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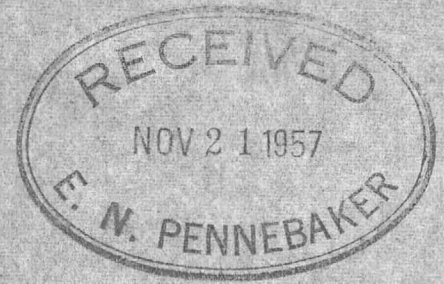
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LAW OFFICES
GUYNN & TWITTY
TITLE & TRUST BUILDING
PHOENIX, ARIZONA



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

November 20, 1957

Mr. G. M. Wiles, Manager
Mining Department
National Lead Company
111 Broadway
New York 6, New York

Re: BEN F. GRIFFITH - NATIONAL LEAD Option

Dear Mr. Wiles:

Enclosed are the following:

1. Four copies of Option Agreement between Ben F. Griffith and National, each of which has been signed by Mr. Griffith;
2. Four copies of Memorandum of Option Agreement between Ben F. Griffith and National, each of which has been signed by Mr. Griffith;
3. Three copies of an Agreement between National and James L. McPherson, each of which has been signed by Mr. McPherson; and
4. Copy of a letter of instructions to Phoenix Title and Trust Company from Mr. Griffith.

The mortgage lien creditors of Mr. Griffith have all signed the subordination Agreement, a copy of which we mailed you with our letter of November 14th. We are holding three signed copies in our office. Mr. Griffith retained one signed copy and advised me that he had given each of the three mortgage lien creditors a copy of the signed subordination Agreement. One of the three copies which we are holding will be delivered to Phoenix Title and Trust Company, another copy will be filed with the County Recorder of Mohave County as a chattel mortgage, and the third copy will be recorded in the same office as a realty mortgage. We will receive back this recorded copy and will forward it to your office for your files.

Mr. G. M. Wiles
November 20, 1957
Page 2

When the enclosed instruments have been signed by National, we ask that you return to this office all copies except the ribbon copy of the Option Agreement and the Agreement between National and James L. McPherson. We will record the ribbon copy of the Memorandum of Option Agreement and return it to you for your files. The executed carbon copies of these instruments will be distributed by us as follows:

- (a) Mr. Griffith will be delivered a signed carbon copy of the Option Agreement, Memorandum of Option Agreement, and Agreement with James L. McPherson;
- (b) Phoenix Title and Trust Company and the Arizona State Land Department will each be delivered one executed carbon copy of the Option Agreement and Memorandum of Option Agreement; and
- (c) Mr. McPherson will be delivered a signed carbon copy of his Agreement with National.

The enclosed copy of the letter to Phoenix Title and Trust Company from Mr. Griffith is the letter called for by Article 25 of the Option Agreement. This copy is for your files. We have been advised by Phoenix Title and Trust Company that it will not require any other letter of instructions in connection with establishing the escrow.

When Mr. Griffith came in the office today to sign the enclosed instruments, he also advised me of his talk with Mr. W. Bruce Kirkpatrick of Eagle Rock, California, who owns an interest in the Otsego patented mining claim. He advises us that he believes Mr. Kirkpatrick and the other owners will agree to National taking an option on this one patented mining claim on the following terms:

The option will be for four years, with a purchase price of \$25,000.00. There will be an initial payment of \$100.00 upon execution of the Option Agreement, and, thereafter, \$100.00 payable each quarter during the life of the option. All of these payments will be applied on the purchase price. We intend to prepare the Option Agreement along the lines of the Griffith Option Agreement, eliminating, of course, that material relating to the Griffith mortgages and the provisions relating to unpatented mining claims.

Mr. G. M. Wiles
November 20, 1957
Page 3

In order to secure additional information regarding the ownership of this mining claim, I intend to telephone Mr. Kirkpatrick tonight. At this time, I will suggest that he furnish (at his expense) title insurance in the amount of \$25,000.00, insuring his title to this claim. He may be reluctant to pay the cost of this title insurance, or, at least, have the cost taken out of the first payments. The Option Agreement will contain the most favorable provisions he will agree to with respect to title insurance. A copy of it will be transmitted to you before we send it on to Mr. Kirkpatrick for signature.

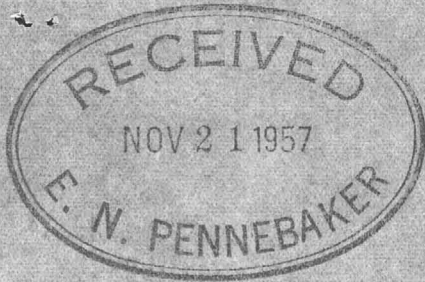
Sincerely yours,

GUYNN & TWITTY

By *Harold H. Twitty*

HAT: ec
Enclosures
cc - E. N. Pennebaker

AIR MAIL



Phoenix, Arizona
November 20, 1957

Phoenix Title and Trust Company
Phoenix, Arizona

Re: Escrow: BEN F. GRIFFITH -
NATIONAL LEAD COMPANY

Gentlemen:

Reference is made to the Option Agreement made as of November 8, 1957, between the undersigned and National Lead Company.

Article 25 of this Option Agreement calls for an escrow to be established with your Company. Section B of this Article 25 contains directions to you on the disbursements of payments of installments on the purchase price under this Option Agreement. A part of these installments are to be paid to certain mortgage lien creditors of the undersigned under Section B of Article 25.

