

File No. 28465

Peter Merialdo and Ed. Delaney, )

to )

LEASE AND OPTION

*See Book 3 of Miscellaneous page 129  
"Inventory of Lessor J. O. Greenan et al  
to Peter Merialdo, Ed. Delaney"*J. O. Greenan, E. L. Cleveland )  
and J. R. Murphy. )

## LEASE AND OPTION TO PURCHASE

This agreement, made and entered into this 12th day of July, 1950, by and between Peter Merialdo and Ed. Delaney, both of Eureka, Nevada, parties of the first part, hereinafter referred to as lessors, and J. O. Greenan, E. L. Cleveland and J. R. Murphy, of Reno, Nevada, parties of the second part, hereinafter referred to as lessees,

## WITNESSETH

That whereas first parties are the owners, free and clear of all encumbrances of that certain mining property known as the Windfall Group of patented mining claims, situated in the Eureka Mining District in the County of Eureka, State of Nevada, more particularly described as follows; to-wit:

Elmer, Elmer Fraction, Jim Crow, Jim Crow Fraction, May, May Fraction, Southern Cross, Two G, Windfall, Windfall Fraction.

And whereas second parties are desirous of securing from first parties a lease and option to purchase the above described property, and first parties are disposed to grant such lease and option;

Now, therefore, in consideration of the sum of One (\$1.00) Dollar paid to first parties by second parties, receipt whereof is hereby acknowledged, and for the covenants and obligations to be kept and performed by second parties, the first parties do hereby grant unto second parties a lease and option to purchase the above described properties, water rights and all other rights, improvements, equipment and appurtenances thereto, owned by the first parties, for the total sum of Twenty-five Thousand (\$25,000.00) Dollars, lawful money of the United States, upon the terms and conditions hereinafter set forth.

Upon the execution of this agreement, lessees shall have exclusive right to enter upon, and have possession of the property.

Royalties to be paid as follows: 5% on ore to \$4.00 per ton; 6% on ore from \$4.00 to \$6.00 per ton; 7% on ore from \$6.00 to \$8.00 per ton; 8% on ore from \$8.00 to \$10.00 per ton; 9% on ore from \$10.00 to \$12.00 per ton; 10% on ore over \$12.00. Royalties shall be paid monthly on the net mint or smelter returns, and shall be paid by the 15th day of each month for the preceding month. All royalties shall apply on the purchase price. At the end of two years from date hereof, a minimum of \$5000.00 in royalties shall have been paid, or, if royalties to that date amount to less than \$5000.00, the balance of the \$5000.00 shall be paid by lessees to lessors, and thereafter a minimum of \$5000.00 per year shall be paid until the full purchase price has been paid. Lessors shall be given copies of all mint or smelter returns, and the applicable figures on tonnage.

Lessees specifically agree to the foregoing and the following conditions; that they will during the life of this contract pay all taxes, compensation insurance, assessments and like indebtednesses when due and exercise reasonable care for the safe keeping and upkeep of workings, plant and equipment; and that all work done on mine, plant or improvements shall be done in a manner consistent with good mining practice, with due regard to the safety and preservation of the property as a workable mine, and particularly as to the proper timbering and other protection to workings and men.

Lessors reserve the right to visit the property at any time, but not to interfere with operations in any way (except on violation of contract by lessees after notice.) During the life of this agreement lessees shall have the exclusive right to mine, mill or otherwise treat the ores, and treat, ship or sell concentrates or other products from the operation of this property, but shall pursue developments consistently in an honest endeavor to maintain ore reserves in keeping with good mining practice. All operations of whatever nature shall be at the sole expense of lessees.

Lessees may at any time on thirty (30) days notice relinquish possession to lessors on settling all labor, material or other claims created by them, and paying to lessors all sums due and unpaid to date of relinquishment. All sum paid shall be forfeited to lessors as paid rentals to date of relinquishment. In case of relinquishment or cancellation of this lease and option, lessees shall have 60 days in which to remove personal property, movable machinery and equipment.

All covenants and obligations of the parties hereto as set forth herein shall be binding on their heirs, administrators, successors or assigns.

In the event of suspension of gold production by Government order, as was done during World War II under L208, or if operations are necessarily suspended due to war, insurrections, earthquakes, floods, acts of God, or similar circumstances beyond the control of the lessees, then payments and other requirements under this shall be postponed for a length of time equal to the period of the suspension.

Time and specific performance are of the essence of this agreement, and in the event of default by lessees of any obligation specified herein, lessors shall notify lessees in writing of such default, and if such default is not cured within 30 days of such notification, lessors may take physical possession of the premises. Until further notice, first parties may be addressed at Eureka, Nevada, and second parties at 15 East 1st St., Reno, Nevada.

IN WITNESS WHEREOF, the parties hereto have set their hands this 12th day of July, 1950.

Ed Delaney

Peter Merialdo  
FIRST PARTIES

J. O. Greenan

E. L. Cleveland

J. R. Murphy  
SECOND PARTIES

Witness: Mrs. Angela Evans

State of Nevada, )  
:ss.  
County of Eureka.)

On this 12th day of July, 1950, personally appeared before me, Ed. Delaney, County Clerk & Ex-officio Clerk of the Third Judicial District Court of Nevada, in and for the county of Eureka, J. O. GREENAN, E. L. CLEVELAND and J. R. MURPHY, and PETER MERIALDO, known to me to be the persons described in and who executed the 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 first above written.

(Official Seal)

Ed Delaney  
County Clerk Ex-officio  
Clerk of the Third Judicial  
Court.

State of Nevada, )  
 : ss.  
 County of Eureka.)

On this 12th day of July, 1950, personally appeared before me, Peter Merialdo, County Recorder & ex-officio Auditor, in and for the County of Eureka, State of Nevada, ED. DELANEY, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me 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, the day and year first above written.

(Official Seal)

Peter Merialdo  
 County Recorder & ex-officio  
 Auditor, In and for the County  
 of Eureka, State of Nevada.

Recorded at the Request of E. L. Cleveland July 13, A.D. 1950 At 30 min. past 10 A.M.

Peter Merialdo--Recorder.

File No.28482.

Callahan Zinc Lead Co., )  
 to ) Bill of Sale  
 Mary R. Bailey. )  
 Sold to

Mrs. Mary R. Bailey the items mentioned below. 11,370 ft. of pipe 6", 4" & 3" all buried consisting of well line & lines running from tanks to wells. price 20¢ per foot where is as is.

|                                |                 |
|--------------------------------|-----------------|
| 11,370 ft. at .20¢             | 2,274.00        |
| 29 pieces of paper pipe        | 6.96            |
| 192 ft. of 2x12 & 2 x 6 at .04 | 7.68            |
| 1 Heavy Pry Bar                | 2.00            |
|                                | <u>2,290.64</u> |

Paid in full  
 Callahan Zinc Lead Co.  
 V.W. Washburn

Recorded at the request of Mary R. Bailey Aug. 17 A.D. 1950 At 50 minutes past 3 P.M.

Peter Merialdo--- Recorder.