

MATERIAL LICENSE AND LEASE AGREEMENT

This agreement, made this 12th day of May, 1993, by and between Bradshaw, Inc. hereinafter called "Licensor" and Fargo Pacific Aggregate Co., Inc., a Nevada Corporation, hereinafter called "Licensee".

Witnesseth:

1. License.

Licensor hereby permits Licensee, subject to the provisions hereof, to enter upon the following described property, hereinafter referred to as "Premises" in the county of Lincoln, State of Nevada, for the sole purpose of excavating, removing, and shipping sand and gravel therefrom, hereinafter referred to as "Material".

The area from which Licensee will be allowed to remove Material, operate its quarry and mill, operate and drive its trucks, install its conveyor belts, erect and maintain housing and run its entire operation is specifically limited to those areas generally described on the map annexed hereto as Exhibit "A". Licensor and Licensee have further inspected the entire site together and have placed stakes around the boundary of the entire area within which Licensee's operation will be limited. Licensee hereby agrees to contract with, and pay for, a licensed and certified civil engineer, agreed upon by Licensor, to survey the specific area and provide a legal description thereof. Once said legal description is obtained the same shall be attached hereto as an Addendum further defining Exhibit "A", to reflect the specific area within which Licensee shall be limited. Licensee shall contract with the surveyor within thirty (30) days hereof and the survey must be completed within ninety (90) days hereof. Licensee's failure to comply with either of these time periods shall constitute a default of this Agreement. If Licensee's operation in any way encroaches out of this above described boundary, same shall constitute a breach and default by Licensee.

To the extent precious metals are removed in the process of excavating and removing sand and gravel, this License also permits said removal.

Licensee's right to use the Premises is nonexclusive, and Licensor and its nominees shall have the right to enter and use the Premises for any purpose that will not unreasonably interfere with the rights granted to Licensee under this license.

This License is revokable by Licensor as provided elsewhere herein. Licensee agrees that Licensor shall not be stopped to revoke this license, notwithstanding any expenditure, regardless of the amount, that may be incurred by Licensee with respect to the Premises. Licensee further agrees that Licensee shall not contest Licensor's right to revoke this License.

2. Term.

The term of this Lease is for thirty (30) years from May 12, 1993, through May 11, 2023 (the "Term").

If Licensee does not remove sufficient Material to generate royalties above the minimum royalty (as provided in paragraph 3 herein) during any fiscal year from the third through thirteenth year of this License, Licensor may, at its sole option, terminate this License anytime after the end of the third year of this License upon thirty (30) days written notice.

3. Royalty.

A cash payment of Ten Thousand Dollars (\$10,000.00) shall be made by the Licensee to the Licensor upon Licensor's execution of this Agreement. This Ten Thousand Dollars (\$10,000.00) is not set out against any minimum or actual royalty payments.

In addition to the \$10,000.00 paid up front by the Licensee to the Licensor for Licensor's execution of this Agreement, there shall be an additional royalty on each and every ton removed or shipped from the Premises if quarried elsewhere at the rate of 30¢ per ton. Further, any Material sold directly from the Premises, whether removed from the Premises or not, shall require the same 30¢ per ton rate to be paid, plus 1/2 of the shipping expense which Licensee did not have to pay. On or before November 12, 1993 a minimum royalty of Twelve Thousand Dollars (\$12,000) shall be paid to Licensor as and for the first year minimum royalty.

Licensee agrees to pay to the Licensor on the first anniversary date of this Agreement and each anniversary date thereafter a minimum royalty for the following year's production. The minimum royalty payment shall be credited as payment on account of the actual royalties to be paid by Licensee to Licensor hereunder for the amount of Material removed from the above-described Premises. The minimum royalty payment for the first two (2) years of this Agreement shall be Twelve Thousand Dollars (\$12,000) per year. At the beginning of the third year, May 12, 1995, and continuing through the term of this Agreement, the twelve thousand (\$12,000) per annum minimum royalty shall be increased to Twenty-Five Thousand Dollars (\$25,000) per annum.

