

OPUS BANK

MASTER TAX-EXEMPT INSTALLMENT PURCHASE AGREEMENT

THIS MASTER TAX-EXEMPT INSTALLMENT PURCHASE AGREEMENT is entered into as of March 20, 2020 by and between City of Stevenson, a political subdivision of the State of Washington ("Purchaser") and OPUS BANK, a California commercial bank ("Seller").

ARTICLE I. DEFINITIONS

Section 1.1 Defined Terms. The following terms will have the meanings indicated below unless the context clearly requires otherwise. All terms defined herein are equally applicable to both the singular and the plural form of such terms.

"Agreement" means this Master Tax-Exempt Installment Purchase Agreement, including all exhibits, schedules and addenda attached hereto, as the same may be amended, modified, supplemented or restated.

"Casualty Loss" has the meaning given in Section 7.2

"Code" means the Internal Revenue Code of 1986, as amended, together with any Treasury Regulations promulgated thereunder.

"Contract Rate" means the annual interest rate used to calculate the interest component of Installment Payments under a Property Schedule, as more fully described in the applicable Property Schedule.

"Default Rate" has the meaning given in Section 11.2 (a).

"Commencement Date" means the date when the term of a Property Schedule and Purchaser's obligation to pay installment payments thereunder commences, which date shall be set forth in such Property Schedule. The parties agree that the Commencement Date for each Property Schedule shall be the date the proceeds of the Property Schedule are disbursed by Seller to Purchaser or to a Vendor, or deposited in a Restricted Account.

"Event of Default" has the meaning given in Section 11.1.

"Financial Statements" has the meaning given in Section 4.1(k).

"Installment Payments" means the Installment Payments payable by Purchaser under Article III of this Agreement and each Property Schedule, as set forth in each Property Schedule.

"Installment Payment Date" means each date on which Purchaser is required to make an Installment Payment under a Property Schedule.

"Material Adverse Effect" means any event or circumstance that, taken alone or in conjunction with other events or circumstances, (a) has or could reasonably be expected to have a material adverse effect on the operations, properties or condition (financial or otherwise) of Purchaser, or (b) impairs the ability of Purchaser to perform its obligations under this Agreement or the Property Schedule.

"Net Proceeds" has the meaning given in Section 7.2.

"Prepayment Price" means, with respect to a Property Schedule that is by its terms pre-payable, the amount so designated on the Property Schedule, and at minimum includes: (a) accrued and unpaid interest on the principal component of all Installment Payments to and including the payment date, (b) the sum of the principal component of all remaining unpaid Installment Payments scheduled through the end of the Term, and (c) all other sums then-due under the applicable Property Schedule being prepaid. The Prepayment Price may also include a

prepayment premium on the prepaid principal component of Installment Payments.

"Property" means, collectively, the property installment purchased pursuant to this Agreement, and with respect to each Property Schedule, the property described in such Property Schedule, and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 6.5 or Article VII.

"Property Schedule" means a Property Schedule in the form attached hereto as Exhibit A, including all exhibits and schedules attached thereto. Each Property Schedule shall be numbered consecutively by Seller.

"Purchaser" means the entity identified as such in the first paragraph hereof, and its permitted successors and assigns.

"Restricted Account" means a Seller-controlled interest bearing account in the name of the Purchaser established at Seller for deposit of the proceeds of a Property Schedule, as more particularly identified in a Property Schedule.

"Seller" means the entity identified as such in the first paragraph hereof, and its successors and assigns.

"State" means the state of Washington.

"Taxable Rate" means the taxable interest rate set forth in the applicable Property Schedule.

"Term" means, with respect to a Property Schedule, the Term set forth in such Property Schedule, as provided in Section 2.2.

"Vendor" means the manufacturer or contractor of the Property as well as the agents or dealers of the manufacturer or contractor from whom Seller or Purchaser purchased or is purchasing all or any portion of the Property.

Section 1.2 Property Schedules Separate Financings. Each Property Schedule executed and delivered under this Agreement shall be a separate financing, distinct from other Property Schedules.

ARTICLE II. SALE OF PROPERTY

Section 2.1 Sale of Property. On the Commencement Date of each Property Schedule executed hereunder, Seller hereby sells, assigns, transfers and conveys to Purchaser, and Purchaser hereby purchases and accepts from Seller, the Property described in such Property Schedule, in accordance with this Agreement and such Property Schedule, for the Term set forth in such Property Schedule.

