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These pages
supplanted by
new revision



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Page 2 of Exhibit A

MEMORANDUM OF OPTION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

That BEN F. GRIFFITH, an unmarried man, P. O. Box 74, Yucca, Arizona, for valuable consideration has granted until August 15, 1961, to NATIONAL LEAD COMPANY, a Corporation, an exclusive option to purchase those four (4) patented and ^{eighteen} ~~nineteen~~ (18) unpatented lode mining claims situated in the Owens Mining District, Mohave County, Arizona, and his interest as Lessee under Commercial Lease No. 13, dated October 10, 1954, from the State of Arizona, together with the improvements, machinery and equipment located on said mining claims and leased land and all rights appurtenant to said mining claims and leased land. Said improvements, machinery and equipment are more particularly described in EXHIBIT A, which, by this reference, is made a part hereof, and the mining claims and leased land are more particularly described as follows:

One (1) patented lode mining claim called PEABODY, embraced in Survey No. 641 and described in United States Mineral Patent No. 15058, issued June 19, 1889, which Patent is recorded in the Office of the County Recorder of Mohave County, Arizona, in Book 22 of Deeds, at page 353, and in Book 18 of Deeds, at page 610.

One (1) patented lode mining claim called SENATOR, embraced in Survey No. 657 and described in United States Mineral Patent No. 12565, issued October 8, 1887, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book 10 of Deeds, at page 161.

One (1) patented lode mining claim called ALTA, embraced in Survey No. 659 and described in United States Mineral Patent No. 12566, issued October 8, 1887, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book 10 of Deeds, at page 155.

One (1) patented lode mining claim called ATLANTA, embraced in United States Mineral Survey No. 2534 and described in United States Mineral Patent No. 94276, issued



December 6, 1909, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book 21 of Deeds, at page 20.

^{lighter} Nineteen (19) unpatented lode mining claims situated in the Owens Mining District, Mohave County, Arizona, notices and amended notices of location of which are recorded in the Office of the County Recorder of Mohave County, Arizona, in the Book of Mines and at the Pages set after the respective mining claims:

Name of Claim	Original Location		Amended Location		Second Amended Location	
	Book	Page	Book	Page	Book	Page
Alca Extension	UU	258				
Atlanta Extension	EE	468	3-V	268-269		
Galena	LL	241				
McCracken Hills No. 2	TT	564				
McCracken Mountain	UU	262	3-V	267		
Senator Extension	UU	263				
Signal No. 1	TT	716	3-V	264-265	3-X	30
Signal No. 2	TT	717	3-V	265-266	3-X	31
Signal No. 3	TT	718				
Signal No. 8	UU	202				
Silver Lead No. 6	3-U	141	3-V	266		
Silver Lead No. 7	3-U	157	3-V	271		
Silver Lead No. 8	3-U	158	3-V	272		
Silver Lead No. 9	3-U	159	3-V	272-273		
Silver Lead No. 10	3-U	160	3-V	273-274		
Silver Lead Fraction	3-U	230	3-V	268		
South Otsego	TI	512				
Swastika No. 1	LL	242	3-V	269-270		
Swastika No. 3	LL	243	3-V	270-271		

COMMERCIAL LEASE No. 13, dated October 10, 1954, in which the STATE OF ARIZONA, as Lessor, leases to BEN F. GRIFFITH, as Lessee, for a term expiring on October 9, 1964, the following described property:

Northwest Quarter (NW 1/4) of the Northeast Quarter (NE 1/4) of Section Sixteen (16), Township Thirteen (13) North, Range Thirteen (13) West, Gila and Salt River Meridian.

according to the terms and conditions of that certain Option Agreement, dated as of the 8th day of November, 1957, by and between BEN F. GRIFFITH, an unmarried man, and NATIONAL LEAD COMPANY, a Corporation, which is incorporated herein and by this reference made a part hereof.

Information regarding said Option Agreement may be obtained



40' conveyor belting with steel buckets attached;
20' steel bucket conveyor Gas Engine;

Steel grinding balls;

Concrete reservoir filled by pump;

1 Assay Shop and appurtenant equipment, including
five sets of scales, eight sets of screens,
furnace, dryer, molds, crusher, pulverizer,
belting and engine;

1 heavy duty portable Electric Arc Welder, mounted
on rubber tires;

1 heavy duty Oxygen & Acetylene Welder;

1 105 C. F. M. Schramm Portable Compressor,
complete with Buda Engine, all mounted on
rubber tires;

4 Dunham Concentrating Tables, each 4 feet by 12 feet,
complete with shafting, gears, pulleys, belt-
ing and engine.



1, 2, 4, 5
21
page 2 of
exhibit

OPTION AGREEMENT

AS REVISED

This OPTION AGREEMENT, made as of the _____ day of November, 1957, by and between BEN F. GRIFFITH, an unmarried man, P. O. Box 74, Yucca, Arizona (hereinafter called OWNER), Party of the First Part, and NATIONAL LEAD COMPANY, a Corporation organized under the laws of the State of New Jersey and duly authorized to transact business in Arizona, having an office and place of business at No. 111 Broadway, New York 6, New York (hereinafter called NATIONAL), Party of the Second Part,

W I T N E S S E T H:

In consideration of the payment of One Thousand Five Hundred Dollars (\$1,500.00) to be paid OWNER by NATIONAL through the escrow established pursuant to Article 25 hereinafter set forth, and the mutual covenants, agreements and conditions herein contained, the parties hereto agree as follows:

1. Mining Property Described:

OWNER hereby grants unto NATIONAL, its successors and assigns, the exclusive right and option to purchase from OWNER, upon the terms and conditions hereinafter stated, those four (4) patented and ^{eighteen (18)} nineteen (19) unpatented lode mining claims situated in the Owens Mining District, Mohave County, Arizona, and OWNER'S interest as Lessee under Commercial Lease No. 13, dated October 10, 1954, from the State of Arizona, together with the improvements, machinery and equipment located on said mining claims and leased land and all rights appurtenant to said mining claims and leased land, all of which is collectively hereinafter called "Mining Property". Said improvements, machinery and equipment are more particularly described in EXHIBIT A, which, by this reference, is

made a part hereof, and the mining claims and leased land are more particularly described as follows:

One (1) patented lode mining claim called PEABODY, embraced in Survey No. 641 and described in United States Mineral Patent No. 15035, issued June 19, 1889, which Patent is recorded in the Office of the County Recorder of Mohave County, Arizona, in Book 22 of Deeds, at page 353, and in Book 18 of Deeds, at page 610.

One (1) patented lode mining claim called SENATOR, embraced in Survey No. 657 and described in United States Mineral Patent No. 12565, issued October 8, 1887, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book 10 of Deeds, at page 161.

One (1) patented lode mining claim called ALTA, embraced in Survey No. 659 and described in United States Mineral Patent No. 12566, issued October 8, 1887, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book 10 of Deeds, at page 155.

One (1) patented lode mining claim called ATLANTA, embraced in United States Mineral Survey No. 2534 and described in United States Mineral Patent No. 94276, issued December 6, 1909, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book 21 of Deeds, at page 20.

✓ Nineteen (19) unpatented lode mining claims situated in the Owens Mining District, Mohave County, Arizona, notices and amended notices of location of which are recorded in the Office of the County Recorder of Mohave County, Arizona, in the Book of Mines and at the Pages set after the respective mining claims:

Name of Claim	Original Location		Amended Location		Second Amended Location	
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Galena	LL	241				
McCracken Hills No. 2	YY	564				
McCracken Mountain	UU	262	3-V	267		
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Signal No. 1	YY	716	3-V	264-265	3-X	30
Signal No. 2	YY	717	3-V	265-266	3-X	31
Signal No. 3	YY	718				
Signal No. 8	UU	202				

PROVIDED, however, the date of payment of each installment shall be changed to a later date, as provided in Section 15 hereinafter set forth. In no event shall the sum of the payments made by NATIONAL, to or for the account of OWNER pursuant to this Option Agreement, exceed the amount of One Hundred Fifty Thousand Dollars (\$150,000.00).

3. Warranties:

A. OWNER represents and warrants as follows:

(1) His title to the above listed four (4) patented mining claims, free and clear of all liens and encumbrances except lien for ad valorem taxes for 1957 and three (3) Mortgages, dated respectively, February 18, 1953, January 25, 1955 and July 1, 1955, more particularly described in Section C below.

(2) His title to the above listed ^{eighteen (18)} ~~nineteen (19)~~ unpatented mining claims, free and clear of all liens and encumbrances except the paramount title of the United States, prior adverse or prior conflicting mining claims, if any, and four (4) Mortgages, dated respectively, February 18, 1953, August 30, 1954, January 25, 1955 and July 1, 1955, more particularly described in Section C below. ~~OWNER further represents and covenants that for each assessment year from the year following the location of the mining claims to the year ending 12:00 o'clock meridian on July 1, 1957, either assessment work has been performed or,~~

~~if permitted in lieu of assessment work by the laws of the United States, a notice of intention to hold said mining claims has been timely filed with the County Recorder of Mohave County.~~

- (3) He is the Lessee under Commercial Lease, dated October 10, 1954, from the State of Arizona, which expires on October 9, 1964, and that said lease is not in default for any reason and his interest in said lease is free and clear of all liens and encumbrances. OWNER covenants to maintain said Commercial Lease in good standing during the life of this Option Agreement.
- (4) That the improvements, machinery and equipment, more particularly described in EXHIBIT A, are free and clear of all liens and encumbrances except the lien for ad valorem taxes for the year 1957 and the lien of two (2) Chattel Mortgages, dated respectively, July 7, 1952 and May 25, 1954, more particularly described in Section C below.

B. OWNER warrants and represents that, except for the lien of the mortgages described in Section C below and prior approval of the State Land Department with respect to Commercial Lease No. 13, he has good right and title to sell and convey all the Mining Property.

C. NATIONAL acknowledges that OWNER has advised it of the existence of:

- (1) Chattel Mortgage dated July 7, 1952, between OWNER, as Mortgagor, and CHARLES C. LOCKRIDGE,

and in any of such events it shall not be liable for interest or damages. In the event of any controversy, whether or not resulting in litigation, or in the event of any action to recover its expenses or charges from either or both of the parties hereto, Escrow Agent shall be entitled to reasonable attorney's fees and reimbursement of its expenses.

D. At the time either party hereto mails the other a notice pursuant to Articles 16 and 17, the party mailing said notice shall mail, by registered mail, a copy of such notice to Escrow Agent. Escrow Agent shall not allow NATIONAL credits permitted by Articles 7, 11 and 24 until it is furnished satisfactory evidence by NATIONAL of the amount of any credit it is entitled to receive.

E. NATIONAL agrees to pay one-half (1/2) of the escrow charges of the Escrow Agent and OWNER agrees to pay the remaining one-half (1/2) of these charges, ~~and the entire cost of title insurance on the patented mining claims in the amount of Fifty Thousand Dollars (\$50,000.00) and documentary stamp taxes on all deeds.~~

26. Option and Not Contract to Purchase:

This instrument is an option only and time shall be of the essence thereof, and nothing done or paid hereunder shall convert the same into a contract to purchase.

27. Assignment:

NATIONAL may assign this Option Agreement, or any of the rights acquired hereunder, to any responsible party or parties without consent of OWNER, provided OWNER is advised of the name and address of such assignee within fifteen (15) days after such assignment.

28. Legal Interpretation:

This Option Agreement has been accepted and will be per-

40' conveyor belting with steel buckets attached;
20' steel bucket conveyor Gas Engine;

Steel grinding balls;

Concrete reservoir filled by pump;

1 Assay Shop and appurtenant equipment, including
five sets of scales, eight sets of screens,
furnace, dryer, molds, crusher, pulverizer,
belting and engine;

1 heavy duty portable Electric Arc Welder, mounted
on rubber tires;

1 heavy duty Oxygen & Acetylene Welder;

1 105 C. F. M. Schramm Portable Compressor,
complete with Buda Engine, all mounted on
rubber tires;

4 Dunham Concentrating Tables, each 4 feet by 12 feet,
complete with shafting, gears, pulleys, belt-
ing and engine.

Also need copy
of his notes

for

~~the extensive~~

Galena ✓

McCracken Hills No. 2 ✓

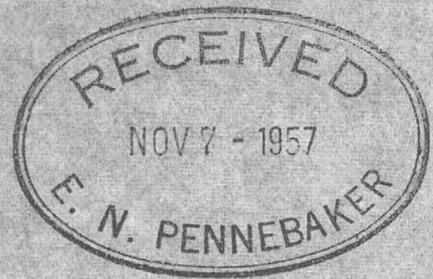
Signal No. 3 ✓

Signal No. 8 ✓

Senator's letter ✓

South Atsugi ✓

LAW OFFICES
GUYNN & TWITTY
TITLE & TRUST BUILDING
PHOENIX, ARIZONA



C. LEO GUYNN
HOWARD A. TWITTY
RALPH B. SIEWRIGHT

November 5, 1957

RECEIVED of BEN F. GRIFFITH the following:

1. Three sheets (two of them listing mining claims) pertaining to assessment work;
2. Carbon copy of Findings of Fact, Conclusions of Law, Judgment and Decree in Case No. 3574, In the Superior Court of Mohave County, State of Arizona, entitled "EMERY BLEVINS, Plaintiff, vs. LOUIS L. WALLACE, Trustee, and CALIFORNIA SPRAY-CHEMICAL CORPORATION, a corporation, Defendants."
3. Abstract of Title, consisting of 96 pages, certified to by Mohave County Recorder on September 8, 1939;
4. Carbon copy of Decree Settling Final Account and for Distribution in Probate No. 1008, In the Superior Court of Mohave County, State of Arizona, in the Matter of the Estate of NANCY M. GRIFFITH, Deceased, certified to by the Mohave County Recorder on February 6, 1953;
5. Amended Location Certificates:
 - (a) By California Spray-Chemical Corporation of Signal No. 1, dated June 15, 1941;
 - (b) By Ben F. Griffith of Signal No. 1, dated June 26, 1948;
 - (c) By California Spray-Chemical Corporation of Signal No. 2, dated June 15, 1941;
 - (d) By Ben F. Griffith of Signal No. 2, dated June 26, 1948;
 - (e) By California Spray-Chemical Corporation of Silver Lead Fraction, dated June 15, 1941;
 - (f) By California Spray-Chemical Corporation of Atlanta Ext., dated June 15, 1941;
 - (g) By California Spray-Chemical Corporation of McCracken Mt., dated June 15, 1941;
 - (h) By California Spray-Chemical Corporation of Swastika No. 1, dated June 15, 1941;

- (i) By California Spray-Chemical Corporation of Swastika No. 3, dated June 15, 1941;
- (j) By California Spray-Chemical Corporation of Silver Lead No. 6, dated June 15, 1941;
- (k) By California Spray-Chemical Corporation of Silver Lead No. 7, dated June 15, 1941;
- (l) By California Spray-Chemical Corporation of Silver Lead No. 8, dated June 15, 1941;
- (m) By California Spray-Chemical Corporation of Silver Lead No. 9, dated June 15, 1941; and
- (n) By California Spray-Chemical Corporation of Silver Lead No. 10, dated June 15, 1941.