Licensee agrees to pay Licensor actual royalties for Material removed from the Premises at the following rates:

For Sand and Rock:

The greater of Thirty Cents (30¢) per ton or Forty-One Cents (41¢) per cubic yard of all Material removed from the Premises or shipped from the Premises if quarried or obtained elsewhere. These rates of 30¢ and 41¢ shall be adjusted biannually in accordance with the Cost of Living Index.

For Gold or Other Precious Metals:

Ten percent (10%) of the gross sales receipts from all gold or other precious metals extracted and removed from the Premises during the License term and ten percent (10%) in-kind of all gold or other precious metals recovered but not sold during the License term.

After the minimum royalty payment for each year has been credited against the actual royalties due and payable to Licensor hereunder, Licensee shall thereafter pay to Licensor, within ten (10) days after the expiration of each and every calendar month during the period this agreement remains in effect, any and all additional actual royalties due and payable to Licensor hereunder at the rates herein above provided for.

Licensee shall furnish to Licensor not later than the Twentieth (20) day of each calendar month during the term hereof, a statement in writing, setting forth for the preceding calendar month the weight or volume of Material removed from the Premises. Each statement shall be accompanied by copies of sales receipts or weight certificates for all Material removed, together with draft, payable to Licensor, for the proper amount of royalty due Licensor. If no Material is removed, a statement to that effect shall be furnished to Licensor. Licensee shall instruct the Union Pacific Railroad or any other carriers transporting Material from the Premises to mail directly to Licensor copies of all weight bills reflecting any Material shipped from the Premises.

Licensee shall keep a complete and true account and record of Material removed from the Premises. Licensee shall permit authorized representatives of Licensor to examine such accounts and records from time to time.

4. Expenses of Licensee

Licensee shall pay, in addition to royalty, the costs and expenses listed below:

A. Taxes.

Licensee shall pay, before they become delinquent, all charges, fees, taxes and assessments against the land or imposed on the Premises by reason of Licensee's activities or any improvement or personal property located on the Premises or on behalf of Licensee, any and all production or severance taxes computed or based upon production or removal by Licensee of earth, rock and gravel from the Premises. Licensor may pay such charges, fees, taxes or assessments, and any penalties and interest thereon, and such payments will be repaid by Licensee on demand.

Licensee shall pay, in addition to all other charges hereunder, any privilege, sales, gross income or other tax (other than tax on net income) imposed on or measured by amounts to be paid by Licensee hereunder.

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B. Utilities.

Licensee agrees to pay all water service charges and water standby charges on, or assessed against, the Premises as a result of Licensee's exercise of this License. Licensee agrees to pay for all utilities installed at Licensee's request and for all utilities services furnished to Licensee on the Premises. Licensee further agrees to pay Mr. Tom Smales his requested approximate Seven Hundred Dollar (\$700.00) fee for obtaining the necessary "use change" approvals so that water may be used for other than agricultural purposes.

C. Other Expenses.

In addition to the taxes and utilities as described above, and unless otherwise specified herein, Licensee shall bear the sole risk and pay all costs and expenses of whatever kind and nature which arise from this License, including, without limitation, governmental license fees, taxes or charges, expenses to construct, reconstruct, alter, repair and maintain any improvements or personal property located on the Premises by or on behalf of Licensee.

D. Interest.

Licensee agrees to pay to Licensor interest at the rate of twelve percent (12%) per annum upon any and all amounts whatsoever due to Licensor under this agreement, from the date payment of each such amount is due and owing to Licensor or from the date of each breach by Licensee of an obligation hereunder.

E. Reimbursement to Licensor.

If Licensor shall have made payments on behalf of Licensee for any costs or expenses incurred herein, Licensee shall reimburse Licensor within ten (10) days from the date amounts for such costs or expenses were incurred. Licensor shall have a lien on any other Licensee-owned property on Licensor's property as security for repayment of said amounts and as security for the royalties due to Licensor hereunder.

