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ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: CONGRESS

ALTERNATE NAMES:

CONGRESS MINE, PATENTED 878
FRACTION, PATENTED 883
NIAGARA
NIAGRA
GOLDEN KEY
HERSKOWITZ PROPERTY
QUEEN OF THE HILLS
OHAHA
PLANET MIER
JAQUAYS
B AND M
PATENTED CLAIMS MS 2888 & 3523

YAVAPAI COUNTY MILS NUMBER: 440C

LOCATION: TOWNSHIP 10 N RANGE 6 W SECTION 23 QUARTER N2
LATITUDE: N 34DEG 12MIN 05SEC LONGITUDE: W 112DEG 50MIN 54SEC
TOPO MAP NAME: CONGRESS - 7.5 MIN

CURRENT STATUS: PAST PRODUCER

COMMODITY:

GOLD
SILVER
COPPER SULFIDE
FELDSPAR

BIBLIOGRAPHY:

ADMMR CONGRESS MINE FILE
ADMMR CONGRESS COLVO FILE
ADMMR NIAGARA MINE & MILL FILE
ADMMR GOLDEN KEY FILE
REPORT OF THE GOVERNOR OF AZ 1899 P 54-56
WILSON, E.D. ETAL. AZ LODE GOLM MINES AZBM
METZGER, O.H. GOLD MINING & MILLING IN THE
WICKENBURG AREA USBM IC 6991 1938 P 45

CONTINUED ON NEXT PAGE

CONGRESS CONSOLIDATED GOLD MINING CORP.

1219 SOUTH 19TH AVENUE • PHOENIX, ARIZONA 85009 • 254-6494



April 5, 1982

Gentlemen:

On April 2, 1982, the Congress Consolidated Mining Co. became a wholly owned subsidiary of the Magic Circle Energy Corp. with headquarters in Oklahoma City, Oklahoma. In the future, all operations of the Congress Consolidated Mining Co. will be conducted by the new owners and the Jaquays interests will no longer be associated with this operation.

The new owners plan to continue the operation as in the past and possibly expand in the future. It would be appreciated if you, as a supplier, would extend to the new owners, the same courtesies and cooperation as extended in the past.

Very truly yours,

D.W. Jaquays

John:

Having not been able to reach you via phone for the past 5 days ?? I have taken this method of informing you of a recent change in our position. Had you been available to the phone, you would have been one of the "first to know". I trust the five days you have been missing have been productive to the taxpayers of Arizona.

Doug Lindsay

David DuBois
208 N. Shoshone
Flagstaff, Az.
February 3³ 1982

Lenny Frankel
American Business Capital Corp.
3550 North Central Ave. Suite 520
Phoenix, Az. 85012

Dear Lenny,

In the meeting of January 28 I was surprised at the proposal you put forth to my family. It seemed that you chose to ignore the suggestions of Michael Dill and myself on what the family would and would not accept.

I feel that the proposal of \$40,000 the first year, \$40,000 the second year and \$60,000 the third year is a good offer and one the family will accept. I think that a royalty bonus of $6\frac{3}{4}\%$ Net Smelted Royalty should be contingent on the value of the mine and the development of the mine. In my opinion this proposal seems fair and equitable to both my family and to you. From all indications the mine is a large project and your investment would be considerably small for a project of this magnitude.

That you chose to propose that in the Rip-Off Corporation there be a 50 - 25 - 25 split between you, Andy and myself, I felt was unfair. This was not my understanding of the proposal that was discussed during the previous Monday and subsequent phone calls leading up to the Thursday meeting with the family. My comprehension is that you and I retain equal percentages in the Corporation, with my brother riding along as the remainder. In addition, it was my option to buy you out of the Corporation a month or two after I received my trust. If that were to be the case, then you would receive the interest and money and the kicker.

I would hope that if this idea is acceptable, we put this agreement in writing so there will be no misunderstanding in the future. I would like you and I to come to an understanding; if not then there are no hard feelings.

Sincerely,

David DuBois

DD/nn

TRANSCRIPT OF CONVERSATION WITH ALLAN BIRD ON CONGRESS HIRE

SEPTEMBER, 1983

Did you ever get a check or a credit memo from Vanwaters & Rogers for \$100? I took five of those acid containers back that had deposits on them. Check that out and make sure you get it because they may be holding it as a credit memo.

I don't know if we got it or not.

There are a bunch of acid barrels with acid in them. I don't know what to do with them.

We need to rent a storage unit to put the welder, compressor and generator in.

The generator is the most valuable piece. It's worth about \$1000 used. I started it up and it still works all right. As far as the core goes it should be pretty safe here with a watchman. Very little of Jaquay's stuff is left. All the tools were the men's personal tools. The few tools that were ours were taken when we first shut down. We lost our battery charger, hand grinder that we used for welding and polishing welds and a bunch of little hand tools. They didn't take the good, expensive stuff so we were lucky. The big money is with the crusher. You could make \$150,000 on it if the market is right. You wouldn't have a need for the portable crusher in the main operation because they use stationary crushers now.

There is only one cat with a battery in it. The D-5 over by the Number Six shaft. The other two have dead batteries. For over an hour about four hours time so he'll come out and put the parts on one of the cats to make it run (the D-8). Another thing we should do is return a bunch of parts that we'll never use. There's a 25% restocking charge, but we still owe them about \$1100 so it will reduce the debt some. There's a starting engine that was rebuilt that we could return. (We did) I dozed in the crane so no one can move it. The crane was the main thing Jaquays was trying to get from us. There's a bunch of little catapillar parts that I'm sure you won't use. But we have about \$17,000 in the cat that we got running last week. That would be our one liquidatable asset along with the \$200 worth of acid barrels out there. (Allan returned the barrels before he left.) Some of them are Van Water's, but we owe the most to McKesson and Robins.

As far as a part time watchman goes, I would suggest Jesus Rios and pay him \$400 a month to come by the place every day or two at random times. Also important to pick up the mail every day, that way people know you are around. We could just have all the mail forwarded to OKC and close the P. O. Box.

What about the Ford Truck - is it licensed?

No. In fact, we just got the license application and I chucked it. In the last days of operation, Sterling's stepson blew the engine out of it. Notice the drive shaft is in the back end of it. Had to unhook the driveshaft and haul it back here. Don't know what's wrong with it. It's a 1978 with a lot of miles on it. Maybe you could sell it for salvage. The other truck is driveable but in pretty bad shape. It does have \$400 worth of brand new tires on it though. (We sold it to Jesus).

You have a mile and a half of 2 inch brand new pipe strung all over

the countryside that somebody is going to help themselves to one of these days. The steel tanks around here are worth about \$15000 to \$20000 apiece. But most of these things won't be useable in the new mill. I would get ahold of Bud LaBarr or another equipment dealer and try and sell the stuff. The thickeners and agitators are worth \$50,000 or \$60,000 apiece.

The diesel oil generator on the property is shot. There is oil in the water tank and I can't seem to stop the leak. If it worked it would be worth about \$15000 but you'd be lucky to get a few thousand for it now. It's a 105 KW and would be worth rebuilding if you had a use for it. The head gaskets are blown and there is a seal that came out of here and it was throwing about two gallons of oil a day out of it. We were just catching the oil on the bottom and putting it back in again. The generator has 21,000 hours on it and it should have been rebuilt at 6,000 hours.

How come Arizona Power wanted so much money to put electricity out here?

I think it was a case where they figured that we were a bunch of promoters and they just didn't want to bother with us. I know it doesn't cost \$1,300,000 to put a line in. We're only 3 miles from the nearest three phase line at the Alvarado mine. It is usually \$60,000 a mile. They're planning to build a mill there. The last time I talked to Arizona Power was in the spring of 1982 during the feasibility study. They want you to pay for the feasibility study, not them.

Allan, why don't you start from the beginning about how you got involved in the property and what has happened up to the present?

In 1978 or 1979, Charlie Butler, the man who got me involved in this deal, was trying to interest Bucky in the property. I came out here in 1978 to take a bunch of samples of Jaquays. He had a bathhouse up here and he dug holes in the leach pads and we sampled them. We were initially looking at taking over the leaching operation as a potential cashflow thing. Charlie and I looked over some adjacent properties such as the MacGruder claim. The property lay dormant for a while until the price of gold skyrocketed. If you had any kind of gold then, your stock would take a pretty good run. Magic Circle stock was doing quite well and Charlie thought this would be a good diversification for the company as well as a good exploration project. The property had never been core drilled. Charlie and I came out again and I could see some areas that definitely needed to be core drilled. Ted Baer was in charge then. I don't know if he had your job or not, but he was in charge of the gold mine part of it. Ted, whose father had been at Rico, Colorado, had the gold bug pretty bad then so he pushed it. I wrote a report and recommended an exploration program, and Ted liked it and I guess Bucky agreed. We started core drilling in January, 1981. We started doing geophysics here. We ran EM-16 lines all across the valley to see if we could determine if there were any sulphides. The results were rather negative. It did show the greenstone or diabase dikes and the water near the fault zone. It showed faults pretty well. I just couldn't determine the ore zones.

The initial budget for the project was \$900,000. We had two options with Jaquays. We paid \$35,000 for each six month option which was to apply against the purchase price if we took it. Our initial thought was to drill it out in six months. We hired Connors Drilling Company to come in and drill it for us. We cored NX or NO wire line. Our first target was in the vicinity of where we finally found our new ore body. The first holes were very discouraging. They just didn't show anything.

We had one hole, MC-4, which showed a confirmation of Jacquays original core hole, J-7. He had hit 4 feet of .46 ounce gold. About 45 feet away, he had started another hole and only drilled it to 145 foot depth and did not intersect the vein. We put a rig over it and cored and found 6.5 feet of .64 ounce gold. Then we put another hole in, MC-5, and it was barren. So we thought there was just a small pod there and drilled elsewhere. We were mainly interested in Colvocoresses report that said the Niagara Vein had been cut off at depth by the East Fault and neither the ore nor the vein had been found on the other side of the fault. We aimed our initial exploration to find the offset portion of the Niagara Vein. We found the vein but did not find the ore shoot. At the time, we did not know the movement on the fault. Also the veins are flat dipping and it is very difficult from coring to tell whether they move horizontally or vertically. So we hit the vein over there and it was a couple of feet wide with an ore intercept of .15 to .2 ounce gold. Then we decided to shoot for the deeper portion of the Niagara ore shoot under the East Fault. The East Fault is a N10W striking fault that dips 55 degrees west. The fault zone is about 30-40 feet wide in places. The only way to drill through the thing is to drill vertically or to get updip. We drilled some deep holes to test the projected junction of the Niagara Vein with the Bistro Dike, which had been reported to have rich ore in the old mine. Unfortunately, the holes were collared at 57 degrees and at 1400 feet had steepened to 72 degrees and pulled to the right. We missed the vein completely but did intersect the dike. We did this with two holes and missed both times. We did get a little mineralization in one of the Bistro Dike intercepts. That mineralization was reported by Staunton, the original mine manager, as being very similar to the Congress ore shoot which was a different vein.

Our geologic studies revealed that the Niagara is an older vein than the dikes and that this mineralization was a second squirt of mineralizing solutions going through the old junction zones. In fact, Staunton was getting Congress mineralization on top of the Niagara mineralization at that point.

Our option time was running out. There were many areas we hadn't tested yet. Jacquays was convinced that the Glendol Tunnel, which he had driven in the 1960's, cut the Queen of the Hills vein and that was our best exploration bet. He had had underground samples and had five or six feet of ore grade material in the tunnel. He had prepared roads and drilled a whole series of holes over on the eastern edge of the property. One hole would have .30 ore and the next would be very poor. The ore was very erratic. They drilled about ten and a half months out of our option time. We finally had to extend the second six months and we were about to quit the whole project. We decided to go back and do a little more testing in the original area on the west side of the property. We started numbering the holes. We had drilled 51 holes at that time. We decided to change our luck and start lettering the holes. MC-A had 10.5 feet of .86 gold and that was a beautiful vein. B we hit good ore. C was mineralized but not high grade. D was high grade. We had laid the drill holes on a grid so we skipped a few letters to come back and drill them later. F was drilled in another area later to use up one of the letters. F and G holes were barren, but they were out of the ore shoot. At the later location of F, we found that the upper portion of the ore shoot was very high grade and quartz veining material. Hole M actually has a spot of free gold in it, which was the only free gold that has ever been found on the property to my knowledge.

The upper portion of the ore body was quartz veining with a true width of 3 to 8 feet. The lower, deeper portion of the vein formed a rather extensive stockwork texture adjacent to the main vein structure. Sometimes it would be all in the hanging wall, other times on both sides on the vein. The stockwork area has a true width of 20 to 40 feet. We had only one really deep hole, MC-00, which had 38 feet true width of .09 mineralization. Usually, the stockwork is a much lower grade, but from a mining standpoint, the tonnage had a lot more appeal than some of the narrower portions. This is a good prospecting bet because very few holes have been drilled in this area. The stockwork did show traces of molybdenum in it and in appearance it looks very much like a Climax-type deposit. We know that the Niagara Vein is cut off updip by the Congress Dike and downdip by the Bistro Dike. These dikes lie about six hundred feet apart in true distance. The movement appears to be reverse so that they cut and displace the vein. The Niagara theoretically should be below the dike, but I don't know how much movement there is. The Bistro Dike outcrops right under the building here and does not have the shearing that the Congress does. The Congress Dike is extensively sheared with a lot of movement. The mineralization on the Congress is formed by a late phase, called the Cross Vein, which is younger than the Congress. The Cross Vein intersected the Congress Dike. The Dike acted as a host rock for it and the junction of those two made the 4000 foot long ore shoot that was mined at the turn of the century.

Did that vein have free gold in it?

No. It had arsenopyrite whereas the Niagara vein does not have arsenopyrite. That is a blessing metallurgically. The metallurgy was always better on the Niagara Vein than the Congress Vein. None of the ore shoots that were ever mined on the Niagara have ever been prospected below the Bistro Dike. That is one of the prime prospects because the total vertical distance below the surface isn't that great, about 1200-1300 feet. But you must consider that you are collaring way up in the high topography in the deeper portions of the vein. The other possibility that would still be valid is the faulted portion of the east fault. We never did get a chance to cut where the oreshoots were supposed to be. The upper oreshoot would easily be tested by a drill hole along the road which takes off right above the old Congress millsite towards the Queen of the Hills Vein. The hole would only need to be 600-700 feet deep.

One of the problems is that we do not know who actually owns the mineral rights on the downdip portion of that vein. It is one of those situations where the Niagara Vein on the east side of the fault never outcrops. It always butts up against the fault because the vein strikes about 10 to 20 degrees different than the fault does. We have enough drilling data to calculate it using a three point problem to find the intersection of the vein and the fault. The problem is that we own part of the claims over the area and the DuBois family owns the others. I have heard of a case over in Outman where this very thing came up in court. The ruling was that whoever is vertically on top of it owns it. It doesn't have to outcrop, the subcrop is treated the same way. I'd all of the claims in this area go the wrong direction so it looks like everything would probably be split up. It needs to be drilled out before approaching the DuBois family for a deal. And you could be drilling somebody else's ore. That is why I was so hesitant to spend so much money in that area. At the moment, no one would know if you had drilled out there or not so you could risk it.

The DuBois family live in Cotton. They are an elderly couple,

actually two women and a brother. [The brother's name is David. He gave us some trouble at one time in that he insisted that his mine was worth millions. Of course, everybody thinks that their mine is worth millions. He has a geologist by the name of Paul Handverger and he either lives or offices in Jerome. He is the one that has been acting as the agent for the DuBois and he has caused a lot of problems. They had a bonafide offer of \$500,000 from Dome Mining or Noranda and he recommended that they turn it down which was the stupidest thing they could have done.] They only own the backfill gobs. We own the access rights to those tunnels and we own the water in them. The only thing is if we take the minerals out of the water, we are going to have to pay a royalty. The question of who owns the gob is still unanswered legally. One lawyer says we do, another says they do. They have 700,000 tons but there are no pillars left in the mine. It would be very doubtful if they could economically recover the backfills. Although they claim to have extralateral rights on our new orebody, it is not so. Actually we own the extralateral rights to their property. And the orebody outcrops strictly on the B & M claim and never strikes toward their WhyNot claim. In fact, if you wanted to get nasty, in the past they mined over into our B & M claim and we could claim that gob from them. It's something to remember.

If you sink a shaft or ramp, I would think twice before I would tap into those old workings because you are going to have an ocean to take care of. In places, there are caves that when Jaquays pumped the water in the Number Six shaft, it was pumped dry. Yet the water level never went down in the other shafts so we know there was a cave-in plugging that. We do know that all of the workings were connected so there's a real danger there. If that sucker ever cut loose it would flush you out good. Drill a separate escape route.

The new ore body is in solid granite. The footwall and hanging wall are all very stable so there shouldn't be any ground problems. You could have water problems on the west side of the property. Some of those holes made a lot of water. That is where the well water comes from. Most of the holes pumped about 20 gallons per minute. The deepest well, MC-XX, has the pump set at 168 feet. Initially, the water was 23 feet below the collar. We pumped it down to 60 or 70 feet and it stayed there. The pump eventually mudded up on us. The hole was over 500 feet deep. When they went back to case it, they could only get the casing down 170 feet because of a cave-in in the hole. Evidentially, it is filled up with mud. The pump is sitting in the shed there and has never been cleaned. It is a brand new pump worth about \$700. All of the pipe and electrics are over there. We did blow out one of the electrical units. I forget what you call it, a restart switch or something, when it mudded up. We never did get that replaced. The other hole, MC-LL, has a pump in it right now and ready to go. All you have to do is plug a portable generator to it. The pump is 80 feet deep. Hole MC-K also has an electric pump in it. All the other pumps are just four windmills. The windmills have been turned off and need to be run now and then. One of the things that I have done is to monitor the water. We have complete accurate rain monitoring for the environmental statement. Up till last week, we had one rain of .7 inch and on the 24th and 21st we had .4 inch. Also we measured the pull-down on the wells as we were running them. The Bellick shaft has a pump in it. There is a hole drilled into the Bellick shaft and we have a water tank. The J Hole and the Belle Deck pump both run off this big generator here. The J Hole has a separate switch which is by the big

red water intake tank from the B & M claim. There are two switches, one that runs on the J pump and the other one which turns on the booster pump which takes the water from the big red tank and pushes it down in this storage tank by the mill here. And that is a brand new pump that we just installed about two months before we shut down.

