

## INDEMNIFICATION AGREEMENT

This Indemnification Agreement (“**Agreement**”) is made and entered into this \_\_\_\_\_ day of October, 2016 (the “**Effective Date**”) by NEW VERDE MINES, LLC, a Delaware limited liability company, hereinafter called “**Owner**”, and the COUNTY OF NEVADA, a Political Subdivision of the State of California, hereinafter called “**County.**”

### RECITALS

A. New Verde Mines, LLC owns that certain real property within the unincorporated area of the County of Nevada, State of California, consisting of Assessor Parcel Numbers 29-290-42; 29-350-03; 29-350-04; 29-350-16; 22-120-28; 22-120-35; 22-160-27, as conveyed to New Verde Mines, LLC by Grant Deed recorded July 27, 2011, as Document Number 20110017474 in the Official Records of Nevada County (hereinafter, the “**Property**”).

B. There exists a dedication to the public across the existing road on the Property, commonly known as Allison Ranch Road, which County uses and maintains as a public right-of-way. In connection therewith, County has requested that Owner provide the County offers of dedication (in four segments comprising the portion of the road on Owner’s Property) to formalize the dedication and allow for the future widening of said road.

C. The Offers of Dedication and this related Indemnification Agreement are being provided in fulfillment of Condition of Approval No. B.1 for the North Star Water Treatment Project pursuant to Resolution No. 15-551 of the Board of Supervisors of the County of Nevada.

D. In connection with the approved North Star Water Treatment Project, Owner must install pipelines and appurtenant equipment within the Property, including within the subsurface area of Allison Ranch Road and the private road on the Property commonly known as the Bypass Road.

E. County has also requested that Owner provide Offers of Dedication for a portion of the private road on the Property commonly known as the Bypass Road, so that the road may be transitioned to a public road in the event of an emergency that renders Allison Ranch Road impassable in the area for which the Bypass Road serves as an alternate route.

F. County has requested indemnification from Owner in connection with Owner’s installation and operation of pipelines and appurtenant equipment within the subsurface area of Allison Ranch Road and the Bypass Road.

G. Owner has requested indemnification from County in connection with the County’s ongoing and continued use and maintenance of Allison Ranch Road as a public road and the potential future use of the Bypass Road for public road purposes.

H. It is in the public interest for County and Owner to enter into this Indemnification Agreement as County will benefit from the continued use of Allison Ranch Road, the potential future use of the Bypass Road, and indemnification offered herein.

Now, therefore, for good and valuable consideration including the mutual promises and agreements contained herein and the Offers of Dedication provided by Owner, Owner and County agree as follows:

1. Owner Indemnification of County. Owner agrees to defend, indemnify, and hold harmless the County and its agents, officers, and employees (collectively "County Parties") from and against all claims, actions, proceedings, losses, damages and liabilities related to Owner's installation, replacement, operation, maintenance, and/or use of underground pipelines and conduits, underground electric facilities and communication lines, and any and all other facilities installed, maintained, and used by Owner within the subsurface area of Allison Ranch Road and/or the Bypass Road that may, from time to time, be necessary in the conduct of business by Owner, its affiliates, subsidiaries, and parent company (including, without limitation, pipe failure or environmental hazard). Owner shall be solely responsible for all costs associated with the installation and maintenance of Owner's pipelines and appurtenant equipment. In the event Owner undertakes work within the area of Allison Ranch Road and/or the Bypass Road that disturbs the surface of the roadway, Owner shall be responsible for restoring the surface of the roadway to a comparable or better condition than existed at the start of the work following the completion of such work. County shall not be liable to Owner, its agents, employees or invitees for any loss, damage or liability for damages, whether for loss of or damage to property, injury to or death of persons, which shall arise out of or in any way be connected with Owner's installation and maintenance of Owner's pipelines and appurtenant equipment, or any work that Owner undertakes within the area of Allison Ranch Road and/or the Bypass Road that disturbs the surface of the roadway, except to the extent such loss, damage, injury or death shall be caused by the negligence or willful misconduct of County.

