

of 17 1/2¢ per cubic yard. At the commencement of the fifteenth (15) year, parties agree to review standard living index and if the prevailing market would justify the royalty to be 20¢ or more, then Lessor agrees to accept and Lessee agrees to pay to Lessor the sum of 20¢ per cubic yard thereafter until such time as by the same standard the market price should drop below a fair market price of 20¢ per cubic yard.

~~That Lessor owns other real properties than those described herein.~~

~~That Lessors property is primarily a cattle operation, but he does have agricultural farm land that he has in use. Respecting the rights of the agricultural portion of the properties of Lessor, Lessor herein agrees that as a part of the consideration for the original lease agrees to grant to Lessee an option on any remaining real properties that he possesses contiguous to the properties described herein; however, lying only north and west of the described properties of this lease owned by Lessor together with properties that lie north of the State Land Board properties on this date, together with properties that lie west of the described properties herein to their northern boundaries, but not applying to any of the agricultural lands. The lands that would be the subject of this option would include approximately 240 acres, with it being understood that this option should only apply in the event that there are proveable, merchantable rock upon said properties.~~

IN WITNESS WHEREOF, the Lessor has caused this indenture to be executed in his name, and the Lessee has caused this indenture to be executed by themselves this 26th day of January, 1976.

Paul A. Breitenstein
LESSOR, PAUL A. BREITENSTEIN

Elbert W. Stiles
LESSEE, ELBERT W. STILES

Wyoming Stiles
LESSEE, WYOMING STILES

Delete this Paragraph

Elbert W. Stiles

STATE OF OREGON)
) ss.
County of Klamath)

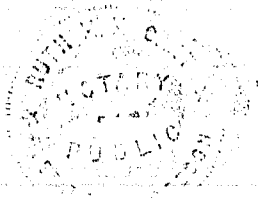
Personally appeared the above-named PAUL A. BREITENSTEIN,
a single man, and acknowledged the foregoing instrument to be his
voluntary act and deed.



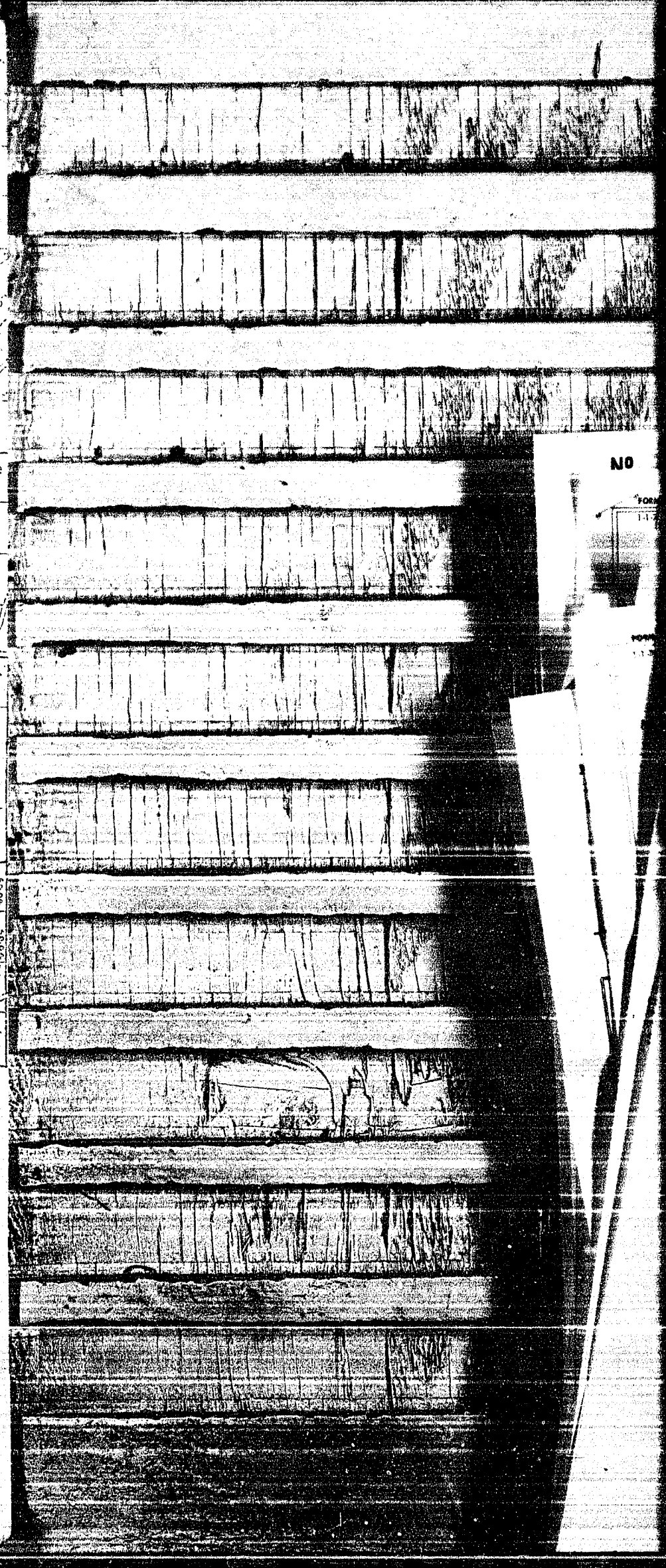
Ruth M. McInt
Notary Public for Oregon
My Commission expires: 4/10/78

STATE OF OREGON)
) ss.
County of Klamath)

Personally appeared the above-named ELBERT W. STILES
and WYOMING STILES, husband and wife, and acknowledged the
foregoing instrument to be their voluntary act and deed.



Ruth M. McInt
Notary Public for Oregon
My Commission expires: 4/10/78

[illegible]

MIDLAND TRACTS

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EXHIBIT I

I hereby certify that the within instrument was received and filed for record on the 26th day of January A.D., 1976 at 11:40 o'clock A M., and duly recorded in Vol. M 76 of DEEDS on Page 1194.

FEE \$ 21.00

WM. D. MILNE, County Clerk

By Klaus L. Wagner Deputy