

NOW, THEREFORE, for and in consideration of \$1.00 and other valuable considerations, the receipt of which is hereby acknowledged, the Parties of the First Part hereby assign and sell to the Party of the Second Part a royalty of Ten (10%) per cent to be based on the net smelter returns from all ores mined and shipped from the aforesaid properties; it being understood and agreed that said royalties shall apply on ores mined and shipped during the life of this lease, and when First Parties have completed purchasing of said claims that the royalty shall be a permanent royalty and in the event First Parties at any time in the future sell said property that said sale shall be subject to the said Ten (10%) per cent royalty; it being understood and agreed that the royalties to apply on ores shipped from the Sharer and Sharer #1 shall be a permanent royalty and in the event First Parties sell said claims that said sale shall be subject to the aforesaid Ten (10%) per cent royalty.

First Parties agree to direct the Smelter to which said ores are shipped to deduct from the net smelter returns the aforesaid Ten (10%) per cent royalty hereinabove mentioned and mail same to the First National Bank, Salt Lake City, Utah to be placed to the credit of the Second Party.

IN WITNESS WHEREOF, the Parties hereto have hereunto affixed their signatures at Salt Lake City, Utah, this 29th day of May, 1940.

WITNESSES: \_\_\_\_\_  
\_\_\_\_\_

C.J. Samuel  
J.L. Bay  
Glen Sharer  
Parties of the First Part.

R. W. Gergen  
Party of the Second Part.

COUNTY OF SALT LAKE )  
                              ) ss.  
STATE OF UTAH.        )

On this 29th day of May, 1940 personally appeared before me C.J. Samuels, J.L. Bay, and Glen Sharer, who duly acknowledged to me that they signed and executed the above instrument.

My commission expires:

\_\_\_\_\_  
Notary Public  
Residing at Salt Lake City, Utah.

Recorded at the request of Celia Gergen Sept. 24, A.D. 1940 At 0 minutes past 11 A.M.

Peter Merialdo---Recorder.