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MORTGAGE OF CHATTELS (LIVESTOCK)

THIS MORTGAGE, made this 5th day of January, 1966, by HALF CIRCLE CATTLE CO., INC., a Nevada corporation, Mortgagor, to NEVADA BANK OF COMMERCE, a banking corporation duly organized and existing under and by virtue of the laws of the State of Nevada, Mortgagee,

WITNESSETH:

That said Mortgagor does hereby mortgage to said Mortgagee all of that certain personal property described as follows, to-wit:

Number	Kind or Class	Age	Brand	Location of Brand	Breed and Description
47	Steers	2	Half Circle	RIGHT RIB	
172	Heifers	2	Half Circle	RIGHT RIB	
1647	Cows		Half Circle	RIGHT RIB	Hereford
84	Cow	over 8	Half Circle	RIGHT RIB	Hereford
1369	Calves		Half Circle	RIGHT RIB	Hereford

Together with all of the increase thereof, and additions, substitutions and replacements thereto, whether natural or otherwise, and all increment and products thereof, together with all registration papers having to do with such animals as may be registered, being all of the said livestock now located on that certain real property situate in Lander County and Eureka County, State of Nevada, more particularly described in Exhibit "A" attached hereto and made a part hereof as though fully and at length here set forth. Said livestock during the term of this mortgage will be ranged only in the following county or counties and state or states: Lander County and Eureka County, State of Nevada, and will not be ranged elsewhere without the consent of the Mortgagee.

It is the purpose and intent of this mortgage to subject thereto all of the livestock owned by the said Mortgagor, or hereafter to be acquired by it, whether unbranded, branded, or whether or not in excess of the number above designated, or otherwise. The marks and brands used to describe said property are holding marks and brands and carry title, although said livestock may have other marks and brands.

This mortgage shall cover and include all rights, title and interest of the Mortgagor in and to the range, range allotments, range rights, forest permits, forest allotments, forest privileges, leasehold rights, feed of every nature, including hay in shock or stack, pasture, feed pens, pens, feed troughs, water, water rights, watering places, water privileges, water locations, water tanks, reservoirs, tank-sites, wells, well casings, pumps, pumping machinery, engines, boilers, windmills, land rights, land leases, permits, buildings, fences, corrals, ~~automobiles, trucks, wagons, and all~~ horses, mules, burros and the increase thereof and additions thereto, whether unbranded or branded, with any iron or brand, ~~and all farming machinery, camp equipment, dairy equipment, appliances and other equipment,~~ together with all additions thereto and replacements thereof used in the management of said property, until the indebtedness herein described is fully paid.

The above property is hereby mortgaged to the Mortgagee as security for the payment to said Mortgagee of the sum of NINE HUNDRED FIFTY THOUSAND (\$950,000.00) DOLLARS, in lawful money of the United States

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1 of America, according to the terms of those two certain promissory
 2 notes, made, executed and delivered by said Mortgagor to said Mortgagee,
 3 each dated the 5th day of January, 1966, and maturing, respectively, on
 4 demand or on the 5th day of January, 1967, in the principal sum of Two Hundred
 5 Seventy Two Thousand (\$272,000.00) Dollars, with interest thereon at the
 6 rate of Seven (7%) percent per annum, and on demand or on the 15th day of
 7 June, 1967, in the principal sum of Six Hundred Seventy Eight Thousand
 8 (\$678,000.00) Dollars, with interest thereon at the rate of Seven (7%) percent
 9 per annum; also as security for the repayment of any sums, indebtedness and
 10 obligations owing by or due from or hereafter to become owing by or due from
 11 Mortgagor to Mortgagee, its successors or assigns; also as security for
 12 the repayment of all present and future demands of any kind or nature which
 13 Mortgagee, its successors or assigns, may have against the Mortgagor,
 14 whether created directly or acquired by assignment; whether absolute or
 15 contingent, whether due or not, or whether otherwise secured or not, whether
 16 existing at the time of the execution of this instrument or arising thereafter;
 17 provided that the maximum amount to be secured hereby at any one time shall
 18 not exceed the total sum of ONE MILLION ONE HUNDRED THOUSAND DOLLARS
 19 (\$1,100,000.00); also as security for the repayment of all sums or amounts
 20 that are necessarily advanced or expended by the Mortgagee, its successors
 21 or assigns, for the maintenance or preservation of the property, or any part
 22 thereof, described in this mortgage.