5. Use.

A. Qualifications on Use.

Licensee shall neither use nor permit the use of the Premises for any purpose other than that set forth in Section 1 hereof.

This License is subject to all easements, leases, liens, conditions, restrictions, zoning, encumbrances, claims of title and sanitation codes which may effect the Premises. Licensee accepts the Premises (including, without limitation, Licensor-owned improvements, if any) in their present condition and without any representation or warranty by Licensor as to the condition of such Premises or improvements, and Licensor shall not be responsible for any defect or change of conditions in the Premises or such

improvements, any damage occurring thereto or for the existence of any violation of any municipal, county, state, or federal law, order, rule, regulation or ordinance.

Licensee shall repair and/or replace any existing fences which Licensee removes or damages.

Licensee shall assume full responsibility for defense and indemnification of any and all claims of any other property owners in the vicinity of the Premises which relate to charges that Licensee's operation has damaged their properties or their ability to enjoy their properties.

Licensee shall not (1) explore for, mine, extract or remove any minerals (other than precious metals removed in the process of sand and gravel excavation and removal) of any kind or character, including without limitation oil, natural gas, hydrocarbon substances, geothermal steam, brines or minerals in solution, except Material, (2) commit any waste thereon, (3) remove any earth or soil, (4) destroy, cut or remove any timber, trees or firewood standing or lying thereon, or (5) permit others to commit any of said acts. Licensee shall not do or suffer to be done in or upon said Premises any act or thing which is or may be a nuisance. Licensee shall not use or permit others to use the Premises for any unlawful or immoral purposes.

The Premises shall not be used for displaying signs and notices.

Licensor makes no representations regarding the following:

1. The right of Licensee to quarry sand and gravel or other mineral under Licensor's Land patent;
 2. The ability of Licensee to obtain a water use change approval; and
 3. Governmental restrictions on quarry or milling on the Premises.
- B. Maintenance and Repair.

Licensee shall, at its expense and to the satisfaction of Licensor, keep and maintain the Premises, and any other improvements in good order and repair and in a neat and safe condition, and promptly make all repairs and replacements that may become necessary to the Premises or improvements or appurtenances thereto, whether structural or nonstructural, ordinary or extraordinary. If Licensee shall fail to perform its obligations under this Section 5.B, Licensor may take action to so keep and maintain the Premises and any improvements or appurtenances thereto, and Licensee shall reimburse Licensor pursuant to Section 4.E of this agreement.

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C. Construction, Alterations and Liens.

Licensee shall not repair (except for emergency repair), construct, reconstruct or alter any improvements or install any fixtures on the Premises or improvements.

Licensors has the right to post notices of nonresponsibility upon the Premises, and to otherwise notify, actually or constructively, any entity or persons supplying services or Materials to the Premises that Licensor is not responsible for the cost thereof. Licensee covenants and agrees to hold Licensor and the Premises harmless from any mechanic's or materialmen's liens claimed by any person, firm or corporation employed by or on behalf of Licensee. In the event of the filing of any such lien, Licensee shall cause such lien to be released within five (5) days after Licensor's written notice to do so. Licensee shall indemnify and defend Licensor against all liability, cost and expense (including attorney's fees) incurred by Licensor as a result of any such lien.

D. Damage.

If any damage is caused to land, or to crops, grass, trees, livestock, improvements, or other property on the Premises, Licensee agrees to promptly repair or pay the full replacement value of such damaged property (regardless of amortization) to Licensor, at Licensor's discretion.

E. Water.

Use Change approval shall be made in the name of Licensor and must be obtained before any water is diverted or used by Licensee. Licensee shall be limited to five percent (5%) of Licensor's water allocation. All water must be recycled. If severe drought occurs, Licensor's apple orchard shall always have first priority to the water even if same encroaches on Licensee's five percent (5%) allocation. Licensee agrees to maintain the existing main water channel. Licensee agrees to furnish power to Bradshaw Inc.'s ranch house located adjacent to the apple orchards when the quarry commences operations.