The hydrologic data can be used as part of the yearly assessment work because it is essential to studying the mineability of the ore body. As far as other assessment work goes, we did excavate the Number Six shaft with the backhoe. There was probably \$1000 on that project alone. We did a lot of road repair work with the D-5 cat, about \$5000 worth. We also ran a magnetometer survey. A geologist named Ben Violet from Norquest ran the survey. The results were negative. He spent about 5 days out here going over the known ore body. He's stationed at the Alvarado Mine. He's a fairly legitimate man just trying to make a living. Not like Ray Carson.

The claims are being surveyed by Harvey Smith of Del Tierra Engineering in Scottsdale. He has estimated that it is going to cost him \$900. He also does all of our assessment filing for us. In fact, he has got most of the original claim notices, and for that he only charged \$150 last year to do all of that work. It is well worth it. He is a registered mineral surveyor and also surveyed for Jaquays on the property. Most of Jaquays claims are located with brasscups. Harvey is now applying for patent on the Jaquays Nos. 9,20,21 claims. Our plant would be on No. 9 and it is important to get that one patented. The others just catch the western edge of our ore shoot. You could probably justify the patent because the shoot does clip right across the corners. There is not a lot of tonnage but enough to justify a patent. Be sure to follow this through. It is going to take at least a year to file for patent. Jaquays paid the \$500 initial filing fees. Harvey says that it takes them a year to accept the survey. After that they go through all of the ritual and I don't know how long it takes. I think they filed for the B & M claim in 1967 and it was granted in 1982.

We rent the propane tank for \$67 a year. I just paid the rent. There is probably still \$100 worth of propane left in the tank. It's easier to pay the rent than having to set the thing up all over again when someone new comes in. It's 30 to 40 percent full. There is still about 200-300 gallons of diesel fuel in the tank over by the mill. There is also about 100 pounds of dynamite stored over in the steel building by the crusher.

Another thing is this crushed rock around here. There is about \$20 worth of gold per ton when gold is \$500 an ounce. But if you ever want to sell it for just plain road metal, you could get \$1 a yard for it. There is about 300,000 tons here. The man over at the Y in Congress, at Congress Sand and Gravel is begging me to sell the stuff.

Why don't you tell us about the leaching operation and why we got into it?

On the heap leach, Jaquays had originally crushed to minus one inch on this stuff. He started stacking it and, of course, in the initial run he recovered 200 ounces of gold the first month he did it. That is because he was taking the very tops of those old dumps that had been sitting there oxidizing for a hundred years and most of the gold was released. As he got deeper and deeper into the pile, the recovery became progressively less and less. When we took this thing over April 3, 1982, the first thing we did was rebuild the crusher which took about a month. We started crushing at minus a half inch. We cleaned up the leach pads which Jaquays had piled 20 to 30 feet high which is way too

thick. The acid just wasn't getting through. That took us several months to do. Then we would put about a 3.5 foot layer of fresh crushed rock in and spray it. Then we would use the D-5 cat with a ripper and we would rip it up about once a week. But for some reason, we made these tests in the lab and they looked very encouraging. The recovery was quite a bit higher when you crushed to this size. But we never did get any better recovery off the pads. The only thing I can figure is that the finer crushing increased the fine contents so much that the stuff was channeling. It wasn't going through. We never did get a good agglomerate which would have helped us immensely. We needed to use lime to get the good agglomeration. Another problem we had was when we were using the Merrill Crowe method. We did not have enough filtration to clarify the solution. As a result, the presses would fill up with slimes and we had to clean them about once a week. We decided to go with the carbon absorption. Jaquays had already purchased those tanks but had never hooked them up. The only problem was that they had to have a three foot difference in elevation between the bottom of each tank and he didn't have them that high. So you could only get half the normal volume of the mill through them without them spilling on the floor. So we raised them up three feet and they worked fine after that. We were using lime for pH control. The lime was so high that it would coat the charcoal each time we used it. The gold would load up to 20 ounces a ton and it wouldn't take anymore. So we would have to acid treat the charcoal each time we used it. We just couldn't get enough recovery to make it go. But we did find at the end when we were using both the Merrill Crowe zinc and charcoal we got better recovery. We were running the tailings through the Merrill Crowe. But we were still faced with the constant lime buildup. If I were to do it again, I would see what sodium hydroxide would do and get away from the lime. The lime also had detrimental effects when we sprayed the pads. You couldn't use regular rainbird type sprayers because the lime would plug up the holes too fast. At the end, we did devise a system using the rainbird sprayers. The nozzles were brass and cyanide eats brass, but we reamed them out with our drill and made them quite a bit larger. They worked much better. Another problem was the fact that we were not getting good spray coverage on the pads. They used black plastic hose and drilled holes in them and the water would just kind of squirt out. You had to move the hoses around and never knew if you got solid coverage with known quantities of acid. I don't know why Jaquays used lime, but it would have been much more efficient without it. But lime is much cheaper than sodium hydroxide. The problem with our gold is that the pyrite is enclosed in the quartz. If you have a half inch chunk of quartz with pyrite in the middle, there is no way to leach it. It would be better to save the mine dumps for when you have a conventional mill. The dumps run .065 to .075. Frankly, I would not recommend leaching anymore.

Has anyone done any metallurgical studies?

No. A couple of guys from Newport Beach were going to but no one showed up. A man from Jetco was supposed to have a man from Silver City, New Mexico come down also, but he never came either.

I should mention that the Belle Deck property has \$1500 lease payments due May 23 and November 23 to keep the lease active. The lease should not be dropped because we have a prime source of water over there. You can pump it for one hour and shut in for two hours and be recharged. That is the only lease property we have. The rest we have let go.

U. S. Department of Labor

Mine Safety and Health Administration
4015 Wilson Boulevard
Arlington, Virginia 22203



1981 JUN 13 PM 8:27

JUN 11 1981

Honorable Barry Goldwater
United States Senate
Washington, D.C. 20510

Dear Senator Goldwater:

This is in response to your communication of May 13, 1981, forwarding correspondence from Mr. Doug Lindsay, Congress Consolidated Gold Mining Corporation, Phoenix, Arizona, regarding a Mine Safety and Health Administration (MSHA) citation issued for failure of the operator to maintain copies of reports of accidents, injuries, and illnesses or reports of quarterly employment and coal production as required by Title 30 CFR, Part 50.40(b).

The records of accidents, injuries, and illnesses are required initially as an information source for the inspector's use to enable MSHA to interpret the type, number, and location of those injuries occurring at a mine property, and to assist MSHA in identifying those areas where added assistance may be needed. In addition, this regulation enables MSHA, through the information submitted, to continually assess those areas where the miners exposure to a hazard could jeopardize his health and safety and consequently to develop and implement corrective actions or programs, either on a national or mine-by-mine basis. Moreover, by requiring operators to maintain copies of these reports at the nearest office to the mine site, interested miners are informed of potential hazardous conditions in their immediate working environment.

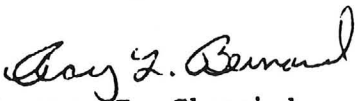
It is our understanding at the time the citation in question was issued, the operator did have an actual office located on the mine property but maintained copies of the required reports in a company office in Phoenix.

Because the operator believed that the citation was not justified, he chose to exercise his statutory right to contest the citation before the independent Federal Mine Safety and Health Review Commission. The Regional Solicitor of the Department of Labor in San Francisco, who represents the Department in these contest proceedings, reviewed the case and recommended that the citation be vacated because of the mitigating factors involved including the fact that the operator believed he was complying with the regulation when the citation was issued. The case was therefore dismissed on May 15, 1981.

Following the issuance of the citation in this case, MSHA reexamined its enforcement policy in an effort to be more cooperative with operators. MSHA determined that in such situations inspectors will not cite operators for a violation if the operator maintains copies of such reports at a nearby office and miners are generally aware of this fact.

We hope this letter adequately responds to your concerns. If you are in need of further information, please do not hesitate to contact this office.

Sincerely,

for 
Thomas J. Shepich
Acting Deputy Assistant Secretary
for Mine Safety and Health

CONGRESS CONSOLIDATED GOLD MINING CORP.
1219 SOUTH 19TH AVENUE • PHOENIX, ARIZONA 85009 • 254-6494

12 April
10:15

RECEIVED

APR 29 1981

DEPT. MINERAL RESOURCES
PHOENIX, ARIZONA

April 23, 1981

PRESS RELEASE

The CONGRESS CONSOLIDATED GOLD MINING CORP. of Phoenix announces that they will go into Federal Court to contest the MINE SAFETY and HEALTH ADMINISTRATIONS plan to assess a fine of \$ 18.00 to the company for their failure to post a quarterly report on the bulletin board of their remote mining location in Yavapai county. The company contends that this report, which contains three items of insignificant statistical data, is irrelevant and un-necessary to the MSHA agencies congressionally mandated goal of making the mines a safe place to work.

The first hearing on this matter will take place at 1:00 P.M. on May 13, 1981 in room 1400 of the Federal Building at 230 N. 1st Ave in Phoenix.

Members of the news media are invited to attend and report on this exercise in government waste of the taxpayers time and money. For more detailed information concerning this matter or to obtain the documents covering this action, please contact Doug Lindsay at 254-6494.

AMMENDED APRIL 28, 1981

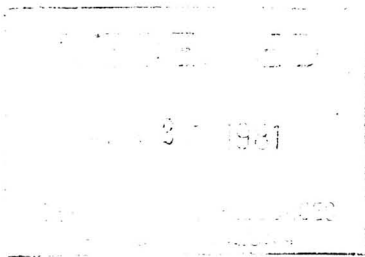
Legal counsel for the company has just informed the company officers that the posting of the report on the bulletin board is NOT required. What is required is that a copy be maintained in the company office, which we do here in Phoenix as no office exists at the mine site.

Position of the company that this regulation has nothing to do with safety in the work place remains un-changed.

CONGRESS CONSOLIDATED GOLD MINING CORP.

1219 SOUTH 19TH AVENUE • PHOENIX, ARIZONA 85009 • 254-6494

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April
RB



April 23, 1981

PRESS RELEASE

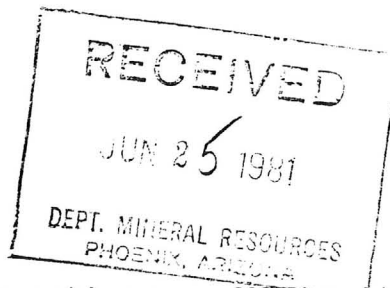
The CONGRESS CONSOLIDATED GOLD MINING CORP. of Phoenix announces that they will go into Federal Court to contest the MINE SAFETY and HEALTH ADMINISTRATIONS plan to assess a fine of \$ 18.00 to the company for their failure to post a quarterly report on the bulletin board of their remote mining location in Yavapai county. The company contends that this report, which contains three items of insignificant statistical data, is irrelevant and un-necessary to the MSHA agencies congressionally mandated goal of making the mines a safe place to work.

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Members of the news media are invited to attend and report on this exercise in government waste of the taxpayers time and money. For more detailed information concerning this matter or to obtain the documents covering this action, please contact Doug Lindsay at 254-6494.

Send copy to
Jesse
Pay Dirt
Wayne Winters

file
CONGRESS CONSOLIDATED GOLD MINING CORP.
1219 SOUTH 19TH AVENUE • PHOENIX, ARIZONA 85009 • 254-6494



12 27
June 23, 1981

Subject: Subsequent actions on MSHA citation, our letter and news release dated April 24, 1981.

TO: All interested parties.

As you will remember when we started our effort to contest this citation around the middle of April, one of our courses of action was to inform all of the Arizona Congressional delegation of this matter and invite them to attend the scheduled May 13th hearing.

Sen. Goldwater apparently saw fit to ask the MSHA office in Washington for an explanation of the citation matter and I have enclosed a copy of their response to him.

An interesting part of this letter to us is that after one page of "bureaucratize", the first paragraph of the second page seems to indicate that perhaps MSHA will change their enforcement procedure in regards to this part of their regulation. That's nice, but not enough. We want it eliminated.

One comment in the letter is that MSHA's Washington office believes that "by requiring operators to maintain copies of these reports at the nearests office to the minesite, interested miners are informed of potential hazardous conditions in their immediate working environment".

I ask you, how many miners do you know that would ever stop at an office and ask to see these types of forms? Statements like these can only emphasize once again just how far out of touch with reality our Washington regulators really are.

Doug Lindsay
Congress Consl. Mines.

January 26, 1981

Dear David,

Enclosed please find a copy of my recommendations for the contents of the purchase contract between you and any outside nominal purchaser of your and your family's interests in the Congress Mine.

Please discuss these with your family and phone or write me any additions or deletions you may collectively agree upon. Also-- please check this out with your attorney since the final contract should be drawn up by attorney's on both sides.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Guyton".

Richard Guyton

Dick Guyton

1. David will deliver all Congress Mine stock in exchange for \$100,000.00 to outside nominal purchaser, technically this will constitute a sale. Tax ramifications of this "sale" should be discussed by David with his own tax attorney to determine if he need pay a capital gains (or accrue a capital loss) tax.
2. \$ 4,000 of this \$100,000 shall be payable for business advice to Dick Guyton and \$16,000 to Bernie Manning as a finders fee for securing the financing.
3. The contract of sale should include a repurchase option by David of the gold stock for \$180,000, option to extend to 45 days after pre-specified maturing of David's trust.
4. An extension of this option should be available to David at an annualized compound interest rate of 20% based on an assumed "loan" of \$180,000, to allow for any difficulties in securing sufficient cash from the trust to repurchase the gold mine shares.
5. The family members or their designated beneficiaries should have secondary repurchase rights in the event that David is unable or unwilling to repurchase all the shares according to the above criteria. These secondary rights should be pro-rata according to the original proportional surrender of gold mine stock and should apply to any or all stock David fails to repurchase.
6. A tertiary option to repurchase unclaimed stock under the first or second option shall be granted to any original contributing member or his or her beneficiary, in the event of death of the beneficiary, if family contributors are agreed to this arrangement.
7. All options shall be exercisable at the same price per share, or plus the interest rate (20%) terms of the first option so that the total repurchase price of the shares shall not exceed \$180,000 plus accrued interest, if any, by any combination of the three repurchase options.
8. The right to exercise all voting powers of the stock shall be assigned to David by the outside nominal purchaser at the negotiation of this contract. David may exercise all powers of ownership except that, in the event of a negotiated "sale" or mining agreement agreed to by David, the first \$180,000 plus the accrued interest associated with the final purchase shall be reserved and held in escrow for usage to repurchase the gold mining shares during the repurchase option period. Any excess interest shall revert to David.
9. A bank, or banks, agreed upon by David, his contributing members and the outside lender shall be designated the depository of the, now re-registered, stock and the potential escrow account necessitated by item #8 to be established by mining activity or "sale" by David during the option period.

10. David shall specify what % of revenue gained by any mining development will accrue to other (stock) contributing members so that, in the event of development of the mine during the option period, no confusion will result in the accounting for, or depositing of money in the accounts of, other (stock) contributing members.
11. The above formula should be either stated as a percentage of revenue (minus expenses) received by David during this period or as a stated cash amount. In either event, each (stock) contributing member must agree to the manner of payment, if alternatives are offered, prior to the effectuation of the "sale" agreement in the outside nominal purchaser.
12. Upon written notification of exercise of the repurchase option under any, or a combination of the three available repurchase options, the appropriate bank officer will arrange for payment of the called-for sum of money, to the outside nominal purchaser who must sign over the gold shares to David or appropriate family members as per the agreement.
13. There shall be no fees accruing to the outside nominal purchaser before, during, or after the nominal sale except those mutually agreed upon with David or his surviving family contributors and these shall be for out of pocket expenses relating to this transaction or its logical consequences.
14. All legal, administrative, tax or other fees generated by the creation of this contract shall be borne by their initiating parties.
15. At the expiration of the option, if not fulfilled as stated above, the gold mine shares shall become immune to any further attempts by any family member to repurchase or claim.
16. Any proper exercise of the option to repurchase shall preclude the nominal owner from any further interest in this mine or its revenues, whatsoever, or from any legal attempts to block repurchase.
17. Any bank, legal or administrative fees necessitated by the mechanical exercise of the repurchase option shall be paid by the repurchasing parties at the time of repurchase.

American Business
Capital Corporation

3550 N. Central Ave., Suite 500 1305
Phoenix, Arizona 85012
(602) 277-6259

July 23, 1981

Mr. David DuBois
208 N. Hoshone
Flagstaff, Arizona 86001

Dear Mr. DuBois:

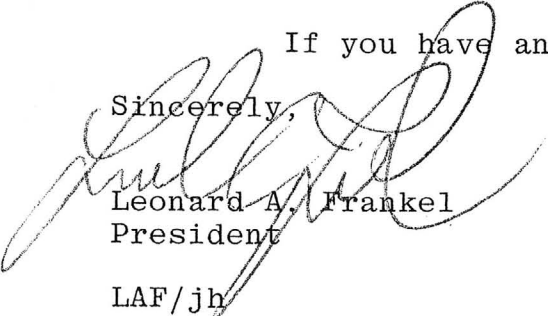
We have reviewed the documentation submitted by you for the purposes of securing a \$100,000.00 loan. We have previously discussed with you some of the terms and conditions and ramifications of this loan. Some of the primary points are,

1. It will be payable in 2 years with interest payable monthly.
2. It will be secured by a first lien position on the Congress Mine.
3. It will be an interest rate of 2 over prime fluctuating.
4. There will be a fee paid to me for securing the loan and other business consultations.

Subject to documentation and our independent verification as to the mine's value.

If you have any questions, please call.

