

LEGENDARY KOKOWEEF CAVERNS INC.

CORPORATE OFFICES

Post Office Box 1202
806 Fair Oaks Avenue, Suite 202
South Pasadena, California 91030
1-213-7995618

September 8, 1975

To Our Note and Shareholders:

The Board of Directors and the officers of Legendary Kokoweef Caverns, Incorporated extends their greetings. We are pleased to put an end to the rumors that we have gone out of business.

The present management of the company has spent over one year working toward solutions for the monumental problems inherited by your Board of Directors. The story of what has taken place over this last year will follow on these pages. We hope they will answer some of the many questions asked by so many interested people.

MANAGEMENT

On February 2, 1975, the annual Shareholders Meeting was held in Pasadena. It was considered by many to be one of the most productive, efficient, well conducted and shortest meetings in the history of the corporation. At this meeting seven Directors were elected unanimously by those in attendance. Your Board of Directors and Officers are:

Mr. Peter Tripodes	President and Director
Mr. Jay McMurphy	Vice-President and Director
Mrs. Carole Arnold	Secretary
Mrs. Patricia Harzke	Treasurer and Director
Mr. Richard Arnold	Director
Mr. Sidney Dickie	Director
Mr. Jesse Fox	Director
Mr. Harold Morrow	Director

We are pleased to report an unusual and unique harmony which exists between the members of the present management. Those of you who are familiar with the history of the company can understand what an asset this can be to our progress and success.

For major economic reasons, the Corporate Headquarters were moved from Foothill Boulevard in Pasadena to a new location:

806 Fair Oaks Avenue	(mailing address)
Suite 202	P. O. Box 1202
South Pasadena	South Pasadena
California	California
91030	91030

LAWSUIT

As many of you are aware from our last Newsletter (August 1974) Eleanor Hernandez, wife of ex-President and ex-Director Richard Hernandez, instigated a lawsuit against the corporation in May of 1974, for collection of a labor note issued to Mrs. Hernandez for being a cook at camp. Her salary being \$600.00 a month which totaled \$4,650.00 and at present with interest and court costs is now over \$5,400.00. The objective of the corporation was not to invalidate the note, nor to fight the reasons for its being issued, but merely to postpone payment which we were successful in doing until August of 1975. At present, Mrs. Hernandez has again taken us to court for payment of her judgement which was awarded to her in September of 1974. We deemed it unfortunate that Mrs. Hernandez felt it necessary to attach our Savings account at Imperial Savings and Loan in December of 1974, for a sum of less than \$16.00 which was an amount insufficient to cover the Marshalls cost for the said attachment. It is regrettable in these times when many of our problems have been solved, and many solid forward motions are now in progress, that anyone would force us to contend with petty personal differences and selfish motives that can in no way lead to a successful smoothly run operation.

NOTES AND NOTEHOLDERS

Again we must reiterate managements present position to those people holding notes in the corporation. As was stated in our last Newsletter, notes still can not be converted into stock, but the management has gone on record as favoring such a move if and when possible. Such an option would be the choice of the noteholder to either receive full payment or to convert his note. There are two choices open to the noteholder, first they may choose to sue for collection of their note as did Mrs. Hernandez, which could probably lead to the forced bankruptcy of the corporation, or second, to bear with us and hope for our success as all the others have done. It is our intent to protect the interests of the noteholders.

CARBONITE KING ZINC MINE

We reported optimistically in our last Newsletter about the possibility for the reopening of Carbonite King Zinc Mine located on our property. A great deal of effort and time was put into this project with the successful result of a sale of 80 tons of carbonite ore containing a 25% zinc content to Sherwin-Williams Chemical Company of Coffeerville, Kansas in February of 1975. This resulted in a gross revenue to the company of just under \$8,000.00. These funds were used to pay the geologist, Dr. Pray of Pasadena, and to pay over six months back rent to our patient landlords which consumed the entire amount of income. As we prepared further negotiations with Sherwin-Williams we were informed that their Coffeerville operation was ordered closed down by the Federal Environmental Board for possible pollution violations. We were also further notified that no immediate plans for reopening the operation are in progress. This action forced us to seek another buyer for our zinc ore. We have not abandoned Carbonite King but are patiently awaiting the results of our inquiries.

