

O P T I O N

KNOW ALL MEN BY THESE PRESENTS, that

WHEREAS, by an instrument in writing dated July 31, 1953, Wayne W. Coe, Harriet C. Coe and Fenry W. Coe, as Trustees under a certain Trust Agreement dated January 24, 1936, therein mentioned, granted to Charles L. Stuart, of Portland, Oregon, hereinafter called the Optioner, a lease and option to purchase, covering and pertaining to certain minerals and rights described in said lease and option, located on and pertaining to certain lands in Skamania County, Washington, therein described. A copy of said lease and option is hereto attached as Exhibit A and same is by this reference made a part hereof as fully as if same were set out in detail at this point; and

WHEREAS, paragraphs numbered 11 and 16 of said lease and option were modified by an agreement in writing between said parties, dated July 28, 1954, a copy of which is hereto attached as Exhibit B, and same is by this reference made a part hereof as fully as if same were set out in detail herein at this point; and

WHEREAS, paragraphs numbered 11 and 14 of said lease and option were also modified by a written agreement between said parties, dated May 3, 1955, a copy of which is hereto attached as Exhibit C, and same is by this reference made a part hereof as fully as if same were set out in detail herein at this point; and

WHEREAS, C. W. Riddell, of Skamania, Washington, herein called the Optionee, desires an option for six months to enable him to do sufficient exploration work on said land to determine whether he desires to enter into a lease on said property;

NOW THEREFORE, in consideration of the premises, and of the sum of One Dollar paid by the optionee to the optioner, receipt of which the optioner hereby acknowledged, the optioner hereby grants to the optionee, his heirs and assigns, an option to and including September 1, 1956 in which to lease from the optioner said property, on the following terms and subject to the following conditions:

1. The optionee shall, at his own cost and expense, perform the following work on said land:

(a) He shall, before September 1, 1956

(1) Bulldoze a road, suitable for use by automobiles and trucks, from Spirit Lake up to the mouth of the tunnel known as the "Sweden Tunnel".

(2) Construct a building or buildings on said land, sufficient to house at least eight persons, and conveniently located with respect to said tunnels.

(b) During the year 1956 he shall clean out the Sweden Tunnel and the Norway Tunnel so that said tunnels can be easily and safely inspected.

2. Mine from one or both of said tunnels and put on the dump, at least 500 tons of ore, and core drill at least 2,500 feet on said land, before September 1, 1956.

3. The optionee agrees to deliver to the optionor before the 10th day of each calendar month, during said option period, a written statement, setting out with respect to his operations on said land during the last preceding calendar month, the following:

(a) The amount and kind of work done on said land;

(b) The date or dates on which the bulldozing of said road and the building of such building or buildings, were commenced and completed.

(c) The number of tons of ore mined and put on the dumps.

(d) The number of feet of core drilling, or tunnels or shaft work done, and the places where same was done.

(e) A copy of all assays of ores mined on said land.

(f) The values and kind of ore found or blocked out by such core drilling, tunnel and shaft work.

(g) The number of tons of ore mined and shipped from said land and to whom same was shipped and what same assayed, what was paid for it, if anything.

4. If the optionee performs the acts and things which he is obligated to perform herein, before the expiration of the times hereinbefore specified, then he or his heirs or assigns shall have the right to enter into a written contract with the Optionor, providing for the leasing and operation of said optioned property, in words and figures the same as Exhibit D which is hereto attached, and is by this reference made a part hereof.

5. If the optionee should fail to do and perform the things hereinbefore specified which he is herein required to do and perform, as is herein provided, time being hereby declared to be of the

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essence of this agreement, then the optionor shall have the right to cancel this agreement upon giving to the optionee written notice of his election to cancel same, which notice shall specify the default or defaults of which optionor claims the optionee is guilty; and if the optionee fails to cure any default or defaults so specified, within 20 days after the mailing by the optionor of said notice to the optionee, then this option shall automatically terminate upon the expiration of said twenty day period, and all of the optionee's rights hereunder shall then cease and terminate immediately, without any further act of the optionor, and the optionee shall surrender immediately up to the optionor the exclusive possession of all of said property,

IN WITNESS WHEREOF, the parties hereto have hereunto executed this instrument in quintuplicate this 28th day of May, 1955.

Charles L. Stuart
Osie M. Stuart

OPTIONOR

C. W. Riddell
 OPTIONEE

STATE OF OREGON
 COUNTY OF Multnomah

SS

On this 24th day of June, 1955 A.D. personally appeared (below) and and, and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:

Charles L. Stuart
 Osie M. Stuart
 C.W. Riddell

Meadyne Pad
 Notary Public for the State of
Oregon
 Residing in Portland, Oregon

My Commission Expires:

March 13, 1958

MINING LEASE AND OPTION

THIS INDENTURE, made and entered into in quintuplicate in Portland, Oregon, this 31st day of July, 1953, by and between Wayne W. Coe, Harriot C. Coe and Henry W. Coe, as the duly appointed, qualified and acting Trustees under and pursuant to that certain Trust Agreement, dated January 24, 1936, between Mt. St. Helens Consolidated Mining Company, an Oregon corporation, and Wayne W. Coe, R. W. Tuttle and Amadee H. Smith, hereinafter called the "Owners", and Charles L. Stuart, hereinafter called the "Lessee",

WITNESSETH, that

WHEREAS, by a certain deed, dated August 14, 1935, said Mt. St. Helens Consolidated Mining Company conveyed to the United States of America, the title to the lands, located in Skamania County, Washington, particularly described in said deed, subject to the reservation of minerals and rights in said deed mentioned and described, which said deed was recorded on February 13, 1937 in Book Z, page 184 of the Deed Records of said county, reference to which said deed is hereby made for a particular description of the property conveyed by said deed and the particular land, minerals, property and rights reserved therein to said grantor; and

WHEREAS, in and by said deed, said Mt. St. Helens Consolidated Mining Company reserved the property and rights covered by this lease and option, and hereinafter particularly described, and said owners are now the sole owners of the same; and

WHEREAS, the United States of America owns the surface of the land in and on which the minerals, hereinafter mentioned, are contained, subject to the rights of ingress and egress and use in conducting mining operations therein and thereon, as is specified and provided for in said deed. And,

WHEREAS, by a certain deed, dated January 24, 1936, and recorded on March 30, 1936 in Book Y, page 465 of said deed records, said Mt. St. Helens Consolidated mining Company, pursuant to, and by authority of, appropriate resolutions of its stockholders and of its board of directors theretofore duly and legally adopted at meetings duly and legally called and held for

that purpose, and providing for the liquidation of and dissolution of, said corporation, conveyed the title to the property covered by this lease and option, to Wayne W. Coe, R. M. Tuttle and Amadee H. Smith, as Trustees, upon the trust therein specified, pursuant to the provisions of that certain agreement in writing, dated January 24, 1936 and recorded on March 22, 1938 in Book 2 of Agreements and Leases, at pages 359 and 361 in the office of the auditor of said county, between said Mt. St. Helens Consolidated Mining Company and said Wayne W. Coe, R. M. Tuttle and Amadee H. Smith; and

WHEREAS, said R. M. Tuttle and Amadee H. Smith died prior to June, 1949, and said Wayne W. Coe, the then sole surviving trustee under said trust, did, by virtue of the power vested in him under said agreement, execute a certain instrument dated June 9, 1949, appoint Harriet C. Coe and Henry W. Coe as trustees under said trust, to take the places of said decedents, R. M. Tuttle and Amadee H. Smith; and

WHEREAS, said Wayne W. Coe, Harriet C. Coe and Henry W. Coe are now the sole trustees under said Trust Agreement, and have, under said agreement, the right, power and authority to execute this instrument;

NOW THEREFORE, the owners, for and in consideration of the royalty herein-after reserved, and the agreements herein expressed, and by the lessee to be paid, kept, observed and performed, hereby give and grant unto the lessee, his heirs and assigns, the sole and exclusive right, option and privilege, of exploring for, mining, removing, treating milling and selling, on the terms and subject to the conditions hereinafter set forth, ALL OF THE MINERALS, the right and title to which were reserved to the grantor in said aforementioned deed from the Mt. St. Helens Consolidated Mining Company to the United States of America, and which are on and in the following described land located in Skamania County, Washington, together with the exclusive right to enter into and upon, and to occupy so much of the surface of the land hereinafter described as may be required for all purposes incidental to exploring for, mining and removing such minerals from said land, provided payment is made to the owners of the surface for damages caused to the land and improvements thereon, as provided by the Act of Congress of February 28, 1925, to-wit:

All of the lands described in the following surveys as shown on the records of the UNITED STATES PUBLIC SURVEY OFFICE:

POSSESSION
AND RIGHT
TO MINE
ETC.

