

AGREEMENT

between  
KEYSTONE MINES, LTD., a corporation, WILLIAM  
NISSEN, TONY ROMANO, and A.R. LAWN,  
First Parties,

-and-

WILLIAM RICHARDSON,  
Second Party.

DATED: May \_\_\_\_\_, 1934.

This agreement made this 21st day of May, 1934, by and between KEYSTONE MINES, LTD., a corporation, WILLIAM NISSEN, TONY ROMANO, and A. R. LAWN, First parties, and WILLIAM RICHARDSON, Second Party;

WITNESSETH:

WHEREAS, under date of March 23, 1934, a certain agreement was entered into, reciting that it was by and between Tony Romano and A. R. Lawn (the Keystone Mines, Ltd.), as First Parties, and William Richardson, Second Party, but was in fact apparently executed by Keystone Mines, Ltd., by Lawn and Romano as officers thereof; and

WHEREAS, certain mining properties of the Keystone Mines, Ltd., were properties in which Tony Romano, A. R. Lawn, and William Nissen had or may have had some interest; and

WHEREAS, for the purpose of advancing development of the mining properties of Keystone Mines, Ltd., it is desirable, in order to induce the Second Party hereto to undertake efforts in that behalf, to remove so far as may be certain questions which may arise;

NOW, THEREFORE, IT IS AGREED, that the agreement of the 22nd day of March 1934 be, and the same is, amended as though it had been executed by Tony Romano, A. R. Lawn, and William Nissen, individually, and also by the Keystone Mines, Ltd., as Parties of the First Part, and said agreement as so amended is re-affirmed in all respects, except as herein modified; and

FURTHER WITNESSETH:

THAT WHEREAS, the agreement of the 22nd day of March 1934 granted to the Second Party an option on an undivided fifty per cent (50%) interest in certain properties therein described,

in consideration that within a period of twenty (20) days he should cause the property to be investigated and reported upon by competent engineers; and

WHEREAS, this condition has been performed, and notice thereof has been given, and notice of the exercise of the option to take the said properties has been given; and

WHEREAS, the said agreement then granted to the Second Party a further period of ninety (90) days within which to do certain acts therein provided to be done by him, upon the doing of which he should receive a fifty per cent (50%) interest in the said properties, (the obligation to convey which would be satisfied by transferring to him half of the stock in any corporation having title to the said properties);

NOW, THEREFORE, said agreement is modified in the following respects, and it is agreed as follows:

1. This agreement shall bind Keystone Mines, Ltd., its successors and assigns, and shall bind A. R. Lawn, Tony Romano, and William Nissen, as to any interest they may have to the described property, or in the stock of Keystone Mines, Ltd.,

2. In consideration of the efforts heretofore made by the Second Party and his agreement now made to use his further efforts to interest third persons in said mining properties and the development thereof, (it being understood that any arrangements the Second Party may make with any third parties for the development of the property shall be one under which their participation in the mine shall be only out of the Second Party's half interest), the Second Party is granted a period of ninety (90) days from the date hereof within which to develop said properties, (either himself or through interesting third persons), and said property shall be considered developed within the meaning of this contract when there shall have been placed upon said property and put in operation a mill or smelter having a capacity of approximately twenty-five (25) tons of ore per day. It is understood, however, that if a smelter is determined upon, it will be sufficient if construction of said smelter is started within said period of ninety (90) days, and is completed within a reasonable time thereafter.

3. It is agreed that the Second Party shall have the active management of the operation of said mining properties.

4. Upon the Second Party depositing, or causing to be deposited, in American Trust Company, Broadway and San Pablo Avenue, Oakland, California, the sum of Seven Thousand Dollars (7,000), for the purpose of providing machinery for the development referred to in paragraph 2 hereof, the First Parties shall deposit with American Trust Company such papers as may be necessary for the purpose of transferring to the Second Party one-half ( $\frac{1}{2}$ ) interest in the mining properties referred to, and half of the stock of Keystone Mines, Ltd., and upon compliance with the provisions of paragraph 2 hereof, said papers shall be delivered to Second Party. In the event that the Second Party should himself, or through third persons, go forward with an attempt to develop the said mining properties, and should thereafter and within a period of ninety (90) days from the date hereof determine that he would not go forward further, he shall be under no obligation whatsoever, and may remove from the said mining properties all machinery and other property placed thereon by him.

