

State of Delaware
UNIFORM COMMERCIAL CODE - FINANCING STATEMENT - FORM UCC - 1

This FINANCING STATEMENT is presented to a Filing Officer for filing pursuant to the Uniform Commercial Code.

If to be filed with Recorder of Deeds indicate Tax Parcel No.(s). _____

No. of additional sheets presented _____

PARTIES	PARTIES
Debtor (or Assignor) (last name first if individual) and mailing address: Salmon Energy LLC c/o Delta Power Company, LLC 89 Headquarters Plaza - North Tower, 14th Floor Morristown, NJ 07960	Secured Party(ies) (last name first if individual) and address: Pegasus Power Partners, LLC c/o Delta Power Company, LLC 89 Headquarters Plaza - North Tower, 14th Floor Morristown, NJ 07960
Debtor (or Assignor) (last name first if individual) and mailing address:	Assignee (if any) of Secured Party(ies) and address of Assignee:
This statement is filed without the Debtor's signature to perfect a security interest in collateral (check X in applicable box(es)) <input type="checkbox"/> Already subject to a security interest in another jurisdiction when it was brought into this State. <input type="checkbox"/> Already subject to a security interest in another jurisdiction when the Debtor's location changed to this State. <input type="checkbox"/> Which is proceeds of the original collateral described below in which a security interest is perfected. <input type="checkbox"/> Acquired after a change of name, identity or corporate structure of Debtor. <input type="checkbox"/> As to which the filing has lapsed.	Special Types of Parties (check X in applicable box(es)) <input type="checkbox"/> The terms "Debtor" and "Secured Party" mean "Lessee" and "Lessor", respectively. <input type="checkbox"/> The terms "Debtor" and "Secured Party" mean "Consignee" and "Consignor", respectively. <input type="checkbox"/> Debtor is a Transmitting Utility. <input type="checkbox"/> Debtor acting in representative capacity (e.g., as trustee). Filed With: Prepared By (Name And Address): <input type="checkbox"/> Check to request Continuation Statement notice for additional fee.
By: _____ <i>Signature of Secured Party(ies) (Required only if item is checked)</i>	

This Financing Statement covers the following types (or items) of property: Check only if applicable: ☐ Products of collateral are also covered.

See Exhibit A attached hereto and made part hereof.

If the collateral is crops, the crops are growing or to be grown on the following described real estate:

If the collateral is (a) goods that are or are to become fixtures; (b) timber to be cut; or (c) minerals or the like (including oil and gas) or accounts resulting from the sale thereof at the wellhead or minehead, the description of the real estate concerned is: (check X in applicable box(es))

☐ Fixtures ☐ Timber ☐ Minerals or accounts resulting from sale thereof at wellhead or minehead

And this Financing Statement is to be filed in the real estate records where a mortgage on such real estate would be recorded. If the Debtor does not have an interest or record, the name of a record owner is:

By: _____
Signature of Debtor (or Assignor) *Title*

THIS SPACE FOR USE OF FILING OFFICER
(DATE, TIME, NUMBER, FILING OFFICER)

This FINANCING STATEMENT is presented to a Filing Officer for filing pursuant to the Uniform Commercial Code

FOR OFFICE USE ONLY	Debtor(s) Name (Last Name, First) Complete Address Salmon Energy LLC c/o Delta Power Company, LLC 89 Headquarters Plaza North Tower, 14th Floor Morristown, NJ 07960	Maturity date (if any):
	Secured Party(ies) and Complete Address Pegasus Power Partners, LLC c/o Delta Power Company, LLC 89 Headquarters Plaza North Tower, 14th Floor Morristown, NJ 07960	FOR OFFICE USE ONLY
	Assignee(s) of Secured Party and Complete Address	

This financing statement covers the following types (or items) of property:

See Exhibit A attached hereto and made a part hereof.