Mineral Survey No. 621, comprising the Chicago Northwest Discovery, Chicago Northwest Discovery No. 1 and Chicago Northwest Discovery No. 2 lode claims in Sections 29, 30, and 31 in township 10 N.R. 6 E.W.M., containing 37.434 acres;

Mineral Survey No. 780, comprising the Mary No. 1, Mary No. 2, Mary No. 3, Mary No. 4, Mary 5, and Mary No. 6 lode claims, in sections 31 and 32 in township 10 N.R. 6 E.W.M. and section 5 in township 9 N.R. 6 E.W.M. containing 99.274 acres;

Mineral Survey No. 779, comprising the Index No. 1, Index No. 2, Index No. 3, Index No. 4, Index No. 5, Index No. 6, Index No. 7, Index No. 8, Index No. 9, Index No. 10, Index No. 11, and Index No. 12 lode claims, in sections 17, 18, 19 and 20 in township 10 N.R. 6 E.W.M., containing 247.932 acres;

Mineral Survey No. 774, comprising the Earl No. 1, Earl No. 2, Earl No. 3, Earl No. 4, Earl No. 5, Earl No. 6, Earl No. 7, Earl No. 8, Earl No. 9, Earl No. 10, Earl No. 11, Earl No. 12, and Earl No. 13 lode claims, in sections 8, 9, 16 and 17 in township 10 S., R. 6 E.W.M., containing 266.148 acres;

Mineral Survey No. 620, comprising the Denmark Discovery, Norway and Norway Northwest Discovery lode claims in section 31 in township 10 N.R. 6 E.W.M., containing 44.998 acres;

Part of Mineral Survey No. 781-A, including all the Hillside, American No. 1, American No. 2, American No. 3 and American No. 4, Wilson, Alderman Peak, Merchand, Prince, Sweden No. 1, Baby Barnes, Wayne, Viola Second, Viola First, George and Mamie Lode Claims, containing 319.154 acres; also,

those parts of the Inez, Linnie, Ada, Mabel, Sweden No. 2, Lakeside and Earl Lode claims embraced in Exchange Survey No. 278, containing 74.50 acres; and those parts of The Falls and Spirit Lake Lode claims embraced in Exchange Survey No. 279, containing 28.99 acres; all in section 31 of township 10 N.R. 6 E.W.M., section 36 of township 10 N.R. 5 E.W.M., sections 1 and 12 of township 9 N.R. 5 E.W.M., and section 6 of township 9 N.R. 6 E.W.M.,

containing in all 1118.43 acres.

POSSESSION AND
RIGHT TO MINE,
ETC.,

1 (continued);

And the owners hereby give and grant to the lessee, his heirs and assigns, the sole and exclusive right and privilege, so long as this lease is in force, to enter into and upon the said lands, covered by this lease and option, and to occupy so much of the surface thereof as may be required for all purposes incidental to the exploring for, and mining and removing of minerals therefrom, as provided by the Act of Congress of February 28, 1925 (43 U.S. Statutes page 1090); and the owners also hereby give and grant unto the lessee, his heirs and assigns, the sole and exclusive right and privilege to use all rails and other equipment and facilities on the land covered by this lease and option, and to use all rights of way for roads and for other purposes owned by the owners, and to occupy and use any and all tunnels, shafts and other workings on said land, together with the right to use and maintain such improvements which have been heretofore made on said

land; and the owners also hereby give and grant unto the lessee, his heirs and assigns, the exclusive right to use all rights and privileges which were reserved to said Mt. St. Helens Consolidated Mining Company in its certain deed of conveyance dated July 16, 1935 in and by which it conveyed to the Young Men's Christian Association of Portland, Oregon, its successors and assigns, certain land therein described, which deed was recorded as instrument No. 21073 in Book Y of the Deed Records of Skamania County, Washington on August 2, 1936, reference to which said deed is hereby made for a particular description of the land conveyed thereby and of the rights and privileges reserved therein to said grantor; and the owners hereby also give and grant to the lessee, his heirs and assigns, the right to use and enjoy all rights owned by the owners which are appurtenant to and pertain to, the property covered by this lease and option.

It is understood that the rights herein granted to the lessee by the owners, are not intended, however, to exceed those reserved to the said Mt. St. Helens Consolidated Mining Company in the aforementioned deed from it to the United States of America, and said rights shall be subject to the United States of America, and its successors arising from said deed.

ROYALTY 2. The lessee shall pay to the owners ten per centum (10%), of all proceeds, after deducting from said proceeds the amount of any sales tax, from the sale by the lessee of all ores and concentrates mined, removed and sold and saved from said leased property, based upon the returns from the smelting company and/or the United States Mint, or other purchasers of the products produced from said leased property.

The lessee shall instruct such smelting company and the United States Mint and such other parties purchasing any of such products, to mail to the owners, in care of the First National Bank of Portland (Oregon), Main Branch, in Portland, Oregon, all monies representing such royalty, for deposit to the credit of the owners, together with a duplicate copy of each and every settlement sheet or statement issued by such smelting company, United States Mint or other parties, pertaining to each such shipment.

All sums so paid shall be credited upon the purchase price if the option to purchase mentioned in paragraph numbered 16 hereof, is exercised.

All of the remainder of such proceeds shall belong solely to the lessee, his heirs and assigns.

TAXES 3. The owners shall pay, before they are delinquent, all taxes which may be assessed against said leased property, up to \$100.00 per year, and any excess shall be paid by the lessee.

LIENS 4. The lessee agrees to protect said leased property against, and to hold it and the owners, harmless from, any and all lawful liens, claims and charges of all kinds which may arise from or in connection with, his operations on or in the leased property, including, but not limited to, those arising on account of labor performed and/or materials furnished to the lessee in and about his operations on or in said leased property and any lawful claims which may be asserted by the owners of any part of the surface of said land, or by others, because of the lessee's said operations.

MANNER OF MINING--
LESSEE PAYS COSTS AND EXPENSES 5. The lessee shall conduct his operations on said leased property in a miner-like-manner, and shall comply with the laws, rules and regulations of all governmental authority relating to such operations, and all of such operations shall be carried on at his own costs and expense.

OWNERS MAY INSPECT 6. The owners, or their agents shall have the right to, at any time during working hours, while this lease and option are in force, go upon the leased property, at their own risk, however, and to enter the tunnels and other workings thereon and therein, to inspect the same, and they shall have the right to, during usual office hours, inspect and make copies of, all books, documents, maps, assays and smelter returns and mint returns, and other records showing the result of the lessee's exploration, development and production operations in and on said leased property, and the proceeds received therefrom.

LESSEE TO KEEP BOOKS AND RECORDS 7. The lessee shall keep complete and accurate books and records in which shall be entered complete and accurate information of his operations on said property, and of the sales and shipments of ore and concentrates mined and produced therefrom, and same shall be open to the inspection and copying of and by the owners, and their agents, during usual office hours.

LESSEE MAY REMOVE EQUIPMENT 8. The lessee shall have the right to at any time, remove from said property, any and all tools, machinery, apparatus, equipment, materials, supplies, and any other property which he may place thereon or therein, from time

to time, all of which said property shall at all times be and remain personal property, and shall not at any time be, or considered to be, a part of the realty, and the same shall at all times be and remain the sole and absolute property of the lessee and the owners shall not have any rights, title or interest therein or thereto; PROVIDED, however, that the lessee shall not at any time remove any buildings which he may place on said premises, but the same shall remain thereon and shall be the sole property of the owners upon the termination of this lease.

