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EUREKA COUNTY

Eureka County - NV
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Fee: _____ Page 1 of 14
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APN# _____

Recording Requested by:

Name: EUREKA COUNTY

Address: _____

City/State/Zip EUREKA, NV

LEASE AGREEMENT (JULY 25, 2008)
(Title of Document)

This page added to provide additional information required by NRS 111.312
Sections 1-2.
(Additional recording fee applies)

This cover page must be typed or printed.

LEASE AGREEMENT

**BY AND BETWEEN EUREKA COUNTY, A POLITICAL SUBDIVISION OF
THE STATE OF NEVADA (LANDLORD), AND EUREKA MOLY, LLC, A
DELAWARE LIMITED LIABILITY COMPANY (EMLLC)**

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100. Parties to and purpose of this lease agreement

This real property lease agreement is entered into by and between Eureka County, a political subdivision of the State of Nevada, through the Board of Eureka County Commissioners (Landlord), and Eureka Moly, LLC, a Delaware limited liability company in good standing (EMLLC), for the placement of temporary construction worker housing on property owned by Eureka County.

200. Preconditions to execution of this lease

All of the following preconditions must be satisfied before this lease has any force or effect:

A. Landlord must obtain at least one appraisal of the property to be leased and then adopt a resolution at a public hearing to declare that it is in the best interests of the public to lease the property without offering it to the public, and for less than fair market value, pursuant to N.R.S. 244.2815 and N.R.S. 244.2795; and

B. EMLLC must supply Landlord with the disclosure required by N.R.S. 237.023 of ownership interest in the company; and

C. The parties must publicly and openly recognize the best interests of the public will be served by this lease because locating EMLLC's temporary construction worker housing close to the town site of Eureka will secure the necessary law enforcement, fire, and ambulance services required by the construction workers at a minimized cost to Eureka County. This precondition shall be satisfied by conducting at least one public hearing pursuant to Nevada's Open Meeting Law on the conditions and terms of this lease agreement; and

D. Both parties must execute this lease agreement by signing it in paragraph 2200 and dating it at the top; and

E. Ames Construction Company, the general contractor identified by EMLLC, shall provide a bond for the work to be completed by EMLLC under this agreement; and

F. A security deposit of \$100,000.00 shall be provided to Landlord by EMLLC. If construction work in progress stops as a result of EMLLC's abandonment of this project, the security deposit shall be used to cover costs to make safe and stabilize disturbed areas of the lease property. Return of the security deposit is governed by paragraph 1300C.

G. The executed and dated lease agreement must be recorded with all attachments, if any, in the Office of the Eureka County Recorder.

300. Term

This lease term begins when all the preconditions in paragraph 200 have been satisfied, and this lease terminates no later than September 1, 2013.

400. Rent

The appraisal of the property will value it at an amount of money greater than the rent EMLLC is willing to pay. In lieu of a monthly rental amount, and in recognition that placement of temporary construction worker housing on the property will lead to cost savings for both EMLLC and Eureka County, EMLLC agrees to perform the following tasks at no cost to Landlord on or before September 1, 2010:

A. EMLLC shall safely relocate the personal property of Landlord (that is on the real property subject to this lease agreement at the time this lease is executed by the parties) to the County Shop, the area near the sewer ponds, and the County Landfill at the direction of Landlord; and

B. EMLLC shall demolish, dispose of, and replace the structure (that is on the real property subject to this lease agreement) with a structure acceptable to Landlord in all respects at a place to be designated by Landlord. This structure is Eureka County's stray animal pound. EMLLC is responsible for demolishing the existing structure, disposing of it, and replacing the structure with one that is twice the square feet of the original structure at a County owned lot approximately 2.10 acres in size near the intersection of U.S. Highway 50 and Ridgetop Road in Eureka, APN #01-222-02, and constructing a graveled access road from Ridgetop Road to the new structure, connecting the structure to electrical power, water, and sewer, and fencing the structure; and

C. EMLLC shall provide a chain link fence (consistent in size and construction with the BLM property perimeter fence near the Fairgrounds), and a vegetative greenscape of drought hardy trees and shrubs to prevent conflicts of use in three areas: (1) between the adjacent Eureka County Fairgrounds property, APN #01-221-03, and the improvements; and (2) between the adjacent BLM property, APN #01-221-04, and the improvements, and (3) between adjacent APN # 01-221-01 (Clark property) and the improvements.

D. EMLLC shall prepare an overall comprehensive development plan of the leased property for review and approval by the Landlord, to include evaluation and management of impacts to adjacent property owners. EMLLC shall confer with the adjacent property owners (referenced in paragraph C) and the Landlord

regarding steps to prevent conflicts in use.

