

DEED OF TRUST AND CHATTEL MORTGAGE

DEED OF TRUST AND CHATTEL MORTGAGE, made this 17th day of June, 1966, by and between SANTA FE LAND & CATTLE CORPORATION, a Nevada corporation, First Party, hereinafter referred to as Grantor and Mortgagor, and TITLE INSURANCE & TRUST COMPANY, Elko, Nevada, Second Party, hereinafter called the Trustee, and PIETRINA ETCHEGARAY and LeROY W. ETCHEGARAY, of the County of Eureka, State of Nevada, Third Parties, hereinafter referred to as the Beneficiaries and Mortgagees, as joint tenants with right of survivorship, and not as tenants in common.

W I T N E S S E T H:

WHEREAS, the said Grantor is indebted to the said Beneficiaries in the sum of NINETY-SEVEN THOUSAND DOLLARS, (\$97,000.00), lawful money of the United States, and has agreed to pay the same according to the terms and tenor of a certain Promissory Note of even date herewith, a full, true and correct copy of which is marked "Exhibit A", annexed hereto and incorporated herein.

NOW, THEREFORE, the said Grantor and Mortgagor, for the purpose of securing the payment of said Promissory Note, and also the payment of all moneys herein agreed or provided to be paid by the said Grantor, or which may be paid out or advanced by said Beneficiaries or Trustee under the provisions of this instrument, with interest in each case, does hereby grant, bargain, sell, convey and confirm unto the said Trustee, all of the right, title and interest, claim and demand, as well in law as in equity, which the said Grantor may now have, or may hereafter acquire, in all of that certain real property situate, lying and being in the County of Eureka, State of Nevada, being more particularly described as follows, to-wit:

In T. 22 N., R. 48 E., M.D.B.& M.

Section 36: $W\frac{1}{2}NE\frac{1}{4}$; $NW\frac{1}{4}SE\frac{1}{4}$; Lot 1 ($NE\frac{1}{4}NE\frac{1}{4}$);
Lot 2 ($SE\frac{1}{4}NE\frac{1}{4}$) and Lot 3 ($NE\frac{1}{4}SE\frac{1}{4}$)

In T. 20 N., R. 49 E., M.D.B.& M.

Section 8: $N\frac{1}{2}SE\frac{1}{4}$
9: $SW\frac{1}{4}$
15: $S\frac{1}{2}NW\frac{1}{4}$; $N\frac{1}{2}SW\frac{1}{4}$; $NW\frac{1}{4}SE\frac{1}{4}$
16: $NW\frac{1}{4}NE\frac{1}{4}$; $NE\frac{1}{4}NE\frac{1}{4}$; $S\frac{1}{2}NE\frac{1}{4}$; $NE\frac{1}{4}NW\frac{1}{4}$

SUBJECT to any rights of way or easements of record, or reservations contained in patents.

TOGETHER with all buildings, fences, structures, improvements, barns, corrals, and all other improvements located on said 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 any and all other means for the diversion or use of waters appurtenant to the said property or any part thereof, or now or heretofore 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 all vested rights, and including all permits, if any, issued by the State Engineer of the State of Nevada, and any and all applications to appropriate water. The following filings of water rights in the office of the State Engineer of the State of Nevada are included, without limitation, as it is the intent of the said Grantor to include herein all vested rights which have accrued which are appurtenant to the above-described real property by virtue of prior and customary use.

Proof of Appropriation of Water from Cottonwood Creek, No. 10769.

Certificate of Appropriation No. 5334, for water from an underground well.

Certificate of Appropriation No. 5310, for water from Ferguson Creek.

Certificate of Appropriation No. 5311, for water from an unnamed stream and springs in Grubb Canyon.

Certificates of Appropriation Nos. 2055, 2056, 2057, 2058, 2059, 4202 and 4068, to water livestock.

TOGETHER with all other stockwatering rights, vested or permitted, now or heretofore customarily 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.

