Expires: 3/22/81



STATE OF OREGON; COUNTY OF KLAMATH: ss.

I hereby certify that the within instrument was received and filed for record on the

19th day of February A.D., 1981 at 1:18 o'clock P M., and duly recorded in

Vol M81 of Deeds on page 2949.

Fee \$136.50

EVELYN BIEHN

COUNTY CLERK

By Bernice H. Hetch Deputy