500. Permissible use of the leased property

A. This lease agreement authorizes EMLLC, and its agents and employees, to use the leased property only for temporary construction worker housing, and EMLLC shall not permit waste or abuse of the premises. All maintenance and repair of the leased property and improvements placed on it shall be the responsibility of EMLLC while this lease is in effect.

B. EMLLC and its agents and employees shall not permit the excessive use of alcoholic beverages, and will prohibit the use or possession of controlled substances and firearms on the leased property. No open fires or fire pits are allowed.

C. EMLLC shall install a chain link perimeter fence around the area where temporary construction worker housing is placed, with one gate for ingress and egress controlled by a security guard on staff at all times, and a secondary emergency access gate.

D. EMLLC shall not impair the provision of water, sewer, and electrical service to customers (the Fairgrounds, BLM, the Clark property, and stray animal facilities) on or near the leased property without notice and without promptly providing replacement services.

E. EMLLC shall provide active and effective control of dust and erosion which results from EMLLC's activities on the leased property, and trees or other vegetation removed must be mulched on the leased property and used or disposed of on the leased property. Trees and limbs greater than 4 inches in diameter may be cut and hauled off the property for use as firewood.

600. The leased property described

The site to be leased is approximately 164.19 contiguous acres of real property owned by Eureka County, generally located near the Eureka County Fairgrounds in the unincorporated town of Eureka, Eureka County, Nevada. While the entire area is leased by EMLLC, only a portion of the area shall be used for temporary construction worker housing. The balance of the site is subject to this lease to prevent conflicting uses. The area to be used for temporary construction worker housing shall be depicted by EMLLC on the Site Map, which is an attachment to this Agreement, and shall encompass approximately 50 acres, more or less.

700. Prohibition on transfer or encumbrance of the leased property

The qualifications and identity of EMLLC, and its principals, partners, and officers, are of particular concern to the Landlord, and it is because of such qualifications and identity that the Landlord has entered into this lease agreement with EMLLC. No voluntary or involuntary successor in interest of EMLLC shall automatically acquire any rights or powers under this lease agreement. EMLLC shall not encumber in any way, or sell, transfer, convey, or assign the whole or any part of this lease, the leased property, the site, buildings, or improvements, without the express written permission of the Landlord. Landlord has the absolute discretion to grant or deny EMLLC's request.

800. Disclaimer of warranties

EMLLC and Landlord recognize that an affiliate of EMLLC on January 22, 2008, has been granted a revocable letter of entry to examine the leased land to determine the suitability of the land for development. EMLLC ACKNOWLEDGES AND AGREES THE SITE IS TO BE LEASED AND ACCEPTED BY EMLLC IN AN "AS IS" CONDITION WITH ALL FAULTS AND DEFECTS, IF ANY. Landlord makes no representations or warranties of any kind whatsoever, either express or implied, with respect to the leased property. In particular, but without limitation, Landlord makes no representations or warranties with respect to the use, condition, title, occupation or management of the site, building, fire, safety, health or environmental matters, and compliance with covenants, conditions, and restrictions (whether or not of record). EMLLC understands and acknowledges that notwithstanding any prior or contemporaneous oral or written representations, statements, documents or understandings, this lease constitutes the understanding of the parties with respect to the use of the leased property for temporary construction worker housing and its development for that purpose, and supersedes all other oral or written representations, statements, documents, or understandings.

900. Indemnification and insurance

A. EMLLC or its agent shall obtain and maintain during the existence of this lease, general comprehensive liability insurance for bodily injury and property damage in the minimum amount of Ten Million Dollars (\$10,000,000) combined single limit, with Eureka County as an additional insured. Coverage shall be maintained in effect for one (1) full year after the last day this lease is in effect.

B. In addition to the insurance required, EMLLC shall assume and be responsible

for, and shall hold harmless Eureka County, and its officers, consultants, employees and agents from and against any and all actions, claims, demands, liabilities, losses or costs, including attorney's fees and court costs, for injuries to or death of any persons(s) or damages to property, including property of Eureka County, which may arise out of, be caused by or result from the performance of EMLLC's obligations under this lease excluding any claims, demands, liabilities, losses or costs resulting from the acts or omissions of Landlord and any of their respective agents or employees.

C. Subject to the limitations placed upon the waiver of sovereign immunity described in the Nevada Revised Statutes, Eureka County shall assume and be responsible for, and shall hold harmless EMLLC and its officers, employees and agents, from any and all claims, demands, actions, liabilities, losses or costs, including attorney's fees and court costs, for injuries to or the death of any person(s) or damages to property, including property of EMLLC, which may arise out of, be caused by or result from the performance of Eureka County's obligations under this lease excluding any claims, demands, liabilities, losses or costs resulting from the acts or omissions of EMLLC, and any of its officers, consultants, agents and employees.

D. No member, official, agent or employee of Eureka County shall be personally liable to EMLLC in the event of any default or breach by Landlord under the terms of this lease.

