

LEASE AGREEMENT

This agreement executed in four originals this 22nd day of May, 1981, by and between WIND RIVER MINING COMPANY, a Washington corporation, hereinafter referred to as WIND RIVER, and MILTON MITCHEK, hereinafter referred to as MITCHEK.

RECITALS

A. WIND RIVER is the registered and beneficial holder of those mineral claims in the Paradise Mining District in the County of Skamania, in the State of Washington, more particularly described below, hereinafter referred to as the CLAIMS.

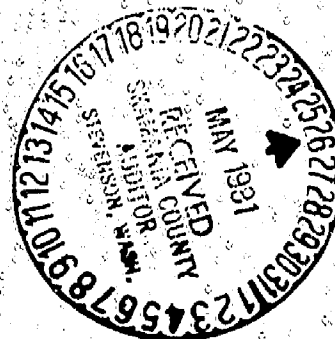
B. The parties feel it is to their mutual benefit for WIND RIVER to lease the CLAIMS to MITCHEK.

AGREEMENTS

In consideration of the mutual promises contained in this agreement, the parties agree as follows:

1. Lease Agreement. - WIND RIVER hereby demises and leases to MITCHEK all of WIND RIVER'S right, title and interest in the following described real property and mineral claims, situated in Paradise Mining District in the County of Skamania, State of Washington:

	<u>BOOK</u>	<u>PAGE</u>
Paradise Mine	40	242
Wind River #1	H	346
Wind River #3	H	374
Wind River #5	I	208
Wind River #7	I	210



ROLL 051981D
MARRIAGE APPLICATIONS
DAILY RECORDINGS
BOARD OF CO. COMMISSIONERS
WEEK OF MAY 22-28

	<u>BOOK</u>	<u>PAGE</u>
Wind River #9	I	212
Wind River #11	I	214
Wind River #13	I	216
Wind River #15	I	218
Wind River #17	I	220
Wind River #19	I	222
Lode Star #1	H	345
Wind River #2	H	347
Wind River #4	H	344
Wind River #6	I	209
Wind River #8	I	211
Wind River #10	I	213
Wind River #12	I	215
Wind River #14	I	217
Wind River #16	I	219
Wind River #18	I	221

2. Term of Lease. The term of this lease shall be for a period of ten (10) years from the date of execution of this agreement.

3. Option to Renew. WIND RIVER grants to MITCHEK an option to renew this Lease Agreement for an additional period of ten (10) years upon the same terms and conditions as are herein granted upon the condition that MITCHEK shall serve written notice of his intention to so renew the Lease Agreement upon WIND RIVER within ninety (90) days of the expiration of the term granted herein.

4. Purpose of Lease. During the term of this agreement MITCHEK shall have and hold the CLAIMS for the purpose of prospecting, harvesting, mining, drilling, boring or digging for oil, gas, asphalt, lead, zinc, gold, copper, silver, and all and every other kind or kinds of valuable mineral, ore, fossils, timber, or vegetable substance whatever, with the right to use so much of the surface of the land and any buildings and other property located upon the land and so much of the timber and building stone found thereon as may be properly needed to successfully conduct the prospecting and mining operation. MITCHEK is also granted the right of way over and across the land to construct and operate such line or lines or railroad or roads including bridges and waterways as may be necessary to carry out the objects of this agreement; and also the right to erect buildings, derricks and pumping plants, for the business of boring, prospecting, mining and prosecuting the object of this agreement.

5. Right to Remove Structures. MITCHEK shall have the right to remove any buildings, constructions, refineries, concentration mills, machinery, pipelines, and any other improvements placed upon the CLAIMS by MITCHEK at any time or within one (1) year from the date of the termination or expiration of this agreement, whichever is later.

ROLL 051981D
MARRIAGE APPLICATIONS
DAILY RECORDINGS
BOARD OF CO. COMMISSIONERS
WEEK OF MAY 22-28

6. Discoveries. MITCHEK agrees to occupy and hold all crevices, side veins, spurs, feeders, cross loads, parallel loads or mineral deposits of any kind which may be discovered in working under this agreement on the CLAIMS as the property of WIND RIVER and MITCHEK shall have the privilege of working the same during the term of this agreement. MITCHEK agrees not to locate or record any such discoveries or allow the same to be located or recorded except in the name of WIND RIVER, however, MITCHEK shall have the right to prospect elsewhere on his own, stake claims in his own name or purchase the same, provided that any claims acquired by either party within one (1) mile of the outside boundary of the CLAIMS as they presently exist shall be deemed to become one of the CLAIMS and be subject to the terms of this agreement, and shall be located and recorded in the name of WIND RIVER. During the term of this agreement MITCHEK may patent any or all of the CLAIMS in WIND RIVER'S name, provided that all expenses in so doing shall be paid by MITCHEK, and that all taxes assessed during the term of this agreement as a result of the patenting shall be paid by MITCHEK.

