

File No. 28882

Merle Baldwin, Lessor,

to

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) LEASE  
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Hugh Baldwin, Karl G. Hanney and  
Miles P. Romney, Lessees.

### LEASE AND AGREEMENT

THIS LEASE, made as of the 20 day of November, 1950 by and between Merle Baldwin, of Eureka, Nevada, hereinafter termed "Lessor", and Hugh Baldwin, Karl G. Hanney and Miles P. Romney hereinafter termed "Lessees".

1. WHEREAS the Lessor is the owner of the mining property hereinafter described upon which is located all necessary buildings to operate said mining property. That she owns all necessary machinery, equipment and tools to operate said mining property and is willing to furnish mining supplies and equipment to operate the same.

2. AND WHEREAS, the Lessees are willing to furnish the labor.

3. NOW THEREFORE IT IS HEREBY UNDERSTOOD AND AGREED that the Lessor will furnish everything of any kind or description that is necessary to operate the hereinafter described mining property and in addition thereto the Lessor will furnish adequate sleeping and eating and cooking quarters and facilities. That the Lessees will furnish the labor and employees to operate said mine, and will make out the pay rolls and make all necessary deductions and pay any and all taxes incurred by reason of employing said labor and employees and will make arrangements for or provide food for said laborers and employees.

4. That in consideration thereof and the performance of the covenants herein contained the Lessor shall receive fifty- (50) per cent of the Net Smelter Returns and the Lessees shall receive fifty (50) per cent of the Net Smelter Returns as hereinafter more fully set out.

5. That Lessor, for and in consideration of the covenants and agreements herein reserved and by said Lessees kept and performed, has granted, demised and let, and by these presents does grant, demise and let unto said Lessees, the mining property of Lessor, situate in the County of Eureka, State of Nevada, and particularly described as follows:

"Five mining claims known as Belmont or Lead Bar, Lead Bar No. 1 - Lead Bar No. 2 - Lead Bar No. 3 - Lead Bar No. 4 which mining Claims are situated approximately five (5) miles Southeasterly from the Willow Creek Ranch and about eight (8) miles westerly from the Alpha Ranch on the east flank of the Roberts Creek Oak Range of Mountains."

6. TO HAVE AND TO HOLD the said demised premises unto said Lessees for the purpose of mining and no other purpose, for the term of five years from the date hereof, together with an option for an additional five years under the same term and condition as this lease. The option automatically goes into effect unless the lessees by written notice informs the lessor that the lease is to be terminated.

7. That Lessees herein are independent contractors and there shall be no privity of contract between Lessor and employees of Lessees, but all such employees, whether on a wage or profit sharing basis, shall be selected by Lessees, hired by Lessees, directed by Lessees, paid by Lessees, and may only be discharged by Lessees; Lessees shall have exclusive dominion and control over the leased property and the operations therein during the term hereof.

8. That they will enter upon said leased premises cause the same to be worked with reasonable diligence; and by the term "reasonable diligence" as used herein the parties agree that there shall be no minimum work requirements for the six month period immediately following the signing of this lease, but thereafter 150 shifts during each successive three month period shall constitute prima facie evidence of such reasonable diligence; that they will perform all work in said demised premises in a safe and minerlike manner in accordance with the mining laws of the State of Nevada and such rules and regulations as may have been or may be issued by the State of Nevada or any subdivision thereof. All openings shall be maintained in accordance with standards established by such rules and regulations, and shall be kept thoroughly drained, clear of loose rock and rubbish and obstruction unless prevented by conditions or circumstances beyond Lessees control.

9. All taxes assessed against the property described herein and on the operations thereon including taxes on property and on production shall be borne by Lessor and Lessees in equal amount. Ten (10) per cent of all Net Smelter Returns on all ore shipments made from

said property shall be held by Lessor to pay such taxes when due and after payment of such taxes as are assessed the excess remaining from said Ten (10) per cent so withheld shall be divided equally between Lessor and Lessees, any deficite shall be borne equally by the parties. Upon the termination of this lease the taxes are to be determined and thereafter no taxes are to be paid by Lessee.

10. To carry, at Lessees expense, Workmen's compensation Insurance and any other compensation and insurance as provided by the Nevada Law covering Lessees; employees and sublessees. Before commencing any work under this Lease, to furnish to Lessor a certificate of the insurance carrier that Lessees employees and sublessees are covered with Workmen's Compensation Insurance and such other compensation or Insurance as provided by Nevada Law and an agreement of the insurance carrier that the policy or policies for such insurance will not be cancelled without first giving Lessor at least ten (10) days' notice of intention to cancel the same; to pay any taxes and make any deductions under the Federal Insurance Contributions Act, Federal Unemployment Tax Acts, Nevada Unemployment Acts, for which Lessee may become obligated, and to comply with all other laws, rule and regulations of any duly constituted governmental authority affecting Lessee's operations in or on said leased premises; and, on request of Lessor to furnish supporting evidence of compliance with the requirements of this paragraph.