Section 2.2 Term. The term of each Property Schedule shall commence on the Commencement Date set forth therein and shall terminate upon payment of the final Installment Payment set forth in such Property Schedule, unless terminated sooner pursuant to this Agreement or the Property Schedule.

Section 2.3 Location; Inspection. The Property will be initially located or based at the location(s) specified in the applicable Property Schedule. Seller shall have the right at all reasonable times during business hours to enter into and upon

the property of Purchaser for the purpose of inspecting the Property. Once installed, no item of the Property may be moved or relocated from the location (or the base location with respect to motor vehicles) specified for it without Seller's prior written consent, which consent shall not be unreasonably withheld.

ARTICLE III. PAYMENT OF INSTALLMENT PAYMENTS

Section 3.1 Payment of Installment Payments. Purchaser shall promptly pay Installment Payments under each Property Schedule, exclusively from legally available funds, in lawful money of the United States of America, to Seller in such amounts and on the Installment Payment Dates described in the applicable Property Schedule, at Seller's address set forth on the signature page of this Agreement, unless Seller instructs Purchaser otherwise. With respect to any Installment Payment that is not paid on or before the due date thereof, Purchaser shall also pay a late charge of five percent (5.0%) of the delinquent Installment Payment or the highest amount permitted by applicable law, whichever is lower.

Section 3.2 Installment Payments to Constitute a Binding Obligation of Purchaser. Seller and Purchaser understand and intend that the obligation of Purchaser to pay Installment Payments hereunder shall constitute a binding obligation of Purchaser for the full Term of each Property Schedule. Purchaser covenants to include all such Installment Payments due under each Property Schedule in its annual budget and to make the necessary annual appropriations for all such Installment Payments. Neither this Agreement nor any Property Schedule shall be subject to termination by Purchaser in the event that Purchaser fails to appropriate any Installment Payments.

Section 3.3 Interest Component. A portion of each Installment Payment due under each Property Schedule is paid as, and represents payment of, interest, and each Property Schedule hereunder shall set forth the interest component (or method of computation thereof) of each Installment Payment thereunder during the Term.

Section 3.4 Installment Payments to be Unconditional. THE OBLIGATIONS OF PURCHASER TO PAY THE INSTALLMENT PAYMENTS DUE UNDER THE PROPERTY SCHEDULES AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. THIS PROVISION SHALL NOT LIMIT PURCHASER'S RIGHTS OR ACTIONS AGAINST ANY VENDOR.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF PURCHASER; TAX COVENANTS

Section 4.1 Representations and Warranties of Purchaser. As of the Commencement Date for each Property Schedule executed and delivered hereunder, Purchaser represents and warrants for the benefit of Seller as follows:

(a) Purchaser is a state or political subdivision of the State within the meaning of Section 103(c) of the Code, duly organized and existing under the Constitution and laws of the State, and is authorized under the Constitution and laws of the State to enter into this Agreement, the Property Schedule and the transactions contemplated hereby and thereby, and to perform

all of its obligations under this Agreement and the Property Schedule.

(b) The execution and delivery of this Agreement and the Property Schedule have been duly authorized by all necessary action of Purchaser's governing body and such action is in compliance with all public bidding and other State and federal laws applicable to this Agreement and the acquisition and financing of the Property by Purchaser.

(c) This Agreement and the Property Schedule have been duly executed and delivered by and constitute the valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their respective terms.

(d) The execution, delivery and performance of this Agreement and the Property Schedule by Purchaser does not (i) violate any State or federal law or local law or ordinance, or any order, writ, injunction, decree, or regulation of any court or other governmental agency or body applicable to Purchaser, or (ii) conflict with or result in the breach or violation of any term or provision of, or constitute a default under, any note, bond, mortgage, indenture, agreement, deed of trust, lease or other obligation to which Purchaser is bound.

(e) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Purchaser's knowledge, threatened against or affecting Purchaser, challenging Purchaser's authority to enter into this Agreement or the Property Schedule or any other action wherein an unfavorable ruling or finding would have a Material Adverse Effect.

(f) Purchaser is not in default with respect to any order or decree of any court, regulatory agency, public board or body, which default might have consequences that would have a Material Adverse Effect.

(g) Except as otherwise disclosed in writing by Purchaser to Seller, no lease, rental agreement, lease-purchase agreement, payment agreement or contract for purchase to which Purchaser has been a party at any time during the past ten (10) years has been terminated by Purchaser as a result of insufficient funds being appropriated in any fiscal year.

