

MARIE G. KROTH
BOX ELDER COUNTY RECORDER

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DEPT. OF REVENUE FEE 1111785 BK1 382 60811
DOUG CROFTS, WEBER COUNTY RECORDER
1990 JUN 19 PM 2:21 JUN-90 1217 PM FEE \$0.00 DEP MH
2:21 REC FOR: U.S. TITLE

UTAH STATE SURFACE LEASE FOR BOOK 489 PAGE 244
MINERAL SALTS, CHLORIDES, SULPHATES, CARBONATES,
BORATES, SILICATES, OXIDES, NITRATES AND
ASSOCIATED MINERALS

THIS INDENTURE OF LEASE AND AGREEMENT entered into in duplicate as of the 1st day of October, 1966, by and between the STATE LAND BOARD, hereinafter called the Lessor, and GREAT SALT LAKE MINERALS & CHEMICALS CORPORATION, hereinafter called the Lessee, under and pursuant to Title 65, Utah Code Annotated, 1953,

WITNESSETH:

WHEREAS, by instrument dated September 1, 1962, the STATE entered into Royalty Agreement No. 19024 with Dix R. Turnbow, N. G. Morgan, Sr. and Virgil V. Peterson for the payment of royalty on salts and salt products extracted and recovered by Lessees thereunder from the leased premises and/or from the waters of the Great Salt Lake, which agreement as subsequently amended is hereinafter referred to as "Royalty Agreement", and

WHEREAS, Lessee, by various assignment has succeeded to the rights of said Dix R. Turnbow, N. G. Morgan, Sr. and Virgil V. Peterson under said Royalty Agreement; and

WHEREAS, a certain Option Agreement was made and entered into May 1, 1964, by and between the State of Utah and Dix R. Turnbow, N. G. Morgan, Sr. and Virgil V. Peterson with provisions for the issuance of a lease the terms of which shall be substantially the same as the terms of State Mineral Lease Agreement No. 19024, which Option Agreement through intervening assignments became vested in Lithium Corporation of America, Inc. (51% interest and Chemsalt Corporation 49% interest); and

WHEREAS, on June 21, 1966, notice was given on behalf of Lithium Corporation of America, Inc. and Chemsalt Corporation of

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their exercise of said option as to all of the optioned land and requesting that a lease be issued as of that date; and

WHEREAS, the Lessee, by intervening assignments, has succeeded to the interests of Lithium Corporation of America, Inc. and Chemsalt Corporation in said option and any lease to be issued thereunder, and has requested that a lease be issued for the optional lands less the acreage surrendered and relinquished by Lessee on November 20, 1968; and

WHEREAS, this lease is issued pursuant to the exercise of said option to commence upon the 1st day of October, 1966;

NOW, THEREFORE, the Lessor in consideration of the rents and royalties to be paid and the covenants to be observed by the Lessee, as hereinafter set forth, does hereby grant and lease to the Lessee the exclusive right and privilege to explore for, mine, remove, extract, process and/or dispose of all the minerals referred to in the caption hereof, from the surface of the lands in Weber and Box Elder Counties, State of Utah, particularly described in the Schedule "A" hereto attached and by this reference made a part hereof, consisting of 21,239.62 acres, more or less, together with the right to use and occupy so much of the surface of said land as may be required for all purposes reasonably incident to the exploration for, mining, removal, extraction, processing and/or disposal of said minerals and/or minerals covered by said Royalty Agreement, for a term beginning on the date stated above and ending upon the expiration of said Royalty Agreement.

ARTICLE I

This lease is granted subject to the laws of the State of Utah, existing regulations of the State Land Board and such reasonable operating regulations as may hereafter be promulgated by said Board.

ARTICLE II

Lessee shall promptly notify Lessor of the discovery on the leased premises of any mineral other than those specified herein.

ARTICLE III

The Lessee agrees as follows:

FIRST: To pay to the Lessor:

(a) As rental for land covered by this lease, the sum of fifty cents (\$0.50) per acre per annum, all such payments of rentals to be made in advance on the second day of January of each year except the rental for the year in which the lease is issued which has been paid.

(b) The STATE may adjust lease rentals at the end of the first twenty-five years as it shall see fit in the best interest of the STATE.

(c) All rentals paid hereunder shall be credited against actual tonnage royalties, if any, which may accrue under Royalty Agreement No. 19024 during the year for which such rentals are paid.

SECOND: To keep clear, accurate, and detailed maps of Lessee's workings on the leased lands and to furnish to Lessor annually, or upon demand, copies of such maps and such written statements of operations as may be called for.

THIRD: Not to assign this lease or any interest therein, or any of the rights and privileges herein granted, nor sublet any portion of the leased premises, without the written consent of the Lessor being first had and obtained.

