THIS AGREEMENT, made and entered into by and between THE
CAPITAL MOUNTAIN TUNNEL AND MILLING COMPANY, hereinafter called the
lessee, and PHILIP R. STANHOPE, hereinafter called the lessee, on
the 1st day of August, 1915, WITNESSETH:-

That the said lessor does hereby demise, lease and mine-let
unto the said lessee the following described mining claims and
property- to-wit:

The Senator lode mining claim, U.S. survey Lot No. 2250,
and the Capital lode mining claim, U. S. Survey Lot No. 312, and
all other mining claims and premises, and rights and interest there-
to or therein, belonging to and held by the said lessor, situated on
Capital Mountain, in the Montana mining district, County of Clear
Creek, State of Colorado.

TO HAVE AND TO HOLD the same, together with the appurten-
ances, improvements, mining machinery and tools thereon unto the
said lessee, from this date to and until August 1st, 1917, unless
this lease is sooner forfeited or determined, through the violation of
any covenant or covenants herein against the said lessee reserved, as
hereinafter provided.

In consideration of the lease and demise aforesaid, said
lessee covenants and agrees with the said lessor as follows, to-wit:
said lessee shall mine, work and develop the said leased property and
the mines and mine workings thereon continuously and diligently from
the date of this lease, during the term hereof, in a good and miner-
like fashion, with due regard to the protection, development and pre-
servation of the same as a workable mine, as well as to any special
agreements and covenants with regard to such working and development
herein set forth, and said lessee shall keep at all times during the
term hereof at least two (2) miners at work in said leased premises
under ground; and said lessee shall properly and securely timber all
shafts, tunnels, drifts, winzes, upraises and other mine workings, made,
excavated or used by the said lessee upon or within said leased pre-
mises, all drifts to be timbered with double square sets, set side and
aid, not more than five (5) feet apart; and said lessee shall properly secure and support all stopes, and shall repair and renew old timbers, so as to prevent any caving in any workings or excavations or parts of said leased premises, wherein any work shall be done by the lessee; and the said lessee shall at all times keep all openings, tunnels, drifts and other passages clear of loose rock, rubbish and debris; and shall permit the authorized agent or agents of the lessor at any and all times to enter into and upon all parts of said mining premises and workings and excavations thereon, for purposes of inspection, surveying, sampling, or other purposes consistent with the terms of this lease.

All bills and expenses incurred by the lessee or those in privity with the lessee shall be promptly paid by the lessee, and by such prompt payment said lessee shall prevent the filing of any and all liens of miners, mechanics or material men, against said leasehold interest; and, if by reason of the failure of said lessee to pay such bills or expenses, any lien or liens shall be filed against said interest the said lessor may forthwith pay off and discharge the same, and the said lessee hold himself bound to pay to said lessor all sums so advanced or paid to clear said interest from liens which may be filed as aforesaid, and the said lessor may also at its election, declare a forfeiture of this lease.

Said lessee further, in consideration of the leasing aforesaid, agrees to pay the said lessor the following royalties upon all ores mined from said leased premises during the term of this lease, to-wit: fifteen (15) percent of the gross proceeds of all ores, sold to any smelter, mill, reduction works, or ore buyer or buyers in a crude state, whether assorted for shipment or not, and ten (10) percent of the gross proceeds of all ores, which cannot be profitably shipped and sold in a crude state, and which shall be milled or concentrated by or for said lessee; provided, that said lessee shall not pay any royalty on ores or concentrates sold prior to August 1st, 1916, and after that date said lessee shall sell and dispose of all ores
mined from said premises, so far as it shall be able so to do, in such manner as to realize and secure the highest value and price obtainable for the same; the term, gross proceeds, as herein used, shall be understood as meaning the entire proceeds realized from sales of ores or concentrates, deducting therefrom smelting charges and expense of hauling ores or concentrates to the railroad and freight to the smelter only, but not deducting any costs or expenses of mining or the production of concentration of ores, or any other expenses connected with the undertaking of the lessee. Said lessee shall pay to the lessor or its agent on the first day of each month all royalties due to the lessor, under the terms hereof, on account of ores and concentrates sold or disposed of during the preceding month, and shall, at the time of each such monthly payment of royalties, deliver to the authorized agent of the lessor, an accurate and full statement showing the quality, quantity and value of all ores removed, sold or milled by said lessee, during the month immediately preceding, together with duplicate statements from mills, smelters, samplers or ore buyers, receiving or purchasing such ores, or any of them; and said lessor, or its duly authorized agent or agents, shall have the right at all times to see that all ores are properly assorted, sampled, assayed, and classified as smelting ore or concentrating ore, and to assist the lessee in obtaining the highest value for the same.

Said lessee further agrees that it will pay all the taxes now due, and which shall hereafter become due and payable, during the term of this lease, upon the mining property and premises of the lessor, and every part of the same, before such taxes become delinquent.

Said lessee further agrees to deliver to said lessor the said leased premises and property, with all the appurtenances, mining machinery, tools and mining implements now thereon, in good order and condition, reasonable use and wear excepted, and all drifts, shafts, tunnels and other passages in connection with its mining operations, clear of loose rock, rubbish or debris, and the mines ready for immediate continued working, on the 1st day of August, 1917.
or at any time previous in the event of forfeiture by reason of the violation of any of the covenants herein reserved; and further that upon the violation of any of the covenants or agreements herein contained, the term of this lease may, at the option of the lessor expire, and the same and said leased premises with the appurtenances, mining machinery, fixtures and mining implements thereon, shall be and become forfeited to said lessor, and thereupon the said lessor or its agent or agents, either with or without demand for possession, may re-enter upon the said premises and dispossess all persons occupying the same without process of law, or at the option of the lessor, the lessee or any and all persons found in possession may be proceeded against as guilty of unlawful detainer.

Said lessor further agrees that it will sell to the lessee and said lessee is hereby given the option to purchase all of said leased mines, mining claims and premises herein described, with the appurtenances, machinery and fixtures thereon, upon the payment to said lessor, or deposit to the credit of said lessor in the Colorado National Bank of Denver, Colorado, of the full sum of Seventy-five thousand dollars ($75,000) as the purchase price for said premises at any time during the continuance of the term of this lease, and prior to August 1st, 1917; and upon the full payment of said sum of seventy-five thousand dollars ($75,000) within the time aforesaid, said lessor shall execute and deliver to said lessee a good and sufficient deed of conveyance for all of the above described mining claims now held by the lessee by patent from the United States, and a deed of conveyance of all right, title and interest now held or hereafter acquired by the lessor in and to any and all unpatented mining claims and locations hereby leased; provided, however, that in case said lessee shall fail to pay said purchase money within the time above provided for, the payment of the same, as determined by its forfeiture, abandonment or surrender of said lease, then and in any such case this agreement and option of purchase shall be void and of no effect.
Each and every covenant, agreement and stipulation hereof shall extend to the successors and assigns of the parties hereto and each of them.

In testimony whereof each of the parties hereto has caused these presents to be signed by its president, and its corporate seal to be hereto attached, and attested by its secretary, on the day and year first above written.

THE CAPITAL MOUNTAIN TUNNEL & MILLING COMPANY:

BY Paul F. Ireland.(SEAL)

(SEAL) Philip R. Stanhope.(SEAL)