Enclosed is a copy of an Agreement, dated as of November 8, 1957, between the undersigned and these mortgage lien creditors. The first "Whereas" clause in this Agreement gives the principal and accrued interest (as of November 1, 1957) of the obligations held by the mortgage lien creditors.

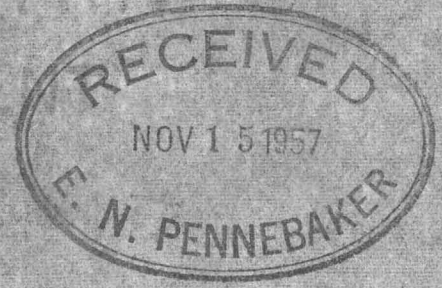
You are hereby instructed, pursuant to Section B of Article 25 of the Option Agreement referred to above, to allocate payments to be disbursed to creditors as provided in said Section B, on the ratio that the principal and accrued interest as of November 1, 1957 of each of the obligations listed in the first "Whereas" clause mentioned above bears to the total of principal and accrued interest (as of November 1, 1957) of the six obligations listed in said "Whereas" clause. These instructions will not be changed by me except by prior written authorization from National Lead Company.

Very truly yours,

Ben F. Griffith
Ben F. Griffith

NOV 21 1957
NATIONAL LEAD COMPANY
PHOENIX, ARIZONA
RECEIVED

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



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

November 14, 1957

Mr. G. M. Wiles
Mining Department
National Lead Company
111 Broadway
New York 6, New York

Re: GRIFFITH - NATIONAL LEAD Option

Dear Mr. Wiles:

Enclosed herewith are the following:

1. Redraft of the subordination Agreement between Ben F. Griffith and his various mortgage lienholders;
2. Pages 1, 2, 4, 5 and 21 of the Option Agreement, and page 2 of Exhibit A to the Option Agreement; and
3. Pages 1 and 2 of the Memorandum of Option Agreement, and page 2 of Exhibit A to the Memorandum of Option Agreement.

The enclosed pages of the Option Agreement and Memorandum of Option Agreement should be inserted in lieu of the same numbered pages of the copy of these instruments which we enclosed with our letter of November 4th.

The subordination Agreement between Ben F. Griffith and his mortgage lienholders differs from the subordination Agreement previously mailed you, in the following respects:

- (a) The principal and interest due on each of the Notes, as of November 1, 1957, have been inserted in the enclosed Agreement.
- (b) Hazel F. Lockridge has been made a party in lieu of Charles C. Lockridge. We learned from Mr. Griffith that Mr. Lockridge passed away in February of 1956, and special provisions, particularly in Sections 2

Mr. G. M. Wiles
November 14, 1957
Page 2

and 3 of the Agreement, have been added by reason of this fact. We ascertained that there had been a probate of the Charles C. Lockridge estate in Coconino County, Arizona, and certain listed property assigned to the surviving spouse, Hazel F. Lockridge. The Note and Chattel Mortgage, listed in the first "Whereas" clause, were not included in this Order Assigning the Estate to Hazel F. Lockridge. Additional probate proceedings will be needed in order to place title to this Note and Mortgage in the surviving spouse, Hazel F. Lockridge. There is an additional complication, because the deceased left surviving him a minor child aged thirteen, who would be entitled to an interest in this Note owned by his father unless Mrs. Lockridge is able to have it assigned to her as the surviving spouse. We have talked with the attorney for Mrs. Lockridge, and he has advised that his client is willing to reopen the probate proceedings and have a proper order entered assigning this Note and Chattel Mortgage to her as the surviving spouse. Aside from the assurances of the attorney for Mrs. Lockridge that the probate proceedings will be reopened and a proper assignment of the Note and Chattel Mortgage will be made to Mrs. Lockridge, we feel that the Escrow Agent, Phoenix Title and Trust Company, will not make any payments to her until this is done. We think that the attorney for Mrs. Lockridge will be diligent in obtaining a proper distribution to her of this Note and Chattel Mortgage in order that she can receive any payments made.

- (c) The Alta Extension unpatented mining claim has been eliminated from the mining claims listed in the subordination Agreement. This reduces the number of unpatented mining claims from nineteen to eighteen. Mr. Griffith advises that the Alta Extension was abandoned many years ago, and he had inadvertently included it in a listing he gave Penny.
- (d) Three items of personal property on page 2 of Exhibit A have been deleted. Mr. Griffith requested the elimination of the three items of personal property on page 2 of Exhibit A because these items have either been given away by him or have been promised to other parties by him.

Mr. G. M. Wiles
November 14, 1957
Page 3

The changes in the Option Agreement are as follows:

- (a) On pages 1, 2 and 4, elimination of the Alta Extension unpatented mining claim and changing the number of unpatented mining claims from nineteen to eighteen.
- (b) On pages 4 and 5, there is a revision of subparagraph 2 of Article 3 A. Mr. Griffith said that he could not represent that assessment work had been done each year since the location of the mining claims. He did say that he has been in exclusive possession of the eighteen unpatented mining claims since November, 1944, and, except in the case of Signal No. 1 and Signal No. 2, has performed the required assessment work or filed a Notice of Intention to Hold for each year. We think his exclusive possession of the mining claims for a period of more than ten years places him in a position where he may claim title by adverse possession. This claim of title by adverse possession should defeat any rights which may be asserted based on the contention that a mining claim was located many years ago at a time when one or more of the claims now owned by Griffith were open to location because of the failure of the owner to perform his assessment work.
- (c) The only change on page 21 of the Option Agreement is a minor correction in Section E of Article 25.
- (d) Three items on page 2 of Exhibit A were eliminated for the reason that Mr. Griffith had either given or promised these items to other parties.