6. Quitclaim Deeds:

- (a) Dated October 31, 1944, between CALIFORNIA SPRAY-CHEMICAL CORPORATION, Party of the First Part, and BEN F. GRIFFITH, Party of the Second Part, to five (5) unpatented lode mining claims;
- (b) Dated April 27, 1945, between CALIFORNIA SPRAY-CHEMICAL CORPORATION, Party of the First Part, and BEN F. GRIFFITH, Party of the Second Part, to two (2) unpatented lode mining claims; and
- (c) Dated October 7, 1944, between CALIFORNIA SPRAY-CHEMICAL CORPORATION, Party of the First Part, and BEN F. GRIFFITH, Party of the Second Part, to five (5) patented and twenty (20) unpatented lode mining claims

7. Notices of Intention to Hold:

- (a) By BEN F. GRIFFITH for the year 1944-1945, covering eighteen (18) unpatented lode mining claims;
- (b) By BEN F. GRIFFITH for the year 1944-1945, covering two (2) unpatented lode mining claims;
- (c) By BEN F. GRIFFITH for the year 1945-1946, covering twenty (20) unpatented lode mining claims;

- (d) By BEN F. GRIFFITH for the year 1946-1947, covering twenty-one (21) unpatented lode mining claims;
- (e) By BEN F. GRIFFITH, dated June 28, 1948, covering Signal No. 1 and Signal No. 2 mining claims;
- (f) By BEN F. GRIFFITH for the year 1947-1948, covering twenty-one (21) unpatented lode mining claims; and
- (g) By BEN F. GRIFFITH for the year 1948-1949, covering twenty-three (23) unpatented lode mining claims.

8. Affidavits of Labor Performed and Improvements Made:

- (a) By BEN F. GRIFFITH, dated June 3, 1950, covering eighteen (18) mining claims;
- (b) By BEN F. GRIFFITH, dated July 13, 1951, covering nineteen (19) mining claims;
- (c) By BEN F. GRIFFITH, dated June 24, 1952, covering nineteen (19) mining claims;
- (d) By BEN F. GRIFFITH, dated July 22, 1953, covering nineteen (19) mining claims;
- (e) By BEN F. GRIFFITH, dated August 20, 1954, covering eighteen (18) mining claims;
- (f) By BEN F. GRIFFITH, dated June 5, 1956, covering eighteen (18) mining claims; and
- (g) By BEN F. GRIFFITH, dated July 16, 1957, covering eighteen (18) mining claims.

DATED: November 5, 1957.

GUYNN & TWITTY

By *Harold H. Twitty*

HAT: ec

AGREEMENT

This AGREEMENT, entered into this _____ day of November, 1957, by and between BEN F. GRIFFITH, hereinafter called "Party of the First Part", and CHARLES C. LOCKRIDGE, HELEN CAROLINE MANSFIELD, and S. J. LOVE and ADA VIOLA LOVE, his wife, hereinafter called "Parties of the Second Part",

W I T N E S S E T H:

WHEREAS, Party of the First Part is indebted to the Parties of the Second Part by obligations evidenced by six (6) promissory notes secured by mortgages, which notes and mortgages are as follows:

- A. Promissory Note dated July 15, 1952, in the principal amount of \$4,000.00, due July 15, 1953. There is due as of November 1, 1957 on this Promissory Note: Principal \$_____, and Interest \$_____. This Promissory Note is secured by a Chattel Mortgage, dated July 7, 1952, between BEN F. GRIFFITH, as Mortgagor, and CHARLES C. LOCKRIDGE, as Mortgagee, which was duly filed in the Office of the County Recorder of Mohave County, Arizona, on July 17, 1952, under Fee No. 45531, and abstracted in Book 10 of Chattel Mortgages, at page 227 thereof. The time for payment of said Promissory Note was extended to October 5, 1953 by an Agreement dated June 4, 1953, between said Mortgagor and Mortgagee, which Agreement was filed in the Office of the County Recorder of Mohave County, Arizona, on July 27, 1953, under Fee No. 58039, and abstracted in Book 10 of Chattel Mortgages, at page 227 thereof.
- B. Promissory Note dated February 18, 1953, in the principal

amount of \$8,000.00, due February 18, 1955. There is due as of November 1, 1957 on this Promissory Note: Principal \$_____, and Interest \$_____. This Promissory Note is secured by a Realty Mortgage, dated February 18, 1953, between BEN F. GRIFFITH, as Mortgagor, and HELEN CAROLINE MANSFIELD, as Mortgagee, which was duly recorded in the Office of the County Recorder of Mohave County, Arizona, on February 26, 1953, in Book 20 of Realty Mortgages, at pages 408-410 thereof. The time for payment of said Promissory Note was extended to February 18, 1957 by Extension of Mortgage, dated February 5, 1955, between said Mortgagor and Mortgagee, which Extension of Mortgage was duly recorded in the Office of the County Recorder of Mohave County, Arizona, on February 11, 1955, in Book 23 of Realty Mortgages, at pages 225-226 thereof.

- C. Promissory Note in the principal amount of \$2,000.00, due two (2) years from date thereof. There is due as of November 1, 1957 on this Promissory Note: Principal \$_____, and Interest \$_____. This Promissory Note is secured by a Chattel Mortgage, dated May 25, 1954, between BEN F. GRIFFITH, as Mortgagor, and HELEN CAROLINE MANSFIELD, as Mortgagee, which was duly filed in the Office of the County Recorder of Mohave County, Arizona, on June 8, 1954, under Fee No. 60373, and abstracted in Book 11 of Chattel Mortgages, at page 60 thereof.
- D. Promissory Note dated August 30, 1954, in the principal amount of \$750.00, due six (6) months from the date thereof. There is due as of November 1, 1957 on this Promissory

Note: Principal \$ _____, and Interest \$ _____.

This Promissory Note is secured by a Realty Mortgage, dated August 30, 1954, between BEN F. GRIFFITH, as Mortgagor, and S. J. LOVE and ADA VIOLA LOVE, his wife, as Mortgagees, which was duly recorded in the Office of the County Recorder of Mohave County, Arizona, on September 3, 1954, in Book 22 of Realty Mortgages, at pages 382-383 thereof.

E. Promissory Note dated January 25, 1955, in the principal amount of \$2,000.00, due one (1) year from date thereof.

There is due as of November 1, 1957 on this Promissory Note: Principal \$ _____, and Interest \$ _____.

This Promissory Note is secured by a Realty Mortgage, dated January 25, 1955, between BEN F. GRIFFITH, as Mortgagor, and S. J. LOVE and ADA VIOLA LOVE, his wife, as Mortgagees, which was duly recorded in the Office of the County Recorder of Mohave County, Arizona, on January 27, 1955, in Book 23 of Realty Mortgages, at pages 121-123 thereof.

F. Promissory Note dated July 1, 1955, in the principal amount of \$3,000.00, due two (2) years from date thereof.

There is due as of November 1, 1957 on this Promissory Note: Principal \$ _____, and Interest \$ _____.

This Promissory Note is secured by a Realty Mortgage, dated July 1, 1955, between BEN F. GRIFFITH, as Mortgagor, and HELEN CAROLINE MANSFIELD, as Mortgagees, which was duly recorded in the Office of the County Recorder of Mohave County, Arizona, on July 14, 1955, in Book 24 of Realty Mortgages, at pages 10-12 thereof.

and

WHEREAS, each of the Parties of the Second Part represents that

the promissory note and mortgage listed above, in which he or she is, respectively, payee and mortgagee, has not been assigned or otherwise transferred, and that the amount of principal and interest due as of November 1, 1957 is as set forth above, and that he or she (as the case may be) is entitled to payment thereof; and

WHEREAS, Party of the First Part has negotiated an Option Agreement with NATIONAL LEAD COMPANY, a New Jersey Corporation, by the terms of which NATIONAL LEAD COMPANY has an exclusive option to purchase mining property of BEN F. GRIFFITH for a total consideration of One Hundred Fifty Thousand Dollars (\$150,000.00) if said option is exercised; that said property, the subject of said Option Agreement, includes mining claims under the lien of the above mentioned Realty Mortgages, and other property included under the above mentioned Chattel Mortgages; and

WHEREAS, NATIONAL LEAD COMPANY insists, as a condition precedent to said Option Agreement becoming effective, that the lien of each of the above listed four (4) Realty Mortgages and the above listed two (2) Chattel Mortgages be subordinated to the rights of NATIONAL LEAD COMPANY under said Option Agreement, and the above named creditors of BEN F. GRIFFITH give written assurances that they will not attempt to assert any right or claim superior to the rights of NATIONAL LEAD COMPANY under said Option Agreement; and

WHEREAS, if NATIONAL LEAD COMPANY exercises the option to purchase contained in said Option Agreement, BEN F. GRIFFITH will have ample funds with which to pay the above named creditors;

NOW, THEREFORE, in consideration of the payment to each of the Parties of the Second Part of ONE DOLLAR (\$1.00) by Party of the First Part, the receipt of which is hereby acknowledged, and the agreements herein contained, the parties hereto agree as follows:

1. Each one of the Parties of the Second Part, for himself or herself (as the case may be) does hereby waive the priority of the

lien of the mortgage in which he or she is the mortgagee over the interest of NATIONAL LEAD COMPANY in the Option Agreement of even date, between BEN F. GRIFFITH, an unmarried man, and NATIONAL LEAD COMPANY, a New Jersey Corporation, intending hereby that the rights of each of the undersigned, and his or her heirs, executors, administrators and assigns under the aforesaid mortgages, shall be as though the aforesaid Option Agreement was executed and recorded prior to the execution and recording of said mortgages, without otherwise affecting the lien of said mortgagee. Said Option Agreement gives NATIONAL LEAD COMPANY an exclusive option until August 15, 1961 to purchase those four (4) patented and nineteen (19) unpatented lode mining claims situated in the Owens Mining District, Mohave County, Arizona, and the interest of BEN F. GRIFFITH, as Lessee, under Commercial Lease No. 13, dated October 10, 1954, from the State of Arizona, together with the improvements, machinery and equipment located on said mining claims and leased land and all rights appurtenant to said mining claims and leased land. Said improvements, machinery and equipment are more particularly described in EXHIBIT A, which, by this reference, is made a part hereof, and the mining claims and leased land are more particularly described as follows:

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	<u>Book</u>	<u>Page</u>	<u>Book</u>	<u>Page</u>	<u>Book</u>	<u>Page</u>
Alta Extension	UU	258				
Atlanta Extension	EE	463	3-V	268-269		
Galena	LL	241				
McCracken Hills No. 2	TT	564				
McCracken Mountain	UU	262	3-V	267		
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Signal No. 2	TT	717	3-V	265-266	3-X	31
Signal No. 3	TT	718				
Signal No. 8	UU	202				
Silver Lead No. 6	3-U	141	3-V	266		
Silver Lead No. 7	3-U	157	3-V	271		
Silver Lead No. 8	3-U	158	3-V	272		
Silver Lead No. 9	3-U	159	3-V	272-273		
Silver Lead No. 10	3-U	160	3-V	273-274		
Silver Lead Fraction	3-U	230	3-V	268		
South Otsego	TT	512				
Swastika No. 1	LL	242	3-V	269-270		
Swastika No. 3	LL	243	3-V	270-271		

COMMERCIAL LEASE No. 13, dated October 10, 1954, in which the STATE OF ARIZONA, as Lessor, leases to BEN F. GRIFFITH, as Lessee, for a term expiring on October 9, 1964, the following described property:

Northwest Quarter (NW 1/4) of the Northeast Quarter (NE 1/4) of Section Sixteen (16), Township Thirteen (13) North, Range Thirteen (13) West, Gila and Salt River Meridian.

2. Each of the Parties of the Second Part, for himself or herself (as the case may be) agree, with respect to the promissory

note listed above in which he or she is a payee, that the time of payment thereof is hereby extended to on or before whichever of the two following events first occurs:

- A. February 15, 1960; or
- B. The date of any cancellation, forfeiture, surrender, or other termination of that Option Agreement dated November ____, 1957, between Party of the First Part and NATIONAL LEAD COMPANY, a New Jersey Corporation.

3. BEN F. GRIFFITH hereby acknowledges his liability under the above mentioned notes and mortgages, unconditionally promises to pay said obligations, and further acknowledges that the amounts of principal and interest, due as of November 1, 1957 under said instruments, are as set forth in the first "Whereas" clause in this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this instrument as of the day and year first above written.