11. Lessor shall have the right to visit and inspect the mine workings, at reasonable times, the time to be agreed upon by Lessee and Lessor.

12. Lessees will pay any charges directly resulting from any shipment of ores, the proceeds from which are not sufficient to meet all trucking freight, and smelter charges in connection with the shipment of such ore.

13.. That they will forthwith post and thereafter keep posted in conspicuous places on the demised premises as many written notices as may be necessary to adequately notify all persons who may come within or upon the demises premises, that the same are held by Lessees under a lease from Lessor, and that Lessees and not Lessor are liable for all labor, or work performed, contracted for or used by Lessees in and upon the demised premises, and that Lessees and not Lessor shall be responsible for all debts and expenses for labor incurred in mining operations in or upon the demised premises.

14. That they will hold Lessor harmless and fully indemnify her against all claims and demands of every kind and nature which may be made upon Lessor, or against the above described premises for or on account of any debts or expenses contracted or incurred by Lessees, as well as from and against all acts, transactions or omissions by Lessees, their agents and servants, including claims, demands, causes of action, costs and expenses arising during the continuance of this agreement from or on account of injury to any person, whether occasioned by any unsafe or dangerous condition of any part of the above described premises or any workings thereon or therein used by Lessees, or otherwise, and will defend Lessor at their own cost and expense from any such liability or asserted liability.

15. That Lessees cannot jointly or severally sell any interest in this lease without written consent of the other Lessee or Lessees and written consent of the Lessor.

16. That they will deliver to Lessor the said premises with the appurtenances and improvements, in good order and condition, without demand or further notice on the last day of the term, or any extension of term hereof, or at any time previous thereto, upon demand for forfeiture; provided, that Lessees shall have thirty days from and after the date of any such

termination in which to remove all broken ore from the property for shipment under the terms of this agreement.

17. Lessees shall have access to all original records of mine, mill and smelter returns to enable them to check such receipts, deductions and payment. Lessess shall have the right to be present or be represented at the sampling of any ores should they so desire. Lessees shall pay the cost of assaying mine samples, and also the cost of any surveys desired by them. Lessor shall not be liable for ore lost by theft, accident or financial difficulties of the ore buyer not arising from her negligence, nor shall she collect any royalties on ores so lost.

18. Net Smelter Returns on all ores shipped from the property under this lease shall be divided equally, fifty (50) per cent to Lessor and fifty (50) per cent to Lessees. All shipments shall be made in the name of Lessor and settlement made by Lessor with Lessee on receipt of such returns. Net Smelter Returns being defined as the net amount received on any Lot of Ore shipped from the property under this lease to a custom Mill or Smelter after deduction of treatment charges, freight, trucking, assaying and any other charges incident to the marketing of said Lot of Ore. Any subsidy or other payments made by the United States Government on ore from the property under this lease shall be divided equally fifty (50) per cent to Lessor and fifty (50) per cent to Lessees at the time of receipt of any such payments, or if such a division is prohibited by law the division is to be made in accordance with the law and regulations pertaining thereto.

19. Upon violation by Lessees of any of the covenants or agreements of this lease, the term of this Lease shall, at the option of Lessor, terminate and expire, and the Lease and leasehold, rights of Lessees in the premises shall be forfeited, if such default or violation shall continue at the expiration of thirty (30) days next after Lessor shall have given to Lessees written notice of such violation or default, and demand for possession of the leased premises because thereof, Lessees being given said thirty (30) days' time to overcome the cause of such forfeiture by full compliance with the violated covenant or agreement, and if such cause be not so overcome at the expiration of said thirty (30) days' time, without further demand or notice. Lessor, by its agents or attorneys, may enter upon the leased premises and dispossess all persons occupying the same.

20. That all operations shall be conducted in a safe and prudent manner; and it is agreed that should any dispute arise between Lessor and Lessees regarding the conduct of operations in a safe and prudent manner, such dispute shall be referred to the State Mine Inspector for decision, such decision to be final and binding upon both parties.

21. That this Lease applies only to ore bodies, vein, or ledges and the extra lateral rights thereof appertaining to said property owned or controlled by Lessor, and in no event or circumstances shall Lessor be held liable if Lessees' operations becomes a trespass.

