

LEASE

THIS INDENTURE, executed in triplicate, this 25th day of August, 1976, between WIND RIVER MINING CO., a Washington corporation, hereinafter sometimes referred to as First Party, Lessor and RICHARD E. FOSTER, hereinafter sometimes referred to as Second Party, Lessee, WITNESSETH:

That the Lessor for and in consideration of the rents, covenants and agreements hereinafter expressed to be paid, kept, and performed by the Lessee, has leased, let and demised, and by these presents does lease, let and demise unto the Lessee, the following described premises and property, situate, lying and being in Paradise mining district, in the County of Skamania, in the State of Washington, to-wit:

	Book	Page		Book	Page
Paradise Mine	40	242	Lode Star #1	H	345
Wind River #1	H	346	Wind River #2	H	347
Wind River #3	H	374	Wind River #4	H	344
Wind River #5	I	208	Wind River #6	I	209
Wind River #7	I	210	Wind River #8	I	211
Wind River #9	I	212	Wind River #10	I	213
Wind River #11	I	214	Wind River #12	I	215
Wind River #13	I	216	Wind River #14	I	217
Wind River #15	I	218	Wind River #16	I	219
Wind River #17	I	220	Wind River #18	I	221
Wind River #19	I	222			

together with any and all mining equipment now owned by Lessor and situated upon said premises, including but not limited to the following particular items of personal property:

- 1 - D-7 Caterpillar tractor Serial Number 4-T-7375 with Hyster towing winch and Letourneau straight cabl. dozer.
- 1 - HL3 mucking machine.
- 1 - Emco air locomotive.



- 2 - Holists
① - 8" x 2" Handy Jaw Crusher
① - Colorado Iron Works 4x3 Ball Mill complete

TO have and to hold the same for the term of ten years beginning upon the date this Lease is executed, for the purpose of prospecting, mining, drilling, boring, or digging for oil, gas, asphalt, lead, zinc, gold, copper, silver, and all and every other kind or kinds of valuable mineral, ore, fossils, or vegetable substance whatever, with the right to use so much of the surface of the land and any buildings and other property located upon such land and so much of the timber and building stone found thereon as may be properly needed to successfully conduct the prospecting and mining operation; also the right-of-way over and across the land whereon to construct and operate such line or lines or railroad or roads including bridges and waterways as may be necessary to carry on and prosecute the objects of this indenture; also the right to erect buildings, derricks and pumping plants, for the business of boring, prospecting, mining and prosecuting the object of this indenture, with the right to remove any buildings or constructions, refineries, concentration mills, machinery, pipelines and any other improvements placed upon said premises by the Lessee, at any time or within one year from the date of the termination or expiration of this Lease. The Lessee further covenants and agrees that the Lessor shall have the right at all reasonable times to enter upon the leased premises and inspect the same.

The Lessee further covenants and agrees to occupy and hold all crevices, side veins, spurs, feeders, cross loads, parallel loads or mineral deposits of any kind which may be discovered in working under this lease on Lessor's property as the property of

Lessor and the Lessee shall have the privilege of working the same as an appurtenance of the demised premises during the term of this lease and Lessee agrees not to locate or record the same, or allow the same to be located or recorded except in the name of the Lessor; however, Lessee shall have the right to prospect elsewhere on his own, stake claims in his own name or purchase the same, provided however, that Lessee shall not stake or purchase any claim closer than one claims width to the property or any claim in the name of the Lessor.

The Lessee agrees with the Lessor to keep books of account showing the amount of ore extracted from the mine, the amount of money received from the sale of the ores or the value extracted therefrom; that from and out of the values obtained from the ores so extracted and which may be found in, on, or around the mine, and reduced, treated, sold or shipped, the Lessee will pay to the Lessor TEN PER CENT (10%) of the net smelter returns after subtracting transportation costs, based upon competitive rates, which shall be paid and delivered to the Lessor at the end of each three (3) month period during the term of this lease; that a duplicate of mill, smelter, or retort return shall be furnished by the mill owner or by the owner of the smelter or retort to the Lessor; records of core samples, maps and assays to be furnished Lessor upon request, and copies of all such records to be turned over to Lessor upon termination of this Lease, and that books of account shall be opened at all reasonable times to the Lessor and its representatives. ~~It is agreed that the above percentage will be 5% for 1976.~~

The Lessee covenants and agrees with the Lessor to maintain all equipment and buildings leased hereunder in good condition,

reasonable wear and tear thereof excepted, during the term of this Lease.