Sincerely,



Leonard A. Frankel
President

LAF/jh



STATE OF ARIZONA

Corporation Commission



To all to Whom these Presents shall Come, Greeting:

I, TIMOTHY A. BARROW,

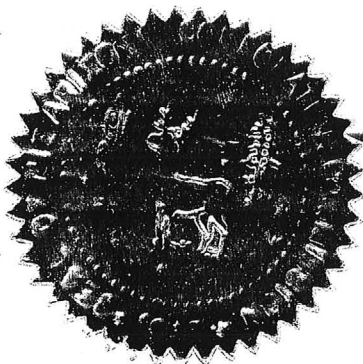
SECRETARY OF THE ARIZONA

CORPORATION COMMISSION, DO HEREBY CERTIFY THAT the records in this office show

AMERICAN BUSINESS CAPITAL CORPORATION

having filed all reports and paid all fees in the office of the Incorporating Division of the Arizona Corporation Commission, as provided by law, and existing under and by virtue of the laws of the State of Arizona, was on the 28th day of October, 1977, authorized to transact business in the State of Arizona as a Domestic corporation. I hereby certify further that the corporation is in compliance with the Arizona Revised Statutes, insofar as the responsibilities of the Incorporating Division extend, as of the date of this certification.

IN WITNESS WHEREOF, I HAVE HEREUNTO
SET MY HAND AND AFFIXED THE OFFICIAL SEAL
OF THE ARIZONA CORPORATION COMMISSION, AT
THE CAPITOL, IN THE CITY OF PHOENIX, THIS 06th
DAY OF May 1981.



Timothy A. Barrow
SECRETARY.

ASSISTANT SECRETARY

APR 19 '80 L & RPD

DOMEXPLORATION (U.S.) LIMITED

1503 GREG STREET
SPARKS, NEVADA 89431
(702) 331-3517

April 9, 1980

Mrs. Shirley DuBois
331 Verde Heights Drive
Cottonwood, Arizona 86326

Re: Proposed Dome Exploration (US) Limited - DuBois et al Congress Mine Agreement

Dear Mrs. DuBois:

Pursuant to our recent conversation, Dome Exploration (US) Limited confirms the following basic terms for a detailed and comprehensive Exploration and Option Agreement, which is currently being drafted to be properly signed and executed by all parties concerned:

(1) The property subject to the proposed Agreement shall be the DuBois 14 patented mining claims commonly known as the Congress Mine.

(2) Dome Exploration (US) Limited shall have the right to perform exploration and research on the mining property, and shall have the option to purchase the DuBois 14 patented mining claims upon the terms suggested herein.

(3) Dome Exploration (US) Limited shall pay DuBois et al the sum of \$20,000 upon the commencement of the Agreement and thereafter as follows:

- (a) \$25,000 on six month anniversary of commencement of Agreement;
- (b) \$25,000 on the 12 month anniversary of commencement of Agreement;
- (c) \$30,000 on the 18 month anniversary of commencement of Agreement;

- (d) \$100,000 on the 24 month anniversary of commencement of Agreement;
- (e) \$100,000 on the 36 month anniversary of commencement of Agreement;
- (f) \$150,000 on the 48 month anniversary of commencement of Agreement.

(4) The Exploration and Option Agreement shall be conditioned and contingent upon the acquisition by Dome Exploration (US) Limited of the patented mining claims and unpatented mining claims, and related interests of Congress Consolidated Gold Mining Corporation, Ltd., and D.W. Jaquays in the DuBois patented mining claims and in the mine commonly known as the Congress Mine.

(5) Title to all of the patented mining claims, unpatented mining claims and real property subject to the proposed Exploration and Option Agreement shall be satisfactory to Dome Exploration (US) Limited and Dome Exploration (US) Limited shall have the right to cure any defects in title.

(6) Dome Exploration (US) Limited shall maintain proper liability insurance for all of its activities on the mining properties; Dome Exploration (US) Limited shall keep the mining properties free of all liens and encumbrances.

(7) If Dome Exploration (US) Limited fails to make timely payment under the proposed Exploration and Option Agreement, and fails to properly cure default upon proper notice thereof, DuBois et al shall have the right to terminate the interests of Dome Exploration (US) Limited under the Exploration and Option Agreement.

(8) Dome Exploration (US) Limited shall at any time have the right to terminate the Exploration and Option Agreement upon giving sixty (60) days written notice to DuBois et al; Dome Exploration (US) Limited shall be liable for all of its obligations accrued at the time of termination.

EXHIBIT "A"

DELFORD W. JAQUAYS and ETHELYN C. JAQUAYS, his wife, as joint tenants with right of survivorship, as to Parcel No. 1; and

SHIRELY C. DuBOIS, as to an undivided 15/36th interest;

DAVID C. DuBOIS, as to an undivided 6/36th interest;

OREN A. DuBOIS, as to an undivided 6/36th interest;

KATHRYN ELIZABETH WILLIAMS, as to an undivided 3/36th interest;

RUTH C. WILHOIT, as to an undivided 3/36th interest; and

DORIS E. CHILSON, as to an undivided 3/36th interest, as to Parcel No. 2.

This page represents part of a summary report.

TransAmerican title did an extensive research involving all of the recorded deeds and title changes occurring in the history of the Congress Mine as it changed hands from owners to owners. From 1884 until today, it's long history of changes in deeds and conditions included within the deeds, has been researched. Exhibit "A" shows who owns what today, 1980.

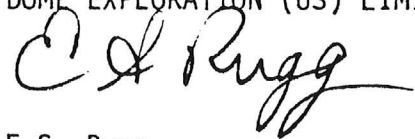
Proposed Dome Exploration (US) Limited -
DuBois et al Congress Mine Agreement

April 9, 1980

(9) An escrow account will be established or other similar arrangements will be made for the deposit and payment of funds from Dome Exploration (US) Limited to DuBois et al and for the conveyance and recordation thereof of the interests of the parties.

Sincerely,

DOMEX EXPLORATION (US) LIMITED

A handwritten signature in dark ink, appearing to read "E.S. Rugg", written over the typed name.

E.S. Rugg

ESR:kgr

cc: G.S.W. Bruce, Toronto, Canada
G. Henry Ladendorff



October 29, 1980

Mr. David DuBois
208 N. Shoshone
Flagstaff, Arizona 86001

Dear Mr. DuBois:

We, at the First, have exhausted every means to accomodate you on your recent credit request in the amount of \$300,000 to begin developing the Congress Mine.

We will have to decline your request at this time since the DuBois trust assets you have offered to pledge cannot be hypothecated or assigned as collateral.

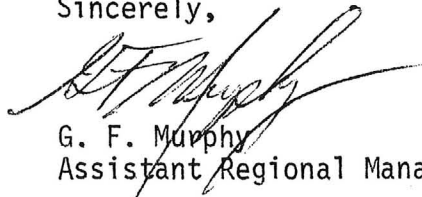
After a discussion with the attorneys of the Deposit Bank, DuBois, Pennsylvania, we learned that under the terms and conditions of your grandfather's will, you, as beneficiary of the trust, have no right to pledge assets of the trust as collateral until you are of age, under terms of the trust and all assignments, and liens against the trust assets will be ignored.

This last bit of information puts to rest your application since there is no other way the bank can advance the funds you requested unless we have the liquidity in the assets to secure the loan.

We are pleased you looked to the First for assistance and want to assure you we gave your request every consideration for approval. We are proud of the services we offer our customers and would welcome the opportunity to sit down and discuss our programs that will assist you in all your present banking needs and the service we can offer to you in the future when your needs will be much greater.

Please feel free to visit me anytime you have an opportunity. We are always available to assist you.

Sincerely,



G. F. Murphy
Assistant Regional Manager

GFM:ts

LADENDORFF & RIDGE, P. C.

LAWYERS

34 WEST MONROE STREET

SUITE 500

PHOENIX, ARIZONA 85003

TELEPHONE 258-7053
AREA CODE 602

G. HENRY LADENDORFF
WARREN C. RIDGE

March 12, 1980

Mr. David Colburn DuBois
208 North Shoshone
Flagstaff, Arizona 86001

Dear Mr. DuBois:

I am writing to you because yours is the only address I have. I do not have an address for Mrs. Shirley DuBois or Mrs. Betty Williams.

This morning a man called me by telephone who identified himself as a Mr. Bisel. He called to make an appointment to come in and talk with me about drawing up some documents in connection with the Congress Mine, which he said he has "purchased" from Mrs. DuBois and Mrs. Williams. I told him that he should have Mrs. DuBois or Mrs. Williams contact me and authorize me to do legal work for them. I further told him that I would not disclose any information about the Mine or any of the affairs of the DuBois family without permission from Mrs. DuBois or Mrs. Williams.

If there is any work to be done it is my understanding that I would be doing the work for you and Mrs. DuBois and Mrs. Williams, and I would expect to be paid by you and not by Mr. Bisel and his group. We have never discussed fees, because I have never charged you anything up to this time. My fee for this work will be \$70.00 an hour which I would bill at the end of each month.

I would like some authorization from someone in your family before I do any work for you, and of course I would like to have the understanding that I would be paid by you and your family. At this time I would not be interested in working for Mr. Bisel or his group, primarily because of a conflict of interest which would be involved in my representation of you and your family.

Very truly yours,


G. H. Ladendorff

GHL:dmm



PRELIMINARY REPORT

Our No: 33028468

Your: DOME EXPLORATION

XX LTAA Owners Policy

ALTA Loan Policy

Dated: 2-20-80 at 7:30 A.M.

Transamerica Title Insurance Company hereby reports that it is prepared to issue, as of the date hereof, the policy of title insurance indicated above on the form on file in the office of the Director of Insurance of the State of Arizona, describing therein the land and the estate or interest as hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein nor excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of the policy to be issued and providing the premiums for said policy or policies have been paid. This report (and any supplements or amendments thereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby.

Escrow Officer
Tel. (602)

Title Officer
Tel. (602)

VIVIAN KEPPLIN/TR/pg
445-3350

SCHEDULE A

1. Title to the estate or interest covered by this report is vested in:

SEE ATTACHED EXHIBIT "A"

2. The estate or interest in the land hereinafter described in this report is a fee.

3. The land referred to in this report is situated in Yavapai County, Arizona, and is described as follows:

SEE ATTACHED DESCRIPTION

TITLE FILE

EXHIBIT "A"

DELFORD W. JAQUAYS and ETHELYN C. JAQUAYS, his wife, as joint tenants with right of survivorship, as to Parcel No. 1; and

SHIRELY C. DuBOIS, as to an undivided 15/36th interest;

✓ DAVID C. DuBOIS, as to an undivided 6/36th interest;

✓ OREN A. DuBOIS, as to an undivided 6/36th interest;

KATHRYN ELIZABETH WILLIAMS, as to an undivided 3/36th interest;

RUTH C. WILHOIT, as to an undivided 3/36th interest; and

DORIS E. CHILSON, as to an undivided 3/36th interest, as to Parcel No. 2.

DESCRIPTION

PARCEL NO. 1:

The surface to a depth of Forty feet immediately beneath the surface; as the same existed on October 15, 1947 and as described in Deed recorded October 31, 1947 in Book 189 of Deeds, page 364, records of Yavapai County, Arizona; of the following described Mining Claims:

- a) Fractional, sometimes known as Fraction Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No 883 (Lot 43) on file in the Bureau of Land Management, as granted by Patent recorded in Book 30 of Deeds, page 497, records of Yavapai County, Arizona;
EXCEPT all that portion within the boundaries of Lot 41 and all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.
- b) Excelcior Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 921 (Lot 44) on file in the Bureau of Land Management, as granted by Patent recorded in Book 33 of Deeds, page 620, records of Yavapai County, Arizona.
- c) Why Not Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 882 (Lot 42) on file in the Bureau of Land Management, as granted by Patent recorded in Book 30 of Deeds, page 493, records of Yavapai County, Arizona
- d) Mosouri Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 881 (Lot 41) on file in the Bureau of Land Management, as granted by Patent recorded in Book 30 of Deeds, page 488, records of Yavapai County, Arizona;
EXCEPT all that portion within the boundaries of Lots 38 and 40-A, and all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.
- e) Niagara Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 880 (Lot 40-A) on file in the Bureau of Land Management, as granted by Patent recorded in Book 30 of Deeds, page 484, records of Yavapai County, Arizona
- f) Ohio Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 1190 on file in the Bureau of Land Management, as granted by Patent recorded in Book 41 of Deeds, page 107, records of Yavapai County, Arizona.
- g) Old State Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 1189 on file in the Bureau of Land Management, as granted by Patent recorded in Book 41 of Deeds, page 110, records of Yavapai County, Arizona.

DESCRIPTION CONTINUED

PARCEL No. 1 continued ..

- h) Congress Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 878 (Lot 38) on file in the Bureau of Land Management, as granted by Patent recorded in Book 30 of Deeds, page 476, records of Yavapai County, Arizona.
- i) Queen of the Hills Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 879 (Lot 39) on file in the Bureau of Land Management, as granted by Patent recorded in Book 30 of Deeds, page 480, records of Yavapai County, Arizona.
- j) Rich Quartz Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 1192 on file in the Bureau of Land Management, as granted by Patent recorded in Book 41 of Deeds, page 97, records of Yavapai County, Arizona.
- k) Snow Storm Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 1188 on file in the Bureau of Land Management, as granted by Patent recorded in Book 41 of Deeds, page 104, records of Yavapai County, Arizona.
- l) Golden Eagle Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 1191 on file in the Bureau of Land Management, as granted by Patent recorded in Book 41 of Deeds, page 100, records of Yavapai County, Arizona.
- m) Golden Thread Lode Mining Claim in MARTINEZ Mining District, being shown on Mineral Survey No. 1352 on file in the Bureau of Land Management, as granted by Patent recorded in Book 54 of Deeds, page 104, records of Yavapai County, Arizona.
- n) Incline Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 1193 on file in the Bureau of Land Management, as granted by Patent recorded in Book 41 of Deeds, page 94, records of Yavapai County, Arizona..

PARCEL NO. 2:

The following described Mining Claims;

EXCEPT the surface to a depth of Forty feet immediately beneath the surface, as the same existed on October 15, 1947 and as described in Deed recorded October 31, 1947 in Book 189 of Deeds, page 364, records of Yavapai County, Arizona:

- a) Fractional, sometimes known as Fraction Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No 883 (Lot 43) on file in the Bureau of Land Management, as granted by Patent recorded in Book 30 of Deeds, page 497, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Lot 41 and all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.

PARCEL No. 2 continued ...

- b) ✓ Excelcior Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 921 (Lot 44) on file in the Bureau of Land Management, as granted by Patent recorded in Book 33 of Deeds, page 620, records of Yavapai County, Arizona.
- c) ✓ Why Not Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 882 (Lot 42) on file in the Bureau of Land Management, as granted by Patent recorded in Book 30 of Deeds, page 493, records of Yavapai County, Arizona
- d) ✓ Mosouri Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 881 (Lot 41) on file in the Bureau of Land Management, as granted by Patent recorded in Book 30 of Deeds, page 488, records of Yavapai County, Arizona;
EXCEPT all that portion within the boundaries of Lots 38 and 40-A, and all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.
- e) ✓ Niagara Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 880 (Lot 40-A) on file in the Bureau of Land Management, as granted by Patent recorded in Book 30 of Deeds, page 484, records of Yavapai County, Arizona
- f) ✓ Ohio Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 1190 on file in the Bureau of Land Management, as granted by Patent recorded in Book 41 of Deeds, page 107, records of Yavapai County, Arizona.
- g) ✓ Old State Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 1189 on file in the Bureau of Land Management, as granted by Patent recorded in Book 41 of Deeds, page 110, records of Yavapai County, Arizona.
- h) ✓ Congress Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 878 (Lot 38) on file in the Bureau of Land Management, as granted by Patent recorded in Book 30 of Deeds, page 476, records of Yavapai County, Arizona.
- i) ✓ Queen of the Hills Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 879 (Lot 39) on file in the Bureau of Land Management, as granted by Patent recorded in Book 30 of Deeds, page 480, records of Yavapai County, Arizona.
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DESCRIPTION CONTINUED

PARCEL NO. 2 continued ...

- l) Golden Eagle Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 1191 on file in the Bureau of Land Management, as granted by Patent recorded in Book 41 of Deeds, page 100, records of Yavapai County, Arizona.
- m) Golden Thread Lode Mining Claim in MARTINEZ Mining District, being shown on Mineral Survey No. 1352 on file in the Bureau of Land Management, as granted by Patent recorded in Book 54 of Deeds, page 104, records of Yavapai County, Arizona.
- n) Incline Lode Mining Claim in MARTINEZ MINING DISTRICT, being shown on Mineral Survey No. 1193 on file in the Bureau of Land Management, as granted by Patent recorded in Book 41 of Deeds, page 94, records of Yavapai County, Arizona.

SCHEDULE B

(All recording data refer to records in the office of the County Recorder of the County in which the land is situated.)

At the date hereof exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy form would be as follows:

- A. TAXES AND ASSESSMENTS collectible by the County Treasurer, not yet due and payable for the following year;

Year 1980

- B. TAXES AND ASSESSMENTS collectible by the County Treasurer, for the following year;

Year Second half of 1979

1. Reservations, contained in Patent from the United States of America, reading as follows:

Provided that the right of possession to such outside parts of said veins, lodes or ledges shall be confined to such portions thereof as lie between vertical planes drawn downward through the end line of said survey, so continued in their own direction that such planes will intersect such exterior parts of said veins, lodes or ledges. Any provided further that nothing herein contained shall authorize the Patentee herein, to enter upon the surface of a claim owned or possessed by another; subject to the following conditions and stipulations:

"A" That the premises hereby granted shall be held subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes, and rights to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local customs, laws and decisions of courts. And there is reserved from the lands hereby granted a right of way thereon for ditches or canals constructed by the authority of the United States.

"B" That in the absence of necessary legislation by Congress the Legislature of Arizona may provide rules for working the mining claim or premises hereby granted involving easements, drainage and other necessary means to its complete development.

