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UCC-1

STATE OF OREGON
Corporation Division - UCC
255 Capitol Street NE, Suite 151
Salem, OR 97310-1327
(503) 986-2200 Facsimile (503) 373-1166

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K-54417

STATE FINANCING STATEMENT STANDARD FORM

PLEASE TYPE OR PRINT LEGIBLY. READ INSTRUCTIONS BEFORE FILLING OUT FORM.

This Financing Statement is presented to filing officer pursuant to the Uniform Commercial Code. This financing statement remains effective for a period of five years from the date of filing, unless extended for additional periods as provided for by ORS Chapter 79. A carbon, photographic or other reproduction of this form, financing statement or security agreement may be filed as a financing statement under ORS Chapter 79.

A. DEBTOR NAME(S) (if individual list last name first)

1. Nelson Family Trust, dated 12/4/89

2. K. Mark Nelson

3. Abigail R. Nelson

DEBTOR MAILING ADDRESS:

12211 Pear Lane
Wilton, CA 95693

B. SECURED PARTY(IES) NAME AND ADDRESS

STOCKMANS BANK
P.O. Box 1150
ELK GROVE, CA 95759

Contact Name: _____

Phone No.: _____

C. ASSIGNEE(S) NAME AND ADDRESS (if any)

U.S. BANK TRUST NATIONAL ASSOCIATION, AS CUSTODIAN/TRUSTEE
180 EAST FIFTH STREET
ST. PAUL, MN 55101

Contact Name: _____

Phone No.: _____

D. DEBTOR SIGNATURE(S) REQUIRED:

Nelson Family Trust

By: K. Mark Nelson Trustee By: _____

By: Abigail R. Nelson Trustee By: _____

E. DEBTOR SIGNATURE(S) NOT REQUIRED. If applicable, check the appropriate box below to file without debtor signature(s). This statement is filed without the debtor signature(s) to perfect a security interest in collateral. Secured Party must sign, when Debtor signature(s) is not required. See instructions for further information.

- ☐ Collateral already subject to a security interest in another jurisdiction.
- ☐ Which is proceeds of the described original collateral which was perfected.
- ☐ Collateral as to which the filing has lapsed.
- ☐ Collateral acquired after a change of name, identity or corporate structure of debtor.

By: _____

By: _____

Secured Party signature

Secured Party signature

F. DESCRIBE THE COLLATERAL
(ORS 79.4020).

☒ PRODUCTS of collateral are also covered.

All water rights as described on the attached Water Rider; all fixtures, including but not limited to pumps, pumping plants, irrigation equipment, pipelines, and wind machines; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and accounts proceeds).

Some or all collateral is located at South Poe Valley Rd., Bonanza, OR

This financing Statement is to be recorded in the Real Estate Records

RETURN ACKNOWLEDGMENT LETTER TO: (Include name, address, and identifier for the debtor listed above. Limit the identifier to eight characters. REFER TO INSTRUCTION, NUMBER 5.) Please do not type or print outside of bracketed area.

STOCKMANS BANK
P.O. Box 1150
ELK GROVE, CA 95759

FEES

Make check for \$10.00 payable to "Corporation Division."

NOTE: Filing fees may be paid with VISA or MasterCard. The card number and expiration data should be submitted on a separate sheet of paper for your protection.

DO NOT SUBMIT DUPLICATES OF THIS FILING AND/OR ATTACHMENTS

WATER RIDER
(attached to UCC-1 Financing Statement)

A. The Collateral described includes all right, title, and interest at any time of the Debtor (or any of its bailees, agents, or instrumentalities), whether now existing or hereafter arising or acquired, whether direct or indirect, whether owned legally, of record, equitably or beneficially, whether constituting real or personal property (or subject to any other characterizations), whether created or authorized under existing or future laws or regulations, and however arising in, including limitations, the following, which shall collectively be called "Water Assets":

