

File No. 31263

Franklin E. Batt, and)
 Martha L. Batt, his wife,)
 Lessors,)
) Lease
) to
 V. C. Frazier,)
 Lessee.)

LEASE

THIS INDENTURE made this 22nd day of January, A. D. 1954, by and between FRANKLIN E. BATT and MARTHA L. BATT, his wife, of the Town of Carlin, County of Elko, State of Nevada, the parties of the first part, hereinafter called the Lessors, and V. C. FRAZIER, of the Town of Carlin, County of Elko, State of Nevada, the party of the second part, hereinafter called the Lessee,-

W I T N E S S E T H:

That the said Lessors for and in consideration of the payments, covenants and agreements herein expressed and by the Lessee to be paid, kept and performed have granted, demised and let and by these presents do grant, demise and let unto the Lessee, and the Lessee, and the Lessee does hereby hire and take from the Lessors the following mines and mining property situate in Eureka County, State of Nevada, together with the appurtenances more particularly described as follows:

Bonanza and Bonanza No. 1 mining claims
 situate in Sections 12 and 18, Township
 35 North, Range 50 East, Lynn Creek,
 Eureka County, Nevada.

TO HAVE AND TO HOLD the same unto the said Lessee for the term of twenty-five (25) years beginning with the date hereof and ending on the 21st day of January, A. D. 1979, unless sooner forfeited or terminated through the failure of the Lessee in the performance of any covenant, condition or agreement herein contained.

In consideration of such demise and lease, the said Lessee does hereby covenant and agree with the said Lessors as follows:-

To pay to said Lessors as rentals ten (10%) per cent of the gross clean-up of all free gold and ten (10%) per cent of the net cash price of all by-products to be derived from operations on said mining claims. Said rentals shall be paid to the Lessors or either of them in the Town of Carlin, County of Elko, State of Nevada, or wherever they shall designate payment to be made in the State of Nevada.

It is understood and agreed by and between the parties hereto that the settlements for the ten (10%) per cent gross clean-up of free gold shall be made with the Lessors not later than fifteen (15) days after such clean-up and the payment of ten (10%) per cent of the net by-products shall be made not later than twenty-eight (28) days following the month in which shipments are made.

The Lessee agrees to be in operation not later than August 1, 1954.

It is specifically understood by and between the parties hereto that the Lessee or his assignee will place a dredge upon said demised premises and will engage in dredging operations and that the same may be done with the consent of the Lessors with said dredging operations to commence as soon as the Lessee can make arrangements therefor.

The Lessee will do and perform or cause to be done and performed all annual assessment work necessary to hold any of said mining claims under the laws of the United States of America and of the State of Nevada, and will file all necessary proofs of labor during the

term hereof in the name of the Lessors in the Office of the County Recorder of the County of Eureka, State of Nevada.

The Lessors do hereby covenant and agree that the Lessee paying the installments of rent at the times herein mentioned 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 or any extension or renewal hereof.

The Lessee, if not in default of the payment of rentals hereunder may extend this lease for an additional term of twenty-five (25) years from and after the expiration of said original term by giving to Lessors or their assigns written notice of his election to extend the same at least thirty (30) days prior to the expiration of the original term. Upon such notice being given should Lessee not be in default hereunder this lease shall be extended for an additional term of twenty-five (25) years upon all of the terms, conditions, provisions and covenants as herein set out.

Upon the violation of any covenant or agreement in this lease 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 said premises and property herein demised and leased to the Lessee.

It is specifically understood and agreed by and between the parties hereto that this lease and option to renew will be assigned by the Lessee to the GOLD OF OPHIR PLACER, INC., a corporation organized and existing under and by virtue of the laws of the State of Nevada, which said corporation will conduct the actual mining operations.

The Lessee or his assignee may upon giving the Lessors sixty (60) days notice thereof in writing terminate this lease and option and the said Lessee shall have the right to remove from the said demised premises all equipment and mining machinery placed therein or thereon.

The Lessee shall be solely responsible for all work and labor done upon or about said mining property, and for all materials and supplies furnished and to be used in the working of said property or in the construction of any improvement or improvements thereon, and to not, by any act, cause, permit or suffer any lien of any kind to attach to the said property or any part thereof, and to save, defend, 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 will conduct or cause to be conducted 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 23, 1909, and all acts supplementary thereto or amendatory thereof. That the said Lessee shall carry industrial insurance upon all parties employed by it 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".

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 nor 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, 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.

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

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

Franklin E. Batt

Martha L. Batt
Lessors

V. C. Frazier
Lessee

STATE OF NEVADA)
) SS.
COUNTY OF ELKO)

On this 21, day of January, A. D. 1954, personally appeared before me, a Notary Public in and for the said County and State, -FRANKLIN E. BATT and MARTHA L. BATT, his wife, and V. C. FRAZIER, -known to me to be the persons described in and who executed the above and 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 at my office in the said County and State, the day and year in this certificate first above written.

(Notarial Seal)

John W. Puett
NOTARY PUBLIC

My commission expires: Sept. 26, 1956.

Recorded at the Request of V. C. Frazier June 21 A.D. 1954 At 11 minutes past 1 P.M.

R. W. Gibson--Recorder.