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UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

✓ Kent Smith
Jackson Walker L.L.P.
100 Congress Avenue, Suite 1100
Austin, Texas 78701

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

OR

1b. INDIVIDUAL'S LAST NAME: Lester
FIRST NAME: William
MIDDLE NAME: K.
SUFFIX: Jr.

1c. MAILING ADDRESS: 19027 Kahala Drive
CITY: Galveston
STATE: TX
POSTAL CODE: 77554
COUNTRY: USA

1d. TAX ID #: SSN OR EIN: [REDACTED] 7759
ADD'L INFO RE ORGANIZATION DEBTOR
1e. TYPE OF ORGANIZATION
1f. JURISDICTION OF ORGANIZATION
1g. ORGANIZATIONAL ID #, if any NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME
FIRST NAME
MIDDLE NAME
SUFFIX

2c. MAILING ADDRESS
CITY
STATE
POSTAL CODE
COUNTRY

2d. TAX ID #: SSN OR EIN
ADD'L INFO RE ORGANIZATION DEBTOR
2e. TYPE OF ORGANIZATION
2f. JURISDICTION OF ORGANIZATION
2g. ORGANIZATIONAL ID #, if any NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME: The MEGA Life and Health Insurance Company

OR

3b. INDIVIDUAL'S LAST NAME
FIRST NAME
MIDDLE NAME
SUFFIX

3c. MAILING ADDRESS: 9151 Grapevine Highway
CITY: North Richland Hills
STATE: TX
POSTAL CODE: 76180
COUNTRY: USA

4. This FINANCING STATEMENT covers the following collateral:

See the attached Exhibit A to UCC-1 Financing Statement for description of collateral.

5. ALTERNATIVE DESIGNATION [if applicable]: LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

122203.00001 / Douglas County, Nevada (Real Estate Records)

0547094

08738

BK0702PG04180

EXHIBIT A TO UCC-1 FINANCING STATEMENT**naming****WILLIAM K. LESTER, JR., as debtor****and****THE MEGA LIFE AND HEALTH INSURANCE COMPANY, as secured party**

This UCC-1 Financing Statement covers all of the following items located on that certain real property located in Douglas County, State of Nevada and more particularly described in Schedule 1 attached hereto (the "*Property*"):

(i) building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Land, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling and attached floor coverings (the "*Personalty*");

(ii) all permits, licenses, franchises, certificates, and other rights and privileges obtained in connection with the Land, the improvements thereon, or the *Personalty*;

(iii) all proceeds arising from or by virtue of the sale, lease or other disposition of the Land, the Improvements, or the *Personalty*;

(iv) all proceeds from the taking of any of the Land, the improvements thereon, the *Personalty* or any rights appurtenant thereto by right of eminent domain or by private or other purchase in lieu thereof, including change of grade of streets, curb cuts, or other rights of access, for any public or quasi-public use under any law;

(v) all right, title, and interest of Debtor in and to all streets, roads, public places, easements, and rights-of-way, existing or proposed, public or private, adjacent to or used in connection with, belonging or pertaining to the Land;

(vi) all of Debtor's rights (but not Debtor's obligations) under existing and future leases, including subleases, and any and all extensions, renewals, modifications, and replacements of such leases, upon or of any part of the Land or improvements thereon,

including cash or securities deposited and guaranties to secure performance by the tenants of their obligations thereunder (the "Leases");

(vii) all of the rents, receipts, royalties, bonuses, issues, profits, revenues, or other benefits of the Land, the improvements thereon, the Leases, or the Personalty, including those now due or to become due by virtue of any Lease or other agreement for the occupancy or use of all or any part of the Land or improvements thereon (the "Rents"); all of which, including replacements and additions thereto, and the proceeds thereof, shall be deemed to be and remain a part of the Collateral;

(viii) All substitutes and replacements for, accessions, attachments and other additions to, tools, parts and equipment used in connection with, and proceeds and products of, the above Collateral (including all income and benefits resulting from any of the above), all certificates of title, manufacturer's statements of origin, other documents, accounts, and chattel paper arising from or related to the above Collateral, and returned or repossessed Collateral;

(ix) All policies of insurance covering the Collateral and proceeds thereof; and

(x) All security for the payment of any of the Collateral, and all goods which gave or will give rise to any of the Collateral or are evidenced, identified, or represented therein or thereby.

The term "*Collateral*" does not include clothing, furniture, appliances, linens, china, crockery, kitchenware, or personal effects used primarily for personal, family, or household purposes.

The security interest in favor of Secured Party includes and this Financing Statement covers all proceeds and products of the Collateral described above and all similar property hereafter acquired by Debtor.

SCHEDULE 1 TO UCC-1 FINANCING STATEMENT

naming

WILLIAM K. LESTER, JR., as debtor

and

THE MEGA LIFE AND HEALTH INSURANCE COMPANY, as secured party

Legal Description of Land

Lot 5, in Block D, as shown on the map of LOGAN CREEK ESTATES, filed in the Office of the County Recorder of Douglas County, Nevada, on March 8, 1960, as Document No. 15688.

TOGETHER WITH the right of owners to have access to the water of Lake Tahoe as set forth in Deed recorded December 17, 1973, in Book 1273, Page 387, Document No. 70682, Official Records of Douglas County, State of Nevada.

Assessors Parcel No. 03-022-200; *New APN = 1418-22-610-007*

Property Address: 1647 Logan Creek, Zephyr Cove, Nevada

3177420v1

REQUESTED BY
Kent Smith
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2002 JUL 15 AM 11:32

LINDA SLATER
RECORDER

\$40⁰⁰ PAID *K2* DEPUTY

William K. Lester, Jr.