The changes in the Memorandum of Option Agreement were made to conform with the changes made in the Option Agreement.

Mr. Griffith called at our office on Thursday of last week. He objected to signing the Option Agreement and Memorandum of Option Agreement until he could first secure the signatures of the mortgage lienholders to the subordination Agreement. He made it clear, however, that he was satisfied with the form of all of the papers, and that as soon as the mortgage lienholders had signed the subordination Agreement, he would be back to sign

Mr. G. M. Wiles
November 14, 1957
Page 4

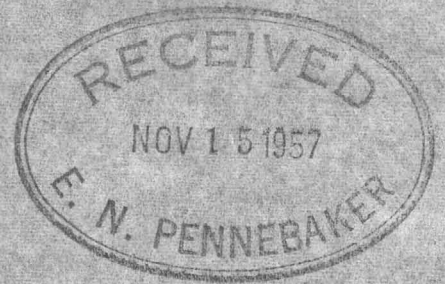
up the Option Agreement and Memorandum of Option Agreement. Because these mortgage lienholders live at different places, he anticipated that it would take several days for him to secure their signatures. We will forward all instruments to New York as soon as they have been signed by all parties except National.

Very truly yours,

GUYNN & TWITTY

By *Howard H. Twitty*

HAT: ec
Enclosures
cc - E. N. Pennebaker



OPTION AGREEMENT

This OPTION AGREEMENT, made as of the 8th 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) 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. 13058, 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.

Eighteen (18) 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:

<u>Name of Claim</u>	<u>Original Location</u>		<u>Amended Location</u>		<u>Second Amended Location</u>	
	<u>Book</u>	<u>Page</u>	<u>Book</u>	<u>Page</u>	<u>Book</u>	<u>Page</u>
Atlanta Extension	EE	468	3-V	258-259		
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				

<u>Name of Claim</u>	<u>Original Location</u>		<u>Amended Location</u>		<u>Second Amended Location</u>	
	<u>Book</u>	<u>Page</u>	<u>Book</u>	<u>Page</u>	<u>Book</u>	<u>Page</u>
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 Gsaego	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. 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 15, 1958;
- \$1,500.00 on or before May 15, 1958;
- \$3,000.00 on or before August 15, 1958;
- \$3,000.00 on or before November 15, 1958;
- \$3,000.00 on or before February 15, 1959;
- \$3,000.00 on or before May 15, 1959;
- \$3,000.00 on or before August 15, 1959;
- \$33,000.00 on or before February 15, 1960;
- \$35,000.00 on or before August 15, 1960;
- \$15,125.00 on or before November 15, 1960;
- \$15,125.00 on or before February 15, 1961;
- \$15,125.00 on or before May 15, 1961; and
- \$15,125.00 on or before August 15, 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 three (3) mortgages, dated respectively, February 18, 1953, January 23, 1955 and July 1, 1955, more particularly described in Section C below.
- (2) His title to the above listed eighteen (18) 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 represents and covenants that he has owned and has been in exclusive possession of these eighteen (18) unpatented mining claims since November, 1944. OWNER further represents and covenants that for each assessment year beginning with the assessment year 1944-1945 (except Signal No. 1 and Signal No. 2 for the assessment years 1944-1945, 1945-1946 and 1946-1947) each year he performed the required assess-

ment work on these mining claims and timely recorded his Affidavit of Labor, or, if permitted by law, timely filed Notice of Intention to Hold said unpatented mining claims in lieu of performing this assessment work.

- (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,

as Mortgagee, securing a Promissory Note dated July 15, 1952, in the principal amount of \$4,000.00, due July 15, 1953, which Chattel Mortgage 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.

- (2) Realty Mortgage dated February 18, 1953, between OWNER, as Mortgagor, and HELEN CAROLINE MANSFIELD, as Mortgagee, securing the payment of a Promissory Note dated February 18, 1953, in the principal amount of \$8,000.00, due February 18, 1955, which Realty Mortgage was duly recorded in the Office of the County Recorder of Mohave County, Arizona, in Book 20 of Realty Mortgages, at pages 408-410. The time for payment of said Promissory Note was extended to February 18, 1957 by Extension of Mortgage dated February 5, 1955, between Mortgagor and Mortgagee, which instrument was recorded in the Office of the County Recorder of Mohave County, Arizona, in Book 23 of Realty Mortgages, at pages 225-226.

- 187548
- (3) Chattel Mortgage dated May 25, 1954, between OWNER, as Mortgagor, and HELEN CAROLINE MANSFIELD, as Mortgagee, securing the payment of a Promissory Note in the principal amount of \$2,000.00, due two (2) years from date thereof, which Chattel Mortgage 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.
- (4) Realty Mortgage dated August 30, 1954, between OWNER, as Mortgagor, and S. J. LOVE and ADA VIOLA LOVE, as Mortgagees, securing the payment of a Promissory Note dated August 30, 1954, in the principal amount of \$750.00, due six (6) months from date thereof, which Realty Mortgage 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.
- (5) Realty Mortgage dated January 25, 1955, between OWNER, as Mortgagor, and S. J. LOVE and ADA VIOLA LOVE, as Mortgagees, securing the payment of a Promissory Note dated January 25, 1955, in the principal amount of \$2,000.00, due one (1) year from date thereof, which Realty Mortgage 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.

