

DEED OF TRUST
AND
CHattel MORTGAGE

THIS DEED OF TRUST AND CHATTEL MORTGAGE, made and entered into this 15th day of September, 1965, by and between LIBERTY LIVESTOCK CO., a general partnership composed of J. H. SEWELL, MOLLIE S. SEWELL, THOMAS H. GALLAGHER and DOROTHY S. GALLAGHER, and J. H. SEWELL and MOLLIE S. SEWELL, his wife, and THOMAS H. GALLAGHER and DOROTHY S. GALLAGHER, his wife, individually, as Trustors and Mortgagors, and PIONEER TITLE INSURANCE COMPANY OF NEVADA, a Nevada corporation, as Trustee, and AMERICAN NATIONAL INSURANCE COMPANY, a corporation licensed and existing under and by virtue of the laws of the State of Texas, as Beneficiary and Mortgagee,

W I T N E S S E T H:

That the said Trustors hereby grant, convey and confirm unto said Trustee in trust with power of sale, the following described real property situate in the counties of Elko and Eureka, State of Nevada, and more particularly described as follows:

The following described land situate in the County of Eureka, State of Nevada:

In T. 21 N., R. 53 E., M.D.B.& M.

Section 22: E $\frac{1}{2}$
27: E $\frac{1}{2}$
28: All

The following described land situate in the County of Elko, State of Nevada:

In T. 33 N., R. 58 E., M.D.B.& M.

Section 19: NE $\frac{1}{2}$

SAVE AND EXCEPT the following parcels of land:

Beginning at the intersection of the Southerly line of the Lamoille Lane with the East Section line of Section 19, Township 33 North, Range 58 East, M.D.B.& M., thence in a Southwesterly direction, along the Southerly line of the Lamoille

Lane, a distance of approximately 478.5 feet; thence South and parallel with the East Section line a distance of approximately 363.0 feet; thence Northeastly and parallel with the Southerly line of Lamaille Lane, a distance of approximately 478.5 feet; thence North along the East Section line of Section 19, a distance of approximately 363.0 feet to the place of beginning.

Commencing at Monument A in the Townsite of Lamaille, a concrete monument with a brass center point, placed 6 inches below the surface of the ground at the center-line intersection of Main and Second Streets, whence the Southwest Corner of Section 19, Township 33 North, Range 58 East, M.D.B. & M., bears S. 57°22' W., 3751.60 feet; running thence N. 18°30' W., 673.83 feet to Corner No. 1 of said tract of land, the place of beginning; thence N. 19°35'20" W., 741.55 feet to Corner No. 2; thence N. 59°32' W., 31.00 feet to Corner No. 3; thence S. 0°16'30" W., 726.55 feet to Corner No. 4; thence N. 87°30' E., 279.09 feet to Corner No. 1, the place of beginning. Containing 2.4942 acres, more or less.

Commencing at a concrete monument at the center line intersection of Second and Main Streets, Town of Lamaille, according to the official map of said Town on file in the office of the County Recorder of Elko County, Nevada, whence the Southwest Corner of Section 19, Township 33 North, Range 58 East, M.D.B. & M., bears S. 57°22' W., 3751.60 feet, running thence N. 15°38' W., 637.10 feet to Corner No. 1, the place of beginning; thence N. 19°41' W., 535.60 feet to Corner No. 2; thence N. 70°19' E., 100.00 feet to Corner No. 3; thence S. 19°41' E., 535.60 feet to Corner No. 4; thence S. 70°19' W., 100.00 feet to Corner No. 1, the place of beginning. Containing 1 acre, more or less.

Commencing at Monument A in the Town of Lamaille, Elko County, Nevada, as shown on the official map thereof on file in the office of the County Recorder of Elko County, Nevada; thence N. 35°32'17" E., 743.70 feet to Corner No. 1, the place of beginning; thence S. 89°43' E., 113.04 feet to Corner No. 2; thence N. 9°51'30" E., 63.96 feet to Corner No. 3; thence N. 89°43' W., 101.78 feet to Corner No. 4; thence S. 0°17' W., 63.00 feet to Corner No. 1, the place of beginning. Containing 6763.50 square feet, more or less.

In T. 33 N., R. 57 E., M.D.B. & M.

Section 8: SE $\frac{1}{4}$; SW $\frac{1}{4}$;
16: W $\frac{1}{2}$ SW $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$;
17: All

ALSO, a parcel of land in the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 9, of said T. 33 N., R. 57 E., M.D.B. & M., more particularly described as follows:

Beginning at Corner No. 1, which is also the Southwest Corner of Section 9, Township 33 North, Range 57 East,

M.D.B. & M., running thence East 715.20 feet to Corner No. 2; thence N. $7^{\circ}54'36''$ E., 1770.94 feet to Corner No. 3; thence N. $6^{\circ}21'$ W., 257.72 feet to Corner No. 4; thence N. $84^{\circ}31'$ W., 934.67 feet to Corner No. 5; thence S. 2101.70 feet to Corner No. 1, the point of beginning.

