

and

Simplot Iron Mines, Inc.,  
Lessee.

# LEASE AGREEMENT

# L E A S E   A G R E E M E N T

THIS LEASE, made and entered into this 26th day of June, 1953, by and between PATRICK PRIMEAUX and ANNA MARIE PRIMEAUX, husband and wife, residents of the County of Elko, State of Nevada, parties of the first part, hereinafter called the lessors; and the SIMPLOT IRON MINES, INC., a Nevada corporation, hereinafter called the lessee:

W I T N E S S E T H:

That the said lessors for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) to them in hand paid by the lessee, receipt whereof is hereby acknowledged and for further consideration of the royalties herein reserved and the covenants and agreements hereinafter expressed and by the said lessees to be kept and performed, have granted, demised and let and by these presents do grant, demise and let unto the said lessee, and the said lessee does hereby hire and take from the said lessors the following described unpatented lode mining claims situated in an unknown Mining District in the County of Eureka, State of Nevada, and particularly described as follows:

"Suzy #1", "Suzy #2", "Suzy #3", and  
"Suzy #21".

Together with the first parties' interest in and to the rights, privileges and franchises thereunder incident, appurtenant or appendant, or therewith usually had and enjoyed.

Together with all dips, spurs and minerals therein contained and appertaining, and all water rights and hydro-power rights of any of the first parties, whether arising by use or otherwise, and used or intended to be used upon or in connection with the development or operation of the above-described mining claims.

TO HAVE AND TO HOLD the same unto the said lessee for the term of thirty-five (35) years beginning with the 26th day of June, 1953, and ending on the 26th day of June, 1988, subject to the terms and conditions hereof, unless sooner forfeited or terminated through the violation of any condition, covenant or agreement herein set forth.

In consideration of such demise and lease the said lessee does hereby covenant and agree with the said lessors to pay royalties and to perform work in the manner following:

To pay to said lessors a royalty of twenty-five cents (\$.25) per ton on each ton of iron ore mined and shipped therefrom. That complete statements of the tonnage mined and shipped shall be rendered to the lessors by the lessee on or before the end of the calendar month following the month in which any shipments shall have been made. All ores to be weighed before shipping. Railroad weights will be final in determining the tonnage shipped.

The said lessee, shall at its own expense cause mining engineers to examine the property, the subject of the lease, and to do such exploratory drilling and development as they deem necessary to satisfy themselves as to values and tonnages and to make an engineering report thereof on possible mineral deposits on said properties.

Said examination and exploratory work to be performed prior to the date that commercial mining operations are commenced upon the adjoining Miller Claims known as the "Monterey and Contra Costa". Said survey and exploratory work shall establish as far as possible the extent of the iron ore deposit or deposits, if any, within the leased claims. Upon the completion of said survey and exploratory work, the lessee shall notify the lessors by written report of the results thereof to the extent of estimated iron ore tonnages within said claims. Said notification to be prior to commencement of commercial mining operations upon the so called Miller Claims.

As the so called Miller Claims are commercially mined and the ore shipped therefrom the lessee shall pay to the lessors five cents per ton. Said payment to be an advance upon the twenty-five cents per ton royalty payable hereunder on iron ore mined and shipped from the leased claims.

At such time as this advanced payment shall equal the amount payable at twenty-five cents per ton on 2/3rds of the tonnage established within the leased claims by the above mentioned written report, such payments will cause.

The twenty-five cents per ton royalty payments on iron ore mined and shipped from the above leased claims shall not become due and payable until the credit, if any, against such royalties established by the advanced payments from the Miller property operations shall have been retired.

The said lessee shall allow said lessors and their agent or agents to enter into and upon all parts of the mine and mining property from time to time for purposes of inspection.

The lessee shall be solely responsible for all work and labor done upon or about said mining premises and property under the terms hereof, and for all materials and supplies furnished and to be used in the working of said property or in the construction of any improve-

ment or improvements thereon by the said lessee, and the said lessee will not by any act cause, permit or suffer any lien of any kind to attach to the said property or any part thereof, and will save, defend, and keep harmless and indemnify the said lessors and said property of and from any and all such lien or liens; that no person employed in or about said property shall be deemed to be the employee of the said lessors within the contemplation of an Act of the Legislature of the State of Nevada, known as the "Workman's Compensation Act", or of any Act or Acts amendatory thereof, or analogous or supplementary thereto; that said lessee conduct all mining operations in and upon said mine and mining property in strict accordance with the provisions of an Act of the Legislature of the State of Nevada, entitled "An Act creating office of Inspector of Mines," etc., approved March 24, 1909, and all Acts supplementary thereto or amendatory thereof. That the said lessee shall carry industrial insurance upon all employees working in and about said premises and in accordance with the terms and conditions of what is known as and called the "Nevada Industrial Insurance Act."

That upon the violation of any covenant or agreement herein reserved, the term of this lease shall, at the option of the said lessors, expire and terminate and the said lessors shall have immediate possession of the premises and property hereby demised and leased to the said lessee. The Waiver of said lessors of any breach or violation of this agreement shall not be deemed to be a Waiver of any subsequent violation thereof. Provided, however, that the lessee shall not be deemed in default of any violation of any of the terms of this agreement unless and until they shall receive thirty (30) days' written notice from the lessors, or one of them, setting forth such violation and the same is not corrected or performed within thirty (30) days after such written notice. Written notice shall be deemed to have been given the lessee by the lessors, or one of them, when the same shall have been deposited in the United States Post Office at Elko, Nevada, addressed to lessee, Continental Bank Building, Boise, Idaho.

