

This space reserved for County Filing Officer use only 59 APR 27 P 3:20

STATE OF OREGON

UNIFORM COMMERCIAL CODE

FINANCING STATEMENT

REAL PROPERTY - Form UCC-1A

THIS FORM FOR COUNTY FILING OFFICER USE ONLY

This FINANCING STATEMENT is presented to the County filing officer pursuant to the Uniform Commercial Code		
1A. Debtor Name(s): City of Klamath Falls, Oregon	2A. Secured Party Name(s): U.S. Bank Trust National Association, as Trustee 2B. Address of Secured Party from which security information is obtainable: 555 S.W. Oak Street Portland, Oregon 97204	4A. Assignee of Secured Party (if any): 4B. Address of Assignee:
1B. Debtor Mailing Address(es): 500 Klamath Avenue Klamath Falls, Oregon 97601 Attn: City Manager		

3. This financing statement covers the following types (or items) of property (check if applicable): (Senior Lien Obligations)

- ☒ The goods are to become fixtures on: Exhibit B ☐ The above timber is standing on: _____
- ☐ The above fixtures are to be attached to real estate or to be attached to the real estate located on (describe real estate) _____

See Exhibit A attached hereto and incorporated herein by this reference.
and the financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is: City of Klamath Falls, Oregon

☒ Check box if products of collateral are also covered Number of attached additional sheets: _____

A carbon, photographic or other reproduction of this form, financing statement or security agreement serves as a financing statement under ORS Chapter 79.

By: City of Klamath Falls, Oregon

James R. Keller
Signature(s) of the Debtor required in most cases.

Signature(s) of Secured Party in cases covered by ORS 79.4020

INSTRUCTIONS

- PLEASE TYPE THIS FORM.
- If the space provided for any item(s) on this form is inadequate, the item(s) should be continued on additional sheets. Only one copy of such additional sheets need to be presented to the county filing officer. DO NOT STAPLE OR TAPE ANYTHING TO THIS FORM.
- This form (UCC-1A) should be recorded with the county filing officers who record real estate mortgages. This form cannot be filed with the Secretary of State. Send the Original to the county filing officer.
- After the recording process is completed the county filing officer will return the document to the party indicated. The printed termination statement below may be used to terminate this document.
- The RECORDING FEE must accompany the document. The fee is \$5 per page.
- Be sure that the financing statement has been properly signed. Do not sign the termination statement (below) until this document is to be terminated.

Recording Party contact name: Carol Callaway

Recording Party telephone number: 226-1191

Return to: (name and address)

Carol Callaway
Ater Wynne LLP
222 S.W. Columbia, Suite 1800
Portland, OR 97201

Please do not type outside of bracketed area.

TERMINATION STATEMENT

This statement of termination of financing is presented for filing pursuant to the Uniform Commercial code. The Secured Party no longer claims a security interest in the the financing statement bearing the recording number shown above.

By: _____
Signature of Secured Party(ies) or Assignee(s)

WDB0008wdb.ucc

EXHIBIT A TO UCC-1 FINANCING STATEMENT

CITY OF KLAMATH FALLS, OREGON

Senior and Second Lien
Electric Revenue Bonds, Series 1999
(Klamath Cogeneration Project)

Debtor has absolutely assigned, pledged and granted a lien in favor of the Secured Party upon all of its right, title and interest in and to: (i) all Revenues, as defined in the Indenture of Trust, dated as of April 1, 1999 by and between the Debtor and the Secured Party (the "Indenture"); (ii) any Debt Service Reserve Fund (as defined in the Indenture) provided or entered into with respect to any Series of Bonds, together with the accounts and subaccounts established therein and all moneys and securities and earnings in such funds, accounts and subaccounts; and (iii) all other Funds established under the Indenture, together with the accounts and subaccounts established therein and all moneys and securities and earnings in such funds, accounts and subaccounts.

