

File No. 20071.

W. F. EWALT, GEORGE O'BRIAN, and F. B. COOPER }  
To }  
J. D. JACOBS and his associates, }

*See Page 74 for  
Release by J. D. Jacobs*

LEASE AND OPTION TO PURCHASE

THIS AGREEMENT, made this 30th day of August 1934 by and between W. F. Ewalt, Geore C'Brian, and F. B. Cooper, all of Eureka County, Nevada the party of the first part, and J. D. Jacobs, and his associates, of Denver, Colo, the party of the second part,

W I T N E S S E T H :

That the said party of the first part, for and in consideration of the covenants and agreements hereinafter mentioned to be kept and performed by the said party of the second part, their executors, administrators, and assigns, has demised and leased to the party of the second part all those premises situate, lying and being in DIAMOND MINING DISTRICT, near Eureka, Nevada, County of Eureka, State of Nevada, and which is more particularly described as follows, to-wit;

- SILVER BELLE, lode mining claim, unpatented;
- SILVER BELLE NO. 1, lode mining claim, unpatented;
- SILVER BELLE NO. 2, lode mining claim, unpatented;
- SILVER BELLE NO. 3, lode mining claim, unpatented;
- SILVER BELLE NO. 4, lode mining claim, unpatented;
- SPRUCE, lode mining claim, unpatented, together with all buildings, mining machinery, equipment and every improvement, and piece of

machinery now situate on said property and used for the purpose of mining and removing ore and minerals.

TO HAVE AND TO HOLD the said premises, with the appurtenances improvements, machinery and tools, unto the said parties of the second part, their heirs, executors, administrators and assigns, for a period of one year from August 30th, 1934, for and during one year and until August 30th, 1935.

That for and in consideration of the covenants herein mentioned, the lessor hereby grants and gives to the said parties of the second part herein the right and option at any and all times while this lease is in effect, to purchase said real estate, together with the improvements, machinery and tools, of the party of the first part on the following terms, and conditions, to-wit:

1. In the event the parties of the second part exercise the option herein granted, the purchase price shall be \$25,000.00, payable at the rate of \$2,000.00 on or before August 30th, 1935, and the balance at the rate of \$3,000.00 each twelve months thereafter until the full sum of \$25,000.00 shall have been paid.
2. In the event of the exercise of this option herein granted within one year, or term of this lease, the parties of the second part agree to pay to the party of the first part the sum of \$3,000.00 after the lapse of twelve months after the one year period of the lease shall elapse.
3. The parties of the second part agree to pay to the said parties of the first part, in the event of the exercise of the option hereinafter mentioned, TEN (10) per centum of the net returns, if any there be, from the sale of the ore from the property hereinbefore described and set forth, each and every thirty (30) days during the term necessary to pay the full purchase price of this property, which said 10% payment from the net returns shall be applied to the purchase price thereof, and to each periodic \$3,000.00 payment, and shall thereby reduce the amount to be paid in cash by the parties of the second part herein. In the event 10% payment from the net returns shall equal \$3,000.00 during any twelve month period, or two thousand dollars during the first year, no payment by the parties of the second part will be necessary.

It is further agreed by the said parties of the second part with the said parties of the first part that the said party of the second part will commence work on the mining claims hereinafter named within twenty days after the date hereof, and continue work.

It is further agreed that the party of the first part, will, in the event of the exercise of this option hereinafter mentioned, and upon payment in full of the purchase price herein mentioned, give to the party of the second part a good and sufficient deed to the property hereinbefore mentioned and described, and shall also furnish an abstract of the title showing a marketable title in the party of the second part.

IT IS FURTHER AGREED that the said parties of the second part will keep the property in a good state of repairs and condition, reasonable use, wear and tear and loss by fire, or the act of God, excepted, and at the end of the period of this lease, unless the option herein mentioned is exercised either verbally or by written notice, the party of the second part agree to give up the premises hereinbefore described to the said parties of the first part.

All taxes, assessments and other charges against the property hereinabove described shall be paid by the party of the first part, his heirs and assigns during the term of this lease, and during the term of the purchase of the property in the event the option hereinbefore provided shall be exercised.

It is understood and agreed between the three parties of the first part herein, that the interest of each person, member of the party of the first part, in the mining claims hereinabove described is as follows: W. F. Ewalt, and George O'Brian, an undivided five-twelfths each, and F. B. Cooper, and undivided two-twelfths.

IN WITNESS WHEREOF, the parties hereto have affixed their names the day and year first above written.

Geo. K. O'Brian  
W. F. Ewalt  
F. B. Cooper  
Parties of the first part.  
J. D. Jacobs and Associates  
Party of the second part.

STATE OF NEVADA    SS  
COUNTY OF EUREKA

On this 1st day of September, 1934 personally appeared before me, W. R. Reynolds, a notary public in and for the county of Eureka, George O'Brian, J. D. Jacobs, parties named in the foregoing instrument, and Ed Vance, one of the parties referred to in the foregoing instrument, as "ASSOCIATES", known to me to be the persons described in and who executed the foregoing instrument, and who acknowledged to me, each of them for himself, that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

In witness whereof I have hereunto set my hand and affixed my official seal at my office in Eureka, Nevada this 1st day of September, 1934.

(NOTARIAL SEAL)

W. R. Reynolds  
Notary Public

Recorded at the request of J. D. Jacobs Sept. 1, A. D. 1934 At 30 minutes past 9 A. M.

Peter Merialdo--Recorder.