(6) Realty Mortgage dated July 1, 1955, between OWNER, as Mortgager, and HELEN CAROLINE MAHSFIELD, as Mortgagee, securing the payment of a Promissory Note dated July 1, 1955, in the principal amount of \$3,000.00, due two (2) years from date thereof, which Realty Mortgage 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.

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 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 3 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, and Mining Claims Located by NATIONAL;

In the event of a valid forfeiture or cancellation of this Option Agreement, NATIONAL shall furnish to OWNER one (1) full and complete copy of all exploration data which NATIONAL may develop as a result of its exploration operations and activities on the mining claims under this Option Agreement, and also deliver its Quitclaim Deed to OWNER for any mining claims located by NATIONAL within one (1) mile of any of the mining claims described in Article 1 hereof; PROVIDED, however, such Quitclaim Deed shall not include any mining claims located by NATIONAL which have subsequently been abandoned or forfeited.

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, accord-

ing 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 and performs such assessment work as may be required by the provisions of Article 5 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 therefore 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 also for broken ores removed and shipped after such 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:

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, warehouse stock, merchandise, materials, tools, hoists, compressors, engines, motors, pumps, transformers, electrical accessories, metal and wooden tanks, pipe lines and connections, car rails, mine cars, and any and all other machinery, equipment and other property (except headframes and ore bins) erected or placed in or upon said Mining Property by it. NATIONAL shall not

remove any headframes or ore bins placed by it on the Mining Property, and such property shall become the property of OWNER after any valid forfeiture, cancellation, surrender or other termination of this Option Agreement. NATIONAL shall have, and it is hereby given and granted, forty-five (45) days after a valid forfeiture, cancellation, surrender or other termination of this Option Agreement to remove from said Mining Property all ore broken in the stopes or other 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, Escrow Agent shall pay Five Hundred Dollars (\$500.00) to the creditors of OWNER, as provided in the letter of instructions mentioned below, and pay over the balance to OWNER. 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 balance shall be used to pay creditors of OWNER, as provided in the letter of instructions mentioned below. The payments to be made to creditors shall be made to pay off the debts secured by mortgages listed in Section C of Article 3 hereof. Such payments shall be made to the respective creditors in accordance with the letter of instructions delivered to Escrow Agent by OWNER at the time of the opening of the escrow with it. These instructions shall not be changed except by prior written authorization from NATIONAL.

- (2) As soon as all debts secured by mortgages listed

in Section C of Article 3 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 issued and delivered to NATIONAL its 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 tax liens subsequent to 1957 and the mortgages dated, respectively, February 18, 1953, January 25, 1955 and July 1, 1955, more particularly described in Section C of Article 3. This title insurance shall refer to the agreement subordinating the liens of these mortgages to this Option Agreement. OWNER agrees to pay the cost of this policy of title insurance.

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, the entire cost of title insurance on the patented mining claims in the amount of Fifty Thousand Dollars (\$50,000.00) and the cost of 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-

formed 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 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 _____
Vice President

ATTEST:

Secretary

Party 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.

Notary Public

My Commission Expires:

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

On this the _____ day of November, 1957, before me, the undersigned Notary Public, personally appeared _____ and _____, who acknowledged themselves to be Vice 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:

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 MERIDIANS, INCLUDING THE FOLLOW-
ING DESCRIBED PROPERTY:

- 1 Daister 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 Waukesha 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. FU 2, 22 HP;
- Miscellaneous Pulleys and extra lines;
- 1 Boring 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, Fraser 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;

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

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 (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.

Eighteen (18) 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:

<u>Name of Claim</u>	<u>Original Location</u>		<u>Amended Location</u>		<u>Second Amended Location</u>	
	<u>Book</u>	<u>Page</u>	<u>Book</u>	<u>Page</u>	<u>Book</u>	<u>Page</u>
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	UB	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.

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

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 Corporation, has caused its corporate name and seal to be affixed hereto as of the _____ day of November, 1957.

Ben F. Griffith

NATIONAL LEAD COMPANY

By _____
Vice President

ATTEST:

Secretary

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.

Notary Public

My Commission Expires:

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

On this the _____ day of November, 1957, before me, the undersigned Notary Public, personally appeared _____ and _____, who acknowledged themselves to be the Vice 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:

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 Deming 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;

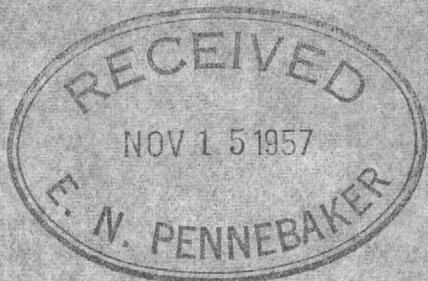
40' conveyor belting with steel buckets attached;
20' steel bucket conveyor Gas Engine;

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;

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



AGREEMENT

This AGREEMENT, entered into this 8th day of November, 1957, by and between BEN F. GRIFFITH, hereinafter called "Party of the First Part", and HAZEL F. LOCKRIDGE, HELEN CAROLINE WANSFIELD, and S. J. LOVE and ADA VIOLA LOVE, his wife, hereinafter called "Parties of the Second Part",

WITNESSETH:

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 \$ 3,652.⁰⁰, and Interest \$ 791.²³. 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. CHARLES C. LOCKRIDGE died on February 28, 1956 and HAZEL F. LOCKRIDGE is his surviving spouse.
- 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 \$ 8,000.⁰⁰, and Interest \$ 800.⁰⁰. 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 \$ 2,000.⁰⁰, and Interest \$ 200.⁰⁰. 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 \$ 750.⁰⁰, and Interest \$ 142.⁶³.