DEED IN
ESCROW

9. At the request of the lessee, his heirs or assigns, the owners shall make, execute, acknowledge and place in escrow with said bank, a good and sufficient deed of general warranty, conveying to the person, persons or corporation designated in said request, which shall be in writing, as the grantee, the title to said leased property described in paragraph numbered 1 hereof, which title shall be warranted in said deed, to be free and clear of all liens and encumbrances, except such as may have been suffered or created by the lessee. Said deed shall be held in escrow by said bank until the total of \$350,000 option price of said property, hereinafter mentioned, has been fully paid to it for the credit of the owners, whereupon said bank shall deliver said deed to the person, persons or corporation mentioned in said written request.

DURATION
OF LEASE
AND OPTION

10. This lease and option shall continue in force so long as the lessee complies with the provisions thereof; PROVIDED, however, that the lessee, his heirs and assigns, shall have the right to terminate this lease and option and to cease all operations hereunder on said leased property, upon giving to the owners 30 days notice in writing of his intention and desire to terminate the same and to discontinue such operations. Such 30 days period shall begin to run from the day that such notice is mailed, and the termination of the lease and option shall become effective upon the termination of said 30 days period.

In the event of the termination of this lease, as is above provided, or in case this lease is terminated for any other cause whatsoever, then, and in either of such events, the lessee, his heirs and assigns, shall have the right, for a period of 120 days after such termination becomes effective, in which to remove from said leased property, any and all machinery, apparatus, tools, equipment, supplies, materials, rails,

fittings, and any and all other property, except buildings, which he or they may have theretofore placed thereon or therein; PROVIDED however, that if the lessee, his heirs or assigns, should be prevented from removing any of such property from said leased premises, within said 120 days period, because of unfavorable weather and/or snow conditions or because of any other cause beyond his control, then the time for removing the same shall be extended for such additional period of time as such removal was prevented by any of the above-mentioned causes. Upon the termination of this lease and option in any manner and for any cause specified and provided for in this instrument, all of the rights and obligations of the lessee, his heirs and assigns hereunder, shall cease and terminate.

WORK RE-
QUIRED OF
LESSEE

11. Subject to the provisions of paragraph numbered 10 and paragraph numbered 14, hereof, the lessee shall perform the following work and carry on the following mining operations on said leased property, unless he is excused from doing so by any of the causes mentioned in paragraph numbered 13 hereof, to-wit:

1. During the first twelve months period after the date hereof, he shall (a) bulldoze a road from Spirit Lake up to the mouth of the tunnel known as the "Sweden tunnel"; and, (b) he shall construct buildings on a building on said property sufficient to house at least eight workmen.

During said first 12 months period he shall not be required to mine, remove, concentrate or sell any ore, but he may do so if he so desires.

2. During the second 12 months period, after the date hereof, the lessee shall mine not less than 500 tons of ore; and,

3. Subject to the provisions of paragraph numbered 13 and paragraph numbered 14, hereof, during the third 12 months period, and during each 12 months periods thereafter, so long as this lease and option is in force, the lessee shall mine not less than 1000 tons of ore during each of such 12 months periods, provided that said leased property can, in the judgment of the lessee, his heirs and assigns, be operated at a reasonable profit during each of such 12 months periods.

FREE USE OF
TUNNELS AND
SHAFTS

12. The owners agree, that, as a part of the consideration for this lease and option, in the event the lessee, his heirs and assigns, should

hereafter lease or acquire other mining property, or the right to carry on mining operations on any other property, which can be mined, and the ores and concentrates therefrom can be removed through any tunnel, shaft, winz, stope or other workings now on said leased property or which may hereafter be made, driven or sunk thereon, then, the lessee, his heirs and assigns, shall have the right to use, free of charge, any and all such tunnels, shafts, winzes, stopes and other workings for use in exploration, development and/or other mining operations on such other property so leased or acquired, and for the transportation through the same, of ores and other materials produced therefrom, and for the purpose of taking and removing equipment, timbers, materials and supplies to and from such other property, for use in such exploration, development and/or mining operations, and for use in the milling and treatment of the ores mined therefrom. PROVIDED, however, that the rights granted in this paragraph numbered 12 are subject to the rights of the United States of America, and its successors, arising from said deed to it from said Mt. St. Helens Consolidated Mining Company, and shall terminate when this lease and option terminates.

EXCUSES FOR 13.
NON-PERFORMANCE
BY LESSEE

Performance of covenants and conditions imposed upon the lessee hereunder shall be excused while and to the extent that the lessee, his heirs or assigns is or are prevented from complying therewith, in whole or in part, by act of God, law, war, riot, strikes, lockouts, action of the elements, accidents, inability to obtain equipment, materials or labor in the open market or to obtain transportation therefor, rules and regulations of any federal, state, municipal or other governmental agency, or by any other cause beyond the reasonable control of the lessee, his heirs or assigns, whether similar or dissimilar to those above specifically enumerated and without regard to whether such cause, or any thereof, exists at the date hereof, or thereafter arises.

IF LESSEE IS 14.
UNABLE TO
OPERATE AT A
PROFIT

If, at any time after the expiration of three years from the date hereof, the lessee, his heirs or assigns, is or are not able to operate said leased property at a reasonable profit because of the low price of the products produced therefrom, or because of the high price of labor or materials or equipment, or due to any combination of such causes, or

due to any other cause or causes beyond his or their control, then and in either of such events, the lessee, his heirs and assigns shall have the right to discontinue operations hereunder until said property can again be operated at a reasonable profit, and in that case the lessee, his heirs and assigns shall pay to the owners the sum of \$1200 for each of the five years, beginning on July 31, 1956 and ending on July 31, 1961, and shall pay to the owners \$7,500 for each year after July 31, 1961, in which at least 1000 tons of ore is not mined and sold from said leased property; All sums so paid shall be paid to said bank within 30 days after the end of each of such years, and shall be credited by the owners on account of the purchase price if the option to purchase, hereinafter mentioned, is exercised by the lessee, his heirs or assigns.

TITLE TO
PROPERTY

15. The owners represent and guarantee that the title to all of said leased and optioned property, is vested in them in fee simple, as such trustees, free and clear of all liens and encumbrances, and agree that if and when said deed is delivered to the lessee, his heirs or assigns, upon the payment of the full amount of said optioned price, the title to said property will be free and clear of all liens and encumbrances, except such as may have been created or suffered by the lessee, his heirs or assigns.

OPTION TO
PURCHASE

16. As a part of the consideration for this lease, and as and for valuable considerations received by the owners from the lessee, the owners hereby give and grant unto the lessee, his heirs and assigns, the exclusive right and option, which shall continue as long as this lease is in force, to purchase said leased property, for the sum of \$350,000.00, and the owners agree that if and when such option is exercised, all sums which have theretofore been deposited with said bank as royalties, or otherwise, shall be credited on account of said purchase price of \$350,000.00, and the lessee, his heirs and assigns, shall at that time pay to said bank, for the credit of the owners, the balance in cash, whereupon the owners shall direct said bank to immediately deliver to the grantee referred to in paragraph numbered 9 hereof, his or its heirs, successors or assigns, the said deed which is required to be deposited with said bank in escrow, as aforesaid.

ASSIGNMENT
OF LEASE AND
OPTION

17. The lessee shall have the right to assign this lease and option, or an interest therein, without the consent of the owners.

DEFAULT
OF LESSEE

18. In the event of default by the lessee, his heirs or assigns, with respect to any condition or covenant hereof, and continuance of such default for 30 days after receipt by lessee of written notice from the owners to the lessee to perform such regarding which the owners claim that the lessee is in default, or in the event such claimed default cannot be cured within 30 days, the failure of the lessee to commence to remedy such default within 30 days and thereafter to diligently prosecute the remedying thereof to completion, the owners shall have the right to, at their option, terminate this lease and option by sending to the lessee a written notice of such termination.

NOTICES

19. Any notice provided for or required in or by this indenture shall be served by sending a prepaid registered letter addressed to the party to be notified, in the case of the owners, as follows:

To Wayne W. Coe, 1997 S.W. Carter Lane, Portland, Oregon

In the case of the lessee, as follows:

To Charles L. Stuart, care of F. M. DeNeffe, 910 Yeon Building, Portland, Oregon;

PROVIDED, however, that either party hereto may at any time change the name and address of the party to be notified by advising the other party thereof in writing.