Ben F. Griffith

Party of the First Part

Charles C. Lockridge

Helen Caroline Mansfield

S. J. Love

Ada Viola Love

Parties of the Second Part

STATE OF ARIZONA }
County of Mohave } ss.

On this the _____ day of November, 1957, before me, the undersigned Notary Public, personally appeared BEN F. GRIFFITH, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: _____

Notary Public

STATE OF _____ }
County of _____ } ss.

On this the _____ day of November, 1957, before me, the undersigned Notary Public, personally appeared CHARLES C. LOCKRIDGE, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

STATE OF _____ }
County of _____ } ss.

On this the _____ day of November, 1957, before me, the undersigned Notary Public, personally appeared HELEN CAROLINE MANSFIELD, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument, and acknowledged that she executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

STATE OF _____ }
County of _____ } ss.

On this the _____ day of November, 1957, before me, the undersigned Notary Public, personally appeared S. J. LOVE and ADA VIOLA LOVE, his wife, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the foregoing instrument, and acknowledged that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

EXHIBIT A

MILL AND ALL OTHER IMPROVEMENTS
LOCATED ON THE NORTHWEST QUARTER
(NW 1/4) OF THE NORTHEAST QUARTER
(NE 1/4) OF SECTION SIXTEEN (16),
TOWNSHIP THIRTEEN (13) NORTH, RANGE
THIRTEEN (13) WEST, GILA AND SALT
RIVER MERIDIAN, INCLUDING THE FOLLOW-
ING DESCRIBED PROPERTY:

- 1 Deister Concentrator Table;
- 130 Caterpillar Stationary Motor with Radiator;
- 1 Hirsch Brothers Classifier Serial No. M-134-7;
- 1 Harding Conical Ball Mill No. 1054 with 4 ton ball charge and liners;
- 1 Waukeshaw 150 HP Gas Motor Serial No. 84506;
- All bins and timbers used in connection with mill;
- Approximately 1440 feet of 2' pipe;
- 1 Wheeling Jaw Crusher size 9-24, Crusher No. J-10, with Allis Chalmers Gas Motor No. PU 2, 22 HP;
- Miscellaneous Pulleys and extra lines;
- 1 Dening piston pump 131558;
- 1 6 HP air cooled Gas Motor 313438;
- Also all miscellaneous equipment in cabin and one cabin used for living quarters;
- 5 pillar block bearings;
- 2 pieces of shaft (approximately 30') with 3 pulleys;
- 1 Jaw Crusher, Frazer and Chalmers, size 10 X 7, Serial No. 471;
- Vibrating Screen - 10 mesh;
- Dorr Type 14' rake classifier;
- Sizing screens - 4 deck separations, and gas engine;
- 32' belt conveyor;
- 65' of 20" troughing belt, rolls and steel frame;
- 25' belting and belt conveyor to Nos. 8 and 9;

40' conveyor belting with steel buckets attached;
20' steel bucket conveyor Gas Engine;

Steel grinding balls;

Concrete reservoir filled by pump;

1 Assay Shop and appurtenant equipment, including
five sets of scales, eight sets of screens,
furnace, dryer, molds, crusher, pulverizer,
belting and engine;

1 heavy duty portable Electric Arc Welder, mounted
on rubber tires;

1 heavy duty Oxygen & Acetylene Welder;

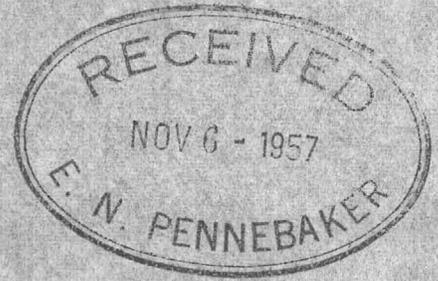
1 105 C. F. M. Schramm Portable Compressor,
complete with Buda Engine, all mounted on
rubber tires;

4 Dunham Concentrating Tables, each 4 feet by 12 feet,
complete with shafting, gears, pulleys, belt-
ing and engine.

LAW OFFICES
GUYNN & TWITTY
TITLE & TRUST BUILDING
PHOENIX, ARIZONA

C. LEO GUYNN
HOWARD A. TWITTY
RALPH B. SIEWRIGHT

November 4, 1957



Mr. Ben F. Griffith
P. O. Box 74
Yucca, Arizona

Re: NATIONAL LEAD COMPANY Option

Dear Mr. Griffith:

Enclosed are the following:

1. Four backed and four unbacked copies of Option Agreement;
2. Four backed and four unbacked copies of Memorandum of Option Agreement; and
3. Six backed and one unbacked copies of Subordination Agreement.

We request that you give all three of the above instruments the same date of signing. This is essential, because the Subordination Agreement refers to the Option Agreement "of even date".

We have planned that the Option Agreement and Memorandum of Option Agreement be executed in four counterparts, in order that you, National, Phoenix Title and Trust Company and the Arizona State Land Department may each have an executed counterpart. We have planned that the Subordination Agreement be executed in six counterparts, in order that you, National, Phoenix Title and Trust Company and the three parties holding various mortgages may each have an executed counterpart.

One unbacked copy of each of the above instruments is for your file, and the three extra enclosed unbacked copies of the Option Agreement and Memorandum of Option Agreement are for the mortgagees.

The Option Agreement contains the changes agreed to by you and Mr. Pennebaker. In addition, Article 25 of this instrument has been revised to incorporate suggestions of the Escrow Agent, Phoenix Title and Trust Company.

Mr. Ben F. Griffith
November 4, 1957
Page 2

We anticipate you may need some latitude in negotiating with your mortgage lien creditors. For this reason, we have not stated in Article 25 that each payment to the mortgage lien creditors will be allocated to the respective creditors on the ratio that the indebtedness owed to each creditor bears to the total mortgage debt. We have provided that a separate letter to the Escrow Agent will provide the manner of allocating payments among the various mortgage creditors.

You will find the Subordination Agreement revised. We have provided that you will pay \$1.00 to each of the lien holders as part of the consideration for the agreement. We have added a section extending the payment date for each of the promissory notes held by the lienholders. Except for delays covered by the force majeure clause, all these debts will be paid off by February 15, 1960 if the option is continued to this date. For this reason, the time for the payment of the notes was extended to this date. We call your attention to certain blanks in this instrument which should be completed.

If you have any questions, please call the writer at Alpine 3-4195. If you plan to sign the instruments at our office in Phoenix, please let us know beforehand in order that we may arrange to meet you.

Very truly yours,

GUYNN & TWITTY

By *Howard L. Twitty*

HAT: ec
Enclosures
cc - G. M. Wiles
E. N. Pennebaker ✓

LAW OFFICES
GUYNN & TWITTY
TITLE & TRUST BUILDING
PHOENIX, ARIZONA

C. LEO GUYNN
HOWARD A. TWITTY
RALPH B. SIEVWRIGHT

November 4, 1957



Mr. E. N. Pennebaker
P. O. Box 817
Scottsdale, Arizona

Re: GRIFFITH--NATIONAL LEAD Option

Dear Penny:

You will note that Section (3) of Article 25 of the Option Agreement provides that the Escrow Agent will deliver to National its title insurance in the amount of \$50,000.00 on the four patented mining claims, insuring the title of National free and clear of all liens and encumbrances except tax liens subsequent to 1957 and three mortgages. This wording was revised after a conference with the attorney for Phoenix Title and Trust Company. The policy will be somewhat more restricted than the wording of Article 25 indicates. The policy will not insure against those matters listed on Part One of the enclosed Schedule B. Part Two of this schedule is, of course, not applicable. Also, the title insurance insures the condition of the title as of the date of the issuance of the policy of insurance, and will show, as of that date, title is vested in Mr. Griffith. Inasmuch as the Memorandum of Option Agreement will be recorded, in our opinion any subsequent encumbrances will be subject to the rights of National under its option.

Although National, in our opinion, will acquire title free of any subsequent encumbrances, we have provided in Article 21 that Mr. Griffith will maintain good title, free and clear of all liens, during the life of the option. We think this is an advisable precaution because it has not been judicially determined in Arizona whether the holder of a recorded option prevails over subsequent lien claimants. In our opinion, the holder of a recorded option would prevail over subsequent lien claimants. To aid National in making certain that Mr. Griffith complies with Article 21 and does not permit any liens to attach to the property under the option, we recommend that each six months during the life of the option National obtain from Phoenix Title and Trust Company an endorsement extending the title insurance on the patented mining claims to a current date, and obtain

Mr. E. N. Pennebaker
November 4, 1957
Page 2

from the same company an "encumbrance report" covering the balance of the property. The endorsement to the title insurance policy will disclose any liens or purported liens of record against the patented mining claims, and the "encumbrance report" will give the same information with respect to the unpatented mining claims and improvements and personal property listed on Exhibit A to the Option Agreement. The charge for these endorsements and "encumbrance reports" should not be more than \$40.00 for each time they are obtained.

Sincerely yours,

GUYNN & TWITTY

By *Howard G. Twitty*

HAT:ec
Enclosure
cc - G. M. Wiles

OPTION AGREEMENT

This OPTION AGREEMENT, made as of the _____ day of October, 1957, by and between BEN F. GRIFFITH, an unmarried man, P. O. Box 74, Yucca, Arizona (hereinafter called OWNER), Party of the First Part, and NATIONAL LEAD COMPANY, a Corporation organized under the laws of the State of New Jersey and duly authorized to transact business in Arizona, having an office and place of business at No. 111 Broadway, New York 6, New York (hereinafter called NATIONAL), Party of the Second Part,

W I T N E S S E T H:

In consideration of the payment of One Thousand Five Hundred Dollars (\$1,500.00) to be paid OWNER by NATIONAL through the escrow established pursuant to Article 25 hereinafter set forth, and the mutual covenants, agreements and conditions herein contained, the parties hereto agree as follows:

1. Mining Property Described:

OWNER hereby grants unto NATIONAL, its successors and assigns, the exclusive right and option to purchase from OWNER, upon the terms and conditions hereinafter stated, those four (4) patented and nineteen (19) unpatented lode mining claims situated in the Owens Mining District, Mohave County, Arizona, and OWNER'S interest as Lessee under Commercial Lease No. 13, dated October 10, 1954, from the State of Arizona, together with the improvements, machinery and equipment located on said mining claims and leased land and all rights appurtenant to said mining claims and leased land, all of which is collectively hereinafter called "Mining Property". Said improvements, machinery and equipment are more

particularly described in EXHIBIT A, which, by this reference, is made a part hereof, and the mining claims and leased land are more particularly described as follows:

One (1) patented lode mining claim called PEABODY, embraced in Survey No. 641 and described in United States Mineral Patent No. _____, issued _____, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book _____ of Mining Deeds, at page _____.

One (1) patented lode mining claim called SENATOR, embraced in Survey No. 657 and described in United States Mineral Patent No. _____, issued _____, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book _____ of Mining Deeds, at page _____.

One (1) patented lode mining claim called ALTA, embraced in Survey No. 659 and described in United States Mineral Patent No. _____, issued _____, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book _____ of Mining Deeds, at page _____.

One (1) patented lode mining claim called ATLANTA, embraced in United States Mineral Survey No. 2534 and described in United States Mineral Patent No. _____, issued _____, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book _____ of Mining Deeds, at page _____.

Nineteen (19) unpatented lode mining claims situated in the Owens Mining District, Mohave County, Arizona, notices of location of which are recorded in the Office of the County Recorder of Mohave County, Arizona, in the book and at the page set after the respective mining claims:

<u>Name of Claim</u>	<u>Book of Mines</u>	<u>Page</u>
Alta Extension	UU	258
Atlanta Extension	EE	468
Galena	LL	241
McCracken Hills No. 2	TT	564
McCracken Mountain (Amended)	3-V	267
Senator Extension	UU	283
Signal No. 1 (Amended)	3-X	30
Signal No. 2 (Amended)	3-X	31
Signal No. 3	TT	718
Signal No. 6	UU	202

<u>Name of Claim</u>	<u>Book of Mines</u>	<u>Page</u>
✓ Silver Lead No. 6 (Amended)	3-V	266
✓ Silver Lead No. 7 (Amended)	3-V	271
✓ Silver Lead No. 8 (Amended)	3-V	272
✓ Silver Lead No. 9 (Amended)	3-V	272
✓ Silver Lead No. 10 (Amended)	3-V	273
✓ Silver Lead Fraction (Amended)	3-V	268
South Otsego	TT	512
✓ Swastika No. 1	LL	242
✓ Swastika No. 2	LL	245

COMMERCIAL LEASE No. 13, dated October 10, 1954, in which the STATE OF ARIZONA, as Lessor, leases to BEN F. GRIFFITH, as Lessee, for a term expiring on October 9, 1964, the following described property:

Northwest Quarter (NW 1/4) of the Northeast Quarter (NE 1/4) of Section Sixteen (16), Township Thirteen (13) North, Range Thirteen (13) West, Gila and Salt River Meridian.

2. Purchase Price:

The purchase price of said Mining Property shall be One Hundred Fifty Thousand Dollars (\$150,000.00), and shall be payable in installments, without interest, as follows:

- \$1,500.00 mentioned above;
- \$1,500.00 on or before February 1, 1958;
- \$1,500.00 on or before May 1, 1958;
- \$3,000.00 on or before August 1, 1958;
- \$3,000.00 on or before November 1, 1958;
- \$3,000.00 on or before February 1, 1959;
- \$3,000.00 on or before May 1, 1959;
- \$3,000.00 on or before August 1, 1959;
- \$35,000.00 on or before February 1, 1960;
- \$35,000.00 on or before August 1, 1960;
- \$15,125.00 on or before November 1, 1960;
- \$15,125.00 on or before February 1, 1961;
- \$15,125.00 on or before May 1, 1961; and
- \$15,125.00 on or before August 1, 1961.

