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AGREEMENT

THIS AGREEMENT made and entered into by and between MT. ADAMS STONE & MINING, INC., a Washington corporation, hereinafter referred to as "First Party", and FRANK KARWOSKI, hereinafter referred to as "Second Party",

WITNESSETH:

WHEREAS, the parties have over a period of time entered into long oral negotiations and various agreements have been drafted pursuant to these negotiations, all dissatisfactory to the parties herein, and

WHEREAS, the parties have now reached an agreement under the following terms and conditions:

WHEREAS, the First Party is the owner of the lode claim containing stone located in Skamania County, Washington, known as Tripple J. No. 1, and more particularly described as follows:

Said mining claim is located approximately nine (9) miles North by Northwest of Trout Lake, Washington, on the North side of Beaver Creek Road in the Gifford Pinchot National Forest. Claim #1 is about one mile North by Northwest of where Beaver Creek Road is bisected by Cave Creek Road and Trail Creek Road. Said claim is just East of a mine named WHITE ROCK MINE, said mine being owned by one Vernon Beeks and is on file with the Skamania County Auditor's Office. Said claim is also just North of a mine named Tripple J. No. 11, which is on file with the Auditor's Office of Skamania County, Washington, as of date hereof,

Said claim runs from claim stake No. 1 N. 45° W. 1500 feet to claim stake No. 2 thence N. 45° E. 600 feet to claim stake No. 3, thence S. 45° E. 1500 feet to claim stake No. 4, thence S. 45° W. 600 feet to the point of begin

Said mining claim is filed for record in Book J, page 169, Auditor's file No. 62092, records of the County Auditor of Skamania County, Washington.

WHEREAS, the Second Party is desirous of mining stone from said lode, and in consideration of the mutual promises, agreements, and covenants herein contained, and in further consideration of the mutual benefits to be derived from this Agreement, it is agreed as follows:

1. That the Second Party herein shall be an independent contractor not under the control or employ of the First Party, and that the Second Party herein shall use his own manpower to mine any and all materials under this Agreement.

2. The Second Party shall mine a minimum of 500 tons the first year and 1,000 tons minimum thereafter, but at no time is he to mine any more than 5,000 tons of stone from said lode during each year of the operation commencing September 1, 1964, provided further that the First Party may increase the maximum at his option, provided that in the event that the Second Party herein is prevented from mining said claim due an act of God or other weather condition, then the minimum requirement will be adjusted by the First Party.

3. That the term of this agreement shall be for a period of five years commencing September 1, 1964. As an additional consideration hereof, there is hereby granted to the Second Party, the option to renew this agreement for an additional period of five years from the expiration thereof upon the terms and conditions to be agreed upon between the parties hereto, provided that notice of intention to exercise such option be given to the First Party in writing not later than 90 days prior to the expiration of this agreement, said notice to be mailed by registered mail or delivered personally at the registered office address of the First Party. If the terms of new agreement cannot be reached by the end of the term of this agreement, the whole matter must be arbitrated and both parties bounded by the decisions thereof.

4. It is hereby agreed by and between the parties hereto that the Second Party shall pay to the First Party the sum equal to Eight Dollars (\$8.00) per ton (2,000 pounds) for each ton of stone removed from the above described lode. Payments shall be made 30 days after the removal of the stone from the lode or from the quarry, but in no event shall the consideration be contingent upon the sale, consignment or use thereof by the Second Party. It is further provided that payments by the Second Party shall be paid monthly on or before the 10th day of each month, commencing October 10th, 1964, for the stone removed pursuant to this agreement for the preceding month.

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5. It is further agreed that the Second Party assumes no liability or liabilities incurred by the First Party during the existence of this agreement.

6. The Second Party agrees to mine said lode in a workmanlike and skillful manner according to approved methods, and the Second Party shall comply with all applicable Federal, State, and County laws and regulations affecting said premises and the mining business conducted thereon.

7. Second Party will suffer or permit any unlawful act on said mining claim nor commit nor allow to be committed a nuisance or waste thereon. Second Party shall also comply with all rules and regulations of the United States Forest Service with respect to its mining operations, removal of timber and other actions relating thereto.

8. The Second Party agrees to indemnify and hold harmless the first party from any and all liability which may arise or grow out of the Second Party's mining operation and the Second Party agrees to carry liability insurance in a sufficient amount to insure such indemnity, and said policy of insurance shall include the first party as a named insured. The Second Party shall forward a copy of the insurance policy or certificate of insurance required herein to the First Party.

9. If it becomes apparent in the operations of the Second Party that new access roads are needed to develop the lode herein, or to facilitate this agreement, then it is agreed by and between the parties that Second Party will contribute the sum of One Thousand (\$1,000.00) Dollars as his share of the development of said access road. It is further agreed that the Second Party will also make available for loan to the First Party the sum of an additional One Thousand (\$1,000.00) Dollars. Repayment of said loan shall be deducted from the monthly obligations incurred by the Second Party to the First Party pursuant to this agreement herein.

