

FILED FOR RECORDING  
AT THE REQUEST OFMerchants Bonding  
2003 1000 25 PM 2 54Return to and prepared by Merchants Bonding Company (Mutual)  
2100 Fleur Drive, Des Moines, Iowa 50321-1158, 515-243-8171LAW OFFICE OF  
703 17<sup>th</sup> ST  
LESLIE BONDING

## COLLATERAL MORTGAGE

WHEREAS, Lee A. Pearson

hereinafter referred to as Mortgagor, is now or will be principal, or has agreed or will agree to indemnify the mortgagee as surety on any and all bonds.

WHEREAS, Merchants Bonding Company (Mutual), hereinafter referred to as Mortgagee, is now or will be the surety for the principal on the bonds above described;NOW THEREFORE, as part of the consideration for the Mortgagee becoming surety on said bonds and on any other bonds as to which mortgagor may be either the principal or an indemnitor, and the mortgagee is the surety, whether presently in force or to be executed in the future, the mortgagor (joined by Ellen R. Pearson, spouse), does hereby convey unto the mortgagee, the following described real estate to-wit:122.19 Ac W 1/2 SW 1/4 NE 1/4 SW 1/4; SE 1/4 SW 1/4; SW 1/4 SE 1/4 NE 1/4 NE 1/4  
NW 1/4; NE 1/4 SE 1/4 NE 1/4 NW 1/4; NW 1/4 NE 1/4

The Mortgagor does hereby covenant with the said Mortgagee and its successors in interest, that said Mortgagor holds said real estate by title in fee simple; that he has good and lawful authority to sell and convey the same; that said premises are free and clear of all liens and encumbrances whatsoever, except mortgages and other contract liens of record, if any, and said Mortgagor covenants to warrant and defend the said premises against the lawful claims of all persons whomsoever.

Each of the undersigned hereby relinquish all rights of dower, homestead and distributive share in and to the above described premises.

This conveyance is given as collateral security to secure the mortgagee for any and all sums which are now or may in the future be due to the mortgagee from the mortgagor by reason of the fact that mortgagee has executed or may in the future execute certain bonds as surety in which the mortgagor is or will be either the principal, or has agreed or will agree to indemnify the mortgagee as surety, including but not limited to the bonds specifically described in this instrument, and specifically including any bonds to be executed by it as surety in the future, wherein mortgagor is either the principal on the bond or has agreed to indemnify the mortgagee as the surety on the bond. It is understood that this instrument secures all sums due or which may become due to mortgagee pursuant to the terms of all applications, indemnity agreements and other instruments now executed or which may be executed in the future by the mortgagor in connection with any such bonds, and also all sums due or which may become due to the mortgagee from the mortgagor by operation of law, statutory or otherwise, in connection with any such bonds.

This conveyance shall be in addition to any other security which the mortgagee now has or may in the future require from the mortgagor, and is not intended to in any manner limit any other or additional rights and remedies that mortgagee now has or may have in the future against the mortgagor, and in the event the mortgagor fails to pay any indebtedness which this mortgage secures promptly when due, then the mortgagee may without demand or notice, proceed to foreclose this mortgage or take any other action it deems proper at law or equity to enforce the terms hereof.

Mortgagor agrees to pay all taxes and special assessments against the real estate herein conveyed before the same become delinquent, and if not so paid, mortgagee may at its option pay the same, and all such payments with interest thereon at the highest legal rate from time of payment, shall be a lien against said premises.

In case of any action, or in any proceedings in any court, to collect any sums payable or secured by this mortgage, or to protect the lien or title herein of the mortgagee, or in any other case permitted by law in which attorney fees may be collected from mortgagor, or charged upon the above described property, they agree to pay reasonable attorney fees.

In the event of any default herein by mortgagors, mortgagee may, at the expense of mortgagors, procure an abstract of title, or continuation thereof, for said premises, and charge and add to the mortgage debt the cost of such abstract or continuation with interest upon such expense at the highest legal rate.

At any time after the commencement of an action in foreclosure, or during the period of redemption, the court having jurisdiction of the case shall, at the request of the Mortgagee, appoint a receiver to take immediate possession of said property, and of the rents and profits accruing therefrom, and to rent or cultivate the same as he may deem best for the interest of all parties concerned, and shall be liable to account to said Mortgagor only for the net profits, after application of rents, issues and profits upon the costs and expenses of the receivership and foreclosure and the indebtedness, charges and expenses hereby secured and herein mentioned. And it is hereby agreed, that after any default in the payment of either principal or interest, such sums in default secured by this mortgage shall draw interest at the highest legal rate.

