

Mortgage of Chattels

(UNANIMATE)

This Mortgage, made this -1st- day of JULY, 1966,

by NEVADA BARTH CORPORATION, a Nevada corporation,

of Reno, County of Washoe, State of Nevada,

by occupation a corporation engaged in the business of conducting mining operations, mortgagor (it is distinctly understood that the word "mortgagor" referring to the mortgagor, as used herein, is intended to and does include the masculine, feminine and neuter genders and the singular and the plural numbers), to FIRST NATIONAL BANK OF NEVADA, RENO, NEVADA, a corporation duly organized and existing under and by virtue of the laws of the United States of America, by occupation a banker, mortgagee, OVERSEAS CENTRAL, INC., a California corporation

Witnesseth: That said Mortgagor does hereby mortgage to said Mortgagee all the following described personal property, together with all replacements and substitutions therefor, and all repairs and additions thereto, situated in _____

_____, County of _____, State of Nevada, described as follows, to-wit: _____
the County of Pershing, near Lovelock, Nevada, and Eureka, near Barth, Nevada, which said personal property consists of machinery and equipment as described in Exhibits "A", "B" and "C" attached hereto, and made a part hereof and incorporated herein by reference as fully as though set forth at length herein.

as security for the payment to said mortgagee of the sum of TWO HUNDRED TWENTY FIVE THOUSAND ---

----- Dollars (\$225,000.00)

in lawful money of the United States of America, on the -31st- day of December, 1966, with interest thereon at the rate of seven and one-quarter per cent (7-1/4%) per annum, according to the terms of that certain promissory note made, executed and delivered by said mortgagor to said mortgagee, dated the 1st day of July, 1966, and maturing the 31st day of December, 1966, in the principal sum of

----- TWO HUNDRED TWENTY FIVE THOUSAND DOLLARS -----

(\$225,000.00) with interest thereon at the rate of seven and one-quarter per cent (7-1/4%) per annum; also as security for the repayment of any sums indebtedness and obligations owing by or due from or hereafter to become owing by or due from Mortgagor or any of them to the Mortgagee its successors or assigns; also as security for the repayment of all present and future demands of any kind or nature which Mortgagee, its successors or assigns, may have against the Mortgagor 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;

provided that the maximum amount to be secured hereby at any one time shall not exceed the total sum of SIX

HUNDRED THOUSAND ----- (\$600,000.00) Dollars;

also as security for the repayment of all sums or amounts that are necessarily advanced or expended by the Mortgagee, its successors or assigns, for the maintenance or preservation of the property or any part thereof described in this mortgage.

Said mortgagor hereby declares and hereby warrants to said mortgagee that said mortgagor is the absolute owner and in possession of all of said mortgaged property hereinabove described, and that the said mortgaged property is free and clear of all liens, encumbrances and adverse claims whatsoever; with the exception of those items appearing in Exhibit "B" attached hereto which are subject to balances due on conditional sales contracts held by Yellow Motors Credit Corporation.

The following covenants, to-wit, Nos. 1, 2 (attorney's fees \$256), 3 (interest 6 1/2% per ANNUUM), 4, 5, 6, 8, 9, 12, 14 and 15 of Section 1 of an act of the legislature of the State of Nevada entitled "An Act relating to mortgages of real and personal property, and to provide that certain agreements, covenants, obligations, rights and remedies thereunder may be adopted by reference," approved March 23, 1927, are hereby adopted and made a part of this mortgage.

It is also agreed that the mortgagor..... will at all times keep the hereinbefore described property insured against loss or damage by fire to the amount of at least \$ FULL COVERAGE in some reliable insurance company, approved by the mortgagee, loss if any, payable to the mortgagee and mortgagor..... as their interest may appear, and said mortgagor..... will deliver the policies therefor to the said mortgagee to be held by said mortgagee as further security. In default of the mortgagor..... to obtain such insurance, the mortgagee may procure the same, not exceeding the amount aforesaid, and may pay and expend for premiums for such insurance such sums of money as the mortgagee shall deem necessary, and add the same to the amount of the mortgage debt, as in Covenant No. 3 hereinbefore adopted and set forth.

