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**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
**LAURA McKINNEY (775)827-7233 X225**

B. SEND ACKNOWLEDGEMENT TO: (Name and Address)

Colonial Bank  
P.O. Box 7498  
Reno, NV 89510

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  
**VILLAGER TOWNHOUSE ASSOCIATION**

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**P. O. Box 11767 Zephyr Cove NV 89448 USA**

1d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any  
**88-0483227 Association NV C-1189-1978**  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  
**Colonial Bank**

OR

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

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**229 Kingsbury Grade Stateline NV 89449**

4. This FINANCING STATEMENT covers the following collateral:  
**All accounts including homeowner's due of the Villager Townhouses Association, a Nevada non-profit corporation; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds)**

**Attachment**

**08750**

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) [optional]  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA  
**8031318424-01**

**0554349**

# UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

## 9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME <b>VILLAGER TOWNHOUSE ASSOCIATION</b>			
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

## 10. MISCELLANEOUS:

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## 11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME					
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
11d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any	
					<input type="checkbox"/> NONE

## 12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME					
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:

**All of Lots 1 through 15, as shown on the Official Map of Villager Townhouses, filed for record in the Office of the County Recorder of Douglas County, Nevada, on August 29, 1977, as Document No. 12403.**

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

Debtor is a TRANSMITTING UTILITY

Filed in connection with a Manufactured-Home Transaction — effective 30 years

Filed in connection with a Public-Finance Transaction — effective for 30 years

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BK1002PG03842

Recording Requested By  
and When Recorded Mail to:

Colonial Bank  
P.O. Box 5700  
Stateline, Nevada 89449

**COLLATERAL ASSIGNMENT OF HOMEOWNER ASSOCIATION DUES**

This Assignment, made this 4th day of October, 2002, by Villager Townhouses Association, aka: Villager Townhouse Association, a Nevada non-profit corporation ("Association"), a corporation incorporated under and existing by virtue of the laws of the State of Nevada, having its principal place of business at P. O. Box 2323, Stateline, Nevada 89449 (hereinafter referred to as "Assignor") and Colonial Bank (hereinafter referred to as "Assignee").

For value received, Assignor hereby grants, transfers, assigns and sets over to Assignee all Assignor's right, title and interest to (1) all Homeowner Association dues; and (2) right to assess, levy and collect Association dues as provided for pursuant to Covenants, Conditions and Restrictions (CC&Rs), recorded August 31, 1977, in Book 877 at Page 2085, as Document Number 12567 of Official Records of Douglas County, Nevada, as amended pursuant to an instrument recorded January 11, 1978 in Book 178 at Page 265, as Document No. 16625 of Official Records of Douglas County, Nevada (collectively "Dues").

Without limiting the generality of the foregoing, it is agreed as follows:

1. Assignor grants, transfers and assigns to Assignee all Assignor's right, title and interest in and to said Association dues for the purpose of securing:

A. Payment of indebtedness evidenced by a certain Promissory Note (hereinafter referred to as the "Note") in the principal sum of \$70,000.00 (SEVENTY THOUSAND DOLLARS), and any extensions, modifications, or renewals thereof, executed by Assignor and dated October 4, 2002, payable to Assignee's order and secured by the assignment of seven (7) Promissory Notes and the Deeds of Trust securing said Notes.

B. Payment of all other sums with interest thereon becoming due and payable to assignee herein under the terms hereof, and as set forth in the Note.

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C. Performance and discharge of each and every term, provision, condition, obligation, covenant and agreement of Assignor herein, and as set forth in the Note.

2. Assignor represents that (a) Assignor is entitled to receive and collect all Association Dues mentioned herein and assigned hereby; (b) the same have not been heretofore sold, assigned, transferred or set over by any instrument now in force, and will not at any time during the life of these present be sold, assigned, transferred or set over by the Assignor or any other person or persons taking under or through Assignor, except subject to this Assignment; (c) Assignor has the sole right to sell, assign, transfer and set over the same, and to grant and confer upon Assignee the rights, interests, powers and/or authorities herein granted and conferred; and (d) Assignor has full power and authority to enter into this Agreement.

3. Assignor will, from time to time, execute any and all instruments requested by Assignee in order to effectuate this Assignment, including UCC-1 Statements, and to accomplish any of the purposes that are necessary or appropriate in connection with this Assignment.

4. This Assignment shall in no way operate to restrict or prevent the Assignee from pursuing any remedy which it may now or hereafter have because of any present or future breach of the terms or conditions of the Note.

5. Assignee shall be accountable only for such cash as it receives under the terms of this Assignment.

6. The Assignee's failure to do any of the things or exercise any of the rights, interests, powers, and/or authority granted hereunder shall not be construed as a waiver of any of the rights, interests, powers or authorities assigned and granted to the Assignee under this instrument.

7. The Assignee may assign this Assignment and the rights accruing thereunder to any subsequent Assignee and holder of the Note for which this Assignment is given as additional security.

8. The parties agree that this Assignment is an actual Assignment effective as of the date hereof, and that upon demand made by Assignee on any member of Villager Townhouse Association, such member shall forthwith pay said member's Association dues to Assignee upon Assignee's order, and without any inquiry of any nature, all Association dues then or thereafter accruing.

