

UNIFORM COMMERCIAL CODE—FINANCING STATEMENT—FORM M-UCC-1

(Rev. 1/1/89)

IMPORTANT—READ INSTRUCTIONS ON BACK BEFORE FILLING OUT FORM

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

No. of Additional Sheets Presented:

3.

To be Recorded in Real Estate Records

Book: _____ Page: _____

1. Debtor(s) (Last Name First) and Address(es):

The A. C. Houston Lumber Company
Terradyne Office Park, Suite 200
550 North 159th Street East
Wichita, KS 67230-7517

2. Secured Party(ies): Name(s) Address(es):

Marine Midland Business Loans, Inc.
2405 Grand Avenue, Suite 800
Kansas City, MO 64108

4. For Filing Officer use only:

5. This Financing Statement Covers the Following Types (or Items) of Property:

See Exhibit B attached hereto and incorporated herein by reference.

Products of the Collateral are Also Covered.

6. Description of Real Estate:

See Exhibit A attached hereto and incorporated herein by reference.

7. Name(s) of Record Owner(s):

8. Assignee(s) of Secured Party and Address(es)

This statement is signed by the Secured Party instead of the Debtor to perfect a security interest in collateral.

- (Please check appropriate box)
- 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.
 - which is proceeds of the original collateral described above in which a security interest was perfected. Proceeds should be described above.
 - as to which the filing has lapsed.
 - acquired after a change of name, identity or corporate structure of the debtor.

The Debtor is a transmitting utility.

THE A. C. HOUSTON LUMBER COMPANY

MARINE MIDLAND BUSINESS LOANS, INC.

By Robert C. Houston Use whichever signature line is applicable
Signature(s) of Debtor(s)

By W. C. Dippel
Signature(s) of Secured Party(ies)

(1) FILING OFFICER COPY ALPHABETICAL

Approved By: MISSOURI SECRETARY OF STATE

FORM M-UCC-1 MISSOURI UNIFORM COMMERCIAL CODE

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EXHIBIT "A"

All that certain Real Property situate in the County of Douglas, State of Nevada and more particularly described as follows:

That portion of the Northwest 1/4 of the Northwest 1/4 of Section 4 and the Northeast 1/4 of the Northeast 1/4 of Section 5, Township 13 North, Range 20 East, M.D.B. & M., in the County of Douglas, State of Nevada, being more particularly described as follows:

Beginning at the Southeasterly corner of Lot 8, Block B of the CARSON VALLEY BUSINESS PARK PHASE I, recorded in Book 993 at Page 3579 as Document No. 318019 of the Official Records of said Douglas County, said corner being on the Northeasterly right-of-way line of Business Parkway, said corner also being on a curve concave to the Southwest and having a radius of 760.00 feet, a radial line through said corner bears North 16° 32' 31" East; thence Westerly along said curve through a central angle of 7° 52' 16" an arc distance of 104.41 feet to a point of reversing curvature, a radial line through said point bears North 8° 40' 15" East, said reverse curve being concave to the Northeast and having a radius of 470.00 feet, thence Westerly and Northerly along said curve through a central angle of 81° 17' 43" an arc distance of 666.87 feet; thence North 0° 02' 02" West, 232.16 feet to the beginning of a curve concave to the Southeast and having a radius of 50.00 feet; thence Northerly and Easterly along said curve through a central angle of 90° 07' 22" an arc distance of 78.65 feet to a point on the Southerly right-of-way line of Johnson Lane; thence Easterly along said right-of-way line South 89° 54' 40" East, 145.56 feet to the intersection of said right-of-way line with the line common to said Sections 4 and 5; thence North 89° 56' 52" East 367.04 feet; thence South 25° 43' 21" East, 491.92 feet; thence South 40° 08' 16" West, 426.74 feet to the Point of Beginning.

Reference is hereby made to that certain Record of Survey Map in support of a boundary line adjustment recorded on July 28, 1995 in Book 795 at Page 4518 as Document No. 367095, Official Records wherein said property is hereby referenced as Lot 8A, Block B of the Carson Valley Business Park Phase I.

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EXHIBIT B

Debtor: The A. C. Houston Lumber Company
Terradyne Office Park, Suite 200
550 North 159th Street East
Wichita, Kansas 67230-7517

Secured Party: Marine Midland Business Loans, Inc.
2405 Grand Avenue, Suite 800
Kansas City, Missouri 64108

Collateral Description:

Debtor hereby irrevocably grants, bargains, sells, transfers and assigns a security interest in and lien on the following property to Secured Party, its successors and assigns:

All and singular the tenements, hereditaments, rights, rights-of-way, easements, privileges, reversions and appurtenances thereunto belonging, or in anywise appertaining (whether now or hereafter acquired) on the real property described in Exhibit A attached hereto and incorporated herein by reference (the "Real Property") and the buildings and improvements thereon (all as part of the premises hereby conveyed) which shall be deemed to include but not to be limited to any and all of the following whether now owned or hereafter acquired:

(i) All leases (subject to the absolute assignment hereinafter described) and other agreements affecting the use, enjoyment or occupancy of the Real Property and/or improvements now or hereafter entered into (the "Leases"), and all rents, issues, profits, damages, deposits, royalties, revenue, proceeds and benefits therefrom, now existing or hereafter created;