Further, the Debtor has granted a mortgage lien, created a lien on and a security interest in, and pledged and assigned to the Secured Party all of Debtor's right, title and interest in and to the following Mortgaged Property (as such property is further defined and described in the Leasehold Mortgages, Security Agreements, Assignments of Rents and Fixture Filings (collectively, the "Mortgages"), each dated as of April 1, 1999 and executed by the Debtor in favor of the Secured Party:

Real Property. That certain leasehold estate of the Debtor in the real property located in Klamath County, Oregon, more particularly described on Exhibit B hereto (the "Project Site") created by the Lease (the "Lease") between Collins Products LLC, an Oregon limited liability company ("Collins") and the Debtor dated as of April 1, 1999, together with all other leases and/or subleases covering the Project Site; all easements, rights of way, privileges, tenements, hereditament and appurtenances and all other rights now or hereafter made appurtenant to the Project Site, the other property subject of such agreements as more particularly described on Exhibit B to each of the Mortgages (the "Easements"); and all additions, accretions, modifications, supplements, restatements and replacements thereto and substitutions therefor, to the leasehold estate of the Debtor in the Project Site created by the Lease, and the Easements are collectively referred to herein as the "Real Property";

Improvements. All buildings, structures, substations, foundations, slabs and other improvements, goods, building materials, machinery, apparatus, equipment, fittings, fixtures, supplies, work in progress and other personal property of every kind and nature whatsoever owned by Debtor, or in which Debtor has or may hereafter have or acquire an interest, which are now or hereafter affixed to, placed upon or used in connection with the Real Property or any appurtenances thereto (collectively, the "Improvements");

Rents, Issues and Profits. All the income, rents, security or similar deposits, revenues, issues, royalties, profits, earnings, products and proceeds from any and all of the Real

Property including any leases or subleases thereof, and all royalties, production payments, other similar payments and all rents, issues and profits (collectively, the "Rents, Issues and Profits"), together with the right to collect and apply the same to the payment of the Secured Obligations (as defined in the Mortgages), subject, however, to the rights of the Debtor under the Indenture and the Collateral Documents (as defined in the Indenture) in and to such Rents, Issues and Profits as long as Debtor is not in Default (as defined in the Mortgages) under the Mortgages;

Other Rights in Real Property. All other rights, in law or in equity, which Debtor now has or may hereafter acquire in the Real Property, including without limitation, all rights, licenses, permits, consents and authorizations obtained by Debtor from any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental or quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, bureau or entity or any arbitrator with authority to bind a party at law (individually or collectively, a "Governmental Authority"), Utility (defined below) or any other company, entity or individual related to the Real Property including without limitation, to cross or encroach upon any right-of-way, mining claim or other right of use or possession of property within or in the general area of the Real Property, except those which by their terms or by operation of law would become void solely by virtue of a security interest being granted therein, and all of Debtor's right, title and interest in and to any and all monies deposited by Debtor with any such entity or person to obtain such rights;

Equipment. All machinery, apparatus, equipment, fittings, fixtures and other personal property of every kind and nature whatsoever owned by Debtor, or in which Debtor has or may hereafter have or acquire an interest, now or hereafter located at or upon the Real Property, the Improvements or any other Mortgaged Property, or any appurtenance thereto, and used or usable in connection with the present or future construction, operation and occupancy of all or any part of the Klamath Cogeneration Project (the "Project") or the Mortgaged Property, and all building equipment, materials and supplies of any nature whatsoever owned by Debtor, or in which Debtor has or may hereafter have or acquire an interest, now or hereafter located at or upon the Real Property or any other Mortgaged Property, including, without limitation, electrical generation equipment, energy transmission equipment, turbine generators, power blocks and plants, waste water treatment equipment, injection systems, gas lines, steam lines, power lines, control and monitoring equipment, generators, valves and valve stations, skids, vaporizers, pumps, tanks, air receivers, cooling towers, clarifiers, cables, pipelines, wells, compressors and instrumentation, all of which, including replacements and additions thereto, shall, to the fullest extent permitted by law and for the purposes of the Mortgages, be deemed to be part and parcel of the Mortgaged Property (hereinafter collectively referred to as the "Equipment");

Licenses and Permits. All licenses, permits, franchises, authorizations and agreements (including, without limitation, all applicable permits, but excluding those which by their terms or by operation of law would become void solely by virtue of a security interest being granted therein) now or hereafter obtained by or on behalf of Debtor (or by another person and assigned or otherwise transferred to Debtor) from any Governmental Authority having jurisdiction over the operation, management or use of the Project, the

Real Property, the Improvements, the Equipment or the development or construction of the Project or the Improvements and all intangible property and rights relating to the development of the Project, the Real Property, the Improvements, the Equipment or the operation, management or use thereof, or used in connection therewith, including, without limitation, options, option rights, and contract rights;

Mineral and Water Rights. All development rights or credits, air rights, mineral rights, or millsite claims, water and water rights (whether riparian, appropriative or otherwise and whether or not appurtenant) relating to the Project, the Real Property or any other Mortgaged Property, including, without limitation, shares of stock evidencing the same;