9. As long as Assignor is not in default in the payment of any indebtedness secured hereby, or in the performance of any obligation, covenant or agreement contained herein or in the Note, Assignee agrees not to demand from any Association member any Association dues that are hereby assigned but shall permit the Assignor to collect all such Association dues and to retain and enjoy the same.

10. Upon or at any time after default in the payment of any indebtedness evidenced by the Note, or in the performance of any term, provision, condition, obligation, covenant or agreement contained herein or in the Note, and after the expiration of any period of grace, if any, with respect to any such default provided for in the Note, the Assignee may declare all sums secured hereby immediately due and payable, and may, at the Assignee's option, without notice, either in Assignee's person or by agent, and with or without bringing any action or proceeding, or by any receiver to be appointed by a Court, take possession of, and collect, levy and enforce the payment of Association dues in its own name, sue for or otherwise collect or reserve any and all Association dues, including those past due and unpaid; employ attorneys and accountants in connection with the enforcement of Assignee's rights hereunder and pay the reasonable fees and expenses thereof; and otherwise do and perform any and all acts which Assignee may deem necessary and appropriate in and about the premises for the protection thereof and of the Assignee's rights hereunder or under the Note, and any and all amounts expended by Assignee in connection with the foregoing shall constitute so much additional indebtedness secured hereby. Assignee shall apply any moneys collected by Assignee, as aforesaid, less costs and expenses incurred, as aforesaid, upon any indebtedness secured hereby in such order and manner as Assignee may determine. The entering upon and collection of Association dues, the exercise of any rights hereinabove specified, and the application of collections, as aforesaid, shall not cure, waive, modify or affect any default hereunder or under the Note.

11. The Assignee shall not be obligated to perform or discharge any obligation, duty or liability under any Association-governing documents or any recorded Covenants, Conditions or Restrictions.

12. The Assignor shall, and does hereby agree to, indemnify and hold Assignee harmless of and from any and all liability, loss or damage which it may or might incur in enforcing its rights hereunder, or under or by reason of this Assignment, and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform.

13. Assignor will not modify, change, alter, supplement, amend or surrender any CC&Rs without Assignee's prior written consent.

14. Assignor has not and will not accept dues in advance, except only current yearly dues, which may be paid in advance.

15. Upon payment in full of all indebtedness, and on the performance of all the obligations secured hereby, this Assignment shall become null and void and of no effect.

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16. This Assignment is binding on and inures to the benefit of the parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term, "Assignor," as used herein, shall include each Assignor whose name appears below, severally, and all such Assignors, jointly and severally, and their respective heirs, legatees, devisees, executors, successors and assigns. The term, "Assignee," as used herein, shall include the named Assignee and all said Assignee's successors and assigns, including each and every person or entity who or which, from time to time, becomes owner and holder of the Note, and such successors and assigns shall have, hold, and enjoy all of the rights, powers and benefits hereby afforded and conferred upon the named Assignee as fully and with the same effect as if such successors and assigns were by name herein designated as Assignee.

IN WITNESS WHEREOF, the Assignor and Assignee have executed this Assignment as of the day, month and year first above written.

ASSIGNOR:

VILLAGER TOWNHOUSES ASSOCIATION,  
Aka: VILLAGER TOWNHOUSE ASSOCIATION

RB

By *Paul R. Menard*  
PAUL R. MENARD, President

By *Sigrud A. Menard*  
SIGRID A. MENARD, Secretary

By *Rosemarie A. Buchholz*  
ROSEMARIE A. BUCHHOLZ, Treasurer

ASSIGNEE:

COLONIAL BANK

By *Mike Sigala*  
MIKE SIGALA, VP/Commercial Loan Officer

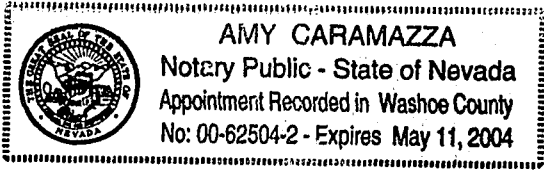
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**ACKNOWLEDGEMENTS**

STATE OF NEVADA )  
 ) SS.  
COUNTY OF DOUGLAS )

On this 8<sup>th</sup> day of OCTOBER, 2002, personally appeared before me, a Notary Public, in and for said County and State, PAUL MENARD, SIGRID MENARD, and ROSEMARIE BUCHHOLZ, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same, freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State above-named, the day and year in this certificate first above written.

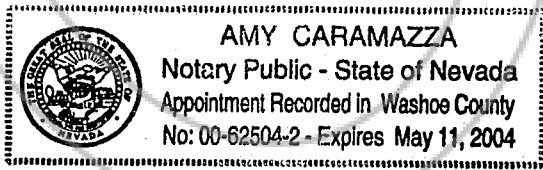


*Amy Caramazza*  
\_\_\_\_\_  
NOTARY PUBLIC

STATE OF NEVADA )  
 ) SS.  
COUNTY OF DOUGLAS )

On this 8<sup>th</sup> day of OCTOBER, 2002, personally appeared before me, a Notary Public, in and for said County and State, MIKE SIGALA, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same, freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State above-named, the day and year in this certificate first above written.



*Amy Caramazza*  
\_\_\_\_\_  
NOTARY PUBLIC

COPY

REQUESTED BY  
Colonial Bank  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2002 OCT 10 AM 9:47

LINDA SLATER  
RECORDER

\$ 48<sup>00</sup> PAID KJ DEPUTY

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