(h) Purchaser or Purchaser's governing body has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Installment Payments during the current fiscal year, and such moneys will be applied in payment of all Installment Payments due and payable during such current fiscal year.

(i) The Property is essential to the proper, efficient and economic functioning of Purchaser or to the services that Purchaser provides; Purchaser has an immediate need for, and expects to make immediate use of, the Property, which need is not temporary or expected to diminish during the applicable Term.

(j) Purchaser's exact legal name is as set forth on the first page of this Agreement.

(k) The financial statements of Purchaser identified in the Property Schedule (the "Financial Statements") are complete and correct and fairly present the financial condition, changes in financial position and results of operations of Purchaser at such date and for such period, and were prepared in accordance with generally accepted accounting principles applicable to political subdivisions such as Purchaser. Since the date of the Financial Statements, (i) there has been no change in the assets, liabilities, financial position or results of operations of

Purchaser that might reasonably be anticipated to cause a Material Adverse Effect; (ii) Purchaser has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect; and (iii) Purchaser has not (A) incurred any material indebtedness other than as reflected in the Financial Statements or as previously disclosed to Purchaser, or (B) guaranteed the indebtedness of any other person.

(l) All information, reports and other papers and data furnished by Purchaser to Seller were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give Seller a true and accurate knowledge of the subject matter and were provided in expectation of Seller's reliance thereon in entering into the transactions contemplated by this Agreement. No fact is known to Purchaser which has had or, so far as Purchaser can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the Financial Statements or in other such information, reports, papers and data or otherwise disclosed in writing to Seller prior to the Commencement Date. No document furnished nor any representation, warranty or other written statement made to Seller in connection with the negotiation, preparation or execution of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

Section 4.2 Tax Covenants of Purchaser. As of the Commencement Date of each Property Schedule, Purchaser hereby represents and warrants to, and covenants with, Seller, as follows with respect to such Property Schedule:

(a) Purchaser will comply with all applicable provisions of the Code, including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order to maintain the excludability from gross income for federal income tax purposes of the interest component of Installment Payments under the Property Schedule, and will not use or permit the use of the Property in such a manner as to cause a Property Schedule to be a "private activity bond" under Section 141(a) of the Code.

(b) Purchaser will use the proceeds of the Property Schedule as soon as practicable and with all reasonable dispatch for the purpose for which the Property Schedule has been entered into, and that no part of the proceeds of the Property Schedule shall be invested in any securities, obligations or other investments except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the Commencement Date, would have caused the Property Schedule to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the Commencement Date.

(c) (i) The estimated total costs, including taxes, freight, installation, cost of issuance, of the Property and the Property Schedule will not be less than the total principal amount of the Installment Payments; (ii) Purchaser will pursue the acquisition of the Property and the expenditure of the net proceeds of the Property Schedule with due diligence; (iii) Purchaser has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (A) that is reasonably expected to be used to pay the Installment Payments under the Property Schedule, or (B) that may be used solely to prevent a default in the payment of the Installment

Payments under the Property Schedule; (iv) the Property under the Property Schedule has not been and is not expected to be sold or otherwise disposed of by Purchaser, either in whole or in major part, prior to the last maturity of the Installment Payments under the Property Schedule, (v) there are no other obligations of Purchaser which (A) are being sold within 15 days of the Commencement Date for the Property Schedule, or (B) are being sold pursuant to the same plan of financing as the Property Schedule, and (C) are expected to be paid from substantially the same source of funds; (vi) the officer or official who has executed the Property Schedule on Purchaser's behalf is familiar with Purchaser's expectations regarding the use and expenditure of the proceeds of the Property Schedule. To the best of Purchaser's knowledge, information and belief, the facts and estimates set forth in this Section 4.2(b) are accurate and the expectations of Purchaser set forth in this Section 4.2(b) are reasonable. The representations, warranties and covenants set forth in this Section 4.2(b) are superseded by the representations, warranties and covenants set forth in any arbitrage or tax certificate executed and delivered by Purchaser in connection with the Property Schedule.

Section 4.3 Tax Changes. If Seller (i) receives notice, in any form, from the Internal Revenue Service or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Seller, that Seller may not exclude the interest component of Installment Payments paid under any Property Schedule from its Federal gross income (each an "Event of Taxability"), then (x) Purchaser shall pay to Seller upon demand an amount which, with respect to Installment Payments previously paid and taking into account all penalties, fines, interest and additions to tax, will restore to Seller an interest rate equal to the Taxable Rate with respect to such Property Schedule, and (y) as to subsequent Installment Payments, the principal component thereof shall accrue interest at the Taxable Rate.