PROVIDED, however, the date of payment of each installment shall be changed to a later date, as provided in Section 15 hereinafter set forth. In no event shall the sum of the payments made by NATIONAL, to or for the account of OWNER pursuant to this Option Agreement, exceed the amount of One Hundred Fifty Thousand Dollars (\$150,000.00).

3. Warranties:

A. OWNER represents and warrants as follows:

- (1) His title to the above listed four (4) patented mining claims, free and clear of all liens and encumbrances except lien for ad valorem taxes for 1957 and the Mortgage, dated _____, more particularly described in Section C below.
- (2) His title to the above listed nineteen (19) unpatented mining claims, free and clear of all liens and encumbrances except the paramount title of the United States, prior adverse or prior conflicting mining claims, if any, and the Mortgage, dated _____, more particularly described in Section C below. OWNER further represents and covenants that for each assessment year from the year following the location of the mining claims to the year ending 12:00 o'clock meridian on July 1, 1957, either assessment work has been performed or, if permitted in lieu of assessment work by the laws of the United States, a notice of intention to hold said mining claims has been timely filed with the County Recorder of Mohave County.

(3) He is the Lessee under Commercial Lease, dated October 10, 1954, from the State of Arizona, which expires on October 9, 1964, and that said lease is not in default for any reason and his interest in said lease is free and clear of all liens and encumbrances. OWNER covenants to maintain said Commercial Lease in good standing during the life of this Option Agreement.

(4) That the improvements, machinery and equipment, more particularly described in EXHIBIT A, are free and clear of all liens and encumbrances except the lien for ad valorem taxes for the year 1957 and the lien of Chattel Mortgage, dated _____, more particularly described in Section C below.

B. OWNER warrants and represents that, except for the lien of the mortgages described in Section C below and prior approval of the State Land Department with respect to Commercial Lease No. 13, he has good right and title to sell and convey all the Mining Property.

C. NATIONAL acknowledges that OWNER has advised it of the existence of Mortgage in the amount of _____, dated _____, between _____, as Mortgagor, and _____, as Mortgagee, duly recorded in the Office of the County Recorder of Mohave County in Book _____ of Mortgages, at page _____, and of Chattel Mortgage in the amount of _____, dated _____, between _____, as Mortgagor, and _____, as Mortgagee,

duly filed in the Office of the County Recorder of Mohave County on _____, under fee number _____, and abstracted in Book _____ of Chattel Mortgages, at _____.

4. Rights of NATIONAL on Mining Property During Option Period:

OWNER hereby gives and grants to NATIONAL the exclusive right, at any and all times during the continuance of this Option Agreement, to enter upon, possess, and freely to explore, develop, examine, test, work and mine the above described mining claims for minerals, metals, mineral bearing materials and other valuable mineral bearing substances, and to do any and all things which NATIONAL may deem necessary or desirable to carry out the foregoing, including, but not by way of limitation, the right to use water and water rights, to cut and use timber, to use stone, sand and clay, to erect, use, maintain and remove its equipment, machinery, appliances and structures, to sink drill holes, test pits and shafts, and to make excavations and openings of all kinds, including underground openings. OWNER hereby gives and grants to NATIONAL the exclusive right to make full use of all property described in EXHIBIT A hereto, and to use the land included under Commercial Lease No. 13 to the full extent OWNER has the right to use said land under this Commercial Lease.

5. Assessment Work:

During the continuance of this Option Agreement, NATIONAL agrees, prior to June 1st of each assessment year, to perform, or cause to be performed, at its own expense, such assessment work as is required by the laws of the United States and the State of Arizona with respect to the unpatented mining claims included in the Mining Property; PROVIDED, however, that if this Option Agreement

is cancelled pursuant to Article 16 hereof or forfeited pursuant to Article 17 hereof before January 1st of any assessment year, NATIONAL shall not be obligated to perform, or cause to be performed, such assessment work for the assessment year in which such cancellation or forfeiture occurs. If, however, this Option Agreement is so cancelled or forfeited after such date, NATIONAL shall, nevertheless, perform or cause to be performed such assessment work for the assessment year in which such cancellation or forfeiture occurs. It is understood that the patented and unpatented mining claims included in the Mining Property are in a single group, and OWNER agrees that development and exploration work done on one or more of the patented and unpatented mining claims in the group will be for the benefit of all of said mining claims, and such work, equal to One Hundred Dollars (\$100.00) for each of the unpatented mining claims during any year, will be sufficient performance of the assessment work requirement for the year. If Congress suspends or waives the assessment work requirement for any part of the life of this Option Agreement, NATIONAL need not perform said work, but, in lieu thereof, may file with the County Recorder of Mohave County such notice of intention to hold as may be required, or otherwise take such action prescribed by Congress for such suspension or waiver.

For each year in which NATIONAL is required, pursuant to this Article 5, to perform assessment work or file notice of intention to hold, or take other action prescribed by Congress, NATIONAL shall furnish to OWNER a duplicate copy of all such instruments.

6. Operations and Activities by NATIONAL:

Subject to the terms of this Option Agreement, NATIONAL may conduct its operations and activities in connection therewith,

in such manner, by such methods and to such extent as it may, in its sole discretion, elect; PROVIDED, however, that NATIONAL shall conduct its operations and activities hereunder in a proper, skillful and minerlike manner, and in accordance with good mining practices, and in accordance with all Federal, State and local laws and regulations. It is expressly understood that, except for assessment work required by the preceding Article 5, NATIONAL has no obligation to perform any work under this Option Agreement.

7. Royalties:

If NATIONAL removes any ore, other than samples as provided in Article 8 below, it shall, until payment of the purchase price has been made in full provided in Article 2, pay OWNER as royalty upon all said ore removed from the mining claims hereunder and disposed of by NATIONAL, ten per cent (10%) of the net smelter returns from said ore or mineral products. Royalty payable hereunder to OWNER shall be paid within sixty (60) days after payment of the net smelter returns, as below set forth. NATIONAL shall use reasonable diligence to obtain maximum commercial values. Net smelter returns are defined as the amount paid by the smelter, mill or mint purchasing the ore and minerals, with deductions only for all transportation costs paid to common or contract carriers and for smelter, mill or mint charges and penalties. NATIONAL shall, during the term of this Option Agreement, keep books and accounts showing, except for samples, the amount of ores extracted from the mining claims, the amount of ores shipped, sold or treated, and the amount of money received from said ores, or the value extracted therefrom; and OWNER shall, during regular business hours, have free and full access to said books, accounts and records, at reasonable times, until the full purchase price has been paid. Royalty which shall be paid to Owner pursuant to

this Article 7, shall be applied against and be deducted from the next installment or installments of the purchase price set forth in Article 2 hereof.

8. Samples:

NATIONAL shall be entitled, without payment of any royalty, to remove samples for metallurgical tests or analyses.

9. Protection from Liens and Damage:

NATIONAL shall keep the Mining Property described in Article 1, and the whole and every part thereof, free and clear of liens for labor done or performed upon said Mining Property, or materials furnished to, on or for said Mining Property, or for the development or operation thereof under this Option Agreement and while the same is in force and effect, and will save and keep harmless OWNER from all costs, loss or damage which may arise by reason of or on account of injury to or death of any persons employed by NATIONAL in or upon said Mining Property, or any part thereof, or which may arise by reason of or on account of injury to or death of any other persons or to livestock, or damage to any personal property as the result of any work or operations of NATIONAL or its possession and occupancy of the Mining Property.

10. Notice of Nonliability:

NATIONAL shall post and keep posted, or permit OWNER to post and keep posted, upon the Mining Property described in Article 1 hereof, notices of nonliability for labor or materials in proper form and in compliance with the laws of the State of Arizona.

11. Taxes:

A. Subject to the allowance of a credit to NATIONAL as provided by Section B below, NATIONAL shall pay, when due and before

delinquent, all ad valorem taxes (except taxes for 1957 and prior years) upon the Mining Property described in Article 1 hereof, falling due during the term of this Option Agreement and while the same is in force and effect, and shall pay, when due and before delinquent, all taxes levied or assessed against any and all personal property and improvements placed upon said Mining Property by NATIONAL during the term of this Option Agreement. NATIONAL shall also pay all sales taxes and other taxes of every kind, character and description levied or imposed during the term of this Option Agreement upon the ores, minerals, concentrates or products of ores, produced, sold or otherwise disposed of by NATIONAL, and all taxes levied against NATIONAL as an employer of labor, all such taxes to be promptly paid when due and before delinquent.

B. For each calendar year beginning with 1958, OWNER shall allow NATIONAL a credit, equal to the ad valorem taxes assessed against the Mining Property for the calendar year 1957, on the next installment of the purchase price which is due under Article 2 hereof after payment of the ad valorem taxes has been made for the respective year by NATIONAL.

C. In the case of ad valorem taxes for the calendar year in which this Option Agreement ends, there shall be an apportionment between the parties, OWNER to bear the proportion of such taxes applicable to that part of the calendar year not included hereunder, and NATIONAL to bear the balance of said taxes. NATIONAL shall not be entitled to a credit provided for in Section B of this Article for its portion of the taxes paid by it under this Section C.

12. Insurance:

NATIONAL shall carry at all times, during the term of

this Option Agreement, Workmen's Compensation and Occupational Disease Disability Insurance required by the laws of the State of Arizona; PROVIDED, however, that NATIONAL may qualify as a self-rater or self-insurer.

13. Reports and Maps:

In the event of a valid forfeiture or cancellation of this Option Agreement, NATIONAL shall furnish to OWNER one full and complete copy of all exploration data which NATIONAL may have developed as a result of its exploration operations and activities on the mining claims under this Option Agreement.

14. Inspection:

The duly authorized representative of OWNER shall be permitted to enter into and upon the Mining Property and the workings of NATIONAL, at all reasonable times, for the purpose of inspection. In making such inspection, OWNER shall not unreasonably interfere with any operations or activities being conducted by NATIONAL.

15. Force Majeure:

If NATIONAL shall be delayed at any time in keeping or performing any agreement on its part to be kept or performed, according to the terms and provisions hereof, by Acts of God, strikes, lockouts, fire, lack of market, unusual delay in transportation, orders of the government or any duly constituted instrumentality thereof, unavoidable casualties, or any causes beyond the control of NATIONAL, it shall be excused from complying with the provisions of this Option Agreement for the period of such interruption; PROVIDED, that during any such periods, NATIONAL continues to pay the taxes as herein stipulated under Article 11 hereof.

16. Cancellation of Option:

NATIONAL expressly reserves the right to cancel this Option Agreement, and to relinquish all rights, privileges and obligations hereunder, at any time during the term hereof after having given OWNER thirty (30) days' written notice of its intention, and after having fully discharged all obligations previously incurred by NATIONAL to the date of such cancellation; and all the obligations and liability of NATIONAL under said Option Agreement shall terminate without further liability on the part of NATIONAL as of the date of such cancellation.

17. Forfeiture:

If at any time NATIONAL shall violate or fail to comply with the provisions of this Option Agreement, and if said nonfulfillment or nonperformance shall continue for a period of thirty (30) days after written notice has been given to it by OWNER, then, upon the expiration of said thirty (30) day period, all rights of NATIONAL under this Option Agreement, except as provided by Article 19 hereof, shall terminate, and all payments theretofore made under this Option Agreement shall be retained by OWNER as full compensation as rental for the occupancy of Mining Property, as the consideration for which this Option Agreement is given and as liquidated damages. The forfeiture of this Option Agreement, as in this Article provided, shall not release NATIONAL from its obligation fully and promptly to pay OWNER any and all royalty payable to the latter at the date of such termination. Except for payment of royalty due at the date of termination and except the rights and obligations imposed by Articles 5, 13, 18 and 19, all obligations and liabilities of the parties hereto shall be terminated as of the date forfeiture is perfected, as above provided.

18. Surrender of Mining Property by NATIONAL:

In the event of a valid forfeiture, cancellation, surrender or other termination of this Option Agreement, NATIONAL will immediately surrender to OWNER peaceable possession of said Mining Property and the whole and every part thereof.

19. Property placed on Mining Property by NATIONAL:

6 months
All personal property, equipment and machinery, and buildings and other improvements placed by NATIONAL on the Mining Property described in Article 1, shall at all times remain the property of NATIONAL. NATIONAL shall have, and it is hereby given and granted, ninety (90) days after a valid forfeiture, cancellation, surrender or other termination of this Option Agreement to remove from said Mining Property all mills, buildings, milling machinery, structures, headframes, warehouse stock, merchandise, materials, tools, hoists, compressors, engines, motors, pumps, transformers, electrical accessories, metal or wooden tanks, bins, pipe lines and connections, mine cars, and any and all other machinery and equipment, erected or placed in or upon said Mining Property by it, together with all ore broken in the stopes or workings.

20. Improvements, Machinery and Equipment Belonging to OWNER:

NATIONAL agrees to maintain in good condition (except for reasonable wear and damage or destruction by casualty without fault of NATIONAL) all improvements, machinery and equipment belonging to OWNER which are included as Mining Property described in Article 1. NATIONAL shall be under no obligation to insure said property against damage or destruction by casualty.

21. OWNER'S Covenant to Maintain Good Title:

OWNER agrees that, during the continuance of this Option Agreement, he will not sell, mortgage, lease or encumber the Mining

Property described in Article 1, or any part thereof, and will not permit any judgment or judgments to be obtained against him which may be a lien against the Mining Property or any part thereof.

22. Easements:

OWNER agrees to give and grant, if requested by NATIONAL, easements on or over the Mining Property described in Article 1 hereof, for the erection and construction of water and gas lines and electrical power and transmission lines, and roads.