ARTICLE IV

The Lessor hereby excepts and reserves from the operation of this lease:

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FIRST: The right to permit for joint or several use such easements or rights-of-way upon, through, or in the land hereby leased as may be necessary or appropriate to the development of these or any other lands belonging to or administered by the Lessor. Before granting any such easement or right-of-way to a third party, Lessor will notify Lessee in writing and afford Lessee an opportunity to be heard.

SECOND: Mineral deposits other than those hereby leased which may be contained in said lands. Lessor will not lease such other mineral deposits if such a lease would materially conflict with the use of the lands by the Lessee hereunder. Lessee will be given notice of any application to lease such other mineral deposits filed with Lessor and will be given an opportunity to appear before Lessor in connection with said applications if Lessee desires.

ARTICLE V

All personal property of Lessee located within or upon the said lands, and all buildings, machinery, equipment, and tools shall be and remain the property of Lessee and Lessee shall be entitled to, and may, within twelve (12) months after expiration, forfeiture, surrender, cancellation, or other termination of said lease, or within such extension of time as may be granted by Lessor, remove from the said lands such personal property and improvements.

ARTICLE VI

All of the terms covenants, conditions, and obligations in this lease contained, shall be binding upon the heirs, executors, administrators, successors, and assigns of the Lessee.

ARTICLE VII

Lessee may surrender this lease as to all or any part of the leased lands, but not less than a quarter-quarter section or a surveyed

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lot, by filing with the Lessor a written relinquishment; which relinquishment shall be effective as to rental or royalty liability as of the date of filing and thereupon Lessee shall be relieved from any liability thereafter to accrue as to the lands so surrendered, provided that such surrender shall not relieve Lessee from any rental or royalty obligations accruing prior to the date of such surrender, and provided further that such surrender shall not relieve the Lessee of any other obligation under the lease arising before the filing of the surrender instrument.

ARTICLE VIII

This lease is issued only under such title as the State of Utah may now hold or hereafter acquire during the term of this lease. Lessor shall not be liable for any damages sustained by the Lessee. Lessee shall not be entitled to or claim any refund or rentals, royalties, bonuses, or fees theretofore paid to the Lessor.

ARTICLE IX

Rock, tailings, and waste materials resulting from the operations of the Lessee on said lands or other lands shall be the absolute property of the Lessee whether stored on said lands or on other lands, until such time as title thereto is renounced in writing by the Lessee; provided, however, that title to any such rock, tailings, and waste material stored on the said lands which were produced from said lands or other State lands shall vest in the Lessor until the expiration, surrender, cancellation, or termination of this lease. If at any time any of such rock, tailings, or waste materials, or any products thereof, which were produced from said lands or other State lands, are sold by Lessee, the royalty thereon shall be paid by Lessee to Lessor.

ARTICLE X BOOK 489 PAGE 249

Any notice contemplated herein to be served upon the Lessee shall be in writing and shall be sufficiently given if deposited in the United States mail, postage prepaid and registered, and addressed as follows:

Great Salt Lake Minerals & Chemicals Corporation
P. O. Box 1190
Ogden, Utah

or at such other address as Lessee may from time to time in writing designate by written notice to Lessor.

ARTICLE XI

Said lease and this agreement are made upon the condition that Lessee shall perform all the covenants and agreements herein set forth to be performed by it, and if at any time there shall be any default on the part of Lessee hereunder, and if such default shall continue for a period of thirty (30) days after written notice of such default being given by Lessor to Lessee, then and in such event, said lease and this agreement shall, at the option of Lessor, be terminated and the demised premises shall revert to Lessor.

ARTICLE XII

The terms of this lease are substantially the same as the terms of Mineral Lease No. 19024, as provided in Option Agreement No. 21708, with such additional terms as the Lessor and Lessee have agreed upon in order to conform this lease so far as practicable to the form of lease set forth in State Land Board Rule No. 24.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this 10 day of Sept, 1969.

STATE OF UTAH, STATE LAND BOARD

LESSOR

By Charles R. [Signature]

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GREAT SALT LAKE MINERALS &
CHEMICALS CORPORATION

LESSEE

By *Harold J. Pedersen*
President

Attest:

W. B. Kristensen
Secretary

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

On the day of SEP 29 1969 , 1969, personally appeared before me Charles R. Hansen, who being by me duly sworn did say that he is the Director of the State Land Board of the State of Utah and that said instrument was signed in behalf of said Board by resolution of the Board, and said Charles R. Hansen acknowledged to me that said Board executed the same in behalf of the State of Utah.

Given under my hand and seal this day of SEP 29 1969
1969.

