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WHEN RECORDED MAIL TO:

Thomas J. Hall
Post Office Box 3948
Reno, Nevada 89505
APN-1320-35-001-046

NO. 2

DEED OF TRUST

THIS DEED OF TRUST entered into this 10 day of October, 2000, by and between JOSEPH R. PEARCE and B. DIANE PEARCE, husband and wife, hereinafter called "Trustor", WESTERN TITLE COMPANY, INC., hereinafter called "Trustee" and HALL RANCHES, a Nevada Limited Liability Company, hereinafter together called "Beneficiary."

WITNESSETH

That Trustor hereby grants, bargains, sells, conveys and confirms unto Trustee, in trust with power of sale, all that certain property situate in the County of Douglas, State of Nevada, being Assessors Parcel No. 1320-35-001-046, particularly described as follows, to wit:

Lot 2, in Block F, of Wildflower Ridge, Unit 5, according to the map thereof, filed in the Office of the County Recorder of Douglas County, State of Nevada, on December 19, 1990, in Book 1290, Page 2543, Document 241310.

AND, ALSO, all of the estate, interest, homestead or other claim, as well in law as in equity, which Trustor now has or may hereafter acquire in and to said property, together with all easements and rights of way used in connection therewith or as a means of access thereto, and all water and water rights in connection therewith or share of stock evidencing such water or water rights, and all fixtures now or hereafter attached to or used in connection with the premises above described, together with all and singular the tenements, the hereditament and the appurtenances thereunto belonging or in anywise appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the same unto the said Trustee and its successors for the purpose of securing payment of an indebtedness in the sum of EIGHTY-THREE THOUSAND, SIX HUNDRED DOLLARS AND ZERO CENTS (\$83,600.00) AS FOLLOWS:

\$83,600.00 evidenced by a Promissory Note of even date herewith with interest, thereon, according to the terms of said Promissory Note, which Promissory Note is specifically referred to, and by said reference is made a part thereof, as if set out in full, executed by Trustor and delivered to Beneficiary, and payable to their order and any and all extensions or renewals

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thereof; payment of all other sums with interest thereon becoming due and payable under the provision hereto to Trustee or to the Beneficiary and the performance and discharge of each and every obligation, covenant and agreement of Trustor herein contained.

AND THIS INDENTURE FURTHER WITNESSETH:

FIRST: The Trustor promises and agrees to pay when due all claims for labor performed and materials furnished for construction, alteration or repair upon the above-described premises; to comply with all laws affecting said property or relating to any alterations or improvements that may be made thereon; not to commit or permit waste thereon, not to commit, suffer or permit any acts upon said property in violation of any law, covenant, condition or restriction affecting said property.

SECOND: Trustor agrees that it will pay any deficiency arising from any cause after application of the proceeds of a sale held in accordance with the provisions of the covenants hereinabove adopted by reference.

THIRD: If the premises or any part thereof be condemned under any power of eminent domain or acquired for a public use, the damages, proceeds and the consideration for such acquisition, to the extent of the full amount of indebtedness upon this Deed of Trust and the Promissory Note secured hereby remaining unpaid, are hereby assigned by the Trustor to the Trustee and shall be paid forthwith to the Beneficiary to be applied by them on account in the last maturing installments of such indebtedness.

FOURTH: Trustor will pay all reasonable costs, charges and expenses, including attorneys' fees, reasonable incurred or paid at any time by the Beneficiary because of the failure on the part of the Trustor to perform, comply with and abide by each and every stipulation, agreement, condition and covenant of the Promissory Note and this Deed of Trust or either of them.

FIFTH: Trustor hereby assigns to the Trustee all rents, income, maintenance fees and other benefits to which Trustor may now or hereafter be entitled from the property described hereinabove and to be applied against the indebtedness or other sums secured hereby provided, however, that permission is hereby given to Trustor so long as no event of default has occurred hereunder to collect and use such rents, income, maintenance fees and other benefits as they become due and payable but not in advance thereof. Upon the occurrence of any such event of default, the permission hereby given to Trustor to collect such rents, income, maintenance fees and other benefits from the property described hereinabove shall automatically terminate.

SIXTH: The lien of this instrument shall remain in full force and effect during any postponement or extension of the time of payment of the indebtedness or any part thereof secured hereby. The Beneficiary may, without notice to or consent of Trustor, extend the time of payment of any indebtedness secured hereby to

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any successor interest of the Trustor without discharging the Trustor from liability thereon.

SEVENTH: The rights and remedies granted hereunder or by law shall not be exclusive but shall be concurrent and cumulative.

EIGHTH: The benefits of the covenants, terms, conditions and agreements herein contained shall accrue to, and the obligations thereof shall bind the heirs, representatives, successors and assigns of the parties hereto and the Trustor hereof. Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all other genders and the term "Trustor" shall include any payee of the indebtedness hereby secured or any transferee thereof, whether by operation of law or otherwise.

NINTH: This Deed of Trust is executed by Trustor and accepted by Trustee with the understanding and upon the express condition that if Trustor should make default in the performance to Trustee of any of the covenants and agreements herein set forth, then, and in that event, the full amount of the principal of the indebtedness secured hereby, plus interest, shall forthwith be and become wholly due and payable, notwithstanding the fact that the same would not otherwise be due according to the terms of the Promissory Note secured hereby.

TENTH: The trust created hereby is irrevocable by the Trustor.

ELEVENTH: The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder by mailed to him at the following address: Thomas J. Hall, Post Office Box 3948, Reno, Nevada, 89505.

TWELFTH: In the event the Property or any part thereof or any interest therein is sold, agreed to be sold, conveyed, alienated or mortgaged by TRUSTOR, whether voluntarily or involuntarily or by operation of law, irrespective of the maturity date expressed in the Note, BENEFICIARY may, at BENEFICIARY'S sole and unfettered discretion, declare all of the sums secured by this Deed of Trust to be immediately due and payable.

IN WITNESS WHEREOF, the Trustor has caused this Deed of Trust to be executed the day and year first above written.



JOSEPH R. PEARCE



B. DIANE PEARCE

STATE OF VIRGINIA)
) ss.
COUNTY OF _____)

On October _____, 2000, personally appeared before me, a notary public, Joseph R. Pearce and Diane Pearce, personally known to me to be the persons whose names are subscribed to the above instrument who acknowledged that they executed the instrument.

NOTARY PUBLIC

County/City of FAIRFAX
Commonwealth/State of VIRGINIA

The foregoing instrument was acknowledged before me this 13 day of Oct,
2000, by

JOSEPH R PEARCE AND B DIANE PEARCE
(name of person seeking acknowledgement)

Usha R Stueck
Notary Public

My commission expires: _____ My Commission Expires July 31, 2003

SEAL

County/City of FAIRFAX
Commonwealth/State of VIRGINIA

The foregoing instrument was acknowledged before me this 13 day of Oct,
2000, by

(name of person seeking acknowledgement)
JOSEPH R PEARCE AND B DIANE PEARCE

Notary Public

My commission expires: _____ My Commission Expires July 31, 2003

REQUESTED BY
WESTERN TITLE COMPANY, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2000 OCT 17 PM 3: 15

LINDA SLATER
RECORDER

\$ 11.00 PAID Bh DEPUTY

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