23. Amending Locations and Patenting Mining Claims:

NATIONAL shall, at its option, have the right, at its expense, to amend locations of and/or patent the unpatented mining claims described in Article 1 hereof in the name of OWNER, and, for that purpose, it is hereby given the right and power of attorney to execute any and all documents of whatsoever kind and character which may be proper or necessary in connection with such procedure. OWNER hereby agrees to execute and acknowledge any documents or instruments necessary or proper to carry out the terms and provisions of this Article. The mining claims shall remain subject to all the terms and provisions of this Option Agreement.

24. Title Documents:

OWNER agrees that, within twenty (20) days from the date of this Option Agreement, he will furnish to NATIONAL all abstracts of title, location notices, deeds, mortgages and other documents relating to the title of any part of Mining Property which are available to OWNER. NATIONAL shall, within three (3) months of the receipt of such title documents, examine title and notify OWNER of any defects therein which, in the opinion of

NATIONAL'S counsel, render title unmarketable to any part of Mining Property exclusive of the patented mining claims. In the event of any defect to any part of such property, OWNER shall, at his own cost and expense, forthwith take such action as may be necessary to cure the same so as to make title marketable in the opinion of NATIONAL'S counsel. NATIONAL shall have the right, if OWNER fails to remedy such defect, to take such action, in its own name or in OWNER'S name, as may be necessary to remedy such defect, and to deduct the costs and expenses therefor, including reasonable legal fees, from any payments falling due under this Option Agreement.

25. Escrow:

A. The parties hereto agree to establish an escrow with Phoenix Title and Trust Company at Phoenix, Arizona, hereinafter called "Escrow Agent".

- (1) OWNER agrees to deliver to Escrow Agent the following documents, with instructions to deliver the same to NATIONAL upon payment to Escrow Agent of the full purchase price of the Mining Property called for by Article 2. These documents will be in form satisfactory to NATIONAL'S counsel, and will be as follows:
 - (a) A Warranty Deed for the patented mining claims listed in Article 1 above, in which OWNER warrants his title free and clear of all liens and encumbrances except ad valorem tax liens subsequent to 1957;
 - (b) A Mining Deed for the unpatented mining claims listed in Article 1 above, in which OWNER warrants that said mining claims are

free and clear of all liens and encumbrances except prior adverse or prior conflicting mining claims, if any;

- (c) An Assignment of Commercial Lease No. 13, dated October 10, 1954;
- (d) A Bill of Sale for all improvements, machinery and equipment listed in EXHIBIT A hereto, in which OWNER warrants that said property is free and clear of all liens and encumbrances except for ad valorem tax liens subsequent to 1957.

- (2) NATIONAL agrees to deliver to Escrow Agent its Quitclaim Deed to OWNER for all Mining Property, with instructions to deliver said deed to OWNER in the event of a valid cancellation pursuant to Article 16 hereof or forfeiture pursuant to Article 17 hereof.

B. All installments on the purchase price called for by Article 2 hereof, and payments for royalty pursuant to Article 7 hereof, shall be made by NATIONAL to Escrow Agent. OWNER hereby directs Escrow Agent to disburse these payments in the following manner:

- (1) From the first payment, Escrow Agent shall deduct one-half (1/2) of its charges as Escrow Agent and the cost of title insurance in the amount of Fifty Thousand Dollars (\$50,000.00) on the patented mining claims described in Article 1 hereof. From the balance of this first payment and from all future payments, Escrow Agent, after deducting all credits NATIONAL is entitled to pursuant to Articles 7, 11 and 24, shall pay over twenty-five per cent

(25%) of the remainder to OWNER, and the remaining seventy-five per cent (75%) shall be used by Escrow Agent to pay off creditors of OWNER. These creditors shall be paid off in the following order:

- (a) (Realty Mortgage)
- (b) (Chattel Mortgage)
- (c) _____ (unsecured creditor)
- (d) _____ (unsecured creditor)

- (2) As soon as all creditors of OWNER listed under (1) above have been paid off, then all future payments shall be paid to OWNER, except Escrow Agent shall deduct any credits NATIONAL is entitled to pursuant to Articles 7, 11 and 24 of this Option Agreement; and, from the last payment, the Escrow Agent shall deduct the cost of necessary documentary stamps required on the deeds to Mining Property called for by Section A (1) above of this Article 25.
- (3) The provisions of this Section B of Article 25 to the contrary notwithstanding, no payments on the purchase price received by Escrow Agent shall be disbursed, as set forth under (1) and (2) above, until Escrow Agent has notified both parties hereto that, upon the close of this escrow, it will issue title insurance in the amount of Fifty Thousand Dollars (\$50,000.00) on the four (4) patented mining claims described in Article 1 hereof, insuring the title of NATIONAL free and clear of all liens and encumbrances except ad valorem tax liens subsequent to 1957. OWNER

agree to pay the cost of this policy of title insurance, which shall be delivered to NATIONAL by Escrow Agent upon payment of the full purchase price to Mining Property.

C. The parties hereto agree, if a controversy shall arise between the parties hereto or with any third person, the Escrow Agent may await the outcome of such controversy by final legal proceedings, or otherwise, as it may deem appropriate, or it may institute such interpleader or other proceedings as it may deem proper, and in any of such events it shall not be liable for interest or damages. In the event of any controversy, whether or not resulting in litigation, or in the event of any action to recover its expenses or charges from either or both of the parties hereto, Escrow Agent shall be entitled to reasonable attorney's fees and reimbursement of its expenses.

D. At the time either party hereto mails the other a notice pursuant to Articles 16 and 17, the party mailing said notice shall mail, by registered mail, a copy of such notice to Escrow Agent. Escrow Agent shall not allow NATIONAL credits permitted by Articles 7, 11 and 24 until it is furnished satisfactory evidence by NATIONAL of the amount of any credit it is entitled to receive.

E. NATIONAL agrees to pay one-half (1/2) of the escrow charges of the Escrow Agent and OWNER agrees to pay the remaining one-half (1/2) of these charges, and the entire cost of title insurance on the patented mining claims in the amount of Fifty Thousand Dollars (\$50,000.00) and documentary stamp taxes on all deeds.

26. Option and Not Contract to Purchase:

This instrument is an option only and time shall be of the essence thereof, and nothing done or paid hereunder shall convert the same into a contract to purchase.

27. Assignment:

NATIONAL may assign this Option Agreement, or any of the rights acquired hereunder, to any responsible party or parties without consent of OWNER.

28. Legal Interpretation:

This Option Agreement has been accepted and will be performed by the parties in the State of Arizona, and all questions pertaining to its validity, construction or interpretation shall be determined in accordance with the laws of the State of Arizona.

29. Notices:

All notices and communications between OWNER and NATIONAL shall be mailed, by registered mail, to the address hereinafter set forth, until one party hereto has received from the other written notice of change of address:

Notices and Communications to OWNER:

Ben F. Griffith
P. O. Box 74
Yucca, Arizona

Notices and Communications to NATIONAL:

Mining Department
National Lead Company
111 Broadway
New York 6, New York

30. Conditions Precedent:

This Option Agreement shall not be effective until the following has occurred:

A. The State Land Department of Arizona approves its execution insofar as Commercial Lease No. 13 is concerned or advises the parties hereto that such approval is not required; and

B. Holders of mortgages described in Section C of Article 3 have subordinated their mortgage liens to the rights of NATIONAL under this Option Agreement.

31. Inurement:

The terms, provisions, covenants and agreements herein contained shall extend to, be binding upon and inure to the benefit of the heirs, personal representatives and assigns of OWNER, and the successors and assigns of NATIONAL.

32. Memorandum of Option Agreement:

There is hereby incorporated herein, by this reference, a Memorandum of Option Agreement, of even date, between the parties hereto.

IN WITNESS WHEREOF, the said BEN F. GRIFFITH, an unmarried man, has set his hand, and NATIONAL LEAD COMPANY, a Corporation, has caused its corporate name and seal to be affixed hereto as of the day and year first above written.

Ben F. Griffith

Party of the First Part

NATIONAL LEAD COMPANY

By _____
President

ATTEST:

Secretary

STATE OF ARIZONA }
County of Mohave } ss.

On this the _____ day of October, 1957, before me, the undersigned Notary Public, personally appeared BEN F. GRIFFITH, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

STATE OF NEW YORK }
County of New York } ss.

On this the _____ day of October, 1957, before me, the undersigned Notary Public, personally appeared _____ and _____, who acknowledged themselves to be the President and Secretary, respectively, of NATIONAL LEAD COMPANY, a Corporation, and that they as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of said Corporation by themselves as such officers.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

A G R E E M E N T

This AGREEMENT, made as of the _____ day of _____, 1957, by and between NATIONAL LEAD COMPANY, a Corporation organized under the laws of the State of New Jersey and duly authorized to transact business in the State of Arizona, and having a place of business at 111 Broadway, New York 6, New York, hereinafter called "National", Party of the First Part, and JAMES L. McPHERSON, of Wickenburg, Arizona, hereinafter called "McPherson", Party of the Second Part,

W I T N E S S E T H:

WHEREAS, McPherson has brought to the attention of National a lead-silver property owned by Ben F. Griffith, consisting of four (4) patented and nineteen (19) unpatented lode mining claims, together with a Commercial Lease from the State of Arizona and certain improvements, machinery and equipment located on said mining claims and leased land; and

WHEREAS, McPherson has assisted National in connection with negotiating for an option to purchase the above mentioned property for a consideration of One Hundred Fifty Thousand Dollars (\$150,000.00); and

WHEREAS, the parties hereto desire to evidence their understanding regarding the remuneration McPherson shall receive for expenses incurred and services rendered National in connection with bringing to the attention of National the above mentioned property and assisting National in negotiations for an option to purchase said property; and

WHEREAS, McPherson acknowledges that he has read the Option Agreement of even date, between Ben F. Griffith and National, and is fully acquainted with its provisions.

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. If the Option Agreement between Ben F. Griffith and National, of even date, is in full force and effect on May 1, 1958, National agrees to pay McPherson the sum of Five Thousand Dollars (\$5,000.00), and if said Option Agreement is in full force and effect on November 1, 1958, National agrees to pay McPherson an additional sum of Five Thousand Dollars (\$5,000.00). McPherson acknowledges that these payments are a full and complete settlement of any claim which he may have for expenses incurred and services rendered National in connection with bringing to its attention the mining property of Ben F. Griffith, and assisting National in negotiations for an option to purchase said property.

2. McPherson agrees that if the Option Agreement between Ben F. Griffith and National is, prior to May 1, 1958, for any reason cancelled or forfeited as provided in said agreement, or terminated by mutual consent of the parties thereto, McPherson shall have no right or claim of any kind whatsoever against National, and if said Option Agreement continues beyond May 1, 1958 but is, prior to November 1, 1958, for any reason cancelled or forfeited as provided in said agreement, or is terminated by mutual consent of the parties thereto, and the payment of Five Thousand Dollars (\$5,000.00) falling due May 1, 1958 has been made to McPherson by National, then McPherson shall have no further right or claim of any kind whatsoever against National.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this instrument as of the day and year first above written.

NATIONAL LEAD COMPANY

By _____
President

ATTEST:

Secretary

Party of the First Part

James L. McPherson

Party of the Second Part

STATE OF NEW YORK }
County of New York } ss.

On this the _____ day of October, 1957, before me, the undersigned Notary Public, personally appeared _____ and _____, who acknowledged themselves to be the President and Secretary, respectively, of NATIONAL LEAD COMPANY, a Corporation, and that they as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of said Corporation by themselves as such officers.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:

Notary Public

STATE OF ARIZONA }
County of Maricopa } ss.

On this the _____ day of October, 1957, before me, the undersigned Notary Public, personally appeared JAMES L. McPHERSON, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires:

Notary Public

LAW OFFICES
GUYNN & TWITTY
TITLE & TRUST BUILDING
PHOENIX, ARIZONA

C. LEO GUYNN
HOWARD A. TWITTY
RALPH B. SIEWRIGHT

October 16, 1957

Mr. E. N. Pennebaker
c/o Mining Department
National Lead Company
111 Broadway
New York 6, New York

Dear Penny:

Enclosed are two copies each of a draft of the following:

1. Option Agreement between Ben F. Griffith and National;
2. Memorandum of this Option Agreement;
3. Agreement between National and James L. McPherson; and
4. Subordination Agreement between Ben F. Griffith and the mortgage holders.

You will note the Option Agreement follows closely Mr. Griffith's letter of September 27th and Mr. Bryan's letter of October 3rd. We have made a few changes on which we will comment.

Mr. Bryan's letter of October 3rd states National will require a guarantee from mortgage holders on the properties and equipment that there will be no foreclosure during the life of the option. Instead of this guarantee, we suggest an agreement subordinating the mortgage liens to the rights of National under the Option Agreement. Enclosed is a draft of such an agreement. We think this is preferable if the mortgage holders will agree to it. Their rights will be fully protected if they secure from Mr. Griffith, as additional collateral security, an assignment of funds National may pay Griffith pursuant to the Option Agreement.

We have provided in the Option Agreement that an escrow will be established immediately and all funds will be paid Mr.

Mr. E. N. Pennebaker
October 16, 1957
Page 2

Griffith through the Escrow Agent. See Article 25 of the Option Agreement. Also, we have provided that Mr. Griffith will furnish title insurance at his expense in the amount of \$50,000.00, insuring the title to the patented mining claims. The cost of title insurance in this amount will be \$230.00. Inasmuch as the title search is made immediately, the liability for this title insurance will be due immediately rather than when the policy is issued. If the Option Agreement is cancelled or forfeited, Mr. Griffith may then secure a small refund, although it will not amount to more than 25% of the cost of title insurance.