23 Said Mortgagor hereby declares and hereby warrants to said Mortgagee
 24 that the said Mortgagor is the absolute owner and in possession of all of said
 25 mortgaged property hereinabove described, and that the said mortgaged prop-
 26 erty is free and clear of all liens, encumbrances and adverse claims whatso-
 27 ever.

28 The following covenants, Nos. 1, 2 (attorney's fees 5%), 3 (interest 12%
 29 per annum), 4, 5, 6, 8, 9, 11, 12, 14 and 15 of N.R.S. 106.020, are hereby
 30 adopted and made a part of this mortgage.

31 It is further agreed that upon default of any of the terms, conditions,
 32 covenants or agreements to be kept, fulfilled and performed by the said
 Mortgagor, as in said notes and in this mortgage contained and provided, the
 said Mortgagee may, without foreclosure and without legal proceedings and
 without any previous demands therefor, with the aid or assistance of any person
 or persons, enter upon the premises of the Mortgagor, or such place as any of
 the property subject to the lien of this mortgage may be found, and take and
 carry away the mortgaged property, or any part thereof, and with or without
 notice to the Mortgagor, 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 the mortgage, for the best price it can obtain, and out of the
 monies arising therefrom, it shall retain and pay the sum or sums then due
 or payable under the lien of the mortgage, and interest thereon, and all char-
 ges and expenses incurred in taking and selling the property, and any other
 expenses and charges incurred by the Mortgagee, and all other sums secured
 by any of the terms of the mortgage, and the overplus, if any, shall be paid
 to the Mortgagor; and said Mortgagee is hereby 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 thereof an absolute
 title in the property so sold; and it shall not be necessary for the purchaser
 in any such sale made hereunder to inquire into or in any way be or become re-
 sponsible for the actual existence of the contingency upon which the sale shall
 be made to the Mortgagee, and title to the purchaser of the property so sold
 shall be good and sufficient; and the Mortgagor agrees that the decision of the
 Mortgagee as to the actual existence of the contingency upon which said sale
 as aforesaid is or may be predicated, shall be conclusive and binding upon
 said Mortgagor; and the Mortgagor further agrees that upon default and sale
 as aforesaid, it does hereby waive any and all rights to claim as permanent
 non-removable fixtures any of the property hereinbefore described, and does

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1 hereby consent to the removal of the said property, or any part thereof,
2 from the premises in which the same might be at the time of said default.

3 It is further agreed that the above and foregoing remedy afforded the
4 Mortgagee in case of default, without foreclosure, shall be merely cumulative
5 and not exclusive of any other remedy by way of foreclosure or otherwise
6 afforded the Mortgagee under any law of this State or of any other state in which
7 the mortgaged property may be situated, and in the event the Mortgagee, at
8 its option, commences suit to foreclose this mortgage, it may with the
9 approval of the Court designate any person or persons to act as receiver of
10 said property pending foreclosure and sale, and the Mortgagor agrees that
11 the cost of said receivership and reasonable attorneys' fees to be allowed by
12 the Court may be taxed against and paid by the said Mortgagor.

13 IN WITNESS WHEREOF, the said Mortgagor has hereunto subscribed
14 its corporate name and affixed hereto its corporate seal by its officers
15 thereunto duly authorized, the day and year first above written.