When collateral is crops or fixtures complete this portion of form.

a. Description of real estate (Sufficient to identify the property).

b. Name and complete address of record owner.

a. <input type="checkbox"/> Proceeds of Collateral are also covered.	b. <input type="checkbox"/> Products of Collateral are also covered.	No. of additional sheets presented. ()
<input type="checkbox"/> Filed with Register of Deeds and Mortgages of	County.	<input type="checkbox"/> Secretary of State
<input type="checkbox"/> Filed with the County Clerk of	County.	
Signature(s) of Debtor(s)		Signature(s) of Secured Party(ies) or Assignee(s)

FILING OFFICER COPY - This form of statement is approved by the Secretary of State of New Jersey.

FINANCING STATEMENT — FOLLOW INSTRUCTIONS CAREFULLY

This Financing Statement is presented for filing pursuant to the Uniform Commercial Code and will remain effective, with certain exceptions, for 5 years from date of filing.

A. NAME & TEL. # OF CONTACT AT FILER (optional)	B. FILING OFFICE ACCT. # (optional)
C. RETURN COPY TO: (Name and Mailing Address)	
<div style="border: 1px solid black; height: 100px; width: 100%;"></div>	
D. OPTIONAL DESIGNATION (if applicable): <input type="checkbox"/> LESSOR/LESSEE <input type="checkbox"/> CONSIGNOR/CONSIGNEE <input type="checkbox"/> NON-UCC FILING	

To be filed with:
the Secretary of State of Texas

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b)					
1a. ENTITY'S NAME					
Salmon Energy LLC					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS			CITY	STATE	COUNTRY
c/o Delta Power Company, LLC - 89 Headquarters Plaza			Morristown	NJ	USA
1d. S.S. OR TAX I.D.#	OPTIONAL ADD'NL INFO RE ENTITY DEBTOR	1e. TYPE OF ENTITY	1f. ENTITY'S STATE OR COUNTRY OF ORGANIZATION	1g. ENTITY'S ORGANIZATIONAL I.D.#, if any	
				<input type="checkbox"/> NONE	
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b)					
2a. ENTITY'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS			CITY	STATE	COUNTRY
2d. S.S. OR TAX I.D.#	OPTIONAL ADD'NL INFO RE ENTITY DEBTOR	2e. TYPE OF ENTITY	2f. ENTITY'S STATE OR COUNTRY OF ORGANIZATION	2g. ENTITY'S ORGANIZATIONAL I.D.#, if any	
				<input type="checkbox"/> NONE	
3. SECURED PARTY'S (ORIGINAL S/P or ITS TOTAL ASSIGNEE) EXACT FULL LEGAL NAME - insert only one secured party name (3a or 3b)					
3a. ENTITY'S NAME					
Pegasus Power Partners, LLC					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS			CITY	STATE	COUNTRY
c/o Delta Power Company, LLC - 89 Headquarters Plaza			Morristown	NJ	USA

4. This FINANCING STATEMENT covers the following types or items of property:

See Exhibit A attached hereto and made part hereof.

5. CHECK <input type="checkbox"/> This FINANCING STATEMENT is signed by the Secured Party instead of the Debtor to perfect a security interest	7. If filed in Florida (check one)
BOX <input type="checkbox"/> (a) in collateral already subject to a security interest in another jurisdiction when it was brought into this state, or when the debtor's location was changed to this state, or (b) in accordance with other statutory provisions [additional data may be required]	<input type="checkbox"/> Documentary stamp tax paid <input type="checkbox"/> Documentary stamp tax not applicable
6. REQUIRED SIGNATURE(S)	8. <input type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS
	Attach Addendum <input type="checkbox"/> [if applicable]
	9. Check to REQUEST SEARCH CERTIFICATE(S) on Debtor(s) [ADDITIONAL FEE] (optional) <input type="checkbox"/> All Debtors <input type="checkbox"/> Debtor 1 <input type="checkbox"/> Debtor 2

FINANCING STATEMENT — FOLLOW INSTRUCTIONS CAREFULLY

This Financing Statement is presented for filing pursuant to the Uniform Commercial Code and will remain effective, with certain exceptions, for 5 years from date of filing.

