

Exhibit 4-1

Qualifying for Exemption as Charitable Institution under ORS 307.130

Oregon courts first look to answer two main questions in determining whether property qualifies for exemption.

Is the entity a charitable institution?

Three-part test used to determine charitable designation.

- 1) Organization must have charity as its primary, if not sole, object
- 2) Organization must be performing in manner that furthers its charitable object
- 3) Organization's performance must involve a gift or giving.

Is property actually and exclusively occupied or used in the charitable work carried on by the organization?

Two-part test used:

- 1) Property exclusively used by charitable entity in accomplishing its charitable goals
- 2) Property substantially contributes to furthering those goals.

Six-part test used primarily for hospitals:

- 1) Receipts are applied to upkeep, maintenance and equipment of institution
- 2) Patients and/or patrons receive same treatment irrespective of ability to pay
- 3) Doors open to rich and poor alike without discrimination
- 4) Charges made to all patients and if so, lesser or no charge made to poor or indigent
- 5) Existence of charitable trust fund for the needy
- 6) Institution operating without profit or private advantages to founders and officials in charge

Not all six factors must be met to receive exemption. Six factor list represents particulars that have been referenced in past court decisions in discovering if a given hospital is eleemosynary. Factors 5 & 6 are required to be present for a charitable determination to be reached.