ARTICLE V. TITLE; SECURITY INTEREST

Section 5.1 Title to the Property. Upon acceptance of the Property by Purchaser, title to the Property shall vest in Purchaser, subject to Seller's interests under the applicable Property Schedule and this Agreement. With respect to any Property consisting of a titled motor vehicle or trailer, Purchaser shall apply for a certificate of title therefor reflecting Purchaser as the owner and Seller as the sole lienholder.

Section 5.2 Personal Property. The Property is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Property or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. If requested by Seller, Purchaser will, at Purchaser's expense, furnish a waiver of any interest in the Property from any party having an interest in any such real estate or building.

Section 5.3 Security Interest. To the extent permitted by law and to secure the performance of all of Purchaser's obligations under this Agreement with respect to a Property Schedule, Purchaser grants to Seller, for the benefit of Seller and its successors and assigns, a security interest constituting a first lien on (a) Purchaser's interest in all of the Property under the Property Schedule, whether now owned or hereafter acquired, (b) all additions, attachments, alterations and accessions to the Property, all substitutions and replacements for the Property, (c) any proceeds of any of the foregoing, including insurance proceeds, and (d) the Restricted Account and all monies therein. Purchaser shall execute any additional documents, including financing statements, affidavits, notices and similar instruments,

in form and substance satisfactory to Seller, which Seller deems necessary or appropriate to establish, maintain and perfect a security interest in the Property in favor of Seller and its successors and assigns. Purchaser hereby authorizes Seller to file all financing statements which Seller deems necessary or appropriate to establish, maintain and perfect such security interest.

ARTICLE VI.

COVENANTS CONCERNING PURCHASER AND THE PROPERTY

Section 6.1 Delivery, Installation and Acceptance of Property. Purchaser shall order the Property, shall cause the Property to be delivered and installed at the locations specified in the applicable Property Schedule and shall pay all taxes, delivery costs and installation costs, if any, in connection therewith. In connection with any Property Schedule for which a Restricted Account has been established, Purchaser shall execute and deliver Disbursement Requests in the form attached to the Property Schedule to Seller from time to time (with such supporting documentation as may be required by the Disbursement Request) for the purpose of effecting disbursements from the Restricted Account to pay (or reimburse Purchaser for) costs of the Property so acquired and installed pursuant to such Property Schedule; and in connection with the final Disbursement Request for a Property Schedule, Purchaser shall immediately accept the Property and evidence said acceptance by executing and delivering to Seller the Acceptance Certificate substantially in the form attached to the Property Schedule. In connection with any Property Schedule for which a Restricted Account has not been established, Purchaser shall accept the Property subject thereto prior to or contemporaneously with the Commencement Date, and shall evidence said acceptance by executing and delivering to Seller the Acceptance Certificate substantially in the form attached to the Property Schedule (together with such copies of invoices, proofs of payment, bills of sale and certificates of title or origin as Seller may require).

Section 6.2 Maintenance of Property by Purchaser. Purchaser shall, at Purchaser's sole cost and expense, keep and maintain the Property in good condition and working order and in compliance with the manufacturer's specifications, shall use, operate and maintain the Property in conformity with all laws and regulations concerning the Property's ownership, possession, use and maintenance, and shall keep the Property free and clear of all liens and claims, other than those created by this Agreement. Purchaser shall have sole responsibility to maintain and repair the Property. Should Purchaser fail to maintain, preserve and keep the Property in good repair and working order and in accordance with manufacturer's specifications, and if requested by Seller, Purchaser will, at Purchaser's sole cost and expense, enter into maintenance contracts for the Property in form approved by Seller and with approved providers.

Section 6.3 Liens, Taxes, Other Governmental Charges and Utility Charges. Purchaser shall keep the Property free of all levies, liens and encumbrances, except for the interest of Seller under this Agreement. The parties to this Agreement contemplate that the Property will be used for a governmental or proprietary purpose of Purchaser and, therefore, that the Property will be exempt from all property taxes. The Installment Payments payable by Purchaser under this Agreement and the Property Schedules hereunder have been established to reflect the savings resulting from this exemption from taxation. Purchaser will take such actions necessary under applicable law to obtain said exemption. Nevertheless, if the use, possession or acquisition of the Property is determined to be subject to taxation

or later becomes subject to such taxes, Purchaser shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the Property. Purchaser shall pay all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Property. Purchaser shall pay such taxes or charges as the same may become due; provided that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, Purchaser shall be obligated to pay only such installments as accrue during the then current fiscal year of the Term for such Property.

