

2007-020144

Klamath County, Oregon



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11/30/2007 01:34:10 PM

Fee: \$41.00

MT 80559-

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Paul Kaufman
General Counsel, PPM Energy, Inc.
1125 NW Couch Street, Suite 700
Portland, OR 97209
Telephone: (503) 7967116

(Space above this line for Recorder's use only)

LEASE ASSIGNMENT

THIS LEASE ASSIGNMENT (this "Assignment") is dated and effective as of November 30, 2007 (the "Effective Date"), by **CITY OF KLAMATH FALLS, OREGON**, an Oregon municipal corporation, in its capacity as owner of the Klamath Cogeneration Project ("Assignor"), whose address is 500 Klamath Avenue, Klamath Falls, OR 97601, to and for the benefit of **KLAMATH ENERGY LLC**, an Oregon limited liability company ("Klamath Energy"), whose address is c/o PPM Energy, Inc., 1125 NW Couch, Suite 700, Portland, OR 97209, attention: Senior Vice President and Office of General Counsel.

RECITALS

- A. Assignor is party to that certain Lease between **COLLINS PRODUCTS LLC**, an Oregon limited liability company ("Collins"), dated as of April 1, 1999 and recorded in the Microfilm Records of Klamath County, Oregon (the "Records") April 27, 1999 in Volume M-99, page 15628, covering certain real property located in Klamath County, Oregon as described below (the "Property").
- B. The lease was supplemented by that certain Supplement to Lease dated August 23, 2000 and recorded in the Records December 10, 2002 in Volume M-02, page 71864, which amended and replaced the property description attached to the Lease with the property description provided on attached Exhibit A. The Lease and the Supplement to Lease, together with any and all easement rights granted therein and any other documents relating thereto, whether or not specifically referenced, shall herein be referred to as the "Lease".
- C. Assignor desires to assign all of its right, title and interest in, to and under the Lease and the Property, including any associated easement rights, to Assignee.
- D. Collins has consented to the assignment of, and Klamath Energy has agreed to assume, the Lease by that certain Consent and Agreement to Assumption between them dated November ~~2~~^{*}, 2007.

*30,

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AGREEMENT

NOW, THEREFORE, in consideration of the payment of Ten Dollars (\$10.00) from Assignee to Assignor, the premises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor, intending to be legally bound, hereby agrees as follows:

1. **Assignment**. Assignor hereby assigns and conveys to Assignee, its successors and assigns, as of the Effective Date, all of Assignor's right, title and interest in, to and under the Lease and the Property, including any associated easement rights.
2. **Successors and Assigns**. This Assignment shall bind and inure to the benefit of the Assignor and its respective successors and assigns.
3. **Further Assurances**. Assignor agrees to execute all documents necessary to carry out the purpose of this Assignment and to cooperate in the expeditious filing of any and all documents and the fulfillment of the terms of this Assignment.
4. **Severability**. Each provision of this Assignment is intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of this Assignment.
5. **Governing Law**. This Assignment shall be governed by, and construed in accordance with, the laws of the State of Oregon without regard to its conflicts of laws provisions.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the Effective Date.

ASSIGNOR:

CITY OF KLAMATH FALLS, OREGON,

an Oregon municipal corporation, in its capacity as owner of the Klamath Cogeneration Project

By: [Signature]

Printed Name: Jeff Ball

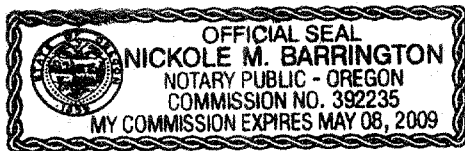
Title: City Manager

STATE OF OREGON)

) ss.

COUNTY OF KLAMATH COUNTY)

This instrument was acknowledged before me on November 30, 2007 by
Jeff Ball as City Manager
of **City of Klamath Falls**, an Oregon municipal corporation, in its capacity as owner of the Klamath
Cogeneration Project.



Signature: Nickole M. Barrington

Name (Print): Nickole M. Barrington
NOTARY PUBLIC

My commission expires: 5-8-2009

Commission No.: 392235

DOCUMENT PREPARED BY:

Stoel Rives LLP

900 SW Fifth Avenue, Suite 2600

Portland, OR 97204-1268

Attn: Karen E. Jones

Telephone: (503)294-9827

**EXHIBIT A
TO
LEASE ASSIGNMENT**

A parcel of land located in the Northwest quarter of the Southwest quarter (NW1/4SW1/4), the Northeast quarter of the Southwest quarter (NE1/4SW1/4), and Government Lots 4 and 5 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.24°28'33"W., 982.35 feet from the Center Quarter Corner of said Section 18, evidenced by a 2" iron pipe; thence S.27°27'32"E., 43.42 feet; thence S.25°16'54"E., 43.00 feet; thence S.15°07'32"E., 44.21 feet; thence S.06°00'20"E., 43.42 feet; thence S.00°08'27"E., 45.59 feet; thence S.09°28'58"W., 45.44 feet; thence S.13°04'36"W., 44.81 feet; thence S.12°02'25"W., 15.30 feet; thence S.81°31'36"W., 735.81 feet; thence S.64°43'42"W., 31.31 feet; thence S.08°40'42"E., 75.42 feet; thence S. 87°13'48"W. , 660.90 feet; thence N.02°46'12"W., 59.70 feet; thence N.88°37'32"W., 369.12 feet; thence N.75°11'09"W., 141.06 feet; thence N.69°21'26"W., 69.70 feet; thence N.02°45'41"W., 316.88 feet; thence N.87°13'39"E., 19.54 feet; thence N.02°46'12"W., 12.93 feet; thence N.87°13'48"E., 1906.00 feet; thence S.02°46'12"E., 12.84 feet; thence N.87°13'39"E., 36.59 feet to a point that bears S.24°28'33"W., 982.35 feet from the Center Quarter Corner of said Section 18.

Containing 18.922 acres more or less.