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 \$ 2,000.⁰⁰, and Interest \$ 332.³¹.

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 \$ 3,000.⁰⁰, and Interest \$ 300.⁰⁰.

This Promissory Note is secured by a Realty Mortgage, dated July 1, 1955, 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 July 14, 1955, in Book 24 of Realty Mortgages, at pages 10-12 thereof.

and

WHEREAS, each of the Parties of the Second Part, except HAZEL F.

LOCKRIDGE, 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, HAZEL F. LOCKRIDGE represents that she is the surviving spouse of Charles C. Lockridge, deceased, and that the note and mortgage listed above in which he was, respectively, payee and mortgagee, was the community property of the deceased and herself, and has not been assigned or otherwise transferred during his lifetime or thereafter, except such transfer as may have occurred by reason of his death, and the amount of principal and interest due as of November 1, 1957 is as set forth above; 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 lies 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, except HAZEL F. LOCKRIDGE, 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 mortgages. Said Option Agreement gives NATIONAL LEAD COMPANY an exclusive option until August 13, 1961 to purchase those four (4) patented and eighteen (18) unpatented lode mining claims situated in the Gwos 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:

One (1) patented lode mining claim called **PEARODY**, 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.

Eighteen (18) 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:

<u>Name of Claim</u>	<u>Original Location</u>		<u>Amended Location</u>		<u>Second Amended Location</u>	
	<u>Book</u>	<u>Page</u>	<u>Book</u>	<u>Page</u>	<u>Book</u>	<u>Page</u>
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 Otago	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. HAZEL LOCKRIDGE (to the extent that she now has or hereafter may acquire, by probate proceedings in the CHARLES C. LOCKRIDGE ESTATE or otherwise, an interest in the note and mortgage listed above in which he is named respectively payee and mortgagee) does hereby waive the priority of the lien of this mortgage over the interest of NATIONAL LEAD COMPANY in the Option Agreement more fully described in the preceding Section 1, intending hereby that the rights of herself, her heirs, executors, administrators and assigns under this mortgage, shall be as though the aforesaid Option Agreement was executed and recorded prior to the execution and recording of said mortgage, without otherwise affecting the lien of said mortgage.

3. Each of the Parties of the Second Part, except HAZEL F. LOCKRIDGE, for himself or herself (as the case may be) agrees, with respect to the promissory note or notes listed above in which he or she is a payee, and HAZEL F. LOCKRIDGE agrees with respect to the note in which CHARLES LOCKRIDGE is named 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 3, 1957, between Party of the First Part and NATIONAL LEAD COMPANY, a New Jersey Corporation.

4. 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

Hazel V. Lockridge

Helen Caroline Mansfield

B. J. Love

Ada Viola Love

Parties of the Second Part

STATE OF ARIZONA

County of Maricopa

} 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.

Notary Public

My Commission Expires:

STATE OF ARIZONA }
County of Coconino } ss.

On this the _____ day of November, 1957, before me, the undersigned Notary Public, personally appeared HAZEL F. LOCKRIDGE, 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 CALIFORNIA }
County of Los Angeles } 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 ARIZONA }
County of Mohave } 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.

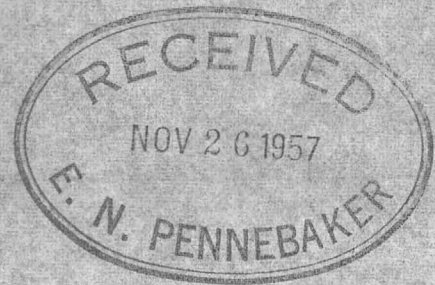
Notary Public

My Commission Expires:

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

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

November 25, 1957



Mr. G. M. Wiles, Manager
Mining Department
National Lead Company
111 Broadway
New York 6, New York

Re: Option Agreement between
NATIONAL and KIRKPATRICKS

Dear Mr. Wiles:

Enclosed is a copy of an Option Agreement and Memorandum of Option Agreement between National and the Kirkpatricks, covering the OTSEGO patented mining claim.

The Option Agreement and Memorandum of Option Agreement follow very closely the Griffith Option Agreement and Memorandum thereof.

The total purchase price is \$25,000.00 due December 1, 1961. The initial payment is \$200.00, and thereafter (to maintain the Option Agreement in effect) a payment of \$100.00 must be made by July 1, 1958 and \$100.00 on the first day of each calendar quarter thereafter during the continuance of the Option Agreement.

We have provided for title insurance in the amount of \$25,000.00, to be paid for by the Kirkpatricks. The initial payment of \$200.00, due upon the execution of the Option Agreement, will just about cover the cost of the title insurance and the Kirkpatricks' share of the escrow charges.

If you find the enclosed instruments in satisfactory form, please advise us, and we will transmit them to the Kirkpatricks for execution.

