

File No. 18654.

Wm. J. Mahoney, Wm. Graven,
S.M. Erskine, and George T. Salzman,)
to) Agreement.
American Development Company, Ltd.)

THIS INDENTURE, made this 22nd day of July, A.D. 1930, between WM. J. MAHONEY, WM. GRAVEN, S.M. ERSKINE and GEORGE T. SALZMAN, of Elko County, Nevada, co-owners, by location, subject to the paramount title of the United States of America, Lessors, and AMERICAN DEVELOPMENT COMPANY, LTD., a Nevada corporation, with its principal place of business located at 313 Financial Center Building in the City and County of San Francisco, State of California, Lessee,

W I T N E S S E T H:

That the said Lessors, for and in consideration of the royalties hereinafter reserved, and the covenants and agreements hereinafter expressed, and by the said Lessee to be kept and performed, have granted, demised and let, and by these presents do grant, demise and let, unto the said Lessee, all the following described mine and mining property situate in unknown mining district, County of Eureka, State of Nevada, to-wit:

That the said Lessors, for and in consideration of the royalties hereinafter reserved, and the covenants and agreements hereinafter expressed, and by the said Lessee to be kept and performed, have granted, demised and let, and by these presents do grant, demise and let, unto the said Lessee, all the following described mine and mining property situate in unknown mining district, County of Eureka, State of Nevada, to-wit:

All that mining property situate ten (10) miles, more or less, north of the Town of Carlin, Nevada, located by the said Lessors in the months of March and April in the year 1930, consisting of Barium, Spar, and Traventine, adjoining patented land, and near Maggie Creek, consisting of at least four mining claims. The names of the claims are as follows:

Josephine, Josephine #1, Josephine #2, Josephine #3.

together with the appurtenances.

TO HAVE AND TO HOLD unto the said Lessee for a term of ten (10) years from the date hereof, expiring at noon on the 22nd day of July, 1940, unless sooner forfeited or determined through the violation of any covenant hereinafter against the said tenant, with option of the Lessee to renew this lease for a period of ten (10) years.

And in consideration of the said demise, the said Lessee does covenant and agree with said Lessors as follows, to-wit:

To enter upon said mine or premises, and work the same in the manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, and salable, with due regard to the development and preservation of the said premises as a workable mine, and to the special covenants hereinafter reserved.

In consideration of the rents, issues and royalties to be paid by the Lessee to the Lessors, said Lessors do covenant and agree with the said Lessee as follows, to-wit:

It is understood and agreed that the said Lessee may enter into and upon said mining property and may thereafter retain possession of said property so long as they shall keep and comply with all the covenants and conditions of this agreement on their part to be kept and performed, and may, while in the possession of said property, work and mine the same and any and every part thereof in the same manner and to the full extent as if they were the owners thereof, but if the said Lessee shall fail to keep and perform each and every or any covenant or condition hereof on their part to be kept and performed, thereupon this agreement shall terminate and the said Lessee shall quit and surrender possession of said property to the said Lessors.

The said Lessee shall have the exclusive right to mine all of the minerals and metal-bearing rock or ores contained in said properties and the said Lessee agrees to pay to the said Lessors a royalty of One Dollar (\$1.00) per ton on all ore mined and shipped from said property. All such royalties shall be paid to the said Lessors on or before the 15th day of each calendar month following the mining and production of such ore and the shipping or reduction of same for and on account of the returns of the preceding calendar month.

All settlements for royalties shall be paid to the credit of the said Lessors at any Anglo California bank designated by said Lessors.

The said Lessee shall keep accurate records of all ore mined or reduced or shipped or sold from said properties. The said records shall be open to the inspection of the said Lessors at all reasonable times, and duplicates of such records and copies of Rail Road Bills of Lading shall be furnished the said Lessors.

It is understood and agreed that commencing five months from the date hereof the royalties to be paid by the said Lessee to the said Lessors shall be at least Two Hundred Dollars (\$200.00) per month, and if sufficient ore is not produced during such times to equal such minimum royalties, then the said Lessee shall in any event pay such amount of money each and every month during the life of this agreement or surrender possession of said property to the said Lessors.

The said Lessors shall not be liable or responsible for any work done or labor done or performed in or upon said property during the life of this agreement, or any materials furnished, or to be used or used upon said property.

The said Lessee agrees to pay all expenses and charges of any nature for which they may become expressly or impliedly liable in any manner connected with the workings of said properties, and will protect and save harmless the said Lessors from all claims and liens of any nature or description.

The said Lessee agrees that as soon as they shall have possession of said properties they will immediately post, and at all times during the life of this agreement they will keep posted, on each of the above named mining locations, a notice in writing to the effect that the said Lessors will not be responsible for any debt contracted for labor performed or for materials furnished in or upon said locations, or any of them, and that said premises will not be subject to a lien thereafter.

The Lessors may inspect said work at any reasonable time.

It is further agreed that the said Lessors, on or before ninety (90) days from this date, are to secure the right of way for a tram line from the mine to the County road, said road paralleling Maggie Creek; further, said Lessors agree to secure sufficient ground space for a bunker and camp site which will be accessible to said County road and reasonable near the lower terminal of said tram line.

It is hereby expressly agreed by the parties hereto that time shall be and is hereby made of the essence of this agreement, and in the event of default by the said Lessee in making any payment at the time hereinabove specified or in performance of any of their obligations, covenants or conditions, and such failure shall continue for a period of thirty (30) days after the service of written notice thereof upon the said Lessee by registered mail, at their last known address, or upon their Superintendent or agent, or representative on said premises or upon their personal representative, in case of default, specifying the particulars in which said failure has occurred, then the said Lessors shall be released and relieved of an from all obligations hereunder, and upon such default and notice the said Lessee will surrender to the said Lessors said mining claims and property and the right of the said Lessee therein shall thereupon terminate and cease.

It is further agreed and understood by the respective parties hereto that all equipment and buildings remain the property of the Lessors and may not be removed in event of the termination of this agreement, unless and until five thousand (5,000) tons of material shall have been removed and royalty paid therefor.

This agreement is executed in duplicate and is binding upon and shall inure to the heirs, administrators, executors and assigns of the respective parties.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

Wm. J. Mahoney

George T. Salzman

W.J. Graven

S.M. Erskine

AMERICAN DEVELOPMENT COMPANY, LTD.

By H.T. James
Secretary-Treasurer.

By Verne H. Carter
General Manager.

Lessee.

(American Development Company, Ltd. Corporate SEAL)

STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO.)

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)ss.

On this 28th day of July in the year One Thousand Nine Hundred and thirty, before me, HALLIE L. LANFAR, a Notary Public in and for said City and County, residing therein, duly commissioned and sworn, personally appeared H.T. James known to me to be the Secretary-Treasurer and Verne H. Carter, known to me to be the General Manager of American Development Company, Ltd. the Corporation in and that executed the within instrument, and also known to me to be the persons who executed it on behalf of the Corporation therein named, and they acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office, in the said City and County of San Francisco, the day and year in this certificate first above written.

(Notarial Seal)

Hallie L. Lanfar

NOTARY PUBLIC

In and for the City and County of San Francisco,
State of California.

Recorded at the request of Donald McClure July 31, A.D. 1930 At 15 minutes past 4 P.M.

Peter Merialdo----Recorder.