As you know, title insurance is customarily used in Arizona in transactions involving real estate. A title company will not issue title insurance on unpatented mining claims, and, for this reason, we have provided that Mr. Griffith will, upon execution of the Option Agreement (and not after \$50,000.00 has been paid on the purchase as suggested by him), deliver all title documents in his possession in order that counsel for National may determine if he has merchantable title. Probably he will not have a complete abstract of the title, and it will be necessary to supplement his title file with an independent search made by a title company. This search may involve an expense of \$400.00 or \$500.00. We have not attempted to impose this expense on Mr. Griffith, although you may find he will agree to assume it.

Phoenix Title and Trust Company is willing to act as Escrow Agent. I have not ascertained what charge will be made by it. We do not anticipate it will exceed \$150.00, plus the cost of title insurance.

Minor changes in Article 25 may be requested by the title company. We are quite certain it will want a provision included relieving it from liability for all errors except those resulting from fraud or gross negligence.

You will note in Article 25 we have provided that the title company will pay Mr. Griffith's creditors as payments are received on the purchase price. We think that the mortgage holders will insist on a provision along these lines. Mr. Griffith may wish a similar provision for his unsecured credi-

Mr. E. N. Pennebaker
October 16, 1957
Page 3

tors. Such a provision would probably prevent any litigation by them during the life of the Option Agreement.

Sincerely yours,

GUYNN & TWITTY

By *Howard H. Twitty*

HAT:ec
Enclosures

AGREEMENT

This AGREEMENT, made as of the _____ day of _____, 1957, by and between NATIONAL LEAD COMPANY, a Corporation organized under the laws of the State of New Jersey and duly authorized to transact business in the State of Arizona, and having a place of business at 111 Broadway, New York 6, New York, hereinafter called "National", Party of the First Part, and JAMES L. McPHERSON, of Wickenburg, Arizona, hereinafter called "McPherson", Party of the Second Part,

W I T N E S S E T H:

WHEREAS, McPherson has brought to the attention of National a lead-silver property owned by Ben F. Griffith, consisting of four (4) patented and nineteen (19) unpatented lode mining claims, together with a Commercial Lease from the State of Arizona and certain improvements, machinery and equipment located on said mining claims and leased land; and

WHEREAS, McPherson has assisted National in connection with negotiating for an option to purchase the above mentioned property for a consideration of One Hundred Fifty Thousand Dollars (\$150,000.00); and

WHEREAS, the parties hereto desire to evidence their understanding regarding the remuneration McPherson shall receive for expenses incurred and services rendered National in connection with bringing to the attention of National the above mentioned property and assisting National in negotiations for an option to purchase said property; and

WHEREAS, McPherson acknowledges that he has read the Option Agreement of even date, between Ben F. Griffith and National, and is fully acquainted with its provisions.

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. If the Option Agreement between Ben F. Griffith and National, of even date, is in full force and effect on May 1, 1958, National agrees to pay McPherson the sum of Five Thousand Dollars (\$5,000.00), and if said Option Agreement is in full force and effect on November 1, 1958, National agrees to pay McPherson an additional sum of Five Thousand Dollars (\$5,000.00). McPherson acknowledges that these payments are a full and complete settlement of any claim which he may have for expenses incurred and services rendered National in connection with bringing to its attention the mining property of Ben F. Griffith, and assisting National in negotiations for an option to purchase said property.

2. McPherson agrees that if the Option Agreement between Ben F. Griffith and National is, prior to May 1, 1958, for any reason cancelled or forfeited as provided in said agreement, or terminated by mutual consent of the parties thereto, McPherson shall have no right or claim of any kind whatsoever against National, and if said Option Agreement continues beyond May 1, 1958 but is, prior to November 1, 1958, for any reason cancelled or forfeited as provided in said agreement, or is terminated by mutual consent of the parties thereto, and the payment of Five Thousand Dollars (\$5,000.00) falling due May 1, 1958 has been made to McPherson by National, then McPherson shall have no further right or claim of any kind whatsoever against National.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this instrument as of the day and year first above written.

NATIONAL LEAD COMPANY

By _____
President

ATTEST:

Secretary

Party of the First Part

James L. McPherson

Party of the Second Part

STATE OF NEW YORK }
County of New York } ss.

On this the _____ day of October, 1957, before me, the undersigned Notary Public, personally appeared _____ and _____, who acknowledged themselves to be the President and Secretary, respectively, of NATIONAL LEAD COMPANY, a Corporation, and that they as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of said Corporation by themselves as such officers.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

STATE OF ARIZONA }
County of Maricopa } ss.

On this the _____ day of October, 1957, before me, the undersigned Notary Public, personally appeared JAMES L. McPHERSON, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

EJG
Copy

OPTION AGREEMENT

This OPTION AGREEMENT, made as of the _____ day of October, 1957, by and between BEN F. GRIFFITH, an unmarried man, P. O. Box 74, Yucca, Arizona (hereinafter called OWNER), Party of the First Part, and NATIONAL LEAD COMPANY, a Corporation organized under the laws of the State of New Jersey and duly authorized to transact business in Arizona, having an office and place of business at No. 111 Broadway, New York 6, New York (hereinafter called NATIONAL), Party of the Second Part,

W I T N E S S E T H:

In consideration of the payment of One Thousand Five Hundred Dollars (\$1,500.00) to be paid OWNER by NATIONAL through the escrow established pursuant to Article 25 hereinafter set forth, and the mutual covenants, agreements and conditions herein contained, the parties hereto agree as follows:

1. Mining Property Described:

OWNER hereby grants unto NATIONAL, its successors and assigns, the exclusive right and option to purchase from OWNER, upon the terms and conditions hereinafter stated, those four (4) patented and nineteen (19) unpatented lode mining claims situated in the Owens Mining District, Mohave County, Arizona, and OWNER'S interest as Lessee under Commercial Lease No. 13, dated October 10, 1954, from the State of Arizona, together with the improvements, machinery and equipment located on said mining claims and leased land and all rights appurtenant to said mining claims and leased land, all of which is collectively hereinafter called "Mining Property". Said improvements, machinery and equipment are more

particularly described in EXHIBIT A, which, by this reference, is made a part hereof, and the mining claims and leased land are more particularly described as follows:

✓ One (1) patented lode mining claim called PEABODY, embraced in Survey No. 641 and described in United States Mineral Patent No. _____, issued _____, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book _____ of Mining Deeds, at page _____.

✓ One (1) patented lode mining claim called SENATOR, embraced in Survey No. 657 and described in United States Mineral Patent No. _____, issued _____, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book _____ of Mining Deeds, at page _____.

✓ One (1) patented lode mining claim called ALTA, embraced in Survey No. 659 and described in United States Mineral Patent No. _____, issued _____, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book _____ of Mining Deeds, at page _____.

✓ One (1) patented lode mining claim called ATLANTA, embraced in United States Mineral Survey No. 2534 and described in United States Mineral Patent No. _____, issued _____, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book _____ of Mining Deeds, at page _____.

Nineteen (19) unpatented lode mining claims situated in the Owens Mining District, Mohave County, Arizona, notices of location of which are recorded in the Office of the County Recorder of Mohave County, Arizona, in the book and at the page set after the respective mining claims:

<u>Name of Claim</u>	<u>Book of Mines</u>	<u>Page</u>
✓ Alta Extension	UU	258
✓ Atlanta Extension	EE	468
✓ Galena	LL	241
✓ McCracken Hills No. 2	TT	564
✓ McCracken Mountain (Amended)	3-V	267
✓ Senator Extension	UU	283
✓ Signal No. 1 (Amended)	3-X	30
✓ Signal No. 2 (Amended)	3-X	31
✓ Signal No. 3	TT	718
✓ Signal No. 8	UU	202

<u>Name of Claim</u>	<u>Book of Mines</u>	<u>Page</u>
✓ Silver Lead No. 6 (Amended)	3-V	266
✓ Silver Lead No. 7 (Amended)	3-V	271
✓ Silver Lead No. 8 (Amended)	3-V	272
✓ Silver Lead No. 9 (Amended)	3-V	272
✓ Silver Lead No. 10 (Amended)	3-V	273
✓ Silver Lead Fraction (Amended)	3-V	268
✓ South Otsago	TT	512
✓ Swastika No. 1	LL	242
✓ Swastika No. 2 3	LL	245

COMMERCIAL LEASE No. 13, dated October 10, 1954, in which the STATE OF ARIZONA, as Lessor, leases to BEN F. GRIFFITH, as Lessee, for a term expiring on October 9, 1964, the following described property:

Northwest Quarter (NW 1/4) of the Northeast Quarter (NE 1/4) of Section Sixteen (16), Township Thirteen (13) North, Range Thirteen (13) West, Gila and Salt River Meridian.

National may have to file anew.

2. Purchase Price:

The purchase price of said Mining Property shall be One Hundred Fifty Thousand Dollars (\$150,000.00), and shall be payable in installments, without interest, as follows:

- ✓ \$1,500.00 mentioned above;
- ✓ \$1,500.00 on or before February 1, 1958;
- ✓ \$1,500.00 on or before May 1, 1958;
- ✓ \$3,000.00 on or before August 1, 1958;
- ✓ \$3,000.00 on or before November 1, 1958;
- ✓ \$3,000.00 on or before February 1, 1959;
- ✓ \$3,000.00 on or before May 1, 1959;
- ✓ \$3,000.00 on or before August 1, 1959;
- ✓ \$35,000.00 on or before February 1, 1960;
- ✓ \$35,000.00 on or before August 1, 1960;
- ✓ \$15,125.00 on or before November 1, 1960;
- ✓ \$15,125.00 on or before February 1, 1961;
- ✓ \$15,125.00 on or before May 1, 1961; and
- ✓ \$15,125.00 on or before August 1, 1961.

PROVIDED, however, the date of payment of each installment shall be changed to a later date, as provided in Section 15 hereinafter set forth. In no event shall the sum of the payments made by NATIONAL, to or for the account of OWNER pursuant to this Option Agreement, exceed the amount of One Hundred Fifty Thousand Dollars (\$150,000.00).

3. Warranties:

A. OWNER represents and warrants as follows:

- (1) His title to the above listed four (4) patented mining claims, free and clear of all liens and encumbrances except lien for ad valorem taxes for 1957 and the Mortgage, dated _____, more particularly described in Section C below.
- (2) His title to the above listed nineteen (19) unpatented mining claims, free and clear of all liens and encumbrances except the paramount title of the United States, prior adverse or prior conflicting mining claims, if any, and the Mortgage⁵, dated _____, more particularly described in Section C below. OWNER further represents and covenants that for each assessment year from the year following the location of the mining claims to the year ending 12:00 o'clock meridian on July 1, 1957, either assessment work has been performed or, if permitted in lieu of assessment work by the laws of the United States, a notice of intention to hold said mining claims has been timely filed with the County Recorder of Mohave County.

*2 machinery
2 chattel in
4 on land*

*Mortgage
Mortgage*

(3) He is the Lessee under Commercial Lease, dated October 10, 1954, from the State of Arizona, which expires on October 9, 1964, and that said lease is not in default for any reason and his interest in said lease is free and clear of all liens and encumbrances. OWNER covenants to maintain said Commercial Lease in good standing during the life of this Option Agreement.

(4) That the improvements, machinery and equipment, more particularly described in EXHIBIT A, are free and clear of all liens and encumbrances except the lien for ad valorem taxes for the year 1957 and the lien of ² Chattel Mortgage, dated _____, more particularly described in Section C below.

B. OWNER warrants and represents that, except for the lien of the mortgages described in Section C below and prior approval of the State Land Department with respect to Commercial Lease No. 13, he has good right and title to sell and convey all the Mining Property.

C. NATIONAL acknowledges that OWNER has advised it of the existence of ² Mortgage in the amount of _____, dated _____, between _____, as Mortgagor, and _____, as Mortgagee, duly recorded in the Office of the County Recorder of Mohave County in Book _____ of Mortgages, at page _____, and of Chattel Mortgage in the amount of _____, dated _____, between _____, as Mortgagor, and _____, as Mortgagee,

duly filed in the Office of the County Recorder of Mohave County on _____, under fee number _____, and abstracted in Book _____ of Chattel Mortgages, at _____.

4. Rights of NATIONAL on Mining Property During Option Period:

OWNER hereby gives and grants to NATIONAL the exclusive right, at any and all times during the continuance of this Option Agreement, to enter upon, possess, and freely to explore, develop, examine, test, work and mine the above described mining claims for minerals, metals, mineral bearing materials and other valuable mineral bearing substances, and to do any and all things which NATIONAL may deem necessary or desirable to carry out the foregoing, including, but not by way of limitation, the right to use water and water rights, to cut and use timber, to use stone, sand and clay, to erect, use, maintain and remove its equipment, machinery, appliances and structures, to sink drill holes, test pits and shafts, and to make excavations and openings of all kinds, including underground openings. OWNER hereby gives and grants to NATIONAL the exclusive right to make full use of all property described in EXHIBIT A hereto, and to use the land included under Commercial Lease No. 13 to the full extent OWNER has the right to use said land under this Commercial Lease.

5. Assessment Work:

During the continuance of this Option Agreement, NATIONAL agrees, prior to June 1st of each assessment year, to perform, or cause to be performed, at its own expense, such assessment work as is required by the laws of the United States and the State of Arizona with respect to the unpatented mining claims included in the Mining Property; PROVIDED, however, that if this Option Agreement

is cancelled pursuant to Article 16 hereof or forfeited pursuant to Article 17 hereof before January 1st of any assessment year, NATIONAL shall not be obligated to perform, or cause to be performed, such assessment work for the assessment year in which such cancellation or forfeiture occurs. If, however, this Option Agreement is so cancelled or forfeited after such date, NATIONAL shall, nevertheless, perform or cause to be performed such assessment work for the assessment year in which such cancellation or forfeiture occurs. It is understood that the patented and unpatented mining claims included in the Mining Property are in a single group, and OWNER agrees that development and exploration work done on one or more of the ~~patented and~~ unpatented mining claims in the group will be for the benefit of all of said mining claims, and such work, equal to One Hundred Dollars (\$100.00) for each of the unpatented mining claims during any year, will be sufficient performance of the assessment work requirement for the year. If Congress suspends or waives the assessment work requirement for any part of the life of this Option Agreement, NATIONAL need not perform said work, but, in lieu thereof, may file with the County Recorder of Mohave County such notice of intention to hold as may be required, or otherwise take such action prescribed by Congress for such suspension or waiver.