Utility Deposits. All of Debtor's right, title and interest in and to any and all monies deposited by Debtor or any predecessor-in-interest of Debtor or deposited on behalf of Debtor or any predecessor-in-interest of Debtor with any irrigation, sewer or water district or company, gas or electric company, telephone company, other utility company (each, a "Utility"), any Governmental Authority or any other public or quasi-public body or agency, for the installation, or to secure the installation of, any utility or public service or work pertaining to the Project;

Project Documents. To the extent assignable, all contracts, leases, consents or other agreements of every kind or nature affecting the use, occupancy or ownership of the Real Property, the Project, the Improvements, the Equipment, or any other of the Mortgaged Property (collectively, the "Project Documents"), and, except as otherwise expressly provided in the Mortgages, the right to receive and apply the rents, issues, profits, products, income and royalties of the Mortgaged Property to the payment of the Obligations secured by the Mortgages;

Cash Security. Any accounts, including without limitation deposit accounts, and all money, securities and other property now or hereafter held or established under the Mortgages or under the other Collateral Documents or the Indenture;

Other Benefits. All the remainders, reversions, rents, revenues, issues, profits, products, royalties, income and other benefits derived by Debtor from the Real Property, the Project, the Improvements, the Equipment, any other rights in or to water, any mineral rights or claims or any other of the Mortgaged Property;

Condemnation and Casualty Awards. Subject to the Indenture, all proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims or amounts, including, without limitation, all claims or demands relating to and proceeds of casualty insurance maintained by Debtor with respect to the Project or any other Mortgaged Property and all awards or other compensation heretofore or hereafter made to Debtor with respect to condemnation of any part of the Mortgaged Property all of which are hereby assigned to the Mortgagee, who is authorized to collect and receive the same, to give proper receipts and acquittances therefor and to apply the same to the payment of the Obligations secured by the Mortgages, notwithstanding the fact that the same may not then be due and payable;

Accounts and General Intangibles. All accounts, accounts receivable, contract rights (to the extent assignable), chattel paper, instruments, general intangibles and other obligations of any kind now or hereafter existing arising out of or in connection with the sale, lease or other disposition of electrical, thermal or other energy, goods or the rendering of services from the Project or other Mortgaged Property, and all rights now or hereafter existing in and to all security agreements, leases, and other contracts securing or otherwise relating to any such property and the proceeds thereof and all inventory, now owned or hereafter acquired, of the Debtor relating to the Project or other Mortgaged Property, including, without limitation, raw materials, supplies, component parts or work in process on the Project or other Mortgaged Property, and the proceeds thereof;

Insurance Premiums and Claims. All advance payments of insurance premiums made by Debtor with respect to the Project or other Mortgaged Property and any claims of loss or demands of defense under any property or title insurance policy in which Debtor is named as an insured;

Other Rights and Remedies. All of Debtor's rights and remedies at any time arising against any other person or estate under any law, rule, regulation, ordinance, order, code interpretation, judgment, decree, directive, guideline, policy or similar form of decision of any Governmental Authority (individually or collectively, a "Governmental Rule"), at law or in equity, including, without limitation, any rights to remain in possession of any Mortgaged Property under or pursuant to Section 365(h) of the Bankruptcy Code, 11 U.S.C. § 365(h); and

Proceeds. All proceeds of the foregoing.

The Debtor has further assigned, granted a security interest in, and pledged to the Secured Party, all of the right, title and interest of the Debtor, whether now owned or hereafter acquired, in, to and under the following Collateral, as such collateral is further defined and described in the Pledge and Security Agreements dated as of April 1, 1999 between Debtor and the Secured Party):

(1) the following agreements (individually an "Assigned Agreement" and collectively, the "Assigned Agreements") (all as more fully defined in the Indenture) and all of Debtor's rights thereunder:

- (a) the Power Purchase Agreement;
- (b) the Power Brokering Agreement;
- (c) the O&M Agreement;
- (d) the Agreement for Project Management Services During Construction;
- (e) the Management Agreement;
- (f) the Fuel Supply and Services Agreement;

- (g) the Steam Sale Agreement;
- (h) the PM10 Emissions Purchase Option Agreement;
- (i) the Guarantee Agreement;
- (j) the EPC Contract;
- (k) the EPC Guaranty;
- (l) the Site Lease;
- (m) the Municipal Water Supply Agreement;
- (n) the BPA Transmission Agreement;
- (o) the Generation Interconnection Agreement;
- (p) each additional Project Agreement;
- (q) all amendments, supplements, substitutions and renewals to any of the aforesaid agreements; and