SUBJECT to easements and rights of way of record for railroad, highway, roadway, pole line, telephone cable and pipe line purposes.

TOGETHER with all of the Trustors' interest, if any, now owned by them or which may hereafter be acquired, in and to all of the oil, gas, petroleum minerals, and any and all other minerals, mineral rights, including sand and gravel, in, upon or under the above-described real property.

TOGETHER with all water, water rights, rights to the use of water, dams, ditches, canals, pipe lines, reservoirs, wells, pumps, pumping stations, engines, and all other means for the diversion or use of waters appurtenant to the said property or any part thereof, or now or hereafter used or enjoyed in connection therewith, for irrigation, stockwatering, domestic or any other use, or for the drainage of all or any part of said lands, including, but without limitation thereto, the waters adjudicated as appurtenant to the said property, or any part thereof by any pertinent decree of that certain proceeding entitled, "In the Matter of the Determination of the Relative Rights of Claimants and Appropriators of the Waters of the Humboldt River Stream System and its Tributaries", being Civil Action No. 2804 in the Sixth Judicial District Court of the State of Nevada, in and for the County of Humboldt.

TOGETHER with all permits to appropriate the waters of the State of Nevada, issued by the State Engineer of the State of Nevada, together with all Certificates of Appropriation, and any and all applications to appropriate the waters of the State of Nevada, which are appurtenant to the above-described real property, or any part thereof, and used or enjoyed in connection therewith, including, without limitation, the following described permits to appropriate the public waters of the State of Nevada:

Permit No. 21930

Permit No. 22316

Permit No. 19541

Permit No. 19542

Permit No. 21929

Permit No. 22315

Permit No. 18639

Permit No. 22670

Certificate of Appropriation of the Waters of the State of Nevada No. 5730 granted pursuant to Permit No. 19630.

TOGETHER with all stockwatering rights, vested or permitted, now or heretofore or hereafter used in

connection with the use of said lands, including all stockwatering sources located on the above described real property, or on any public domain or other lands.

TOGETHER with all range rights and grazing rights, and in particular, but without limitation thereto, all rights, if any, owned by the Trustors, to graze livestock on the public domain under what is known as the Taylor Grazing Act, used or enjoyed in connection with any of the above-described real property, and together with any range rights and grazing rights, including rights to graze livestock on the public domain under permits granted by the Bureau of Land Management of the United States Department of the Interior, which may be hereafter acquired and which may be attached to or used in connection with any of the above-described real property.

TOGETHER with all buildings, fences, structures, improvements, barns, corrals, and all other improvements located on said real property.

TOGETHER with all of the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TOGETHER with all of that certain personal property, machinery and equipment which is described on Exhibit A, attached hereto and incorporated herein by reference.

TO HAVE AND TO HOLD the said premises, together with the appurtenances and personal property, unto the said Trustee, and to its successors and assigns, upon the trusts and for the uses and purposes hereinafter expressed, namely:

As security for the payment of (a) A promissory note (and any renewals or extensions or modifications thereof), of even date herewith, in the principal sum of FOUR HUNDRED THOUSAND AND NO/100 (\$400,000.00) DOLLARS, the final payment of which is due on or before twenty-five years from date, executed by Trustors and delivered to Beneficiary, together with the interest thereon as by said note (and any renewals or extensions or modifications thereof) provided, said note being payable to the order of Beneficiary in lawful money of the United States at its aforesaid principal office, or at such other place as the holder thereof may designate in writing; (b) such additional amounts as may be hereafter loaned by the Beneficiary, or its successor, to the Trustors, or any of them, or any successor in interest of the Trustors, with interest thereon, and any other indebtedness or obligation of the Trustors, or any of them, and any present or future demands of any kind or nature which the Beneficiary, or its successors, may have against the Trustors, or any of them, whether created directly or acquired by assignment; whether absolute or contingent; whether due or not; or whether otherwise secured or not, or whether existing at the time of the execution of this instrument, or arising thereafter, without preference as to liens or otherwise of any renewal notes, or partial renewal notes, or additional

obligations, so that each note, obligation or indebtedness secured by this Deed of Trust and Chattel Mortgage shall have the same right, lien and priority hereunder, which shall be a first lien on all of the above described property; and (c) as security for the payment and performance of every obligation, covenant, promise or agreement contained in this Deed of Trust and Chattel Mortgage or in said Promissory Note or notes contained.