1000. Inspection, acceptance, and removal of improvements

A. All temporary improvements made by EMLLC to the leased property shall be removed on or before the end of the lease term, unless the Landlord grants written permission for these temporary improvements to remain. Temporary improvements are all improvements and items of personal property not affixed to the real property, including but not limited to mobile homes, vehicles, and equipment. EMLLC may only install permanent improvements to the real property upon the express written permission of the Landlord. Permanent improvements are all improvements affixed to the real property, or difficult to remove, including but not limited to underground utilities and permanent structures. Permanent improvements will be approved by the Landlord provided they are consistent with a comprehensive overall development plan of the leased property.

B. A person or firm mutually agreeable to both parties shall promptly inspect all improvements, both temporary and permanent, and act as the Field

Engineer/Inspector. The cost of retaining the Field Engineer/Inspector shall be the responsibility of EMLLC. If the inspection identifies a problem, both parties will be notified, and EMLLC will work to remedy the problem. No improvements shall be buried prior to inspection and acceptance by the Field Engineer/Inspector. No improvements shall be accepted or allowed to remain upon the property if the problem(s) identified in the inspection(s) are not remedied. All notifications of allowing permanent improvements on the leased property, inspection and acceptance, and the steps taken to remedy any problems identified in an inspection, must be in writing.

C. Permanent improvements, if accepted by Landlord, may remain on the leased property after this lease expires. Temporary improvements may only remain upon the property after this lease expires upon written permission from the Landlord.

1100. The contractor and construction company

EMLLC will inform the Landlord in writing of the name and license numbers of the contractors and subcontractors who will carry out EMLLC's obligations under this lease, and who will improve and occupy the leased property. The contractor, the construction company and all subcontractors must be licensed in the State of Nevada and in good standing. EMLLC shall determine by consulting with the State Labor Commissioner whether prevailing wage must be paid.

1200. Compliance with local, State, and federal laws

A. EMLLC and its agents shall carry out the construction of improvements with all applicable laws, including all applicable federal, state, and local standards.

B. The following codes and design standards shall apply to all improvements to be made to the leased property, and to the obligations of EMLLC under this lease; and more recent codes may be applied if agreed to in writing by both parties:

1. 2003 Uniform Mechanical Code; 2003 Uniform Plumbing Code; 2003 International Fire Code; 2003 International Building Code; 2003 Residential Building Code; and 2002 Electrical Code
2. Seismic design site Class D, or greater as determined by geotechnical investigation
3. Wind speed 100 miles per hour (3 second gust); Wind exposure C
4. Snow loads 30 pounds per square foot
5. Frost depth 30 inches
6. Importance factors shall be applied pursuant to Table 1604.5 in the

2003 International Building Code

7. Standard Specifications For Public Works Construction (Orange Book, current edition)

1300. Plans and data

A. When this lease is terminated, EMLLC shall deliver to the Landlord any and all plans and data concerning the site, and the Landlord or its designee shall be free to use such plans and data for any reason whatsoever without cost or liability to EMLLC. Regardless of when this lease is terminated, EMLLC shall deliver to the Landlord free of charge plans of the permanent improvements on the leased property as built, which will include but not be limited to depicting the exact location of all buried utility lines as they are completed. A description of the planned commencement and completion of the work contemplated by this lease is described below.

B. The work anticipated to be completed before January 1, 2009, weather permitting includes:

1. Environmental review of the property; and
2. Survey and flagging; and
3. Firewood harvesting; and
4. Major earthwork, including culverts, rip-rap, fencing, relocating the stray animal pound, and construction of basins and ditches; and
5. Rough grade; and
6. Fine grade; and
7. Installation of all dry utilities, including underground conduit; and
8. Installation of all wet utilities on and off the lease property, to include water mains from Hogpen Canyon and Ridgetop Road, and sewer main from the lease property to the sewer ponds.

C. When the work described in paragraph 1300B is satisfactorily completed, the security deposit referenced in paragraph 200F shall be returned to EMLLC.

D. The work anticipated to be commenced in the Spring of 2009, weather permitting, is:

1. Curbs and gutters; and
2. Scarification of subgrade, recompaction of road beds; and
3. Place road base material; and
4. Pave the roads.

1400. Notice of default and termination

A. Any one of the following events constitutes a default under this lease: Unauthorized transfer or assignment of the rights, benefits, and duties of a party to this lease; or failure to proceed with construction or completion of improvements, or abandonment or suspension of construction; or failure to allow inspections of improvements; or failure to perform any material obligation of this lease.

B. Upon default, the defaulting party shall be provided with a thirty (30) day written notice to cure the default, sent certified mail to the addresses listed below. The default must specify the problem with specificity and the remedy requested. The party that receives a default notice may ask for more time to cure the default, and any reasonable request will be granted provided that steps are taken to cure the default.