It is further agreed that upon default of any of the terms, conditions, covenants or agreements to be kept, fulfilled and performed by the said mortgagor....., as in said note 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 charges 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 responsible for the actual existence of the contingency upon which the sale shall be made by the mortgagee, and title to the purchaser of the property so sold shall be good and sufficient; and the mortgagor..... agree..... 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 agree..... that upon default and sale aforesaid, it does hereby waive any and all rights to claim as permanent non-removable fixtures any of the property hereinbefore described, and does hereby consent to the removal of the said property or any part thereof from the premises in which the same might be at the time of said default.

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

IN WITNESS WHEREOF, the said Mortgagor has caused this Mortgage of Chattels to be executed by its officers thereunto duly authorized the day and year first above written.

NEVADA BARTH CORPORATION, a Nevada corporation

By R. E. Armstrong (Seal)

By Richard W. Blakey (Seal)
Secretary

(Seal)

PROMISSORY NOTE

SEAL
Affixed

\$ 225,000.00

Reno, Nevada, July 1st, 1966

On or before December 31, 1966

and for value received, NEVADA BARTH CORPORATION, a Nevada corporation, promise to pay

to OVERSEAS CENTRAL, INC., a corporation, or order

at San Francisco, California

the sum of TWO HUNDRED TWENTY FIVE THOUSAND AND NO/100 Dollars

with interest from date hereof until paid, at the rate of seven and one-quarter
quarterly,

per cent, per annum, payable

Should interest not be so paid, it shall thereafter bear like interest as the principal, but such unpaid interest so compounded shall not exceed an amount equal to simple interest on the unpaid principal at the maximum rate permitted by law. Should default be made in the payment of any installment of interest when due, the whole sum of principal and interest shall become immediately due and payable at the option of the holder of this note. Should suit be commenced or an attorney employed to enforce the payment of this note, I agree to pay such additional sum as the court may adjudge reasonable attorneys' fees in this suit, principal and interest payable in lawful money of the United States. **This note is secured by a mortgage of chattels or even and herewith.**

SEAL
Affixed

NEVADA BARTH CORPORATION, a Nevada corp.

By R. E. ARMSTRONG President

By RICHARD W. BLAKEY Secretary

NEVADA BARTH CORPORATION
INVENTORY OF EQUIPMENT FULLY PAID
BARTH MINE

<u>DESCRIPTION</u>	<u>MODEL</u>	<u>SERIAL NO.</u>
Euclid Rear Dump Truck	91FD	F28973
Euclid Rear Dump Truck	-	49FD5529
Euclid Rear Dump Truck	-	49FD7911
Euclid Rear Dump Truck	91FD	B23092
Euclid Rear Dump Truck	91FD	C24870
Euclid Rear Dump Truck	91FD	B23131
International Bus	#1603	V304
Northwest Shovel	6	17164-13783B
Northwest Shovel	6	14359-12251B
Northwest Shovel	25	17952
Berkeley Pump	1404H	C-10656-S
10" Pump with Buda Motor	-	50499
Caterpillar Power Unit	-	#51B599
G. M. C. Generator Set	6-71	5280886
Cedar Rapids Jaw Crusher	3242	21145
Ingersoll Rand Gyro-Flo Compressor	DR600	AR12701
Ingersoll Rand Gyro-Flo Compressor	DR600	AR6800
Caterpillar Motor Patrol	12	8T11358
Ingersoll Rand Crawl Drill	CM2	16617
Caterpillar Tractor	D8	14A7384
Portable Murphy Railroad Scale	15070 RS P	-
Grand Total - Barth Mine		

EXHIBIT "A"

NEVADA EARTH CORPORATION
INVENTORY OF EQUIPMENT SUBJECT TO PURCHASE CONTRACT
ALL LOCATED AT LOVELOCK MINE

<u>DESCRIPTION</u>	<u>MODEL</u>	<u>SERIAL NO.</u>	<u>CONTRACT BALANCE</u>
Euclid Rear Dump Truck	R-30	39440	\$ 70,047.00
Euclid Rear Dump Truck	R-30	39441	
Euclid Rear Dump Truck	R-30	34299	
Euclid Rear Dump Truck	R-30	34297	26,044.00
Euclid Rear Dump Truck	R-30	34296	
Euclid Rear Dump Truck	R-30	34298	
Euclid Rear Dump Truck	R-35	40319	41,148.00
Euclid Crawler Tractor	C-6	30690	15,318.00
Ingersoll Rand Drillmaster	DM3-DHD1060	23998	26,044.00
Northwest Shovel	180D	23719	<u>115,017.00</u>
Totals			<u>\$293,618.00</u>

