maturity or by prepayment, acceleration or otherwise) at the rate of 12.125% per annum. Interest on this Series C Note shall be due and payable semiannually commencing on June 30, 1986, and on each December 31 and June 30 thereafter until this Series C Note is paid in full provided, however, interest becoming due and payable on this Note on or prior to June 30, 2000 shall not be paid but instead shall be added to the principal amount of this Note on each interest payment date occurring on or prior to June 30, 2000. Such interest shall be calculated as if the original principal amount of this Note were the purchase price paid therefor pursuant to the Participation Agreement (as defined in the Indenture), which in the case of this Note was $_____. The principal of this Series C Note shall be due and payable in 27 consecutive semiannual installments on each June 30 and December 31, commencing on December 31, 2000, and ending on December 30, 2013, each such installment of principal to be equal to that percentage set forth in the Schedule attached hereto of the principal amount hereof with respect to the date of such installment, provided that the last such installment of principal shall be equal to the then unpaid balance hereof.

transfer taxes. Prior to due presentment for registration of transfer of this Series C Note, Owner Trustee and Indenture Trustee may treat the person in whose name this Series C Note is registered as the owner hereof for the purpose of receiving payments of principal, premium, if any, and interest hereon and for all other purposes whatsoever, whether or not this Series C Note be overdue, and neither Owner Trustee nor Indenture Trustee shall be affected by notice to the contrary.

This Series C Note shall be governed by the laws of the State of Oregon.

IN WITNESS WHEREOF, Owner Trustee has caused this Series C Note to be duly executed as of the date hereof.

J. HENRY SCHRODER BANK & TRUST COMPANY, not in its individual capacity but solely as Owner Trustee under the Indenture referred to herein,

By: _____
Authorized Officer

This Note is one of the Series C Notes referred to in the within mentioned Indenture.

Ref.

MILLER, NASH, WIENER, HAGER & CARLSEN
111 S.W. FIFTH AVENUE
PORTLAND, OREGON 97204-3699

Authenticating Agent, as

By: _____
Authorized Officer

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of November A.D., 19 86 at 12:45 o'clock P M., and duly recorded in Vol. M86 the 13th day
of Mortgages on Page 20609

FEE $401.00

Evelyn Biehn, County Clerk
By _____

to the holder hereof as above provided, and that, except under certain provisions of the Participation Agreement and as expressly provided in the Indenture, none of Owner Participant, Owner Trustee nor Indenture Trustee is or shall be personally liable to the holder hereof for any amounts payable under this Series C Note or for any performance to be rendered under the Indenture or any other Operative Document or for any liability thereunder.

Principal and interest and premium, if any, shall be payable in the manner provided in the Indenture. Capitalized terms used herein without definition have the respective meanings assigned thereto in the Indenture.

The holder hereof, by its acceptance of this Series C Note, agrees that each payment received by it hereunder shall be applied in the manner set forth in Section 2.08 of the Indenture.

This Series C Note is one of the Series C Notes referred to in the Indenture. The Indenture permits the issuance of additional series of Notes, as provided in the Indenture, and the several series may be for varying aggregate principal amounts and may have different maturity dates, interest rates, redemption provisions and other terms. The properties of the Owner Trustee included in the Indenture Estate are pledged or mortgaged

to Indenture Trustee to the extent provided in the Indenture as security for the payment of the principal of and premium, if any, and interest on the Series C Notes and all other Notes issued and outstanding from time to time under the Indenture. Reference is hereby made to the Indenture for a statement of the rights of the holder of, and the nature and extent of the security for, this Series C Note and of the rights of, and the nature and extent of the security for, the holders of the other Notes and of certain rights of Owner Trustee and Owner Participant, as well as for a statement of the terms and conditions of the trusts created by the Indenture, to all of which terms and conditions the holder hereof agrees by its acceptance of this Series C Note.

This Series C Note is subject to redemption in whole or, in certain circumstances described in the Indenture, in part only, in each case as contemplated by the Indenture and with the premiums therein specified and in the circumstances therein described.

In case an Indenture Event of Default shall occur and be continuing, the unpaid balance of the principal of the Notes together with all accrued but unpaid interest thereon may, subject to certain rights of Owner Trustee and Owner Participant contained or referred to in

the Indenture, be declared or may become due and payable in the manner and with the effect provided in the Indenture.

Under the circumstances provided in the Indenture, the obligations of Owner Trustee under the Notes and the Indenture may be assumed in whole by Lessee, in which case Owner Trustee shall be released and discharged from all such obligations. In connection with such an assumption, the holder of this Series C Note may be required to exchange this Series C Note for a new Note evidencing such assumption.

The holder of this Series C Note, by accepting such Note, agrees that the Owner Participant may purchase such Note in the circumstances and subject to the conditions provided in Section 2.12 of the Indenture.

There shall be maintained at the Indenture Trustee's office a register for the purpose of registering transfers and exchanges of Notes in the manner provided in the Indenture. The transfer of this Series C Note is registrable, as provided in the Indenture, upon surrender of this Series C Note for registration of transfer duly accompanied by a written instrument of transfer duly executed by or on behalf of the registered holder hereof, together with the amount of any applicable