

PROSPECT AND DEVELOP THE PROPERTY. AT ANY TIME WITHIN THREE YEARS FROM THE DATE HEREOF, THE PURCHASER MAY PURCHASE AN UNDIVIDED FOUR-FIFTHS INTEREST IN SAID PROPERTY FOR THE SUM OF TEN THOUSAND (\$10,000) DOLLARS. IF THE PURCHASER SHALL NOT ELECT TO MAKE THE PURCHASE WITHIN THAT TIME, HE SHALL SURRENDER POSSESSION OF THE PROPERTY AT THE END OF THREE YEARS, AND MAY SURRENDER POSSESSION AND TERMINATE THIS AGREEMENT AT ANY TIME PRIOR TO THE EXPIRATION OF THAT PERIOD. SO LONG AS THE PURCHASER SHALL REMAIN IN POSSESSION OF AND OPERATE THE PROPERTY, AND SO LONG AS THE VENDOR SHALL RETAIN A ONE-FIFTH INTEREST THEREIN, THE VENDOR SHALL RECEIVE ONE-FIFTH OF THE NET SMELTER RETURNS FROM THE ORES TAKEN FROM THE PROPERTY, WHICH NET SMELTER RETURNS SHALL BE CALCULATED AS FOLLOWS:

THERE SHALL BE DEDUCTED FROM THE GROSS RETURNS THE EXPENSE OF HAULING THE ORE TO THE RAILROAD, FREIGHT TO THE SMELTER, AND THE SMELTER CHARGES, AND FROM THE NET RETURNS THEN REMAINING, THE VENDOR SHALL RECEIVE ONE-FIFTH THEREOF. UNDER NO CIRCUMSTANCES SHALL SHE BE HELD LIABLE FOR EXPENSES OR LOSSES. IN THE EVENT THAT THE PURCHASER ELECTS TO EXERCISE THE OPTION TO PURCHASE THE REMAINING ONE-FIFTH OF THE PROPERTY WHICH IS ⁱⁿ HEREⁱⁿAFTER GRANTED, THEN THE RIGHT OF THE VENDOR TO RECEIVE ONE-FIFTH OF THE NET SMELTER RETURNS AFORESAID SHALL CEASE.

THE VENDOR FURTHER GRANTS TO THE PURCHASER AN OPTION TO PURCHASE THE REMAINING ONE-FIFTH INTEREST IN THE PROPERTY FOR THE SUM OF THIRTY THOUSAND (\$30,000) DOLLARS IN CASH, SUCH OPTION TO BE EXERCISED ON OR BEFORE FIVE YEARS FROM THE DATE HEREOF; PROVIDED, HOWEVER, THAT ANY SUM PAID TO THE VENDOR FROM THE OPERATION OF THE MINE, EXCLUSIVE OF THE PAYMENT OF TEN THOUSAND (\$10,000) DOLLARS MENTIONED IN THE PRECEDING PARAGRAPH, SHALL BE CREDITED UPON THE SAID PAYMENT OF THIRTY THOUSAND (\$30,000) DOLLARS IN THE EVENT THAT THE PURCHASER ELECTS TO EXERCISE THIS LATTER OPTION.

UPON A COMPLIANCE WITH THE CONDITIONS OF THIS AGREEMENT WITHIN THE TIME PROVIDED, THE VENDOR COVENANTS AND AGREES TO CONVEY AN UNDIVIDED FOUR-FIFTHS INTEREST IN AND TO THE SAID PROPERTY BY GOOD AND SUFFICIENT DEED TO THE PURCHASER UPON THE PAYMENT OF THE SUM OF TEN THOUSAND (\$10,000) DOLLARS, AND TO CONVEY THE REMAINING ONE-FIFTH INTEREST IN AND TO THE SAID PROPERTY TO THE PURCHASER BY A GOOD AND SUFFICIENT DEED UPON THE PAYMENT OF THIRTY THOUSAND (\$30,000) DOLLARS, LESS ANY DEDUCTIONS FROM SMELTER RETURNS THERE MAY BE WITHIN THE TIME HEREIN SPECIFIED.

IT IS HEREBY AGREED THAT TIME IS OF THE ESSENCE OF THIS AGREEMENT, AND IN CASE THE PURCHASER SHALL FAIL TO PERFORM ANY OF THE CONDITIONS OF THIS AGREEMENT WITHIN THE TIME OR TIMES SPECIFIED, THE VENDOR MAY AT HER OPTION DECLARE THE SAME NULL AND VOID, AND SHALL RETAIN AS RENTAL FOR THE SAID PROPERTY ALL SUMS OF MONEY WHICH MAY HAVE BEEN PAID TO HER HEREON. IN THE EVENT ^{that she shall elect to declare this agreement terminated or in the event} THAT THE PURCHASER SHALL ELECT NOT TO EXERCISE HIS OPTION TO PURCHASE, THE PURCHASER SHALL NOT BE LIABLE FOR ANYTHING LAWFULLY DONE BY HIM HEREUNDER

IT IS UNDERSTOOD AND AGREED THAT THIS AGREEMENT IS ASSIGNABLE AND SHALL BE BINDING UPON THE PARTIES HERETO, THEIR HEIRS, ADMINISTRATORS, EXECUTORS AND ASSIGNS.

DATED THIS 4TH DAY OF JUNE, 1917.