1. All water (including any water inventory in storage), water rights and entitlements, other rights to water and other rights to receive water or water rights of every kind or nature whatsoever including (i) the groundwater on, under, pumped from or otherwise available to the Property, whether as the result of groundwater rights, contractual rights or otherwise. (ii) Debtor's right to remove and extract any such groundwater including any permits, rights or licenses granted by any governmental authority or agency or any rights granted or created by any use, easement, covenant, agreement, or contract with any person or entity, (iii) any rights to which the Property is entitled with respect to surface water, whether such right is appropriate, riparian, prescriptive, decreed or otherwise and whether or not pursuant to permit or other governmental authorization, or the right to store any such water, (iv) any water, water right, water allocation, distribution right, delivery right, water storage right, or other water-related entitlement appurtenant or otherwise applicable to the Property by virtue of the Property being situated within the boundaries of any district, agency, or other governmental entity or within the boundaries of any private water company, mutual water company, or other non-governmental entity;

2. All stock, interest or rights (including any water allocations, voting or decision rights) in any entity, together with any and all rights from any entity or other person to acquire, receive, exchange, sell, lease, or otherwise transfer any water or other Water Assets, to store, deposit or otherwise created water credits in a water bank or similar or other arrangement for allocating water, to transport or deliver water, or otherwise to deal with any Water Asset:

3. All licenses, permits, approvals, contracts, decrees, rights and interest to acquire or appropriate any water or other Water Assets, water bank or other credits evidencing any right to water or other Water Assets, to store, carry, transport or deliver water or other Water Assets, to sell, lease, exchange, or otherwise transfer any water or other Water Asset, or to change the point for diversion of water, the location of any water or Water Asset, the place of use of any water or Water Asset, or the purpose of the use of any water or Water Asset;

4. All rights, claims, causes of action, judgments, awards, and other judicial, arbiter or administrative relief in any way relating to any water or Water Asset:

5. All storage and treatment rights for any water or any other Water Asset, whether on or off the Property or other property of Debtor, together with all storage tanks, and other equipment used or usable in connection with such storage and any water bank deposit credits, deposit accounts or other rights arising on account of the storage or nonuse of any water or;

6. All rights to transport, carry, allocate or otherwise deliver water or other Water Assets by any means wherever located:

7. All guaranties, warranties, marketing, management or service contracts, indemnity agreements, and water right agreements, other water related contracts and water reallocation rights, all insurance policies regarding or relating to any Water Asset:

WATER RIDER (CON'T)

8. All rents, issues, profits, proceeds and other accounts, instruments, chattel paper, contract rights, general intangibles, deposit accounts, and other rights to payment arising from or on account of any use, nonuse, sale, lease, transfer, or other disposition of any Water Asset.

B. Absolute Assignment of All Revenue From Water Assets - Debtor hereby absolutely and unconditionally assigns to Secured Party all proceeds, rents, issues and profits from any use (apart from watering plants on the Property or other ordinary use on the Property), nonuse, sale, lease, transfer or disposition of any kind of any water or any other Water Asset subject to a lien in favor of Secured Party. That assignment shall be perfected automatically without appointment of a receiver or Secured Party becoming a mortgagee in possession and Secured Party shall have the right, before or after occurrence of any default, to notify any account debtor to pay all amounts owing with respect to those proceeds, rent, issues and profits directly to Secured Party. Except as otherwise agreed in writing by Secured Party, Secured Party may apply any such collection (and any rents, issues, profits and proceeds) to any indebtedness owned to Secured Party in any order, priority or manner desired by Secured Party.

C. Reference to "water: and water rights" are used herein in the broadest and most comprehensive sense of the term(s). The term "water" includes water rights and rights to water whatever rights to money, proceeds, property or other benefits are exchanged or received for or on account of any Water Assets or any conservation or other nonuse of water, including whatever rights are achieved by depositing one's share of any Water Assets in any water bank or with any water authority, or any water reallocation rights.

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State of Oregon, County of Klamath
Recorded 10/27/99, at 3:30 p. m.
In Vol. M99 Page 42982
Linda Smith,
County Clerk Fee \$ 15.00