

Mineral Hill Consolidated Mines Company)
to)
Paul Gaston.)

INDENTURE OF LEASE.

This INDENTURE, made in triplicate, on the 17th day of October, 1917, by and between Mineral Hill Consolidated Mines Company, a corporation, hereinafter known as the Company, existing by virtue of the laws of the State of Arizona, with its principal office in the City of Montgomery, Alabama, with mines located in the Mineral Hill Mining District, Eureka County, State of Nevada, and Paul Gaston, of Reno, Nevada, Lessee,

W I T N E S S E T H:

That the Company, in consideration of the rents, royalties, covenants and agreements hereinafter reserved, and by the Lessee to be paid, kept and performed, has let, and by these presents does let unto the said Less all the following mining property, situated in the Mineral Hill Mining District, County of Eureka, State of Nevada, to-wit:

Patented mines Great Republic and Troy Consolidated, Spencer and North Pole Consolidated, and Austin; unpatented mines Iron Pit, Big Sandy, Arizona, Montgomery, Hecla, Nineteen-Hundred, Geogia and Webster, together with the patented ground owned by the Company upon which is located the Mill and the camp of the Company, and all water now owned by the Company, viz: Cave Canyon, Flynn Canon Springs, and the Schuster Well; together with pipe lines, tanks and all other real and personal property owned by the Company and located in or about the leased premises.

To have and to hold unto the said Lessee for a period of five years and six months from the date hereof, expiring on the 17th day of April, 1923, at noon, unless sooner forfeited or surrendered. In consideration of the said lease, the Lessee does hereby covenant and agree with the said Company as follows, to-wit; To enter upon said mines and work the same in a manner necessary to good and economic mining, so as to take out the greatest amount of ore possible, with due regard to safety, development and preservation of the said leased premises as workable mines.

Beginning on or before sixty days from the date hereon, to work said mines and premises aforesaid steadily, economically and continuously, with at least fifty shifts of eight hour labor for each and every month during the term of this lease, and no excess of shifts worked in any one month to amount in the computation of the number of shifts required in any other month. Any failure to work said shifts may be construed a violation of this contract.

To well and sufficiently timber the mines at all points proper or necessary, and to repair all old timbering whenever and wherever necessary. To allow said Company and its agents to enter upon and into all parts of said property, for the purpose of inspection without unreasonable interference.

To occupy and hold all cross or parallel veins, dips, spurs, feeders, crevices or mineral deposits of any kind, which may be discovered in working under this lease, or in any tunnel run to intersect same, by the Lessee or any person under him, as the property of the said Company, with privilege to said Lessee of working the same as an appurtenance of said demised premises, during the tenure of this lease, and not to locate or record the same, or allow the same to be located or recorded except in the name of the Company.

To keep at all times any drifts, shafts, tunnels and other passages which may be made by the Lessee, or any other all ready made which may be necessary to good and economic mining, clear of waste and rubbish of all kinds.

To assume all responsibility in case of accident to themselves or employees arising in or about the said leased premises, from any cause whatever and to waive all claims for damages against the Company in case of accident. To indemnify and save the said Company from all responsibility from suits for damages to themselves or employees from any cause whatever.

To post and keep posted legal notices in prominent places upon the property of the Company stating that the property is being operated under lease, and that the Company will not be responsible for the debts, or any obligations which may be incurred by the Lessee.

To pay the proper official of the State of Nevada pro-rata bullion tax, if imposed by the law of said State, on any and all ores extracted or reduced, during the tenure of this lease.

As royalty and compensation for the use of said property, the Lessee agrees to pay to said Company, or its successors, ten per cent (10%) of the net value of all ores extracted and marketed of the value of \$25.00 or less per ton; fifteen per cent (15%) of the net value of all ores extracted and marketed of the value of \$50.00 or less, but not greater than \$25.00 per ton; twenty-five per cent (25%) of the net value of all ores extracted and marketed of the value of more than \$50.00 per ton; ten per cent (10%) of the net value of all mill products, including bullion, concentrates and precipitates extracted, marketed and reduced, which includes all products from customs ores as well as from ores mined on the leased premises. Net value is arrived at by deducting the cost of transportation from mines to smelter, including wagon haul, smelter treatment sampling and assaying charges at the smelter, from the gross proceeds of the ore or mill-products.

It is agreed that the parties hereto shall mutually agree upon some certain Bank or Banker, who shall be their agent to receive all returns from smelters or from other purchasers of ores or mill-products, and to distribute all proceeds of ore or mill-products sales to the parties hereto, according to the terms of this lease, and according to such further joint instructions as may be given to him or it from time to time.

The Lessee shall make to the Company a monthly report of all work done and moneys received from all ores and mill-products sold, said report to be made on or before the 10th day of each month for the previous month. The Lessee agrees to instruct the purchasers of any ores or mill-products to furnish the Company with a copy of all reports or settlements made by them.

