

NOTICE OF PLEDGE

State of Nevada
Division of Water Resources
123 W. Nye Lane
Capitol Complex
Carson City, Nevada 89710

Attn: State Engineer:

Please be notified that the undersigned has this date executed a Deed of Trust in favor of **JOE I. DURANT**, Trustee of **THE JOE I. DURANT AND JANELLE E. DURANT REVOCABLE TRUST**, covering certain land in Elko County, Nevada, more particularly described on Exhibit "A" attached hereto, made a part hereof and incorporated herein by this reference,

TOGETHER WITH all of Grantor's water rights decreed to the lands described above by the Edward's Decree in Civil Action No. 2804 in the Sixth Judicial District Court of the State of Nevada, in and for the County of Humboldt, 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 Tributaries," as listed on page 75, Claimant - R.T. Evans and Brother, Source-Foreman Creek, Ditch - R.T. Evans Ditches (proof 00553), and on page 76, Claimant - R.T. Evans and Brother, Source-Foreman Creek, Winters Creek, California Creek and Springs, Ditch - R.T. Evans Ditches (proof 00553) of the Edward's Decree in the commonly called "Blue Book" compilation of those court proceedings, and any subsequent court orders, judgments or decrees amending or modifying such Edward's Decree.

ALSO TOGETHER WITH all of the following Applications/Permits to Appropriate Water on file with the State Engineer as evidenced by:

Application/Permit Nos.:

46954; 54233; 46458 (Certificate No. 12139)

ALSO TOGETHER WITH all existing and future water rights, for irrigation, stockwatering, domestic or any other use, or drainage of all or any part of said lands, including vested water rights, permitted water rights, decreed water rights and certificated water rights arising under the laws of the State of Nevada, together with all certificates of appropriation, applications, proofs, permits and maps relating to such water and water rights which are appurtenant to the above-described real property, or any part thereof, or used or enjoyed in connection therewith.

The said Deed of Trust, given to secure a Promissory Note of even date, was recorded on August 28, 2006, in Book N/A Page N/A, as Instrument No. 559158 Official Records of Elko County, Nevada.

Please file this notice with your records of the above-referenced Water Rights and direct notice of

any intended change of the place of use or other change which materially affects the beneficiary's security interest in the said rights to **JOE I. DURANT**, Trustee of **THE JOE I. DURANT AND JANELLE E. DURANT REVOCABLE TRUST**, at HC 62 Box 1600, Wells, NV 89835.

Dated this 28 day of August, 2006.

GRANTOR:

THE SAM L. LAWSON TRUST

By: *Sam L. Lawson*
SAM L. LAWSON, TRUSTEE

Receipt of the Notice of Pledge, of which this is a copy, is acknowledged. A copy of this notation of the interest of **JOE I. DURANT**, Trustee of **THE JOE I. DURANT AND JANELLE E. DURANT REVOCABLE TRUST**, in the referred to Water Rights will be placed in the file in the Office of the State Engineer.

11-13-06
(date)

Barbara Kightlinger, Admin. Assist III
(signature) (title)

Beneficiary hereby agrees to keep the DWR office notified of any changes of address and to forward any reconveyances within 30 days of proper recording dates to remove the above encumbrance from the chain of title records.

EXHIBIT "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of ELKO, described as follows:

PARCEL 1:

TOWNSHIP 41 NORTH, RANGE 54 EAST, M.D.B.&M.

Section 16: E1/2; SE1/4SW1/4;
Section 21: E1/2; E1/2W1/2;
Section 28: NE1/4; E1/2SE1/4;

EXCEPTING THEREFROM one-third (1/3 or 33.333...%) of Rancho Grande, Inc. interest in and to all coal, oil, gas and other hydrocarbons, all geothermal resources, and all other minerals of every kind and nature lying in and under said land, as granted to Freeport-McMoran Gold Company, a Delaware corporation, as agent for the Freeport-FMC Jerritt Canyon Joint Venture by deed recorded March 25, 1988, in Book 609, Page 1, Official Records, Elko County, Nevada.

FURTHER EXCEPTING THEREFROM one-third (1/3 or 33.333...%) of Rancho Grande, Inc. interest in and to all coal, oil, gas and other hydrocarbons, all geothermal resources, and all other minerals of every kind and nature lying in and under said land, as reserved in deed recorded March 25, 1988, in Book 609, Page 1, Official Records, Elko County, Nevada.

PARCEL 2:

TOWNSHIP 41 NORTH, RANGE 54 EAST, M.D.B.&M.