2. County Indemnification of Owner. County agrees to defend, indemnify and hold harmless Owner, its parent company, and their respective officers, agents and employees (collectively, "Owner Parties") from and against all claims, losses, damages and liabilities which arise from or are in any way connected with the occupancy, maintenance, or use of Allison Ranch Road and/or the Bypass Road by County or by any member of the public, but only to the extent County itself is not immune from such claims, losses, damages and liabilities under the Government Claims Act (California Government Code §§ 810-996.6) or other applicable laws. County agrees to indemnify and hold Owner harmless from any and all loss, expense and liability related to the operation and maintenance of a public roadway, but only to the extent County itself is not immune from such claims, losses, damages and liabilities under the Government Claims Act or other applicable laws. County shall, at its sole cost and expense, obtain all permits, authorizations or other approvals as may be required by any federal, state, and local governments to operate and maintain a public roadway. County's maintenance and use of Allison Ranch Road and the Bypass Road shall be at County's sole risk and expense, and County shall be solely responsible for maintaining Allison Ranch Road in a usable and safe condition for public road purposes. Owner shall not be liable to County, its agents, employees or invitees for any loss, damage or liability for damages, whether for loss of or damage to property, injury to or death of persons, which shall arise out of or in any way be connected with County's use and maintenance of Allison Ranch Road and/or use of the Bypass Road, except to the extent such loss, damage, injury or death shall be caused by the negligence or willful misconduct of Owner.

3. Insurance. County and Owner and their respective contractors shall maintain the

insurance specified in Exhibit A, attached hereto and made a part hereof by this reference, or equivalent coverages under an approved self-insurance program, at all times throughout the term of this Agreement (except, as to contractors, only during performance of work within the right-of-way), with respect to the use, occupancy, and activities by County, Owner, and County and Owner's representatives on or about the Property. The Parties reserve the right to review and modify from time to time the coverages and limits of coverage required hereunder, as well as the deductibles and/or self-insurance retentions in effect from time to time, subject to mutual written agreement. For so long as County is an agency or instrumentality of the United States of America, the State of California or any political subdivision thereof, then County may elect to self-insure for any or all of the required coverage. If County is permitted to self-insure hereunder and elects to do so, County shall be liable to Owner for the full equivalent of insurance coverage which would have been available to Owner if all required insurance policies had been obtained by County from a third party insurer, in the form required by this Agreement, and shall pay on behalf of or indemnify Owner for all amounts which would have been payable by the third party insurer. Failure to provide and maintain the insurance policies, endorsements, or certificates of insurance required by this Section shall constitute a material breach of this Agreement and serve as a basis for the non-breaching party to terminate this Agreement (subject to the cure provisions of Section 7 of this Agreement). Owner shall cause and require each transferee, contractor, and assignee to comply with the insurance requirements of this Agreement at all relevant times.

4. Mutual Obligations. County and Owner's obligations under this Agreement to defend and indemnify the other Party shall include, but not be limited to, payment of all court costs and attorneys' fees, all litigation-related costs, all costs of any judgments or awards against the other Party, and all settlement costs. County and Owner further agree to cooperate in good faith with each other in performance of obligations as set forth in this Agreement.

5. Remedies. Failure to defend or indemnify pursuant to this Agreement shall constitute a material breach which shall entitle the Party not in breach to all remedies available under the law, including, but not limited to, specific performance and damages.

6. Abandonment/Termination. In the event Allison Ranch Road is no longer maintained by the County and/or used as a public roadway, this Agreement shall terminate. The non-use of Allison Ranch Road for a continuous period of two (2) years shall be conclusive evidence of such abandonment. In the event Owner no longer maintains and operates its pipelines and appurtenant equipment within the subsurface area of Allison Ranch Road and/or the Bypass Road and such lack of maintenance and operation results in pipe failure, environmental hazard, and/or damage to the public roadway that Owner fails to timely remedy, this Agreement shall terminate. The non-maintenance of such pipelines and appurtenant equipment and failure to remedy associated damage for a continuous period of two (2) years shall be conclusive evidence of abandonment.

7. Owner's Material Breach. In the event that County accepts the Offers of Dedication for Allison Ranch Road, then County shall have the right to terminate this Agreement in the event of a material breach by Owner. As set forth in sections 3 and 5 of this Agreement, a material breach includes a failure to indemnify the County and a failure to maintain insurances as required by this Agreement. In the event of a breach of this Agreement by Owner, County shall first submit to Owner notice of breach stating with specificity the reason for such material breach. Upon receipt of the notice of breach, Owner shall promptly cure the identified breach at the earliest reasonable time after receipt of the notice of breach and shall complete the cure not later than thirty