Section 6.4 Use of the Property. Purchaser will not install, use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement and the applicable Property Schedule. Purchaser shall provide all permits and licenses, if any, necessary for the installation and operation of the Property. In addition, Purchaser agrees to comply in all respects with all laws of the jurisdiction in which its operations involving any item of Property may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Property; provided that Purchaser may contest in good faith the validity or application of any such law or rule in any reasonable manner that does not, in the opinion of Seller, adversely affect the interest of Seller in and to the Property or its interest or rights under this Agreement. Purchaser shall promptly notify Seller in writing of any pending or threatened investigation, inquiry, claim or action by any governmental authority which could adversely affect this Agreement, any Property Schedule or the Property thereunder.

Section 6.5 Modifications. Subject to the provisions of this Section, Purchaser shall have the right, at its own expense, to make alterations, additions, modifications or improvements to the Property. All such alterations, additions, modifications and improvements shall thereafter comprise part of the Property and shall be subject to the provisions of this Agreement. Such alterations, additions, modifications and improvements shall not in any way damage the Property, substantially alter its nature, impair any applicable warranty or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, on completion of any alterations, additions, modifications or improvements made pursuant to this Section, shall be of a value which is equal to or greater than the value of the Property immediately prior to the making of such alterations, additions, modifications and improvements.

Section 6.6 Financial Statements and Information. Purchaser shall deliver to Seller, (a) within 270 days after the end of each of its fiscal years, its annual audited financial statements for such fiscal year, accompanied by an unmodified opinion of Purchaser's auditor, but if audited annual financial statements are not available by such time, Purchaser shall deliver to Seller unaudited annual financial statements, then provide audited financial statements no later than 455 days after the end of such fiscal year end, and~~<24> days after the end of each of its fiscal years, its annual audited financial statements for such fiscal year, accompanied by an unqualified opinion of Purchaser's independent auditor, and~~ (b) within 30 days after adoption, a copy of its annual budget for each fiscal year during the Term. Purchaser shall also deliver to Seller such other financial information as Seller may reasonably request.

ARTICLE VII.

INSURANCE; DAMAGE OR DESTRUCTION OF PROPERTY

Section 7.1 Insurance. At its own expense, Purchaser shall maintain, (a) casualty insurance insuring the Property against

loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks required by Seller, in an amount equal to at least the outstanding principal component of Installment Payments and with a deductible not exceeding ~~\$5,000~~<25>, and (b) liability insurance that protects Seller from liability for bodily injury and property damage in an amount and with deductibles reasonably acceptable to Seller, and (c) worker's compensation insurance covering all employees working on, in, near or about the Property, to the extent required by applicable law. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. All such insurance shall be with insurers that are acceptable to Seller and are authorized to issue such insurance in the State. All such policies of liability insurance shall name Seller as an additional insured. All such policies of casualty insurance shall contain a provision making any losses payable to Seller and Purchaser as their respective interests may appear. All such insurance policies shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Seller and Purchaser at least ten (10) days in advance of such cancellation or modification. All such insurance policies shall also contain an endorsement providing that coverage in favor of Seller will not be impaired in any way by any act, omission or default of Purchaser or any other person. Purchaser may self-insure against the risks described in clauses (a) and/or (b) through a government pooling arrangement, self-funded loss reserve, risk retention program or other self-insurance program, in each case with Seller's prior written consent. Purchaser shall provide to Seller, on or before the Commencement Date for each Property Schedule, and thereafter upon request of Seller, certificates evidencing such coverage, or, if Seller has consented to self-insurance, a written description of its self-insurance program together with a certification from Purchaser's risk manager or insurance agent or consultant to the effect that Purchaser's self-insurance program provides adequate coverage against the risks listed above. Purchaser shall furnish to Seller, upon request of Seller, reports on each existing insurance policy showing such information as Seller may reasonably request, including without limitation the following: (1) the name of the insurer; (2) the risks insured against; (3) the amount of the policy; (4) the properties insured; and (5) the expiration date of the policy.