Section 7: SE1/4NE1/4; E1/2SE1/4;
Section 8: S1/2NW1/4; SW1/4
Section 16: NE1/4SW1/4; W1/2SW1/4;
Section 17: NW1/4NW1/4; E1/2W1/2; E1/2;

Excepting therefrom that portion of the E1/2NE1/4 and NE1/4SE1/4 described as follows:

Beginning at the Northeast corner of said Section 17, being Corner No. 1, the Point of Beginning;

THENCE North 89°57'06" West, a distance of 488.71
Continued on next page

feet along the northerly boundary of said Section 17 to Corner No. 2;

THENCE South $14^{\circ}07'28''$ West, a distance of 2,635.82 feet to Corner No. 3, a point of intersection with an existing fence;

THENCE South $73^{\circ}02'44''$ East, a distance of 271.66 feet along an existing fence to Corner No. 4;

THENCE South $71^{\circ}35'34''$ East, a distance of 922.23 feet along an existing fence to Corner No. 5, a point on the easterly boundary line of said Section 17;

THENCE North $0^{\circ}03'28''$ West, a distance of 2,926.15 feet along the easterly boundary line of said section to Corner No. 1, the Point of Beginning.

Section 21: W $1/2$ W $1/2$;
Section 28: W $1/2$; W $1/2$ SE $1/4$;

PARCEL 3:

TOWNSHIP 41 NORTH, RANGE 54 EAST, M.D.B.&M.

Section 16: NW $1/4$;
Section 17: That portion of the E $1/2$ NE $1/4$ and NE $1/4$ SE $1/4$ described as follows:

Beginning at the Northeast corner of said Section 17, being Corner No. 1, the Point of Beginning;

THENCE North $89^{\circ}57'06''$ West, a distance of 488.71 feet along the northerly boundary of said Section 17 to Corner No. 2;

THENCE South $14^{\circ}07'28''$ West, a distance of 2,635.82 feet to Corner No. 3, a point of intersection with an existing fence;

THENCE South $73^{\circ}02'44''$ East, a distance of

Continued on next page

271.66 feet along an existing fence to
Corner No. 4;

THENCE South $71^{\circ}35'34''$ East, a distance of
922.23 feet along an existing fence to
Corner No. 5, a point on the easterly boundary
line of said Section 17;

THENCE North $0^{\circ}03'28''$ West, a distance of
2,926.15 feet along the easterly boundary line
of said section to Corner No. 1, the
Point of Beginning.

PARCEL 4:

TOWNSHIP 41 NORTH, RANGE 54 EAST, M.D.B.&M.

Section 17: SW $1/4$ NW $1/4$; N $1/2$ SW $1/4$;

EXCEPTING FROM all of Parcel 1; SW $1/4$ SW $1/4$ of Section 8; NW $1/4$;
N $1/2$ SW $1/4$; SW $1/4$ SW $1/4$ of Section 16; E $1/2$; E $1/2$ W $1/2$; NW $1/4$ NW $1/4$
of Section 17; W $1/2$ W $1/2$ of Section 21 and the W $1/2$; W $1/2$ SE $1/4$
of Section 28, Township 41 North, Range 54 East, M.D.B.&M.
fifty percent of all oil, gas, petroleum, naptha and other
hydrocarbon substance and all minerals of whatsoever kind or
nature, lying in and under said land, as reserved by Federal
Land Bank of Berkeley in deed recorded June 2, 1939 in Book 49,
Page 472, Deed Records, Elko County, Nevada.

FURTHER EXCEPTING FROM the NW $1/4$; N $1/2$ SW $1/4$; SW $1/4$ SW $1/4$ of
Section 16; E $1/2$; E $1/2$ W $1/2$ of Section 17; W $1/2$ W $1/2$ of Section
21 and the W $1/2$; W $1/2$ SE $1/4$ of Section 28, Township 41 North,
Range 54 East, M.D.B.&M., 6% of all remaining mineral rights
existing upon, beneath the surface of, or within said lands as
reserved by Harry L. Crosby, Jr. in deed recorded February 20,
1959 in Book 75, Page 458, Deed Records, Elko County, Nevada.

FURTHER EXCEPTING FROM the S $1/2$ NW $1/4$; N $1/2$ SW $1/4$ and the
SE $1/4$ SW $1/4$ of Section 8, Township 41 North, Range 54 East,
M.D.B.&M. all minerals, including geothermal resources, as
reserved by the United States of America in patent recorded
March 19, 1979 in Book 288, Page 474, Official Records, Elko
County, Nevada.