A. NAME & TEL. # OF CONTACT AT FILER (optional)	B. FILING OFFICE ACCT. # (optional)
C. RETURN COPY TO: (Name and Mailing Address)	
<div style="border: 1px solid black; height: 100px; width: 100%;"></div>	
D. OPTIONAL DESIGNATION [if applicable]: <input type="checkbox"/> LESSOR/LESSEE <input type="checkbox"/> CONSIGNOR/CONSIGNEE <input type="checkbox"/> NON-UCC FILING	

To be filed with Harris County, Texas

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b)					
1a. ENTITY'S NAME Salmon Energy LLC					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS c/o Delta Power Company, LLC - 89 Headquarters Plaza			CITY Morristown	STATE NJ	COUNTRY USA
1d. S.S. OR TAX I.D.#		OPTIONAL ADD'NL INFO RE ENTITY DEBTOR	1e. TYPE OF ENTITY	1f. ENTITY'S STATE OR COUNTRY OF ORGANIZATION	1g. ENTITY'S ORGANIZATIONAL I.D.#, if any <input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b)					
2a. ENTITY'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS			CITY	STATE	COUNTRY
2d. S.S. OR TAX I.D.#		OPTIONAL ADD'NL INFO RE ENTITY DEBTOR	2e. TYPE OF ENTITY	2f. ENTITY'S STATE OR COUNTRY OF ORGANIZATION	2g. ENTITY'S ORGANIZATIONAL I.D.#, if any <input type="checkbox"/> NONE

3. SECURED PARTY'S (ORIGINAL S/P or ITS TOTAL ASSIGNEE) EXACT FULL LEGAL NAME - insert only one secured party name (3a or 3b)					
3a. ENTITY'S NAME Pegasus Power Partners, LLC					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS c/o Delta Power Company, LLC - 89 Headquarters Plaza			CITY Morristown	STATE NJ	COUNTRY USA
				POSTAL CODE 07960	

4. This FINANCING STATEMENT covers the following types or items of property:
See Exhibit A attached hereto and made part hereof.

5. CHECK <input type="checkbox"/> This FINANCING STATEMENT is signed by the Secured Party instead of the Debtor to perfect a security interest		7. If filed in Florida (check one)	
BOX <input type="checkbox"/> (a) in collateral already subject to a security interest in another jurisdiction when it was brought into this state, or when the debtor's location was changed to this state, or (b) in accordance with other statutory provisions [additional data may be required]		<input type="checkbox"/> Documentary stamp tax paid <input type="checkbox"/> Documentary stamp tax not applicable	
6. REQUIRED SIGNATURE(S)		8. <input type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS Attach Addendum [if applicable]	
		9. Check to REQUEST SEARCH CERTIFICATE(S) on Debtor(s) [ADDITIONAL FEE] (optional) <input type="checkbox"/> All Debtors <input type="checkbox"/> Debtor 1 <input type="checkbox"/> Debtor 2	

SCHEDULE I

UCC-1 FINANCING STATEMENT
(Continuation Pages)

Debtor:

Salmon Energy LLC
c/o Delta Power Company, LLC
89 Headquarters Plaza
North Tower, 14th Floor
Morristown, NJ 07960

Secured Party

Pegasus Power Partners, LLC
c/o Delta Power Company, LLC
89 Headquarters Plaza
North Tower, 14th Floor
Morristown, NJ 07960

This financing statement covers all of the following property of the debtor named on the attached UCC-1 Financing Statement (the ***Debtor***), both now owned and existing and hereafter owned, existing, acquired, created and arising, and all of Debtor's both now existing and hereafter acquired rights, title and interest in and to the following property (all such property described below and such rights, title and interest being herein collectively called, the ***Collateral***):

(a) the following agreements and documents:

- (i) the Turbine Contract;
- (ii) the Additional Project Documents;
- (iii) all other contracts relating to the Project to which Salmon Energy LLC (***Salmon Energy***) now is or hereafter becomes a party; and
- (iv) to the extent assignable, each and every bond, indemnity, warranty, guaranty and other similar document relating to the performance by any party (except Salmon Energy) of any of the foregoing;

as each such agreement, contract and document may be amended, supplemented, modified, renewed and in effect from time to time (said agreements, contracts and documents, being, individually, a ***Salmon Energy Assigned Agreement***, and, collectively, the ***Salmon Energy Assigned Agreements***), including, without limitation:

- (i) all rights of Salmon Energy to receive moneys due and to become due under or

pursuant to the Salmon Energy Assigned Agreements, (ii) all rights of Salmon Energy to receive proceeds of any insurance, bond, indemnity, warranty or guaranty with respect to the Salmon Energy Assigned Agreements, (iii) all claims of Salmon Energy for damages arising out of or for breach of or default under the Salmon Energy Assigned Agreements and (iv) all rights of Salmon Energy to terminate, amend, supplement, modify or waive performance under the Salmon Energy Assigned Agreements, to perform thereunder and to compel performance; and, to the extent not included in the foregoing, all proceeds, products, offspring, rents, revenues, issues, profits, royalties, income, benefits, accessions, additions, substitutions and replacements of and to any and all of the foregoing;

- (b) all Governmental Approvals now or hereafter held in the name, or for the benefit, of Salmon Energy (***provided*** that any Governmental Approval which by its terms or by operation of law would become void, voidable, terminable or revocable if mortgaged, pledged or assigned or if a security interest therein was granted is expressly excepted and excluded from this financing statement to the extent necessary so as to avoid such voidness, avoidability, terminability or revocability);
- (c) all accounts and general intangibles (each as defined in the Uniform Commercial Code) of Salmon Energy constituting any right to the payment of moneys, including (but not limited to) all moneys due and to become due to Salmon Energy in respect of any loans or advances or for Inventory or Equipment or other goods sold or leased or for services rendered, all moneys due and to become due to Salmon Energy under any guarantee (including a letter of credit) of the purchase price of Inventory or Equipment sold by Salmon Energy and all tax refunds (such accounts, general intangibles and moneys due and to become due being herein called collectively ***Accounts Receivable***);
- (d) all instruments, chattel paper or letters of credit (each as defined in the Uniform Commercial Code) of Salmon Energy evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any of the Accounts Receivable, including (but not limited to) promissory notes, drafts, bills of exchange and trade acceptances (herein collectively called ***Instruments***);
- (e) all other accounts, instruments, chattel paper or general intangibles of Salmon Energy not constituting Accounts Receivable;
- (f) all fixtures and equipment (as such term is defined in the Uniform Commercial Code) of Salmon Energy including, without limitation, all machinery, apparatus, installation facilities and other tangible personal property of Salmon Energy (herein collectively called ***Equipment***);

- (g) all inventory (as such term is defined in the Uniform Commercial Code) of Salmon Energy including, without limitation, in all of its forms, wherever located: (i) fuel, tires and other spare parts inventory, consumable supplies inventory and maintenance materials inventory and raw materials and work in progress therefor, finished goods thereof, and materials used or consumed in the manufacture or production thereof, (ii) goods in which Salmon Energy has an interest in mass or a joint or other interest or right of any kind and (iii) goods which are returned to or repossessed by Salmon Energy, and all accessions thereto and products thereof and documentation therefor (herein collectively called ***Inventory***);
- (h) all documents of title (as defined in the Uniform Commercial Code) or other receipts of Salmon Energy covering, evidencing or representing Inventory or Equipment (herein collectively called ***Documents***);
- (i) each contract and other agreement of Salmon Energy relating to the sale or other disposition of Inventory or Equipment;
- (j) all general or special deposit accounts, including any demand, time, savings, passbook or similar account maintained by Salmon Energy with any bank, trust company, savings and loan association, credit union or similar organization, and all money, cash, securities and other properties of Salmon Energy deposited in any such account;
- (k) all inventions, processes, production methods, proprietary information, know-how and trade secrets used in or relating to the Project, and all licenses or user or other agreements granted to Salmon Energy with respect to any of the foregoing in each case whether now or hereafter owned or used;
- (l) all information, customer lists, identification of suppliers and subcontractors, data, plans, blueprints, designs, recorded knowledge, surveys, architectural, structural, mechanical and engineering plans and specifications, studies, reports and drawings, test reports, manuals, material standards, processing standards, performance standards, catalogs, computer and automatic machinery software and programs, all accounting information and all media in which or on which any information or knowledge or data or records may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data, prepared by or on behalf of Salmon Energy including, without limitation, for the improvement or development of the Project or any part thereof;
- (m) all causes of action, claims and warranties now or hereafter owned or acquired by Salmon Energy in respect of any of the items listed in (k) or (l) hereof;