All payments of royalties to be applied thereupon, shall be made to the First National Bank of Nevada at Winnemucca, Nevada, to be applied to the credit of the said lessors.

Said lessee agrees to post and keep posted in a conspicuous place on said premises NOTICE OF THE NON-LIABILITY OF THE SAID LESSORS, notifying all persons that the said lessors are not responsible or liable for any labor performed, materials furnished or improvements made upon said premises during the term of this Agreement and to place a copy of said Notice, together with an Affidavit that the same has been posted on file in the Recorder's office of Eureka County, Nevada, in all respects as required by Section 3743, N. C. L. 1929, as amended and in all respects as required by the laws of the State of Nevada, to assure and guarantee the non-liability of the said lessors in respect to any liens or claims that might be filed against said property. Such non-liability of the said lessors and such Notice of Non-liability of the said lessors as referred to in the preceding statement shall likewise apply to any injury or damage to third persons or property of any third persons. Neither the said lessors nor the property itself, nor any part thereof, shall be liable for any such claim for labor, materials, damage or injury.

That the said lessee shall not mix any ores or products from the leased premises with the ores or products derived from any other property, unless the ore from these premises shall have been previously weighed.

In the event of forfeiture or termination of this Agreement, for any cause, as herein specified, all sums of money paid to the said lessors by the said lessee as royalties or advances upon royalties shall be retained by the said lessors.



It is mutually understood and agreed that in case of forfeiture, surrender or other termination of this lease all under ground timbering, shaft linings and other fixtures necessary for the preservation of any mines and all rails and head-frames upon or in the said leased premises, shall be and remain a part of the realty, and shall revert to the said lessors. All personal property of the said lessee located within the leased premises, including machiner, equipment and tools, shall in the case of forfeiture or other termination of this lease remain the property of the said lessee and the said lessee shall have thirty (30) days after the termination of this lease to remove such personal property from the leased premises.

All houses and buildings of any name, nature and description, constructed upon the premises by the said lessee, shall become a part of therealty and revert to the said lessors in the event of forfeiture or termination of this lease.

In the event counsel for the lessee determines that legal title to any or all of the above mining claims, or any claims which might become the subject of this lease, or any interest therein or thereto is not merchantable, then the lessee may at its option take any and all steps at its sole expense, of any nature including any legal action to perfect said title, and the lessors covenant that any steps to perfect said title or titles, shall be taken in the name of said lessors, and they further covenant to cooperate with the lessee fully in perfecting said title.

In consideration of the premises the said lessors hereby grant unto the said lessee the right and option to renew this lease for an additional period of thirty-five (35) years.

The lessee shall have the right to terminate this agreement at any time during the life hereof upon thirty (30) days written notice, served upon the lessors at 238 West Fourth Street, Winnemucca, Nevada, by registered mail, provided, however, that as of the date of giving such notice, the lessee shall not be in default in any of the covenants of this agreement, including the payment of royalties.

Lessee agrees to perform all the annual assessment work upon said mining claims required by Federal and State Law to be performed on and after July 1, 1953, and continuing during the term of this lease. (It is agreed that if the lessee shall cause a new survey to be made of said mining claims for the purpose of determining the exact boundary of said claims and in the event said survey should show that the present boundary lines are inaccurate, then the lessors agree to cooperate fully with the lessee in executing and filing the necessary correction papers.)

The said lessors do hereby covenant and agree, that the said lessee paying the said royalties and observing the covenants and agreements herein contained, shall and may peaceably and quietly have, hold and enjoy the said premises and property during the full term hereof.

The provisions of this agreement shall inure to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

Time is of the essence of this agreement.

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

Patrick Primeaux

PATRICK PRIMEAUX

Anna Marie Primeaux

ANNA MARIE PRIMEAUX

LESSORS

SIMPLOT IRON MINES, INC.

By J. R. Simplot

President

(Corporate Seal)

Robert I. Troxell  
Secretary

STATE OF NEVADA       )  
                              ) SS.  
COUNTY OF HUMBOLDT )

On this 26th day of June, 1953, personally appeared before me, a Notary Public in and for said County and State, - PATRICK PRIMEAUX and ANNA MARIE PRIMEAUX, husband and wife, - known to me to be the persons described in and who executed the foregoing instrument, and 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 last above written.

(Notarial Seal) James A. Callahan  
NOTARY PUBLIC

My commission expires: \_\_\_\_\_  
February 28, 1955

STATE OF IDAHO       )  
                              ) SS.  
COUNTY OF ADA       )

On this 27 day of June, 1953, personally appeared before me, a Notary Public in and for said County and State, - J. R. SIMPLOT and ROBERT I. TROXELL, known to me to be the President and Secretary, respectively of the corporation that executed the foregoing instrument; and upon oath did depose and say that they are the officers of the said corporation as above designated; that they are acquainted with the seal of said corporation, and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument 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 said County and State, the day and year in this certificate last above written.

(Notarial Seal) L. E. Haight  
NOTARY PUBLIC

My commission expires: \_\_\_\_\_  
Sept. 16, 1956.

Recorded at the Request of L. E. Haight July 9, A.D. 1953, At 45 minutes past 11:00 A.M.

R. W. Gibson--Recorder.