

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) Nevada Royale, LLC <input checked="" type="checkbox"/> LEGAL BUSINESS NAME <input type="checkbox"/> INDIVIDUAL (LAST NAME FIRST) a Nevada limited liability company		1A. SOCIAL SECURITY OR FEDERAL TAX NO. 88-0462311	
1B. MAILING ADDRESS 218 Elks Point Rd., Suite 303		1C. CITY, STATE Zephyr Cove, NV	1D. ZIP CODE 89448
1E. RESIDENCE ADDRESS		1F. CITY, STATE	1G. ZIP CODE
2. ADDITIONAL DEBTOR (IF ANY) (ONE NAME ONLY) <input type="checkbox"/> LEGAL BUSINESS NAME <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. <input type="checkbox"/> ADDITIONAL DEBTOR(S) ON ATTACHED SHEET			
4. SECURED PARTY NAME ARCS Commercial Mortgage, Co., L.P. MAILING ADDRESS 26901 Agoura Road, Suite 200 CITY Calabasas STATE CA ZIP CODE 91301		4A. SOCIAL SECURITY NO. FEDERAL TAX NO. OR BANK TRANSIT AND A.B.A. NO. 95-2681192	
5. ASSIGNEE OF SECURED PARTY (IF ANY) NAME Fannie Mae MAILING ADDRESS c/o ARCS Commercial Mortgage, Co., L.P. CITY 26901 Agoura Rd., Suite 200, Calabasas, CA ZIP CODE 91301		5A. SOCIAL SECURITY NO. FEDERAL TAX NO. OR BANK TRANSIT AND A.B.A. NO. 52-0883107	

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).

See Exhibit A Collateral Description attached hereto and made a part hereof.
 See Exhibit B Legal Description attached hereto and made a part hereof.

6A. _____ **SIGNATURE OF RECORD OWNER** **6C. \$** _____ **MAXIMUM AMOUNT OF INDEBTEDNESS TO BE SECURED AT ANY ONE TIME (OPTIONAL)**

6B. _____ **(TYPE) RECORD OWNER OF REAL PROPERTY**

7.	Check if Applicable <input checked="" type="checkbox"/>	A. <input type="checkbox"/> Proceeds of collateral are also covered	B. <input checked="" type="checkbox"/> Products of collateral are also covered	C. <input type="checkbox"/> Proceeds of above described original 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)
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8. Check if Applicable DEBTOR IS A "TRANSMITTING UTILITY" IN ACCORDANCE WITH NRS 704.205 AND NRS 104.9403.

9.

(Date) _____ 19____

By _____ See attached signature page
SIGNATURE(S) OF DEBTOR(S) (TITLE)

TYPE NAME(S)

By _____ See attached signature page
SIGNATURE(S) OF SECURED PARTY(IES) (TITLE)

TYPE NAME(S)

10.

Return Copy to:

ARCS Commercial Mortgage, Co., L.P.
 26901 Agoura Road, Suite 200
 Calabasas Hills, CA 91301
 ATTN: Closing Dept.

Trust Account Number (If Applicable) _____

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

08618

0493602
BK0600PG1517

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

EXHIBIT "B"
COLLATERAL DESCRIPTIONS FOR
UCC-1 STATEMENTS AND SECURITY AGREEMENT

LOAN #226380

All of the Debtor's right, title and interest in:

All equipment, machinery, fixtures, goods, accounts, general intangibles, documents, instruments and chattel paper, and all other personal property of every kind and description, whether now existing or hereafter acquired, now or at any time hereafter attached to, erected upon, situated in or upon, forming a part of, appurtenant to, used or useful in the construction or operation of or in connection with, or arising from the use or enjoyment of all or any portion of, or from any lease or agreement pertaining to, the real property or interests therein located in the County of Douglas, State of Nevada as more particularly described in Exhibit A attached hereto and made a part hereof (the "Real Property"), including without limitation:

(a) All income, rents, royalties, revenue, issues, profits, proceeds and other benefits from any and all of the Real Property;

(b) All deposits made with or other security given to utility companies by Debtor with respect to the Real Property and the Improvements thereon, and 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;

