

Richard J. Harris,)
)
 to)
Charles E. Carter.)

LEASE AND OPTION

THIS AGREEMENT of Lease and Option made and entered into this twenty-second day of February, 1939 by and between Richard J. Harris of the Town of Eureka, County of Eureka, State of Nevada, party of the first part, and Charles E. Carter of Eureka, County of Eureka, State of Nevada, party of the second part.

WITNESSETH: That, in consideration of the mutual covenants and agreements herein set forth, the party of the first part has leased and remised unto the party of the second part for the purpose of prospecting and mining and the removal of ores all of those pieces and parcels of ground situated and being in the Eureka Mining District, Eureka County, State of Nevada, belonging to the party of the first part and known as the WEST, WEST EXTENSION and WEST No.1. Lode Mining Claims. To have and to hold unto the said party of the second part the said leased premises from the date of this instrument up to twelve o'clock noon on the twenty-second day of February, 1941 unless sooner terminated as hereinafter provided.

The party of the second part covenants and agrees to enter upon said premises and to work and prospect the same in a method consistent with good mining practices: To perform any and all assessment work required by law during the life of this agreement.

It is mutually agreed that the party of the second part shall have the right to assign this lease and agreement or any interest therein to any person or corporation for the purpose of financing or conducting operations on said premises and such assigns shall have the rights and be subject to the obligations of said party of the second part hereunder.

The party of the second part agrees that he will pay for all labor and materials and supplies used or employed in connection with his operations on the said premises and will keep the same free and clear from labor or material liens.

It is mutually agreed that the party of the second part during the continuance of this lease may remove ores from the said property for the purpose of having them treated by smelters or other reduction works and that he will upon receiving returns of the results of such treatments furnish to the party of the first part a full and detailed statement of the result and pay to the party of the first part Twenty (20%) per cent of the net returns from said smelter or reduction works. If the party of the second part should at any time thereafter exercise his option hereinafter set forth for the purchase of said property then the amount paid to the party of the first part under the provisions of this section shall be treated as a partial payment upon the purchase price of the property.

The party of the first part covenants and agrees that the party of the second part, his heirs, executors, administrators or assigns may at any time prior to twelve o'clock noon on the twenty-second day of February, 1941 purchase the aforesaid property by making a payment of One thousand Dollars (\$1000.00) on or before the twenty-second day of February, 1940 and by making a further payment of Two Thousand Dollars (\$2000.00) on or before the Twenty-second day of February, 1941, at or before noon of the aforementioned day or by paying the full purchase price of Three Thousand dollars (\$3,000.00) at any time prior to the twenty-second day of February, 1941, as above mentioned.

The party of the second part further covenants and agrees that if said option to purchase is not exercised, then at the expiration and termination of this lease he will surrender to the party of the first part quiet and peaceable possession of the said premises together with the appurtenances except movable machinery and buildings.

It is mutually covenanted and agreed that all terms and provisions hereof shall mutually bind and benefit the respective parties.

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

Witness as to party of the first Part:

Richard J. Harris

Carl R. Harris

Charles E. Carter

Witness, as to party of the second part:

Peter Merialdo

Recorded at the request of C.E.Carter March 6 A.D. 1939 At 30 minutes past 1 P.M.

Peter Merialdo---Recorder.