- (n) all rights, claims and benefits of Salmon Energy against any Person arising out of, relating to or in connection with Inventory or Equipment purchased by Salmon Energy including, without limitation, any such rights, claims or benefits against any Person storing or transporting such Inventory or Equipment;
- (o) all insurance policies, whether owned by or payable to Salmon Energy, insuring against any risks whatsoever (including, without limitation, casualty, property damage, liability and death), including, without limitation, all such policies required to be maintained under §8.14 of the Purchase Agreement with respect to the Turbines, the Project or other Property of Salmon Energy, all loss proceeds and other amounts payable to Salmon Energy thereunder, any indemnity, warranty or guaranty in respect of the Property insured thereby, and all eminent domain or similar proceeds or awards with respect thereto and all other rights of Salmon Energy with respect thereto and all rights of Salmon Energy to receive proceeds of any insurance, bond, indemnity, warranty or guaranty; and
- (p) all other tangible and intangible property of Salmon Energy including, without limitation, all proceeds, products, rents, revenues, issues, profits, royalties, income, benefits, accessions, additions, substitutions and replacements of and to any of the Property of Salmon Energy described in clauses (a) through (o) (including, without limitation, any proceeds of insurance thereon and all causes of action with respect thereto) and any indemnity, warranty or guaranty in respect of the Project or of any of the foregoing, and, to the extent related to any Property described in said clauses or such proceeds, products and accessions, all books, correspondence, credit files, records, invoices and other papers, including, without limitation, all tapes, cards, computer runs and other papers and documents in the possession or under the control of Salmon Energy or any computer bureau or service company from time to time acting for Salmon Energy.

As used herein:

Additional Project Document: Any contract or agreement, entered into by Salmon Energy after the date hereof, other than (a) (i) without in any way limiting §8.17 of the Purchase Agreement, any contract relating to real property, (ii) any purchase order for goods or services, or (iii) the Prospective Project Documents (as defined in the Purchase Agreement), which requires payment of more than \$175,000 in any year (or, together with all such other contracts or agreements theretofore entered into, more than \$2.5 million in the aggregate in any year) or (b) a Project Site Contract (as defined in the Purchase Agreement).

Governmental Approval(s) shall mean all approvals, permits, waivers, exemptions, consents, variances, franchises, registrations, authorizations, licenses or similar orders of, or

from, any governmental or any state, department, district or other political subdivision thereof or governmental body, agency, authority, department, commission (including without limitation any taxing authority or political subdivision) autonomous regional corporation or other entity or instrumentality exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

Person shall mean any individual, cooperative, corporation, association, organization, partnership, trust or estate or government (or any agency or political subdivision thereof) or any other entity.

Project means (i) acquiring the Turbines pursuant to the terms of the Turbine Contract (the **Turbine Acquisition**); (ii) developing one or more projects for the construction of a generating facility to incorporate one or more of the Turbines (**Project Development**); or (iii) transferring one or more of the Turbines to a third party.

Property shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

Purchase Agreement means that certain agreement dated April 20, 2001 between Pegasus Power Partners, LLC and the Purchasers party thereto, pursuant to which Pegasus Power Partners, LLC has agreed to sell, and the Purchasers have agreed, subject to the terms and conditions set forth therein, to purchase, the Notes (as therein defined), and the Class D Preferred Interests (as therein defined),

Salmon Energy shall mean Salmon Energy LLC, a Delaware limited liability company.

Turbine(s) means the Four LM 6000 Enhanced Sprint Gas Turbine Generator Sets as defined in the Turbine Contract.

Turbine Contract shall mean that certain contract between Salmon Energy, LLC, and GE Packaged Power, Inc., a corporation incorporated under the laws of the State of Delaware (the **Seller**) pursuant to which the Seller shall sell and Salmon Energy shall purchase Four LM 6000 Enhanced Sprint Gas Turbine Generator Sets (as more specifically defined in the Turbine Contract, the **Turbines**).

Uniform Commercial Code or UCC means the Uniform Commercial Code as in effect in the State of New York