10. It is further agreed and understood that the First Party shall also have the right to mine stone from the above described lode

and shall have the right to use all existing roads and any roads constructed in the future which permit ingress and egress to, over and across the above described claim, provided, however, that the mining operation which may be conducted upon said claims by the First Party shall not disrupt or impede the mining operations conducted by the Second Party, ~~and shall not interfere with the Second Party's mining.~~ *KAT. GEE. OK*

11. That in the event that the mineral herein to be mined becomes unavailable within the existence of this agreement, it is agreed by and between the parties that the First Party will make available any other areas which it has at its disposal or some adjustment be made. That in the event an adjustment cannot be made after the Second Party gives notice to the First Party in writing of the non-availability of said material and within 90 days thereafter, the matter should be placed in arbitration in accordance with the Washington Rules on Arbitration.

12. Second Party may assign this agreement but only to some financially responsible party or parties, provided all covenants and agreements to be performed and kept herein by the Second Party shall be fully complied with up to the date of the assignment.

13. The Second Party shall maintain accurate and permanent records of the removal of all stone from the said lode, including weight tickets, and will permit representatives of the First Party to inspect such records at reasonable times and intervals.

14. Second Party will render an accounting and statement of all stone removed on or before the 10th day of each month during the term of this agreement commencing October 10, 1964, and will accompany such accounting and statement with an authorization to deduct same from the amount on deposit with the First Party, as more specifically provided for hereinabove.

15. Second Party shall pay all costs and expenses incurred in connection with his mining operations upon said mining claim and shall not allow any charges to become delinquent or to become liens upon said mining claim.

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16. This Agreement shall be binding upon and shall inure to the benefit of legal representatives, heirs and assigns of the parties hereto.

17. It is further agreed and understood that the Second Party has a right to mine and remove stone only from said mining claim, and the Second Party shall have no right to mine, take, or remove any minerals from said claim, except stone. In the event the stone which is being mined by the Second Party has substantially greater value by reason of its mineral content, than it would originally have as a construction or building material, the First Party shall immediately give notice to the Second Party concerning an adjustment or amendment to this Agreement. That if the parties are unable to come to some agreement within 90 days from the time the notice is given by the First Party to the Second Party, then at that time the matter should be placed in arbitration in accordance with Rules and Regulations of the State of Washington.

18. In the event that the Second Party becomes voluntarily or involuntarily bankrupt or if a receiver be appointed by any Court for the business of the Second Party, then this Agreement, at the election of the First Party, may be immediately terminated.

19. Second Party warrants that it has inspected the mining claim referred to above and is thoroughly familiar with its location and present condition and in consummating this agreement, the Second Party has not relied upon any representations of or from the First Party acting through his duly authorized representative as to the quality of the stone contained in said lode or any other matters relating thereto.

20. Time is of the essence hereof, and if the Second Party shall fail to comply with any of the terms and conditions hereof, after 10 days notice in writing, calling their attention to any breach of this agreement, the First Party may thereupon elect to declare this agreement terminated and all rights of the Second Party shall thereupon cease and terminate. Upon notice of termination of this agreement by the First Party, the Second Party shall immediately vacate the premises and deliver up possession thereof to the First

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Party. That in the event of default by the Second Party, the First Party shall be entitled to any and all damages against the Second Party permitted by law in an action to terminate this Agreement.

Dated the 3rd day of September, 1964.

Under paragraphs #3, #11, & #17 all parties agree that the mine will not be closed down due to arbitration
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MT. ADAMS STONE & MINING COMPANY

Kenneth H. Jagger
President

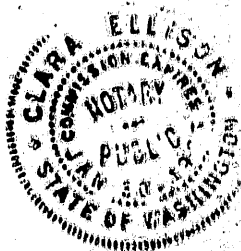
Ray E. Goble, Jr.
Secretary

Frank C. Karwinski
Second Party

STATE OF WASHINGTON)
COUNTY OF LEWIS) ss.

On this 3rd day of September, 1964, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Kenneth H. Jagger, Pres and Ray E. Goble, Jr., Sec, to me known to be the President and Secretary, respectively, of MT. ADAMS STONE & MINING COMPANY, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and seal the day and year first above written.



Clara Ellison
Notary Public in and for the State
of Washington, residing at Bozoma
Randle

STATE OF WASHINGTON
 COUNTY OF PIERCE

On this 3rd day of September, 1964, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared FRANK KARWOSKI, to me known to be the individual described in and who executed the within and 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 3rd day of September, 1964.



Clara Ellison
 Notary Public in and for the State
 of Washington, residing at Tacoma,
Wash.