The Lessor covenants and agrees with the Lessee that the Lessee shall have sole access to the property leased hereunder save and except that the Lessor shall have access to said premises and property at reasonable times for the purposes of inspecting the same.

The Lessor further covenants and agrees with the Lessee that Lessee shall use any mining methods he deems advantageous in the operation of said mine.

The Lessor hereby grants to the Lessee an option to renew this Lease for an additional period of ten years upon the same terms and conditions as are herein granted upon the condition that Lessee shall serve written notice of his intention to so renew said lease upon the Lessor within 90 days of the expiration of the term herein granted.

The Lessee covenants and agrees to work said mine in a workmanlike manner and in the event that he fails to do so or to keep any of the covenants and agreements herein contained, then the Lessor, at his option, may terminate said Lease upon giving the Lessee 30 days written notice of his intention to do so and in the event that Lessee finds it unprofitable to operate said mine under the terms of this Lease, then Lessee shall service written notice upon Lessor of his intention to terminate said Lease and said Lease shall become null and void THIRTY (30) days after service of said written notice upon the Lessor.

Lessee agrees to pay all personal property tax, and excise tax, also, real property tax not to exceed \$100.00 per year, and sales

tax levied upon the property leased hereunder during the term of this Lease; and to maintain state industrial, accident, and liability insurance to adequately cover any loss that may be sustained by the Lessor hereunder.

Lessee promises and agrees to save the Lessor harmless from any loss as a result of actions at law or suits in equity arising out of Lessee's use and operation of the property leased hereunder.

Lessee further agrees to do all annual assessment work during the term of this Lease. R.E.Z. [Signature]

[REDACTED]

Lessee agrees to continually work in the betterment and development of the property.

It is further understood and agreed that in the event that Lessee be by act of God, fire, flood, water, strike, lock-out, or any other cause beyond his control prevented from fulfilling any conditions or terms of this Lease, such failure shall not be considered a breach of the terms hereof, but the Lessee agrees, in any such case to use all reasonable diligence to remove such preventing cause.

Lessee covenants and agrees that at the end of the term herein granted or any sooner termination of said Lease to surrender, yield, and deliver to the Lessor, his heirs, executors, administrators or assigns quiet and peaceable possession of the premises in good

condition.

In the event that it becomes necessary for either of the parties hereto to engage the services of an attorney to enforce the terms of this Lease, or to recover for the breach of any of the terms hereof, then it is understood and agreed that the party at fault shall pay such sum as is reasonable to the party not at fault as and for attorney's fees incurred in enforcing the provisions of said agreement or bringing action for damages for breach of the terms contained herein.

Lessee may assign all right, title and interest which he has in this Lease, upon thirty (30) days notice to Lessor of his intention to do so. Lessor shall not unreasonably withhold its consent to such assignment by Lessee, but any assignee of such Lease shall be fully bound by the terms and conditions of the within Lease, and shall endorse a copy of such Lease, in writing, wherein it acknowledges to Lessor that it shall be bound by such original terms.

In the event that a purchaser can be found to buy the whole property, Lessee agrees to cancel his Lease for 1% of the gross sales price.

In the event that a New Lessee can be found to put enough capital into the property to expand the operation, Lessee agrees to assign his Lease for a 2% Royalty based on gross returns.

IN WITNESS WHEREOF the parties hereto have executed these presence the day and year first above written.

LESSEE:

LESSOR:
WIND RIVER MINING COMPANY

Richard E. Foster
RICHARD E. FOSTER

By W. H. [Signature]

STATE OF
COUNTY OF

On this 25th day of AUGUST, 1976, before a Notary Public for the above County and State, personally appeared, RICHARD E. FOSTER, Lessee of the above Lease, and Victor Collard, President of Wind River Mining Co., a Washington corporation, who each did execute the foregoing Lease, and did acknowledge that the same was their free act and deed, with the authority invested.

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



Kent Hillson
NOTARY PUBLIC in and for the State of

OREGON, residing

at PORTLAND

My Commission Expires Jan 4, 1977

COMPANY