· STATE OF OREGON

UNIFORM COMMERCIAL CODE

FINANCING STATEMENT

Klamath

REAL PROPERTY - Form UCC-1A

THIS FORM FOR COUNTY FILING OFFICER USE ONLY				
This FINANCING STX/EMENT is presented to the county filing officer pursuant to the Unitorm Commercial Code.				
1A. Debtor Name(s): Diaz, Frank Diaz aka Felix Frank Diaz, Juliana	2A. Secured Party Name(s): STOCKMANS BANK		4A. Assignee of Secured Party (if any):	
See Attached Exhibit dated December 18, 2000. 18. Debtor Mailing Address(es): Route 1 Box 234B Tulelake, CA 96134	2B. Address of Secured Party information is obtainable: P.O. Box 1150 ELK GROVE, CA 9575	•	4B. Address of Assignee:	
3. This financing statement covers the following types (or items) of property (check if applicable):				
The goods are to become fixtures on: The above timber is standing on:				
The above minerals or the like (including gas and oil) or accounts will be financed at the wellhead or minehead of the well or mine located on: (describe real estate) See Attached Exhibit to UCC Financing Statement dated December 18, 2000.				
See Attached E	Exhibit to OCC Financing (Statement dated t	2000.	
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:				
X Check box if products of collateral are also covered Number of attached additional sheets:			tional 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:				
Signature(s) of the debtor required in most cases. Signature(s) of Secured Party in cases covered by ORS 79.4020				
1. PLEASE TYPE THIS FORM.	INSTRUCTION	NS		
PLEASE TYPE THIS FORM. 2. If the space provided for any item(s) on this form sheets need to be presented to the county filing office.	is inadequate, the item(s) should	be continued on addit		
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EXHIBIT TO UCC-1A FINANCING STATEMENT

DEBTORS

December 18, 2000

Diaz, Frank Diaz aka Felix Frank SSN / Tax ID # 548-68-9571 Diaz, Juliana SSN / Tax ID # 530-38-8031

MAILING ADDRESS:

Route 1 Box 234B, Tulelake, CA 96134

Signature(s) of Debtor(s)

COLLATERAL DESCRIPTION:

All Fixtures; 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), together with the following specifically described property: including but not limited to all pumps, irrigation equipment, and wind machines, and all Water Rights more specifically described on the attached Water Rider

This Financing Statement is to be recorded in the real estate records. Some or all of the collateral is located on the following described real estate:

A parcel of land situated in Sections 28 and 29, Township 40 South, Range 11 East of the Willamette Meridian, more

particularly described as follows: Parcel 2 of Land Partition 59-98 filed March 24, 1999 in Klamath County, Oregon.

Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon: Section 28: S SE NW , S SW NE , W SE , E SW , SAVING AND EXCEPTING that portion of the SE SW lying Southerly of the centerline of the Pope-Flesher ditch.

This Exhibit is executed on the same date as the Uundersigned.	JCC-1A Financing Statement by STOCKMANS BANK and the
Frank Diaz aka Felix Frank Diaz and Juliana Diaz	STOCKMANS BANK
Frank Diaz aka Felix Frank Diaz and Juliana Diaz	By:

Signature(s) of Secured Party (ies)

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:

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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 01/18/01, at 3:/0 p. m. In Vol. M01 Page 2205

Linda Smith,

County Clerk

Fee\$<u>36</u>