This mortgage shall remain in full force and effect so long as any indebtedness which it secures, whether liquidated or unliquidated, or whether certain or contingent, remains unsatisfied.

Unless otherwise expressly stated, the word "Mortgagor" as used herein, includes heirs, executors, administrators, assigns and successors in interest of such "Mortgagor"; the word "Mortgagee" as used herein, unless otherwise expressly stated, includes the heirs, executors, administrators, assigns and successors in interest of such "Mortgagee". All words referring to "Mortgagor" or "Mortgagee" shall be construed to be of the appropriate gender and number, according to the context. This construction shall include the acknowledgment hereof.

Wherever this instrument refers to bonds presently executed or to be executed in the future by the Mortgagee as surety for the Mortgagor, it shall be deemed to include all renewals and modifications (including increases or decreases in amounts) of presently existing bonds or bonds to be executed in the future.

The address of the Mortgagee is 2100 Fleur Drive  
(Street & Number)  
Des Moines Iowa 50321-1158  
(City) (State) (Zip Code)

The address of the Mortgagor is HC 74 - Box 260  
(Street & Number)  
Poocha NV 89643  
(City) (State) (Zip Code)

Dated this 13<sup>th</sup> day of November, 2003

Wendy Small Ellen R. Pearson  
Witness Mortgagor - Ellen R. Pearson  
Wendy Small Ellen R. Pearson  
Witness Mortgagor's Spouse - Ellen R. Pearson

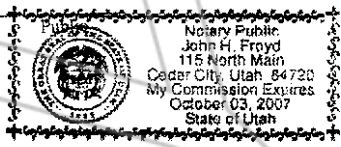
ACKNOWLEDGMENT FOR INDIVIDUALS

STATE OF Utah ss:  
COUNTY OF Iron

On this 13th day of November, 2003, before me, the undersigned, a Notary Public in and for said County, in said State, personally appeared \_\_\_\_\_

Lee A. Pearson and Ellen R. Pearson  
to me known to be the identical persons named in and who executed the within and foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

John H. Froyd  
Notary John H. Froyd  
and State (Type name of Notary)



STATE OF \_\_\_\_\_ ss:  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, before me, the undersigned, a Notary Public in and for said County, in said State, personally appeared \_\_\_\_\_

and \_\_\_\_\_ to me personally known, who, being by me duly sworn, did say that they are the \_\_\_\_\_ and \_\_\_\_\_ respectively of said corporation executing the within and foregoing instrument; that (no seal has been procured by the said) (the seal affixed thereto is the seal of said) corporation, that said instrument was signed (and sealed) on behalf of said corporation by authority of its Board of Directors; and that the said \_\_\_\_\_ and \_\_\_\_\_

CORPORATE ACKNOWLEDGMENT

\_\_\_\_\_  
Notary \_\_\_\_\_ Public  
and State (Type name of Notary)

Douglas J. Schmicker/sdh
Merchants Bonding Company (Mutual)
2100 Fleur Drive
Des Moines, IA 50321
1-800-678-8171

*Allen Johnson*

Belonging To Or Under The Control of The Undeclared To Be Filed With Lincoln County Assessor, Pioche, Nevada

DISTRICT GENERAL COUNTY

696 304 081 X008

18	01. 02	ASSESSED TO	19		ASSESSED TO	19		ASSESSED TO	19		ASSESSED TO	State of Nevada
Name	PEARSON, LEE		Name			Name			Name			SWEAR that different than claimed by r State of Nevada personal or possession, and being mentioned as signature app
Case of or Contract From	HC 74 BOX 260		Case of or Contract From			Case of or Contract From			Case of or Contract From			
No.		Street	No.		Street	No.		Street	No.		Street	
City	PIOCHE, NV 89043	State	City		State	City		State	City		State	
18		ASSESSED TO	19		ASSESSED TO	19		ASSESSED TO	19		ASSESSED TO	19
Name			Name			Name			Name			19
Case of or Contract From			Case of or Contract From			Case of or Contract From			Case of or Contract From			19
No.		Street	No.		Street	No.		Street	No.		Street	19
City		State	City		State	City		State	City		State	19

VALUE As Fixed By Nevada Tax Commission

19 \$ 19 \$ 19 \$ 19 \$

HEAL ESTATE	(Description)	Sec. Lot	Twp. Bk.	Range	Acres Value	REAL ESTATE	(Description)
(60)	06-051-01 122.19 ac W/SMINE/STW/;E/ISW/;SW/SE/4 NE/NE/NE/NE/;NE/SE/NE/NE/;NW/NE/	3	4N	69E	356.6		
	House, Garage, Impls & Septic, Corrals, (2) 5,000 Gal Fuel Tanks & Bldg	10					29,343