AND THIS INDENTURE FURTHER WITNESSETH:

FIRST: The Trustors promise to properly care for and keep the property herein described in first class condition, order and repair; to care for, protect and repair all buildings and improvements situate thereon; not to remove or demolish any buildings or other improvements situate thereon; to restore any uninsured building or improvement damaged or destroyed thereon; to complete in a good and workmanlike manner any building or other improvement which may be constructed thereon, and to pay, when due, all claims for labor performed and for materials furnished therefor; to underpin and support when necessary, any building or other improvement situate thereon, and otherwise to protect and preserve the same; to comply with all laws, ordinances and regulations with reference to any alterations or improvements made thereon; not to commit or permit any waste or deterioration of said buildings and improvements or of said premises; to keep insured all buildings and improvements on said property against loss or damage by fire and such other casualties as may be designated by the Beneficiary, in an amount not less than the sum due the Beneficiary, or for the insurable value, whichever is lower, in some insurance company or companies to be approved by the Beneficiary, the policies of which insurance shall be payable in case of loss to the Beneficiary, and shall be delivered to and held by it as security, which said delivery shall constitute an assignment by Trustors to Beneficiary of all rights under the policy, including any return premiums; to pay, when due, all taxes, assessments and levies affecting said property, and any costs or penalties thereon; to pay, when due, all mortgages, deeds of trust and other encumbrances which are or appear to be a lien or a charge upon the property or any part thereof, prior to this Deed of Trust. If the above described property is ranch or farm land, Trustors agree to farm, cultivate and irrigate said premises in a proper, approved and husbandman-like manner, and keep crops, now or hereafter planted on said premises, properly cultivated, irrigated and fertilized; to keep all buildings, fences, ditches, canals, wells and any and all other farming improvements on said premises in first class condition, order and repair.

If the Trustors fail to make any payment or perform any act which they are obligated to make or perform hereby, then the Trustee, or Beneficiary, at the election of either of them, without demand or notice to the Trustors, or any successors in interest of the Trustors, or any of them, may make such payment or perform such act and incur any liability, or expend whatever amounts, in its absolute discretion it may deem necessary therefor. All sums incurred or expended by the Trustee or Beneficiary under the terms hereof, shall become immediately due and payable by the Trustors to the Trustee or Beneficiary when so incurred or expended, and shall bear interest until paid at the rate of eight per cent (8%) per annum, and shall be secured hereby.

SECOND: The Trustors promise to appear and defend any action or proceeding purporting to affect the interest of the Beneficiary hereunder, or the said property or any part thereof, or the rights, powers and duties of the Trustee hereunder; and

the Trustee or Beneficiary may likewise appear in and defend any such action or proceeding and take such action therein as either of them may be advised; and all costs and expenses, including costs of evidence of title, and reasonable attorney fees incurred or expended by the Beneficiary or Trustee in such action or proceeding, shall become immediately due from the Trustors to the Beneficiary or Trustee, when so incurred or expended, and shall bear interest until paid at the rate of eight per cent (8%) per annum, and shall be secured hereby.

In the event that any action or proceeding is brought to exercise the right of eminent domain on said property, or any part thereof, the Trustors agree to pay to the Beneficiary all sums received by them as compensation or damages for the condemnation of said property, or any part thereof, and said sum shall be applicable to the payment of the indebtedness secured hereby, whether due or not.

THIRD: The Trustee or Beneficiary may enter the premises and inspect the same at any time during the existence of the trust hereby created, and in case default be made in the payment of any sum secured hereby, or in the performance of any act the performance of which is secured hereby, the Trustee shall be entitled at any time, at its option, either by itself or by a Receiver to be appointed by a court therefor, to enter upon and take possession of the above granted premises, or any part thereof, and during the existence of such default to do and perform such acts of repair, cultivation, protection or irrigation as may be necessary or proper to conserve the value thereof; to rent or lease the same or any part thereof for such rental term, and upon such conditions as its judgment may dictate, and to collect and receive the rents, issues and profits thereof; also to prepare for harvest, harvest, (which rents, issues, profits and crops, present and future, are hereby assigned to the Trustee as further security, but which assignment Trustee agrees not to enforce so long as Trustors are not in default in payment of any sums or performance of any act to be made or performed hereunder), and apply such rents, issues and profits, or the proceeds of the sale of any of said crops, in the manner hereinafter specified in respect of proceeds of sale of said premises, and also to do any other act or acts, as it may deem necessary or proper, in the use, management or operation of the said premises, or to protect or conserve the value thereof, the specific enumerations herein not excluding the general; and in the event that the Trustee shall exercise the option in this paragraph granted, the Trustors agree to surrender to the Trustee peaceable possession of said premises, and not to interfere in any manner with the exercise of the rights in this paragraph granted; and the expenses therein incurred, including compensation to said Trustee and Receiver, and attorney fees and costs and disbursements, shall be deemed to be a portion of the expense of this trust, and secured hereby. Trustors also assign to Trustee, as further security for the performance of the obligations secured hereby, all prepaid rents, and all monies which have been or may hereafter be deposited with said Trustors by any lessee of the premises hereinbefore described, to secure the payment of any rent, and upon default in the performance of any of the provisions hereof Trustors agree to deliver said rents and deposits to the Trustee, but which assignment the Trustee and Beneficiary agrees not to enforce so long as Trustors are not in default in payment of any sums or performance of any act to be made or performed hereunder.