Section 7.2 Damage or Destruction. If (a) the Property under a Property Schedule or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Property under a Property Schedule or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority (each such event, a "Casualty Loss"), Purchaser shall either (i) cause the prompt repair or restoration of the affected Property to substantially the same condition as it was in prior to the occurrence of the Casualty Loss or the prompt replacement of the affected Property with substitute Property of substantially like type, utility and condition as the Property subject to the Casualty Loss; and Seller and Purchaser will cause the Net Proceeds (as hereinafter defined) of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the cost thereof, or (ii) exercise its option to prepay the obligations under the affected Property Schedule in accordance with Section 9.3. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Purchaser. The term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

Section 7.3 Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, replacement or restoration referred to in Section 7.2, Purchaser shall (a) complete such replacement, repair or restoration and pay any costs thereof in excess of the amount of the Net Proceeds and, if Purchaser shall make any payments pursuant to this Section, Purchaser shall not be entitled to any reimbursement therefor from Seller nor shall Purchaser be entitled to any diminution of the amounts payable under Section 3.1, or (b) exercise its option to prepay the obligations under the affected Property Schedule in accordance with Section 9.3. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration or replacement or after such prepayment may be retained by Purchaser.

ARTICLE VIII. WARRANTIES; RISK OF LOSS

Section 8.1 Disclaimer of Warranties. SELLER MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND SELLER HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS SOLD TO PURCHASER "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY PURCHASER. Purchaser acknowledges that it has made (or will make) the selection of the Property from the Vendor based on its own judgment and expressly disclaims any reliance upon any statements or representations made by Seller. Purchaser understands and agrees that (a) neither the Vendor nor any sales representative or other agent of Vendor, is (i) an agent of Seller, or (ii) authorized to make or alter any term or condition of this Agreement, and (b) no such waiver or alteration shall vary the terms of this Agreement unless expressly set forth herein. In no event shall Seller be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, the Property Schedules, or the existence, furnishing, functioning or use of any item, product or service provided for in this Agreement or the Property Schedules.

Section 8.2 Vendor's Warranties. Seller hereby irrevocably assigns to Purchaser all rights that Seller may have to assert from time to time whatever claims and rights (including without limitation warranties) related to the Property against the Vendor. Purchaser's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Property, and not against Seller, nor shall such matter have any effect whatsoever on the rights and obligations of Seller with respect to this Agreement, including the right to receive full and timely payments hereunder. Purchaser expressly acknowledges that Seller makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the Vendor of the Property.

Section 8.3 Release and Indemnification Covenants. Whether or not covered by insurance or self-insurance, Purchaser hereby assumes all risk of loss of, or damage to and liability related to injury or damage to any persons or property arising from the Property under any Property Schedule from any cause, and no such loss of or damage to or liability arising from the Property shall relieve Purchaser of the Obligation to make Installment Payments or to perform any other obligation under

any Property Schedule. To the extent permitted by applicable law, but only from legally available funds, Purchaser shall indemnify, protect, hold harmless, save and keep harmless Seller from and against any and all liability, obligation, loss, claim and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest (collectively, "Losses") arising out of or resulting from the entering into this Agreement, any Property Schedules hereunder, the ownership of any item of the Property, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Property or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Property resulting in damage to property or injury to or death to any person; provided, however, that Purchaser shall not be required to indemnify Seller for Losses arising out of or resulting from Seller's own gross negligence or willful misconduct. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement, or the applicable Property Schedule, or the termination of the Term for such Property Schedule for any reason.

ARTICLE IX. OPTION TO PURCHASE OR PREPAY

Section 9.1 Option to Purchase. With respect to each Property Schedule, Purchaser shall have the option to terminate Seller's interest in the Property and any restrictions herein on the Property under such Property Schedule on the last day of the Term for such Property Schedule, if the Property Schedule is still in effect on such day, upon payment in full of the Installment Payments due thereunder plus payment of One (1) Dollar to Seller.

Section 9.2 Optional Prepayment. From and after the date specified (if any) in the applicable Payment Schedule to a Property Schedule, Purchaser shall have the option to prepay in whole the Installment Payments due under such Property Schedule, on the Installment Payment Dates specified in the Property Schedule, by paying in full all Installment Payments then due under the Property Schedule plus the then-applicable Prepayment Price as set forth in the Payment Schedule, plus all other amounts then owing thereunder. Purchaser shall give written notice to Seller of its intent to prepay Installment Payments under any Property Schedule not fewer than thirty (30) days prior to the prepayment date.

