pay or cause to be paid to the party of the first part as advance annual royalty on this lease the sums of money as follows: towit: 15¢ per acre per annum in advance for the first and second years, the receipt of the first year's advance royalty being hereby acknowledged; 30¢ per acre per annum in advance for the third and fourth years and 75¢ per acre per annum in advance for the fifth and each succeeding year thereafter of the term of this lease it being understood and agreed that said sums of money so paid shall be a credit on the stipulated royalties, should the same exceed such sums paid as advance royalty, and further that should the party of the second part neglect or refuse to pay such advance annual royalty for the period of sixty days after the same becomes due and payable, such failure or refusal shall work a forfeiture hereof and after ten days notice to the party of the second part the party of the first part shall have authority to declare such forfeiture and all royalties paid in advance shall become the property of the lessor. All royalty accruing shall be due and payable on or before the 25th day of the month succeeding.

It is further agreed that a failure for one year by the party of the second part to do a reasonable amount of development work or of mining shall be held as a want of compliance with the purposes of this lease and shall render it null and void. The party of the second part further covenants and agrees to exercise diligence in the conduct of the prospecting and mining operations upon said land and to open mines and operate the same in a workmanlike manner and to the fullest possible extent on the leased premises and to pay the royalties as they become due; to commit no waste upon said premises or upon the mines that may be thereon and to suffer no waste to be committed thereon; to leave in the mines proper pillars, columns or such other permanent supports as will prevent the caving or subsidence of the surface; to take good care of the same