OWNERS WILL
DISTRIBUTE
MONIES TO
BENEFICIARIES

20. The owners hereby expressly agree to relieve the lessee, his heirs and assigns, from any and all obligations of seeing as to the proper application of said monies, and agree to save and hold the lessee, his heirs and assigns, harmless from any and all damages and liability, in the event said money, or any part thereof, is not so paid and distributed.

RE: CHAS.
A. PALMER
AGREEMENTS

21. Heretofore the owners entered into the following written agreements with Chas. A. Palmer, of Los Angeles, California, pertaining to and affecting the property covered by this lease and option:

1. A certain agreement dated April 27, 1946 and recorded on page 627 of Volume G of Mineral Locations in the office of the auditor of Skanania County, Washington;

2. A certain agreement dated April 27, 1946 and recorded at page 629 of Volume G of Mineral Locations in the office of said auditor; and

3. A certain agreement, dated April 27, 1946 and a certain agreement, dated June 21, 1946, both of which were recorded on Page 645 of Volume G of Mineral Locations in the office of said auditor.

The owners hereby state and declare that said Chas. A. Palmer did not at any time take possession of, or enter into or upon and/or operate any part of the land described in this lease and option, and that he did not, at any time perform, or have performed, any work of any kind upon said land or on any part thereof, and that he has never paid to the owners any money as royalty or otherwise, under his said agreements, and that all of said agreements are now null and void and of no force or effect, and that said Chas. A. Palmer or his heirs or assigns have no right, title or interest of any kind in or to said land or any part thereof.

The owners realize that said agreements to which said Chas. A. Palmer is a party, cast a cloud upon the property covered by this lease and option, and they hereby agree that, as a part of the consideration for this lease and option, they will save and hold the lessee, his heirs and assigns, harmless from any and all claims and demands which said Chas. A. Palmer, his heirs or assigns, may make against said property or against the lessee, his heirs or assigns, because of or under said agreements, or any thereof.

LEASE AND OP-
TION BINDS AND
SECURES TO
BENEFIT OF
TRUSTEES, etc.

22. This lease and option and all provisions thereof, shall also extend to and shall also be binding upon, all of the successors and assigns of the owners, and the heirs and assigns of the lessee, and it is agreed that the word "lessee", wherever same is used herein, shall include the "lessee's heirs and assigns, and that the word "owners", wherever same is used herein, shall include the successors and assigns of the owners.

IN WITNESS WHEREOF, the owners have executed this instrument in quintuplicate, the day and year above mentioned, by the signing below by Wayne W. Coe and Harriet C. Coe, they being two of said Trustees under said Trust Agreement, dated January 24, 1936 mentioned on page 1

hereof, and, as such two Trustees they are, by said Trust Agreement authorized to execute this instrument for and on behalf of the three Trustees mentioned on page 2 hereof; and said Charles L. Stuart has executed this instrument in quintuplicate on the day and year above mentioned.

Wayne W. Coe

Harriett C. Coe

Henry W. Coe

Charles L. Stuart
LESSEE

By Wayne W. Coe and

Harriet C. Coe (SEAL)

As Trustees under said agreement dated Jan. 24, 1936 between said Mt. St. Helens Consolidated Mining Company and said Wayne W. Coe, R. M. Tuttle and Amadeo H. Smith,
J.NERS

State of Oregon)
) ss
County of Multnomah)

On this the 31st day of July, 1953, before me, the undersigned officer, personally appeared Wayne W. Coe and Harriet C. Coe, of the City of Portland, Oregon, known to me to be the persons described in the foregoing instrument, and acknowledged that they executed the same in the capacity therein stated and for the purposes therein contained.

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

seal

Connie R. DaFoe Jr.
Notary Public for Oregon

My commission expires: August 15, 1954

State of Oregon)
) ss
County of Multnomah)

On July 31, A. D. 1953, personally appeared the above named Charles L. Stuart and acknowledged the foregoing instrument to be his voluntary act and deed. Before me:

seal

Connie R. DaFoe, Jr.,
Notary Public for Oregon

My commission expires; August 15, 1954

EXTENSION AGREEMENT

THIS AGREEMENT, made and entered into this 28th day of July, 1954, by and between Wayne W. Coe, Harriett C. Coe and Henry W. Coe, as the duly appointed, qualified and acting Trustees under and pursuant to that certain Trust Agreement, dated January 24, 1936, between Mt. St. Helens Consolidated Mining Company, an Oregon corporation, and Wayne W. Coe, R. M. Tuttle and Amadeo H. Smith, hereinafter called the "Owners", and Charles L. Stuart, hereinafter called the "Lessee",

WITNESSETH, that

WHEREAS, on July 31, 1953 the parties hereto executed a certain agreement in writing, dated July 31, 1953, in and by which the Owners leased to the Lessee for mining purposes, and gave to him an option to purchase, all of the minerals located on lands therein particularly described, situated in Skamania County, Washington, under the terms and provisions and subject to the conditions in said agreement provided, to which said agreement reference is hereby made; and

WHEREAS, paragraph numbered 11 of said agreement provides, among other things, as follows:

"1. During the first twelve months period after the date hereof, he shall (a) bulldoze a road from Spirit Lake up to the mouth of the tunnel known as the "Sweden tunnel"; and, (b) he shall construct buildings on a building on said property sufficient to house at least eight workmen."

WHEREAS, the Lessee has not been able to, and will not be able to, do the above mentioned things before July 31, 1954, and has been and will be prevented from doing so because of causes beyond his reasonable control; and

WHEREAS, the Lessee believes that, because of the complex nature of the ore covered by said agreement, and because said property is not accessible by roads, large sums of money will have to be spent for a plant, machinery and equipment to treat said ores and for building a road to said property, and that for the foregoing reasons, the Lessee desires that said agreement be now modified in the following respects: (a) by granting to the Lessee, his heirs and assigns, the extension of time hereinafter set forth, and (b), by reducing the option price of the leased property from \$350,000.00 to \$300,000.00;

NOW THEREFORE, in consideration of the premises, and in consideration of the sum of One Dollar paid this date by the Lessee to the Owners, the receipt of which the Owners hereby acknowledge, and for other good and valuable considerations received and to be received by the Owners from the Lessee, it is hereby mutually agreed by and between said parties as follows:

1. The Owners hereby grant to the Lessee, his heirs and assigns, to and including July 31, 1956 in which to do and perform the above-mentioned things specified in paragraph numbered 11 of said agreement; and the Owners hereby reduce the option purchase price of said leased property, referred to in paragraph numbered 16 of said agreement, from \$350,000.00 to \$300,000.00.

2. The said Lessee agrees that he will, during said extended two years period, try to obtain the necessary finances to enable him to install such plant, machinery and equipment for the treating of said ores, and to build a road to said leased property.

3. It is mutually agreed that all provisions of said agreement dated July 31, 1953 shall be and remain in full force and effect, except as the same, or some parts thereof, are herein modified.

IN WITNESS WHEREOF, the Owners have executed this agreement in quintuplicate, the day and year first above written, by the signing below by Wayne W. Coe and Harriett C. Coe, they being two of said Trustees under said Trust Agreement, dated January 24, 1936 mentioned on page 1 hereof, and, as

such two Trustees they are, by said Trust Agreement, authorized to execute this instrument for and on behalf of the three Trustees mentioned on page 2 of said agreement; and said Charles L. Stuart has executed this instrument in quintuplicate on the day and year first above written.

Wayne W. Coe (seal)

Harriet C. Coe (seal)

Henry W. Coe (seal)

By Wayne W. Coe (seal) AND

Harriet C. Coe (seal)

As Trustees under said agreement dated January 24, 1936 between said W. St. Helens Consolidated Mining Company and said Wayne W. Coe, R. M. Tuttle and Amadeo H. Smith,

CHARLES

Charles L. Stuart (seal)

LESSIE

State of Oregon)
County of Multnomah) ss

This certifies that on this 28th day of July, 1954, before me, the undersigned officer, personally appeared Wayne W. Coe and Harriet C. Coe, of the City of Portland, Oregon, known to me to be the persons described in the foregoing instrument, and acknowledged that they executed the same in the capacity therein stated and for the purposes therein contained.