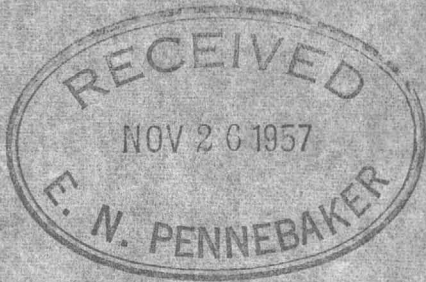
Sincerely yours,

GUYNN & TWITTY

By

Howard A. Twitty

HAT: ec
Enclosures
cc - E. N. Pennebaker
AIR MAIL



OPTION AGREEMENT

This **OPTION AGREEMENT**, made as of the 1st day of December, 1957, by and between **W. BRUCE KIRKPATRICK** and **MARGARET T. KIRKPATRICK**, his wife, **HARRY A. KIRKPATRICK** and **OLIVE KIRKPATRICK**, his wife, all residing in Los Angeles County, California, and **PAUL H. KIRKPATRICK** and **MARY ROSE KIRKPATRICK**, his wife, temporarily in Manila, Philippine Islands (hereinafter called "Owners"), Parties 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,

WITNESSETH:

In consideration of the payment of Two Hundred Dollars (\$200.00) to be paid Owners by National through the escrow established pursuant to Article 22 hereinafter set forth, and the mutual covenants, agreements and conditions herein contained, the parties hereto agree as follows:

1. Mining Claim Described:

Owners hereby grant unto National, its successors and assigns, the exclusive right and option to December 1, 1961 to purchase from Owners, upon the terms and conditions hereinafter stated, that one (1) patented lode mining claim situated in the Owens Mining District, Mohave County, Arizona, hereinafter called "Mining Claim", and more particularly described as follows:

One (1) patented lode mining claim called **OTSEGO**, embraced in Mineral Survey No. 2532 and described in United States Mineral Patent No. 119748, issued March 21, 1910, which Patent is recorded in the Office of the County Recorder of Mohave County, Arizona, in Book 21 of Deeds, at pages 91-93.

2. Purchase Price:

The purchase price of said Mining Claim shall be Twenty-five Thousand Dollars (\$25,000.00), and shall be payable on December 1, 1961; provided, however, such date of payment shall be changed to a later date as provided in Article 15 hereinafter set forth; and, provided further, that National shall be credited on said purchase price of Twenty-five Thousand Dollars (\$25,000.00) with all payments paid pursuant to Article 3 hereof and all royalty payments paid pursuant to Article 7 hereof. In no event shall the sum of the payments made by National to or for the account of Owners, including payments pursuant to Article 3 hereof and the royalty payments pursuant to Article 7 hereof, exceed the amount of Twenty-five Thousand Dollars (\$25,000.00) under this Option Agreement.

3. Payments for Option and as Rent:

National shall pay to Owners, as rent and for this option, the sum of Two Hundred Dollars (\$200.00) heretofore referred to, and, as rent and to continue this option in effect, the sum of One Hundred Dollars (\$100.00) on July 1, 1958 and the sum of One Hundred Dollars (\$100.00) on the first day of each calendar quarter thereafter during the continuance of this Option Agreement. These payments to Owners shall be paid to them through the Escrow Agent named in Article 22. In the event National exercises the option granted herein, all payments made pursuant to this Article 3 shall be credited to the purchase price due and payable to Owners under Article 2 hereof.

4. Warranties:

Owners represent and warrant their title to the Mining Claim free and clear of all liens and encumbrances except lien for ad valorem taxes for 1957.

5. Rights of National on Mining Claim During Option Period:

Owners hereby give and grant 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 Mining Claim 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.

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 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 3 below, it shall, until payment of the purchase price has been made in full provided in Article 2, pay Owners as royalty upon all said ore removed from the Mining Claim and dis-

posed of by National, ten per cent (10%) of the net smelter returns from said ore or mineral products. Royalty payable hereunder to Owners 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 Claim, the amount of ores shipped, sold or treated, and the amount of money received from said ores or the values extracted therefrom; and Owners 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 Owners pursuant to this Article 7 shall be applied against and be deducted from the next sum or sums due Owners pursuant to the provisions of Articles 2 and 3 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 Claim described in Article 1 hereof, and the whole and every part thereof, free and clear of liens for labor done or performed upon said Mining Claim, or materials furnished to, on or for it, 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 Owners 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 Claim, 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 said Mining Claim.

10. Notice of Nonliability:

National shall post and keep posted, or permit Owners to post and keep posted, upon the Mining Claim 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 Claim 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 Claim 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, Owners shall allow National a credit, equal to the ad valorem taxes assessed against the Mining Claim for the calendar year 1957, on

the sum or sums due Owners under Articles 2 and 3 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, Owners 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, and Mining Claims Located by National:

In the event of a valid forfeiture or cancellation of this Option Agreement, National shall furnish to Owners one (1) full and complete copy of all exploration data which National may develop as a result of its exploration operations and activities on the Mining Claim under this Option Agreement.

