

REQUESTED BY

TSI TITLE & ESCROW
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

RECORDING REQUESTED BY:

2003 OCT -1 PM 3:25

Steve Leman

WERNER CHRISTEN
RECORDER

WHEN RECORDED, MAIL TO:
Steve Leman
2020 Kokanee Way
S. Lake Tahoe, Ca 96150
1318-22-002-003

\$ 19⁰⁰ PAID *KJ* DEPUTY

Space Above This Line For Recorder's Use

PLEDGE AGREEMENT

THIS AGREEMENT, made and entered into this 28 day of July 2003, at South Lake Tahoe, California by Falcon Capitol, LLC. (seller) (hereinafter "Pledgor"), and Steve Leman (Buyer) (hereinafter "Pledgee"):

Recitals

Pledgee has purchased for good and valuable consideration one thousand (1000) square feet of COMMERCIAL FLOOR AREA COVERAGE as defined in Chapter 22 of the Tahoe Regional Planning Agency ("TRPA") Code of Ordinances Chapter 33.3.B, as evidenced by Purchase Agreement attached hereto as Exhibit "A", sometimes herein referred to as collateral or Commercial Floor Area. Purchase price amended to be \$35,000.00.

IT IS THEREFORE AGREED:

1. **Pledge of Collateral.** In consideration as defined in said Purchase Agreement attached hereto as Exhibit A, Pledgor hereby assigns, transfers to and deposits with Pledgee all of Pledgor's right, title and interest in the COMMERCIAL FLOOR AREA Rights arising from the THE SITE KNOWN AS apn 1318-22-002-003, ~~S. Lake Tahoe, Ca.~~ ^{STATE LINE, NV}, also described in Exhibit A, or which may now be held by Pledgee. Said COMMERCIAL FLOOR AREA Rights shall be deposited with the TRPA until such time as the COMMERCIAL FLOOR AREA Rights are transferred to real estate acceptable to Pledgee.

2. **Warranties by Pledgor.** Pledgor warrants and represents with respect to the substituted security that:

(a) Pledgor is the absolute owner of an undivided one

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Pledgor is not now in default, as to payment of money or in any other respect, in any obligations thereunder;

(b) Said collateral is not subject to any prior assignment, claim, lien or security interest, and Pledgor will not make any further assignment thereof or create any further security interest therein, nor permit its rights therein to be reached by attachment, levy, garnishment or other judicial process;

(c) The obligation of Pledgor under said instruments are not subject to any claim for credits, allowances or adjustment;

(d) No notice of the bankruptcy, insolvency or financial embarrassment of any obligor(s) under said instruments has been received by Pledgor; and upon Pledgor's receipt of any such notice, Pledgor will immediately give Pledgee written notice thereof;

(e) Pledgor has maintained and will continue to maintain accurate and complete records and accounts concerning all obligations given as collateral hereunder, and agrees to permit inspection of said records and accounts by Pledgee and to submit to Pledgee statements of said accounts in such form as shall be prescribed by Pledgee; and

(f) Pledgor acknowledges that the COMMERCIAL FLOOR AREA RIGHTS is attached to the property until transferred pursuant to Paragraph 1 above and in the event the underlying property is sold, leased, assigned or in any way transferred, or encumbered, said COMMERCIAL FLOOR AREA RIGHTS shall remain the sole and separate property of Pledgee and not subject to said sale, lease, assignment, transfer or encumbrance.

3. Power of Sale. The power of sale and all other powers hereinafter granted by Pledgor shall apply to all collateral of any kind or description, including all moneys, negotiable instruments, bonds, stocks and commercial paper, credits, choses in action, claims or demands of every kind at any time during the existence of this Pledge Agreement deposited with or in the possession or control of Pledgee or any of its agents. This power of sale is restricted to the COMMERCIAL FLOOR AREA Rights and is independent of any power of sale contained in the Deeds of Trust.

4. Substitution of Collateral. If, with the consent of Pledgee, Pledgor shall substitute or exchange other collateral, securities or instruments in place of the collateral herein

mentioned, then all of the rights and privileges of Pledgee and all obligations on the part of Pledgor shall be forthwith applicable to said substituted or exchanged collateral, securities or instruments, the same in all respects as with respect to the rights originally pledged and held as collateral hereunder. Pledgee hereby agrees to consent to the transfer of said security to the TRPA bank.

5. Collection of Collateral. Pledgee shall have the right to notify the TRPA of Pledgee's interest in said collateral and to take control thereof and enforce any and all rights of Pledgor resulting from the banking of said Development Rights, which rights Pledgee may exercise at any time in the event Pledgor is in default hereunder.