Licensee must submit to Licensor Licensee's design for the anticipated water reservoir to be constructed by Licensee. Licensor will have a period of thirty (30) days within which to approve the design of said water reservoir. Said water reservoir must be designed in such a way that the bottom of the same is completely sealed and can be consistently maintained. It is imperative that no water be allowed to escape through seepage. If Licensor has reason to believe that there is a loss of water through physical damage or deterioration to the liner which seals the reservoir, Licensee must correct the same and provide proof of said correction, or proof of the non-existence of the suspected problem within sixty (60) days of receipt of notice of the problem from Licensor.

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6. Indemnification and Insurance.

A. General.

Licensee agrees to release, hold harmless, indemnify and defend (with counsel approved by Licensor) Licensor from and against all liability, cost and expense (including, without limitation, attorneys' fees, in addition to costs of suit and judgment) for loss of or damage to any property or loss of the use thereof or for injury to or death of any person when arising or resulting from

- (a) The use of the Premises or improvements by Licensee, its agents, employees, or any third party (other than agent, employee or invitee of Licensor), or
- (b) Licensee's breach of any provision of this License,

whether or not caused or contributed to by the negligence, active or passive or otherwise, of Licensor, its employees, agents, invitees or any other person.

B. Environmental Impairment.

Licensee shall, at its expense, comply with all applicable laws, regulations, rules and orders, regardless of when they become or became effective, including, without limitation, those relating to health, safety, noise, environmental protection, waste disposal, and water and air quality, and furnish satisfactory evidence of such compliance to Licensor upon request.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Premises due to Licensee's use and occupancy thereof, Licensee, at its expense shall be obligated to clean all the property affected thereby, whether owned or controlled by Licensor or any third person, to the satisfaction of Licensor (insofar as the property owned or controlled by the Licensor is concerned) and any governmental body having jurisdiction thereover.

Licensee agrees to indemnify, hold harmless and defend (with counsel approved by the Licensor) Licensor against all liability, cost and expense (including, without limitation, attorneys' fees) incurred by Licensor as a result of Licensee's breach of this section, or as a result of any discharge, leakage, spillage, emission or pollution due to Licensee's use and occupancy, regardless of whether such liability, cost or expense arise during or after this License is in effect, unless such liability, cost or expense is proximately caused solely by the active negligence of Licensor.

C. "Licensor."

The term "Licensor", as used in this Section 6, includes Licensor, Bradshaw Inc., its subsidiaries and affiliates, and its successors and assigns or any of them. Licensee shall pay all amounts due Licensor under

this Section 6 within ten (10) days after any such amounts become due.

D. Insurance.

Licensee shall maintain insurance as required by the Insurance Rider, attached to this License as Exhibit "B".

7. Condemnation

In the event all or any portion of the Premises shall be taken or condemned for public use (including conveyance of deed in lieu of or in settlement of condemnation proceedings), this License shall be revoked on the sooner of the order of possession or the date of the final order of condemnation or deed. Licensor shall be entitled to all compensation and damages arising out of such taking or condemnation or sale in lieu thereof and Licensee shall assign to Licensor any and all compensation and damages awarded to Licensee in connection therewith.

8. Termination or Expiration

A. General.

Termination, revocation or expiration of this License shall not release either party from liability resulting from an event which occurred prior to such termination, revocation or expiration.