FOURTH: The Beneficiary may without notice to or consent

of Trustors extend the time of the payment of any indebtedness secured hereby to any successor in interest of the Trustors without discharging the Trustors from liability thereon. At any time, or from time to time, without liability therefor and without notice, upon written request of the Beneficiary, and without affecting the personal liability of any person for the payment of the indebtedness secured hereby, or the effect of this deed of trust upon the remainder of the said property, Trustee may: Reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement, or any agreement subordinating the lien or charge hereof. Acceptance by Beneficiary of any sum in payment of any indebtedness secured hereby, after the date when the same is due, or after the filing of breach and election to sell, shall not constitute a waiver of the right either to require prompt payment when due of all other sums so secured, or to declare default as herein provided for failure so to pay, or to proceed with the sale under any such notice of breach and election to sell, for any unpaid balance of said indebtedness. If the Beneficiary holds any additional security for any obligation secured hereby, it may enforce the sale thereof, at its option, either before or after a sale is made hereunder.

The Trustee or Beneficiary may at any time commence and maintain an action in any court of competent jurisdiction and obtain the aid and direction of said court in the execution by it of the trust, or any of them, herein expressed or contained, and may, in such action, obtain orders or decrees, interlocutory or final, of said court, directing the execution of said trusts, and directing, confirming or approving its acts or any of them, or any sales or conveyances made or to be made by it, adjudging the validity thereof and further determining any deficiency on the part of the Trustors remaining after such sale, and directing that the purchasers of the land and premises sold be put into immediate possession thereof, and providing for orders of court or other process, requiring the sheriff of the county in which said lands and premises are situate to place and maintain the said purchasers in quiet and peaceable possession of the lands and premises so purchased by them. In the event of default hereunder the Trustee may, at its option, bring an action in any court of competent jurisdiction to foreclose this instrument as a mortgage, or to enforce any of the covenants hereof. Upon the default in the performance of any of the terms, covenants or agreements contained herein by the Trustors to be performed, the Beneficiary or Trustee may apply to the District Court of the county where all or any portion of the property is located for the appointment of a Receiver. The Beneficiary may also bring an action to enforce the payment of any note or indebtedness secured hereby, without causing the Trustee to sell the property as herein provided, the said Trustors hereby waiving any provision of law requiring that the security conveyed by the Trustors to the Trustee herein be sold prior to the commencement of any such action. The rights and remedies hereby granted shall not exclude any other rights or remedies granted herein, or by law, and all rights and remedies granted hereunder, or permitted by law, shall be concurrent and cumulative. In any action brought pursuant to the provisions hereof, the plaintiff shall be entitled to a reasonable sum, to be fixed by the court, as attorney fees expended by the plaintiff in the prosecution of said action.

FIFTH: Upon payment of all sums secured hereby, the Trustee shall reconvey, without warranty, the estate vested in it hereby, and the grantee in said reconveyance may be described

in general terms as "The person or persons legally entitled thereto." The recitals in any full or partial reconveyance shall be conclusive proof against all persons of the truthfulness thereof. All reconveyances shall be at the cost of the grantee.

SIXTH: If breach or default be made in the prompt payment when due of any sum secured hereby, or in the performance of any promise contained herein, or contained in any conveyance under which said Trustors claim or derive title, then and at any time thereafter the Beneficiary hereunder may declare all sums secured hereby immediately due and payable, without demand or notice, and the Beneficiary or Trustee shall record in the Office of the County Recorder of the county or counties wherein said property or any part thereof is situated, a notice of such breach or default and election to cause the said property to be sold to satisfy the indebtedness and obligations secured hereby, as provided by the laws of the State of Nevada with reference to foreclosure of deeds of trust. The provisions of covenants Nos. 6, 7 (10%) and 8 of N.R.S. 107.030 are hereby adopted and made a part of this Deed of Trust.