6. Attorney's Fees. In the event of any litigation of any nature between the parties hereto, or any of them, regarding the rights and obligations of the parties under this Pledge Agreement or any obligation secured hereby, the prevailing party in such litigation shall be entitled to recover its reasonable attorney's fees as determined in court.

7. Waiver of Rights by Pledgor. Pledgor waives any right to require Pledgee to (a) proceed against any person, (b) proceed against or exhaust any collateral, or (c) pursue any other remedy in Pledgee's power; and waives any defense arising by reason of any disability or other defense of any other Pledgor or any other person, or by reason of the cessation from any cause whatsoever of the liability of any other Pledgor or any other person.

8. Continuing Agreement. It is further agreed that this agreement constitutes a continuing agreement applying to any and all future, as well as existing transactions between Pledgor and Pledgee, and that all powers, rights and privileges herein given apply to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto.

9. Assignment. This assignment shall be for the benefit of Pledgee, their successors or assigns; and in the event that Pledgee shall assign, endorse, sell, transfer or hypothecate to any other person or persons, firm, bank or corporation the rights granted hereunder, either jointly or singularly, and other liabilities of Pledgor, or any notes, evidences of indebtedness, bonds, stocks, or other securities deposited hereunder or secured or intended to be secured hereby, or any part thereof, such assignment or transfer shall automatically constitute an assignment and transfer of this Agreement and of all rights given hereunder protanto, and such assignee, endorsee, transferee or

successor of Pledgee shall be granted and shall have, jointly with Pledgee, all of the rights and privileges given to Pledgee, in accordance with the terms hereof.

10. Representation by Counsel. Both parties have been advised by Brokers involved in this transaction to counsel with their independent counsel regarding the terms and conditions of this Pledge Agreement.

11. Time of the Essence. Time is of the essence of this Pledge Agreement.

12. Counterparts. This Pledge Agreement may be signed in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

13. Payments and Notices. All payments and notices under this Pledge Agreement or otherwise required by law shall be made to Pledgee as follows: Steve Leman, 2020 Kokanee Way, South Lake Tahoe, Ca 96150.

and to Pledgor: Falcon Capitol, LLC. P.O. Box 456, Zephyr Cove, Nv, 89448.

14. Satisfaction of Obligation. Upon the satisfaction of all obligations of Pledgor to Pledgee secured hereby, Pledgee shall return to Pledgor this Pledge Agreement and the Assignment of COMMERCIAL FLOOR AREA rights and all other documents and securities given as collateral hereunder, and shall endorse all instruments to Pledgor at their order.


Dated:

Pledgee:



STEVEN LEMAN

Pledgor



GORDON R. LANE

STATE OF California

COUNTY OF El Dorado

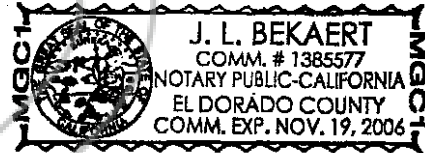
On July 28, 2003 before me, JL Bekaert, Notary Public
(Name, Title of Officer)

personally appeared Steve Leman

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.

[Signature]
(Signature of Notary Public)



(This area for notarial seal)

STATE OF NEVADA)
COUNTY OF Douglas) ss

On this 13th day of August, 2003, personally appeared before me, a notary public, Gordon B. Lane who acknowledged that he executed the above instrument.



[Signature]
Notary Public

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EXHIBIT "A"
Portion of APN 1318-22-002-003 to Douglas County

All that real property situate in the County of Douglas, State of Nevada, described as follows:

All that portion of Section 22, Township 13 North, Range 18 East, M.D.M., more particularly described as follows:

Beginning at a point which bears North $24^{\circ}58'25''$ West 797.16 feet from the Northeast corner of Lot 16, Block 3 of Oliver Park Subdivision, filed for record on February 2, 1959, as Document Number 14034:

Thence South $28^{\circ}48'49''$ West 224.69 feet;
Thence North $60^{\circ}34'24''$ West 175.75 feet;
Thence North $26^{\circ}04'39''$ West 43.32 feet;
Thence North $60^{\circ}34'24''$ West 88.24 feet;
Thence South $28^{\circ}37'39''$ West 119.76 feet;
Thence North $60^{\circ}40'41''$ West 160.01 feet;
Thence North $28^{\circ}48'49''$ East 295.29 feet;

Thence along a tangent curve to the right with a radius of 20 feet, a central angle of $90^{\circ}00'00''$, and an arc length of 28.28 feet:

Containing 2.63 acres, more or less.

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