B. Surrender of Premises

Upon termination, revocation or expiration of this License, Licensee shall discontinue the use of the Premises and within sixty (60) days, remove all personal property of the Licensee from the Premises. Licensee shall restore the Premises as nearly as possible to the condition in which they existed at the commencement of the License. Property of the Licensee not removed from the Premises within sixty (60) days after the termination, revocation or expiration of this License shall become the property of Licensor. Licensee shall leave any quarry on the Premises in a safe condition, properly sloped and adequately safeguarded against accident to persons and livestock. Licensee agrees to reimburse Licensor for the cost and expense incurred by Licensor in restoration of the Premises and disposing of said property of Licensee not so removed. If Licensee fails to surrender possession of the Premises upon termination or revocation of this License (or expiration, if Licensor does not consent to holdover), Licensor shall have the right, to the extent permitted by law, to re-enter the Premises and remove Licensee and any person or entity claiming through Licensee from the Premises.

9. Default.

Licensee shall be in default under this License if Licensee fails or refuses to pay the royalties hereunder or any other amount when due or if Licensee fails or refuses to perform any other covenant or condition.

If Licensee fails to cure a default within fifteen (15) days after notice from Licensor to do so, Licensor shall have the right without further notice and in addition to any other remedies Licensor may have at law or equity, to revoke this License forthwith and to retake possession of the Premises.

10. Nonwaiver.

Licensor's failure to enforce or exercise its rights under any term, condition or covenant of this License shall not be construed as a waiver of such rights or such term, covenant or condition. Acceptance of royalties or any other amounts payable hereunder shall not be deemed a waiver of Licensor's right to revoke this License as provided herein, regardless of when accepted.

11. Attorneys' Fees

If either party takes any steps or brings an action to compel performance of or to recover for breach of any term of this License, the losing party shall pay reasonable attorney's fees of the prevailing party, in addition to the amount of judgment and costs.

12. Personal Nature of License.

This License is personal to Licensee. As such, Licensee has no right to assign this License in whole or in part or sublicense the Premises in whole or in part.

Licensee does hereby certify that Fargo Pacific Aggregate Co. Inc. is conducting a concrete Aggregate business at Elgin, Nevada under the fictitious name of Gin Ford Crossin.

13. Notices

Any demands, notices or statements herein requested or required to be given by one party to the other shall be in writing. Delivery of such written notice, demand or statement to Licensor shall be conclusively taken as sufficient if and when delivered in person or deposited in the United States mail, registered or certified, postage fully prepaid, addressed, if to Licensor, at P.O. Box 422, Caliente, Nevada 89008, and, if to Licensee, at 4526 Charles Ronald Avenue, Las Vegas, Nevada 89121. Either party hereto may, by written notice change the address to which such demands, notices or statements may be sent. All payments from Licensee to Licensor shall be made to Licensor at Licensor's address for notices unless Licensor gives Licensee notice of another address for making payments. Licensor may change by written notice the address where payments to Licensor shall be made.

14. Time is of the essence of this License.

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15. Entire Agreement.

The contents of this License are the entire agreement between the parties, and supersede all written or oral communication between the parties prior to its execution, all understanding and negotiations regarding the same having been merged herein, it being their intention that this be an integrated agreement.

This License shall not be modified except by the written agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate as of the day and year first herein written.

Bradshaw, Inc.