Section 9.3 Prepayment Upon Casualty Loss. If Purchaser elects to prepay the Installment Payments under a Property Schedule following a Casualty Loss pursuant to Section 7.2 hereof, Purchaser shall give written notice thereof to Seller not later than thirty (30) days after the occurrence of the Casualty Loss, and Purchaser shall pay, on the Installment Payment Date next succeeding the delivery of such notice, all Installment Payments then due under the Property Schedule plus the then-applicable the Prepayment Price as set forth in the Payment Schedule, plus all other amounts then owing thereunder.

Section 9.4 Transfer of Title. Upon exercise of any purchase or prepayment option with respect to a Property Schedule as set forth in this Article IX and payment of all amounts owing with respect thereto, Seller's interest in and to the Property subject to such Property Schedule shall terminate, and Seller shall deliver to Purchaser all such documents and instruments as Purchaser may reasonably require to evidence the transfer, without warranty by or recourse to Seller, of all of Seller's right, title and interest in and to the Property subject to such Property Schedule to Purchaser.

ARTICLE X. ASSIGNMENT AND LEASING

Section 10.1 Assignment by Seller. Seller's right, title and interest in, to and under each Property Schedule and the Property under such Property Schedule may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Seller without the necessity of obtaining the consent of Purchaser; provided that any assignment shall not be effective until Purchaser has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee. Purchaser shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees designated in such register. Purchaser agrees to execute all documents, including acknowledgements of notices of assignment that may be reasonably requested by Seller or any assignee to protect its interests in this Agreement and the Property Schedules.

Section 10.2 Property Schedules Separate Financings. Assignees of the Seller's rights in one Property Schedule shall have no rights in any other Property Schedule unless such rights have been separately assigned.

Section 10.3 Assignment and Subleasing by Purchaser. NONE OF PURCHASER'S RIGHT, TITLE AND INTEREST IN, TO AND UNDER THIS AGREEMENT, THE PROPERTY SCHEDULES AND IN THE PROPERTY THEREUNDER MAY BE ASSIGNED, LEASED OR ENCUMBERED BY PURCHASER FOR ANY REASON, WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER.

ARTICLE XI. EVENTS OF DEFAULT AND REMEDIES

Section 11.1 Events of Default Defined. Any of the following shall constitute an "Event of Default" under a Property Schedule:

(a) Failure by Purchaser (i) to pay any Installment Payment under the Property Schedule or other payment required to be paid with respect thereto at the time specified therein, or (ii) to observe and perform the covenants and agreements set forth in Sections 6.3, 7.1 or 10.3 of this Agreement with respect to the Property Schedule;

(b) Failure by Purchaser to observe and perform any covenant, condition or agreement on its part to be observed or performed with respect to the Property Schedule (including failure to provide financial information in accordance with the requirements of Section 6.6) other than as referred to in subparagraph (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Purchaser by Seller, unless Seller shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Seller will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Purchaser within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by Purchaser in or pursuant to the Property Schedule or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

(d) Purchaser shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Purchaser, or of all or a substantial part of the assets of Purchaser, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law,

or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Purchaser in any bankruptcy, reorganization or insolvency proceeding;

(e) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Purchaser or of all or a substantial part of the assets of Purchaser, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days; or

(f) Any default shall occur under any other agreement between Purchaser and Seller or an affiliate of Seller relating to the borrowing of money, the lease financing of property or otherwise receiving credit, including without limitation any other Property Schedule hereunder.

Section 11.2 Remedies on Default. Whenever any Event of Default exists with respect to a Property Schedule, Seller shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) With or without terminating the Property Schedule, and by written notice to Purchaser, Seller may declare all Installment Payments and other amounts payable by Purchaser thereunder to the end of the then-current fiscal year of Purchaser to be due, including without limitation delinquent Installment Payments under the Property Schedule from prior fiscal years, and such amounts shall thereafter bear interest at the rate of 12% per annum or the maximum rate permitted by applicable law, whichever is less ("Default Rate");

(b) Seller may terminate the Property Schedule, and by written notice to Purchaser, Seller may accelerate the principal component of all outstanding Installment Payments, in which case Purchaser shall pay to Seller the entire balance of such principal component, together with interest on such sum from the date of acceleration until so paid at the Default Rate, together with all other sums then due under the Property Schedule;