The above contract balance is due:
Yellow Motors Credit Corporation
2312 Broadway
Oakland, California

EXHIBIT "B"

NEVADA BARTH CORPORATION
INVENTORY OF EQUIPMENT FULLY PAID
LOVELOCK MINE

DESCRIPTION	MODEL	SERIAL NO.
Ford Pickup Truck	1965	F10DR612238
Chevrolet Suburban Station Wagon	1965	C14652110534
Eucld Rear Dump Truck	-	27FD8637
Eucld Rear Dump Truck	-	27FD8638
Ingersoll Rand Crawl Drill	-	18212
Ingersoll Rand Crawl Drill	-	18210
Jumbo Drill with Ingersoll Rand 60D Compressor	HD19	DR600-1384
Ingersoll Rand Crawl Drill	CM2 1DA45	20462
Joy Diamond Core Drill with A. C. Diesel Engine	6DA273	105014
Joy Diamond Core Drill	22	7721
Northwest Shovel	41	16904-13836B
Northwest Shovel	80D	199966
Northwest Shovel	80D	17299
Northwest Shovel	6	18575-17830
Northwest Shovel	25	10310-7647B
Ingersoll Rand Gyro-Flo Compressor	600	600AR422
Ingersoll Rand Gyro-Flo Compressor	600	600AR562
Ingersoll Rand Gyro-Flo Compressor	600	600AR4216
Michigan Loader	125	12235
Allis Chalmers Motor Grader	40	4090
Ingersoll Rand Drillmaster	BH3-DRD 325A	16737
<u>Crushing Plant as follows:</u>		
1 - Caterpillar D13000 Engine with Drives		455068
1 - G. M. C. Diesel Engine, 75 KW Generator		356J4-44
1 - 36" x 8' Cedar Rapids Feeder		14442
1 - 30" x 42" Pioneer Jaw Crusher		U-1048
1 - 7.5 H.P. Master Electric Motor for Feeder		3X8303
1 - 30" x 25" Conveyor Belt with 7.5 H.P. Electric Motor - J. D. Christian		35166
1 - 30" x 60" Stacker Conveyor Belt		
1 - 10 H.P. Century Electric Motor		2 AG 8519
1 - Link Belt Gear Reducer, Order No. K1809A		
1 - 250 Gallon Fuel Storage Tank		

NEVADA BARTH CORPORATION
INVENTORY OF EQUIPMENT FULLY PAID
LOVELOCK MINE

DESCRIPTION	MODEL	SERIAL NO.
<u>Magnetic Crushing Plant as follows:</u>		
1 - 25" x 40" Cedar Rapids Crusher		15417
1 - 36" x 8' Cedar Rapids Feeder		17373
1 - A. C. 7.5 H.P. Gear Reducer		L-35608
1 - A. C. 7.5 H.P. Electric Motor		51-413-540-3
1 - 42" x 8' Pioneer Feeder		AR4259
1 - Falk Reducer		MO-53102332
1 - Starling Electric Motor, 7.5 H.P.		L-10032-03
1 - 4" x 10" Pioneer Vibrating Screen		41048812
1 - Delco 15 H.P. Electric Motor		L-53
1 - D13000 Caterpillar Engine with Drives		382497SP
1 - 125 KVA Transformer		354717SP
1 - Caterpillar D13000 Generator		1F7190
1 - Sterns Magnetic Rectifier and Rheostat		A-1045
1 - Sterns Magnetic Rectifier and Rheostat		A-1522-2
1 - Sterns Magnetic Rectifier and Rheostat		A-1522-1
10 - A. B. Magnetic Starters, 220		
1 - A. C. Magnetic Starter, 220		
1 - Control Room with 10 A. B. Switches		
1 - 30" x 50" Feed Conveyor		
1 - Christian Electric Motor Case	35166-	35166-8
1 - A. C. 7.5 H.P. Electric Motor		711D
1 - 30" x 60" Stacker Conveyor Belt		
1 - Century, 10 H.P., Electric Motor		1AH3010
1 - 30" x 60" Waste Conveyor Belt		
1 - Gear Reducer		520844
1 - 7.5 H.P. Electric Motor		4AM3391
1 - 23 Cubic Yard Waste Bin		
1 - 30" x 30" Conveyor Belt with 5 H.P. Electra Electric Motor		215-6362
1 - 30" x 30" Conveyor Belt with 5 H.P. Electra Electric Motor		214-6362
1 - 30" x 30" Conveyor Belt with 7.5 H.P. Electra Electric Motor		6AH24113
1 - 30" x 22" (app.) Conveyor Belt with 3 H.P. Electra Electric Motor		A215A1285K1
1 - Sterns Magnetic Pulley, 30"		A1522-2
1 - Sterns Magnetic Pulley, 30"		A1522-1
1 - 30" Electra Sand Drum		224B6540