"C" That the premises hereby granted, with the exception of the surface, may be entered by the proprietor of any other vein, lode or ledge, the top or apex of which lies outside of the boundary of said granted premises, should the same in its dip be found to penetrate, intersect or extend into said premises for the purposes of extracting and removing the ore from such other vein, lode or ledge.
(Affects all claims)

(CONTINUED)

SCHEDULE B CONTINUED

2. RIGHTS of the Public or adjacent owners to use the roads shown upon the surveys of said Mining Claims.
(Affects all claims)

3. POSSIBLE EASEMENT and rights incident thereto, as set forth in instrument;

Recorded in Book	16 of Agreements
Page	292
Purpose	Ingress and egress, roads, paths, shafts, tunnels, tramways, power lines, gas lines, water lines and other rights

(Affects Parcel No. 1 and may be usable with Parcel No. 2)

4. THE EFFECT OF UNRECORDED LEASE under the terms and conditions contained therein made by;

Lessor	David C. DuBois, Oren Andrew DuBois, Shirley C. DuBois, Kathryn Elizabeth Williams, Ruth C. Wilhoit and Doris E. Chilson
Lessee	Caithness Corporation, a Delaware corporation
Dated	December 31, 1975
Term	Not shown
As disclosed by	Memorandum of Lease
Recorded	March 2, 1978
Docket	1004
Page	487

containing an option to purchase
(Affects Parcel No. 2)

NOTE: Said Memorandum of Lease is not, in its present form, insurable.

5. EASEMENT for access over said land to Lots 2 and 3 in Section 23, Township 10 North, Range 6 West of the Gila and Salt River.

NOTES:

a) A leasehold policy, if issued will contain:

ANY FAILURE to comply with the terms, covenants and conditions of the lease or leases referred to in Paragraph 2 of Schedule A.

ANY FACTS, RIGHTS, interest or claims which are not shown by the public records but which could be ascertained by making inquiry of the lessors in the lease or leases referred to in Paragraph 2 of Schedule A.

(CONTINUED)

SCHEDULE B CONTINUED

NOTES continued ...

b) SINCE A MEMORANDUM OF LEASE is recorded, this Company requires a fully executed copy of said Lease for examination and reserved the right to make additional exceptions upon such examination.

c) THIS COMPANY requires a currently certified copy of a Resolution by the Board of Directors of the corporation named below, authorizing the execution and delivery by the proper officers of all instruments required to consummate this transaction. Said certification must be by an officer, other than the officer(s) authorized to sign, and must state that the Resolution has not been revoked;

Name Caithness Corporation, a Delaware corporation; and
Dome Exploration U.S. Ltd.*

d) THE COMPANY requires proper showing that the corporation named below is in good standing in its domiciliary state;

Names Caithness Corporation, a Delaware corporation; and
Dome Exploration U.S. Ltd.

TAX NOTE

PARCEL NO. 1:

Year	1979
Parcel No.	201-20-21
Value	RE 4090 ASSD 640
District	1700
Total Tax	\$65.70
First half	PAID
Second half	\$32.85

Year	1979
Parcel No.	201-23-5
Value	RE 6198 ASSD 970
District	1700
Total Tax	\$99.58
First half	PAID
Second half	PAID

Year	1979
Parcel No.	201-24-5A
Value	RE 9556 IMP 14288 ASSD 4851
District	1700
Total Tax	\$497.96
First half	PAID
Second half	\$248.98

SCHEDULE B CONTINUED

TAX NOTE continued ...

PARCEL No. 2:

Year	1979
Parcel No.	201-20-501
Value	RE 2250 ASSD 352
District	1700
Total Tax	\$3614
First half	PAID
Second half	\$18.07

Year	1979
Parcel No.	201-23-501
Value	RE 1138 ASSD 178
District	1700
Total Tax	\$18.28
First half	PAID
Second half	\$9.14

Year	1979
Parcel No.	201-24-501
Value	RE 10750 ASSD 1683
District	1700
Total Tax	\$172.76
First half	PAID
Second half	\$86.38

BOX 247 — PHONE 632-7410
HUMBOLDT, ARIZONA 86329



DAVID DuBOIS
208 N. Shoshone
Flagstaff, Ariz.

April 4, 1980

CHARGES \$72.50 paid

ASSAYER

CONGRESS CONSOLIDATED GOLD MINING CORP.

1219 SOUTH 19TH AVENUE
PHOENIX, ARIZONA 85009

254-6494

August 12, 1977

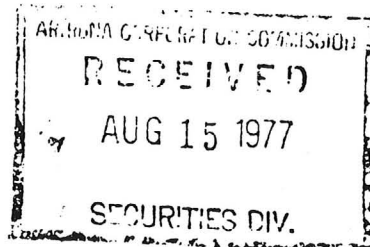
James C. Sell, Accountant
Arizona Corporation Commission
2222 West Encanto Blvd.
Phoenix, Arizona 85009

Dear Mr. Sell:

Enclosed is a rough draft of the disclosure statement and balance sheet for the Congress Consolidated Gold Mining Corp. Please let us know if it meets with your approval.

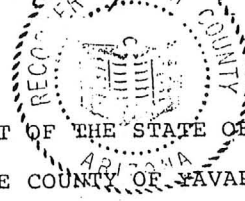
Very truly yours

D. W. Jaquays, President



INDEXED

PATSY C. JENNEY, County Recorder
By *M. L. Wilson* Deputy



Filed 500
4:00 o'clock P. M.
January 28, 1977
BARBARA BOYLE, CLERK
By Eunice L. McKie,
Deputy

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF YAVAPAI
In the Matter of the Estate)
of) No. 11695
DAVID DuBOIS,) INSTRUMENT OF DISTRIBUTION
Deceased.)

The undersigned Personal Representative, in order to make distribution of the property of this estate in compliance with Title 14 Arizona Revised Statutes, relating to decedent's estates, hereby assigns, transfers, and releases to DAVID C. DuBOIS, as his sole and separate property, an undivided one-half interest in and to the following described real property, and to OREN ANDREW DuBOIS, as his sole and separate property, an undivided one-half interest in and to the following described real property, to-wit:

Fourteen patented lode mining claims located in the Weaver Mining District, sometimes called Martinez Mining District, Yavapai County, Arizona, more particularly described as follows:

"Fraction" (also known as "Fractional") Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 43, known as Mineral Certificate No. 194, and described in Patent No. 18637, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona in Book 30 of Deeds at page 497, records of Yavapai County.

"Why Not" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 42, known as Mineral Certificate No. 193, and described in Patent No. 18636, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at page 493, records of Yavapai County.

"Mosouri" (also known as "Missouri") Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 41, known as Mineral Certificate No. 192, and described in Patent No. 18635, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at page 488, records of Yavapai County.

WOLFINGER & LUTEY, LTD.
ATTORNEYS AT LAW
POST OFFICE BOX 27
PRESCOTT, ARIZONA

1 "Niagra" Lode Mining Claim, located in Martinez
2 Mining District, designated by the Surveyor General
3 as Lot No. 40A, known as Mineral Certificate No. 191,
4 and described in Patent No. 18634, dated October 6,
5 1891, recorded December 19, 1891, in the office of the
6 County Recorder of Yavapai County, Arizona, in Book
7 30 of Deeds at page 484, records of Yavapai County.

8 "Congress" (also known as "Congress Mine") Lode Mining
9 Claim, located in Martinez Mining District, designa-
10 ted by the Surveyor General as Lot No. 38, known as
11 Mineral Certificate No. 189, and described in Patent
12 No. 18632, dated October 6, 1891, recorded December
13 19, 1891, in the office of the County Recorder of
14 Yavapai County, Arizona, in Book 30 of Deeds, at
15 page 476, records of Yavapai County.

16 "Queen of the Hills" Lode Mining Claim, located in
17 Martinez Mining District, designated by the Surveyor
18 General as Lot No. 39, known as Mineral Certificate
19 No. 190, and described in Patent No. 18633, dated
20 October 6, 1891, recorded December 19, 1891, in the
21 office of the County Recorder of Yavapai County,
22 Arizona, in Book 30 of Deeds at page 480, records
23 of Yavapai County.

24 "Excelsior" Lode Mining Claim, located in Martinez
25 Mining District, designated by the Surveyor General
26 as Lot No. 44, known as Mineral Certificate No. 218,
27 and described in Patent No. 21242, dated May 11, 1892,
28 recorded February 14, 1894, in the office of the
29 County Recorder of Yavapai County, Arizona, in Book
30 33 of Deeds at page 620, records of Yavapai County.

31 "Ohio" Lode Mining Claim, located in Martinez Mining
32 District, designated by the Surveyor General as Lot
No. 1190, known as Mineral Certificate No. 288, and
described in Patent No. 27181, dated June 23, 1896,
recorded March 18, 1897, in the office of the
County Recorder of Yavapai County, Arizona, in Book
41 of Deeds at page 107, records of Yavapai County.

"Rich Quartz" Lode Mining Claim, located in Martinez
Mining District, designated by the Surveyor General
as Lot No. 1192, known as Mineral Certificate No. 291,
and described in Patent No. 27182, dated June 23, 1896,
recorded March 18, 1897, in the office of the County
Recorder of Yavapai County, Arizona, in Book 41 of
Deeds at page 97, records of Yavapai County.

"Golden Eagle" Lode Mining Claim, located in Martinez
Mining District, designated by the Surveyor General
as Lot No. 1191, known as Mineral Certificate No. 289,
and described in Patent No. 27227, dated July 3, 1896,
recorded March 18, 1897, in the office of the County
Recorder of Yavapai County, Arizona, in Book 41 of
Deeds at page 100, records of Yavapai County.

"Incline" Lode Mining Claim, located in Martinez
Mining District, designated by the Surveyor General
as Lot No. 1193, known as Mineral Certificate No. 290,
and described in Patent No. 27228, dated July 3, 1896,
recorded March 18, 1897 in the office of the County

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POST OFFICE BOX 27
PRESCOTT, ARIZONA

Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 94, records of Yavapai County.

"Old State" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1189, known as Mineral Certificate No. 287, and described in Patent No. 27441, dated October 6, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 110, records of Yavapai County.

"Snow Storm" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1188, known as Mineral Certificate No. 285, and described in Patent No. 27870, dated February 26, 1897, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 104, records of Yavapai County.

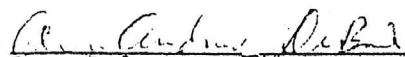
"Golden Thread" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1352, known as Mineral Certificate No. 369, and described in Patent No. 31956, dated January 17, 1900, recorded March 26, 1901, in the office of the County Recorder of Yavapai County, Arizona, in Book 54 of Deeds at page 104, records of Yavapai County.

EXCEPTING the following right, title and interest in and to said mining claims:

1. The surface of said mining claims to a depth of forty feet immediately beneath the surface, including all improvements, mine dumps and tailing dumps located thereon.

2. The right to any underground water developed or to be developed in said mining claims, to the extent such water is required by First Parties in Deed recorded in Book 189 of Deeds, page 364, their heirs, legal representatives, successors and assigns, in any mill or metallurgical operation being conducted on the surface of said mining claims, including the right at all times to enter any and all underground workings and to install, operate and maintain therein pumps, pipes, power lines and other facilities for the purpose of delivering said water to the surface, provided that in so doing it does not unduly interfere with, hinder or impede the mining or development operations of Second Party in Deed recorded in Book 189 of Deeds, page 364; and provided further that to the extent water is available in said mining claims, or is pumped to the surface thereof, in excess of the said requirements of said First Parties, their heirs, legal representatives, successors and assigns, said Second Party shall be entitled to the use thereof.

DATED March 7, 1977.


Oren Andrew DuBois, Personal Representative

WOLFINGER & LUTLEY, LTD.
ATTORNEYS AT LAW
POST OFFICE BOX 27
PRESCOTT, ARIZONA

1 STATE OF ARIZONA)
2) ss:
3 County of Yavapai)

4 The foregoing instrument was acknowledged before me
5 this 7th day of February, 1977, by OREN
6 ANDREW DuBOIS, as Personal Representative of the Estate of
7 DAVID DuBOIS, deceased, for the purposes and consideration
8 therein expressed.

9 J. L. Halliwell
10 Notary Public

11 My commission expires:

12 June 8, 1978
13

14
15
16 STATE OF ARIZONA } ss
17 County of Yavapai }

18 I, BARBARA BOYLE, Clerk of the Superior Court
19 of Yavapai County, Arizona, do hereby certify
20 the foregoing to be a full, true and correct copy
21 of the original document on file as the same
22 appears of record in my office.

23 DATED: Jan. 28, 1977
24 BARBARA BOYLE
25 Clerk of the Superior Court

26 By: Emilia L. McKie
27 Deputy
28
29
30
31
32

BOOK 1055 PAGE 683



United States Department of the Interior

IN REPLY REFER TO

A MC 34077
MPA (943)

BUREAU OF LAND MANAGEMENT

ARIZONA STATE OFFICE
2400 VALLEY BANK CENTER
PHOENIX, ARIZONA 85073
(602) 261-4774

3706 - Public Room

October 26, 1979

Mr. D. W. Jaquays
1210 South 19th Avenue
Phoenix, Arizona 85009

Dear Mr. Jaquays:

The information submitted on July 25, 1979 in support of your mineral patent application no. A MC 34077 for the B and M lode mining claim has been reviewed and filed with your application.

The information set forth in a mineral patent application must be such that the mineral examiner can verify the data on field examination of the claim. No lode mining claim can be located and no patent issued until actual discovery of a vein or lode within the limits of the claim is located, and mere indications or belief in the existence of mineral on the claim are not conclusive as to a discovery. The statutory requirement of a "discovery" of the mineral cannot be satisfied by mere indication, however strong, of the existence of the mineral. United States v. Frank J. Miller, 59 I.D. 446 (1947).

No mention is made in your application of a discovery point actually on the B and M lode claim. 43 CFR 3862.1-1 Application for patent states in part the application "should also show the precise place within the limits of each of the locations embraced in the application where the vein or lode has been exposed or discovered and the width thereof." If the drill holes are to be considered as the discovery points on your claim, a more in-depth discussion is required as to complete description of the vein that the drill holes intersect, size of vein, mineral occurrence in the vein, and assay data on the vein. Drill logs for each hole must be fully documented as evidenced by the driller and signed by the driller. Furnish where the drill hole core or sample splits are stored and available for inspection.

From the material submitted, it would appear that the shafts sunk on the B and M claim have been on the premises for an extended period of time. An applicant for a mineral patent must maintain his mining

claim in such a condition that the Government may examine his discovery points to verify the existence of the mineral deposit, and the Government's mineral examiner need not clean out or rehabilitate the claimant's discovery points or explore beyond the pits currently exposed. United States v. Howard S. McKenzie, 4 IBLA 97 (November 19, 1971).

Therefore, it is imperative that the mineral examiner know which shaft areas expose the veins and if they are accessible and safe for entry. The cross section map furnished in the additional data can only be considered pertinent if the data can be corroborated by the field examiner. A map, at least the scale of the mineral survey plat submitted, showing the location of the drill holes and indicating which shafts are accessible would be most helpful during the field examination of your claim.

Submission of the above information will not only provide the mineral examiner with the necessary data to conduct the field examination, but it will also strengthen the claim to a valuable mineral deposit. Action on the application will be held in abeyance pending receipt of the above information, to be filed in duplicate.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mario L. Lopez". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Mario L. Lopez
Chief, Branch of Lands
and Minerals Operations

STATE OF ARIZONA County of Yavapai

I do hereby certify that the instrument was filed and recorded at the request of *Walden, Notary*
on **MR 10 77 - 3 15 PM** at *00* o'clock Book *Official Records Page 437-441 (encl)*
Records of Yavapai County, Arizona. WITNESS my hand and official seal the day and year first above written.

DARYL G. JENNEY, County Recorder

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA, Filed *272*

IN AND FOR THE COUNTY OF YAVAPAI 9:45 o'clock A. M.
November 29, 1976

In the Matter of the Estate of

BARBARA BOYLE, CLERK
By Emilee L. McKie,
Deputy

of

No. 11695

DAVID DuBOIS,

Deceased.

ORDER APPROVING FINAL ACCOUNT
AND DECREE OF SETTLEMENT AND
DISTRIBUTION OF AN ESTATE

The Petition for Approval of Final Account and for
Decree of Settlement and Distribution of an Estate by Personal
Representative having been considered by the Court, the Court
finds as follows:

1. Notice has been given as required by law.
2. OREN ANDREW DuBOIS is the duly appointed and acting
Personal Representative of this estate.
3. An Inventory and Appraisement of the property of
the estate has been prepared and filed in compliance with A.R.S.
Section 14-3706.
4. Notice to Creditors has been published, and the
time for presenting claims that arose prior to the death of the
decedent has expired.
5. All expenses of administration thus far incurred,
and all taxes and claims that have accrued against the estate
have been paid.
6. The Personal Representative has filed a Final Account
and Schedule of Distribution.
7. No objections have been filed to the Final Account
and the account is complete and correct.
8. The property of the estate and the distributees
entitled thereto, as shown on the Schedule of Distribution
attached to the Petition, are:
An undivided one-half interest of the rest
and residue of the estate of DAVID DuBOIS,
Deceased, to be distributed to OREN ANDREW

Law Office of
WOLFFSON, LUTY & PETERSON, LTD.
Four Emmons, Suite 200
Phoenix, Arizona 85004
Telephone (602) 442-7727

100-100000

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DUBOIS, son of the decedent, 4 Sandy Hollow Lane, Cottonwood, Arizona 86026; and

An undivided one-half interest of the rest and residue of the estate of DAVID DUBOIS, Deceased, to be distributed to DAVID C. DUBOIS, son of the decedent, Route 1, Box 1, Bellmont Station, Flagstaff, Arizona 86001, which consists of the real property as described on Exhibit "A" attached hereto and incorporated herein by reference.

IT IS THEREFORE ORDERED that:

A. The Final Account is approved.

B. The property of the estate is hereby distributed to the person and in the manner set forth above.

C. Upon filing evidence that distribution has been completed, the Personal Representative shall be discharged from further claim or demand of any interested person.

DATED this 29th day of November, 1976.

/s/ Paul G. Rosenblatt
Judge of the Superior Court

LAW OFFICE OF
WOLFFINGER, LUTY & WESTON, LTD.
P. O. Box 17
First National Bank Building
Flagstaff, Arizona 86001
Telephone (602) 448-4727

STATE OF ARIZONA

County of Yavapai

I, BARBARA LUTY, Clerk of the Court of Yavapai County, Arizona, do hereby certify that the foregoing is a full, true and correct copy of the original of the foregoing and appears correct and true.