KOKOWEEF CAMP REPORT

Camp is being well maintained by John Rathburn, Operations Officer, who has been given complete authority over all activities and projects at camp. Working with Mr. Rathburn are Arthur "Obie" Obrian, Carl Lutsche, Pat Haskin, Cindy Rathburn, Ken Smith and many others too numerous to mention. These people, without benefit of payment, asking for nothing have worked as a unit to revitalize, reconstruct and maintain a smoothly running efficient camp operation. The people visiting camp lately, have commented on the neatness and order that had not existed in the past. As note and shareholders of the company, the management extends an invitation to you to visit camp. Every courtesy will be extended to you and tours will be offered when they do not interfere with the operations of the camp. In small payment for these peoples efforts, the Board can only extend its thanks.

CRYSTAL TUNNEL-OUR FUTURE HOPE

When this Board was unanimously elected to office, we promised those who attended the meeting, that we had two plans of action. First, to eliminate some of our pressing problems and organize the company on a more secure footing which we believe we have partially achieved. And secondly, and most important to our investors is the completion of our extremely expensive tunnel known as Crystal Tunnel to connect with Crystal Cave at a point known as Snard's Hole. This action is now in progress and is near completion. To overcome insurmountable odds, the Board embarked on its largest and to date most significant venture, the completion of Crystal Tunnel. Our first step was to eliminate all the guesswork. William L. Rankin, a surveyor has volunteered his services to plot the relationship of the present Crystal Tunnel to Crystal Cave. The first time in our memory this has been done professionally. His report indicated that we would have to proceed 330 feet from a point near the end of the existing tunnel which would give us a total tunnel length of 700 feet. The Board estimated the cost of the tunnel construction to exceed \$20,000.00. Our next step was the raising of these funds. We called upon the extreme generosity of some of our major stockholders and contributors who quickly and generously supplied the bulk of the funds. Next the services of Paul Veillette were secured for the tunnel construction. The call for volunteer labor was sent out and with quick response, interested parties from all corners of the nation responded. After all preliminary plans were laid the first blast was detonated on the morning of June 3rd 1975 and work began. This project, no matter how promising is not the end to our quest. Our objective when the tunnel reaches Snard's Hole is to clean out thoroughly and explore Crystal Cave. This action, we believe will prove once and for all the truth to the legend as put down by Earl P. Dorr.

FINANCIAL POSITION

Your management after examining thoroughly our grave financial position proceeded on a strict and thrifty economic plan to reduce expenses to an absolute minimum. Some of our economy moves are as follows:

1. We contacted Cryatal Cave Development Company, our landlords, and negotiated a reduction in our rent from \$500.00 a month to \$300.00 a month.

2. In February of 1975 we moved our corporate headquarters from a \$125.00 a month one room office in a fancy Pasadena office building to a three room apartment which only cost \$65.00 a month. An agreement was made with the landlord, a major stockholder, not to insist on payment until we become solvent.

3. Directors and officers of the Corporation have un-
ananimously decided to receive no remuneration for services,
nor to accept any payment for expenses of any type until the
company becomes solvent, this action being nearly two years
old.

4. The management went to great lengths to assure an un-
derstanding between all people who volunteered their labor
both at camp and at the office, that no wages would be paid
or expenses reimbursed until solvency can be obtained.

5. We have also encouraged, by setting an example, for
the visitors who come to camp, to bring supplies in the
nature of food, materials and equipment. This action has
saved the company many thousands of dollars.

6. Major debts inherited by the Corporation are being
paid on a monthly installment plan, to those government
agencies and firms that after negotiations and understanding
of our situation, accepted such payments.

To help meet the financial strain of the corporation, efforts were
exerted in the areas of rock sales and contributions. Rock sales
for the first quarter of the year were extremely successful in
revenue but with the present economic condition, they have fallen
off considerably. Contributions have been gratifying and truly
appreciated but do not come near to satisfying our most spartan
of needs.

CLOSING REMARKS

We hope that we have answered some of your questions that you
might have had concerning Legendary Kokoweef Caverns, Inc. We
know that we have done our best for your company but we are limited
by apathy and financial resources. A limited amount of share-
holders have done their part and now IT IS UP TO YOU.

Peter J. Tripodes
Peter Tripodes, President

Jay W. Murphy
Jay McMurphy, Vice-Pres.

Richard Arnold
Richard Arnold, Director

Jesse E. Fox
Jesse Fox, Director

Carole Arnold
Carole Arnold, Secretary

Patricia Harzke
Patricia Harzke, Treasurer

Sidney S. Dickie
Sidney Dickie, Director

Harold Morrow
Harold Morrow, Director