(30) days after receipt of the notice of breach, or if such breach cannot reasonably be cured within the initial thirty (30) day period, then such longer period as is reasonably necessary to remedy such material breach so long as Owner continues to exercise prompt, diligent, and good faith efforts to cure such breach (the "Cure Period"). Notices to Owner shall be sent to as provided in Section 8 of this Agreement. During the Cure Period, Owner shall not be considered in material breach for purposes of terminating this Agreement or instituting legal proceedings pursuant to this Agreement so long as Owner continues to exercise prompt, diligent and good faith efforts to cure such breach. If Owner remains in material breach of this Agreement following the Cure Period, the County may exercise its right to terminate this Agreement. In the event the County exercises its right to terminate, Owner shall promptly remove all of Owner's infrastructure from the County-owned right-of-way, remediate any environmental issues and restore the site to as closely as possible to its pre-construction condition. If Owner fails to remove Owner's infrastructure, or any portion thereof, from the County-owned right-of-way within sixty (60) days after termination of this Agreement, then County may, in its sole discretion, remove such infrastructure and Owner shall be liable for all costs and expenses thereof, including all administrative, staff, and legal costs. In the absence of a material breach and failure to cure, Owner's infrastructure shall be permitted to remain in the County-owned right-of-way. Notwithstanding the cure provisions set forth in this Section 7, if Owner's infrastructure fails in any way which creates a significant, imminent risk to public health or safety, or results in any action, demand or order by any government agency to take action, then County shall promptly notify Owner of such event and may in its sole discretion, at Owner's sole cost and expense, immediately take all corrective actions as reasonably necessary to prevent imminent damage or other harm to persons or property, and/or to comply with such governmental action, demand or order. Owner shall be liable for all such costs and expenses reasonably incurred by County, including any and all fines, administrative, staff and legal costs.

8. Notice. Any notices or communications hereunder shall be in writing and shall be personally delivered or sent by first class mail, certified or registered, postage prepaid, or sent by national overnight courier, with charges prepaid for next business day delivery, addressed to the addressee party at its address or addresses listed below, or to such other address or addresses for a party as such party may from time to time designate by notice given to the other party. Notices shall be deemed received upon actual receipt by the party being sent the notice, or on the following business day if sent by overnight courier, or on the expiration of three (3) business days after the date of mailing.

If to Owner:

William Lyle  
New Verde Mines, LLC  
c/o Newmont USA, Ltd.  
P.O. Box 250  
Ford, WA 99013  
(509) 258-4511

If to County:

County of Nevada  
Department of Public Works  
950 Maidu Avenue, Suite 170  
Nevada City, CA 95959  
Attn: Public Works Director

With a copy to:

County of Nevada  
County Counsel  
950 Maidu Avenue, Suite 240  
Nevada City, CA 95959

9. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

10. Entire Agreement. This Agreement supersedes all previous oral and written agreements between and representations by or on behalf of the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be amended except by a written agreement executed by both parties.

11. Binding Effect. This Agreement and the covenants and agreements contained herein shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, successors and assigns.

12. No Waiver. No waiver with respect to any provision of this Agreement shall be effective unless in writing and signed by the party against whom it is asserted. No waiver of any provision of this Agreement by a party shall be construed as a waiver of any subsequent breach or failure of the same term or condition, or as a waiver of any other provision of this Agreement.

13. No Third Party Beneficiary. This Agreement is solely for the benefit of the parties hereto and their respective successors and permitted assigns, and, except as expressly provided herein, does not confer any rights or remedies on any other person or entity.

14. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.


15. Time. Except as otherwise expressly provided herein, the parties agree that as to any obligation or action to be performed hereunder, time is of the essence.

16. Severability. If any provision of this Agreement shall be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the full extent permitted by law, provided the material provisions of this Agreement can be determined and effectuated.

17. Counterparts. This Agreement may be executed in identical counterpart copies, each of which shall be an original, but all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

NEW VERDE MINES, LLC  
a Delaware limited liability company

By:   
Name: William Lyle  
Title: Vice President, Newmont Realty Company  
(Manager of New Verde Mines, LLC)

Dated: October 1, 2016

APPROVED AS TO FORM:  
Latham & Watkins

By: \_\_\_\_\_  
Shivaun Cooney, Esq.

COUNTY OF NEVADA  
a Political Subdivision of the State of California

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

APPROVED AS TO FORM:  
Office of the County Counsel

By: \_\_\_\_\_  
Alison A. Barratt-Green, County Counsel

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

NEW VERDE MINES, LLC  
a Delaware limited liability company

COUNTY OF NEVADA  
a Political Subdivision of the State of California

By: \_\_\_\_\_  
Name: William Lyle  
Title: Vice President, Newmont Realty Company  
(Manager of New Verde Mines, LLC)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

APPROVED AS TO FORM:  
Latham & Watkins

APPROVED AS TO FORM:  
Office of the County Counsel

By: Shivaun Cooney  
Shivaun Cooney, Esq.

By: Alison A. Barratt-Green  
Alison A. Barratt-Green, County Counsel

## EXHIBIT A

### INSURANCE REQUIREMENTS

County and Owner shall procure, carry and maintain in effect throughout the term of this Agreement the following insurance coverage. Owner is also responsible for its contractors maintaining sufficient limits of the appropriate insurance coverages during performance of work within the right-of-way.