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

Seal

F. M. DeNeffe
Notary Public for Oregon

My commission expires: March 1, 1955

State of Oregon)
County of Multnomah) ss

On July 28th, A.D. 1954, personally appeared the above named Charles L. Stuart and acknowledged the foregoing instrument to be his voluntary act and deed. Before me:

Seal

F. M. DeNeffe
Notary Public for Oregon

My commission expires: March 1, 1955

EXTENSION AGREEMENT

THIS AGREEMENT, made and entered into this 28th day of July, 1954, by and between Wayne W. Coe, Harriett C. Coe and Henry W. Coe, as the duly appointed, qualified and acting Trustees under and pursuant to that certain Trust Agreement, dated January 24, 1936, between Mt. St. Helens Consolidated Mining Company, an Oregon corporation, and Wayne W. Coe, R. M. Tuttle and Amadee H. Smith, hereinafter called the "Owners", and Charles L. Stuart, hereinafter called the "Lessee",

WITNESSETH, that

WHEREAS, on July 31, 1953 the parties hereto executed a certain agreement in writing, dated July 31, 1953, in and by which the Owners leased to the Lessee for mining purposes, and gave to him an option to purchase, all of the minerals located on lands therein particularly described, situated in Skamania County, Washington, under the terms and provisions and subject to the conditions in said agreement provided, to which said agreement reference is hereby made; and

WHEREAS, paragraph numbered 11 of said agreement provides, among other things, as follows:

"1. During the first twelve months period after the date hereof, he shall (a) bulldoze a road from Spirit Lake up to the mouth of the tunnel known as the "Sweden tunnel"; and, (b) he shall construct buildings on a building on said property sufficient to house at least eight workmen."

WHEREAS, the Lessee has not been able to, and will not be able to, do the above mentioned things before July 31, 1954, and has been and will be prevented from doing so because of causes beyond his reasonable control; and

WHEREAS, the Lessee believes that, because of the complex nature of the ore covered by said agreement, and because said property is not accessible by roads, large sums of money will have to be spent for a plant, machinery and equipment to treat said ores and for building a road to said property, and that for the foregoing reasons, the Lessee desires that said agreement be now modified in the following respects: (a) by granting to the Lessee, his heirs and assigns, the extension of time hereinafter set forth, and (b), by reducing the option price of the leased property from \$350,000.00 to \$300,000.00;

NOW THEREFORE, in consideration of the premises, and in consideration of the sum of One Dollar paid this date by the Lessee to the Owners, the receipt of which the Owners hereby acknowledge, and for other good and valuable considerations received and to be received by the Owners from the Lessee, it is hereby mutually agreed by and between said parties as follows:

1. The Owners hereby grant to the Lessee, his heirs and assigns, to and including July 31, 1956 in which to do and perform the above-mentioned things specified in paragraph numbered 11 of said agreement; and the Owners hereby reduce the option purchase price of said leased property, referred to in paragraph numbered 16 of said agreement, from \$350,000.00 to \$300,000.00.

2. The said Lessee agrees that he will, during said extended two years period, try to obtain the necessary finances to enable him to install such plant, machinery and equipment for the treating of said ores, and to build a road to said leased property.

3. It is mutually agreed that all provisions of said agreement dated July 31, 1953 shall be and remain in full force and effect, except as the same, or some parts thereof, are herein modified.

IN WITNESS WHEREOF, the Owners have executed this agreement in quintuplicate, the day and year first above written, by the signing below by Wayne W. Coe and Harriett C. Coe, they being two of said Trustees under said Trust Agreement, dated January 24, 1936 mentioned on page 1 hereof, and, as

such two Trustees they are, by said Trust Agreement, authorized to execute this instrument for and on behalf of the three Trustees mentioned on page 2 of said agreement; and said Charles L. Stuart has executed this instrument in quintuplicate on the day and year first above written.

Wayne W. Coe (seal)

Harriet C. Coe (seal)

Henry W. Coe (seal)

By Wayne W. Coe (seal) AND

Harriet C. Coe (seal)

As Trustees under said agreement dated January 24, 1936 between said Mt. St. Helens Consolidated Mining Company and said Wayne W. Coe, R. M. Tuttle and Amadee H. Smith,

OWNERS

Charles L. Stuart (seal)

LESSEE

State of Oregon)
County of Multnomah) ss

This certifies that on this 28th day of July, 1954, before me, the undersigned officer, personally appeared Wayne W. Coe and Harriet C. Coe, of the City of Portland, Oregon, known to me to be the persons described in the foregoing instrument, and acknowledged that they executed the same in the capacity therein stated and for the purposes therein contained.

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

Seal

F. M. DeNeffe
Notary Public for Oregon

My commission expires: March 1, 1955

State of Oregon)
County of Multnomah) ss

On July 28th, A.D. 1954, personally appeared the above named Charles L. Stuart and acknowledged the foregoing instrument to be his voluntary act and deed. Before me:

Seal

F. M. DeNeffe
Notary Public for Oregon

My commission expires: March 1, 1955

MODIFICATION AGREEMENT

THIS AGREEMENT, made and entered into as of the 3rd day of May, 1955, by and between Wayne W. Coe, Harriett C. Coe and Henry W. Coe, as the duly appointed, qualified and acting Trustee under and pursuant to that certain Trust Agreement, dated January 24, 1936, between Mt. St. Helens Consolidated Mining Company, an Oregon corporation, and Wayne W. Coe, R. M. Tuttle and Amadee H. Smith, hereinafter called the "Owners", and Charles L. Stuart, hereinafter called the "Lessee".

WITNESSETH that,

WHEREAS, on July 31, 1953 the parties hereto executed a certain agreement in writing, dated July 31, 1953, in and by which the Owners leased to the Lessee for mining purposes, and gave to him an option to purchase, all of the minerals located on lands therein particularly described, situated in Skamania County, Washington, under the terms and provisions and subject to the conditions in said agreement contained, to which said agreement reference is hereby made, and said agreement is hereby by this reference, made a part hereof; and

WHEREAS, said agreement of July 31, 1953 was extended and modified by an agreement dated July 28, 1954 between said Owners and said Lessee, reference to which said agreement dated July 28, 1954 is hereby made and the same is by this reference made a part hereof; and

WHEREAS, the Lessee believes that, because of the complex nature of the ore covered by said agreements, and because said property is not accessible by roads, and because of the arsenical nature of said ores, large sums of money must be spent in building roads and plants and machinery and equipment to treat said ores, and to take care of the arsenic fumes resulting from the roasting of the ores, and that for the foregoing reasons, the Lessee desires that said agreement and extension thereof, be now modified by reducing the royalty to be paid by the Lessee from 10% to 7%;

NOW THEREFORE, in consideration of the premises and in consideration of the sum of One Dollar paid this date by the Lessee to the Owners, the receipt of which the Owners hereby acknowledge, and for other valuable considerations received by the Owners from the Lessee, it is hereby mutually agreed by and between said parties as follows:

1. The first paragraph of Paragraph numbered 2, appearing on page 6 of said agreement of July 31, 1953, be and the same hereby is, modified and amended to read as follows:

"2. The lessee shall pay to the owners seven per centum (7%), of all proceeds, after deducting from said proceeds the amount of any sales tax from the sale by the lessee of all ores and concentrates mined, removed and sold and saved from said leased property, based upon the returns from the smelting company and/or the United States Mint, or other purchasers of the products produced from said leased property."

2. It is agreed that all things which the lessee is obligated to do and perform under sub-paragraph 2 and sub-paragraph 3 of paragraph numbered 11, on page 11, and under paragraph numbered 14 on page 12, of said agreement dated July 31, 1953, are hereby delayed and postponed for two years beyond the dates therein specified for their performance.

3. It is mutually agreed that all provisions of said agreement dated July 31, 1953, and of said modification agreement dated July 28, 1954, shall be and remain in full force and effect, except the same, or some part thereof, are herein modified.

