

A.P.N. 0000-05-150-140
Order No.
Escrow No. 2001-47392-KJP
When Recorded Mail To:
Novasel & Schwarte Investments, Inc.
Dba Western Highland Mortgage Company
P.O. box 11355
South Lake Tahoe, CA 96155

DEED OF TRUST WITH ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made June 12, 2001 between

Falcon Capital, LLC., a Wyoming Limited Liability Company, TRUSTOR,
whose address is 3905 State Street, Suite 7148 Santa Barbara CA
(Number and Street) (City) (State)

FIRST AMERICAN TITLE COMPANY, a Nevada corporation, TRUSTEE,
whose address is P.O. Box 645, Zephyr Cove, NV 89448 and

Novasel & Schwarte Investments, Inc., dba Western Highland Mortgage Company
whose address is P.O. Box 11355, South Lake Tahoe, CA 96155

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the
County of Douglas, State of NEVADA described as:

That portion of the Southwest 1/4 Section 10, Township 13 North, Range 18 East, M.D.B.&M., that is more particularly described s follows:

Beginning at a point on the Southerly right of way line of U.S. Highway 50, said point being the most Westerly corner of Lot 44, as shown on the Amended Plat of Zephyr Knolls, Unit No. 2, Subdivision, filed in the office of the County Recorder on July 5, 1957; thence South 34°55' East, along the Southwesterly line of Lots 43 and 44, as shown on said Amended Plat of Zephyr Knolls, and along said line extended a distance of 473.19 feet; thence South 40°27' West, a distance of 150.35 feet; thence South 82°08' West, a distance of 623.92 feet to a point on the Northeasterly right of way line of North Martin Drive, as shown on the map of Zephyr Heights, No. 3 Subdivision, filed in the office of the County Recorder on October 5, 1953; thence along said line of North Martin Drive the following courses and distances: North 24°06' West, 69.95 feet; thence on a curve to the left having a radius of 320 feet through a central angle of 31°09' an arc distance of 173.97 feet; thence North 55°15' West, a distance of 58.68 feet; thence leaving said line of North Martin Drive, North 20°42' East, a distance of 321.23 feet to a point on the Southerly right of way line of U.S. Highway No. 50; thence along the Southerly line of said U.S. Highway No. 50, the following courses and distances; South 84°24'40" East, 169.54 feet; thence on a curve to the left having a radius of 500 feet through a central angle of 35°13'30", an arc distance of 362.73 feet to the Point of Beginning.

DUE ON SALE

Note and deed of trust to contain the following or similar provision: "In the event the undersigned should sell, transfer or convey, OR contract to sell, transfer or convey the real property encumbered by such deed of trust and note, or any portion thereof, or any interest therein, at the option of the holder of this note, the then unpaid balance of principal and interest due hereunder shall become due and payable although the time of maturity as expressed hereinabove shall not have arrived. Beneficiary's consent of an assumption of one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions."

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the purpose of securing (1) payment of the sum of \$195,000.00 with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and all extensions or renewals thereof; and (2) the performance of each agreement of Trustor incorporated herein by reference or contained herein; (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or to his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed if Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious Deed of Trust recorded in the office of each County Recorder in the State of Nevada on January 30 1968, in the book and at the page thereof, or under the document or file number, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	DOC. NO.	COUNTY	BOOK	PAGE	DOC. NO.
Churchill	39 Mortgages	363	115384	Lincoln			45902
Clark	850 Off. Rec.		682747	Lyon	37 Off. Rec.	341	100661
Douglas	57 Off. Rec.	115	40050	Mineral	11 Off. Rec.	129	89073
Elko	92 Off. Rec.	652	35747	Nye	105 Off. Rec.	107	04823
Esmeralda	3-X Deeds	195	35922	Ormsby	72 Off. Rec.	537	32867
Eureka	22 Off. Rec.	138	45941	Pershing	11 Off. Rec.	249	66107
Humboldt	28 Off. Rec.	124	131075	Storey	"S" Mortgages	206	31506
Lander	24 Off. Rec.	168	50782	Washoe	300 Off. Rec.	517	107192
				White Pine	295 R. E. Records	258	

Shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivision A and B, (identical in all counties, and printed on the reverse side hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed a reasonable amount.

The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address above set forth.

0516655

BK 0601 PG 4633

STATE OF NEVADA)

County of Douglas)

SS.

On 6/15/01

personally appeared before me, a Notary Public,

G. Randy Lane

Who acknowledged that he executed the above Instrument.

Karen Pawloski

Notary Public

Signature of Trustor

[Signature]

Falcon Capital, LLC.

By: G. RANDY LANE



COPY

0516655

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ADDENDUM TO DEED OF TRUST

As and for additional consideration for the loan secured by this Deed of Trust, Trustor hereby covenants and agrees that in the event Trustor causes a petition for relief to be filed under the United States Bankruptcy Code, including, but not limited to; a petition for relief pursuant to Chapters 7, 11 or 13, Trustor shall, upon written request from Beneficiary, stipulate to immediate relief from stay arising from the filing of Trustor's petition under the United States Bankruptcy Code. Trustor further acknowledges that this provision constitutes a material inducement to Beneficiary to lend Trustor the funds secured by the within Deed of Trust. Trustor further acknowledges Beneficiary would not loan said funds to Trustor without Trustor agreeing to immediate relief from stay as aforesaid. In the event Trustor fails to stipulate to immediate relief from stay upon written request from Beneficiary, Trustor hereby stipulates and agrees that the court wherein Trustor's petition is pending shall, upon application by Beneficiary, order relief from stay with respect to all of Beneficiary's rights under the within note and Deed of Trust. Trustor represents that Trustor understands the provisions of this Addendum to Deed of Trust and agrees to the provisions of this Addendum to Deed of Trust freely and voluntarily.

DUE ON SALE CLAUSE

If the Trustor shall convey or alienate said property or any part thereof or any interest therein or shall be divested of his title in any manner or way, whether voluntary or involuntary any indebtedness or obligation secured hereby, irrespective of the maturity date expressed in any note evidencing the same, at the option of the holder hereof and without demand or notice shall become due and payable immediately.

"SUBSEQUENT TRUST DEEDS ARE SUBJECT TO THIS TRUST DEED AND ANY RENEWAL OR EXTENSION THEREOF WHETHER ORAL OR WRITTEN."

[Signature] 6/15/01
Falcon Capital, LLC, by _____ Date

State of Nevada County of Douglas

On 6/15/01 before me, Karen Pawloski, personally appeared Randy Lane personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Karen Pawloski
Signature of Notary Public



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COPY

REQUESTED BY
FIRST AMERICAN TITLE CO.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2001 JUN 18 PM 4: 12

LINDA SLATER
RECORDER

\$10⁰⁰ PAID *KD* DEPUTY

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