Fargo Pacific Aggregate Co., Inc.
a Nevada Corporation

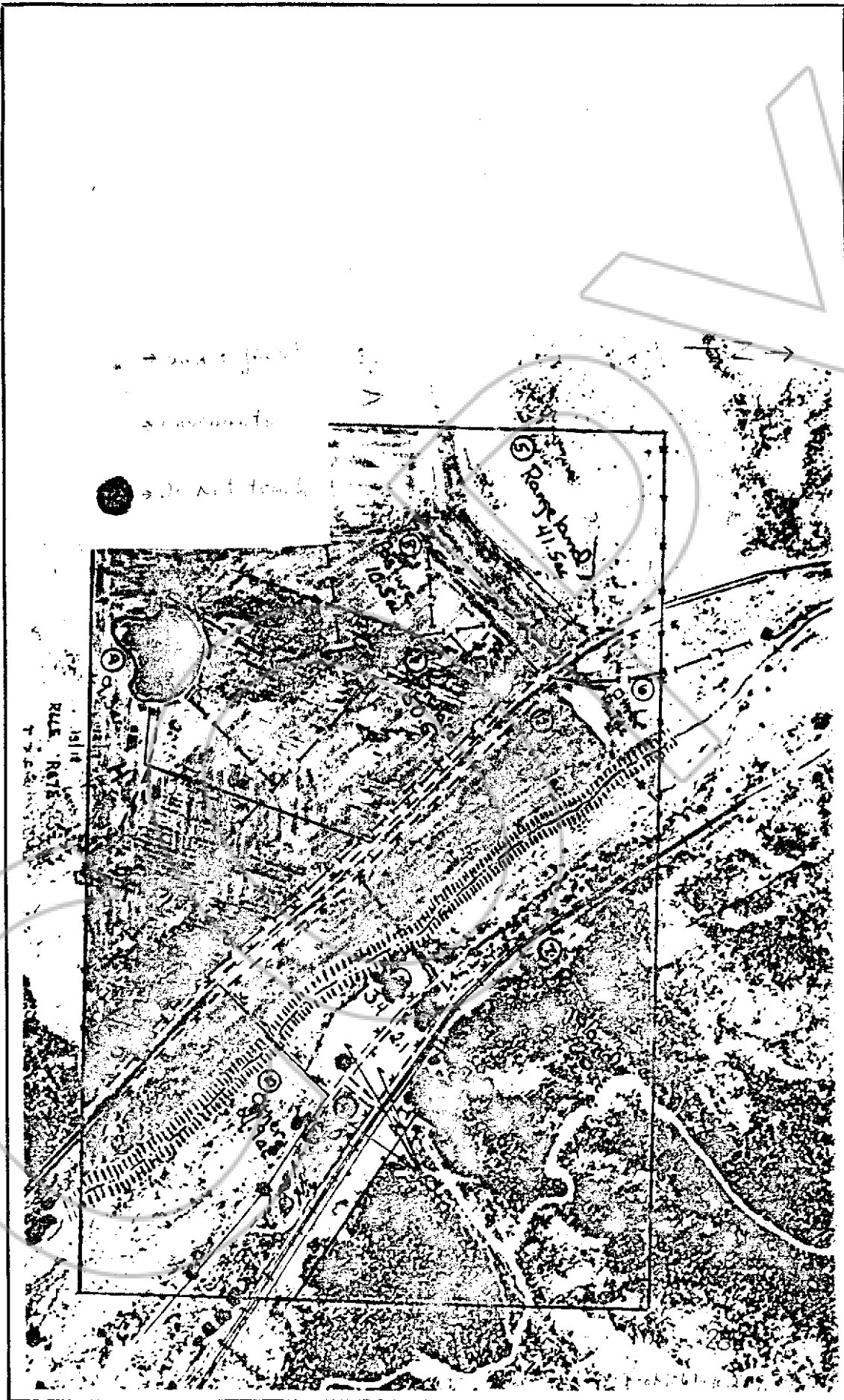
By: Don J. Bradshaw
Don Bradshaw

By: Grover W. Bynum
Grover W. Bynum

Title: President
-Licensor-

Title: President-General Mgr.
-Licensee-

Lincoln County



FARGO PACIFIC AGGREGATE CO Inc
D.B.A.
GIN FORD CROSSIN May 17, 1993
Grover W. Bynum
Don L. Bradshaw Bradshaw Inc.

100557

FILED AND RECORDED AT REQUEST OF
Grover W. Bynum

June 28, 1993

T. 55 MINUTES PAST 10 O'CLOCK

A. IN BOOK 106 OF OFFICIAL

RECORDS, PAGE 279 LINCOLN
COUNTY, NEVADA.

Yuriko Setzer

COUNTY RECORDER
By L. B. Bricker Deputy