

THIS AGREEMENT was entered into this 1st day of July, 1969, by and between WILLIAM S. BOWEN and ROBERTA F. BOWEN, both hereinafter called "Lessors", and J. W. VAN and HENRY SMITH, both hereinafter called "Lessee",

WITNESSETH:

WHEREAS, the Lessors have filed mining claims in their own names with the Auditor of Stanislaus County, Washington, which duly and regularly recorded placer claims are unpatented and are located in said County and State, in the Cooper Mining District, about nine miles west of Trout Lake, Washington on Mann Butte; This agreement having relation to all of such claims belonging to Lessors in the described area; and

WHEREAS, it is the desire of Lessors that said claim be developed and the material extracted therefrom be marketed, and it is the desire and intent of Lessee to so develop said claims and market the material extracted therefrom; Now, therefore, it is hereby agreed by the parties hereto as follows:

1. Lessors do hereby lease and let to Lessee all of those unpatented mining claims hereinbefore described for a period of two years first and after the date of expiration thereof. Lessee shall have the right to three successive renewal options of this lease, each renewal to be of five years duration. In exercising said option to renewal Lessee shall give Lessors written notice of intention to renew or extend this lease not later than the first day of May in the year of termination of the preceding leasehold term, such notice to be given at the address hereinafter indicated for Lessors.

2. Lessee may enter into possession of said claims forthwith for the purpose of developing and working the same and of extracting and marketing material therefrom, and Lessee shall have the claim in operation and production not later than December 31, 1970, or at the option of Lessee within this agreement may be

DECLARED VOID

3. Lessee shall be solely responsible for performance of and do everything to effect the completion of, all assessment work required to be done upon the claim to protect the ownership interest of Lessor in said mining property.

4. Lessee shall have the right to remove from said mining claims any material for which no royalty charge will be made by Lessor, provided none of said material is devoted to the personal use of Lessee or to their personal benefit. Said material shall be used for promotional purposes in the advertising of the material itself and in securing market outlets for the same.

5. Lessee shall pay to Lessor, monthly, royalty upon all material removed from the mining claim at the rate of \$ per ton, said payment to be made on or before the 15th day of the month following which said stone is removed and sold. Material removed and stock-piled shall be paid for not later than the 15th day of the month following receipt of payment by Lessee upon a sale of that material.

6. Concurrently with payment for stone sold by Lessee, they shall provide to Lessor an accounting which shall list the name and address of each purchaser of material, the total tonnage purchased by each such customer, and the price paid therefor. Lessor shall have the right, at reasonable times and places, to inspect the books and records of Lessee relating to extraction of material and the sales thereof, and Lessee shall provide to Lessor, annually on or before the 15th day of the month following the end of Lessee's fiscal year, an annual statement, certified, of mining operations conducted. In the event said annual statement is to be certified, the same shall be done by a person duly qualified. In the event said

and shall be responsible for the cost of such claims. Lessee shall be responsible for the cost of such claims, and the cost of such claims shall be borne by the Lessee.

7. Lessee shall use the said mining claim in a workmanlike manner for the purpose of extracting, transporting, selling and collecting funds in payment for steps and thereafter at prices and under conditions as the Lessee shall determine.

8. Lessee shall save Lessee, fully harmless from any and all liability resulting or which may result as a result of the operation of said mining claim, or in the conduct of the business and sales operations of Lessee in connection therewith.

9. Lessee do give and grant unto Lessee the exclusive right to use the name "Lessee's Delight" in connection with stone removed from said claim, but Lessee are not required to employ said name and may use any other name for said material which is desirable and acceptable to said Lessee.

10. In the event of any default on the part of Lessee, or of any failure to observe the terms of this lease, Lessee may at their option, declare this lease terminated, enter upon said claim, or remove all persons therefrom. In the event of such default or failure of performance, and the exercise of such option by Lessee, Lessee shall forthwith peacefully remove themselves from the premises.

11. This agreement shall be binding upon the parties hereto, their heirs, legal representatives, successors and assigns, and Lessee shall not assign their rights hereunder without having first obtained the written approval of Lessee. Lessee approval shall not be unreasonably withheld.

12. The use of the singular herein, or the plural, shall apply to both the singular and the plural, and the use of any gender shall include all genders. In the event any portion of this contract

shall be held null and void in all courts of competent jurisdiction, and the same shall be null and void in all courts of competent jurisdiction, and the same shall be null and void in all courts of competent jurisdiction.

12. This contract and the terms hereof shall be interpreted under the laws of the State of New York, and all suits which may be instituted hereunder shall be commenced within such County in said State as the parties shall select.

13. This instrument contains the entire agreement between the parties, and there are no other or verbal agreements which effect the same. Any and all conditions, or any additional terms, shall be of no force or effect unless the same be reduced to writing, attached hereto and signed by the parties.

IN WITNESS WHEREOF, the parties hereto who have signed the foregoing a record of less than one year first above written.

William J. [Signature]

Robert R. [Signature]

C. M. [Signature]

[Signature]

State of Oregon
County of Washington

On this day personally appeared Carl W. Fox and
Harold Smith, as known to me the undersigned, and acknowledged
who executed the within and foregoing instrument, and acknowledged
that they signed the same as their own voluntary act and deed,
for the uses and purposes therein contained.
Given under my hand and official seal this 15th day of
July, 1969.



Notary Public for the State of
Oregon, residing at
1111 1/2 1st St., Portland, Oregon
My Commission Expires July 1, 1971

That part of this agreement designated as number 3 and reads as follows:

Lessee shall pay to Lessor, monthly, royalty upon all material removed from the mine claim at the rate of _____ per ton, said payment to be made on or before the 15th day of the month which said mine is removed and sold.

is hereby changed to read:

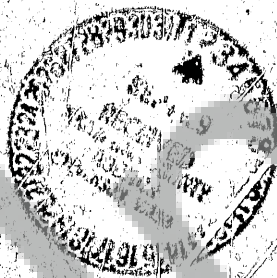
Lessee shall pay to Lessor one-third (1/3) of the net profits on all material removed and sold from said mining claims.

William B. Dunsen

Robert P. Brooks

C. W. Fry

Edmund C. ...



STATE OF Illinois
County of Marshall

On this day, _____, 1947, before me, E. W. Fox, Notary Public in and for the State of Illinois, personally appeared _____, known to me to be the individuals whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.



IN WITNESS WHEREOF, I have hereunto set my hand and the seal of my office this _____ day of _____, 1947.