C. Both parties reserve the right to terminate this lease for breach of or failure to satisfactorily perform any one of the conditions or terms of this lease, provided notice of default has been sent and the party in default has not remedied the default, upon no less than 270 days written notice sent certified mail to the addresses listed below:

LANDLORD

Board of Eureka County Commissioners
P.O. Box 677
Eureka, NV 89316
Phone: 775.237.5262
Fax: 775.237.6015

EMLLC

Eureka Moly, LLC
1726 Cole Blvd. Suite 115
Lakewood, CO 80401
Phone: 303.928.8599
Fax: 303.928.8598

Eureka Office
P.O. Box 1067
55 North Main Street
Eureka, Nevada 89316

Elko Office
2215 North 5th Street
Elko, Nevada 89801

D. Upon termination, the parties shall have no further recourse against, or liability to, each other arising out of this lease, and all improvements the Landlord has not

provided written permission to EMLLC to remain on the property must be promptly removed from the leased property by EMLLC, its agents and employees. Any improvements held over on the leased property after this lease expires become the property of Landlord. Permanent improvements may not be removed.

1500. Limitations upon legal action

Any legal action to enforce the rights and remedies under this lease must be instituted in the State District Court of the County of Eureka, State of Nevada, and the parties agree to bind their respective agents and employees to this restriction on venue. The parties agree that they would not have entered into this lease if either were to be liable for monetary damages based upon a breach of this lease or any other allegation or cause of action based upon or with respect to this lease. Notwithstanding paragraph 1400(D) of this lease, EMLLC and the Landlord may pursue any course of action available for breach, including an action for specific performance, but neither party shall be liable to the other or to any other person or entity for any monetary damages based upon a breach of this lease or any other allegation or cause of action based upon or with respect to this lease. Attorney's fees are defined here to be a form of monetary damages.

1600. Applicable law

The laws of the State of Nevada govern the interpretation and enforcement of this lease, and the parties agree to bind their respective agents and employees to this restriction on choice of law.

1700. Landlord's representations and warranties

- A. The Landlord represents and warrants the person(s) signing this lease and any documents or instruments to carry the lease out have the authority to do so.
- B. The Landlord warrants that it has not paid or given, and will not pay or give, any third person any money or consideration for obtaining this lease.

1800. EMLLC's representations and warranties

- A. EMLLC represents and warrants it is a Delaware limited liability company in good standing and has the full corporate power and authority to execute this lease.
- B. The representative(s) signing this lease and any documents or instruments to carry this lease out have the full power and authority to do so.
- C. EMLLC warrants that it has not paid or given, and will not pay or give, any

third person any money or consideration for obtaining this lease.

1900. Entire lease agreement

This agreement is executed in two (2) duplicate originals. This agreement comprises pages 1 through 13, including the Site Map referred to in paragraph 600 as page 13, and constitutes the entire understanding and agreement between the parties.

2000. Amendments to this agreement

EMLLC and the Landlord agree to mutually consider reasonable requests for amendments to this lease, provided such requests are consistent with the intent of this lease. Any amendment must be approved in writing by EMLLC and the Landlord.

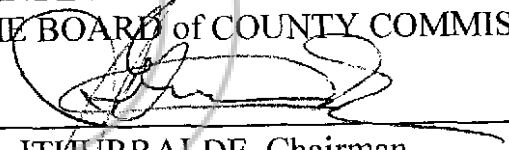
2100. Recordation of the lease agreement

Upon its execution, this lease shall be recorded at the Office of the Eureka County Recorder.

2200. Signature blocks

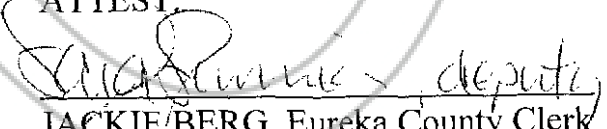
IN WITNESS WHEREOF, the parties have set their hands upon the date and year written above:

LANDLORD
THE BOARD of COUNTY COMMISSIONERS:


J.P. ITHURRALDE, Chairman
Eureka County Board of Commissioners

P.O. Box 677
Eureka, Nevada 89316

ATTEST:


JACKIE BERG, Eureka County Clerk

EUREKA MOLY, LLC:




BRUCE D. HANSEN, President
Eureka Moly, LLC
1726 Cole Blvd. Suite 115
Lakewood, CO 80401

STATE OF COLORADO)
)ss.
COUNTY OF Jefferson)

The foregoing instrument was acknowledged before me this 25th day of July, 2008, by Margaret R Bausano, as Executive Assistant for General Moly, Inc.

Witness my hand and official seal.
My commission expires February 8, 2010.

[SEAL]


Notary Public

NOTARY BLOCK
2300. Site Map
See page 13, the last page of this document.