7. Prior Agreements. This agreement is the entire and complete agreement of the parties pertaining to the lease of the CLAIMS, and supercedes and replaces all written and oral agreements previously made or existing by and between the parties insofar as the CLAIMS are concerned.

8. Books of Account. During the term of this agreement MITCHEK agrees to keep the books of account showing the amount of ore, gold, sand, gravel, timber and all other valuable materials extracted by him from the CLAIMS, in addition to the amount of money received from the sale of said ore, gold, sand, gravel, timber and other valuable materials. All of the books of account shall be open for inspection by WIND RIVER or its duly authorized representative at all reasonable times upon reasonable notice to MITCHEK.

9. Collected Data. MITCHEK agrees to provide to WIND RIVER true copies of all mill, smelter or retort return records, records of core samples, maps, assays and other data relevant to the exploration, development or mining of the CLAIMS, within ninety (90) days of receipt of such documents by MITCHEK.

10. Access. WIND RIVER agrees that MITCHEK shall have sole access to the CLAIMS leased hereunder, except that WIND RIVER, at its own risk, may have access to the CLAIMS at reasonable times for the purpose of inspection.

ROLL 051981D
MARRIAGE APPLICATIONS
DAILY RECORDINGS
BOARD OF CO. COMMISSIONERS
WEEK OF MAY 22-28

11. Mining Methods. WIND RIVER agrees that MITCHEK may use any mining methods he deems advantageous in the operation of the mine. MITCHEK agrees to work the mine in a workmanlike manner, to perform all annual assessment work during the term of this lease, and to continually work in the betterment and development of the CLAIMS.

12. Default and Termination. If MITCHEK fails to perform any of the obligations imposed by this agreement and fails to remedy such default or to take bonafide steps to remedy such default within thirty (30) days after the receipt of written notice from WIND RIVER specifying the manner in which MITCHEK is in default, then WIND RIVER may terminate this agreement by serving written notice upon MITCHEK of its intent to so terminate. This agreement shall then be terminated thirty (30) days after the serving of the Notice of Intent to Terminate.

13. Taxes. MITCHEK agrees to pay all personal property taxes, excise taxes, any real property taxes not in excess of \$100.00 per year, and sales taxes levied upon the CLAIMS leased hereunder during the term of this lease, and to maintain state industrial accident and liability insurance to adequately cover any loss that may be sustained by WIND RIVER hereunder.

14. Indemnity. MITCHEK agrees to hold WIND RIVER harmless from any loss as a result of actions of law or suits in equity arising out of MITCHEK'S use and operation of the CLAIMS leased hereunder.

15. Outside Forces. It is understood and agreed that in the event that MITCHEK be by act of God, fire, flood, water, strike, lockout, or any other cause beyond his control, prevented from fulfilling any conditions or terms of this agreement, that such failure shall not be considered a breach of the terms hereof, but MITCHEK agrees to use all reasonable diligence to remove such preventing cause.

16. Surrender. MITCHEK agrees that at the end of the term of this agreement he will surrender quiet and peaceable possession of the CLAIMS to WIND RIVER or its assigns.

17. Attorney Fees. In the event suit or action is instituted to enforce any of the terms of this agreement, the prevailing party shall be entitled to recover from the other party such sums as the Court may adjudge reasonable as attorney's fees at trial or on appeal of such suit or action, in addition to all other sums provided by law.

18. Successor Interests. This agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. MITCHEK may assign or sublease any or all of his right, title and interest under this agreement for logging, mining or any other purpose to the extent permitted by law. Such right to assign or sublease the property shall be wholly within the discretion of MITCHEK, but any assignee or sublessee shall be fully bound by the terms and conditions of this agreement.

ROLL 0519BID
MARRIAGE APPLICATIONS
DAILY RECORDINGS
BOARD OF CO. COMMISSIONERS
WEEK OF MAY 22-28

19. Warranties. WIND RIVER represents and warrants to MITCHEK that:

- (a) WIND RIVER is the registered and beneficial holder of the CLAIMS and the CLAIMS are validly located, duly recorded and in good standing in accordance with all State and Federal laws;
- (b) There are no other agreements or leases relating to the CLAIMS;
- (c) The CLAIMS are free and clear of all liens, charges and encumbrances whatsoever.

20. Notice. Any Notice which may be given under this agreement shall be in writing and shall be delivered personally or sent by prepaid registered mail addressed as follows:

Milton Mitchek
P.O. Box 653
Carson, Washington 98610

Wind River Mining Company
2013 N.E. 104th Ave.
Portland, Oregon

If mailed, notice shall be deemed received on the third business day following the date of mailing.