Grand Total - Lovelock Mine

STATE OF _____ } ss.
County of _____ }

On this _____ day of _____, 19____, before me, the undersigned Notary Public in and for the County of _____, State of _____, personally appeared _____

known to me to be the same person described in and whose name _____ subscribed to and who executed the foregoing instrument, who duly acknowledge 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 at my office in said County of _____, the day and year in this certificate first above written.

My commission expires _____

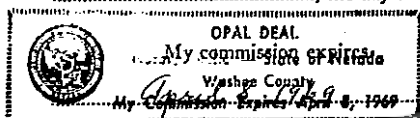
Notary Public in and for the County _____

of _____, State of _____

STATE OF NEVADA } ss.
County of WASHOE }

On this 1st day of July, 19.66, before me, the undersigned Notary Public in and for the County of Washoe, State of Nevada, personally appeared R. E. Armstrong and Richard W. Blakey, known to me to be the President and Secretary, respectively, of the corporation that executed the foregoing instrument, and upon oath each did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said corporation; that the signatures to said instrument were made by the officers of said corporation as indicated after said signatures, and that the said corporation executed the 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 at my office in said County of Washoe, the day and year first above written.



Notary Public in and for the County _____

of Washoe, State of Nevada

STATE OF NEVADA } ss.
County of WASHOE }

R. E. ARMSTRONG

the mortgagor in the foregoing mortgage named, being duly sworn, doth depose and say: That he is the President of NEVADA BARTH CORPORATION, the mortgagor named in the foregoing mortgage; that he makes this affidavit as such President, and for and on behalf of, said mortgagor; that the aforesaid mortgage is made in good faith, and without any design to hinder, delay or defraud any creditor or creditors.

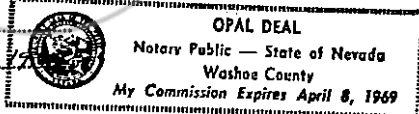
Subscribed and sworn to before

me this 1st day of July, 19.66.

Notary Public in and for the County _____

of Washoe, State of Nevada

My commission expires April 8, 1969



STATE OF CALIFORNIA } ss.
City & County of San Francisco }

CHARLES S. WINSTON, as President of OVERSEAS CENTRAL, INC., of First National Bank of Nevada, Reno, Nevada, the mortgagee in the above mortgage named, being duly sworn, doth depose and say: That he makes his affidavit as the President of OVERSEAS CENTRAL, INC., of San Francisco, California, and for and on behalf of said corporation, the mortgagee named in the above mortgage; that the aforesaid mortgage is made in good faith, and without any design to hinder, delay or defraud any creditor or creditors.

Subscribed and sworn to before me

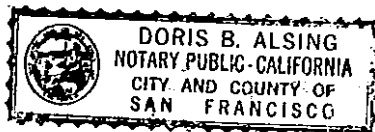
this 1st day of July, 19.66.

Doris B. Alsing

Notary Public in and for the County _____

of San Francisco, State of California

My commission expires 10-18-67



File No. 42252

RECORDED AT THE REQUEST OF
R. E. ARMSTRONG

July 23 A. D. 19 66
at 01 minutes past 8 A. M.

in Book 11 of OFFICIAL RECORDS
Page 198-204 Records of

FOREKA COUNTY, NEVADA

Recorder

Fee \$ 7.85