22. Operations may be suspended by either party to this Lease due to any causes beyond the control of such party including Acts of God, fire, destruction of mine, strikes, riots, unavailability of labor, materials or supplies, or low price of metals prohibiting profitable operations by Lessees. In the event of unavoidable suspension of operations the term of this lease shall be extended for a period equal to the time of such suspension or suspensions, and Lessees shall be excepted during such suspension from the minimum work required herein contained.



23. At the option of the Lessees without stating any reasons therefore, this lease may be terminated upon ten days written notice to the Lessor by the Lessees. That after said notice has been served and the ten day period has elapsed the Lessees and Lessor will be released from any further liability or obligation hereunder.

24. In the event of the sale of the property on which this lease is granted during the period of the lease, Purchaser shall pay Lessees 25 per cent of the sale price for cancellation of this lease. Which payment or payment shall be made by Purchaser to Lessees at the time and in the manner provided in the sales agreement.

25. Lessees at the time of signing of this lease shall be in possession of \$2000.00 for working capital and shall furnish Lessor with satisfactory evidence of the possession of such sum for such purpose, but Lessees shall retain exclusive rights of possession and expenditure of said money.

26. Any claims located or otherwise acquired by Lessor or Lessees contiguous with the above described claims shall be included in this lease and notice of such acquisition shall be furnished within thirty (30) days following such acquisition.

Signed and executed on the date above written.

Merle Baldwin  
Lessor  
Miles P. Romney  
Lessee  
Karl B. Hanney  
Lessee  
Hugh M. Baldwin  
Lessee

STATE OF NEVADA )  
COUNTY OF EUREKA.) ss

On this 7th day of Dec. A.D. 1950, personally appeared before me County Clerk of the Third Judicial District Court, in and for Eureka County, Hugh Baldwin 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 at my office in the County of Eureka the day and year in this certificate first above written.

(Official Seal) Ed Delaney  
County Clerk Ex-officio  
Clerk of the Third Judicial Court.  
In and for the County of Eureka State of Nevada.

STATE OF NEVADA )  
COUNTY OF EUREKA.) ss.

On this 7th day of December, A.D. 1950, personally appeared before me County Clerk of the Third Judicial District Court, in and for Eureka County, Merle Baldwin 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 at my office in the County of Eureka the day and year in this certificate first above written.

(Official Seal) Ed Delaney  
County Clerk Ex-officio Clerk of the Third Judicial Court.

STATE OF UTAH        )  
COUNTY OF SALT LAKE) ss.

On the 30 day of November, 1950, personally appeared before me Miles P. Romney, the signer of the within instrument, who duly acknowledged to me that he executed the same.

(Notarial Seal) Golden W. Robbins  
Notary Public  
Residing at Salt Lake City, Utah

STATE OF UTAH        )  
COUNTY OF BEAVER.) ss.

On the 1st day of December, 1950, personally appeared before me Karl G. Hanney, the signer of the within instrument, who duly acknowledged to me that he executed the same.

(Notarial Seal) Gladys Shingleton  
Notary Public  
Residing at Milford, Utah.

#### SUPPLEMENTAL AGREEMENT

This Supplemental Agreement is to be attached to the Lease and Agreement entered into on the 30th day of November, 1950, by and between Merle Baldwin of Eureka, Nevada, therein designated as the lessor and Hugh Baldwin, Karl G. Hanney and Miles P. Romney therein designated as Lessees.

It is hereby mutually understood and agreed between Merle Baldwin said lessor and Hugh Baldwin, Karl G. Hanney and Miles P. Romney lessees that paragraph six (6) of said Lease shall be deleted and in lieu thereof the following paragraph shall be inserted:

6. To have and to hold the said demised premises unto said lessees for the purpose of mining and no other purposes, for the term of five (5) years from the date hereof. That upon performance of the Lease and Agreement by Lessees, during the term thereof, the said lessor agrees upon the expiration of the lease term of five (5) years to enter into and execute a lease to the said lessees granting an additional five (5) year lease under the same terms and conditions as contained herein.

This Supplemental Agreement dated as of the \_\_\_\_ day of January, 1951.

Merle Baldwin  
Lessor

Hugh M. Baldwin  
Lessee

Karl G. Hanney  
Lessee

\_\_\_\_\_  
Lessee

Recorded at the Request of Merle Baldwin May 23 A.D. 1951 At 30 minutes past 1 P.M.

R. W. Gibson--Recorder.