For each year in which NATIONAL is required, pursuant to this Article 5, to perform assessment work or file notice of intention to hold, or take other action prescribed by Congress, NATIONAL shall furnish to OWNER a duplicate copy of all such instruments.

6. Operations and Activities by NATIONAL:

Subject to the terms of this Option Agreement, NATIONAL may conduct its operations and activities in connection therewith,

in such manner, by such methods and to such extent as it may, in its sole discretion, elect; PROVIDED, however, that NATIONAL shall conduct its operations and activities hereunder in a proper, skillful and minerlike manner, and in accordance with good mining practices, and in accordance with all Federal, State and local laws and regulations. It is expressly understood that, except for assessment work required by the preceding Article 5, NATIONAL has no obligation to perform any work under this Option Agreement.

7. Royalties:

If NATIONAL removes any ore, other than samples as provided in Article 8 below, it shall, until payment of the purchase price has been made in full provided in Article 2, pay OWNER as royalty upon all said ore removed from the mining claims hereunder and disposed of by NATIONAL, ten per cent (10%) of the net smelter returns from said ore or mineral products. Royalty payable hereunder to OWNER shall be paid within sixty (60) days after payment of the net smelter returns, as below set forth. NATIONAL shall use reasonable diligence to obtain maximum commercial values. Net smelter returns are defined as the amount paid by the smelter, mill or mint purchasing the ore and minerals, with deductions only for all transportation costs paid to common or contract carriers and for smelter, mill or mint charges and penalties. NATIONAL shall, during the term of this Option Agreement, keep books and accounts showing, except for samples, the amount of ores extracted from the mining claims, the amount of ores shipped, sold or treated, and the amount of money received from said ores, or the value extracted therefrom; and OWNER shall, during regular business hours, have free and full access to said books, accounts and records, at reasonable times, until the full purchase price has been paid. Royalty which shall be paid to Owner pursuant to

this Article 7, shall be applied against and be deducted from the next installment or installments of the purchase price set forth in Article 2 hereof.

8. Samples:

NATIONAL shall be entitled, without payment of any royalty, to remove samples for metallurgical tests or analyses.

9. Protection from Liens and Damage:

NATIONAL shall keep the Mining Property described in Article 1, and the whole and every part thereof, free and clear of liens for labor done or performed upon said Mining Property, or materials furnished to, on or for said Mining Property, or for the development or operation thereof under this Option Agreement and while the same is in force and effect, and will save and keep harmless OWNER from all costs, loss or damage which may arise by reason of or on account of injury to or death of any persons employed by NATIONAL in or upon said Mining Property, or any part thereof, or which may arise by reason of or on account of injury to or death of any other persons or to livestock, or damage to any personal property as the result of any work or operations of NATIONAL or its possession and occupancy of the Mining Property.

10. Notice of Nonliability:

NATIONAL shall post and keep posted, or permit OWNER to post and keep posted, upon the Mining Property described in Article 1 hereof, notices of nonliability for labor or materials in proper form and in compliance with the laws of the State of Arizona.

11. Taxes:

A. Subject to the allowance of a credit to NATIONAL as provided by Section B below, NATIONAL shall pay, when due and before

delinquent, all ad valorem taxes (except taxes for 1957 and prior years) upon the Mining Property described in Article 1 hereof, falling due during the term of this Option Agreement and while the same is in force and effect, and shall pay, when due and before delinquent, all taxes levied or assessed against any and all personal property and improvements placed upon said Mining Property by NATIONAL during the term of this Option Agreement. NATIONAL shall also pay all sales taxes and other taxes of every kind, character and description levied or imposed during the term of this Option Agreement upon the ores, minerals, concentrates or products of ores, produced, sold or otherwise disposed of by NATIONAL, and all taxes levied against NATIONAL as an employer of labor, all such taxes to be promptly paid when due and before delinquent.

B. For each calendar year beginning with 1958, OWNER shall allow NATIONAL a credit, equal to the ad valorem taxes assessed against the Mining Property for the calendar year 1957, on the next installment of the purchase price which is due under Article 2 hereof after payment of the ad valorem taxes has been made for the respective year by NATIONAL.

C. In the case of ad valorem taxes for the calendar year in which this Option Agreement ends, there shall be an apportionment between the parties, OWNER to bear the proportion of such taxes applicable to that part of the calendar year not included hereunder, and NATIONAL to bear the balance of said taxes. NATIONAL shall not be entitled to a credit provided for in Section B of this Article for its portion of the taxes paid by it under this Section C.

12. Insurance:

NATIONAL shall carry at all times, during the term of

this Option Agreement, Workmen's Compensation and Occupational Disease Disability Insurance required by the laws of the State of Arizona; PROVIDED, however, that NATIONAL may qualify as a self-rater or self-insurer.

13. Reports and Maps:

In the event of a valid forfeiture or cancellation of this Option Agreement, NATIONAL shall furnish to OWNER one full and complete copy of all exploration data which NATIONAL may have developed as a result of its exploration operations and activities on the mining claims under this Option Agreement.

14. Inspection:

The duly authorized representative of OWNER shall be permitted to enter into and upon the Mining Property and the workings of NATIONAL, at all reasonable times, for the purpose of inspection. In making such inspection, OWNER shall not unreasonably interfere with any operations or activities being conducted by NATIONAL.

15. Force Majeure:

IF NATIONAL shall be delayed at any time in keeping or performing any agreement on its part to be kept or performed, according to the terms and provisions hereof, by Acts of God, strikes, lockouts, fire, lack of market, unusual delay in transportation, orders of the government or any duly constituted instrumentality thereof, unavoidable casualties, or any causes beyond the control of NATIONAL, it shall be excused from complying with the provisions of this Option Agreement for the period of such interruption; PROVIDED, that during any such periods, NATIONAL continues to pay the taxes as herein stipulated under Article 11 hereof, & perform

assessment work

16. Cancellation of Option:

NATIONAL expressly reserves the right to cancel this Option Agreement, and to relinquish all rights, privileges and obligations hereunder, at any time during the term hereof after having given OWNER thirty (30) days' written notice of its intention, and after having fully discharged all obligations previously incurred by NATIONAL to the date of such cancellation; and all the obligations and liability of NATIONAL under said Option Agreement shall terminate without further liability on the part of NATIONAL as of the date of such cancellation.

17. Forfeiture:

If at any time NATIONAL shall violate or fail to comply with the provisions of this Option Agreement, and if said nonfulfillment or nonperformance shall continue for a period of thirty (30) days after written notice has been given to it by OWNER, then, upon the expiration of said thirty (30) day period, all rights of NATIONAL under this Option Agreement, except as provided by Article 19 hereof, shall terminate, and all payments theretofore made under this Option Agreement shall be retained by OWNER as full compensation as rental for the occupancy of Mining Property, as the consideration for which this Option Agreement is given and as liquidated damages. The forfeiture of this Option Agreement, as in this Article provided, shall not release NATIONAL from its obligation fully and promptly to pay OWNER any and all royalty payable to the latter at the date of such termination. Except for payment of royalty due at the date of termination and except the rights and obligations imposed by Articles 5, 13, 18 and 19, all obligations and liabilities of the parties hereto shall be terminated as of the date forfeiture is perfected, as above provided.

*And also for, all shipped
Broken*

-12-

After such termination date

18. Surrender of Mining Property by NATIONAL:

In the event of a valid forfeiture, cancellation, surrender or other termination of this Option Agreement, NATIONAL will immediately surrender to OWNER peaceable possession of said Mining Property and the whole and every part thereof.

19. Property placed on Mining Property by NATIONAL:

bmo
All personal property, equipment and machinery, and buildings and other improvements placed by NATIONAL on the Mining Property described in Article 1, shall at all times remain the property of NATIONAL. NATIONAL shall have, and it is hereby given and granted, ninety (90) days after a valid forfeiture, cancellation, surrender or other termination of this Option Agreement to remove from said Mining Property all mills, buildings, milling machinery, structures, headframes, warehouse stock, merchandise, materials, tools, hoists, compressors, engines, motors, pumps, transformers, electrical accessories, metal or wooden tanks, bins, pipe lines and connections, mine cars, ^{rails} and any and all other machinery and equipment, erected or placed in or upon said Mining Property by it, together with all ore broken in the stopes or workings.

Change ?
Broken ore to be removed 45 days
20. Improvements, Machinery and Equipment Belonging to OWNER:

NATIONAL agrees to maintain in good condition (except for reasonable wear and damage or destruction by casualty without fault of NATIONAL) all improvements, machinery and equipment belonging to OWNER which are included as Mining Property described in Article 1. NATIONAL shall be under no obligation to insure said property against damage or destruction by casualty.

21. OWNER'S Covenant to Maintain Good Title:

OWNER agrees that, during the continuance of this Option Agreement, he will not sell, mortgage, lease or encumber the Mining

Property described in Article 1, or any part thereof, and will not permit any judgment or judgments to be obtained against him which may be a lien against the Mining Property or any part thereof.

22. Easements:

OWNER agrees to give and grant, if requested by NATIONAL, easements on or over the Mining Property described in Article 1 hereof, for the erection and construction of water and gas lines and electrical power and transmission lines, and roads.

23. Amending Locations and Patenting Mining Claims:

NATIONAL shall, at its option, have the right, at its expense, to amend locations of and/or patent the unpatented mining claims described in Article 1 hereof in the name of OWNER, and, for that purpose, it is hereby given the right and power of attorney to execute any and all documents of whatsoever kind and character which may be proper or necessary in connection with such procedure. OWNER hereby agrees to execute and acknowledge any documents or instruments necessary or proper to carry out the terms and provisions of this Article. The mining claims shall remain subject to all the terms and provisions of this Option Agreement.

*Has abstract of title
down to 1939 (or) 1940*

24. Title Documents:

OWNER agrees that, within twenty (20) days from the date of this Option Agreement, he will furnish to NATIONAL all abstracts of title, location notices, deeds, mortgages and other documents relating to the title of any part of Mining Property which are available to OWNER. NATIONAL shall, within three (3) months of the receipt of such title documents, examine title and notify OWNER of any defects therein which, in the opinion of

phustats

NATIONAL'S counsel, render title unmarketable to any part of Mining Property exclusive of the patented mining claims. In the event of any defect to any part of such property, OWNER shall, at his own cost and expense, forthwith take such action as may be necessary to cure the same so as to make title marketable in the opinion of NATIONAL'S counsel. NATIONAL shall have the right, if OWNER fails to remedy such defect, to take such action, in its own name or in OWNER'S name, as may be necessary to remedy such defect, and to deduct the costs and expenses therefor, including reasonable legal fees, from any payments falling due under this Option Agreement.

25. Escrow:

A. The parties hereto agree to establish an escrow with Phoenix Title and Trust Company at Phoenix, Arizona, hereinafter called "Escrow Agent".

(1) OWNER agrees to deliver to Escrow Agent the following documents, with instructions to deliver the same to NATIONAL upon payment to Escrow Agent of the full purchase price of the Mining Property called for by Article 2. These documents will be in form satisfactory to NATIONAL'S counsel, and will be as follows:

- (a) A Warranty Deed for the patented mining claims listed in Article 1 above, in which OWNER warrants his title free and clear of all liens and encumbrances except ad valorem tax liens subsequent to 1957; *Montezuma?*
- (b) A Mining Deed for the unpatented mining claims listed in Article 1 above, in which OWNER warrants that said mining claims are

free and clear of all liens and encumbrances except prior adverse or prior conflicting mining claims, if any; *Mortg?*

(c) An Assignment of Commercial Lease No. 13, dated October 10, 1954; *Land Dept?*

(d) A Bill of Sale for all improvements, machinery and equipment listed in EXHIBIT A hereto, in which OWNER warrants that said property is free and clear of all liens and encumbrances except for ad valorem tax liens subsequent to 1957.

(2) NATIONAL agrees to deliver to Escrow Agent its Quitclaim Deed to OWNER for all Mining Property, with instructions to deliver said deed to OWNER in the event of a valid cancellation pursuant to Article 16 hereof or forfeiture pursuant to Article 17 hereof.

B. All installments on the purchase price called for by Article 2 hereof, and payments for royalty pursuant to Article 7 hereof, shall be made by NATIONAL to Escrow Agent. OWNER hereby directs Escrow Agent to disburse these payments in the following manner:

(1) From the first payment, Escrow Agent shall deduct one-half (1/2) of its charges as Escrow Agent and the cost of title insurance in the amount of Fifty Thousand Dollars (\$50,000.00) on the patented mining claims described in Article 1 hereof. From the balance of this first payment and from all future payments, Escrow Agent, after deducting all credits NATIONAL is entitled to pursuant to Articles 7, 11 and 24, shall pay over twenty-five per cent

Split first payment

*Griffith
66 2/3 - 1/3 %*

Thereafter

*75-25 %
Griffith*

(25%) of the remainder to OWNER, and the remaining seventy-five per cent (75%) shall be used by Escrow Agent to pay off creditors of OWNER. These creditors shall be paid off in the following order:

- (a) (Realty Mortgage)
- (b) (Chattel Mortgage)
- (c) _____ (unsecured creditor)
- (d) _____ (unsecured creditor)

- (2) As soon as all creditors of OWNER listed under (1) above have been paid off, then all future payments shall be paid to OWNER, except Escrow Agent shall deduct any credits NATIONAL is entitled to pursuant to Articles 7, 11 and 24 of this Option Agreement; and, from the last payment, the Escrow Agent shall deduct the cost of necessary documentary stamps required on the deeds to Mining Property called for by Section A (1) above of this Article 25.
- (3) The provisions of this Section B of Article 25 to the contrary notwithstanding, no payments on the purchase price received by Escrow Agent shall be disbursed, as set forth under (1) and (2) above, until Escrow Agent has notified both parties hereto that, upon the close of this escrow, it will issue title insurance in the amount of Fifty Thousand Dollars (\$50,000.00) on the four (4) patented mining claims described in Article 1 hereof, insuring the title of NATIONAL free and clear of all liens and encumbrances except ad valorem tax liens subsequent to 1957. OWNER

agrees to pay the cost of this policy of title insurance, which shall be delivered to NATIONAL by Escrow Agent upon payment of the full purchase price to Mining Property.

