

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

This FINANCING STATEMENT is presented for filing pursuant to the Nevada Uniform Commercial Code

**IMPORTANT: Read Instructions on back before filling out form.**

Receipt No. \_\_\_\_\_

|   |  |  |                       |
|---|--|--|-----------------------|
| 1. DEBTOR (ONE NAME ONLY)<br><input type="checkbox"/> LEGAL BUSINESS NAME<br><input type="checkbox"/> INDIVIDUAL (LAST NAME FIRST)<br>Q. M. CORPORATION |  | 1A. SOCIAL SECURITY OR FEDERAL TAX NO. |                       |
| 1B. MAILING ADDRESS<br>515 Nichols Blvd.  |  | 1C. CITY, STATE<br>Sparks, NV.         | 1D. ZIP CODE<br>89431 |
| 1E. RESIDENCE ADDRESS   |  | 1F. CITY, STATE                        | 1G. ZIP CODE          |

|  |  |  |              |
|--|--|--|--------------|
| 2. ADDITIONAL DEBTOR (IF ANY) (ONE NAME ONLY)<br><input type="checkbox"/> LEGAL BUSINESS NAME<br><input type="checkbox"/> INDIVIDUAL (LAST NAME FIRST) |  | 2A. SOCIAL SECURITY OR FEDERAL TAX NO. |              |
| 2B. MAILING ADDRESS  |  | 2C. CITY, STATE                        | 2D. ZIP CODE |
| 2E. RESIDENCE ADDRESS  |  | 2F. CITY, STATE                        | 2G. ZIP CODE |

3.  ADDITIONAL DEBTOR(S) ON ATTACHED SHEET

|   |  |   |  |
|---|--|---|--|
| 4. SECURED PARTY<br>NAME LITCHFIELD FINANCIAL CORPORATION<br>MAILING ADDRESS 13701 West Jewell Avenue<br>CITY Lakewood, COLO STATE 80228 ZIP CODE |  | 4A. SOCIAL SECURITY NO. FEDERAL TAX NO.<br>OR BANK TRANSIT AND A.B.A. NO. |  |
| 5. ASSIGNEE OF SECURED PARTY (IF ANY)<br>NAME<br>MAILING ADDRESS<br>CITY STATE ZIP CODE   |  | 5A. SOCIAL SECURITY NO. FEDERAL TAX NO.<br>OR BANK TRANSIT AND A.B.A. NO. |  |

6. This FINANCING STATEMENT covers the following types or items of property (if crops or timber, include description of real property on which growing or to be growing and name of record owner of such real estate; if fixtures, include description of real property to which affixed or to be affixed and name of record owner of such real estate; if oil, gas or minerals, include description of real property from which to be extracted).

All of Debtor's rights, title and interest in and to that personal property, as is more fully described on EXHIBIT "A" attached hereto

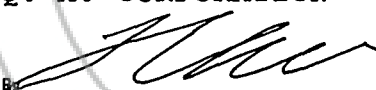
6A. \_\_\_\_\_ SIGNATURE OF RECORD OWNER

6B. \_\_\_\_\_ (TYPE) RECORD OWNER OF REAL PROPERTY

6C. \$ \_\_\_\_\_ MAXIMUM AMOUNT OF INDEBTEDNESS TO BE SECURED AT ANY ONE TIME (OPTIONAL)

|  |  |   |   |   |
|--|--|---|---|---|
| 7. Check if Applicable <input checked="" type="checkbox"/> | A. <input type="checkbox"/> Proceeds of collateral are also covered  | B. <input type="checkbox"/> Products of collateral are also covered | C. <input type="checkbox"/> Proceeds of above described collateral in which a security interest was perfected (Debtor's Signature Not Required) | D. <input type="checkbox"/> Collateral was brought into this State subject to security interest in another jurisdiction (Debtor's Signature Not Required) |
| 8. Check if Applicable <input checked="" type="checkbox"/> | <input type="checkbox"/> DEBTOR IS A "TRANSMITTING UTILITY" IN ACCORDANCE WITH NRS 704.205 AND NRS 104.9403. |   |   |   |

9. Q. M. CORPORATION (Date) 10-9-97 19\_\_

By  Vice President (TITLE)

L. E. ALLISON (TYPE NAME(S))

By \_\_\_\_\_ (TITLE)

\_\_\_\_\_ (TYPE NAME(S))

11. This Space for Use of Filing Officer: (Date, Time, File Number and Filing Officer)

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WHITE—Alphabetical; PINK—Acknowledgement; GREEN—Secured Party; BLUE—Debtor.