On application of the Beneficiary, and after the time required by law shall have elapsed following the recordation of said notice of breach or default, the Trustee shall give notice of the time and place of sale in the manner provided in the covenants adopted herein by reference. In addition to the indebtedness and other obligations secured hereby, the Trustors hereby agree to pay the expenses of such sale and of this trust, and compensation of the Trustee in an amount equal to one per cent (1%) of the amount secured hereby and remaining unpaid, but in no event less than Twenty-Five Dollars (\$25.00), and counsel fees in an amount equal to ten per cent (10%) of the amount remaining unpaid and secured hereby, but in no event less than One Hundred Dollars (\$100.00), and also such sums, if any, as Trustee or Beneficiary shall have paid for procuring an abstract of title or search of or certificate or report as to the title to said premises or any part thereof subsequent to the execution of this instrument, all of which sums shall be secured hereby and become due upon default hereunder made by the Trustors.

SEVENTH: The said Trustors hereby agree that whenever said Beneficiary or Trustee shall record said notice of breach or default and of election of Beneficiary to sell or cause to be sold said property, or whenever said Trustee shall give notice of sale of said property as herein provided, said recordation of notice of breach or default, or publication of notice of sale, shall ipso facto, so far as regards the indebtedness hereby secured and this instrument, extend any and all statutes limiting the time for the commencement of actions to enforce the payment of the sums secured hereby or any part thereof, which are now or which may hereafter be in force or effect, until thirty (30) days after the Trustee hereunder shall have completed a sale of said premises and shall have executed and delivered to the purchaser a deed of said premises and said Trustors hereby expressly waive the right to plead any such statute or statutes of limitation in any action or proceeding to which the Trustors may be a party, provided said action is brought within the time herein provided.

EIGHTH: In the event any proceedings be commenced against the then owner of the property hereinabove described under any bankruptcy or insolvency law, or in the event foreclosure of any junior lien shall be commenced, either of which shall constitute

a breach of agreement and an event of default hereunder, then, at its option, Beneficiary may declare the entire unpaid balance of the indebtedness secured hereby immediately due and payable, without any further notice to the Trustors.

NINTH: This instrument, insofar as it creates a lien upon personal property, crops or chattels, is a chattel mortgage within the terms of N.R.S. 106.080. The following Covenants, Nos. 1, 2 (10%), 3 (8%), 4, 5, 6, 7 (a sufficient amount of insurance when, taken together with insurance on the buildings, improvements and appurtenances, shall be equal to the amount of the indebtedness owed by the Mortgagors and Trustors, or the insurable value of all such personal property, whichever is less), 8, 9, 12, 14 and 15 of N.R.S. 106.020, are hereby adopted by reference and made a part of this Deed of Trust and Chattel Mortgage.

TENTH: The Trustors and Grantors represent and warrant that this Chattel Mortgage will be and does constitute a first lien on all personal property subject to this Chattel Mortgage, and that they will pay and discharge all taxes and assessments, and all other charges and encumbrances which are or shall hereafter be, or appear to be, a lien upon the personal property herein described, or any part thereof, and will pay all interest and principal due on any prior encumbrances, liens or title retaining contracts.

ELEVENTH: Upon any default by the Trustors and Mortgagors which results in the filing of notice of breach and election to sell, or the filing of any foreclosure proceedings, or appointment of a receiver, then the lien created by this instrument will attach to the right, title and interest of the Trustors and Mortgagors in and to all growing crops, and such crops as may be thereafter planted, harvested or baled on and from the premises herein described, which will continue until the obligation for which this Deed of Trust and Chattel Mortgage is given has been paid or otherwise discharged.

TWELFTH: It is further covenanted and agreed by the said Trustors-Mortgagors, in consideration of the premises, that in the event the said Trustors or Mortgagors default in the performance of any obligation herein contained, or in the payment of the debt or interest thereon, or in any of the conditions or covenants adopted herein by reference, then the said Beneficiary and Mortgagee is hereby empowered and authorized, at its election, to record a notice of such breach by said Trustors and of the election by said Beneficiary to sell or cause to be sold the above-described personal property, together with the real property herein described, and that said notice shall be recorded in the manner provided for in N.R.S. 107.080, and that the said Trustee, its successor or successors, assignee or assignees, are hereby authorized to proceed to hold the sales of any of the property hereinabove described after the recordation of said notice, as is provided by law. Provided, further, however, that in the sale of said personal property, the said Trustee or Mortgagee may, without foreclosure, and without legal proceedings therefor and at any time after the recordation of said notice of breach and election to sell, and with the aid or assistance of any person or persons, enter upon the premises of the Trustors and Mortgagors where any of the property subject to the lien of this Deed of Trust and Chattel Mortgage is, or may be found, and take or carry away the chattels hereinabove described, or any part thereof, and with or without notice to the said Trustors and Mortgagors, at either public or private sale, sell and dispose of the same, or so much thereof as may be necessary to pay the amount and sum secured by this Deed