(c) Seller may enter the premises where the Property subject to the Property Schedule is located and retake possession of the Property, or require Purchaser, at Purchaser's expense, to promptly return any or all of the Property to the possession of Seller at such place within the continental United States as Seller shall specify;

(d) Seller may terminate the Property Schedule, and may sell, lease or otherwise dispose of the Property in whole or in part, in one or more public or private transactions; provided, however, that any proceeds from the sale, lease or disposition of the Property in excess of the sum required to (i) pay off any outstanding principal component of Installment Payments, (ii) pay any other amounts then due under the Property Schedule, and (iii) pay Seller's costs and expenses associated with the disposition of the Property (including attorneys fees), shall be paid to Purchaser or such other creditor of Purchaser as may be entitled thereto;

(e) Seller may apply monies in any Restricted Account relating to the Property Schedule to payment of Purchaser's obligations under the Property Schedule; and

(f) Seller may take any action, at law or in equity, that is permitted by applicable law and that may appear necessary or desirable to enforce or to protect any of its rights

under the Property Schedule and this Agreement; provided that no deficiency shall be allowed against Purchaser, except with respect to any unpaid Installment Payments to the end of the then-current fiscal year of Purchaser and unpaid costs and expenses incurred by Seller in connection with the repossession and disposition of the Property.

Section 11.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to Seller is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. 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 or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Seller to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

Section 11.4 Costs and Attorney Fees. Upon the occurrence of an Event of Default, Purchaser agrees to pay to Seller or reimburse Seller for, in addition to all other amounts due hereunder, all of Seller's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to Purchaser, shall be secured by this Agreement until paid and shall bear interest at the rate of 12% per annum or the maximum amount permitted by law, whichever is less. In the event suit or action is instituted to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

ARTICLE XII. MISCELLANEOUS

Section 12.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, to the parties hereto at the addresses as specified on the signature page of this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee at its address as it appears on the registration books maintained by Purchaser.

Section 12.2 Advances. In the event Purchaser shall fail to either maintain the insurance required by this Agreement or keep the Property in good repair and working order, Seller may, but shall be under no obligation to, purchase the required insurance and pay the cost of the premiums thereof or maintain and repair the Property and pay the cost thereof. All amounts so advanced by Seller shall constitute additional purchase price for the Term for the applicable Property Schedule and shall be due and payable on the next Installment Payment Date and Purchaser covenants and agrees to promptly pay such amounts so advanced by Seller.

Section 12.3 Further Assurances. Purchaser agrees to execute such other and further documents, including, without limitation, confirmatory financing statements, continuation statements, certificates of title and the like, and to take all such action as may be necessary or appropriate, from time to time, in the reasonable opinion of Seller, to perfect, confirm, establish, reestablish, continue, or complete the interests of Seller in this Agreement and the Property Schedules, to consummate the transactions contemplated hereby and thereby, and to carry out

the purposes and intentions of this Agreement and the Property Schedules.

Section 12.4 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Seller and Purchaser and their respective successors and assigns.

Section 12.5 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.6 Waiver of Jury Trials. To the extent permitted by applicable law, Purchaser and Seller hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of Seller or Purchaser in the negotiation, administration, performance or enforcement hereof.

Section 12.7 Amendments, Changes and Modifications. This Agreement may be amended in writing by Seller and Purchaser to the extent the amendment or modification does not apply to outstanding Property Schedules at the time of such amendment or modification. The consent of all assignees shall be required to any amendment or modification before such amendment or modification shall be applicable to any outstanding Property Schedule.

Section 12.8 Execution in Counterparts. This Agreement and the Property Schedules hereunder may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.9 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 12.10 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 12.11 Disclaimer. Purchaser acknowledges that (i) Seller is acting solely for its own account and not as a fiduciary for Purchaser or in the capacity of broker, dealer, placement agent, municipal securities underwriter or municipal advisor, (ii) Seller has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of Purchaser or with respect to the Installment Payments, and (iii) Seller has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, or the correctness of any legal interpretation made by counsel to any other party with respect to any such matters.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, Seller and Purchaser have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

City of Stevenson<3>, as Purchaser

OPUS BANK, as Seller

By: _____

Name: Scott Anderson<5>

Title: Mayor<6>

Address: PO Box 371, Stevenson, WA 98648<7>

By: _____

Name: _____

Title: _____

Address: 19900 MacArthur Blvd., 12th Floor
Irvine, CA 92612