(2) all permits, authorizations, and approvals obtained and to be obtained in connection with the Project (the "Applicable Permits"), but excluding any of the Applicable Permits which by their terms or by operation of law prohibit or do not allow assignment or which would become void solely by virtue of a security interest being granted therein;

(3) the insurance policies maintained or required to be maintained by Debtor or any other Person (as defined in the Indenture) under the Indenture, any of the Collateral Documents or any of the Project Agreements, including any such policies insuring against loss of revenues by reason of interruption of the operation of the Project and all loss proceeds and other amounts payable to Debtor thereunder, and all eminent domain proceeds;

(4) to the extent assignable, all other agreements, including vendor warranties, running to Debtor or assigned to Debtor, relating to the construction, maintenance, improvement, operation or acquisition of the Project or any part thereof, or transport of material, equipment and other parts of the Project or any part thereof;

(5) all rents, profits, income, royalties and revenues derived in any other manner by Debtor from its ownership of the Project or any part thereof and the operation of the Project or any part thereof, including, without limitation, all revenues from the sale of electricity, steam, heat, goods or services; provided, however, that the same shall be applied to the extent and in the manner provided by the Indenture;

(6) all other personal property and fixtures of Debtor that comprise part of the Project, whether now owned or existing or hereafter acquired or arising, or in which Debtor may have an interest, and wheresoever located, whether or not of a type which may be subject to a security interest under the UCC, including all Mortgaged Property, all machinery, tools, engines, appliances, mechanical and electrical systems, elevators, lighting, alarm systems, fire control systems, furnishings, furniture, service equipment, motor vehicles, building or maintenance equipment, building or maintenance materials, supplies, goods and property covered by any warehouse receipts or bills of lading or other such documents, spare parts, maps, plans, specifications, architectural, engineering, construction or shop drawings, manuals or similar documents, copyrights, trademarks and trade names, and any replacements, renewals or substitutions for any of the foregoing or additional tangible or intangible personal property hereafter acquired by Debtor.

(7) the proceeds of all of the foregoing (all of the collateral described in clauses (1) through (3) being herein collectively referred to as the "Collateral"), including without limitation, (A) all rights of Debtor to receive moneys due and to become due under or pursuant to the Collateral; (B) all rights of Debtor to receive the return of any premiums for, or proceeds of, any insurance, indemnity, warranty or guaranty with respect to the Collateral or to receive any condemnation proceeds; (C) all claims of Debtor for damages arising out of, or for breach of or default under, the Assigned Agreements or any other Collateral; (D) all rights of Debtor to terminate, amend, supplement, modify or waive performance under the Assigned Agreements, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder, and (E) to the extent not included in the foregoing, all proceeds receivable or received when any and all of the foregoing Collateral is sold, collected, exchanged or otherwise disposed of, whether voluntarily or involuntarily;

15737

Exhibit B

Description of Leased Premises

A parcel of land located in the Southwest Quarter (SW1/4) of Section 18, in Township 39 South, Range 9 East of the Willamette Meridian, in Klamath County, Oregon. Said parcel of land is described with reference to the Oregon Coordinate System, South Zone (NAD83/91), more particularly described as follows:

Beginning at a point that bears S.14°09'11"E., 1053.18 feet from the West Quarter Corner of said Section 18; thence S.02°45'54"E., 416.51 feet; thence N.87°13'30"E., 1943.44 feet; thence N.16°18'45"E., 32.75 feet; thence N.20°00'27"E., 44.80 feet; thence N.14°15'06"E., 30.39 feet; thence N.12°02'25"E., 16.90 feet; thence N.13°04'36"E., 44.81 feet; thence N.09°28'58"E., 45.44 feet; thence N.00°08'27"W., 45.59 feet; thence N.06°00'20"W., 43.42 feet; thence N.15°07'32"W., 44.21 feet; thence N.25°16'54"W., 43.00 feet; thence N.27°27'32"W., 43.42 to a point that bears S.24°28'33"W., 982.35 feet from the Center Quarter Corner of said Section 18; thence S.87°13'39"W., 1962.13 feet to the point of beginning.

C:\Ncw\7777.222

Page 7 - Exhibit A to UCC-1 Financing Statement

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 27th day
of April A.D.1999 at 3:20 o'clock P. M., and duly recorded in Vol. M99
of Mortgages on Page 15730

by Linda Smith, County Clerk

FEE

\$40.00