DATED: 12/1/76

BARBARA LUTY

Clerk of the Superior Court

By Barbara Luty Deputy

BOOK 1062 PAGE 438

BOOK 1055 PAGE 635

LAW OFFICES OF
WOLFINGER, LUTEY & PRESTON, LTD.

H. J. WOLFINGER
S. D. LUTEY
JOHN A. PRESTON
RONALD C. RAMSEY

P.O. BOX 27
FIRST NATIONAL BANK BUILDING
PRESCOTT, ARIZONA 86301
TELEPHONE (602) 445-4727

COTTONWOOD OFFICE
804 NORTH MAIN
P. O. BOX 1472
COTTONWOOD, AZ 86326
TELEPHONE (602) 634-8735

February 25, 1976

Mr. Jim Holston
Yavapai Title Company
Post Office Box 356
Cottonwood, Arizona 86326

Reference: Congress Mine Sale Escrow

SUPPLEMENTAL ESCROW INSTRUCTIONS

Dear Mr. Holston:

On behalf of the owners in the above escrow, I would like to supplement the escrow instructions filed herein in the manner of distribution of royalties and other payments made by Caithness Corporation. The original escrow instructions and lease documents will be filed in escrow shortly, when they have been signed and forwarded by Caithness in New York.

You are hereby authorized to pay from escrow the owners' one-half share of fees and collection charges, and attorney fees submitted on behalf of the owners by our office. You are also authorized to pay any future escrow fees, attorney fees, and title insurance costs from funds paid by Caithness before distributing the balance to the owners. When all proper fees and charges have been deducted, the distribution to the owners will be on the following fractional interest:

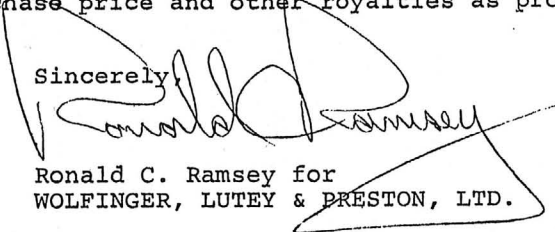
- (a) One-Forty-Eighth (1/48) interest to W. B. WILLIAMS;
- (b) Sixteen-Forty-Eighths (16/48) or One-Third (1/3) interest to the estate of DAVID DuBOIS, deceased;
- (c) Sixteen-Forty-Eighths (16/48) or One-Third (1/3) interest to SHIRLEY C. DuBOIS;
- (d) Five-Forty-Eighths (5/48) interest to DORIS CHILSON;
- (e) Five-Forty-Eighths (5/48) interest to RUTH C. WILHOIT;
- (f) Five-Forty-Eighths (5/48) interest to KATHERINE E. WILLIAMS.

Pursuant to the terms of the present escrow instructions, owners hereby

Mr. Jim Holston
February 25, 1976
Page Two - Supplemental Escrow Instructions


deliver to you as escrow agent an executed Warranty Deed conveying their interest to Caithness Corporation. This deed is to be held in escrow and delivered to Caithness Corporation when and if Caithness shall make final payment of the purchase price and other royalties as provided in the Lease and Option.

Sincerely,


Ronald C. Ramsey for
WOLFINGER, LUTEY & PRESTON, LTD.

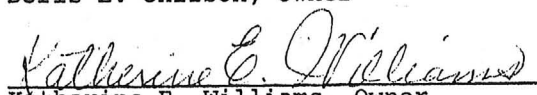
RCR/jh
Enclosure - Warranty Deed

READ AND APPROVED:

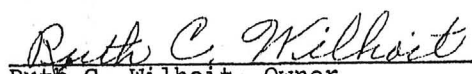

David C. DuBois, Owner



Doris E. Chilson, Owner


Oren Andrew DuBois, Owner


Katherine E. Williams, Owner


Shirley C. DuBois, Owner


Ruth C. Wilhoit, Owner

By 
Attorney in Fact

RELEASE AND REVOCATION

OF

AGENCY

This Release and Revocation of Agency, made and entered into as of February 20th, 1976, between SHIRLEY C. DuBOIS, KATHRYN E. WILLIAMS, DORIS E. CHILSON, and RUTH C. WILHOIT, hereinafter called "Owners", and W. B. WILLIAMS, hereinafter called "Agent",

WITNESSETH:

WHEREAS, Owners own fourteen (14) patented mining claims in the Martinez Mining District, more particularly described in Exhibit A, attached hereto and made a part hereof, and together with water rights, extralateral rights, easements, and other rights appurtenant thereto are hereafter called "Mining Property";

AND WHEREAS, Owners authorized Agent to act on their behalf in documents signed by them on April 26, 1968, attached hereto as Exhibits B and C and incorporated herein, and have made other verbal or written agreements to Agent to allow him to act on their behalf in the sale or lease of the Mining Property;

AND WHEREAS, Agent claims to have performed various assay work on the Mining Property, to have contacted prospective buyers, and to have otherwise performed personal services on behalf of Owners in the sale or lease of the Mining Property, including participation in the execution of a Lease and Option between Owners and CAITHNESS CORPORATION on February ____, 1976, now held in escrow with Yavapai Title Company, 221 Cortez, Prescott, Arizona, (Escrow Number 600340).

NOW THEREFORE, the parties agree as follows:

1. Commission. As consideration for all services rendered by Agent to Owners in representing their interests in the Mining Property, and as for any commission claimed by Agent in the Lease and Option entered into between Owners and CAITHNESS CORPORATION, Owners hereby agree that Agent should be compensated as follows: that Agent, W. B. WILLIAMS, should receive a One-Forty-Eighth interest in the proceeds received in the Lease and Option entered into between Owners and CAITHNESS CORPORATION as such monies are paid into escrow by CAITHNESS CORPORATION under the terms of that agreement. This One-Forty-Eighth (1/48) interest shall be paid from the interests of SHIRLEY C. DuBOIS in the Mining Property, who for sufficient personal reasons, will be relinquishing a similar One-Forty-Eighth (1/48) interest to each of her sisters, DORIS E. CHILSON, KATHRYN E. WILLIAMS, and RUTH C. WILHOIT.

2. Relinquishment of Claims. Agent agrees to relinquish any claims against Owners for any commission in the sale or lease of the Mining Property to CAITHNESS CORPORATION or for any services rendered by him and representing the interests of Owners in the Mining Property or for managing the Mining Property on behalf of the Owners, for all services prior to the date of this agreement.

3. Revocation of Authority. Any authority given by Owners to Agent to act on their behalf for their interests in Mining Property, pursuant to Exhibits B and C, or given under any other oral or written agreement, is hereby revoked.

4. Payments from Escrow. Owners hereby agree to instruct

the Escrow Agent in the Lease and Option executed between them and CAITHNESS CORPORATION, to distribute all proceeds paid by CAITHNESS for use or sale of the Mining Property, after first paying appropriate fees and costs, as follows:

- (a) One-Forty-Eighth (1/48) interest to W. B. WILLIAMS;
- (b) Sixteen-Forty-Eighths (16/48) or One-Third (1/3) interest to the estate of DAVID DuBOIS, deceased;
- (c) Sixteen-Forty-Eighths (16/48) or One-Third (1/3) interest to SHIRLEY C. DuBOIS;
- (d) Five-Forty-Eighths (5/48) interest to DORIS E. CHILSON;
- (e) Five-Forty-Eighths (5/48) interest to RUTH C. WILHOIT;
- (f) Five-Forty-Eighths (5/48) interest to KATHRYN E. WILLIAMS.

5. Default of Caithness Lease and Option. It is the intention of the parties that any monies agreed to be paid Agent shall be solely from the proceeds of the sale of the Mining Property to CAITHNESS CORPORATION pursuant to the Lease and Option executed by Owners, as monies are received in escrow, that the payment is contingent on the performance of that Lease and Option, and that the amounts to be paid are not separate or personal obligations of the Owners. In the event that CAITHNESS CORPORATION defaults, suspends, or otherwise terminates the Lease and Option, or the Lease and Option is terminated by force majeure, as defined in Section 15. of the Lease and Option, or other cause not by Owners, and the payments in escrow are terminated, it is

further agreed that:

(a) Any authority previously granted Agent by Owners as to their interest in the Mining Property is nevertheless revoked as of the date of this agreement;

(b) Agent may keep his fractional share of the proceeds paid from escrow as consideration for services rendered Owners;

(c) Agent agrees to nevertheless relinquish any further claim against Owners for commission or services rendered in representing their interests in the Mining Property;

(d) Payments from the interests of SHIRLEY C. DuBOIS to other Owners are terminated.

6. Inurement. The terms, provisions, covenants and agreements herein contained shall extend to, be binding upon, and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Release and Revocation of Agency as of February 20th, 1976.

W. B. Williams
W. B. Williams, Agent

Shirley C. DuBois
Shirley C. DuBois, Owner

Kathryn E. Williams
Kathryn E. Williams, Owner

Doris E. Chilson
Doris E. Chilson, Owner

Ruth C. Wilhoit
Ruth C. Wilhoit

BY Shirley C. Du Bois
Attorney-in-fact

STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this
20th day of February, 1976, by SHIRLEY C. DuBOIS, KATHRYN E.
WILLIAMS, DORIS E. CHILSON.

Joanne Williard
Notary Public

My Commission Expires:
June 2, 1978

STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this
20th day of February, 1976, by SHIRLEY C. DuBOIS, as Attorney-in-
Fact, on behalf of RUTH C. WILHOIT.

Joanne Williard
Notary Public

My Commission Expires:
June 2, 1978

EXHIBIT "A"

Fourteen patented lode mining claims located in the Weaver Mining District, sometimes called Martinez Mining District, Yavapai County, Arizona, more particularly described as follows:

"Fraction" (also known as "Fractional") Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 43, known as Mineral Certificate No. 194, and described in Patent No. 18637, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona in Book 30 of Deeds at page 497, records of Yavapai County.

"Why Not" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 42, known as Mineral Certificate No. 193, and described in Patent No. 18636, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at page 493, records of Yavapai County.

"Mosouri" (also known as "Missouri") Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 41, known as Mineral Certificate No. 192, and described in Patent No. 18635, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at page 488, records of Yavapai County.

"Niagara" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 40A, known as Mineral Certificate No. 191, and described in Patent No. 18634, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at page 484, records of Yavapai County.

"Congress" (also known as "Congress Mine") Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 38, known as Mineral Certificate No. 189, and described in Patent No. 18632, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds, at page 476, records of Yavapai County.

"Queen of the Hills" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 39, known as Mineral Certificate No. 190, and described in Patent No. 18633, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at page 480, records of Yavapai County.

"Excelsior" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 44, known as Mineral Certificate No. 218, and described in Patent No. 21242, dated May 11, 1892, recorded February 14, 1894, in the office of the County Recorder of Yavapai County, Arizona, in Book 33 of Deeds at page 620, records of Yavapai County.

"Ohio" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1190, known as Mineral Certificate No. 288, and described in Patent No. 27181, dated June 23, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 107, records of Yavapai County.

"Rich Quartz" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1192, known as Mineral Certificate No. 291, and described in Patent No. 27182, dated June 23, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 97, records of Yavapai County.

"Golden Eagle" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1191, known as Mineral Certificate No. 289, and described in Patent No. 27227, dated July 3, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 100, records of Yavapai County.

"Incline" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1193, known as Mineral Certificate No. 290, and described in Patent No. 27228, dated July 3, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 94, records of Yavapai County.

"Old State" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1189, known as Mineral Certificate No. 287, and described in Patent No. 27441, dated October 6, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 110, records of Yavapai County.

"Snow Storm" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1188, known as Mineral Certificate No. 285, and described in Patent No. 27870, dated February 26, 1897, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 104, records of Yavapai County.

"Golden Thread" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1352, known as Mineral Certificate No. 369, and described in Patent No. 31956, dated January 17, 1900, recorded March 26, 1901, in the office of the County Recorder of Yavapai County, Arizona, in Book 54 of Deeds at page 104, records of Yavapai County.

EXCEPTING the following right, title and interest in and to said mining claims:

1. The surface of said mining claims to a depth of forty feet immediately beneath the surface, including all improvements, mine dumps and tailing dumps located thereon.
2. The right to any underground water developed or to be developed in said mining claims, to the extent such water is required by First Parties in Deed recorded in Book 189 of Deeds, page 364, their heirs, legal representatives, successors and assigns, in any mill or metallurgical operation being conducted on the surface of said mining claims, including the right at all

times to enter any and all underground workings and to install, operate and maintain therein pumps, pipes, power lines and other facilities for the purpose of delivering said water to the surface, provided that in so doing it does not unduly interfere with, hinder or impede the mining or development operations of Second Party in Deed recorded in Book 189 of Deeds, page 364; and provided further that to the extent water is available in said mining claims, or is pumped to the surface thereof, in excess of the said requirements of said First Parties, their heirs, legal representatives, successors and assigns, said Second Party shall be entitled to the use thereof.

April 26, 1968
We the undersigned, as owners
of the Congress Mine, located in
the Martinez Mining District
Yavapai County in the State
of Arizona, authorize W. B. Williams
Box 131, Clarkdale, Az., as sole
Agent and Representative for our
interests in the Congress Mine.

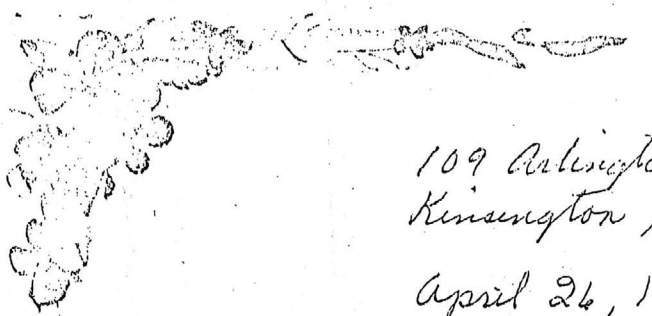
Shirley C. Williams
signed

Katherine E. Williams
signed

Dois E. Williams
signed

E X H I B I T

"B"



109 Arlington Ave
Kinsington, Calif
94707

April 26, 1968

I hereby authorize Bennett
Williams to act in my
behalf, in writing a
lease on The Congress Mine.

Ruth C. Walcott

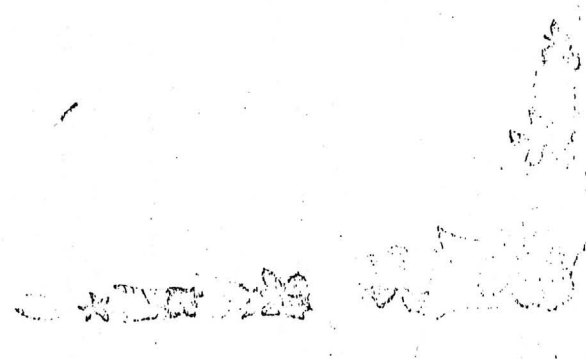


EXHIBIT "C"



7976"

POLICY OF TITLE INSURANCE

ISSUED BY

Arizona Title Insurance and Trust Company

SUBJECT TO SCHEDULE B AND THE CONDITIONS AND STIPULATIONS HEREOF, ARIZONA TITLE INSURANCE AND TRUST COMPANY, an Arizona corporation, herein called the Company, insures the insured, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the amount of insurance stated in Schedule A, and costs, attorney's fees and expenses which the Company may become obligated to pay hereunder, sustained or incurred by said insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on such title;
3. Unmarketability of such title; or
4. Any lack of the ordinary right of an abutting owner for access to at least one physically open street or highway if the land, in fact abuts upon one or more such streets or highways;

and in addition, as to an insured lender only:

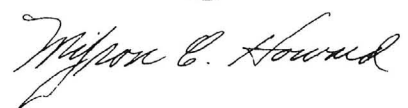
5. Invalidity of the lien of the insured mortgage upon said estate or interest except to the extent that such invalidity, or claim thereof, arises out of the transaction evidenced by the insured mortgage and is based upon
 - a. usury, or
 - b. any consumer credit protection or truth in lending law;
6. Priority of any lien or encumbrance over the lien of the insured mortgage, said mortgage being shown in Schedule B in the order of its priority; or
7. Invalidity of any assignment of the insured mortgage, provided such assignment is shown in Schedule B.

In Witness Whereof, Arizona Title Insurance and Trust Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers, on the date shown in SCHEDULE A.



Arizona Title Insurance and Trust Company

BY  PRESIDENT

ATTEST  SECRETARY

SCHEDULE A

Amount \$ 21,600.00

Policy No. 31059-T(E)

Effective Date: September 14, 1976 at 2:55 o'clock P.M.
Fee No. 12169.

INSURED

DAVID C. DuBOIS and KATHRYN E. DuBOIS

1. Title to the estate or interest covered by this policy at the date hereof is vested in:

DAVID C. DuBOIS and KATHRYN E. DuBOIS, husband and wife, as joint tenants with rights of survivorship.

2. The estate or interest in the land described or referred to in this Schedule covered by this policy is:

FEE

3. The land referred to in this policy is situated in Coconino County, Arizona, and is described as:

LOT 208, MOUNTAINAIRE UNIT ONE, as shown on the plat thereof recorded in Case 1, Map 87, records of Coconino County, Arizona.

SCHEDULE B

This policy does not insure against loss or damage, nor against costs, attorneys' fees or expenses, any or all of which arise by reason of the following:

Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water.
6. Any right, title, interest, estate or easement in land beyond the lines of the area specifically described or referred to in Schedule A or in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing in this paragraph shall modify or limit the extent to which the ordinary right of an abutting owner for access to a physically open street or highway is insured by this policy.
7. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
8. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records.
9. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not shown by the public records and not otherwise excluded from coverage but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had been a purchaser or encumbrancer for value without knowledge.