TOGETHER with all range rights and grazing rights,

and in particular, but without limitation thereto, all rights to graze livestock upon the Public Domain under what is known as the Taylor Grazing Act, used or enjoyed in connection with any of said property.

TOGETHER with any and all rights in any range improvement projects or cooperative agreements constructed on the public domain in cooperation with the Bureau of Land Management, and all of the Grantor's right in and to any and all other corrals, improvements or structures located on the public domain.

TOGETHER with 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 oil, gas and other mineral rights in, under or upon such real property and owned by the Grantor.

TOGETHER with the following described personal property, to-wit:

1 wood saw mandrill and blade
 1 wheel barrow
 2 buck rakes
 2 horse mowing machines
 2 - 500 gal. oil tanks
 2 - 250 gal. tanks
 1 green wagon
 1 drill press
 2 scrapers
 1 single horse type plow
 2 kitchen stoves
 2 heating stoves
 Telephone line
 1 Model 1-E Moline tractor
 1 Model 1-Z Moline Tractor
 1 Farm Hand attachment for above
 1 - 1947 Model 1½ ton Ford Truck with stock rack
 1 Sulky Rake
 1 John Deere Power Mower
 1 two bottom plow
 1 hay wagon - wheeled
 1 hay wagon - sled
 1 Grass drill
 1 Caterpillar Diesel motor and pump
 1 Witte Power Plant
 2 sets of harness
 1 stock scale
 1 grindstone
 1 anvil
 1 forge
 2 or more saddles
 2 post hole diggers
 1 light duty disc
 Bunkhouse furniture
 Miscellaneous wire, lumber, scrap iron, and fixtures located on the Santa Fe and Grub Flat ranches, Eureka County, Nevada.

TO HAVE AND TO HOLD the above described real and personal property to the Trustee, its successors and assigns, for the uses and purposes herein mentioned, and for the benefit of the above-named Beneficiaries as joint tenants with right of survivorship, and not as tenants in common.

To permit the Grantor to possess and enjoy said described premises, and to receive the issues and profits thereof until default be made in the payment, in any manner, of the indebtedness hereby secured, or in the performance of any of the covenants herein provided; and upon the full payment of said note, and of any extensions or renewals thereof, and the interest thereon, and all moneys advanced or expended, as herein provided, and all other proper costs, charges and expenses, to release and reconvey in fee unto and at the cost of the Grantor the said described lands and premises.

This Deed of Trust and Chattel Mortgage shall be security for the said Promissory Note, a copy of which is marked "Exhibit A", annexed hereto and incorporated herein, and for any and all other and further sums that may become due and payable from the Grantor to the Beneficiaries hereafter, for any reason whatsoever, whether by the renewal or the extension of the foregoing note, or by any additional advancement, or by any penalties or additional interest incurred, or expenses paid out by the Trustee or Beneficiaries chargeable to the Grantor.

The following covenants, 1, 2 (insurance in the sum of \$6,000.00 upon the new residence located on the above-described real property, the sum of \$4,000.00 on the old residence located on said property, the sum of \$1,000.00 on the barn and \$800.00 on the shop situate on such property, or, in the alternative, the insurable value thereof, if the insurable value be less than the valuations set forth herein; or, in the alternative, the amount due on the Promissory Note secured hereby, if it is less than the

valuations set forth herein), 3, 4 (6%), 5, 6, 7 (reasonable), 8 and 9 of NRS 107.030, are hereby adopted and made a part of this Deed of Trust and Chattel Mortgage.

As to any insurance carried on said property, such insurance policies shall contain a loss payee clause in favor of the Beneficiaries. In the event of any loss by fire, or other incident insured against by such policy, the Grantor shall have the option of using the proceeds thereof to replace, rebuild or restore such damaged or destroyed item of buildings or improvements, or it may, at its option, pay the proceeds of such policy to the Beneficiaries. Any such payment of insurance proceeds to the Beneficiaries shall be credited on the accrued interest and principal then owing to the Beneficiaries.