of Trust and Chattel Mortgage for the best price obtainable. That out of the monies arising from said sale, the said Trustee shall retain and pay the sum or sums then due or payable under the lien of the Deed of Trust and Chattel Mortgage, and interest thereon, and all charges and expenses incurred in selling the property or any part thereof, and any other expenses and charges incurred by the said Beneficiary, or by the Trustee, and all other sums secured by any of the terms of this Deed of Trust and Chattel Mortgage, and any overplus shall be paid to the Trustors and Mortgagors. The Trustee is expressly authorized and empowered upon any such sale to make and execute such bills of sale or other conveyances necessary to convey to the purchaser or purchasers thereof an absolute title to the chattels so sold. It shall not be necessary for the purchaser or purchasers at any such sale or sales purported to be made under the powers hereunder granted, to inquire into, or in any way be or become responsible for the actual existence of the contingency or contingencies upon which said sale or sales shall be made by the Trustee or Mortgagee, and the title to the purchaser or purchasers of the chattels so sold shall be good and sufficient; and the Trustors and Mortgagors agree that the decision of the Trustee or Mortgagee as to the actual existence of the contingency or contingencies upon which such sale or sales as aforesaid is or may be predicated shall be conclusive and binding upon the said Trustors and Mortgagors.

Said Trustors and Mortgagors further expressly covenant and agree that in any sale of any of the property, either real or personal, herein described, at any time subject to the lien of this Deed of Trust and Chattel Mortgage, under the terms of the Deed of Trust and Chattel Mortgage, or any of the covenants adopted by reference, said property may, at the option of the said Beneficiary, be sold in one lot or parcel or in such other lots or parcels as may be designated by the Beneficiary; and it is further covenanted and agreed that the Beneficiary may become the purchaser of said property or any part thereof at any sale under any of the terms of the Deed of Trust and Chattel Mortgage.

THIRTEENTH: Said Trustors and Mortgagors further covenant and agree that the Beneficiary or the Trustee shall have the right at all times to inspect and examine any personal property which may at any time be subject to the lien of this Deed of Trust and Chattel Mortgage, for the purpose of ascertaining whether or not the security given is being lessened, diminished, depleted or impaired. And if such inspection or examination shall disclose, in the judgment of the Beneficiary or the Trustee, the security given on the property hereinabove described, either real or personal, as being lessened or impaired, such condition shall be deemed a breach of the covenants of this Deed of Trust and Chattel Mortgage on the part of said Trustors and Mortgagors.

FOURTEENTH: The Trustors and Mortgagors agree to keep all of the personal property described herein in as good condition of repair, as the same is now in, reasonable wear and tear excepted, and to repair and replace all damaged or worn out items of equipment. The Trustors and Mortgagors may replace any items of the machinery or equipment described herein, provided that same are replaced with items of a like nature and equivalent value, which shall be subject to the lien of this Chattel Mortgage.

FIFTEENTH: In the event of any default in the performance of any of the covenants, terms and conditions contained herein, or as is contained in such covenants as are adopted herein by reference, or a failure to pay any installment of interest or

principal due on the promissory note secured hereby, or the failure to pay any other sum or charge on or before the due date, as is provided herein, it is specifically understood and agreed that the Beneficiary and Mortgagee may, at its option, proceed to exercise any remedy contained herein, or conferred upon it by law, either concurrently or independently and in such order as it may determine, and that there shall be no priority as between the Deed of Trust and Chattel Mortgage, and any power of sale or foreclosure action or other remedy may be taken with reference to the Deed of Trust or to the Chattel Mortgage, concurrently or independently; in the event the indebtedness secured hereby, or any subsequent indebtedness, may hereafter be secured by any additional chattel mortgage, deed of trust, pledge, contract or other additional security instrument, and if any default occur, the Beneficiary and Mortgagee may, at its option exhaust any one or more of said securities as well as the security hereunder, either concurrently or independently and in such order as it may determine, and may apply the proceeds received upon all or any portion of the total indebtedness, without effecting the status of, or waiving any right to exhaust all or any other security, including the security hereunder, and without waiving any breach or default, or any right or power, whether exercised hereunder or contained herein, or in any such other security.

SIXTEENTH: The Beneficiary may, at any time, by instrument in writing, appoint a successor or successors to, or discharge and appoint a new Trustee in the place of any Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary, and recorded in the Office of the County Recorder of the county or counties wherein said property is situated, shall be conclusive proof of the proper substitution of such successor or successors or new Trustee, who shall have all the estate, powers, duties, rights and privileges of the predecessor Trustee.