(ii) All improvements, landscaping, fixtures and building materials and supplies (whether or not annexed thereto or located thereon) now or hereafter used in connection with the operation of the Improvements (but excluding trade fixtures, equipment, materials and supplies used in the business of Secured Party operated on the Real Property) (collectively, the "Improvements"), including, without in any manner limiting the generality of the foregoing, all machinery, materials, appliances and fixtures for generating or distributing air, water, heat, electricity, light, fuel or refrigeration; for ventilating, cooling or sanitary purposes, for the exclusion of vermin or insects and for the removal of dust, refuse or garbage; telephone, computer, security, surveillance and other electronic or similar systems used in connection with the operation of the Improvements, but excluding any such items which constitute trade fixtures or equipment used in the business of Debtor; wall safes, engines, machinery, boilers, furnaces, oil burners, coolers, refrigeration plants, motors, partitions, doors, vaults, elevators, sprinkling systems, irrigating systems, awnings, window shades, venetian blinds, curtains, light fixtures, fire hoses, fire brackets, fire boxes, fire sprinklers, alarm systems, floor tile, linoleum, carpets, plumbing, water systems and power systems, incinerators, communication systems; and all other and further installations and appliances on the Real Property, all of said items, whether now or hereafter located thereon, shall, at the option of Secured Party, be deemed to be for all purposes of this instrument a part of the realty;

(iii) All development rights or credits, air rights and all water and water rights (whether riparian, appropriative or otherwise and whether or not appurtenant) in or hereafter relating to or used in connection with the Real Property and any and all shares of stock evidencing any such water rights;

(iv) Debtor's right, title and interest in and to all reciprocal easement and similar agreements, rights to the nonexclusive use of common drive entries or similar benefits applicable to the Real Property or any part thereof, together with Debtor's right, title and interest in and to the estates or interests burdened thereby;

(v) All right, title and interest of Debtor in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Real Property, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Real Property;

(vi) All the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Debtor now has or may hereafter acquire in the real property encumbered hereby, and any and all awards made for the taking by eminent domain, or by any proceeding of purchase in lieu thereof, of the whole or any part of the real property encumbered hereby, including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages;

(vii) All deposits made with or other security given to utility companies by Debtor with respect to the Real Property and/or the Improvements; all advance payments of insurance premiums made by Debtor with respect thereto and all claims or demands relating to such deposits, other security and/or such insurance; and any monies on deposit with or for the benefit of Secured Party, including

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but not limited to deposits for the payment of real estate taxes or special assessments against the Real Property, Improvements and/or Leases or for the payment of premiums on policies of fire and other hazard insurance for or with respect to the Real Property, Improvements and/or Leases;

(viii) All Debtor's rights, title and interests, privileges, benefits and remedies in, to and under all permits, licenses, franchises, certificates, approvals, consents and agreements required for the construction, use, occupancy or operation of any and all Improvements now or hereinafter erected on the Real Property, including, without limitation, building permits, zoning approvals and use permits, variances, environmental certificates, licenses, certificates of operation, warranties and guarantees;

(ix) All claims for relief or indemnity and other rights of Debtor for payment of money, for money lent, or for advances or deposits made relating to the Real Property and/or Improvements, including, without limitation, all property tax refunds and refunds of any other monies paid by or on behalf of Debtor relating to the Real Property and/or Improvements;

(x) All rights of Debtor (to the full extent the same may be assigned) to the use, in connection with the Real Property, of any contracts executed by Debtor with any provider of goods or services for or in connection with any construction undertaken on or services performed or to be performed in connection with the Real Property and/or Improvements, including:

(1) All agreements heretofore or hereafter entered into with any design architect, landscape architect, civil engineer, electrical engineer, soils engineer, mechanical engineer, or other contractor, architect or engineer in connection with the design or engineering of the Improvements;

(2) All construction contracts, all subcontracts and all other agreements relating to the construction of the Improvements or required for the use, occupancy or operation of the Real Property or Improvements;

(3) All other agreements heretofore or hereafter entered into with any property manager with respect to the management, leasing, or operation of the Real Property or Improvements;

(4) All right, title and interest of Debtor in and to all plans and specifications, designs, drawings, engineering drawings, blueprints, surveys and other matters relating to the existing Improvements or prepared for any construction on or improvements to the Real Property and/or Improvements and all studies, data and drawings related thereto; and

(5) Any and all present and future amendments, modifications, supplements, general conditions, change orders and addenda to any of the items described in clauses (1), (2), (3) and (4) above;

(xi) All rights of Debtor as seller or borrower under any agreement, contract, understanding or arrangement pursuant to which Debtor has obtained the agreement of any person or entity to pay or disburse any money for Debtor's sale (or borrowing on the security) of the Real Property and/or Improvements or any part thereof, including all sales agreements (other than the pending sale of approximately 18,553 square feet of unimproved Real Estate pursuant to that certain Purchase and Sale Agreement between Debtor and Carpet Barn, Inc., a Nevada corporation), deposit receipts, escrow agreements and other ancillary documents and agreements entered into with respect to the sale to any purchasers of any part of the Real Property or the Improvements, together with all deposits and other proceeds of the sale thereof provided that the foregoing shall not be deemed to permit such sales or transfers in violation of the terms hereof;

(xii) All rights, if any, of Debtor in or to any fund, program or trust monies and any reimbursement therefrom directly or indirectly established, maintained or administered by any governmental authority or any other individual or entity which is designed to or has the effect or providing funds (whether directly or indirectly or as reimbursement) for the repair or replacement of storage tanks (whether above or below ground) located on the Real Property or the remediation or cleanup of any spill, leakage or contamination from any such tank or resulting from the ownership, use or maintenance of any such tank or to compensate third parties for any personal injury or property damage;

(xiii) All substitutions and replacements of, and accessions and additions to, any of the foregoing; and

(xiv) All proceeds of any of the foregoing, including, without limitation, proceeds of any voluntary or involuntary disposition or claim respecting any thereof (pursuant to judgment, condemnation award or otherwise) and all goods, documents, general intangibles, chattel paper and accounts, wherever located, acquired with cash proceeds of any of the foregoing or proceeds thereof.

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REQUESTED BY
Northern Nevada Title Company
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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LINDA SLATER
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