The Grantor agrees to continue to operate the real property for agricultural and livestock raising purposes and that it will at all times manage said property in a good and husbandlike manner, consistent with the customs prevailing in the community where the property is located, all to the end that the security of the Beneficiaries in said property as an agricultural and livestock raising business shall not be impaired.

The Grantor agrees that it shall not permit nor suffer any waste of the real property, and that it will at all times use the water rights, grazing rights and forest rights in such a manner that the same will not be lost by reason of non use or other default or negligence of the Grantor.

Said Grantor and Mortgagor further agrees that said Trustee, or its successor in interest, shall not incur any liability on account of any act done or omitted to be done in good faith under the provisions of this trust deed, and that it shall be fully protected in acting upon any statement, report, order, notice, request, consent, or other paper or document believed to

be genuine and to be signed by the proper party.

The parties understand that this Deed of Trust, insofar as the same creates a lien upon the personal property described herein, is a chattel mortgage, as provided by NRS 106.080, and with respect to the personal property hereinbefore described the Grantor shall be the Mortgagor and the Beneficiaries shall be the Mortgagees. The following covenants, Nos. 1, 2 (attorney fee, reasonable), 3 (interest at the rate of 6% per annum, and it is further provided that the reference to fire insurance in such covenant No. 3 shall be deleted), 4, 5, 6, 8, 9, 12, 14 and 15 of NRS 106.020 are hereby adopted and made a part of this Mortgage.

The Mortgagor and Grantor shall maintain all machinery and equipment in its present state of repair, subject to reasonable use and depreciation. The Mortgagor and Grantor will replace all worn out, damaged or destroyed personal property with other items of personal property of a similar nature, so as to keep the value of the security up to its present standard, and the Grantor and Mortgagor reserves the right of sale, to sell, exchange, or otherwise dispose of any of the personal property secured hereby, so long as such personal property is replaced with items of personal property of a similar nature.

There shall be no priority as between the Deed of Trust and Chattel Mortgage contained herein, and the Beneficiaries and Mortgagees may pursue any remedy provided by law or equity, or any remedy provided by this Deed of Trust and Chattel Mortgage.

It is understood and agreed and it is a covenant of this Deed of Trust and Chattel Mortgage, that in the event the Grantor named herein fails to perform any of the covenants of said Deed of Trust and Chattel Mortgage, so as to place the same in default, then such will be deemed a default in the performance of the covenants and conditions of this Deed of Trust and Chattel Mortgage, and the Beneficiaries may, at their option, if such

default is not cured within thirty (30) days after notice, declare the entire amount of any unpaid balance of the Promissory Note secured hereby, as due and payable, and may proceed to pursue any remedy provided by this Deed of Trust and Chattel Mortgage, to foreclose the same.

In the event of any default in the performance of any of the terms and conditions of this Deed of Trust and Chattel Mortgage, and which default may not be cured or remedied within the time provided herein, and in the event the Beneficiaries should elect to foreclose this Deed of Trust and Chattel Mortgage by judicial action or judicial sale, or bring any other action at law or equity as against the Grantor or Trustee, it is specifically understood and agreed that the Beneficiaries may apply to such court for the appointment of a receiver to take charge and possession of said property, pursuant to the laws of the State of Nevada, in connection with any such legal action or proceeding.

There is no limitation upon the right of assignment of the Promissory Note, Deed of Trust or Chattel Mortgage provided that no such assignment will operate to relieve the assignor from any liability or obligation assumed pursuant thereto, without the written consent of the other party, and the terms of this instrument shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

With reference to the adoption of any covenants herein by reference, the same have been referred to and adopted pursuant to the authorizations contained in the Statutes of Nevada, and in addition thereto, the same are incorporated by reference by specific reference to the Statutes of the State of Nevada, which are incorporated herein by agreement of the parties.