(c) All fixtures now or hereafter affixed to the Real Property, including all buildings, structures and improvements of every kind and description now or hereafter erected or placed thereon and any and all machinery, motors, elevators, boilers, equipment (including, without limitation, all equipment for the generation or distribution of air, water, heat, electricity, light, fuel or refrigeration or for ventilating or air conditioning purposes or for sanitary or drainage purposes or for the removal of dust, refuse or garbage), partitions, appliances, furniture, furnishings, building service equipment, building materials, supplies, ranges, refrigerators, cabinets, laundry equipment, hotel, kitchen and restaurant equipment, copiers and software, radios, televisions, security systems, awnings, window shades, venetian blinds, drapes and drapery rods and brackets, screens, carpeting and other floor coverings, lobby furnishings, games and recreational and swimming pool equipment, incinerators and other property of every kind and description now or hereafter placed, attached, affixed or installed in such buildings, structures, or improvements (all of such fixtures being referred to hereinafter as the "Improvements");

(d) All damages, royalties and revenues of every kind, nature and description whatsoever that Debtor may be entitled to receive, either before or after any default hereunder, from any person or entity owning or having or hereafter acquiring a right to the oil, gas or mineral rights and reservations of the Real Property;

(e) All proceeds and claims arising on account of any damage to or taking of the Real Property or the Improvements thereon or any part thereof, and all causes of action and recoveries for any loss or diminution in the value of the Real Property or the Improvements;

(f) All licenses (including, but not limited to, any operating licenses or similar licenses), contracts, management contracts or agreements, franchise agreements, permits, authorities or certificates required or used in connection with the ownership of, or the operation or maintenance of the Improvements;

(g) All governmental permits relating to construction, all names under or by which such Real Property or the Improvements may at any time be operated or known, and all rights to carry on business under any such names or any variant thereof, and all trademarks, trade names, patents pending and good will;

(h) All capital contributions required by any partnership agreement, the articles of incorporation or corporate resolution which relate to the business organization which owns the Real Property and Improvements;

(i) All water rights appurtenant to such Real Property together with all pumping plants, pipes, flumes and ditches, all rights to the use of water as well as all rights in ditches for irrigation of the Real Property, all water stock relating to the Real Property, shares of stock or other evidence of ownership of any part of the Real Property that is owned by Debtor either by itself or in common with others, and all documents of membership in any owners' or members' association or similar group having responsibility for managing or operating any part of the Real Property;

(j) All plans and specifications prepared for construction of the Improvements and all studies, data and drawings related thereto; and also all contracts and agreements of Debtor relating to the aforesaid plans and specifications or to the aforesaid studies, data and drawings, or to the construction of the Improvements;

(k) All sales agreements, 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, together with all deposits and other proceeds of the sale thereof;

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

(m) 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.

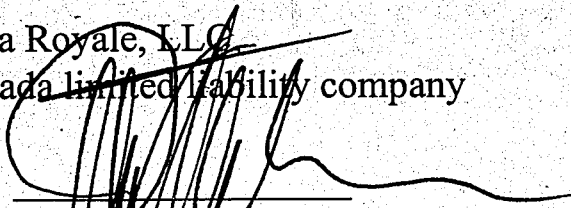
The Real Property and Improvements are commonly known as

**Nevada Royale Apartments
149 Kahle Drive
Stateline, Nevada 89449**

COPY

DEBTOR:

Nevada Royale, LLC
A Nevada limited liability company

By: 
Jeff Needham

Its: Managing Member

By: 
Marlene Ladage

Its: Managing Member

SECURED PARTY:

ARCS COMMERCIAL MORTGAGE CO., L.P.,
a California limited partnership

By: ACMC Realty, Inc.,
a California corporation

Its: General Partner

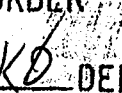
By: 
Kevin Kleen

Its: Senior Vice President

REQUESTED BY
STEWART TITLE of DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2000 JUN -7 PM 2: 34

LINDA SLATER
RECORDER

\$19⁰⁰ PAID  DEPUTY

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