

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT entered into on this 1st day of August, 1967, by and between JAMES S. PAYNE and OLIVE A. PAYNE, husband and wife, as individuals, and JAMES S. PAYNE as Trustee for FAMILY HOLDING, hereinafter called first parties, and DIVERSIFIED MINES, INC., a Washington Corporation, qualified to do business in the State of Nevada, hereafter called second parties,

WHEREAS, on March 11, 1967, first parties entered into a Lease Purchase Agreement with ORVILLE W. TABER and CLARENCE W. ST. JEOR, as second parties, which agreement provided for the Lease and purchase of five mining claims known as the Family Holding Claims Nos. 1 through 5, inclusive, formerly known as the Beowawe Sulfur Claims situate in Section 12, T. 29 N., R. 48 E., M.D.B. & M., Beowawe Mining District, Eureka County, State of Nevada, that

WHEREAS ORVILLE W. TABER and CLARENCE W. ST. JEOR, second parties to the aforementioned lease purchase Agreement and CARLIN CORPORATION, the assignee of said ORVILLE W. TABER and CLARENCE W. ST. JEOR, are in default under the terms of the said Lease Purchase Agreement of March 11, 1967, and the said first parties having given written notice of default to the said TABER, ST. JEOR and CARLIN CORPORATION, dated July 26, 1967, which written notice of default provides that the said Lease Purchase Agreement shall be deemed forfeited and terminated and become null and void unless completely remedied and corrected within thirty days, to-wit: August 26, 1967, and

WHEREAS first parties and second parties herein agree to enter into a Lease Purchase Agreement for said Family Holding mining claims in the event said default is not remedied and corrected,

NOW THEREFORE, for and in consideration of the sum of FIVE HUNDRED (\$500.00) DOLLARS to the first parties in hand paid, the receipt whereof is hereby acknowledged, and other good and valuable consideration, the first parties do hereby grant unto the second party, as of 12:01 A.M. August 27, 1967, a lease and option

to purchase the following described mining claims situate in the County of Eureka, State of Nevada, more particularly described as follows:

Five mining claims called the Family Holding No. 1, Family Holding No. 2, Family Holding No. 3, Family Holding No. 4 and Family Holding No. 5, and being the mining properties formerly known as the Beowawe Sulfur Claims, situate in the Beowawe Mining District, in Section 12, T. 29 N., R. 48 E., M.D.B. & M., Eureka County, Nevada.

1. TERMS: The terms of said Lease Purchase Agreement shall be generally the same as provided for in the Lease Purchase Agreement of March 11, 1967, by and between the first parties herein and ORVILLE W. TABER and CLARENCE W. ST. JEOR, with the understanding that consideration therefor shall be royalties of ten percent of the net shipment returns or \$500.00 per month, whichever shall be the greater, on all ores, metals, minerals and other products extracted, mined, milled, shipped or otherwise sold from said leased premises, which royalties shall be credited against a total purchase price of \$ 150,000.00 and upon the payment thereof, first parties will transfer title of the above-described premises to second party, its successors or assigns, and all royalty payments will thereupon cease, the second party, its successors or assigns thenceforth holding said property in its own right.

2. CURRENT LIABILITY: It is understood and agreed that there exists against the premises certain liabilities in the form of salaries, fuel, mining supplies, etc., as particularly described in the aforementioned Notice of Default, in approximately the sum of \$10,000.00. That upon exercise of this agreement second party agrees to assume and pay said obligations.

3. ESCROW: That said Lease Purchase Agreement shall provide for the escrow of a mining deed to the premises from first parties to the second party with the Nevada Title Guaranty Company Elko Branch, Elko, Nevada, as escrow agent. That said Agreement is

2.

contingent upon first parties' providing ordinary title to said mining claims, that said mining claims are valid and subsisting claims subject only to the paramount title of the United States of America and the State of Nevada.

IN WITNESS WHEREOF, the parties hereto have subscribed their names the day and year first above written.

James S. Payne
JAMES S. PAYNE

Olive A. Payne
OLIVE A. PAYNE

James S. Payne
JAMES S. PAYNE as Trustee

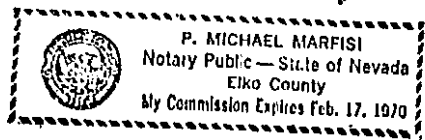
DIVERSIFIED MINES, INC.

J. M. Willis - President

STATE OF NEVADA,
COUNTY OF ELKO.

On August 1, 1967, personally appeared before me, a Notary Public, JAMES S. PAYNE and OLIVE A. PAYNE, husband and wife, as individuals, and JAMES S. PAYNE as Trustee for Family Holding, who acknowledged that they executed the above instrument.

P. Michael Marfisi
NOTARY PUBLIC



State of Washington)
County of Snohomish)

On this 15th day of August, personally appeared before me, a Notary Public, J. M. WILLIS, President of DIVERSIFIED MINES, INC., who acknowledged that he executed the above instrument.



Notary Public in and for the State of Washington, County of King. My commission expires 12/6/70. 3.
VAUGHAN, HULL, MCDANIEL & MARFISI
ATTORNEYS AND COUNSELORS
530 IDAHO STREET
ELKO, NEVADA 89801

contingent upon first parties, providing primary civil...
winning claims, that said winning claims are with and...
claims subject only to the paramount title of the State of
America and the State of Nevada.

IT WITNES WHEREOF, and that the said parties have
their names the day and year first above written.

45218

FILE NO.
RECORDED AT THE REQUEST OF
Vaughan, Hull, McDaniel & Marfisi
September 7 A. D. 1967
at 37 minutes past 11 A. M.
in Book 20 of OFFICIAL RECORDS
Page 317-319 Records of
EUREKA COUNTY, NEVADA
J. L. McDaniel
Recorder Fee \$ 5.00

ON AUGUST 1967, before me, Notary Public, JAMES H. PAVNE and OLIVE A. PAVNE, and JAMES H. PAVNE as witness for Eureka County, Nevada, and acknowledged that they executed the above...

()
()
()

J. L. McDaniel



Notary Public in and for the State of Nevada
JAMES H. PAVNE, Notary Public, Eureka County, Nevada
My Commission Expires August 1968