14. Inspection:

The duly authorized representative of Owners shall be permitted to enter into and upon the Mining Claim and the workings of National, at all reasonable times, for the purpose of inspection. In making such inspection, Owners 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, and the term of the option granted in Article 1 hereof shall be extended 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 Owners 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 Owners, then, upon the expiration of said thirty (30) day period, all rights of National under this Option Agreement, except as pro-

vided by Article 19 hereof, shall terminate, and all payments theretofore made under this Option Agreement shall be retained by Owners as full compensation as rental for the occupancy of said Mining Claim, 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 Owners 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 also for broken ores removed and shipped after such termination, and except the rights and obligations imposed by Articles 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 Claim by National:

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

19. Property Placed on Mining Claim by National:

All personal property, equipment and machinery, and buildings and other improvements placed by National on the Mining Claim described in Article 1 hereof, 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 Claim all mills, buildings, milling machinery, structures, warehouse stock, merchandise, materials, tools, hoists, compressors, engines, motors, pumps, transformers, electrical accessories, metal and wooden tanks, pipe lines and connections, car

rails, mine cars, and any and all other machinery, equipment and other property (except headframes and ore bins) erected or placed in or upon said Mining Claim by it. National shall not remove any headframes or ore bins placed by it on the Mining Claim, and such property shall become the property of Owners after any valid forfeiture, cancellation, surrender or other termination of this Option Agreement. National shall have, and it is hereby given and granted, forty-five (45) days after a valid forfeiture, cancellation, surrender or other termination of this Option Agreement to remove from said Mining Claim all ore broken in the stopes or other workings.

20. Owners Covenant to Maintain Good Title:

Owners agree that, during the continuance of this Option Agreement, they will not sell, mortgage, lease or encumber the Mining Claim described in Article 1 hereof, or any part thereof, and will not permit any judgment or judgments to be obtained against them which may be a lien against the Mining Claim or any part thereof.

21. Easements:

Owners agree to give and grant, if requested by National, easements on or over the Mining Claim described in Article 1 hereof, for the erection and construction of water and gas lines and electrical power and transmission lines, and roads.

22. Escrow:

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

A. Owners agree to deliver to Escrow Agent their Warranty Deed, in form satisfactory to National's counsel, for the Mining

Claim described in Article 1 hereof. Owners shall warrant in this deed their title to said Mining Claim, free and clear of all liens and encumbrances except ad valorem tax liens subsequent to 1957. The Escrow Agent is hereby instructed by Owners to deliver said Warranty Deed to National upon payment to the Escrow Agent of the full purchase price of the Mining Claim called for by Article 2 hereof.

B. National agrees to deliver to Escrow Agent its Quitclaim Deed to Owners for the Mining Claim described in Article 1 hereof. Escrow Agent is hereby instructed by National to deliver said deed to Owners in the event of a valid cancellation pursuant to Article 16 hereof or forfeiture pursuant to Article 17 hereof.

C. All payments pursuant to Articles 2, 3 and 7 hereof shall be made by National to Escrow Agent. Owners hereby direct 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 hereunder and the cost of title insurance in the amount of Twenty-five Thousand Dollars (\$25,000.00) for the Mining Claim described in Article 1 hereof. From the balance of this first payment and from all future payments, after deducting all credits National is entitled to pursuant to Articles 7 and 11, Escrow Agent shall pay over the remainder to W. Bruce Kirkpatrick. Upon making such payments to W. Bruce Kirkpatrick, Escrow Agent shall be deemed to have made them to all of the Owners, their heirs, executors, administrators and assigns, and thereupon, Escrow Agent and National, and their

successors and assigns, shall be discharged to the extent thereof as if such payments had been made directly to all of the Owners and to any other person, firm or corporation entitled thereto, and neither Escrow Agent nor National shall be liable for the ultimate distribution or receipt of any such payment or payments.

D. The provisions of this Article 22 to the contrary notwithstanding, no payments whatsoever, including those made pursuant to Article 3, shall be disbursed by the Escrow Agent as provided in this Article until Escrow Agent has issued and delivered to National its title insurance in the amount of Twenty-five Thousand Dollars (\$25,000.00) on the Mining Claim described in Article 1 hereof, insuring the title of National free and clear of all liens and encumbrances except tax liens subsequent to 1957. Owners agree to pay the cost of this policy of title insurance. In the event Escrow Agent refuses to issue its title insurance, as provided above, because of any defect in the title to the Mining Claim, Owners shall, at their own cost and expense, forthwith take such action as may be necessary to cure the same so that Escrow Agent will issue said title insurance policy. National shall have the right, if Owners fail to remedy such defect, to take such action (in its own name or in Owners' names) 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.

E. 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.

F. At the time either party hereto mails the other a notice pursuant to Articles 16 or 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 and 11 until it is furnished satisfactory evidence by National of the amount of any credit it is entitled to receive.

G. National agrees to pay one-half (1/2) of the escrow charges of the Escrow Agent, and Owners agree to pay the remaining one-half (1/2) of these charges, the entire cost of title insurance for the Mining Claim in the amount of Twenty-five Thousand Dollars (\$25,000.00) and the cost of documentary stamp taxes on all deeds.

23. 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.

24. Assignment:

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

25. 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.

26. Notices:

All notices and communications between Owners and National shall be mailed, by registered mail, to the addresses hereinafter set forth, until one party hereto and the Escrow Agent named in Article 22 hereof have received from the other party written notice of change of address. The mailing of one notice or other communication to W. Bruce Kirkpatrick shall be notice or advice to the other Owners.

Notices and Communications to Owners:

W. BRUCE KIRKPATRICK
5272 Townsend Avenue
Eagle Rock 41, California

Notices and Communications to National:

MINING DEPARTMENT
NATIONAL LEAD COMPANY
111 Broadway
New York 6, New York

27. 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 Owners, and the successors and assigns of National.

28. 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 Owners have hereunto set their hands, 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.