C. The parties hereto agree, if a controversy shall arise between the parties hereto or with any third person, the Escrow Agent may await the outcome of such controversy by final legal proceedings, or otherwise, as it may deem appropriate, or it may institute such interpleader or other proceedings as it may deem proper, and in any of such events it shall not be liable for interest or damages. In the event of any controversy, whether or not resulting in litigation, or in the event of any action to recover its expenses or charges from either or both of the parties hereto, Escrow Agent shall be entitled to reasonable attorney's fees and reimbursement of its expenses.

D. At the time either party hereto mails the other a notice pursuant to Articles 16 and 17, the party mailing said notice shall mail, by registered mail, a copy of such notice to Escrow Agent. Escrow Agent shall not allow NATIONAL credits permitted by Articles 7, 11 and 24 until it is furnished satisfactory evidence by NATIONAL of the amount of any credit it is entitled to receive.

E. NATIONAL agrees to pay one-half (1/2) of the escrow charges of the Escrow Agent and OWNER agrees to pay the remaining one-half (1/2) of these charges, and the entire cost of title insurance on the patented mining claims in the amount of Fifty Thousand Dollars (\$50,000.00) and documentary stamp taxes on all deeds.

26. Option and Not Contract to Purchase:

This instrument is an option only and time shall be of the essence thereof, and nothing done or paid hereunder shall convert the same into a contract to purchase.

27. Assignment:

NATIONAL may assign this Option Agreement, or any of the rights acquired hereunder, to any responsible party or parties without consent of OWNER, *provided owner is advised of name & address of assignee*

28. Legal Interpretation:

within 15 days

This Option Agreement has been accepted and will be performed by the parties in the State of Arizona, and all questions pertaining to its validity, construction or interpretation shall be determined in accordance with the laws of the State of Arizona.

29. Notices:

All notices and communications between OWNER and NATIONAL shall be mailed, by registered mail, to the address hereinafter set forth, until one party hereto has received from the other written notice of change of address:

Notices and Communications to OWNER:

Ben F. Griffith
P. O. Box 74
Yucca, Arizona

Notices and Communications to NATIONAL:

Mining Department
National Lead Company
111 Broadway
New York 6, New York

30. Conditions Precedent:

This Option Agreement shall not be effective until the following has occurred:

Tom Seules a holding up?

A. The State Land Department of Arizona approves its execution insofar as Commercial Lease No. 13 is concerned or advises the parties hereto that such approval is not required; and

Strike

Find out Now

B. Holders of mortgages described in Section C of Article 3 have subordinated their mortgage liens to the rights of NATIONAL under this Option Agreement.

? New Lease needed?

31. Inurement:

The terms, provisions, covenants and agreements herein contained shall extend to, be binding upon and inure to the benefit of the heirs, personal representatives and assigns of OWNER, and the successors and assigns of NATIONAL.

32. Memorandum of Option Agreement:

There is hereby incorporated herein, by this reference, a Memorandum of Option Agreement, of even date, between the parties hereto.

IN WITNESS WHEREOF, the said BEN F. GRIFFITH, an unmarried man, has set his hand, and NATIONAL LEAD COMPANY, a Corporation, has caused its corporate name and seal to be affixed hereto as of the day and year first above written.

Ben F. Griffith

Party of the First Part

NATIONAL LEAD COMPANY

By _____
Vice - President

ATTEST:

Secretary

STATE OF ARIZONA }
County of Mohave } ss.

On this the _____ day of October, 1957, before me, the undersigned Notary Public, personally appeared BEN F. GRIFFITH, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

STATE OF NEW YORK }
County of New York } ss.

On this the _____ day of October, 1957, before me, the undersigned Notary Public, personally appeared _____ and _____, who acknowledged themselves to be the President and Secretary, respectively, of NATIONAL LEAD COMPANY, a Corporation, and that they as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of said Corporation by themselves as such officers.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

MEMORANDUM OF OPTION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

That BEN F. GRIFFITH, an unmarried man, P. O. Box 74, Yucca, Arizona, for valuable consideration has granted until August 1, 1961, to NATIONAL LEAD COMPANY, a Corporation, an exclusive option to purchase those four (4) patented and nineteen (19) unpatented lode mining claims situated in the Owens Mining District, Mohave County, Arizona, and his interest as Lessee under Commercial Lease No. 13, dated October 10, 1954, from the State of Arizona, together with the improvements, machinery and equipment located on said mining claims and leased land and all rights appurtenant to said mining claims and leased land. Said improvements, machinery and equipment are more particularly described in EXHIBIT A, which, by this reference, is made a part hereof, and the mining claims and leased land are more particularly described as follows:

One (1) patented lode mining claim called PEABODY, embraced in Survey No. 641 and described in United States Mineral Patent No. _____, issued _____, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book _____ of Mining Deeds, at page _____.

One (1) patented lode mining claim called SENATOR, embraced in Survey No. 657 and described in United States Mineral Patent No. _____, issued _____, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book _____ of Mining Deeds, at page _____.

One (1) patented lode mining claim called ALTA, embraced in Survey No. 659 and described in United States Mineral Patent No. _____, issued _____, and recorded in the Office of the County Recorder of Mohave County, Arizona, in Book _____ of Mining Deeds, at page _____.

One (1) patented lode mining claim called ATLANTA, embraced in United States Mineral Survey No. 2534 and described in United States

Mineral Patent No. _____, issued
 _____, and recorded in the Office
 of the County Recorder of Mohave County, Arizona,
 in Book _____ of Mining Deeds, at page
 _____.

Nineteen (19) unpatented lode mining claims situated
 in the Owens Mining District, Mohave County, Arizona,
 notices of location of which are recorded in the
 Office of the County Recorder of Mohave County,
 Arizona, in the book and at the page set after the
 respective mining claims:

<u>Name of Claim</u>	<u>Book of Mines</u>	<u>Page</u>
Alta Extension	UU	258
Atlanta Extension	EE	468
Galena	LL	241
McCracken Hills No. 2	TT	564
McCracken Mountain (Amended)	3-V	267
Senator Extension	UU	283
Signal No. 1 (Amended)	3-X	30
Signal No. 2 (Amended)	3-X	31
Signal No. 3	TT	718
Signal No. 8	UU	202
Silver Lead No. 6 (Amended)	3-V	266
Silver Lead No. 7 (Amended)	3-V	271
Silver Lead No. 8 (Amended)	3-V	272
Silver Lead No. 9 (Amended)	3-V	272
Silver Lead No. 10 (Amended)	3-V	273
Silver Lead Fraction (Amended)	3-V	268
South Otsego	TT	512
Swastika No. 1	LL	242
Swastika No. 2 3	LL	245

COMMERCIAL LEASE No. 13, dated October 10, 1954, in
 which the STATE OF ARIZONA, as Lessor, leases to
 BEN F. GRIFFITH, as Lessee, for a term expiring on
 October 9, 1964, the following described property:

Northwest Quarter (NW 1/4) of the North-
 east Quarter (NE 1/4) of Section Sixteen
 (16), Township Thirteen (13) North, Range
 Thirteen (13) West, Gila and Salt River
 Meridian.

according to the terms and conditions of that certain Option Agree-
 ment, dated as of the _____ day of October, 1957, by and between
 BEN F. GRIFFITH, an unmarried man, and NATIONAL LEAD COMPANY, a
 Corporation, which is incorporated herein and by this reference
 made a part hereof.

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Information regarding said Option Agreement may be
obtained from:

NATIONAL LEAD COMPANY
c/o Guynn & Twitty
414 Title and Trust Building
Phoenix, Arizona

BEN F. GRIFFITH
P. O. Box 74
Yucca, Arizona

IN WITNESS WHEREOF, the said BEN F. GRIFFITH, an unmarried
man, has hereunto set his hand, and NATIONAL LEAD COMPANY, a Cor-
poration, has caused its corporate name and seal to be affixed
hereto as of the _____ day of October, 1957.

Ben F. Griffith

NATIONAL LEAD COMPANY
By Vice President

ATTEST:

Secretary

STATE OF ARIZONA)
County of Mohave) ss.

On this the _____ day of October, 1957, before me, the under-
signed Notary Public, personally appeared BEN F. GRIFFITH, known to
me (or satisfactorily proven) to be the person whose name is sub-
scribed to the foregoing instrument, and acknowledged that he
executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

ERASABLE
ONION SK
RAG CONTENT

STATE OF NEW YORK)
County of New York) ss.

On this the _____ day of October, 1957, before me, the undersigned Notary Public, personally appeared _____ and _____, who acknowledged themselves to be the President and Secretary, respectively, of NATIONAL LEAD COMPANY, a Corporation, and that they as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of said Corporation by themselves as such officers.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

AGREEMENT

This AGREEMENT, entered into this _____ day of October, 1957, by and between BEN F. GRIFFITH, hereinafter called "Party of the First Part", and _____ and _____, hereinafter called "Parties of the Second Part",

W I T N E S S E T H:

WHEREAS, Party of the First Part is indebted to the Parties of the Second Part by obligations evidenced by the following Notes:

- A. Note dated _____, by BEN F. GRIFFITH, payable to _____, in the principal amount of \$ _____. There is due as of _____ on this Note: Principal \$ _____, and Interest \$ _____. This Note is secured by a Mortgage dated _____, between _____, as Mortgagor, and _____, as Mortgagee, duly recorded in the Office of the County Recorder of Mohave County, Arizona, in Book _____ of Mortgages, at page _____.
- B. Note dated _____, by BEN F. GRIFFITH, payable to _____, in the principal amount of \$ _____. There is due as of _____ on this Note: Principal \$ _____, and Interest \$ _____. This Note is secured by a Chattel Mortgage in the amount of \$ _____, dated _____, between _____, as Mortgagor, and _____, as Mortgagee, duly filed in the Office of the County Recorder of Mohave County,

3 creditors

3 copies to creditors

3 recording

3 Escrow agent

3 extras

12 ✓

Arizona, on _____, under Fee Number
_____, and abstracted in Book _____ of
Chattel Mortgages, at page _____.

and

WHEREAS, Party of the First Part has negotiated an Option Agreement with NATIONAL LEAD COMPANY, a New Jersey Corporation, by the terms of which NATIONAL LEAD COMPANY has an exclusive option to purchase mining property of BEN F. GRIFFITH for a total consideration of One Hundred Fifty Thousand Dollars (\$150,000.00) if said option is exercised; that said property, the subject of said Option Agreement, includes mining claims under the lien of the above mentioned Mortgage dated _____, and other property included under the above mentioned Chattel Mortgage dated _____; and

WHEREAS, NATIONAL LEAD COMPANY insists, as a condition precedent to said Option Agreement becoming effective, that the lien of the above mentioned Mortgage dated _____, and the above mentioned Chattel Mortgage dated _____, be subordinated to the rights of NATIONAL LEAD COMPANY under said Option Agreement, and the above named creditors of BEN F. GRIFFITH give written assurances that they will not attempt to assert any right or claim superior to the rights of NATIONAL LEAD COMPANY under said Option Agreement; and

WHEREAS, if NATIONAL LEAD COMPANY exercises the option to purchase contained in said Option Agreement, BEN F. GRIFFITH will have ample funds with which to pay the above named creditors;

NOW, THEREFORE:

For the consideration of \$10⁰⁰

1. Each one of the Parties of the Second Part, for himself, does hereby waive the priority of the lien of the Mortgage in which he is Mortgagee over the interest of NATIONAL LEAD COMPANY in the

Option Agreement of even date, between BEN F. GRIFFITH, an unmarried man, and NATIONAL LEAD COMPANY, a New Jersey Corporation, intending hereby that the rights of each of the undersigned, and his heirs, executors, administrators and assigns under the aforesaid Mortgages, shall be as though the aforesaid Option Agreement was executed and recorded prior to the execution and recording of said Mortgages, without otherwise affecting the lien of said Mortgages. Said Option Agreement gives NATIONAL LEAD COMPANY an exclusive option until August 1, 1961 to purchase those four (4) patented and nineteen (19) unpatented lode mining claims situated in the Owens Mining District, Mohave County, Arizona, and the interest of BEN F. GRIFFITH, as Lessee, under Commercial Lease No. 13, dated October 10, 1954, from the State of Arizona, together with the improvements, machinery and equipment located on said mining claims and leased land and all rights appurtenant to said mining claims and leased land. Said improvements, machinery and equipment are more particularly described in EXHIBIT A, which, by this reference, is made a part hereof, and the mining claims and leased land are more particularly described as follows:

2. BEN F. GRIFFITH hereby acknowledges his liability under the above mentioned Notes and Mortgages, unconditionally promises to pay said obligations, and further acknowledges that the amounts of principal and interest now due under said instruments are as set forth in the first "Whereas" clause in this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this instrument as of the day and year first above written.

Ben F. Griffith

Party of the First Part

Parties of the Second Part

(This instrument should have two acknowledgments)