

J. T. POPOVICH,)
and) Lease Agreement.
LEE TOLAN.)

LEASE AGREEMENT

THIS AGREEMENT made and entered into this 1st day of July, 1935, by and between J.T. POPOVICH, a resident of Carlin, Elko County, Nevada, LESSOR, and LEE TOLAN, a resident of Carlin, Elko County, Nevada, LESSEE,

W I T N E S S E T H:

That WHEREAS, Lessor is the owner of certain mining claims located in the Lynn Mining District, in Eureka County, State of Nevada, known as BULLDOG NO.1, BULLDOG NO.2, and LEGAL TENDER FRACTION mining claims; and

WHEREAS, one LEE TOLAN claims to have discovered a valuable deposit of ore at a certain point on one of said claims; and,

WHEREAS, the said LEE TOLAN is desirous of obtaining a lease for the purpose of working and developing said lode deposit of mineral; and

WHEREAS, the said J.T. POPOVICH, the owner of said mining claims, wishes to lease that portion thereof within a certain distance of said discovery;

NOW, THEREFORE, these presents further WITNESSETH:

That the said Lessor, 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, does by these presents grant, demise and let unto the said lessee that certain portion of the following described mining property as hereinafter provided, to-wit:

All ground and mineral rights thereto, and within the boundaries of said mining claims, namely: BULLDOG No.1, BULLDOG NO.2 and LEGAL TENDER FRACTION, located in the Lynn Mining District, in Eureka County, State of Nevada, within one hundred feet of discovery, or wherever development work is done, said distance of one hundred feet to be measured north, south, east and west from such discovery, making said leased ground measure two hundred (200) feet by two hundred (200) feet, together with the appurtenances.

TO HAVE AND TO HOLD unto the said lessee, for the term of two (2) years from the date hereof, expiring on the 1st day of July, 1937, at noon, unless sooner forfeited or determined through the violation of any covenant hereinafter contained against the said tenant reserved.

And in consideration of such demise, the said lessee hereby covenants and agrees with the said lessor as follows, to-wit:

1. To enter upon said premises and work the same mine fashion, in a manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, with due regard to the development and preservation of the same as a workable mine, and to the special covenants hereinafter reserved.
2. To well and sufficiently timber said mine at all points where proper, in accordance with good mining.
3. To allow said lessor and his agents to enter upon and into all parts of said mine, for purpose of inspection, from time to time.
4. To not assign this lease or any interest thereunder, and to not sublet the said premises or any part thereof, without the written assent of said lessor, and to not allow any person not in privity with the parties hereto, to take or hold possession of said premises, or any part thereof, under any pretense whatever.
5. To keep at all times the drifts, shafts, tunnels and other workings thoroughly drained and clear of loose rock and rubbish, unless prevent by extraordinary mining casualty.
6. To pay to said lessor as royalty ten per cent (10%) of the gross mill returns of all ore to be extracted from said premises of the value of One Hundred (\$100.00) Dollars per ton, or less; fifteen (15%) per cent of the gross mill returns of all ore to be extracted from said premises of the value of Five Hundred Dollars (\$500.00) per ton, or less, to-wit, being of the value of \$100.00 to \$500.00 per ton; Twenty five per cent (25%) of the gross mill returns of all ore to be extracted from said premises of the value of more than Five Hundred (\$500.00) Dollars per ton; all ores to be shipped to some mill or smelter in the States of Utah or California, in the names of the lessor and lessee; the ore to be sold to the best advantage of both parties hereto, as soon as possible after being mined.
7. The purchaser of all ores shipped and sold under the terms of this lease shall make return (with three copies of smelter settlement sheet) to The First National Bank of Elko, Nevada. The said First National Bank receiving payment from said ore shall pay to said lessor the royalties in the percentages set out in Paragraph 6 hereof, and out of the remainder shall be deducted the hauling and transportation charges, together with smelting or milling charges, and the remainder thereof shall be paid to the lessee.
8. To avoid conflict with any adjoining leases, it is agreed that all side and end lines of the above-described leased premises shall be considered vertical planes.
9. Any ore broken down of too low grade to ship, shall be stored on the dump and not thrown in the waste dump.
10. To post at the entrance to said main working tunnel or shaft notice to be furnished him by said lessor stating that he is working under a lease from the said lessor and that said lessor is not responsible for any labor performed, materials furnished, or accidents to anyone employed upon or in said leased premises, or any other portion of the lessor's premises or building used by said lessee.
11. To deliver to said lessor the said leased premises, with all appurtenances and improvements, except personal property and machinery which may be installed by the lessee, upon the expiration or forfeiture of this lease.

12. In the event of the termination of this lease at a season of the year when it is impractical to haul the ore out, the lessees shall have a reasonable time to haul the ore when and after road conditions will permit such ore to be hauled to the railroad. This clause is intended to refer to all ore broken down as well as ore in the bins and chutes.

Finally, upon the violation of any covenant or covenants heretofore reserved, the term of this lease, at the option of the lessor, shall expire and the same and the said demised premises, with the appurtenances and personal property hereinbefore leased shall forfeit to the lessor and said lessor, or his agents, may enter upon and take possession of said premises and said personal property and dispossess any and all persons occupying the same, or proceed against him according to law.

It is further mutually understood and agreed by and between the parties hereto that each and every clause and covenant of this indenture shall extend to the heirs, executors, administrators or lawful assigns of the parties hereto.

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

J.T. Popovich (SEAL)

Lee Tolan (Seal)

STATE OF NEVADA,)
COUNTY OF ELKO.) ss.

On this 1st day of July, 1935, personally appeared before me, a Notary Public in and for the County of Elko, State of Nevada, J.T. POPOVICH and LEE TOLAN, known to me to be the persons described in and who executed the above and foregoing instrument, who acknowledged to me that they 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 the day and year in this Certificate first above written.

Bernice H. Walters (Notarial Seal)
NOTARY PUBLIC.

Recorded at the request of Lee Tolan July 10 A.D. 1936 At 0 minutes past 4 P.M.

Peter Merialdo----Recorder.