10. Return Copy to:

|   |   |   |
|---|---|---|
| NAME<br>ADDRESS<br>CITY, STATE<br>AND ZIP | LITCHFIELD FINANCIAL CORPORATION<br>13701 West Jewell Avenue<br>Lakewood, COLO. 80228 | Trust Account Number<br>(If Applicable) |
|---|---|---|

EXHIBIT A  
TO FINANCING STATEMENT

DEBTOR/ASSIGNOR: Q.M. CORPORATION

SECURED PARTY/ASSIGNEE: LITCHFIELD FINANCIAL CORPORATION

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The property which is subject to and encumbered by this Financing Statement includes:

All of the right, title and interest, whether now existing or hereafter acquired, of Debtor/Assignor in, to and under the following, and specifically including all proceeds therefrom:

1. All Notes and other notes, documents and other property sold or delivered to, deposited with, or held by or for Lender pursuant to the Promissory Note and Installment Contract Purchase Agreement dated January 25, 1996, which has been executed by and between Secured Party/Assignee and Debtor/Assignor ("Purchase Agreement") including, without limitation, all promissory notes, installment sales contracts, leasehold interest rental agreements, accounts, deeds of trust and related or unrelated receivables generated by Debtor/Assignor in connection with its on-going land development and timeshare sales operations within the Thunderbird Resort, Ridge Sierra and Lakeside Tennis and Ski Resort development projects as located in or near Sparks, Stateline, and Incline Village, Nevada, respectively, as are more fully described in SCHEDULE 1 attached hereto, along with all after acquired Notes which are subsequently sold or transferred by Debtor/Assignor to Secured Party/Assignee pursuant to the terms of the Purchase Agreement;

2. All payments and prepayments of principal, interest, penalties and other amounts due or to become due on and/or under all the Notes and other Notes which will become the subject of the Purchase Agreement;

3. All security for, and all property used or useful in connection with the foregoing including, without limitation, all rights, liens and security interests existing with respect to, or as security for, all such Notes and other notes including, without limitation, all hold-back and loss reserve funds maintained and held by Secured Party/Assignee pursuant to the terms of the Purchase Agreement;

4. All files, surveys, certificates, correspondence, computer programs, tapes, discs, cards, accounting records, and other

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records, information and data relating to the Notes (including all formation, records, data, programs, tapes, discs and cards necessary for Lender to administer and service such collateral);

5. All insurance proceeds and condemnation proceeds associated with or pertaining to the real and personal property which is associated with the Notes being purchased hereunder;

6. All present and future accounts, general intangibles, chattel paper, contract rights, deposit accounts, instruments and documents as those terms are defined in the Colorado Commercial Code, now or hereafter relating or arising with respect to the Notes or otherwise, including, without limitation: (a) all rights to the payment of money, including escrow proceeds arising out of the sale of all or any portion of the Notes or otherwise; and (b) all reserves, deferred payments, deposits, refunds, cost savings, bonds, insurance policies and payments of any kind relating to the Notes or otherwise.

7. All present and future additions, modifications, renewals, attachments, replacements and substitutions of or to any or all of the foregoing;

8. All proceeds and products of any or all of the foregoing including, without limitation, all monies, deposit accounts, insurance proceeds and other tangible or intangible property received upon a sale or other disposition of any of the foregoing; and

9. All agreements of Debtor/Assignor with respect to the Project including, without limitation, any and all marketing agreements, sales contracts, and consignment agreements.

Capitalized terms used in this Exhibit "A" and not otherwise defined shall have the same meanings set forth for them in the Purchase Agreement.

REQUESTED BY  
**Stewart Title of Douglas County**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

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LINDA SLATER  
RECORDER  
\$17<sup>00</sup> PAID *K* DEPUTY