IN WITNESS WHEREOF, the Owners have executed this agreement in quintuplicate, as of the day and year first above written, by the signing below by Wayne W. Coe and Harriett C. Coe, and Henry W. Coe, all of said Trustees under said Trust Agreement dated January 24, 1936 mentioned on page 1 hereof, and as such Trustees they are, by said Trust Agreement, authorized to execute this instrument for and on behalf of the three Trustees mentioned on page 2 of said Trust Agreement, and said Charles L. Stuart has executed this instrument in quintuplicate as of the day and year first above written.

/s/ Wayne W. Coe (SEAL)

/s/ Harriett C. Coe (SEAL)

/s/ Henry W. Coe (SEAL)

By _____ (SEAL)

AND _____ (SEAL)

as Trustees under said agreement dated January 24, 1936 between said Mt. St. Helens Consolidated Mining Company and said Wayne W. Coe, R.M. Tuttle and Amadee H. Smith

OWNERS

/s/ Charles L. Stuart (SEAL)

LESSEE

State of Oregon)
County of Multnomah) ss

THIS CERTIFIES, that on this 23rd day of May, 1955, before me, the undersigned, officer, personally appeared Wayne W. Coe and Harriett C. Coe, Henry W. Coe, of the City of Portland, Oregon, known to me to be the persons described in the foregoing instrument, and acknowledged that they executed the same in the capacity therein stated and for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above in this my certificate written.

MY COMMISSION EXPIRES:
7/16/57
(Notarial seal)

/s/ Dorothy Michelson
NOTARY PUBLIC FOR OREGON

State of Oregon, County of Multnomah, ss.

On May 9, A. D., 1955, personally appeared the above

named Charles L. Stuard and acknowledged the foregoing instrument to be his voluntary act and deed. Before me:

/s/ F. M. DeNeffe
F. M. DeNeffe
Notary Public for Oregon.

My commission expires March
1, 1959.

Unofficial
Copy

LEASE AND OPTION

THIS AGREEMENT, made and entered into as of the _____ day of _____, 195____ by and between Charles L. Stuart, of Portland, Oregon, hereinafter called "Stuart" and C. W. Riddell, of Skamania, Washington, hereinafter called "Riddell",

WITNESSETH, that

WHEREAS, by a certain deed, dated August 14, 1935, Mt. St Helens Consolidated Mining Company, a corporation, conveyed to the United States of America, the title to the lands, located in Skamania County, Washington, particularly described in said deed, subject to the reservation of minerals and certain rights in said deed mentioned and described, which said deed was recorded on February 13, 1937 in Book Z, page 184 of the Deed Records of said county, reference to which said deed is hereby made for a particular description of the property conveyed thereby and the particular land, minerals, property and rights reserved therein to said grantor; and

WHEREAS, the United States of America owns the surface of the land in and on which the minerals, hereinafter mentioned are contained, subject to the rights of ingress and egress and use in conducting mining operations therein and thereon, as is specified and provided for in said deed. and

WHEREAS, in and by said deed, said Mt. St Helens Consolidated Mining Company reserved the property and rights conveyed by this lease and option, and hereinafter particularly described.

WHEREAS, by a certain deed, dated January 24, 1936, and recorded on March 30, 1936 in Book Y, page 465 of said deed records, said St. Helens Consolidated Mining Company, pursuant to, and by authority of, appropriate resolutions of its stockholders and of its board of directors theretofore duly and legally adopted at meetings of its board of directors and of its stockholders, duly and legally called and held for that purpose, and providing for the liquidation of and dissolution of said corporation, conveyed the title to the property covered by this lease and option, to Wayne W. Coe, R.M. Tuttle and Amadee H. Smith, as Trustees, upon the trust therein specified, pursuant to the provisions of that certain agreement in writing dated January 24, 1936 and recorded on March 22, 1938 in Book 2 of Agreements and Leases, at pages 359 and 361 in the office of the Auditor of said county, between said Mt. St Helens Consolidated Mining Company and said Wayne W. Coe, R.M. Tuttle and Amadee H. Smith; and

WHEREAS, said R. M. Tuttle and Amadee H. Smith died prior to June, 1949 and said Wayne W. Coe, the then sole surviving trustee under said trust, did, by virtue of the power vested in him under said agreement, executed a certain instrument

dated June 9, 1949, appointing Harriet C. Coe and Henry W. Coe as trustees under said trust, to take the places of said decedents, R. M. Tuttle and Amadee H. Smith; and

WHEREAS, said Wayne W. Coe, Harriet C. Coe and Henry W. Coe are now the sole trustees under said trust agreement, and had, under said agreement, the right, power and authority to execute the instruments which they executed, as is hereinafter mentioned; and

WHEREAS, by an instrument in writing, dated July 1, 1953, said Wayne W. Coe, Harriet C. Coe and Henry W. Coe, as such trustees, granted to Stuart a lease and option to purchase, covering said minerals and rights hereinbefore mentioned, a copy of which said lease and option is hereto attached as Exhibit A, and same is by this reference made a part hereof at this point as fully as if it were set out in detail herein; and

WHEREAS, thereafter, paragraphs numbered 11 and 16 of said lease and option were modified by an agreement in writing between said parties, dated July 28, 1954, a copy of which said agreement is hereto attached as Exhibit B and same is by this reference made a part hereof as fully as if it were set out herein at this point; and

WHEREAS, paragraphs numbered 11 and 14 of said lease and option, were also thereafter modified by a written agreement between said parties, dated May 2, 1955, a copy of which is hereto attached as Exhibit C and same is hereby by this reference made a part hereof as fully as if it were set out in detail herein at this point; and

WHEREAS, by an instrument dated May 28, 1955 Stuart granted to Riddell an option until September 1, 1956 in which to explore and investigate the mining properties hereinafter described and referred to, being the same mining properties and rights hereinbefore mentioned and referred to, and to exercise the option therein granted to Riddell to enter into this agreement with Stuart; and

WHEREAS, Riddell has heretofore explored and investigated said properties under said option, and from such investigation and the information obtained thereby, and based on Riddell's prior knowledge of said properties, he has now decided to, and does hereby exercise said option and to now enter into this lease and option;

POSSES-
SION AND
RIGHT TO
MINE, ETC.

NOW THEREFORE, in consideration of the premises, and for and in consideration of the royalty hereinafter reserved to Stuart and the agreements hereinafter contained, and by Riddell to be paid, kept, observed and performed, Stuart hereby gives and grants unto Riddell, his heirs and assigns, the sole and exclusive right and option and privilege, of exploring for, mining, removing, treating, milling and selling, on the terms and subject to the conditions hereinafter set forth, ALL OF THE MINERALS, the right and title to which were reserved to the grantor in said herei- before mentioned deed from the Mt. St. Helens Consolidated Min- ing Company to the United States of America, and which are on and in the following described land located in Skamania County, Washington, together with the exclusive right to enter into and upon, and to occupy so much of the surface of the land herein- after described as may be required for all purposes incidental to exploring for, mining and removing such minerals from said land, provided payment is made to the owner of the surface, for damages caused to the land and improvements thereon, as provid- ed by the Act of Congress of February 28, 1925, to-wit:-

All of the lands described in the following surveys as shown on the records of the United States Public Survey Office:

Mineral Survey No. 621, comprising the Chicago Northwest Discovery, Chicago Northwest Discovery No. 1 and Chicago Northwest Discovery No. 2 lode claims in sections 29, 30 and 31 in township 10 N.R. 6 E.W.M., containing 37.434 acres;

Mineral Survey No. 780, comprising the Mary No. 1, Mary No. 2, Mary No. 3, Mary No. 4, Mary No. 5, Mary No. 6, lode claims, in sections 31 and 32 in township 10 N.R. 6 E.W.M., and section 5 in township 9 N.R. 6 E.W.M., contain- ing 99.274 acres;

Mineral Survey No. 779, comprising the Index No. 1, Index No. 2, Index No. 3, Index No. 4, Index No. 5, Index No. 6, Index No. 7, Index No. 8, Index No. 9, Index No. 10, Index No. 11, and Index No. 12 lode claims, in sections 17, 18, 19, and 20 in township 10 N.R. 6 E.W.M., contain- ing 247.932 acres;