SCHEDULE B

Part Two:

1. 1976 taxes, a lien, now due and payable.
2. Restrictions in instrument recorded May 24, 1960 in Docket 156, page 166.
3. Restrictions in instrument recorded June 15, 1959 in Docket 139 of Official Records, pages 217-218; and amended in Docket 157, pages 41-43.
4. An easement for public utilities and drainage as more particularly set forth in instrument recorded in Case 1, Map 87.
5. A Deed of Trust given to secure an indebtedness of \$17,000.00, and any other amounts payable under the terms thereof, dated November 15, 1973, recorded November 21, 1973 in Docket 488, pages 707-710, records of Coconino County, Arizona.
TRUSTOR: Harold Baldwin and Dolores J. Baldwin, husband and wife.
TRUSTEE: Arizona Title Insurance and Trust Company, an Arizona corporation.
BENEFICIARY: James B. Nutter & Company, a Missouri corporation.

Said Deed of Trust was Assigned to First Federal Savings and Loan Association of Manatee County by instrument recorded February 7, 1974 in Docket 496, page 245.
6. A Mortgage executed by David C. DuBois and Kathryn E. DuBois, husband and wife, Mortgagors, to Emily Mangiapane, a single woman, Mortgagee, given to secure an indebtedness in the principal sum of \$2,000.00, dated August 30, 1976, recorded September 14, 1976 in Docket 602, pages 29-30, records of Coconino County, Arizona.
(Not to be insured)

OWNER'S INFLATION PROTECTION ENDORSEMENT

ATTACHED TO POLICY NO. 31059-T(E)

ISSUED BY

Arizona Title Insurance and Trust Company

The Company, recognizing the current effect of inflation on real property valuation and intending to provide additional monetary protection to the Insured Owner named in said Policy, hereby modifies said Policy as follows:

1. Notwithstanding anything contained in said Policy to the contrary, the amount of insurance provided by said Policy, as stated in Schedule A thereof, is subject to cumulative annual upward adjustments in the manner and to the extent hereinafter specified.
2. "Adjustment Date" is defined, for the purpose of this Endorsement, to be 12:01 a.m. on the first January 1 which occurs more than six months after the Date of Policy, as shown in Schedule A of the Policy to which this Endorsement is attached, and on each succeeding January 1.
3. An upward adjustment will be made on each of the Adjustment Dates, as defined above, by increasing the maximum amount of insurance provided by said Policy (as said amount may have been increased theretofore under the terms of this Endorsement) by the same percentage, if any, by which the United States Department of Commerce Composite Construction Cost Index (base period 1967) for the month of September immediately preceding exceeds such Index for the month of September one year earlier; provided, however, that the maximum amount of insurance in force shall never exceed 150% of the amount of insurance stated in Schedule A of said Policy, less the amount of any claim paid under said Policy which, under the terms of the Conditions and Stipulations, reduces the amount of insurance in force. There shall be no annual adjustment in the amount of insurance for years in which there is no increase in said Construction Cost Index.
4. In the settlement of any claim against the Company under said Policy, the amount of insurance in force shall be deemed to be the amount which is in force as of the date on which the insured claimant first learned of the assertion or possible assertion of such claim, or as of the date of receipt by the Company of the first notice of such claim, whichever shall first occur.
5. This Endorsement shall be effective only if at Date of Policy there is located on the land described in said Policy, one single family residential structure or a residential condominium unit in which the Insured Owner resides or intends to reside.

Nothing herein contained shall be construed as extending or changing the effective date of said Policy.

This Endorsement is made a part of said Policy and is subject to the schedules, conditions, stipulations and exclusions therein, except as modified by the provisions hereof.

Dated September 14, 1976

Arizona Title Insurance and Trust Company

BY: Larry Kontz

Larry Kontz



Land Title Association of Arizona

Endorsement No. _____

ATI 6032

ADDITIONAL PROTECTION ENDORSEMENT

FOR

HOME OWNERS

ATTACHED TO POLICY NO. 31059-T(E)

ISSUED BY

Arizona Title Insurance and Trust Company

1. This Endorsement shall be effective only if at Date of Policy there is located on the land described in said Policy one single family residential structure, in which the Insured Owner resides or intends to reside. For the purpose of this Endorsement the term "residential structure" is defined as including the principal dwelling structure located on said land and all improvements thereon related to residential use of the property, except plantings of any nature and except perimeter fences and perimeter walls.
2. The Company hereby insures the Insured Owner of the estate or interest described in Schedule A against loss or damage which the Insured Owner shall sustain by reason of:
 - a. The existence at Date of Policy of any of the following matters:
 - (1) lack of a right of access from said land to a public street;
 - (2) any taxes or assessments levied by a public authority against the estate or interest insured which constitute liens thereon and are not shown as exceptions in Schedule B of said Policy;
 - (3) any unrecorded statutory liens for labor or material attaching to said real estate or interest arising out of any work of improvement on said land in progress or completed at Date of Policy, except a work of improvement for which said Insured Owner has agreed to be responsible;
 - b. The enforced removal of said residential structure or interference with the use thereof for ordinary residential purposes based upon the existence at Date of Policy of:
 - (1) any encroachment of said residential structure or any part thereof onto adjoining lands, or onto any easement shown as an exception in Schedule B of said Policy, or onto any unrecorded subsurface easement;
 - (2) any violation of any enforceable covenants, conditions or restrictions affecting said land and shown in Schedule B;
 - (3) any violation of applicable zoning ordinances, but this Endorsement does not insure compliance with, nor is it in any way concerned with, building codes or other exercise of governmental police power;

The total liability of the Company under said Policy and all Endorsements attached thereto shall not exceed, in the aggregate, the amount of said Policy and costs which the Company is obligated under the conditions and stipulations thereof to pay; and nothing contained herein shall be construed as extending or changing the effective date of said Policy.

This Endorsement is made a part of said Policy and is subject to the schedules, conditions, stipulations, and exclusions therein, except as modified by the provisions hereof.

Dated September 14, 1976

Arizona Title Insurance and Trust Company

BY: Larry Kontz
Larry Kontz



Land Title Association of Arizona
Endorsement No. _____

RESTRICTIONS covering MOUNTAINAIRE UNIT ONE, in Docket 156, Page 166, which recite as follows:

KNOW ALL MEN BY THESE PRESENTS:

That G. HAROLD BROWN and NANCY L. BROWN, husband and wife, being the owners of all of the following described premises, situated within the County of Coconino, State of Arizona, to-wit:

Lots One (1) through Two Hundred Forty Nine (249) inclusive, MOUNTAINAIRE UNIT ONE according to the plat of record in the office of the County Recorder of Coconino County, Arizona, recorded in Case 1 of Maps, Map 87, May 24, 1960

and desiring to establish the nature of the use and enjoyment thereof, does hereby declare said premises subject to the following express covenants, stipulations and restrictions as to the use and enjoyment thereof, all of which are to be construed as restrictive covenants running with the title to said premises and with each and every part and parcel thereof, to-wit:

1. Lots Fifty Two (52) through One Hundred (100) in said MOUNTAINAIRE UNIT ONE, being all the lots that join the right of way of the Southwest Lumber Company Railway are restricted as follows:

- (a) No structure shall be erected closer than One Hundred feet (100') from the centerline of said Southwest Lumber Company Railway. "Structure" shall include gas meters, liquified gas tanks and accessories and bottled gas installation of every kind. The inclusion of the aforesaid items as structures shall not otherwise limit the meaning of the said word "structure".
- (b) No trees larger than Six Inches (6") in diameter shall be removed from the rear Seventy Five Feet (75') of said lots without permission of the Ponderosa Land and Investment Co.
2. All lots in said MOUNTAINAIRE UNIT ONE shall be known and described as single-family residential lots. No lots shall be used for commercial or industrial purposes.
3. No structure shall be erected, altered, placed or permitted to remain on any of said residential lots other than one detached single-family dwelling or cabin and a private garage.
4. No dwelling house or cabin, having less than 480 square feet of ground floor living area, exclusive of open porches, pergolas or attached garage, if any, shall be erected, permitted or maintained on any said residential lots.
5. No bill boards or advertising signs of any kind or character shall be erected, placed, permitted or maintained on any said residential lots or on any buildings erected thereon, other than one sign not larger than 18 inches by 18 inches, indicating that the property is

RESTRICTIONS covering MOUNTAINAIRE UNIT ONE, (continued)

for sale or for rent, with wording limited to "For Sale" or "For Rent", and the name and address and telephone number of the owner or agents; and the words "Inquire Within"; provided, however, that the subdividers and their agents may erect and maintain signs advertising the sale of lots in said subdivision.

6. On none of the said residential lots shall a hotel, lodging house, apartment house, or commercial building of any kind or nature whatsoever be erected, nor shall any of said residential lots be used for commercial purposes of any kind whatsoever.

7. All buildings shall be located in conformance with the terrain as nearly as possible; provided, that no dwelling on any residential lot shall be located nearer than 15 feet to the front property line, nor nearer than 5 feet to any side street line or side property line, except with the written approval of Ponderosa Land and Investment Co. No dwelling, detached garage or other building shall be located nearer than 5 feet to any rear lot line. For the purpose of these conditions, any parcel under one ownership, incorporating parts of two adjoining lots, or all of one lot and a part or parts of adjoining lots, shall be deemed to be a single lot.

8. None of said residential lots shall be re-subdivided into smaller lots nor conveyed or encumbered in less than the full original dimension of such lot as shown by the plat of MOUNTAINAIRE UNIT ONE, except for public utilities; provided, that this restriction shall not prevent the conveyance or encumbrance of adjoining or contiguous lots or parts of lots in such a manner as to create parcels of land in a common ownership having the same or a greater street frontage than the street frontage of lots as shown on the plat of MOUNTAINAIRE UNIT ONE. Thereafter, such parts of adjoining or contiguous lots in such common ownership, shall, for the purposes of these restrictions, be considered as one lot. Nothing herein contained shall prevent the dedication or conveyance of portions of lots for public utilities, in which event the remaining portion of such lots shall, for the purpose of these provisions, be treated as a whole lot.

9. Plans, including architectural designs, dimensions and class of materials to be used for the proposed structures, must be submitted to, and have the approval of Ponderosa Land and Investment Co., an Arizona Partnership, before any construction is undertaken. The following are minimum requirements and guides to types of approved constructions;

(a) The plans will include design and class of materials to be used. This will involve floor plans, a perspective sketch, or simple front and side elevation and construction details for foundation, sills, size and spacing of floor joists, framing, roof pitch, size and spacing of rafters, electrical wiring, flue construction, etc.

(b) Simplicity of architectural design, good proportions and an appearance of naturalness to the forest setting, are desired in the completed structure. Ornate, elaborage, pretentious or showy structures, or parts thereof, will be unacceptable.

RESTRICTIONS covering MOUNTAINAIRE UNIT ONE, (continued)

(c) Exterior walls and porches may be of, but are not limited to, masonry construction, peeled logs, either round, sawed or hewed; hand split shakes, or burnt adobe; log siding; edged, peeled slabs; rough lumber or siding; or native stone. The use of corrugated iron or tar paper exteriors will not be approved.

(d) Masonry fireplace chimneys must extend to a solid ground foundation with adequate footing, and must be of fireproof construction, lined with flue tile or fire brick. All exposed surfaces must be in keeping with the exposed building foundations, and spark arrestors shall be installed on the chimneys. The roofs of all buildings shall be kept clear of leaves and other inflammable material, other chimneys shall have proper covers to make them safe from disgorging sparks and inflammable material.

(e) All plumbing, including but not limited to toilets, bathing facilities, sinks and kitchen facilities shall be of the modern inside-type, connected to inside connections below the surface of the ground and to a septic tank with an adequate leach drainage line below the surface. No outhouses or privies shall be allowed.

10. No structures of any kind shall be erected on the easements reserved for public utilities. "Structure" shall include gas meters, liquified gas tanks and accessories and bottled gas installations of every kind. The inclusion of the aforesaid items as structures shall not otherwise limit the meaning of the said word "structure".

11. Covered metal containers will be required for the storage of garbage and refuse pending removal and disposal. Garbage and refuse will be disposed of in accordance with state sanitary regulations.

12. No hogs, pigs, cattle or fowl shall be kept on any of the lots of this subdivision.

13. No temporary house, trailer, tent, garage or other outbuilding shall be placed or erected on the lot, and the work of constructing any dwelling or cabin, once commenced, shall be prosecuted diligently from the commencement thereof until completion.

14. It is expressly understood and agreed that the said MOUNTAINAIRE UNIT ONE has been platted and laid out as a choice and attractive mountain residential district, that a commercial area is proposed adjacent hereto, and that these covenants and restrictions are made for the benefit of the lots herein described, and are to run with the land and shall inure to the benefit of and be binding on all of said lots until May 1, 1980, at which time such covenants shall be automatically extended for successive periods of five years each, unless by a majority vote of the then individual property owners, it is agreed to change the said covenants in whole or in part.

15. If any person shall violate or attempt to violate any of the covenants or restrictions herein before May 1, 1980, or such time later as may be set up by the provisions of the paragraph preceding this one, it shall be lawful

RESTRICTIONS covering MOUNTAINAIRE UNIT ONE, (continued)

for any person or persons owning any other lots in said development or subdivision to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants or restrictions and either to prevent him or them from so doing or to recover damages or other dues for such violation.

Violation of these restrictive covenants, or any one or more of them, shall not, however, affect the lien of any mortgage now of record or which hereafter may be placed of record upon said lots, or any part thereof.

16. Should any of the covenants or stipulations herein be held invalid or void, such invalidity or voidness of any of the covenants shall not affect the remainder of the instrument or any valid covenants herein contained.

DEED AND GRANT OF EASEMENT AND RESTRICTION

For and in consideration of Ten Dollars (\$10.00) and other valuable considerations, I, FRANK E. PATTON, a single man, do hereby grant and convey to SOUTHWEST LUMBER MILLS, INC., a corporation, a permanent easement and right of way upon and across the following described real property, as follows:

The easement and right-of-way shall be a width of fifty (50) feet, with same consisting of twenty-five (25) feet on each side of the center line of the presently existing logging railroad tracks upon and across:

The Southeast Quarter (SE 1/4) of Section Twenty-eight (28) and the North Half of the Southwest Quarter (N 1/2 SW 1/4) of Section Twenty-eight (28) and the West Half of the Northwest Quarter (W 1/2 NW 1/4) of Section Twenty-eight (28) of Township Twenty (20) North, Range Seven (7) East, Gila and Salt River Base and Meridian, Coconino County, Arizona.

I, FRANK E. PATTON, a single man, as present owner of any and all right, title and interest in and to the above described real property, do hereby place the following restriction upon said property in conjunction with, and as part and parcel of the herein granted easement and right-of-way, wherein said property shall be restricted as to construction of any and all buildings or structures within the distance of one hundred (100) feet of the sidelines of said easement and right-of-way.

The rights, grants and restrictions herein contained shall run to the benefit of SOUTHWEST LUMBER MILLS, INC., a corporation, its grantees, assigns and successors in interest, and may be enforced by same by any and all remedies at law or equity, and any and all benefits accruing by reason hereof shall be constructed as covenants running with the land and binding upon the grantees, assigns, heirs, devisees or successors in interest of the undersigned.

BOOK 139 PAGE 217

DATED this 5th day of June, 1959.

Frank E. Patton
Frank E. Patton

STATE OF ARIZONA)
 : ss.
County of Coconino)

On this the 5th day of June, 1959, before me,
the undersigned officer, personally appeared FRANK E. PATTON, a
single man, known to me (or satisfactorily proven) to be the person whose
name is subscribed to the within instrument, and acknowledged that he
executed the same for the purpose therein contained.

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

Frank E. Patton
Notary Public

My Commission Expires:
My Commission Expires July 29, 1961

No. 4450
RECORDED AT REQUEST OF Land Title & Trust Co.
June 15th A.D. 1959 At 4:00 P.M.
139 217-218
County Records of Coconino County, Ariz.
Ledna Mae Thornton County Recorder
By Richard A. Drake Deputy

RECORDED
JUN 2 1960

SOUTHWEST FOREST INDUSTRIES, INC.
17114-0780

QUITCLAIM DEED

THIS INDENTURE, Made this 1st day of June 1960
between SOUTHWEST FOREST INDUSTRIES, INC., a Nevada
corporation, First Party, and G. HAROLD BROWN and NANCY
L. BROWN, his wife, Second Parties,

WITNESSETH:

WHEREAS, on or about June 5, 1959, one Frank E.
Patton, a single man, granted and conveyed to Southwest
Lumber Mills, Inc., now Southwest Forest Industries, Inc.,
a permanent easement and right-of-way upon and across the
following described property:

The Southeast Quarter (SE $\frac{1}{4}$) of Section
Twenty-eight (28) and the North Half
of the Southwest Quarter (N $\frac{1}{2}$ SW $\frac{1}{4}$) of
Section Twenty-eight (28) and the West
Half of the Northwest Quarter (W $\frac{1}{2}$ NW $\frac{1}{4}$)
of Section Twenty-eight (28) of Town-
ship Twenty (20) North, Range Seven
(7) East, Gila and Salt River Base and
Meridian, Coconino County, Arizona.

WHEREAS, said instrument restricted the use of
said lands within the distance of one hundred (100) feet
of the sidelines of said easement and right-of-way; and

WHEREAS, said Deed and Grant of Easement and
Restriction was recorded June 15, 1959, in Book 139 of
Official Records at pages 217-218, Records of Coconino
County, Arizona; and

RECEIVED
JUN 2 1960

THE SOUTHWEST FOREST INDUSTRIES, INC.
MEMPHIS

WHEREAS, First Party proposes and does intend hereby to relinquish and release to the Second Parties a portion of the restrictive covenant contained in said Deed and Grant of Easement and Restriction;

NOW, THEREFORE, in consideration of the sum of Ten (\$10.00) Dollars and other valuable consideration, the receipt whereof are hereby acknowledged, First Party has remised, released and quitclaimed, and does by these presents, remise, release and quitclaim, unto the Second Parties, their heirs and assigns, a sufficient portion of the land and real property heretofore restricted so that the said restriction shall extend to and include only seventy-five (75) feet on either side of the easement and right-of-way, and so that hereafter the real property adjoining said easement hereinabove described shall be restricted in that no structures or buildings shall be erected, constructed, placed, or maintained within the distance of seventy-five (75) feet of the side lines of said easement and right-of-way.