Richard L. Smith
Notary Public

My Commission Expires:

SCHEDULE "A"
(To Lease No. 21708)

Description of leased lands containing 21,239.62 acres, more or less:

1. COMMENCING at a point in Section 1, T. 6 N., R. 4 W., SLB&M, where the survey meander line of Great Salt Lake intersects the east line of said township;

Thence N. along said E. line of said township 40 ch. more or less to the N. E. corner of said township;

Thence W. along the N. line of said township 480 ch. more or less to the N. W. corner of said township;

Thence S. along the W. line of said township 80 ch. more or less to the N. line of the area in said township presently within Lease No. 19024;

Thence E. 120 ch.;

Thence S. 160 ch.;

Thence E. 40 ch.;

Thence S. 80 ch.;

Thence W. 160 ch. more or less to intersect the W. line of said township;

Thence S. along the W. line of said township 160 ch. more or less to the S. W. corner of said township;

Thence E. along the S. line of said township 400 ch. more or less to the S. E. corner of Section 35, T. 6 N., R. 4 W., SLB&M;

Thence N. 212 ch. more or less to the northerly right of way line of the Southern Pacific Company railroad;

Thence westerly along said northerly right of way line 81 ch. more or less to a point 160 ch. due W. from said E. township line;

Thence N. 38.18 ch. more or less to a point due W. of the N. E. corner of Section 23 of said township;

Thence N. 80 ch.;

Thence E. 122 ch. more or less to the point on the meander line of Great Salt Lake common to Sections 12 and 13 of said township;

Thence northerly along said meander line through Sections 12 and 1 to the point of beginning,

EXPRESSLY SUBJECT TO the railroad right of way of the Southern Pacific Company.

Such above described portion of said township, when surveyed, will probably be:

TOWNSHIP 6 NORTH, RANGE 4 WEST, SLB&M

- ~~Section 1:~~ Presently unsurveyed portion
 - 01-011-0874 / Sections 2 thru 6: All
 - 0675 / 0076 / 0078 / Section 8: E½
 - ~~Section 9 thru 11:~~ All
 - Section 12: Presently unsurveyed portion
 - Section 15: All
 - Section 16: All
 - Section 17: E½
 - Section 21: All
 - Section 22: All
 - 17 Section 23: Presently unsurveyed portion
10 south of north line of Southern
3 Pacific right-of-way
 - Sections 26 thru 35: All
- (Containing 16,013.20 acres, more or less)

2. ALSO the unsurveyed portions of T. 6 N., R. 5 W., SLM, which are not presently embraced within State of Utah Leases Nos. 19024 and 19059, such unsurveyed portions of said township being more particularly described as follows:

COMMENCING at a point in Section 2, T. 6 N., R. 5 W., where the meander line of Great Salt Lake intersects the N. line of said township;

Thence E. along said township line 144.50 ch. more or less to the N. E. corner of said township;

Thence S. along the E. line of said township 40 ch. more or less to a point E. of a center line of said Section 2;

Thence W. 127 ch. more or less to the point of intersection between said center line of said Section 2 and the meander line of Great Salt Lake;

Thence northwesterly along said meander line to the point of beginning which, when surveyed, will probably embrace:

TOWNSHIP 6 NORTH, RANGE 5 WEST, SLM

- 2-02-715-4 / Section 1: N½
 - 705- / Section 2: Presently unsurveyed portion of N½
- (Containing 539.33 acres, more or less)

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3. ALSO commencing at a point in Section 31, T. 6 N., R. 5 W., where the meander line of Great Salt Lake intersects the W. line of said township;

Thence S. along said W. line of said township 66.50 ch. more or less to the S. W. corner of said township;

Thence E. along the S. line of said township 480 ch. more or less to the S. E. corner of said township;

Thence N. along the E. line of said township 160 ch.;

Thence W. 80 ch.;

Thence S. 20 ch.;

Thence W. 80 ch.;

Thence S. 40 ch.;

Thence W. 80 ch.;

Thence S. 20 ch.;

Thence W. 74.75 ch. to the point on the meander line of Great Salt Lake common to Sections 28 and 33 of said township;

Thence along said meander line through Sections 33, 32, and 31 to the point of beginning, which, when surveyed, will probably embrace:

TOWNSHIP 6 NORTH, RANGE 5 WEST, SLM

<i>01-01-0085</i>	Section 25:	All
<i>0066</i>	Section 26:	S $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$
<i>0067</i>	Section 27:	S $\frac{1}{2}$ S $\frac{1}{2}$
<i>0069</i>	Section 31:	Presently unsurveyed portion
<i>0070</i>	Section 32:	Presently unsurveyed portion
<i>0071</i>	Section 33:	Presently unsurveyed portion
<i>0072</i>	Section 34:	All
<i>0073</i>	Section 35:	All
<i>Water</i>	Section 36:	All

(Containing 4,687.09 acres, more or less)

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STATE OF UTAH)
) ss
COUNTY OF SALT LAKE)

I, DENISE B. WARDLE, OFFICE TECHNICIAN, of the Division of State Lands and Forestry of the State of Utah, hereby certify that the foregoing is a full, true, and correct copy of A SALT LEASE, ML 21708, which is on file in the State Land Office, 365 West North Temple, 3 Triad Center, Suite 400, Salt Lake City, UT 84180.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the State Land Office this 18TH DAY of JUNE 1990.

Denise B. Wardle
DENISE B. WARDLE, OFFICE TECHNICIAN