Mineral Survey No. 774 comprising the Earl No. 1, Earl No. 2, Earl No. 3, Earl No. 4, Earl No. 5, Earl No. 6, Earl No. 7, Earl No. 8, Earl No. 9, Earl No. 10, Earl No. 11, Earl No. 12 and Earl No. 13, in sections 8, 9, 16 and 17 in township 10 N.R. 6 East of the Willamette Meridian, containing 266.148 acres;

Mineral Survey No. 620, comprising the Denmark Discovery, Norway and Norway Northwest Discovery lode claims in sec- tion 31 in township 10 N.R. 6 E.W.M., containing 44.998 acres;

Part of Mineral Survey No. 781-A, including all the Hill- side, American No. 1, American No. 2, American No. 3 and American No. 4, Wilson, Alderman Peak, Merchand, Prince, Sweden No. 1, Baby Barnes, Wayne, Viola Second, Viola First, George and Mamie, Lode claims, containing 319.154 acres; also,

Those parts of the Inez, Linnie, Ada, Mabel, Sweden No. 2, Lakeside and Earl Lode claims embraced in Exchange Survey No. 278, containing 74.50 acres; and those parts of The Falls and Spirit Lake Lode claims, embraced in Exchange Survey No. 279, containing 28.99 acres; all in section 31 of township 10 N.R. 6 E.W.M., and section 36 of township 10 N.R. 5 E.W.M., and sections 1 and 12 of township 9 N.R. 5 E.W.M., and section 6 of township 9 N.R. 6 E.W.M.,

containing in all 1118.43 acres, all of which said ~~lands and rights hereinbefore described and referred to, are in Skamania County, Washington.~~

POSSESSION
AND RIGHT
TO MINE, ETC.?
1, continued.

And Stuart hereby gives and grants to Riddell, his heirs and assigns, the sole and exclusive right and privilege, so long as this lease is in force, to enter into and upon the said lands, covered by this lease and option, and to occupy so much of the surface thereof as may be required for all purposes incidental to the exploring for, and mining and removing of minerals therefrom, as provided by the Act of Congress of February 28, 1925 (43 U.S. Statutes page 1090); and Stuart also hereby gives and grants unto Riddell, his heirs and assigns, the sole and exclusive right and privilege to use all rails and other equipment and facilities on the land covered by this lease and option, and to use all rights of way for roads and for other purposes owned by the owners thereof, and to occupy and use any and all tunnels, shafts and other workings on said land, together with the right to use and maintain such improvements which have been heretofore made on said land;

And Stuart also hereby gives and grants unto Riddell, his heirs and assigns, the exclusive right to use all rights and privileges which were reserved to said Mt. St. Helens Consolidated Mining Company in its certain deed of conveyance dated July 16, 1935 in and by which it conveyed to the Young Men's Christian Association of Portland, Oregon, its successors and assigns, certain land therein described, which deed was recorded as instrument No. 21073 in Book Y of the Deed Records of Skamania County, Washington on August 2, 1936, reference to which deed is hereby made for a particular description of the land conveyed thereby and of the rights and privileges reserved therein to said grantor; and Stuart hereby also gives and grants to Riddell, his heirs and assigns, the right to use and enjoy all rights owned by said Wayne W. Coe, Harriet C. Coe and Henry W. Coe, as such trustees, which are appurtenant to and pertain to, the property covered by this lease and option.

It is understood and agreed that the rights herein granted to Riddell by Stuart are not intended to exceed those reserved to the said Mr. St Helens Consolidated Mining Company in the aforementioned deed from it to the United States of America, and said rights shall be subject to the United States of America, and its successors, arising from said deed.

ROYALTY

2. Riddell agrees to pay to Stuart, ten percentum (10%) of all proceeds, after deducting from said proceeds the amount of any sales tax, from the sale by Riddell of all ores and concentrates mined, removed and sold and saved from said leased property, based upon the returns from the smelting company and/or the United States Mining, or other purchasers of the products produced from said leased property.

Said royalty shall be paid to the following parties as follows:

7% shall be paid to said Wayne W. Coe, Harriet C. Coe and Henry W. Coe, as such trustees, at No. 1997 S.W. Carter Lane, Portland, Oregon;

1% shall be paid to Frederick M. DeNeffe, of 910 Yeon Building, Portland, Oregon; and

2% shall be paid to Stuart, 614 Dekum Building, Portland, Oregon.

Riddell agrees to instruct in writing, such smelting company and the United States Mint and such other parties who may purchase any of such products, to mail to all of said parties who are entitled to said royalty, as afore-said, in care of the First National Bank of Portland (Oregon), Main Branch, in Portland, Oregon, all monies representing such royalty, for deposit to the credit of each of such royalty owners, together with a duplicate copy of each and every settlement sheet or statement issued by such smelting company, the United States of America or such other parties, pertaining to each such shipment.

All sums so paid shall be credited upon the purchase price if the option hereinafter mentioned to purchase is exercised by Riddell.

All of the remainder of such proceeds shall belong solely to Riddell, his heirs and assigns.

TAXES

Riddell agrees to pay, when due, all sums on account of taxes assessed against said leased property, exceeding \$100.00 per year.

LIENS

Riddell agrees to protect said leased property against, and to hold it and Stuart and said owners harmless

from, any and all lawful liens, claims and charges of all kinds which may arise from or in connection with, his operations on or in said leased property, including, but not limited to, those arising on account of labor performed and/or materials furnished to Riddell in and about his operations on or in said leased property and any lawful claims which may be asserted by the owners of any part of the surface of said land, or by others, because of Riddell's said operations.

5. MANNER OF MINING--RIDDELL PAYS COSTS AND EXPENSES

Riddell shall conduct his operations on said leased property in a miner-like-manner, and shall comply with all laws, rules and regulations of all governmental authority relating to such operations, and all of such operations shall be carried on at his own cost and expense.

6. STUART MAY INSPECT PREMISES AND OPERATIONS

Stuart or his agents shall have the right to, at any time during working hours, while this lease and option are in force, go upon the leased property, at their own risk however, and to enter the tunnels and other workings thereon and therein, to inspect the same, and they shall have the right to, during usual office hours, inspect and make copies of, all books, documents, maps, assays and smelter returns and mint returns, and other records showing the result of Riddell's exploration, development and production operations in and on said leased property, and the proceeds received therefrom.

7. RIDDELL TO KEEP BOOKS AND RECORDS

Riddell shall at all times keep complete and accurate books and records in which shall be entered complete and accurate information of his operations on said property, and of the sales and shipments of ore and/or concentrates mined and produced therefrom, and same shall be open to the inspection and copying of and by the said Stuart and his agents, during usual office hours.

8. RIDDELL MAY REMOVE EQUIPMENT

Riddell shall have the right to, at any time, remove from said property any and all tools, machinery, apparatus, equipment, materials, supplies, and any other property which he may place thereon or therein, from time to time, all of which said property shall at all times be and remain personal property, and shall not at any time be, or considered to be, a part of the realty, and the same shall at all times be and remain the sole property of Riddell and Stuart shall not have any rights, title or interest in or to same; PROVIDED, however, that Riddell shall not at any time remove any buildings which he may place on said property, but the same shall remain thereon.

9. DURATION OF LEASE AND OPTION

This lease and option shall continue in force so long as Riddell complies with the provisions thereof, and with the provisions of said agreement dated July 31, 1953 between Stuart and said Wayne W. Coe, Harriet C. Coe and Henry W. Coe, as such trustees, as same was modified by said modification agreements, PROVIDED, however, that Riddell, his heirs and

assigns, shall have the right to terminate this lease and option and to cease all operations hereunder on said leased property, upon giving to Stuart thirty days notice in writing of his intention and desire to terminate the same and to discontinue such operations. Such thirty days period shall begin to run from the day that such notice is mailed by registered mail, and the termination of this lease and option shall become effective upon the termination of said thirty days period.