SEVENTEENTH: All of the provisions of this instrument shall inure to and bind the heirs, devisees, legal representatives, successors and assigns of each party hereto, respectively. All obligations of each Trustor and Mortgagor hereunder are joint and several. The rights or remedies granted hereunder or by law shall not be exclusive, but shall be concurrent and cumulative, and with respect to any present or subsequent parties the words "Trustor" and "Mortgagor" shall include the singular and plural, the masculine, feminine, and neuter genders, and as respects any Trustor and Mortgagor or subsequent Grantee of all or any portion of the property, who is a married woman, it is expressly agreed that recourse may be had against her separate property for any deficiency after the sale of the property hereunder. As used herein, the word "Trustors" refers to the Trustors in such capacity and also as the Mortgagors, and the use of the word "Beneficiary", refers to the Beneficiary in such capacity and also as the Mortgagor.

EIGHTEENTH: In the event the Trustors and Mortgagors should at any time acquire any rights to graze livestock upon the public domain, either under the Act commonly known as the Taylor Grazing Act, or by virtue of any forest preference, which rights should become attached to or based upon the property herein described, such rights shall become subject to the lien of this Deed of Trust and Chattel Mortgage, and upon any foreclosure, or sale made pursuant to any foreclosure proceeding, or the exercise of any power of sale, all of such rights which are attached to or appurtenant to the above described real property,

or which are conditioned upon the ownership of such property for the granting of such right or privilege, shall pass to the purchaser at any such sale, and such rights shall, during the period of the indebtedness secured hereby, remain and be subject to the lien of this Deed of Trust and Chattel Mortgage, and Trustors and Mortgagors agree to execute any security waivers or other documents required by the governmental agency involved to show the subordination of such rights to the lien of this Deed of Trust and Chattel Mortgage.

NINETEENTH: As additional security for the indebtedness hereby secured, DOROTHY S. GALLAGHER, one of the above-named Trustors and Mortgagors, shall deposit and pledge, or cause to be deposited and pledged with the Beneficiary and Mortgagee, a life insurance policy on the life of DOROTHY S. GALLAGHER, said policy to be issued by AMERICAN NATIONAL INSURANCE COMPANY and to be of a sum of \$300,000.00, of whole life or better. The said Trustors and Mortgagors do hereby covenant and agree with the Beneficiary and Mortgagee that at all times during the life of this Deed of Trust and Chattel Mortgage and until the indebtedness secured hereby is fully paid, that they will keep and maintain or cause to be kept and maintained the said policy in good standing, and that they will pay or cause to be paid as they become due and payable, all premiums on said policy, and to keep or cause to be kept such policy constantly assigned to the Beneficiary and Mortgagee herein. Failure to keep said policy in full force or effect and assigned as herein provided shall be a default by the Trustors and Mortgagors, and upon such default the Beneficiary and Mortgagee, at its option, may declare the Trustors' and Mortgagors' indebtedness immediately due and payable without further notice. Upon the death of DOROTHY S. GALLAGHER, or the happening of any other event, which, according to the terms of said life insurance policy provides for the payment of benefits thereunder, such proceeds shall be applied by the Beneficiary and Mortgagee, as assignee, against the principal obligation then existing, together with accrued interest and any and all other sums advanced or paid by Trustee or Beneficiary and Mortgagee as provided herein, to completely extinguish, terminate and pay in full said principal obligation, or as much thereof as can be paid thereon with the funds so obtained. In the event the proceeds received are in excess of the principal obligation, together with accrued interest and any and all other sums advanced or paid by Trustee or Beneficiary or Mortgagee, as provided herein, Beneficiary and Mortgagee shall pay such excess in accordance with the instructions and authorization of DOROTHY S. GALLAGHER, as designated and set forth by the terms of said life insurance policy. All such payments received by the Beneficiary and Mortgagee from benefits payable under said insurance policy shall be applied as herein provided, without regard to any prepayment restrictions and without being subject to any premium in the event of prepayment, as may be contained in the promissory note secured hereby.

TWENTIETH: The invalidity of any one or more agreements, provisions, phrases, clauses, sentences or paragraphs of this Deed of Trust or any part thereof shall not affect the remaining portions of this Deed of Trust and Chattel Mortgage, or any part thereof, and this Deed of Trust shall be construed as if such invalid agreements, provisions, phrases, clauses, sentences or paragraphs, if any, had not been inserted herein. As to any statutory covenants adopted herein by reference, the same shall not be affected by any subsequent repeal, amendment or modification of the law, and said covenants are incorporated herein, as now provided by law, in the form in which they are presently set forth

in the statutes of the State of Nevada.