The Lessee agrees that the Company's mines are to be operated according to the Nevada Mining Laws, and further agrees to furnish maps from time to time showing the new workings of each

place, together with the blue-print explanatory thereof.

The Company reserves the right for its agent to reside on the leased premises, and all reports by the Lessee to the Company are to be made to said agent.

The Lessee agrees to deliver up to the Company the premises with the appurtenances connected therewith, and all fixed improvements, machinery and equipment, except such improvements as are placed on the property by the Lessee, without demand or further notice, in good order and condition, with all new shafts tunnels and other passages made by them clear of rubbish and drained, with the mines at all points ready for immediate and continued working, on the 17th day of April, 1923, A.D. at noon or any previous time, upon demand for forfeiture and non-compliance with the terms of this lease.

The Lessee agrees to do and perform all and every act and thing hereinbefore agreed and set forth, or hereinafter recited, unless prevented by unavoidable labor, strikes, the elements, acts of God, or any other unavoidable cause or causes; and provided that the work under this lease is prevented or necessarily discontinued by any of the above causes, the terms of this lease shall not run during such prevention, but the time so lost shall be added to the term of this lease as an extension thereof.

The lessee agrees to assume all expenses of operation and all expenses incident to the extraction, production, reduction, shipping and hauling of the ore in every way; to do all necessary assessment and development work on all claims in the name of the Company, so as to continuously control the same, and to relieve the Company of any expenses whatsoever in connection with the operation and maintenance of the property.

The lessee agrees to pay all court costs and costs of collection in case it becomes necessary to bring suit in any court or place and claim or claims in the hands of any attorney for collection.

The Lessee agrees to erect a suitable mill, or rearrange the present mill, for the treatment of ores, of the capacity of not less than twenty-five tons per day, plans of said mill to be submitted to the Company; said mill to be erected on the property of the Company as soon as the ores developed justify the operation of same.

Upon violation by the Less or any person employed by him, of any covenant reserved the term of this lease shall, at the option of the Company, expire, and the leased premises shall become forfeited, and the Company or its agents may thereupon, after demand of possession in writing, enter upon said premises and disposses all persons occupying the same, with or without process of law. All royalties previously paid by the Lessee to the Company shall be considered applied as rent for the use of the said premises for the period during ^{been} which they have occupied by the Lessee.

It is further understood and agreed between the parties hereto, that the Company binds itself to sell the property herein described to the Lessee for the sum of One Hundred and Ten Thousand Dollars, (\$110,000.00), payable at any time during the lease period. Should the Lessee desire to acquire the property by purchase and payment of the agreed price in legal tender of the United States, notice in writing shall be given to the agent, or mailed to the home office of the Company, and a reasonable time shall be allowed the Company to acquire any outstanding bonds, and other obligations, so as to deliver a good and sufficient deed to all the property herein referred to.

Each and every clause and covenant of this lease shall extend to the assigns, successors, heirs, executors or administrators of all parties hereto.

IN WITNESS WHEREOF, the said parties hereto have caused these presents to be subscribed, as to the Company by its Vice-President and duly authorized officer for the execution of this instrument, and by the Lessee, intriplicate on the day and the year first above mentioned.

Witness

Antone Siri.

Witness

Antone Siri.

Mineral Hill Consolidated Mines Company.

By S.F.Stollenwerck,Vice Pres.
Lessor.

Paul Gaston
Lessor.

AMENDMENT TO INDENTURE OF LEASE.

It is further understood and agreed by and between the parties hereto that this additional clause hereby attached to the above and foregoing lease contract(dated October 17th,1917)is hereby made a part thereof.

It is understood and agreed by and between the parties hereto,that should at any time during the tenure of the lease,the Lessee decides to purchase the property recited in the lease, all royalties previously made by the Lessee to the Company,shall apply as part payment on the said purchase price,viz.\$110,000.00.And should at any time during the term of the lease,the royalties paid to the Company amount to the purchase price,the Company agrees to deliver to the Lessee deeds in full for all its rights,titles and interests.

IN WITNESS WHEREOF,the parties hereto have set their hands,intriplicate,this 19th day of October,1917.

Witness

John Haddow.

Witness

Mineral Hill Consoildated Mines Company

By S.F.Stollenwerck.Vice Pres
Lessor.

Paul Gaston
Lessee.

It is hereby agreed by the parties hereto,that the above agreement is hereby exrended,and will be inforce and effect up to July 1st,1918.subject however to a an existing lease on the North Giant Mine,whic expires May 1st,1918.

Mineral Hill Consolidated Mines Co.,
by S.F.Stollenwerck
Vice Pres.

Paul Gaston.

Witness

P.M.Shelby. Jan.5 1918.

Recorded at the request of Paul Gaston July 8 A.D.1918 at 16 minutes past 2 P.M.

Edgar Eather,Recorder.