IN WITNESS WHEREOF, The First Party has caused this instrument to be executed the day and year first above written.

SOUTHWEST FOREST INDUSTRIES, INC.

By

E. R. 37

Its Vice President

ATTEST:

John H. [Signature]
Secretary

JUN 2 1960

STATE OF ARIZONA)
COUNTY OF MARICOPA) ss.

On this, the 17 day of May 1960, before me,
the undersigned officer, personally appeared Charles
and [unclear], who
acknowledged themselves to be the Vice President
and [unclear], respectively, of SOUTHWEST
FOREST INDUSTRIES, INC., a Nevada corporation, and that
they, as such officers, being duly authorized so to do,
executed the foregoing instrument for the purposes there-
in contained, by signing the name of the corporation by
themselves as such officers.

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

NOTARY PUBLIC
JUN 1 1960

[Signature]
Notary Public

My Commission Expires:
[unclear]

4152

Booked at Office of Stevenson A. Babbitt
June 9th A.M. 11:20
in Book 157 Page 43
of Maricopa County, Arizona
By Edna Mae Thornton County Recorder
Edna A. Babbitt Deputy

LEASE AND OPTION

This Lease and Option, made and entered into as of December 31, 1975, by and between DAVID C. DUBOIS, OREN ANDREW DUBOIS, SHIRLEY C. DUBOIS, KATHRYN ELIZABETH WILLIAMS, RUTH C. WILHOIT and DORIS E. CHILSON, hereinafter called "Owners" and CAITHNESS CORPORATION, a Delaware corporation, licensed to transact business in Arizona, hereinafter called "Caithness", and acting as nominee and manager of Congress Joint Venture.

W I T N E S S E T H:

WHEREAS, Owners represent that in the Weaver, sometimes known as Martinez Mining District, they own fourteen (14) patented mining claims, more particularly described in Exhibit A, attached hereto and made a part hereof, subject only to rights and interests in said mining claims more fully set forth in the exceptions following the listing of said mining claims in Exhibit A attached hereto. Said mining claims together with water rights, extralateral rights, easements, and other rights appurtenant thereto, are hereinafter called the "Mining Property".

WHEREAS, Caithness desires to obtain a lease with an option to purchase said Mining Property and Owners are willing to grant Caithness a lease and option to purchase said Mining Property upon the terms and conditions hereinafter set forth.

NOW THEREFORE, the parties agree as follows:

Section 1. Lease and Option.

Owners, for and in consideration of payment of Three Thousand Dollars (\$3000) by Caithness, the receipt whereof is hereby acknowledged, and for and in consideration of the covenants and agreements of Caithness hereinafter set forth

do hereby lease and grant unto Caithness, its successors and assigns, until July 1, 1986, or such earlier date as the full purchase price is paid, the sole and exclusive right, privilege and option to purchase for the price and upon the terms and conditions hereinafter set forth, all of the Mining Property.

Owners warrant that they are the owners of the Mining Property together with water rights, extralateral rights and easements appurtenant thereto subject only to the exceptions listed in Exhibit A following the description of said patented mining claims.

Section 2. Term of Lease.

The term of this Lease and Option, unless sooner forfeited, cancelled, terminated or surrendered as hereinafter provided, shall be to and including July 1, 1986.

Section 3. Purchase Price.

The purchase price for which Owners agree to sell the Mining Property is the sum of Five Hundred Thousand Dollars (\$500,000.00), lawful money of the United States, payable without interest in the following installments:

\$3000.00 mentioned in Section 1 hereof, the receipt of which by Owners is hereby acknowledged;
\$5000.00 on July 1, 1976;
\$500.00 on the first day of August, 1976 and the first day of each month thereafter to and including June 1, 1986; and,
\$432,500.00 on July 1, 1986.

The foregoing obligation to pay periodic installments is in lieu of any work requirement; but if Caithness, at its election, does exploit and process any ores from the Mining Property, the royalties payable under Section 6 shall be credited against installments on the purchase price as provided in Section 8. Anything in this Lease and Option to the contrary notwithstanding the total amount paid to Owners by Caithness under the Lease and Option, including royalties and installments under this Section 3, shall in no event exceed

Five Hundred Thousand Dollars (\$500,000.00). Caithness shall have the option, without penalty, to prepay at any time the remaining installments of the purchase price.

Section 4. Possession and Control of Mining Property.

Caithness shall have, and it is hereby given and granted, the right to enter into and take over immediately the sole and exclusive possession and control of the Mining Property and the whole and every part thereof, and to investigate, explore, measure, sample, examine, test, develop, work, mine, leach, operate, use, manage and control the same and the water and water rights appurtenant thereto; and to mine, leach, extract and remove from the Mining Property the ores and minerals therein and appurtenant and belonging thereto, either from workings on the mining claims included in the Mining Property or from workings from other property owned or controlled by Caithness, and to treat, mill, ship, sell or otherwise dispose of the same and receive the full proceeds therefrom; to erect, construct, use and maintain thereon and therein such roads, buildings, structures, machinery and equipment as may be required by Caithness for the conduct of its exploration, development, mining, leaching and milling operations; to remove ores, waste, air, water and materials therefrom, and to carry on its general mining (including leaching) operations pertaining to said mining claims by means of underground or open pit mining operations, by means of leaching, including leaching in place, and by means of shafts or open pit mining or leaching operations in other properties and on the surface of or through the shafts, open pit and other workings of the mining claims leased hereunder, and to use any part of the Mining Property for any purposes incident to open pit, underground mining and leaching operations conducted wholly or partly on the Mining Property.

Section 5. Entry, Manner of Work and Conformity to Laws.

Caithness agrees that it will cause all work, development, and mining to be done in a careful and minerlike manner and conform in all respects to the mining laws and regulations of the State of Arizona.

Section 6. Royalties.

Caithness agrees to pay as royalties on all ores, minerals and other products mined and removed from the mining claims leased hereunder, during the term hereof or until the full purchase price hereunder shall have been paid to Owners, an amount equal to ten percent (10%) of the net smelter returns received by Caithness from the sale or disposal thereof.

"Mined and removed" as used in this Section 6 shall include minerals recovered by leaching ores and other materials in place in the Mining Property, by leaching such materials after they have been mined or extracted from the Mining Property, or by leaching the waste material resulting from the treatment of ores from the Mining Property. Such payments will be made to the Escrow Agent appointed in Section 20 hereof.

Section 7. Definition of Net Smelter Returns.

Net smelter returns shall be all sums paid Caithness for the value of the ores, concentrates or other products by smelter or other party purchasing said minerals after deducting all costs of hauling from the Mining Property, freight, reduction and treatment costs, brokerage and other selling expenses of the minerals and all production, ad valorem, severance, transaction and other taxes levied upon the ore or upon production of said mineral products. With respect to ad valorem taxes, it is recognized that because of time lag in assessment of these taxes, deductions of these taxes are impossible prior to the

time royalty shall be due. Caithness shall estimate, to the best of its ability, amounts of ad valorem taxes to become due and accrue such amounts in special records. On determination and payment of the amounts due, adjustments in accounts shall be made accordingly and complete and correct accounting of such action shall be furnished to Owners.

Section 8. Royalty Settlements.

(a) Royalty herein provided shall be paid by Caithness on or before the last day of the calendar month with respect to ore from the Mining Property sold by Caithness during the immediately preceding calendar quarter. Each royalty payment shall be accompanied by a statement showing in detail the computation of the amount of said payment.

(b) Caithness agrees that it will keep in accordance with generally accepted accounting practices, accurate and detailed accounting records of all mining, processing, sales and other related data and information reasonably required to accurately and precisely determine the royalties due hereunder, and Owners shall have the right, at their expense, to have such accounting records audited, at the office where such records are maintained, at reasonable intervals by an independent public accounting firm, for the purpose of verifying the correctness of royalty payments made hereunder; provided that inasmuch as such accounting records will contain confidential business information of Caithness, the auditing firm shall be bound not to disclose any information therein contained other than to advise Owners of its conclusion as to the correctness of the royalty payments to Owners; and provided, further, that if fraud, gross error, or willful miscalculation or omission is found by such an audit made for Owners, then the expense of that audit shall be borne by Caithness. In the event Owners'

auditors shall not be satisfied as to the correctness of the royalty payment made hereunto and after thoroughly reviewing the matter such auditor and Caithness are unable to resolve their agreement as to the proper determination as to amount of such payment, then Owners will on a "need to know" and confidential basis be permitted access to the pertinent information in Caithness' accounting records required for the resolution of the disagreement. Except as otherwise provided in Section 8(c), royalty payments will be conclusively deemed to have been truly and correctly made, if no exception and claim for adjustment is made, with respect to the particular payment involved, by written notice, stating the claim with particularity, given to the other party hereunder within twelve (12) months after Owners are furnished the accountant's certified statement provided for in the next following paragraph of this subsection 8(b), covering (and containing the actual rather than the estimated amount of the applicable taxes) the month with respect to which such payment was made.

On or before March 1st of each year, Caithness will, if production was had from the Mining Property during the next preceding year, at its expense, have an independent public accounting firm furnish to Owners a certified statement giving the accountant's computation by calendar quarter of royalties due Owners for the next preceding calendar year, and if royalties due Owners for the next earlier year, as shown on the certified statement for that year furnished Owners required an adjustment because they were based on estimates rather than actual taxes paid, then the certified statement will show these adjustments.

(c) If Owners believe that Caithness has failed to pay

royalties to them on ores owned by them by virtue of extralateral rights of the Mining Property in veins apexing within the vertical boundaries of the Mining Property that dip beyond said vertical boundaries, or if Caithness advises Owners that certain ores within the vertical boundaries of the Mining Property are not subject to payment of royalties herein because said ores are owned by others or by Caithness by reason of veins of claims outside the Mining Property dipping into the Mining Property, and Owners dispute such failure to pay royalty on such ores, then Owners shall advise Caithness in writing of such dispute by a notice which shall specify the ores or veins the production from which Owners claim a royalty. Caithness shall not be liable to Owners for any royalties paid to third parties on ores exploited from said veins by Caithness prior to receiving said written notice of dispute. After receiving said written notice, Caithness shall then be entitled to exploit ores in said veins but shall maintain separate accounting records of said royalty due from production of said ores and shall pay into court in an interpleader action or other action to determine the ownership of said ores an amount at least equal to said royalties. Owners shall be entitled to payment of royalties and any interest earned on funds deposited in court, if Owners are successful in the litigation. If Owners are unsuccessful in the litigation, they agree to pay a reasonable attorney fee to the prevailing party and a reasonable attorney fee and other costs and expenses incurred by Caithness in connection with said action. Parties hereto agree to cooperate in requesting the court to receive royalties in dispute pending a determination of such litigation and to authorize the court to invest said funds in interest bearing securities with the understanding that the

prevailing party in the litigation shall be entitled to all interest earned on said investments.

(d) All royalty payments made to Owners pursuant to this Section 8 shall be applied on the purchase price of the Mining Property as provided in Section 3 hereof and credited upon the installment or installments of the purchase price next falling due pursuant to said Section 3.

Section 9. Commingling of Ores.

Ores mined from the Mining Property, hereinafter called "Lease Ores", may be commingled with other ores. Before such commingling takes place, the Lease Ores will be weighed or measured and sampled for moisture and metal content in accordance with sound mining and metallurgical practices by Caithness. Assays of these Lease Ores will be made before commingling to determine metal content. Detailed records will be kept by Caithness showing weights, moisture, assays of metal content and gross metal content of Lease Ores. From this information, an average grade of these Lease Ores will be calculated for the month. The average mill recovery for the month will be used to determine the amount of metals recovered in the concentrates. The average grade of all mill concentrates for the month will be used to determine the weight of concentrates from Lease Ores for the purpose of determining charges for transportation from the mine to the smelter, mill to smelter and smelter charges. Within thirty (30) days after the close of any calendar month in which Lease Ores are commingled with other ores, Caithness will furnish Owners a copy of the records that this Section 9 requires Caithness to maintain.

Section 10. Protection from Liens and Damages.

Caithness shall keep the Mining Property, 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 it on or for said property, or for the development or operation thereof under this Lease and Option 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 Caithness, in or upon said 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 property as the result of any work or operations of Caithness or its possession or occupancy of the Mining Property.

Section 11. Payment of Taxes.

Caithness shall pay when due and before delinquent all taxes (except for 1975 and prior years) upon the Mining Property falling due during the term of this Lease and Option 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, machinery and equipment placed upon said property by Caithness during the term of this Lease and Option. Caithness shall also pay all transaction, school excise and severance taxes on gross income from mining operations on the Mining Property assessed against the Mining Property under the laws of Arizona and other taxes of any kind, character or description levied or imposed during the term of this Lease and Option upon the ores, minerals, concentrates and products of ores produced, sold or otherwise disposed of by Caithness, and taxes levied against Caithness as an employer of labor, all such taxes to be paid promptly when due and before delinquent. In the case of taxes for the calendar year in which this Lease and Option ends, except when the termination is by the full payment of the purchase price, there shall be an apportionment

between the parties, Owners to bear the proportion of such taxes applicable to the part of the calendar year not included hereunder, and Caithness to bear the balance of such taxes; provided, however, Owners shall not be responsible for any portion of any taxes on machinery, equipment or improvements placed upon the Mining Property unless such machinery, equipment, or improvements shall be left upon said property and inure to the benefit of Owners.

Section 12. Insurance.

Caithness shall carry at all times during the term of this Lease and Option, workmen's compensation and other insurance required by the laws and mining regulations of the State of Arizona; provided, however, that Caithness may qualify as a self-insurer.

Section 13. Inspection.

The duly authorized representatives of Owners shall be permitted to enter on the Mining Property and the workings thereon of Caithness at all reasonable times for the purpose of inspection, but shall enter upon said Mining Property at Owners' own risk and so as not to hinder unreasonably the operations of Caithness; and Owners shall indemnify and hold harmless Caithness from any damage, claim or demand by reason of injury to or the presence of Owners, or their agents or representatives, or any of them, on said property or the approaches thereto.

Section 14. Installation of Plant.

Caithness agrees on or before January 1, 1977 to have installed and in operation a milling or leaching plant at a location that will permit the milling or leaching of ores from the Mining Property.

Section 15. Force Majeure.

If Caithness shall be unable, wholly or in part, by reason of force majeure to carry out the obligation under Section 14 hereof, it shall give to Owners prompt notice of the force majeure with reasonably full particulars thereof; thereupon, the performance of such obligation, so far as it is affected by such force majeure, shall be suspended during, but not longer than, the continuance of such force majeure. Caithness shall use all possible diligence to remove or remedy the force majeure as quickly as possible, except that it shall not be required to settle strikes, lockouts, or other labor difficulties contrary to its wishes. As used herein, the term "force majeure" shall mean an act of God, or of the public enemy, an act of any government, strike, lockout, other industrial disturbance, war, blockade, riot, accident, lightning, fire, flood, explosion, unavailability of equipment, epidemic, quarantine restriction, delay or interruption in transportation or any other cause (whether or not of a kind specifically mentioned herein) that is not reasonably within the control of Caithness. Notwithstanding the foregoing, the occurrence of force majeure shall not postpone or affect the obligations of Caithness to make payments to Owners as provided in Sections 3 and 6 at the times and in the amounts as therein provided and to pay taxes pursuant to Section 11 before they are delinquent.

Section 16. Default.

If at any time Caithness fails in any respect to comply fully with the terms and provisions of this Lease and Option, Owners may notify Caithness in writing of the matters in regard to which default is asserted, and if Caithness does not then initiate and diligently pursue steps to correct such

default within sixty (60) days from the date of the notice, and, in fact, correct such default within sixty (60) days, Owners may terminate this Lease and Option at any time thereafter during the continuance of such default by giving notice to Caithness and to the Escrow Agent of such election to terminate; provided, even though this be a lease and option and not a contract of purchase, that said termination shall be effective only after the lapse of time provided by Arizona Revised Statutes §§ 33-741 and 33-742 following the applicable grace period. Upon any termination pursuant to this Section 16, Caithness shall surrender possession of the Mining Property to Owners, and the Escrow Agent shall deliver to Owners the Relinquishment of Caithness held in escrow by it and Owners will retain all amounts previously paid on the purchase price as liquidated damages. Upon termination for default, all obligations of Caithness of any kind and description, including any liability for any payments under Section 3, then not due, due or past due, shall cease and terminate except any liability of Caithness to Owners for royalty pursuant to Section 6 and the obligation to pay taxes under Section 11 hereof.

Section 17. Removal of Equipment, Etc. by Caithness.

Caithness shall have, and it is hereby given and granted, six (6) months after a valid forfeiture, surrender or other termination of this Lease and Option, to remove from the Mining Property all warehouse stocks, merchandise, materials, tools, hoists, compressors, engines, motors, pumps, transformers, electrical accessories, metal or wooden tanks, pipes and connections, mine cars and any and all other machinery, trade fixtures and equipment erected or placed in or upon said property by it, together with all ore and other mineralized material broken by Caithness in the stopes or workings, except

mine timbers in place and permanent improvements. After a valid forfeiture, surrender or other termination of this Lease and Option, ore or mineralized material broken at the time of the execution of this Lease and Option shall not be removed by Caithness.

Section 18. Data.

Upon the full termination of this Lease and Option except by payment of the full purchase price or its surrender, Caithness agrees that it will, within a reasonable time but not to exceed six (6) months after such termination, deliver to Owners a copy of all drilling logs, portions of drill cores not used for testing, maps and other factual data which Caithness has prepared in connection with its exploration and development of the Mining Property under this Lease and Option; provided, however, Caithness shall have no liability on account of any such information received or acted on by Owners and provided, further, that Caithness shall have no obligation to deliver any information concerning leaching and other processes and techniques that Caithness deems confidential and proprietary.

Section 19. Memorandum of Lease and Option.

Contemporaneously herewith, Owners and Caithness have executed and delivered a Memorandum of Lease and Option having reference to this Lease and Option. Caithness may record said Memorandum of Lease and Option or this Lease and Option, or both, where mining leases and options are recorded, and elsewhere, as it may elect.