TWENTY-FIRST: It is expressly agreed that the trusts created hereby are irrevocable by the Trustor.

TWENTY-SECOND: That any sale made under the provisions of this Deed of Trust and Chattel Mortgage shall vest in the purchaser the title of the Trustors and Mortgagors without equity or right of redemption.

IN WITNESS WHEREOF, the Trustors and Mortgagors have caused these presents to be executed by its general partners, as members of the partnership hereinabove described, and individually, on the day and year first above written.

LIBERTY LIVESTOCK CO.,
a general partnership,

J. H. Sewell

J. H. SEWELL

By *J. H. Sewell*

J. H. SEWELL

Mollie S. Sewell

MOLLIE S. SEWELL

By *Mollie S. Sewell*

MOLLIE S. SEWELL

Thomas H. Gallagher

THOMAS H. GALLAGHER

By *Thomas H. Gallagher*

THOMAS H. GALLAGHER

Dorothy S. Gallagher

DOROTHY S. GALLAGHER

By *Dorothy S. Gallagher*

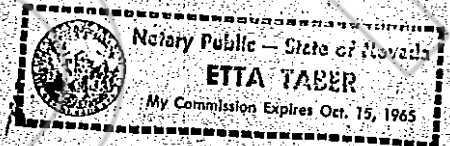
DOROTHY S. GALLAGHER
General Partners of LIBERTY
LIVESTOCK CO.

STATE OF NEVADA, }
COUNTY OF ELKO } SS.

On this 15th day of September, 1965, personally appeared before me, a Notary Public in and for said County and State, J. H. SEWELL, who acknowledged to me that he is a partner in that certain partnership known as and called LIBERTY LIVESTOCK CO., and known to me to be the person described in and who executed the foregoing instrument on behalf of LIBERTY LIVESTOCK CO., and further acknowledged to me that he executed the foregoing instrument in his individual capacity, and 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 the day and year in this certificate first above written.

Etta Taber
NOTARY PUBLIC

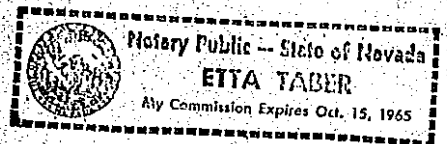


STATE OF NEVADA, }
COUNTY OF ELKO } SS.

On this 15th day of September, 1965, personally appeared before me, a Notary Public in and for said County and State, MOLLIE S. SEWELL, who acknowledged to me that she is a partner in that certain partnership known as and called LIBERTY LIVESTOCK CO., and known to me to be the person described in and who executed the foregoing instrument on behalf of LIBERTY LIVESTOCK CO., and further acknowledged to me that she executed the foregoing instrument in her individual capacity, and acknowledged to me that she 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 the day and year in this certificate first above written.

Etta Taber
NOTARY PUBLIC



STATE OF NEVADA, }
COUNTY OF ELKO. } ss.

On this 15th day of September, 1965, personally appeared before me, a Notary Public in and for said County and State, THOMAS H. GALLAGHER and DOROTHY S. GALLAGHER, his wife, who acknowledged to me that they are partners in that certain partnership known as and called LIBERTY LIVESTOCK CO., and known to me to be the persons described in and who executed the foregoing instrument on behalf of LIBERTY LIVESTOCK CO., and further acknowledged to me that they executed the foregoing instrument in their individual capacities, and acknowledged to me that they 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 the day and year in this certificate first above written.

Etta Taber
NOTARY PUBLIC



EXHIBIT A

The following described personal property:

1 Cummins Engine, Model HR 6-1-P, No. 435000
1 Layne & Bowler Pump No. 1332503

1 Cummins Engine, Model HR 6-1-P, No. 419698
1 Layne & Bowler Pump No. 1341799

1 Cummins Engine, No. 44420
1 Layne & Bowler Pump, No. 1340635

1 Cummins Engine No. 439295
1 Layne & Bowler Pump No. 1245799

1 Cummins Engine, Model NRT-380, No. 202402
1 Layne & Bowler Pump No. 4BC-200-54468

1 Allis Chalmers Engine, Model DA779, Serial No. 93441
1 Layne & Bowler Pump No. 1346259

1 Cummins Engine NT 335B1P, No. 447660
1 Layne & Bowler Pump No. 4BC-200-54469

File No. 41293

RECORDED AT THE REQUEST OF
Pioneer Title Ins. Co. of Nevada

September 20 A. D. 1965

At 03 minutes past 8 A.M.

In Book 8 of OFFICIAL RECORDS

Page 424-439 Records of

EUREKA COUNTY, NEVADA
Shelby A. Stewart Recorder

Fee \$ 19.75