16 HALF CIRCLE CATTLE CO., INC., a
17 Nevada corporation

18 By M. T. Lawrence, Jr. President
19 M. T. Lawrence, Jr.

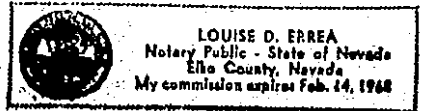
20 By HARRY J. CAVANAGH Secretary
21 ~~Sherwood Johnston~~

22 STATE OF NEVADA,
23 ELKO ss.
24 COUNTY OF WASHOE.

25 On this 5th day of January, 1966, before me, the undersigned
26 Notary Public in and for the County of Washoe, State of Nevada, personally
27 appeared M. T. LAWRENCE, JR. and ~~SHERWOOD JOHNSTON~~, known to me
28 to be the President and Secretary, respectively, of the corporation that
29 executed the foregoing instrument, and upon oath each did depose that he is
30 the officer of said corporation as above designated; that he is acquainted
31 with the seal of said corporation; that the signatures to said instrument were
32 made by officers of said corporation as indicated after said signatures, and
33 that the said corporation executed the said instrument freely and voluntarily
34 and for the uses and purposes therein mentioned.

35 IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
36 Official Seal at my office in said County and State, the day and year first
37 above written.

38 Louise D. Errea
39 NOTARY PUBLIC in and for the County
40 of Washoe, State of Nevada
41 Errea



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1 STATE OF NEVADA,
2 COUNTY OF ^{ELKO} WASHOE, ss.

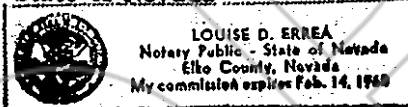
3 M. T. LAWRENCE, JR. and ^{HARRY J. CAVANAUGH} SHERWOOD JOHNSTON, being,
4 respectively, the President and Secretary of HALF CIRCLE CATTLE CO.,
5 INC., the mortgagor named in the foregoing mortgage, being duly sworn,
6 each doth depose and say: That he is the officer of Half Circle Cattle Co.,
7 the mortgagor named in the foregoing mortgage, as above designated; that
8 he makes this affidavit as such officer, and for and on behalf of, said
9 Mortgagor; that the aforesaid mortgage is made in good faith, and without
10 any design to hinder, delay or defraud any creditor or creditors.

M. T. Lawrence, Jr.
M. T. Lawrence, Jr.

Sherwood Johnston
Sherwood Johnston
HARRY J. CAVANAUGH
HARRY J. CAVANAUGH

12 SUBSCRIBED AND SWORN to before
13 me this 5th day of January, 1966

14 Louise D. Errea
15 NOTARY PUBLIC in and for the County
16 of Washoe, State of Nevada
17 Elko



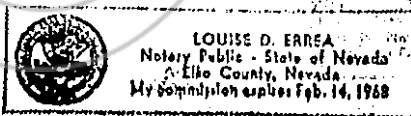
18 STATE OF NEVADA,
19 COUNTY OF WASHOE, ^{Elko} ss.

20 Stewart B. West, as PRES. of
21 NEVADA BANK OF COMMERCE, the Mortgagee in the above mortgage named,
22 being duly sworn, doth depose and say: That he makes this affidavit as the
23 PRES. of Nevada Bank of Commerce, and for and on behalf
24 of said corporation, the Mortgagee named in the above mortgage; that the
25 aforesaid mortgage is made in good faith, and without any design to hinder,
26 delay or defraud any creditor or creditors.

Stewart B. West

27 SUBSCRIBED AND SWORN to before
28 me this 5th day of January, 1966

29 Louise D. Errea
30 NOTARY PUBLIC in and for the County
31 of Washoe, State of Nevada
32 Elko



File No. 41574
RECORDED AT THE REQUEST OF
Title Insurance & Trust Co.
January 6 A. D. 19 66
at 51 minutes past 1 P. M.
In Book 9 of OFFICIAL RECORDS
Page 462-465 Records of
EUREKA COUNTY, NEVADA
Willie A. McPeak
Recorder 6.65
Fee \$

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