5. It is agreed that no officer of the Keystone Mines, Ltd., shall receive any salary except for services actually rendered at the mining properties, and then only such salary as is customarily paid for the type of services rendered. A competent mining engineer will be employed to superintend all mining operation, but the management of the mine shall be in the hands of the Second Party. No holder of stock in Keystone Mines, Ltd., will sell or otherwise dispose of any of his stock without having first offered it to the other parties hereto upon the same terms, and with a reasonable time granted to them to perform and take the stock upon the same terms, that it was otherwise proposed to dispose of it.

5a. It is further agreed that fifteen (15%) per cent of the net receipts received from the

operation of the properties herein, starting six month after mine is in operation, shall be set aside in a separate fund to be used for development work and is to be known as the "Development Fund".

6. Whereas, as to two claims, there is payable to one Fritz Walti the sum of Three Thousand Dollars (\$3,000), it is agreed that said sum of Three Thousand Dollars (\$3,000) shall be paid by proceeds distributable to the First Parties other than Keystone Mines, Ltd.,

7. In all other respects the agreement of the 22nd of March 1934 is ratified and confirmed.

8. This agreement shall be construed to the end that the First Parties other than Keystone Mines, Ltd., and the Second Party shall have equal interests, whether by way of direct ownership, or by way of ownership of stock of Keystone Mines, Ltd.,

This agreement shall not be construed as an admission that any of the First Parties, other than Keystone Mines, Ltd., have any interest in any of the mining properties which have not been conveyed to Keystone Mines, Ltd., but is made in the name of the First Parties, individually, as well as in the name of Keystone Mines, Ltd., for the purpose of covering any interest which they may have, and which through oversight and inadvertence has not been conveyed to Keystone Mines, Ltd., and for the purpose of binding them with respect to any stock ownership they may have in Keystone Mines, Ltd., It is understood that the First Parties, under the terms hereof, will not only deposit in escrow, subject to the terms hereof, the stock called for by this agreement, but as well will deposit in escrow, and subject to the same terms, an assignment to the Second Party of a half interest in that certain agreement between A. R. Lawn and Tony Romano and Keystone Mines, Ltd., evidenced by a letter dated July 7, 1933, by Lawn and Romanoto Keystone Mines, Ltd., the proposition in which letter was accepted by said corporation by resolution of its Board of Directors appearing in the minutes of the first meeting of said Board of Directors, and held on the 12th day of July 1933.

9. In the event there is any dispute as to whether or not the provisions of paragraph 2 have been complied with and the Second Party is entitled to have delivered to him the papers hereinbefore referred to and deposited in escrow with American Trust Company, then, so far as the escrow holder is concerned, the determination of that question by Arthur B. Dunne, attorney-at-law, #433 California Street, San Francisco, California, shall be conclusive, and the said escrow holder shall act upon any written determination of said Arthur B. Dunne delivered to it. It is further agreed that said Arthur B. Dunne shall not be incapacitated from acting as herein provided by reason of any relationship to any party hereto, or by reason of any relationship to any third persons.

10. This agreement and the agreement of the 22nd day of March 1934 shall be deemed severable as to each provision, and as to each application of each provision, and any invalidity as to one provision or application shall not affect other provisions and applications.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

(Corporate Seal)

KEYSTONE MINES, LTD.,  
By A. R. Lawn  
Tony Romano V.P.  
A. R. Lawn Trustee.

William Nissen,  
Tony Romano

By A. R. Lawn  
Their Attorney-in-fact

A. R. Lawn  
First Parties.

William Richardson  
Second Party.

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF ALAMEDA )

On this 21st day of May in the year One Thousand Nine Hundred and Thirty-Four before me, R.F. Dickey a Notary Public in and for the County of Alameda, State of California, residing therein, duly commissioned and sworn, personally appeared A. R. Lawn known to me to be the President of the Corporation that executed the within instrument and the officers who executed the within instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, the day and year in this certificate first above written.

(Notarial Seal)

R. F. Dickey  
Notary Public in and for the County of Alameda,  
State of California.

STATE OF CALIFORNIA )  
                                  ) ss.  
COUNTY OF ALAMEDA )

On this 21st day of May in the year One Thousand Nine Hundred and Thirty-Four before me, R. F. Dickey a Notary Public in and for the County of Alameda, State of California, residing therein, duly commissioned and sworn, personally appeared William Nissen, Tony Romano, by A. R. Lawn, their attorney-in-fact, A. R. Lawn and William Richardson known to me to be the persons described in and whose names are subscribed to the within instrument, and they acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, the day and year in this certificate first above written.

(Notarial Seal)

R. F. Dickey  
Notary Public in and for the County of Alameda, State  
of California.

Recorded at the request of A. R. Lawn May 21, A. D. 1934 at 5 minutes past 9 A. M.

Peter Merialdo-----Recorder.