Section 20. Escrow.

Owners and Caithness hereby appoint the YAVAPAI TITLE COMPANY, Prescott, Arizona, their Escrow Agent to receive and distribute all payments on the purchase price and to deliver the

Deed or Relinquishment of Lease and Option to the party entitled hereunder to receive the same. The parties hereto agree that said Escrow Agent shall act in such capacity pursuant to Escrow Instructions executed contemporaneously herewith. Contemporaneously with the execution of this Lease and Option, Owners agree to execute a good and sufficient Mining Deed conveying the Mining Property. Said Mining Deed shall contain the warranties set forth in Section 1, and it will be placed in escrow with the Escrow Agent with instructions that the same be delivered to Caithness upon exercise of the option to purchase and payment of the full purchase price by Caithness as provided in Section 3 hereof, but, in the event of a termination of this Lease and Option for any other cause, said Mining Deed shall be returned to Owners. Caithness agrees that it will execute and place in escrow a good and sufficient Relinquishment of all of its interest under this Lease and Option with instructions to deliver the same to Owners in the event of the termination of this Lease and Option except by exercise of the option to purchase and payment of the full purchase price as provided in Section 3, in which event said Relinquishment shall be returned to Caithness.

Section 21. Payments.

Owners agree that Caithness shall make any and all payments, by check payable to the Escrow Agent named herein. On making said payments, Caithness shall be deemed to have made such payments to Owners, their heirs, executors, administrators and assigns, and, thereupon, Caithness shall be discharged to the extent thereof as if such payments had been made directly to Owners, or to any firm, person or corporation entitled thereto, and Caithness shall not be liable for the ultimate distribution or receipt of any such payment or payments.

Section 22. Easements.

Owners agree, during the term of this Lease and Option, to give and grant, if requested by Caithness, easements upon or over the Mining Property for the erection and construction of water lines, pipe lines and electrical power or transmission lines and roads.

Section 23. Notices.

All notices and other communications to Owners, Caithness or the Escrow Agent shall be in writing and sent by certified or registered mail, return receipt requested, addressed as hereinafter set forth. Any one of them may give notice to the other two of change of address by certified or registered mail, return receipt requested, which change of address so communicated shall thereafter be treated as the address of the party giving such notice. Notices shall be deemed delivered as of the date of mailing. Until a change of address is communicated as indicated above, all notices to Caithness shall be addressed:

Caithness Corporation
c/o Alan P. Colodny, Esq.
Layton & Sherman
50 Rockefeller Plaza
New York, New York 10020

and all notices to Owners shall be addressed:

Ronald C. Ramsey, Esq.
Wolfinger & Lutey, Ltd.
P. O. Box 1472
Cottonwood, Arizona 86326

and all notices to Escrow Agent shall be addressed:

Yavapai Title Company
221 Cortez
Prescott, Arizona 86301

A copy of any notice given by either party to the other shall also be sent to the Escrow Agent.

Section 24. Title Defects.

The preliminary title report of Lawyers Title Insurance Corporation imposes the following title requirements in order that title insurance may be obtained:

1. Proper showing as to the marital status of DAVID C. DUBOIS and SHIRLEY C. DUBOIS on June 15, 1960 and disposition of any matters disclosed thereby.
2. Proper showing that the lease and option granted to W. A. MURRAY in Book 93 of Official Records, page 552 has been terminated and cancelled.
3. Proper showing that the lease and option granted to JAQUAYS MINING CORPORATION in Book 121 of Official Records, page 403 and assigned to GLENDEL MINING CO., INC. in Book 163 of Official Records, page 278 has been terminated and cancelled.

Notwithstanding these defects, Owners have in Section 1 hereof warranted their title to the Mining Property. With respect to requirement No. 1 listed above, Owners, DAVID C. DUBOIS, OREN ANDREW DUBOIS and SHIRLEY C. DUBOIS, agree to institute probate proceedings in the matter of DAVID DUBOIS, deceased, and complete said proceedings with due diligence. Said Owners, jointly and severally, hold and save Caithness harmless from any claims that may be asserted by any parties claiming any interest in the Mining Property by, through or under DAVID DUBOIS, and further hold and save Caithness harmless from any charges, costs, attorneys fees, or liability that may be incurred by Caithness by reason of its reliance on the warranty of DAVID C. DUBOIS, OREN ANDREW DUBOIS and SHIRLEY C. DUBOIS that they own all the interest in the Mining Property formerly owned by DAVID DUBOIS.

With respect to requirements Nos. 2 and 3, all Owners, jointly and severally, hold and save Caithness harmless from

any claims that may be asserted by any parties by reason of the leases and options and other instruments mentioned in title requirements Nos. 2 and 3 listed above, and further agree to hold and save Caithness harmless from any costs, expenses, attorneys' fees and liability that Caithness may incur by reason of reliance on the warranty of Owners. Owners agree, at their expense, to commence and prosecute with due diligence, a quiet title suit in order to clear title to the Mining Property of the defects mentioned in requirements Nos. 2 and 3 listed above.

As soon as the three title requirements listed above in this Section 24 are met, Owners and Caithness agree, provided this Lease and Option is still in effect, that title insurance insuring the right of Caithness under this Lease and Option to the Mining Property described in Exhibit A attached to the Lease and Option shall be obtained in the amount of Five Hundred Thousand Dollars (\$500,000) and one-half (1/2) the cost of this title insurance will be borne by the Owners and the other one-half (1/2) of this title insurance will be borne by Caithness.

Section 25. Termination and Surrender by Caithness.

Caithness shall have the right at any time while this Lease and Option is in force to surrender the same by notifying the Escrow Agent, provided for in Section 20, in writing, to deliver to Owners the Relinquishment of Lease and Option referred to in Section 20. Upon delivery of such notice to Escrow Agent, all rights of Caithness under this Lease and Option, except as provided in Section 17, shall terminate and all payments previously made under this Lease and Option shall be retained by Owners as full compensation for the lease and option and as liquidated damages, and all liabilities and obligations of Caithness of any kind

and description, including any liability for any payments under Section 3, then not due, due or past due, shall cease and terminate except any liability of Caithness to Owners for royalty pursuant to Section 6 and the obligations to pay taxes under Section 11 hereof.


Section 26. Inurement.

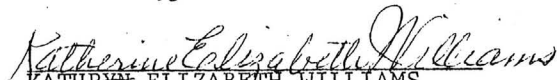
Time is of the essence of this Lease and Option. The terms, provisions, covenants and agreements herein contained shall extend to, be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

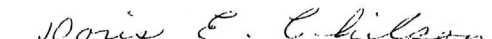
IN WITNESS WHEREOF, the parties hereto have executed this Lease and Option, in triplicate, as of the day and year first above written.


DAVID C. DUBOIS

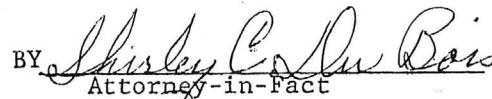

OREN ANDREW DUBOIS


SHIRLEY C. DUBOIS

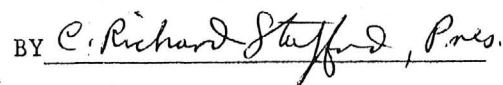

KATHERINE ELIZABETH WILLIAMS


DORIS E. CHILSON


RUTH C. WILHOIT

BY 
Attorney-in-Fact

CAITHNESS CORPORATION, a
Delaware corporation

BY  , Pres.

STATE OF ARIZONA)
) ss
County of Yavapai)

The foregoing instrument was acknowledged before me this
13th day of February, 1976, by DAVID C. DUBOIS, OREN
ANDREW DUBOIS, SHIRLEY/C. DUBOIS, KATHRYN ELIZABETH WILLIAM,
and DORIS E. CHILSON.

James H. Heiland
NOTARY PUBLIC

My Commission Expires:

June 2, 1978

STATE OF ARIZONA)
) ss
County of Yavapai)

The foregoing instrument was acknowledged before me this
13th day of February, 1976, by M. C. Wilhoit,
as Attorney-in-Fact on behalf of RUTH C. WILHOIT.

James H. Heiland
NOTARY PUBLIC

My Commission Expires:

June 2, 1978

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

The foregoing instrument was acknowledged before me this
23rd day of February, 1976, by C. Richard Stafford, Pres.,
of CAITHNESS CORPORATION, a Delaware corporation, on behalf of
the corporation.

Alan P. Colodny
NOTARY PUBLIC

My Commission Expires:

March 30, 1976

ALAN P. COLODNY
Notary Public, State of New York
No. 60-5767987
Qualified in Westchester County
Certificate Filed in New York County
Term Expires March 30, 1976

EXHIBIT "A"

Fourteen patented lode mining claims located in the Weaver Mining District, sometimes called Martinez Mining District, Yavapai County, Arizona, more particularly described as follows:

"Fraction" (also known as "Fractional") Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 43, known as Mineral Certificate No. 194, and described in Patent No. 18637, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona in Book 30 of Deeds at page 497, records of Yavapai County.

"Why Not" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 42, known as Mineral Certificate No. 193, and described in Patent No. 18636, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at page 493, records of Yavapai County.

"Mosouri" (also known as "Missouri") Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 41, known as Mineral Certificate No. 192, and described in Patent No. 18635, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at page 488, records of Yavapai County.

"Niagara" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 40A, known as Mineral Certificate No. 191, and described in Patent No. 18634, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at page 484, records of Yavapai County.

"Congress" (also known as "Congress Mine") Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 38, known as Mineral Certificate No. 189, and described in Patent No. 18632, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds, at page 476, records of Yavapai County.

"Queen of the Hills" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 39, known as Mineral Certificate No. 190, and described in Patent No. 18633, dated October 6, 1891, recorded December 19, 1891, in the office of the County Recorder of Yavapai County, Arizona, in Book 30 of Deeds at page 480, records of Yavapai County.

"Excelsior" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 44, known as Mineral Certificate No. 218, and described in Patent No. 21242, dated May 11, 1892, recorded February 14, 1894, in the office of the County Recorder of Yavapai County, Arizona, in Book 33 of Deeds at page 620, records of Yavapai County.

"Ohio" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1190, known as Mineral Certificate No. 288, and described in Patent No. 27181, dated June 23, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 107, records of Yavapai County.

"Rich Quartz" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1192, known as Mineral Certificate No. 291, and described in Patent No. 27182, dated June 23, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 97, records of Yavapai County.

"Golden Eagle" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1191, known as Mineral Certificate No. 289, and described in Patent No. 27227, dated July 3, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 100, records of Yavapai County.

"Incline" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1193, known as Mineral Certificate No. 290, and described in Patent No. 27228, dated July 3, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 94, records of Yavapai County.

"Old State" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1189, known as Mineral Certificate No. 287, and described in Patent No. 27441, dated October 6, 1896, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 110, records of Yavapai County.

"Snow Storm" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1188, known as Mineral Certificate No. 285, and described in Patent No. 27870, dated February 26, 1897, recorded March 18, 1897, in the office of the County Recorder of Yavapai County, Arizona, in Book 41 of Deeds at page 104, records of Yavapai County.

"Golden Thread" Lode Mining Claim, located in Martinez Mining District, designated by the Surveyor General as Lot No. 1352, known as Mineral Certificate No. 369, and described in Patent No. 31956, dated January 17, 1900, recorded March 26, 1901, in the office of the County Recorder of Yavapai County, Arizona, in Book 54 of Deeds at page 104, records of Yavapai County.

EXCEPTING the following right, title and interest in and to said mining claims:

1. The surface of said mining claims to a depth of forty feet immediately beneath the surface, including all improvements, mine dumps and tailing dumps located thereon.
2. The right to any underground water developed or to be developed in said mining claims, to the extent such water is required by First Parties in Deed recorded in Book 189 of Deeds, page 364, their heirs, legal representatives, successors and assigns, in any mill or metallurgical operation being conducted on the surface of said mining claims, including the right at all

times to enter any and all underground workings and to install, operate and maintain therein pumps, pipes, power lines and other facilities for the purpose of delivering said water to the surface, provided that in so doing it does not unduly interfere with, hinder or impede the mining or development operations of Second Party in Deed recorded in Book 189 of Deeds, page 364; and provided further that to the extent water is available in said mining claims, or is pumped to the surface thereof, in excess of the said requirements of said First Parties, their heirs, legal representatives, successors and assigns, said Second Party shall be entitled to the use thereof.

Prescott, Arizona

Dated as of December 31, 1975

ESCROW INSTRUCTIONS

TO:

YAVAPAI TITLE COMPANY
221 Cortez
Prescott, Arizona 86301

Gentlemen:

DAVID C. DUBOIS, OREN ANDREW DUBOIS, SHIRLEY C. DUBOIS, KATHRYN ELIZABETH WILLIAMS, RUTH C. WILHOIT and DORIS E. CHILSON, hereinafter referred to as "Owners", and CAITHNESS CORPORATION, a Delaware corporation, hereinafter referred to as "Caithness", hereby request that you act as Escrow Agent upon the following terms and conditions:

Owners and Caithness deliver to you herewith an executed Lease and Option dated as of December 31, 1975, between Owners and Caithness, and an executed Memorandum of Lease and Option dated as of the same date.

Owners deliver to you herewith an executed Mining Deed from Owners to Caithness, conveying to Caithness fourteen (14) patented mining claims described in the above mentioned Lease and Option.

Caithness delivers to you herewith an executed Relinquishment of the above mentioned Lease and Option, whereby Caithness relinquishes its interest in said Lease and Option to Owners.

You are hereby authorized by Owners to receive and receipt for payments on the purchase price, royalties, and other payments required to be made by said Lease and Option and distribute said payments to Owners as may be directed by them. Owners agree to bear any charge that you may make by reason of Owners directing you to make distribution of payments to more than one person. You are

further authorized to deduct from payments made to you for the account of Owners, one-half (1/2) of the escrow fees and collection charges, and when and if title insurance is obtained as provided in Section 24 of the Lease and Option, one-half (1/2) the cost of title insurance. Caithness will pay you directly one-half (1/2) the escrow fees and collection charges, and one-half (1/2) the cost of title insurance when and if such title insurance is obtained from you as provided in Section 24 of the Lease and Option.

You are also directed to issue to Caithness the above mentioned title insurance forthwith and to hold the documents in escrow and to deliver them in accordance with the following instructions:

(A) When and if said Lease and Option has been finally terminated, cancelled or surrendered, you shall deliver all of said documents to Owners or their order.

(B) When and if Caithness shall make final payment of the purchase price to you, including all credits for royalties paid as provided in said Lease and Option, you shall deliver all of said documents to Caithness or its order.

It is fully understood and agreed that this instrument is not binding upon you unless and until it has been accepted in writing in the space provided for such purpose below.

You are not a party to, or not bound by, any agreement which may be evidenced by, or arise out of, the foregoing instructions other than as therein set forth.

You are to act hereunder as a depository only and are not responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of any instrument deposited with you, or for the form or execution of such instrument, or for the identity, authority, or rights of any person executing

or depositing it.

You shall not be required to take notice of any default or to take any action with respect to such default involving any expense or liability, unless notice in writing of such default is given to you, and unless you are indemnified, in a manner satisfactory to you, against such expense or liability.

You shall be protected in acting upon any written notice, request, waiver, consent, receipt, or other paper or document signed by the proper party or parties.

Except in case of your own willful misconduct, you shall not be liable for any error of judgment, or for any act done or step taken or omitted by you in good faith, or for any mistake of fact or law, or for anything which you may do or refrain from doing in connection herewith, and the parties hereto agree to hold you harmless for any such act.

You shall not be answerable for the default or misconduct of any agent or attorney employed or appointed by you if such agent or attorney shall have been selected with reasonable care.


You may advise with and employ legal counsel in the event of any lawsuit, dispute or question raised by Caithness or Owners as to the construction of any of the provisions hereof or your duties hereunder, and you shall incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of such counsel, and the parties hereto agree to pay a reasonable attorney's fee in the event counsel is so employed.

In the event of any lawsuit, dispute or question between either of the parties to this instrument, or between them or either of them and any other person, resulting in adverse claims and demands being made in connection with or for any property involved herein or affected hereby, you shall be entitled, at

your option, to refuse to comply with any claims or demands on you as long as such disagreement shall continue, and, in so refusing, you may make no delivery or other disposition of any money or documents involved herein or affected hereby, and, in so doing, you shall not be or become liable in any way or to any person for your failure or refusal to comply with such conflicting or adverse demands; and you shall be entitled to continue so to refrain from acting and so to refuse to act until (1) the right of adverse claimants shall have been finally adjudicated in a court assuming and having jurisdiction of the property involved herein or affected hereby; or (2) all differences shall have been adjusted by agreement and you shall have been notified thereof in writing signed by all persons interested. You shall have a right to file suit in the event settlement of any dispute appears to be impossible, and, in such event, the parties hereto agree to pay a reasonable attorney's fee and costs incurred.

Caithness and Owners each agree to pay one-half (1/2) of your customary escrow and collection charges. The provisions of the two (2) preceding paragraphs to the contrary notwithstanding, as between Caithness and Owners, your attorney's fees and costs provided for therein shall be paid by the party herein whose position does not prevail in such lawsuit, dispute or question; or, if such lawsuit, dispute or question is by a party hereto with other parties, then by the party hereto involved therein.

This instrument shall be binding upon the heirs, executors, administrators, assignees and successors in interest of any sort of either of the parties hereto.


DAVID C. DUBOIS

Oren Andrew Dubois
OREN ANDREW DUBOIS

Shirley C. Dubois
SHIRLEY C. DUBOIS

Kathryn Elizabeth Williams
KATHRYN ELIZABETH WILLIAMS

Doris E. Chilson
DORIS E. CHILSON

Ruth C. Wilhoit
RUTH C. WILHOIT

BY Shirley C. Dubois
Attorney in Fact

CAITHNESS CORPORATION, a
Delaware corporation

BY C. Richard Stuffed, Pres.

ACCEPTED FOR ENTRY in the records of YAVAPAI TITLE COMPANY,
Prescott, Arizona, this 23 day of March, 1976.

YAVAPAI TITLE COMPANY

James M. Holston
BY James M. Holston
Escrow Agent