21. Threats to CLAIMS. WIND RIVER agrees to give written notice to MITCHEK, on a timely basis, of any knowledge or information obtained by it of any claim, demand, happening or occurrence threatened or apprehended which would or could have a materially adverse effect on the exploration, development or mining of the CLAIMS and represents that it has no knowledge of any such matter at this time.

22. Option to Purchase. If during the term of this agreement MITCHEK assigns or subleases his rights hereunder, WIND RIVER hereby grants such assignee or sublessee an option to purchase all of WIND RIVER'S right, title and interest in the CLAIMS together with all of its permits and materials on the following terms:

- (a) For the sum of three million dollars (\$3,000,000.00) if the option is exercised within one (1) year from the date of execution of such assignment or sublease;
- (b) For the sum of six million dollars (\$6,000,000.00) if the option is exercised after the one year period referred to in subparagraph (a) above but within

ROLL 051981D
MARRIAGE APPLICATIONS
DAILY RECORDINGS
BOARD OF CO. COMMISSIONERS
WEEK OF MAY 22-28

ten (10) years from the date of execution of such assignment or sublease, provided however, that the option period and price under subparagraph (a) above may be extended for one (1) additional year by giving written notice to and by the payment to WIND RIVER of the sum of one hundred thousand dollars (\$100,000.00) within ten (10) days prior to the end of the one (1) year period described in subparagraph (a) above.

To exercise this option the assignee or sublessee shall serve written notice upon WIND RIVER of its intent to purchase under this paragraph. Payment of the full option price shall be made within sixty (60) days from the service of the notice of intent to purchase, which period may extend beyond the periods set out in subparagraphs (a) and (b) above without affecting the validity of the exercise of the option. Nothing contained in this option to purchase shall deprive WIND RIVER of its right to recover royalties on materials already mined at the time of the exercising of the option, all of such sums to be payable to WIND RIVER prior to the closing of the sale. If the amount of such royalties cannot be exactly determined at the closing of the sale, the purchaser shall deposit in escrow at the time of closing an amount sufficient to pay all of such royalties which will be payable, which amount may be estimated by methods commonly in use in the industry to determine the value of unprocessed minerals or other materials.

23. Royalty. During the term of this agreement MITCHEK agrees to pay to WIND RIVER as a royalty five percent (5%) of the value of the gross minerals, silica, gravel, stone, timber and other materials which are produced from the CLAIMS except for any such materials used directly for the benefit of operations on the CLAIMS. Values will be based on the mint or sales receipts or smelter returns relating to the disposition thereof, provided that it is based upon such other means or methods as is commonly used in the relevant industry, or as may be mutually agreed between the parties. Payment of such royalty shall be made to WIND RIVER within thirty (30) days after receipt by MITCHEK of the payments pursuant to such receipts or smelter returns. It is further agreed that if MITCHEK assigns or subleases this agreement and if the assignee or sublessee fails to exercise the option to purchase set out in Paragraph 22 (a) of this agreement, then WIND RIVER shall be entitled to a minimum royalty payment of four thousand (\$4,000.00) per month with payments commencing on the thirtieth (30th) day following the expiration of one year from the date of execution of such assignment or sublease and ending upon the termination of this agreement or upon the termination of such assignment or sublease, whichever is sooner. The amount of any monthly minimum royalty payments paid to WIND RIVER under this Paragraph may be set off against and deducted from any percentage royalty payments which may thereafter become due.

ROLL 051981D
MARRIAGE APPLICATIONS
DAILY RECORDINGS
BOARD OF CO. COMMISSIONERS
WEEK OF MAY 22-28

IN WITNESS WHEREOF, the parties hereto have executed this instrument in 4 originals on the date and year first written above.

Wind River Mining Company

Milton Mitchek
Milton Mitchek

By: Gilbert L. Miller
President, Gilbert L. Miller
Kent M. Nielson
Secretary, Kent M. Nielson

STATE OF OREGON)

ss.

County of)

On this 22ND day of May, 1981, personally appeared before me MILTON MITCHEK, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 22ND day of May, 1981.

Joyce A. Mickelson
Notary Public for Oregon
My Commission Expires:

My Commission Expires July 21, 1983

STATE OF OREGON)

ss.

County of Multnomah)

On this 22ND day of May, 1981, personally appeared Gilbert L. Miller and Kent M. Nielson to me known to be the President and Secretary, respectively, of Wind River Mining Company that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Wind River Mining Company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed is the Wind River Mining Company seal of said Wind River Mining Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first written above.

Joyce A. Mickelson
Notary Public for Oregon
My Commission Expires:

My Commission Expires July 21, 1983

ROLL 051981D
MARRIAGE APPLICATIONS
DAILY RECORDINGS
BOARD OF CO. COMMISSIONERS
WEEK OF MAY 22-28