The interest of the Beneficiaries in and to this Deed

of Trust and Chattel Mortgage, shall be that of joint tenants with right of survivorship, and not as tenants in common.

IN WITNESS WHEREOF, the said Grantor and Mortgagor has caused these presents to be executed by its duly authorized officers, as of the day and year first hereinabove written.



SANTA FE LAND & CATTLE CORPORATION, a Nevada corporation,

ATTEST:

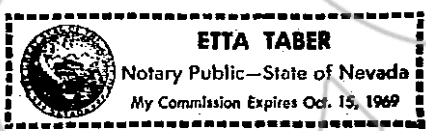
By Burton J. Smith
BURTON J. SMITH President

Martha C. Smith
MARTHA C. SMITH Secretary

STATE OF NEVADA }
COUNTY OF ELKO } SS.

On this 17th day of June, 1966, personally appeared before me, a Notary Public in and for said County and State, BURTON J. SMITH and MARTHA C. SMITH, known to me to be the President and Secretary, respectively, of the corporation that executed the foregoing instrument, and upon oath did depose that they are the officers of said corporation as above designated; that they are acquainted with the Seal of said corporation, and that the Seal affixed to said instrument is the Corporate Seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures, and that said corporation executed said instrument 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 ETTA TABER

EXHIBIT "A"

PROMISSORY NOTE

\$97,000.00

Elko, Nevada, June _____, 1966

FOR VALUE RECEIVED, the undersigned, jointly and severally, promise to pay to the order of PIETRENA ETCHENARAY and Leroy W. ETCHENARAY, as joint tenants with right of survivorship, and not as tenants in common, at THE FIRST NATIONAL BANK OF NEVADA, EUREKA BRANCH, Eureka, Nevada, or wherever payment may be demanded by the holder of said note, the sum of NINETY-SEVEN THOUSAND DOLLARS (\$97,000.00), in the manner following, to-wit:

Said principal sum shall bear interest on the declining balance at the rate of six per cent (6%) per annum, from the date hereof until paid. The first installment of interest shall be paid on the 15th day of January, 1967. Thereafter, equal annual payments in the sum of \$4,850.00, plus accrued interest at the rate of six per cent (6%) per annum on the unpaid balance, shall be made commencing on the 15th day of January, 1968, with similar payments to be made upon the 15th day of January of each and every year thereafter, until the unpaid balance of the purchase price, together with all interest, shall have been paid in full.

The makers shall not have any right or option to accelerate the installment payments or make additional payments on principal or interest, or to make advance payments during the calendar year 1966. Thereafter, the makers may, at their option, increase the amount of said principal payments, or may make additional and further payments on account of the principal at any time, provided that any such payments so made shall be applied first to the payment of any interest accrued to the date of such payment, and the balance to the principal, and provided further that such additional payments shall not be cumulative payments, and the makers shall, in all events, pay each and every installment, together with interest, as specified hereinabove, as the same become due, until such time as the total principal amount and accrued interest shall have been paid in full.

The makers and endorsers waive demand, diligence, presentment, protest and notice of protest and non-payment.

In the event of default in the payment of any sum of interest or principal, or both, due hereunder according to the terms and tenor hereof, and if such default lasts for a period of thirty days after notice, the holder or holder may, at their option, declare the entire amount of principal and interest due and payable.

In case of the default in the payment of, or if suit be commenced for the collection of any part of the interest or principal due hereunder, the undersigned, jointly and severally, promise to pay a reasonable attorney fee incurred, together with all costs.

File No. 42146

SANTA FE LAND & CATTLE CORPORATION

ATTESTED AT THE REQUEST OF
Title Insurance & Trust Co.

By _____ President

June 20 A. D. 19 66

at 49 minutes past 11 A. Secretary

in Book 11 of OFFICIAL RECORDS

Page 45-53 Records of

EUREKA COUNTY, NEVADA

Recorder _____

BURTON J. SMITH

MARTHA CORINNE SMITH

Fee \$ 10.35