In the event of the termination of this lease and option, as is above provided, or in case this lease and option is terminated for any other cause whatsoever, then and in either of such events, Riddell, his heirs and assigns, shall have the right, for a period of 120 days after such termination becomes effective, as aforesaid, in which to remove from said leased premises any and all machinery, apparatus, tools, equipment, supplies, materials, rails, fittings, and any and all other property, except buildings which he or they may have theretofore placed thereon or therein; PROVIDED, however, that if Stuart, his heirs or assigns, should be prevented from removing any of such property from said leased premises, within said 120 days period, because of unfavorable weather and/or snow conditions or because of any other cause beyond his control, then the time for removing same shall be extended for such additional period of time as such removal was prevented by any of the above-mentioned causes. Upon the termination of this lease and option in any manner and for any cause specified and provided for in this instrument, all of the rights and obligations of Riddell, his heirs and assigns hereunder, shall cease and terminate.

10. WORK REQUIRED OF RIDDELL

Subject to the provisions of paragraph numbered 9 and paragraph numbered 14, hereof, Riddell shall perform the following work and carry on the following mining operations on said leased property, unless he is excused from doing so by any of the causes mentioned in paragraph numbered 13 hereof, to-wit:

1. During the year 1956, Riddell shall perform the following work on said land hereunder:

(a) Core drill 500 feet between the Sweden Tunnel and the Norway Tunnel;

(b) Either mine and put on the dump 500 tons of ore, or instead, he can, at his option, core drill 2500 feet at such place or places as he may select on said land; PROVIDED, however, that he shall be relieved from doing any part of the work mentioned in (a) and/or (b) above, which he may have theretofore performed under said option dated May ____, 1955.

2. Riddell shall, during the 12 months period between July 31, 1957 and July 31, 1958, and during each and every 12 months periods thereafter, mine, on and from said leased property,

not less than 1000 tons of ore during each of such 12 months periods, PROVIDED, that said leased property can, in the judgment of Riddell, his heirs and assigns, be operated at a reasonable profit during each of such 12 months periods.

710,11 *frickling*

12. FREE USE OF TUNNELS AND SHAFTS

Stuart agrees that, as a part of the consideration for this lease and option, in the event Riddell, his heirs or assigns, should hereafter lease or acquire other mining property, or the right to carry on mining operations on any other property which can be mined, and the ores and/or concentrates therefrom can be removed through any tunnel, shaft, winz, stopes or other workings now on said leased property or which may hereafter be made, driven or sunk thereon, then Riddell shall, as well as his heirs and assigns, have the right to use, free of charge, any and all such tunnels, shafts, winzes, stopes and other workings for use in exploration, development and/or other mining operations on such other property so leased or acquired, and for the transportation through the same, of ores and other materials produced therefrom, and for the purpose of taking and removing equipment, timbers, materials and supplies to and from such other property, for use in such exploration, development and/or mining operations, and for use in the milling and treatment of the ores mined therefrom. PROVIDED, however, that the rights granted in this paragraph numbered 12 are subject to the rights of the United States of America, and its successors, arising from said deed to it from said Mt. St. Helens Consolidated Mining Company, and shall terminate when this lease and option terminates.

13. EXCUSES FOR NON-PERFORMANCE BY RIDDELL

Performance of covenants and conditions imposed upon Riddell hereunder, shall be excused while and to the extent that Riddell, his heirs or assigns is or are prevented from complying therewith, in whole or in part, by Act of God, law, war, riot, strikes, lockouts, action of the elements, accidents, inability to obtain equipment, materials or labor in the open market or to obtain transportation therefor, rules and regulations of any federal, state, municipal or other governmental agency, or by any other causes beyond the reasonable control of Riddell, his heirs or assigns, whether similar or dissimilar to those above specifically enumerated and without regard to whether such causes, or any thereof, exists at the date hereof, or thereafter arises.

14. IF RIDDELL IS UNABLE TO OPERATE AT A PROFIT

If, at any time after July 31, 1956, Riddell, his heirs or assigns, is or are not able to operate said leased property at a reasonable profit because of the low price of the products produced therefrom or because of the high price of labor or materials or equipment, or due to any combination of such causes, or due to any other cause or causes beyond his or their control, then and in either of such events, Riddell his heirs and assigns shall have the right to discontinue operations hereunder until said property can again be operated at a reasonable profit, and in that event Riddell, his heirs and assigns, shall have the right to discontinue operations hereunder until said property can again be operated at a reasonable profit, and in that case Riddell, his heirs and assigns, shall pay to Stuart the sum of \$1200.00

for each of the five years, beginning on July 31, 1956 and ending on July 31, 1961, and shall pay to Stuart the sum of \$7500 each year after July 31, 1961, in which at least 1000 tons of ore is not mined and sold from said leased property; all sums so paid shall be paid to said bank within 30 days after the end of each of such years, and shall be credited by Stuart on account of the purchase price if the option to purchase hereunder hereinafter mentioned, is exercised by Riddell, his heirs or assigns.

15. OPTION TO PURCHASE

Riddell has, coincidentally with the execution hereof, paid to Stuart the sum of \$10,000.00, for which sum Riddell will receive credit on account of the 2% royalty and the 1% royalty which Riddell is required to pay to Stuart and F. M. DeNeffe, respectively as aforesaid.

As a part of the consideration for this lease and option, and as and for valuable considerations received by Stuart from Riddell, Stuart hereby gives and grants unto Riddell, his heirs and assigns, the exclusive right and option, which shall continue as long as this lease and option is in force, to purchase said leased property, for the sum of \$400,000.00, and Stuart agrees that if and when such option is exercised by Riddell, his heirs or assigns, then all sums which have theretofore been deposited with said bank as royalties, or otherwise, shall be credited on account of said purchase price of \$400,000, and Riddell, his heirs and assigns, shall at that time pay to said bank, for the credit of Stuart, the balance in cash, whereupon Stuart shall convey to Riddell, his heirs or assigns, the title to said leased property by a good and sufficient bargain and sale deed.

16. ASSIGNMENT OF LEASE AND OPTION

Riddell, his heirs and assigns, shall have the right to assign this lease and option, or an interest therein, without the consent of Stuart.

17. DEFAULT OF RIDDELL

In the event of default by Riddell, his heirs or assigns, with respect to any condition or covenant hereof, and continuance of such default for 30 days after receipt by Riddell of written notice from Stuart to the said Riddell to perform such condition or covenant regarding which Stuart claims that Riddell is in default, or in the event such claimed default cannot be cured within 30 days, the failure of the said Riddell to commence to remedy such default or defaults within 30 days and thereafter to diligently prosecute the remedying thereof to completion, shall give to Stuart the right to, at his option, terminate this lease and option by sending to Riddell a written notice of such termination.

18. NOTICES

Any notice provided for or required in or by this instrument shall be served by sending a prepaid registered letter

addressed to the party to be notified, in the case of Stuart, as follows: c/o 614 Dekum Building, Portland, Oregon;

In the case of Riddell, as follows: Skamania, Washington.

PROVIDED, however, that either party hereto may at any time change the name and address of the party to be notified by advising the other party thereof in writing.

19. LEASE AND OPTION BINDS AND ENURES TO BENEFIT OF HEIRS, ETC.

This lease and option, and all provisions thereof, shall also extend to and shall also be binding upon, all of the ~~successors~~-heirs ~~and assigns~~ and assigns of Stuart, and the heirs and assigns of Riddell, and it is agreed that the word "Riddell", wherever same is used herein, shall include the heirs and assigns of Riddell, and that the word "Stuart", wherever same is used herein, shall include the successors and assigns of Stuart.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals in quadruplicate, as of the day and year first above written.

Charles L. Stuart (SEAL)
Charles L. Stuart

O. W. Riddell (SEAL)
O. W. Riddell

State of Oregon)
County of Multnomah) ss

On this _____ day of _____, 195__ A.D.
personally appeared Charles L. Stuart and C. W. Riddell, and ac-
knowledgeed the foregoing instrument to be their voluntary act and
deed. Before me:

NOTARY PUBLIC FOR THE STATE OF OREGON
RESIDING IN PORTLAND

MY COMMISSION EXPIRES:

MAILED
COMPARSED
RECORDED
INDEXED: <input checked="" type="checkbox"/>
REGISTERED

[illegible]

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