For purposes of these insurance requirement provisions, "Indemnified Party" means: (i) the County, with regard to the insurance coverage of Owner and/or Owner's contractors; and (ii) Owner, with regard to the insurance coverage of County.

A. Workers' Compensation and Employers' Liability

1. Worker's Compensation Insurance, as required by law, and Employers Liability with a limit of not less than one million dollars (\$1,000,000) each accident, one million (\$1,000,000) each employee, and one million (\$1,000,000) policy limit. County and Owner hereby certify that they are each aware of the California Labor Code (Section 3700 *et seq.*) requirement that every employer be insured before commencing work, and that every contractor require this insurance as to all of its subcontractors before they commence work.

B. Commercial General Liability

1. Broad form coverage for Commercial General Liability Insurance with a combined single limit of not less than two million dollars (\$2,000,000) per occurrence and general aggregate liability of four million dollars (\$4,000,000). The general aggregate shall apply on a per project basis. During the construction phase of the North Star Water Treatment Project only, limits of such insurance obtained by Owner's contractors and subcontractors may have a combined single limit of not less than one million (\$1,000,000) per occurrence and general aggregate liability of two million dollars (\$2,000,000).
2. Umbrella Liability of five million dollars (\$5,000,000) per occurrence and five million dollars (\$5,000,000) aggregate.

C. Professional Liability

1. Proof of coverage for Professional Liability Insurance, or "an errors and omissions" policy, in an amount not less than \$2,000,000 per claim and \$2,000,000 aggregate, for all design and engineering work required for any construction work to be performed on the Property.



D. Business Auto

1. Personal, Business Rated, or Commercial Auto Liability Insurance for each vehicle used, including non-owned and hired automobiles. The coverage shall be combined single limit and shall include death, bodily injury, property damage, and uninsured and underinsured coverage, in an amount of no less than one million dollars (\$1,000,000).

E. Additional Insurance Provisions

1. The insurance shall have a provision that 30 days advance written notice will be given to the purchaser before any termination or change in coverage protection, or reduction in coverage limits (except 10 days' notice for non-payment of premium). Any and all available insurance proceeds in excess of the specified minimum limits and coverage shall be made available to the parties.
2. Liability insurance shall be payable on a "per occurrence" basis unless the Indemnified Party specifically consents to "claims made" coverage. If the Indemnified Party does consent to "claims made" coverage, and if the party providing the insurance changes insurance carriers during the term of the Agreement, or during any extensions, the following provisions shall apply:
  - a. The retroactive date shall be on or before the date of this Agreement or the beginning of the Agreement performance by the party providing the insurance; and,
  - b. Insurance must be maintained and evidence of insurance must be provided for at least two (2) years after termination of the Agreement, unless otherwise agreed by the Indemnified Party.
  - c. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a retroactive date prior to the Agreement effective date, the party providing the insurance shall purchase extended reporting coverage for a minimum of one (1) year after termination of the Agreement, unless otherwise agreed to by the Indemnified Party.

3. Liability insurance, including both commercial general liability insurance and automobile liability insurance, shall have an endorsement naming the Indemnified Party and its officers, agents, employees and volunteers as additionally insured, and in the event of insured loss the coverage for the party providing the liability insurance shall apply as primary insurance, and other insurance maintained by the Indemnified Party named as additional insured shall be excess only and not contributing with said liability insurance. The additional insured endorsement shall be evidenced by form CG 20 10 11 85 or equivalent, including ongoing operations and completed operations subject to approval by the Indemnified Party. Each policy required hereunder, except the Professional Liability policy, shall include a waiver of subrogation in favor of the Indemnified Party named as additional insured and its officers, agents, employees and volunteers.
4. At all times, Owner shall maintain policies issued by companies with a Best's Rating of A-. VII or higher, according to the current A.M. Best's Key Rating Guide, or shall be issued by companies approved by the County's Risk Manager. In the event the Best's Rating or Best's FPR falls below the rating required by this Agreement, then the Owner shall promptly secure policies which do comply with this Agreement.
5. Any policy of liability insurance required to be maintained hereunder may be maintained under a so-called "blanket policy" insuring other locations and/or other persons, so long as the Indemnified Party is specifically named as an additional insured under such policy as required by this Agreement and the coverages and amounts of insurance required to be provided hereunder are not thereby impaired or diminished. In addition, liability insurance coverages may be provided under single policies for the full limits, or by a combination of underlying policies with the balance provided by excess or umbrella liability insurance policies.