W. Bruce Kirkpatrick

Margaret T. Kirkpatrick

Harry A. Kirkpatrick

Olive Kirkpatrick

Paul H. Kirkpatrick

Mary Rose Kirkpatrick

Parties of the First Part

NATIONAL LEAD COMPANY

By _____
Vice President

ATTEST:

Secretary

Party of the Second Part

STATE OF CALIFORNIA }
County of Los Angeles } ss.

On this the _____ day of _____, 1957, before me, the undersigned Notary Public, personally appeared W. BRUCE KIRKPATRICK and MARGARET T. KIRKPATRICK, 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

By Commission Expires:

STATE OF CALIFORNIA }
County of Los Angeles } ss.

On this the _____ day of _____, 1957, before me, the undersigned Notary Public, personally appeared HARRY A. KIRKPATRICK and OLIVE KIRKPATRICK, 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.

My Commission Expires:

Notary Public

MANILA }
PHILIPPINE ISLANDS } ss.

On this the _____ day of _____, 1957, before me, the undersigned Officer, personally appeared PAUL H. KIRKPATRICK and MARY ROSE KIRKPATRICK, 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.

My Commission Expires:

ERASABLE
EN ON SKIN
RAS COULENT

STATE OF NEW YORK

County of New York

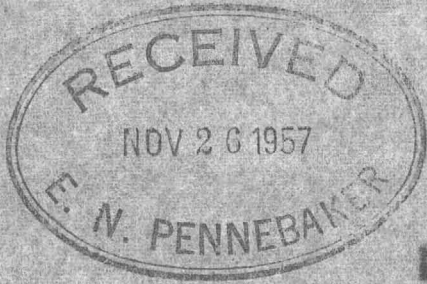
ss.

On this the _____ day of _____, 1957, before me, the undersigned Notary Public, personally appeared _____ and _____, who acknowledged themselves to be Vice 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 **W. BRUCE KIRKPATRICK** and **MARGARET T. KIRKPATRICK**, his wife, **HARRY A. KIRKPATRICK** and **OLIVE KIRKPATRICK**, his wife, all residing in Los Angeles County, California, and **PAUL H. KIRKPATRICK** and **MARY ROSE KIRKPATRICK**, his wife, temporarily in Manila, Philippine Islands, for valuable consideration have granted until December 1, 1961, to **NATIONAL LEAD COMPANY**, a Corporation, an exclusive option to purchase that one (1) patented lode mining claim situated in the Owens Mining District, Mohave County, Arizona, more particularly described as follows:

One (1) patented lode mining claim called **OTSEGO**, embraced in Mineral Survey No. 2532 and described in United States Mineral Patent No. 119748, issued March 21, 1910, which Patent is recorded in the Office of the County Recorder of Mohave County, Arizona, in Book 21 of Deeds, at pages 91-93.

according to the terms and conditions of that certain Option Agreement, dated as of the 1st day of December, 1957, by and between **W. BRUCE KIRKPATRICK** and **MARGARET T. KIRKPATRICK**, his wife, **HARRY A. KIRKPATRICK** and **OLIVE KIRKPATRICK**, his wife, and **PAUL H. KIRKPATRICK** and **MARY ROSE KIRKPATRICK**, his wife, as Parties of the First Part, and **NATIONAL LEAD COMPANY**, a Corporation, as Party of the Second Part, which is incorporated herein and by this reference made a part hereof.

Information regarding said Option Agreement may be obtained from:

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

W. BRUCE KIRKPATRICK
5272 Townsend Avenue
Eagle Rock 41, California

IN WITNESS WHEREOF, the said W. BRUCE KIRKPATRICK and MARGARET T. KIRKPATRICK, his wife, HARRY A. KIRKPATRICK and OLIVE KIRKPATRICK, his wife, and PAUL H. KIRKPATRICK and MARY ROSE KIRKPATRICK, his wife, have hereunto set their hands, and NATIONAL LEAD COMPANY, a Corporation, has caused its corporate name and seal to be affixed hereto as of the _____ day of _____, 1957.

W. Bruce Kirkpatrick

Margaret T. Kirkpatrick

Harry A. Kirkpatrick

Olive Kirkpatrick

Paul H. Kirkpatrick

Mary Rose Kirkpatrick

NATIONAL LEAD COMPANY

By _____
Vice President

ATTEST:

Secretary

STATE OF CALIFORNIA

County of Los Angeles

} ss. *WASABLE*

On this the _____ day of _____, 1957, before me, the undersigned Notary Public, personally appeared W. BRUCE KIRKPATRICK and MARGARET T. KIRKPATRICK, 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:

STATE OF CALIFORNIA }
County of Los Angeles } ss.

On this the _____ day of _____, 1957, before me, the undersigned Notary Public, personally appeared HARRY A. KIRKPATRICK and OLIVE KIRKPATRICK, 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.

My Commission Expires:

Notary Public

MANILA }
PHILIPPINE ISLANDS } ss.

On this the _____ day of _____, 1957, before me, the undersigned officer, personally appeared PAUL H. KIRKPATRICK and MARY ROSE KIRKPATRICK, 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.

My Commission Expires:

ERASABLE
ON OIL-SKIN
RAG-CONTENT

STATE OF NEW YORK
County of New York

}
} ss.

On this the _____ day of _____, 1957, before me, the undersigned Notary Public, personally appeared _____ and _____, who acknowledged themselves to be Vice 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:
