4

# ARIZONA TESTING LABORATORIES

PHONE ALpine 3-6272 817 WEST MADISON P. O. BOX 1888 PHOENIX

For: Newmont Exploration Company
Post Office Box 326
Tombstone, Arizona

Date: July 7, 1954

Lab. No.: #109716

Sample: Water

Marked: Pipe Discharge

Received:

Submitted by: Same

**Report of Laboratory Tests**

| | Parts/Million |
|---|---|
| Total Soluble Salts (TSS) | 342.0 |
| Silica ($SiO_2$) | 29.2 |
| Iron Oxide Alumina ($Al_2O_3$ & $Fe_2O_3$) | 0.0 |
| Fluorides (F) | 2.2 |
| Calcium (Ca) | 32.0 |
| Magnesium (Mg) | 4.0 |
| Alkalies (Calculated as Sodium) | 48.0 |
| Chlorides (Cl) | 22.0 |
| Sulphates ($SO_4$) | 5.0 |
| Carbonates ($CO_3$) | 0.0 |
| Bicarbonates ($HCO_3$) | 200.0 |
| Phenolphthalein Alkalinity ($CaCO_3$) | 0.0 |
| Methyl Orange " | 164.0 |
| Calcium Hardness | 80.0 |
| Magnesium Hardness | 16.0 |
| Total Hardness | 96.0 |

pH 7.4

Showed a bacterial count of 25 per cc.

There were not gas forming organisms found in any tube after either 24 or 48 hours incubation.

Respectfully submitted,

ARIZONA TESTING LABORATORIES

Claude E. McLean

EXHIBIT "A2"

COCHISE COUNTY RECORDER ARIZONA

STATE OF ARIZONA
COUNTY OF COCHISE
Witness my hand and Official Seal
P. W. NEWLUND, County Recorder
Deputy

| Indexed | Photostat Compared | Blotted |
|---|---|---|
| | | |

I hereby certify that the within instrument was filed and recorded at request of
Newmont Exploration Ltd.
Box 326,
Tombstone, Arizona.

Fee 2.55
F. H. S.
Total
Docket 111 Page 1-4
Date NOV 26 1954 - 9.00 AM
No. 10292

DOCKET
OK 111 PB 627

THIS AGREEMENT dated this 13th day of NOVEMBER, 1954 by and between TOMBSTONE DEVELOPMENT COMPANY, an Arizona corporation (hereinafter referred to as "Development Company") and THE CITY OF TOMBSTONE OF THE STATE OF ARIZONA (hereinafter referred to as "the City")

WITNESSETH:

Development Company owns or controls certain patented and unpatented lode mining claims and property lying in part within, and in part outside the present limits of the City of Tombstone. Development Company is now carrying on exploration work in said properties above water level, and in connection therewith purchases its requirements of electric power from Sulphur Springs Valley Electric Power Cooperative, Inc. pursuant to an Agreement dated January 8, 1954, of which a copy is appended hereto as Exhibit A. Should Development Company decide to commence large scale pumping operations preparatory to actual mining, said Company intends to purchase natural gas from El Paso Natural Gas Company, or other supplier, from which to generate such power as may be required in connection with the said pumping program and for said mining operations and related activities.

It is the stated policy of the City of Tombstone to attract and encourage the location of industry in or near the City, and to cooperate with such industry in the orderly and prosperous conduct of its business.

Now, therefore, said parties mutually agree as follows:

1. The City of Tombstone hereby acknowledges and confirms that Development Company may continue to purchase its own requirements of electric power from Sulphur Springs Valley Electric Power Cooperative, Inc. during the present term of said Agreement dated January 8, 1954 (Exhibit A) and as said term may be extended from time to time by mutual agreement of the parties thereto.

2. The City further agrees that in the event Development Company decides to initiate a pumping program for the purpose of lowering the water level in its mining properties, and/or to construct and operate a mining or concentrating plant, said Company may freely negotiate and enter into an Agreement with El Paso Natural Gas Company, or other supplier, for the purchase of natural gas which may be delivered by such supplier to a site which shall be selected by Development Company on its mining properties, either within or without the limits of the City of Tombstone, or to any point selected by the Development Company from which the Development Company may install its own pipeline leading to its plant. Development Company may construct or cause to be constructed at such site a power plant wherein the natural gas so purchased shall be utilized for the generation of power for use by it solely in connection with said pumping program and mining and milling operations conducted on or in any of the mining properties now or hereafter owned or controlled by Development Company.

3. It is expressly understood and agreed that the provisions hereof shall inure to the benefit of Development Company, its successors and assigns, and also of its lessees and the sublessees of mining properties now or hereafter owned or controlled by said Development Company. It is further agreed that the electric power and gas purchase agreements hereinabove mentioned in paragraphs 1 and 2 may be modified, revised or extended from time to time by the parties thereto without notice to or the consent of the City, and that no future extension of the City limits nor any future legislative act or ordinance of the City of Tombstone shall prejudice, limit or materially affect the rights herein granted or confirmed.

Agreement
Book 110 docket!
Pg 627

Book 111 ?

4. Development Company shall cooperate with the City in all respects in the orderly conduct of its business affairs. The City agrees to execute and deliver to Development Company or to its suppliers of electricity and natural gas, such further assurances of waiver or consent as may be required and consonant with the provisions of this agreement hereinabove set forth, and in this connection, the City agrees, subject to the agreement of El Paso, specifically to enter into a supplemental agreement with El Paso Natural Gas Company modifying its agreement dated November 9, 1938 with that company so that paragraph ____ thereof shall read, in applicable part, as follows:

> "Except as herein otherwise provided, the Seller agrees that it will not sell gas to any person, firm or corporation other than the Buyer within the City of Tombstone, and within that area in and about the City of Tombstone but not more than three miles distant from the present or future corporate or town limits of the City of Tombstone. It is agreed that there shall be excepted from the foregoing:
>
> "(1) Any mining operation of mining industry taking delivery outside of the corporate or town limits using in excess of One Hundred Thousand (100 MCF) cubic feet per day.

IN WITNESS WHEREOF Development Company has executed this agreement by its officers thereunto duly authorized, and The City of Tombstone, acting through and by order of its Common Council, has caused this agreement to be signed by its Mayor, attested by its City Clerk, and the corporate seal of the City to be impressed hereon, the day and year first above mentioned.

TOMBSTONE DEVELOPMENT COMPANY

By _____
President

Secretary

ATTEST:

_____
City Clerk

CITY OF TOMBSTONE

By _____
Mayor

Signature witnessed Nov. 13, 1954

_____

My Commission Expires Nov. 1, 1955

BK ?

Doc 111-627
629?



AGREEMENT FOR PURCHASE OF POWER

AGREEMENT made 1/[illegible], 19[illegible], between Sulphur Springs Valley Electric Cooperative, Inc. (hereinafter called the "Seller"), and ~~[illegible] Exploration Limited~~ Tombstone Development Co. (hereinafter called the "Consumer"), a corporation, ~~[illegible]~~ (strike inapplicable designations).

WITNESSETH:

The Seller agrees to sell and to deliver to the Consumer, and the Consumer agrees to purchase and receive from the Seller all of the electric power and energy which the Consumer may need at [illegible] up to [illegible] KVA, upon the following terms:

1. Service Characteristics

Service hereunder shall be alternating current, three phase, sixty cycles, 480 volts.

2. Payment

a. The Consumer shall pay the Seller for service hereunder at the rates and upon the terms and conditions set forth in Schedule [illegible] attached to and made a part of this agreement. Notwithstanding any provision of the Schedule, however, the minimum charge per month shall be $[illegible].

b. Bills for service hereunder shall be paid at the office of the Seller in Willcox State of Arizona monthly within fifteen days after the bill is mailed to the Consumer. If the Consumer shall fail to pay any such bill within such fifteen day period, the Seller may discontinue service hereunder by giving fifteen days' notice in writing to the Consumer.

c. The Consumer agrees that if, at any time, the rate under which the Seller purchases electric energy at wholesale is modified, the Seller may make a corresponding modification in the rate for service hereunder. If the rate is increased thereby the Consumer shall then have the option of cancelling this agreement and discontinuing service.

3. Continuity of Service

The Seller shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy but if such supply shall fail or be interrupted, or become defective through act of God, or the public enemy, or by accident, strikes, labor troubles, or by action of the elements, or inability to secure rights-of-way, or other permits needed, or for any other cause beyond the reasonable control of the Seller, the Seller shall not be liable therefor.

4. Membership

The Consumer shall become a member of the Seller, shall pay the membership fee and be bound by the provisions of the articles of incorporation and bylaws of the Seller and by such rules and regulations as may from time to time be adopted by the Seller.

5. Term

This agreement shall become effective on the date service is first delivered hereunder by the Seller to the Consumer, and shall remain in effect for a period of one year and thereafter until terminated by either party giving to the other 2 months notice in writing.

6. Succession

This agreement shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the respective parties hereto.

IN WITNESS WHEREOF, The parties hereto have caused this agreement to be executed by their duly authorized representatives all as of the day and year first above written.

Sulphur Springs Valley Electric Cooperative, Inc.
Seller

X By [illegible]
President

Attest:

Secretary

Tombstone Development Company
Consumer

By Fred Beasley Jr
President
Title of Officer*

Attest:
John E. D. Gamson
Secretary

*If other than president, vice-president, partner or owner, a power of attorney must accompany contract.

EXHIBIT "A"

DOCKET
BL 123 Pg 158

DKT 123 pg 158

158 MINING LEASE

THIS AGREEMENT, made and entered into this 1st day of April, 1956, by and between TOMBSTONE DEVELOPMENT COMPANY, an Arizona corporation, as "Lessor", and ARIZONA MATERIALS SERVICE COMPANY, a Partnership corporation, as "Lessee",

WITNESSETH

Lessor owns certain mining property known as the Tombstone Mine, situate in the Tombstone Mining District near the City of Tombstone, County of Cochise, State of Arizona, and is willing to lease that portion of said mine which is embraced within the area or block hereinafter described and referred to as "the leased premises". Lessee desires to hire and take the said leased premises and to conduct mining operations therein, without cost or expense to Lessor, upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the sum of Ten Dollars ($10) receipt whereof Lessor does hereby acknowledge, and in further consideration of the royalties, covenants and agreements herein set forth by said parties to be kept and performed, it is mutually agreed as follows:

1. Lessor does hereby lease, demise and let unto the said Lessee all its right, title and interest in and to the whole of that portion of its said mining property described with particularity in the exhibit attached hereto, marked "Exhibit A". Lessor does not warrant the title to any of the property covered by this lease, and no such warranty shall be implied from any of the provisions hereof. It is further agreed that for lack of exact surveys, in any disputes arising as to the areal limits of said premises, the decision of the Lessor shall be conclusive and binding upon all parties.

TO HAVE AND TO HOLD the same unto the said Lessee for a term of TWELVE months commencing on date hereof and expiring

Term:

DKT 123 PG 158

April 1, 1956, unless sooner forfeited or terminated in the manner herein provided, for the purpose of exploring, prospecting, developing and mining of ore, materials and minerals of all kinds, and with the right to remove, ship, treat, sell and dispose of the same and retain the proceeds therefrom for Lessee's own use upon payment to the Lessor of the royalties hereinafter set forth.

2. Lessee shall enter into and upon the said leased premises and take immediate possession thereof for the purposes of this lease. All mining work performed by Lessee within the leased premises shall be done in accordance with good mining practice with due regard to the development and preservation of the said premises as a workable mining property. Lessee shall install and maintain all workings in a safe condition, and except for abandoned workings, shall keep the same clear of loose rocks and rubbish. It is understood and agreed that commencing the first day of April, 1954, Lessee shall have the firm obligation to perform at least one hundred (100) shifts of work on or in the leased premises during each and every calendar month during the term of this lease.

3. The Lessee shall pay to the Lessor Five Percent (5%) of the net returns, as herein defined, received by the Lessee from the sale of all ores, minerals and metals produced from the said premises. With respect to all ores, minerals and metals other than manganese, "net returns", as used herein, is agreed to mean the amount of the payments received by Lessee from the smelter, mill, mint or other purchaser to which any ore or concentrates derived from the leased premises are delivered for treatment and sale, after deduction has been made of all smelter, mill or mint charges and deductions, and all freight and transportation costs from the leased premises to the smelter, mill or mint, as the case may be. In the event manganese ore derived from the leased

premises is concentrated by or for Lessee and such concentrates are sold to the government for stockpile or to any other purchasers, in respect of such manganese concentrates the term "net returns" shall mean the gross sales price received therefor, after deduction of transportation charges from the place said ore is concentrated to the place of delivery for sale. Such transportation costs shall not exceed the charges fixed by the lowest bidding Public Utilities Commission trucking contractor in the Tombstone District. All royalty due the Lessor upon the net returns from ore, minerals and metals produced hereunder, shall be paid by check or draft made payable to the Lessor by the smelter, the government representative or other purchaser, with a copy of the settlement sheet, and all such royalty not previously paid shall become due and payable to Lessor on or before the last day of each calendar month for all returns received by Lessee during the preceding calendar month. All mine ore, or concentrates derived therefrom, shall remain the property of Lessor until full settlement has been made for the royalty due Lessor hereunder. All ores and concentrates shall be sold to the purchaser who will return in settlement the highest price therefor.

4. The Lessee may install, maintain, replace and remove during the term of this agreement any and all mining machinery, equipment, tools and facilities which it may desire for use on or in connection with its operations hereunder on the said premises. Lessee shall pay in full for all labor performed upon or materials furnished to the said premises at the instance or request of the Lessee, and shall keep the whole thereof free and clear of and from any and all liens or charges, for or on account of labor, merchandise or materials. Lessee shall post and keep posted upon said premises notices of Lessor's non-responsibility for labor, merchandise or materials furnished, in the form and content set forth in Section 2029 of Revised Code of Arizona, 1928 (Sec.62-210 of Arizona Code, Ann., 1939).

5. The Lessee shall at all times comply in all respects with all laws and regulations relating to the performance of such work within the leased premises. The Lessee shall provide industrial or workmen's compensation insurance covering all of its operations upon the premises in the amount and form required under the terms of the Arizona Workmen's Compensation Law and the Arizona Occupational Disability Law, and upon request shall submit the policies for such insurance to Lessor for inspection. Lessee shall also withhold all social security and income taxes in the manner required by law, and shall make all reports and payments thereof in accordance with the law and regulations affecting the same. Lessee shall indemnify and hold Lessor harmless of and from any and all claims, demands or liabilities arising out of or in connection with the operations or activities of the Lessee hereunder. Lessee shall acquire and maintain public liability insurance with limits of not less than $100,000/$250,000 and property damage insurance of not less than $100,000, and will, if called upon to do so, furnish Lessor relative certificates of such insurance coverage. The Lessee assumes full and sole responsibility for the operation and direction of the work done under this agreement on the leased premises, and it is expressly agreed that neither Lessee, nor any employee furnished by the Lessee, shall under any circumstances be deemed an employee of the Lessor. It is mutually agreed and recognized that Lessee undertakes to perform all work and to incur all expenditures hereunder on its own knowledge of the leased premises and mineralization thereof, and Lessor makes or has made no representations with respect thereto which are to be construed as an inducement to Lessee to accept this lease, or to enter into the performance thereof.

6. Lessee agrees to pay all taxes levied and assessed upon the leased premises, or any part thereof, including taxes measured on production, and also including taxes levied and assessed on improvements placed upon the leased premises by Lessee during the continuance of this lease, commencing with taxes levied and assessed for the calendar year 1955, and to make payment

thereof when and as required by the statutes of the State of Arizona so that no default in taxes upon the leased premises shall occur, and to deliver to Lessors upon request, the original or duplicate tax receipts for payments made. Should Lessee be in possession under the lease only a portion of a year, the tax payable that year shall be pro-rated between the Lessor and the Lessee on the basis of taxes for the last preceding year. Upon timely notice to Lessee, Lessor may elect to file all required tax returns and to pay in the first instance, all taxes due on the leased premises, and Lessee shall reimburse Lessor promptly upon receipt of invoice for that part of such taxes which is apportionable to the period of the continuance of this lease.

7. The Lessor shall have access to the leased premises at all reasonable times to inspect the same and to take samples therefrom, and shall have the right at all times to be present at the weighing and sampling of ores mined from the leased premises, all at Lessor's own risk and expense. The Lessee shall make and keep accurate maps and records of all mining operations, and costs pertaining thereto, and the same shall be available at all reasonable times for inspection and the making of copies by Lessor. Upon request, Lessee shall also furnish Lessor with copies of maps, assays, drill logs, and records pertaining to the property and the mineralization thereof.

8. In the event of termination of this lease by expiration of the term hereof, or for any other reason whatever, the Lessee agrees to surrender the leased premises to the Lessor in good condition. The Lessee, however, shall have the right to remove all surface machinery, equipment and all portable underground machinery and equipment placed by it within or upon the leased premises, but the Lessee shall leave all rail, pipe, receivers, timber, chutes and ladders in place and in good condition.

The Lessee shall have the right to effect the removal of such machinery and equipment during the continuance of this lease or within thirty (30) days following termination thereof. Any such machinery or equipment not removed prior to expiration of said thirty (30) day period following termination of this lease shall be deemed affixed to the leased premises and shall become and remain the property of the Lessor.

9. If Lessee shall fail to perform any term or condition of Lessee's part to be performed, Lessor may give Lessee notice in writing specifying such failure, and the Lessee shall have ten (10) days thereafter to remedy such default. Upon failure or refusal by Lessee within such ten (10) day period to remedy such default, this Lease shall terminate. The failure of Lessor in any one or more instances to insist upon the performance of any of the terms and conditions hereunder shall not be construed as a waiver or relinquishment of the right to insist upon the strict performance in the future of any such terms or conditions.

10. Lessee may surrender this lease by giving the Lessor not less than fifteen (15) days prior written notice. At the expiration of said fifteen (15) day period, this lease and all of the rights and obligations of the parties shall terminate, except and to the extent herein expressly provided to the contrary.

11. Notice given under this agreement shall be deemed sufficiently given if sent by registered mail, postage prepaid, addressed to the parties as follows:

Lessor: Tombstone Development Company
Office of the Secretary
Room 1501, 14 Wall Street
New York 5, New York

Lessee: Arizona Materials and Service Company
P.O. Box 667
Bisbee, Arizona

12. Time shall be of the essence of this Agreement, but whenever the time for performance thereof is hindered, prevented

or delayed by any factor or circumstance beyond the reasonable control of the party obliged to perform, and which said party could not have avoided by the use of due diligence, then the time for performance of any such act or obligation shall be extended for a period equal to the extent of such delay.

13. The rights of Lessee hereunder shall not be subject to assignment or subleasing, except with the previous written consent of the Lessor; and in the event any such assignment or sublease without Lessor's consent is made, whether voluntary or involuntary, the same shall constitute grounds for termination of all rights hereunder. Subject to this condition, the provisions of this lease shall be binding upon the parties hereto, their respective successors and assigns.

IN WITNESS WHEREOF, the said parties have executed this Agreement of Lease as of the day and year first above written.

TOMBSTONE DEVELOPMENT COMPANY
(as Lessor)

By Fred Pearls Jr.
President

ATTEST:

Secretary

ARIZONA MATERIALS SERVICE COMPANY
(as Lessee)

By
~~President~~ GENERAL PARTNER

ATTEST:

Secretary

STATE OF [illegible]

COUNTY OF [illegible]

On this [illegible] day of [illegible], [illegible], before me, the undersigned [illegible], personally appeared [illegible], who acknowledged [illegible] President of [illegible] Development Company, [illegible] President, being duly [illegible] instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

In witness whereof, I have hereunto set my hand and official seal.

[illegible]
Notary Public

STATE OF [illegible]

COUNTY OF [illegible]

On this the [illegible] day of [illegible], before me, the undersigned [illegible], personally appeared [illegible], who acknowledged himself [illegible] President of [illegible] Materials Service Company, [illegible] and that he, as such [illegible], being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

In witness whereof, I have hereunto set my hand and official seal.

[illegible]
Notary Public

My Commission Expires April 28, 1957

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EXHIBIT "A"

To be attached to the Arizona Materials and Service Company lease.

The description of the property to be leased is as follows:

All of the surface of the four patented contiguous mining claims, namely: the Oregon, Prompter, Contact and Florudora and all of the block of ground encompassed by the vertical downward projection of the outside boundaries of this group of claims to a vertical depth of one thousand (1,000) feet below the collar of the Oregon shaft.

All of the above claims are located in the Tombstone Mining District, Tombstone, Arizona.

COCHISE COUNTY RECORDER ARIZONA

STATE OF ARIZONA
COUNTY OF COCHISE } ss

Witness my hand and Official Seal
P. W. NEWBURY, County Recorder
Regal Allen Deputy

Indexed | Photostat Compared | Blotted

I hereby certify that the within instrument was filed and recorded at request of R.A. Co., Box 667, Bisbee, Ariz.

Fee $ 5.95 PD
I. R. S.
Total $
Date APR. 20. 1955 - 3:30 PM
Docket 123 Page 158-166 No. 5364

DOCKET
AL 185 Pg 364

Book 185 dkt
Page 364

QUIT-CLAIM DEED

THIS INDENTURE, made the 7th day of February, 1958, between TOMBSTONE DEVELOPMENT COMPANY, an Arizona corporation, party of the first part, and CHARLES HATCHER and EDNA M. HATCHER, his wife, parties of the second part.

W I T N E S S E T H :

That the said party of the first part, for and in consideration of the sum of Ten Dollars ($10.00) to it in hand paid by the said parties of the second part, the receipt whereof is hereby confessed and acknowledged, has remised, released and quit-claimed, and by these presents does remise, release and quit-claim unto the said parties of the second part, and to their heirs and assigns forever, all the right, title, interest, claim and demand which the said party of the first part has in and to the following described real estate situated in the County of Cochise and State of Arizona, to wit:

The surface and subsurface to a depth of forty (40) feet immediately beneath the surface of portions of the Empire; Hawk Eye-Little Wonder; Good Enough, Tough Nut, and First South Extension of the Tough Nut patented lode mining claims in the Tombstone Mining District, Cochise County, State of Arizona, the United States patents to which are of record in the Office of the County Recorder of Cochise County, Arizona, particularly described as follows, to wit:

Beginning at a point from whence Corner No. 6 of the Empire, Corner No. 3 of the First South Extension of the Tough Nut, and Corner No. 2 of the Hawk Eye Little Wonder patented mining claims bears N 18° 04' W 89.15 feet; thence S 35° 50' W 363.43 feet; thence N 59° 29' 30" W 341.32 feet; thence N 46° 40' 20" W 610.15 feet; thence N 31° 21' 20" E 231.57 feet; thence S 41° 05' E 482.69 feet; thence N 57° 33' E 425.98 feet; thence S 89° 29' 30" E 382.58 feet; thence S 10° 04' W 121.26 feet; thence S 82° 15' W 260.20 feet; thence S 13° 54' E 208.00 feet to the point of beginning; RESERVING, however, to the party of the first part the perpetual

Type 11

Rule 10

Rec'd Filed

Deeds — #2 2 4 9 2 7



STATE OF ARIZONA
COUNTY OF COCHISE

I hereby certify that the within instrument was filed and recorded at request of PIONEER TITLE & TRUST CO.
in Book 185 of Deeds, page 364
Witness my hand and official seal
County Recorder

FEB 24 1958 - 2:30 PM
364365 2937

Item 36 Book 185 dkt, Pg 364

Out side of TDC

Excess Rec'd on map

See current assessors plat for owners of parts within this outside tract currently only on the Empire only

right and ownership, together with the right to mine for, extract and take minerals from beneath the surface of and the subsurface of that portion of the said property above described lying more than 40 feet beneath the surface thereof; and the perpetual right and ownership of all veins, the apexes of which may be found on the surface thereof, and all extralateral rights in connection with such veins; provided, however, that no mining operations shall be conducted by said Grantor, its successors or assigns, on the surface of the real property hereby conveyed or at any point within 40 feet below the surface thereof, except in the event of litigation with respect to such extralateral rights wherein the question of the identity of any such vein or the location of the apex thereof at the surface shall be a material fact embraced within the issues of such litigation, in which event the Grantor, its successors or assigns, shall have the right to conduct such operations within the premises hereby conveyed, and along and adjacent to said veins, for the purpose of such litigation only./

TO HAVE AND TO HOLD all and singular the said premises, with the appurtenances and privileges thereunto incident, and all the estate, right, title, interest and claim whatsoever, of the said party of the first part unto the said party of the second part, their heirs and assigns forever.

IN WITNESS WHEREOF, the said party of the first part has executed this instrument as of the day and year first above written.

TOMBSTONE DEVELOPMENT COMPANY
INCORPORATED
ARIZONA

TOMBSTONE DEVELOPMENT COMPANY

By Fred Searls Jr.
President

Attest:

Secretary

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss

This instrument was acknowledged before me this 7th day of February, 1958, by Fred Searls, Jr. President of TOMBSTONE DEVELOPMENT COMPANY.

NOTARY PUBLIC
MARY A. TARAMINO
NOTARY PUBLIC, STATE OF NEW YORK
No. 30-3931400
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires March 30, 1959

DOCKET
BK 201 PG 73

Bk 209 Pg 539

STATE OF ARIZONA
COUNTY OF COCHISE

I hereby certify that the within instrument was filed and recorded at request of GENTRY, McHULTY & KIMBLE, Douglas, Ariz.

Witness my hand and Official Seal
W. NEWBURY, County Recorder
By R. Lowe, Deputy

Fee $ 2.50
I. R. S.
Total $

Date FEB 24 1959 - 2 50 PM

Indexed | Abstracted | Compared | Mailed

Docket 209 Page 539-540 No. 2985

539

QUIT-CLAIM DEED

Book 209 dkt Pg 539

THIS DEED, made the 19th day of February, in the year of our Lord One Thousand Nine Hundred and Fifty-Nine, between TOMBSTONE DEVELOPMENT COMPANY, a corporation, the party of the first part, and MORGAN LEWIS BRETT, a single man, the party of the second part.

Affd 2

WITNESSETH: That the said party of the first part, for and in consideration of the sum of TEN AND NO/100 ($10.00) DOLLARS to it in hand paid by the said party of the second part, the receipt whereof is hereby confessed and acknowledged has remised, released and quit-claimed, and by these presents does remise, release and quit-claim unto the said party of the second part, and to his heirs, and assigns forever, all the right, title, interest, claim and demand which the said party of the first part has in and to the following described real estate situated in the County of Cochise and State of Arizona, to-wit:

Type All

A portion of the surface to a depth of forty (40') feet, of the Empire Lode, Lot 46, and of the Hawk Eye-Little Wonder Lode Mining Claim, Mineral Survey No. 3216 (both patented mining claims) situated in the Tombstone Mining District, Cochise County, Arizona, more particularly described as follows:/

Beginning at the SW corner of this parcel, whence corner #6 of the Empire Lode, Lot No. 46 bears S. 9° 31' W. 502.62 feet;/thence N. 23° 30' E. 270 feet to the northwest corner of this parcel;/thence S. 66° 30' E. 220.0 feet to the northeast corner of this parcel;/thence S. 23° 30' W. 270.0 feet to the southeast corner of this parcel;/thence N. 66° 30' W. 220.0 feet to the point of beginning./ EXCEPTING that parcel previously deeded to Morgan Lewis Brett, which is enclosed by the above parcel and whose description is:/ Beginning at a point which bears S. 66° 30' E. 32.0 feet from the northwest corner of the above parcel;/thence S. 66° 30' E. 156.0 feet;/thence S. 23° 30' W. 192.0 feet;/ thence N. 66° 30' W. 156 feet;/thence N. 23° 30' E. 192.0 feet; to the point of beginning./ The area of the above parcel is 0.676 acres./

RESERVING, however, to the party of the first part the perpetual right and ownership, together with the right to mine for, extract and take minerals from beneath the surface of and the subsurface of that portion of the said property above described lying more than 40 feet beneath the surface thereof; and the perpetual right and ownership of all veins, the apexes of which may be found on the surface thereof, and all extralateral rights in connection with such veins; provided, however, that no mining operations shall be conducted

next page

Item 35 Book 209 dkt Pg 539

out side of TOC

→ covers green on map (All)

by said party of the first part, its successors or assigns, on the surface of the real property hereby quit-claimed or at any point within 40 feet below the surface thereof, except in the event of litigation with respect to such extralateral rights wherein the question of the identity of any such vein or the location of the apex thereof at the surface shall be a material fact embraced within the issues of such litigation, in which event the party of the first part, its successors or assigns, shall have the right to conduct such operations within the premises hereby conveyed, and along and adjacent to said veins, for the purpose of such litigation only.

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges thereunto belonging, or in anywise pertaining, and all the estate, right, title, interest and claim and demand whatsoever, of the said party of the first part, either in law or equity, in possession or expectancy, to the only proper use, benefit and behoof of the said party of the second part, his heirs and assigns forever.

IN WITNESS WHEREOF, the said party of the first part has hereunto set its hand and seal the day and year first above written.

TOMBSTONE DEVELOPMENT COMPANY
(a corporation)

By Fred Searls Jr.
President

TOMBSTONE DEVELOPMENT CORPORATION ARIZONA

Jacques L. Leroy
Secretary

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this, the 19th day of February, 1959, before me, the undersigned officer, personally appeared FRED SEARLS, JR. and JACQUES L. LEROY who acknowledged themselves to be the President and Secretary of TOMBSTONE DEVELOPMENT COMPANY, a corporation, and that they as such President and Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as President and Secretary.

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

Mary A. Tagantino
Notary Public

MARY A. TAGANTINO
NOTARY PUBLIC, STATE OF NEW YORK
No. 30-7337400
Qualified in Nassau County
Certificate filed in New York County
Commission Expires March 30, 1959

DOCKET
BK 212 PG 457

THIS AGREEMENT, made and entered into this 23rd day of January, 1959, by and between TOMBSTONE DEVELOPMENT COMPANY, an Arizona corporation, as "Lessor"; and FRANK J. FRANKOVICH, of Phoenix, Arizona, as "Lessee",

W I T N E S S E T H:

Lessor owns certain mining claims situate in the Tombstone Mining District near Tombstone, County of Cochise, State of Arizona, and is willing to lease to Lessee certain of said claims hereinafter described and referred to as the "leased premises". Lessee desires to hire and take the said leased premises and to conduct mining operations thereon, without cost or expense to Lessor, upon the terms and conditions hereinafter set forth.

Lessee represents that by lease from third parties and by right of location he has acquired the right to conduct exploration, development and mining work in and upon certain other mineral claims either contiguous to the leased premises or forming a part of a block of claims suitable to be worked as a unit with said leased premises and that he intends to work said block of claims as such unit, said block of claims being referred to hereinafter as the "block claims".

Now, THEREFORE, in consideration of the sum of Ten Dollars ($10.00), receipt whereof Lessor does hereby acknowledge, and in further consideration of the covenants, royalties and agreements by the said parties to be kept and performed, it is mutually agreed as follows:

Type

1. Lessor does hereby lease, demise and let unto Lessee all its right, title and interest in and to the following patented lode mining claims, situate, lying and being in the Tombstone Mining District, in the County of Cochise, State of Arizona, to wit:

| Claim | U.S. Survey No. |
|---|---|
| Poor X | 66 |
| Survey (Lot 103) | 132 |
| Defence | 117 |

TO HAVE AND TO HOLD the same unto the said Lessee for a term of three (3) years commencing on the date hereof and expiring January 22, 1962 unless sooner forfeited or terminated in the manner herein provided, for the purposes of exploring and prospecting for, developing and mining of ore, materials and minerals of all kinds, and with the right to remove, ship, treat, sell and dispose of the same and to retain the proceeds therefrom for Lessee's own use upon payment to the Lessor of the royalties hereinafter set forth. Upon the expiration of the said three (3) year term and provided this lease shall not have been sooner forfeited or terminated, the Lessee shall have the option to extend this lease for an additional term of five (5) years, by giving written notice thereof to the Lessor at least sixty (60) days prior to the expiration date of said initial three (3) year term.

Term Type

Term Type

Book 212 docket
Pg 457

2. Lessee acknowledges having been advised and agrees that the rights acquired by him under this lease shall be subject to and restricted in accordance with the terms of certain quitclaim deeds heretofore executed by Lessor in favor of owners of residences situate and lying in whole or in part within the leased premises; and it is further agreed that for lack of exact surveys in any disputes arising as to the limits of said leased premises, the decision of the Lessor shall be conclusive and binding upon the parties hereto.

3. Upon commencement of the term of this lease, Lessee may enter into and upon the leased premises and take immediate possession thereof and initiate and carry on exploration and development work thereon, including, without limitation, such geological and geophysical surveys, mapping, drilling, excavation, tunnelling and sampling activities as in the judgment of Lessee may seem justifiable or advisable. Upon discovery in Lessee's opinion of mineable ore in commercial quantity within the leased premises, and provided this lease shall not have been forfeited, surrendered or terminated, Lessee shall commence and thereafter continue with diligence to mine and remove from the leased premises, all such ore encountered therein.

4. All such work shall be performed by Lessee at his own expense, and shall be carried out in a proper miner-like manner with reasonable dispatch and continuity, and with due regard to the development and preservation of the leased premises as a workable mining property. Lessee shall pay promptly for all labor employed and for all materials and supplies used in his operations hereunder, and shall keep the leased premises free and clear from all liens resulting from his said operations. Lessee shall file or cause to be filed with the office of the County Recorder, County of Cochise, State of Arizona, an appropriate notice of Lessor's non-responsibility in connection with operations hereunder. Lessee, his agents and engineers, shall at all times comply in all respects with all laws and regulations pertaining to the performance of such work; shall provide industrial or workmen's compensation insurance covering all such operations in the amount and form required by law, and shall make all reports and conform to all laws and regulations affecting the same.

5. Lessee hereby undertakes to perform during the first twelve (12) month period of the said three year term hereof a minimum of 2500 linear feet of core drilling consisting of at least one drill hole on the leased premises and such additional hole or holes as Lessee shall deem justifiable on the block claims. Said drilling work shall begin not later than four (4) months from the beginning of the term of this lease. Upon completion of said minimum core drilling work within the period of time herein specified, and provided this lease shall not have been forfeited or terminated, Lessee agrees, during the last eighteen (18) months of the initial three (3) year term hereof, to make expenditures on the leased premises or on the block claims at an annual rate of not less than $6,000. Thereafter, and provided this lease shall have been extended for an additional term of five (5) years, as in paragraph 1 set forth, Lessee shall perform a minimum of 300 shifts of work per annum during the continuation of this lease on the leased premises.

6. All marketable ores and products therefrom produced from the leased premises shall be shipped by Lessee for treatment and sale to the smelter, mill or other metal purchaser which, in Lessee's opinion, offers the most favorable terms, transportation and other costs and charges considered. The Lessee shall pay to the Lessor a royalty calculated on the net returns, as herein defined, received by the Lessee from the sale of all ores, minerals and metals produced from the leased premises in accordance with the following schedule:

| | |
|---|---|
| For all ore, minerals and metals from which net returns equal $10 per ton or less..... | 5% |
| For all ore, minerals and metals from which net returns equal more than $10 per ton up to and including $40 per ton, for each dollar per ton increase an increase of..... | 1/2 of 1% |
| For all ore, minerals and metals from which net returns equal more than $40 per ton..... | 20% |

"Net returns", as used herein, is agreed to mean the amount of the payments received by the Lessee from the smelter, mill or mint to which any ore or concentrates derived from the leased premises are delivered for treatment and sale, after deduction has been made of all smelter, mill or mint charges and deductions, and all freight and transportation costs from the leased premises to the smelter, mill or mint, as the case may be. Such transportation costs shall not exceed the charges fixed by the lowest bidding Public Utilities Commission trucking contractor in the Tombstone District. All royalty due the Lessor upon the net returns from said ore shall be paid by check or draft made payable to the Lessor by the smelter or other purchaser, with a copy of the settlement sheet, and all such royalty not previously paid shall become due and payable to Lessor on or before the last day of each calendar month for all returns received by the Lessee during the preceding calendar month. All mine ore shall remain the property of Lessor until full settlement has been made for the royalty due Lessor hereunder.

7. Lessee shall keep all tunnels, drifts, shafts and other mine workings of a permanent nature constructed or used by him, free and clear of loose rock and rubbish except when prevented from doing so by mining casualty or other causes beyond his control. All underground openings made by Lessee shall be timbered where necessary and properly drained, and shall be of such size as will meet all requirements of good mining practice. Lessee, however, shall not be obligated to maintain abandoned tunnels, stopes, or sections which have been worked out, or which are, in the opinion of Lessee, unnecessary to his operations hereunder.

8. Lessee agrees to pay all taxes levied and assessed upon the leased premises, or any part thereof, including taxes measured on production, and also including taxes measured

on improvements placed upon the leased premises by Lessee during the continuance of this lease, commencing with taxes levied and assessed for the calendar year 1959, and to make payments thereof when and as required by the statutes of the State of Arizona so that no default in taxes upon the leased premises shall occur, and to deliver to Lessor upon request the original or duplicate tax receipts for payments made. Should Lessee be in possession under this lease for only a portion of a year, the tax for that year shall be prorated between the Lessor and the Lessee on the basis of taxes for the last preceding year.

Lessor may elect to pay such taxes in the first instance, and in such event shall give Lessee timely notification of its intention to do so. Lessee shall reimburse Lessor promptly for all taxes so paid by Lessor which are allocable to the premises or to production therefrom.

9. The Lessor shall have access to the leased premises at all reasonable times to inspect the same and to take samples therefrom, and shall have the right at all times to be present at the weighing and sampling of ores mined from the leased premises, all at Lessor's own risk and expense. The Lessee shall make and keep accurate maps and records of all his operations on the leased premises, and costs pertaining thereto, and the same shall be available at all reasonable times for inspection and the making of copies by Lessor. Beginning one year from the date hereof and annually thereafter during the term of this lease, as extended, Lessee shall furnish Lessor with a written reasonably detailed statement of his expenditures on the leased premises for the preceding twelve (12) month period. Upon request, Lessee shall also furnish Lessor with copies of maps, assays, diamond drill logs, and records pertaining to the leased premises and the mineralization thereof.

10. In the event of termination of this lease by expiration of the term thereof, or for any other reason whatsoever, the Lessee agrees to surrender the leased premises to the Lessor in good condition. The Lessee, however, shall have the right to remove from the leased premises any and all track, pipe, cables, machinery, equipment, tools, supplies, fixtures and appliances of any nature whatsoever installed by him on or in the leased premises, but if any such be not removed within ninety (90) days following the termination of this lease the same shall thereupon become and remain the property of the Lessor.

11. Lessee hereby agrees at all times to indemnify, save and keep Lessor harmless from and against any and all claims, suits, losses, damages or liability of any kind arising from or as a result of the exercise by him or his agents of any of the rights herein granted, and Lessee shall further, within thirty (30) days from the date hereof, either (a) furnish to the Lessor evidence that he has secured insurance for such purposes satisfactory to the Lessor as to both amount and carrier, or (b) post a bond of indemnity in form satisfactory to the Lessor in an amount not less than Twenty-five Thousand Dollars ($25,000).

12. If Lessee shall fail to perform any term or condition on Lessee's part to be performed, Lessor may give Lessee notice in writing specifying such failure, and the Lessee shall have ten (10) days thereafter to remedy such de-

fault. Upon failure or refusal of Lessee thereafter to remedy such default within said ten (10) day period, this lease shall terminate. The failure of Lessor in any one or more instances to insist upon the performance of any of the terms and conditions hereunder shall not be construed as a waiver or relinquishment of the right to insist upon the strict performance in the future of any such terms or conditions.

13. Lessee may surrender and terminate this lease upon thirty (30) days prior written notice to Lessor, and upon such surrender or upon such termination for any default Lessee shall be freed from any and every obligation and liability hereunder, excepting only the following obligations, which, by the express provisions hereof, have them become fixed and unconditional, to wit: (a) Lessee's obligation to pay percentage royalty upon the net returns from all ore extracted from the leased premises; (b) Lessee's obligation to keep the said property free and clear from all liens resulting from its operations hereunder; (c) Lessee's obligation to indemnify Lessor against liabilities to third parties attributable to or resulting from Lessee's operations on the leased premises; and (d) Lessee's obligation to pay taxes levied and assessed in the current year in which such termination becomes effective, apportioned on the basis of taxes for the last preceding calendar year as in paragraph 8 hereof provided.

14. Time shall be of the essence of this Agreement, but whenever the time for performance thereof is hindered, prevented or delayed by any fact or circumstance beyond the reasonable control of the party obliged to perform, and which such party could not have avoided by the use of due diligence, then the time for performance of any such act, obligation or expenditure shall be extended for a period equal to the extent of such delay.

15. Notice given under this Agreement shall be deemed sufficiently given if sent by registered mail, postage prepaid, addressed to the parties, as follows:

Lessor: Tombstone Development Company
Office of the Secretary (Nineteenth Floor)
300 Park Avenue
New York 22, New York

Lessee: Frank Frankovich
3351 North Sixth Avenue
Phoenix, Arizona.

16. The rights of Lessee hereunder shall not be subject to assignment or subleasing, except with the previous written consent of the Lessor, and in the event any such assignment or sublease without Lessor's consent is made, whether voluntary or involuntary, the same shall constitute grounds for termination of all rights hereunder. Subject to this condition, the provisions of this lease shall be binding upon the parties hereto, their heirs, successors, administrators and assigns.

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized officers of Lessor and by the Lessee on the day and year first above written.

TOMBSTONE DEVELOPMENT COMPANY
(Lessor)

By R.B. Fulton
Vice President

ATTEST:
Lawrence L. Leroy
Secretary

Frank Frankovich
FRANK FRANKOVICH
(Lessee)

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

This instrument was acknowledged before me this 28th day of January, 1959, by R.B. FULTON as a Vice President of TOMBSTONE DEVELOPMENT COMPANY.

Mary A. Tarantino
Notary Public
MARY A. TARANTINO
NOTARY PUBLIC, STATE OF NEW YORK
No. 30-3932403
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires March 30, 1959

STATE OF ARIZONA }
COUNTY OF MARICOPA } ss.:

This instrument was acknowledged before me this 4th day of Feb., 1959, by FRANK FRANKOVICH.

My Commission Expires May 11, 1960

Leigh Jones Schorr
Notary Public

KNOW ALL MEN BY THESE PRESENTS:

THAT by Agreement dated January 23, 1959, TOMBSTONE DEVELOPMENT COMPANY leased its Poor X, Survey (Lot 103) and Defence patented lode mining claims (U. S. Min'l. Survey Nos. 66, 132 and 117) to FRANK FRANKOVICH; and

THAT said TOMBSTONE DEVELOPMENT COMPANY is not operating said claims, and will not be liable for labor, materials or merchandise furnished to or performed in the operation or development thereof; and

THAT said Poor X, Survey (Lot 103) and Defence claims will not be subject to a lien for any such labor, materials or merchandise; and

THAT all persons must look for payment therefor to said Mr. Frank Frankovich, as Lessee.

Dated this 30 day of January, 1959.

TOMBSTONE DEVELOPMENT COMPANY

STATE OF ARIZONA
COUNTY OF COCHISE
Witness my hand and Official Seal
D. W. NEWBURN, County Recorder
Ely R. Crosse Deputy

| Indexed | Photostat Compared | Blotted |
|---|---|---|

I hereby certify that the within instrument was filed and recorded at request of
GENTRY, McNULTY & KIMBLE
Drawer T, Bisbee, Ariz.

Fee $ 6.25
I. R. S.
Total $
Index 212

Date APR 1 1959 - 1 50 PM
Page 457-463 No. 5025

BK 213 Pg 456

450

## CONSENT TO ASSIGNMENT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

THAT, pursuant to paragraph 16 of that certain Lease Agreement, TOMBSTONE DEVELOPMENT COMPANY, an Arizona corporation, lessor, and FRANK J. FRANKOVICH of Phoenix, Arizona, lessee, the undersigned, as lessor, hereby agrees and consents to the assignment by Lessee to G. ANDRADE III, of Dallas, Texas, of all of Lessee's right, title and interest in and under the said Lease Agreement covering the following described patented lode mining claims, located in the Tombstone Mining District, County of Cochise, State of Arizona, to-wit:

POOR-X Patented Lode Mining Claim, the United States Patent to which is recorded in Book 4, Deeds of Mines, on page 3;

SURVEY (Lot 103) Patented Lode Mining Claim, the United States Patent to which is recorded in Book 7, Deeds of Mines, at page 334;

DEFENCE Patented Lode Mining Claim, the United States Patent to which is recorded in Book 14, Deeds of Mines, at page 287;

THAT, the aforesaid consent to assignment is granted by Lessor on condition that Lessee and G. ANDRADE III, as assignee, will refrain at all times to claim, assert or by legal proceedings or otherwise seek to contest the right, title or interest of the undersigned lessor in and to the above described leased premises and in and to any other patented or unpatented claims or locations of Lessor situate and lying in any area covered by Lessee's notices of location known as the Silver Reef unpatented claims.

IN WITNESS WHEREOF, the undersigned Lessor has caused this instrument to be signed and sealed by its officers thereunto duly authorized, this 24 day of April, 1959.

TOMBSTONE DEVELOPMENT COMPANY
A corporation

By _____ President

ATTEST:

_____ Secretary

Book 213 docket pg 456

[illegible]

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On the 7th day of April, before me, the undersigned officer, personally appeared FRED SEARLS, JR. and JACQUES L. LEROY, who acknowledged themselves to be the president and secretary, respectively, of TOMBSTONE DEVELOPMENT COMPANY, a corporation, and that they, as such president and secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as president and secretary.

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

Gilbert M. Graham
Notary Public

GILBERT M. GRAHAM
NOTARY PUBLIC, State of New York
No. 60-1530050
Qualified in Westchester County
Cert. filed in New York County
Commission Expires March 30, 1984

STATE OF ARIZONA }
COUNTY OF COCHISE } ss
Witness my hand and Official Seal
R. W. NEWBURY, County Recorder
Deputy

Indexed | Directory Compared | Blotted

I hereby certify that the within instrument was filed and recorded at request of
GENTRY, McCUTTY & KIMBLE
Drawer T, Bisbee, Ariz.
Fee 13.50
L. H. $
Total
Docket 213
Date APR 14 1960 - 1:50 PM
Page 457 No. 5626

DOCKET
BK 214 PG 27

STATE OF ARIZONA
COUNTY OF COCHISE
Witness my hand and Official Seal
W. NEWBURY, County Recorder
Ray R. Rose Deputy
Indexed | Photostat Compared | Blotted
I hereby certify that the within instrument was filed and recorded at request of City of Tombstone Tombstone Ariz.
Fee $ 3.00
I. R. S.
Total $
Date APR 17 1959 -12.30 AM
Book 27-30 No. 5819



ORDINANCE NO. 178

BEING AN ORDINANCE ANNEXING TERRITORY CONTIGUOUS TO THE CITY OF TOMBSTONE, AND EXTENDING THE CORPORATE LIMITS OF THE SAID CITY OF TOMBSTONE, COCHISE COUNTY, ARIZONA.

WHEREAS, there has been presented a petition in writing, signed by the owners of not less than one-half the value of the real and personal property as would be subject to taxation by the City of Tombstone; and,

WHEREAS, the said real property is territory contiguous to the City of Tombstone, as shown by the last assessment thereof, and is not now embraced within the City or Town Limits; and,

WHEREAS, the said petition set forth a description of all the exterior boundaries of the area proposed to be annexed to the City of Tombstone, and did further have attached to it at all times an accurate map of the territory desired to be annexed; and,

WHEREAS, there have been no alterations or additions to the territory sought to be annexed; and,

WHEREAS, the area sought to be annexed is described as follows, to-wit:

Parts of Sections 11 and 12, Twp. 20 S., Range 22 E., G. & S. R. B. & M., Cochise County, State of Arizona, as follows:

Beginning at a point which is 150.0 feet South from the Initial Marker of the Townsite of Tombstone, said point being a corner of the City of Tombstone; thence going east along the south boundary of the City of Tombstone for one (1) mile to the Southeast corner of the City of Tombstone; thence South for 2490.0 feet; thence West for one mile to a southeast corner of the City of Tombstone; thence North along the East boundary of the City of Tombstone for 2490.0 feet to the point of beginning; EXCLUDING therefrom the Houghton Patented Lode Mining Claim.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF TOMBSTONE that the present corporate limits of the City of Tombstone shall be extended and increased by adding to the present cor-

porate limits the above described contiguous territory, and that the above described contiguous territory shall henceforth be part of the municipal corporation of the City of Tombstone, and shall be embraced within the corporate limits thereof.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF TOMBSTONE on the 23rd day of March, 1959.

Mayor

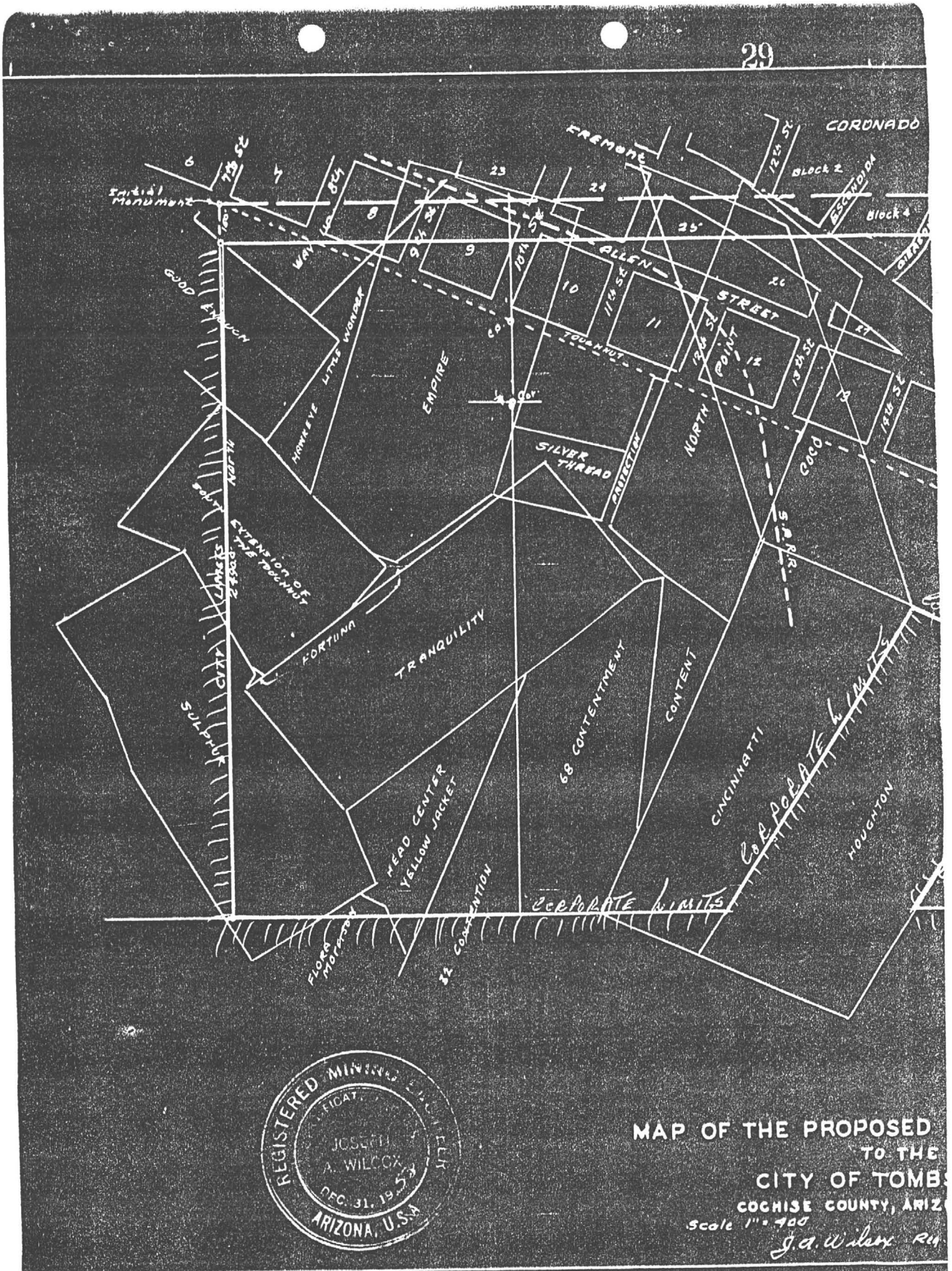
ATTEST:

City Clerk

I, WALTER C. FOSTER, certify that I am the duly elected and acting Mayor of the City of Tombstone; that as such I am familiar with Ordinance No. 178 adopted by the Mayor and City Council of the City of Tombstone on the 23rd day of March, 1959; that I certify that the foregoing is a true and correct copy of the said ordinance, and that there is annexed hereto and made a part hereof, an accurate map of the territory annexed, and that this certification and all other procedures are done pursuant to Section 9-471, et seq., of the Arizona Revised Statutes.

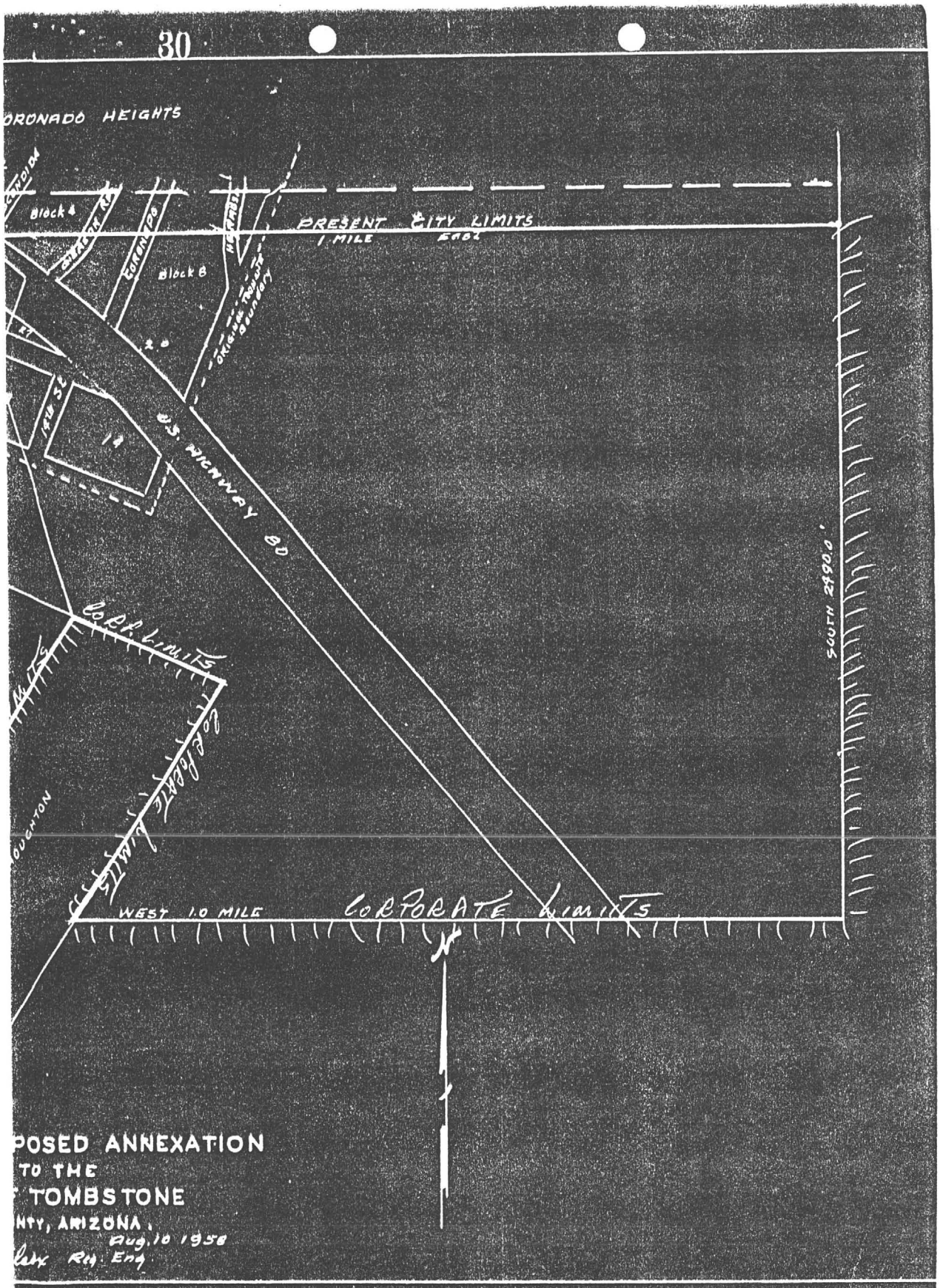
IN WITNESS WHEREOF, I set my hand and the Seal of the City of Tombstone this 23rd day of March, 1959.

Mayor




REGISTERED MINING ENGINEER
CERTIFICATE
JOSEPH A. WILCOX
DEC. 31, 19 53
ARIZONA, U.S.A.

MAP OF THE PROPOSED
TO THE
CITY OF TOMB
COCHISE COUNTY, ARIZ
Scale 1" = 400
J.A. Wilcox Reg


ORONADO HEIGHTS
Block 4
Block 8
PRESENT CITY LIMITS
1 MILE
EAST
U.S. HIGHWAY 80
SOUTH 2490.0'
corporate limits
WEST 1.0 MILE
CORPORATE LIMITS
POSED ANNEXATION
TO THE
TOMBSTONE
NTY, ARIZONA.
Aug. 10 1958
Eng.

DOCKET
BK 229 PG 32

BK 278 PG 364

Book 278
Pg 364



QUITCLAIM DEED

THIS DEED, made the 23rd day of January in the year of our Lord One Thousand Nine Hundred and Sixty-one, between TOMBSTONE DEVELOPMENT COMPANY, a corporation, the party of the first part and DONALD KENNEDY and JEAN M. KENNEDY, his wife, the parties of the second part.

WITNESSETH:

That the said party of the first part, for and in consideration of the sum of Ten Dollars to it in hand paid by the said parties of the second part, the receipt whereof is hereby confessed and acknowledged has remised, released and quit-claimed, and by these presents does remise, release and quit-claim unto the said parties of the second part, and to their heirs, and assigns forever, all the right, title, interest, claim and demand which the said party of the first part has in and to the following described real estate situated in the County of Cochise and State of Arizona, to-wit:

Start

(Art 1)

The surface and subsurface only to a depth of 40 feet, immediately beneath the surface, of a portion of the Empire Patented Lode Mining Claim, Lot No. 46, situated in the Tombstone Mining District, in the County of Cochise, State of Arizona, and more particularly described as follows:

Beginning at a point which is the SE corner of that certain parcel of land acquired by Morgan Lewis Brett on Feb. 24, 1959 and recorded in Office of the Recorder of Cochise County in Docket 209 on page 539, said point being N.90-31'E a distance of 502.62 feet and S.66°-30' E a distance of 220.00 feet from corner number 6 of the Empire Patented Lode Mining Claim; thence going S.77°-41' E for 205.90 feet; thence S.15°-17' W for 133.70 feet; thence N.80°-07' W for 143.93 feet; thence N.90-21'W for 150.56 feet to the point of beginning.

RESERVING, however, to the party of the first part the perpetual right and ownership, together with the right to mine for, extract and take minerals from beneath the surface of and the subsurface of that portion of the said property above described lying more than 40 feet beneath the surface thereof; and the perpetual right and ownership of all veins; the apexes of

When recorded, return to: The Arizona Bank
Tombstone Branch, Tombstone, Ariz.

Item 37 Book 278 dkt, Page 364

owner also of TDC

Surveys marked on map

which may be found on the surface thereof, and all extralateral rights in connection with such veins; provided, however,, that no mining operations shall be conducted by said party of the first part, its successors or assigns, on the surface of the real property hereby conveyed or at any point within 40 feet below the surface thereof, except in the event of litigation with respect to such extralateral rights wherein the question of the identity of any such vein or the location of the apex thereof at the surface shall be a material fact embraced within the issues of such litigation, in which event the party of the first part, its successors or assigns, shall have the right to conduct such operations within the premises hereby conveyed, and along and adjacent to said veins, for the purpose of such litigation only.

TYPE all

TO HAVE AND TO HOLD all and singular the said premises, together with the appurtenances and privileges thereto incident, and all of the estate, right, title, interest, claim and demand whatsoever of said party of the first part, unto the said parties of the second part, their heirs and assigns forever.

IN WITNESS WHEREOF, the said party of the first part has caused these presents to be executed in its corporate name and under its corporate seal by its President and Secretary thereunto duly authorized as of the day and year first above written.

TOMBSTONE DEVELOPMENT COMPANY

By Fred Searls Jr.
President

ATTEST:

Joyce L. Leroy
Secretary

STATE OF NEW YORK )
COUNTY OF NEW YORK ) SS

This instrument was acknowledged before me this 23rd day of January 1961, by Fred Searls, Jr., President of TOMBSTONE DEVELOPMENT COMPANY

Marcella Pincus
Notary Public
MARCELLA PINCUS
Notary Public, State of New York
No. 276190
Qualified in Nassau County
Certificate filed in New York County
Commission expires March 30, 1962

STATE OF ARIZONA )
COUNTY OF COCHISE ) ss.

I hereby certify that the within instrument was filed and recorded at request of PIONEER TITLE & TRUST CO., BISBEE, ARIZONA, JUN 23 1961 - 2.15 PM

Witness my hand and Official Seal
P. W. NEWMAN, County Recorder
By [illegible] Deputy

| Indexed | Photostat-Compared | Blotted |
|---|---|---|
| | | |

Fee $ 2.50
I. R. $
Total $
Docket 2153 Page 364-365 No. 10257
365

DOCKET
BK 412 PG 358

Power of Attorney
General Form

FRANCES VIRGINIA CHAFFIN

to

RUTH G. CHAFFIN

DKT 482 PG 358
357

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SF-2-23 (4-59)
USE APPROVED
BY GSA 2-13-59

# LEASE FOR REAL PROPERTY
*(Short Form)*

LEASE NO.
12-14-130-3076(41)

The Lessor, whose name and address appear below, hereby agrees to lease to the United States of America, hereinafter called the Government, the following described premises, under the terms, conditions, and provisions specified herein or attached hereto, to which the Government, represented by the undersigned Contracting Officer, also agrees.

1. LOCATION OF LEASED PREMISES: Tombstone, Arizona

2. DESCRIPTION OF LEASED PREMISES: 5 acres of land, more or less, beginning at a point 100 feet immediately beneath the surface of that the surface, and north 100 feet [illegible] "claim" designated as portion of the Kinnimata Patented Lode Mining Claim, situated in Lot 70, Sec. 12, T20S, R22E, Gila and Salt River Meridian, situated in the County of Cochise, State of Arizona, and more particularly described on the attached plat. RESERVING, however, to the Lessor (continued on page 2)

3. GOVERNMENT USE OF PREMISES: Erection of temporary buildings for materials storage.

4. INITIAL TERM — BEGINNING AND ENDING DATES: Beginning October 1, 1965 and ending June 30, 1966. — NOT RENEWABLE BEYOND (Date): [illegible]

5. RENEWAL OF TERMS: Renewable each fiscal year for five additional years. — NO. OF DAYS' NOTICE REQUIRED: 30

6. TERMINATION: The Government may terminate this lease in whole or in part, by written notice to the Lessor, and no rental shall accrue after the effective date of termination.

7. RENTAL: $210.00 per annum (two hundred and ten dollars) payable [illegible] — PAYABLE AT END OF EACH: Fiscal Year

8. SERVICES AND UTILITIES TO BE PROVIDED BY LESSOR:

| | | | | | |
|---|---|---|---|---|---|
| a. Heat | c. Window washing | FREQUENCY | g. Toilet facilities | | i. Air conditioning |
| b. Electricity | | | h. Soap and towel | | k. Floor covering — TYPE |
| c. Chilled drinking water | f. Shades or blinds | TYPE | j. Janitor service | FREQUENCY | l. Telephone |
| d. Elevator service | | | | | |

m. Other items and services to be provided (not checked above): [illegible]

9. OTHER PROVISIONS MUTUALLY AGREED UPON: See attached sheet

ILLEGIBLE COPY

10. LESSOR — NAME AND ADDRESS: Tombstone Development Company, 6[illegible] S. Flower St., Los Angeles, Calif. — BY (Signature): [illegible] — DATE: 10-4-65 — TITLE: President

11. LESSEE (For the United States of America) — NAME AND ADDRESS OF GOVERNMENT ACTIVITY: USDA, ARS, Western Administrative Division, 1960 Addison, Berkeley, Calif. — BY (Signature): B. J. Andrysek — DATE: 10/6/65 — TITLE: Regional Administrative Services Officer

(See General Provisions and Instructions on Reverse)

TYPE

TYPE

DKT 482 PG 358

| | | |
|---|---|---|
| 10. LESSOR | NAME AND ADDRESS<br>Tombstone Development Company<br>[illegible] Flower St., Los Angeles, Calif. | (Signature)<br>[illegible] |
| | TITLE<br>President | DATE<br>10-4-65 |
| 11. LESSEE (For the United States of America) | NAME AND ADDRESS OF GOVERNMENT ACTIVITY<br>USDA, ARS, Western Administrative Division, 1600 Addison, Berkeley, Calif. | (Signature)<br>B. J. Andrysek |
| | TITLE<br>Regional Administrative Services Officer | DATE<br>10/6/65 |

(See General Provisions and Instructions on Reverse)

Copy

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# GENERAL PROVISIONS

## 1. MAINTENANCE OF PREMISES

The Lessor shall, unless herein specified to the contrary, maintain the premises and property furnished under this lease in good repair and tenantable condition during the continuance of this lease, except in case of damage arising from the act or the negligence of the Government's agents or employees. For the purpose of so maintaining said premises and property, the Lessor may, at reasonable times approved by the Government, enter and inspect the same and make any necessary repairs thereto.

## 2. DAMAGE BY FIRE

If the said premises be destroyed by fire or other casualty this lease shall immediately terminate. In case of partial destruction or damage, so as to render the premises untenantable, as determined by the Government, the Government may terminate the lease by giving written notice to the Lessor within fifteen days thereafter; if so terminated, no rent shall accrue to the Lessor after such partial destruction or damage; and if not so terminated, the rent shall be reduced proportionately by supplemental agreement hereto effective from the date of such partial destruction or damage.

## 3. COVENANT AGAINST CONTINGENT FEES

The Lessor warrants that no person or selling agency has been employed or retained to solicit or secure this lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Lessor for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this lease without liability or, in its discretion, to deduct from the rental or consideration the full amount of such commission, percentage, brokerage, or contingent fee. (Licensed real-estate agents or brokers having listings on property for rent, in accordance with general business practice, and who have not obtained such licenses for the sole purpose of effecting this lease, may be considered as bona fide employees or agencies within the exception contained in this paragraph 3.)

## 4. OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this lease, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this lease if made with a corporation for its general benefit.

## 5. NONDISCRIMINATION IN EMPLOYMENT

a. In connection with the performance of work under this lease, the Lessor agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Lessor agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.

b. The Lessor further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

## 6. EXAMINATION OF RECORDS

(If this lease is negotiated under Title III of the Federal Property and Administrative Services Act of 1949, as amended, the following clauses shall apply).

a. The Lessor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under this lease, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Lessor involving transactions related to this lease.

b. The Lessor further agrees to include the following provision, with appropriate insertions, in all his subcontracts hereinafter: "(Name of Subcontractor) agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under lease (lease symbol number) between the United States of America and (name of Lessor), have access to and the right to examine any directly pertinent books, documents, papers, and records of (name of Subcontractor) involving transactions related to this lease."

## 7. APPLICABLE CODES AND ORDINANCES

The Lessor, as a part of the rental consideration, agrees to comply with all codes and ordinances applicable to the ownership and operation of the building in which the leased space is situated and at his own expense, to obtain all necessary permits and related items.

## 8. LESSOR'S SUCCESSORS

The terms and provisions of this lease and these General Provisions shall bind the Lessor, and the Lessor's heirs, executors, administrators, successors, and assigns.

# INSTRUCTIONS

1. The full name and business address of the Lessor must be inserted in the space provided on the face of this form. The Lessor shall sign in the space provided, with his usual signature and type or print name under signature.
2. An officer of a corporation, a member of a partnership, or an agent signing for the Lessor shall place his signature and title after the word "By" under the name of the Lessor. A lease executed by an attorney or agent on behalf of the Lessor shall be accompanied by two authenticated copies of his power of attorney or other evidence of authority to act on behalf of the Lessor.

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such licenses for the sole purpose of effecting this lease, may be considered as bona fide employees or agencies within [illegible] exception contained in this paragraph 3.)

4. OFFICIALS NOT TO BENEFIT

No member of, or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this lease, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this lease if made with a corporation for its general benefit.

The Lessor, as a part of the rental consideration, agrees to comply with all codes and ordinances applicable to the ownership and operation of [illegible] building in which the leased space is situated and, at [illegible] own expense, to obtain all necessary permits and related items.

8. LESSOR'S SUCCESSORS

The terms and provisions of this lease and these General Provisions shall bind the Lessor, and the Lessor's heirs, executors, administrators, successors, and assigns.

INSTRUCTIONS

1. [illegible] name and business address of the Lessor must be inserted in the space provided on the face of this lease. The Lessor shall sign in the space provided, with his usual signature and type or print name under signature.
2. An officer of a corporation, a member of a partnership, or [illegible] or an agent acting for the Lessor shall place his signature and title after the word "By" under the name of the Lessor. A lease executed by an attorney or agent on behalf of the Lessor shall be accompanied by two authenticated copies of his power of attorney or other evidence of authority to act on behalf of the Lessor.

[illegible]



-2-

2. Description of Leased Premises - continued

the perpetual right and ownership, together with the right to mine for, extract and take minerals from beneath the surface of and the subsurface of that portion of the said property above described lying more than 50 feet beneath the surface thereof; and the perpetual right and ownership of all veins, the apexes of which may be found on the surface thereof, and all extralateral rights in connection with such veins; provided, however, that no mining operation shall be conducted by said Lessor, its successors or assigns, on the surface of the real property hereby leased or at any point within 50 feet below the surface thereof, except in [illegible] case of litigation with respect to such extralateral rights thereof, the question of the identity of any such vein or the location of the apex thereof at the surface shall be a material fact embraced within the issue of such litigation, in which event the Lessor, its successors or assigns, shall have the right to conduct such operations within the premises hereby leased, and along and adjacent to said veins, for the purpose of such litigation only.

OTHER PROVISIONS MUTUALLY AGREED UPON

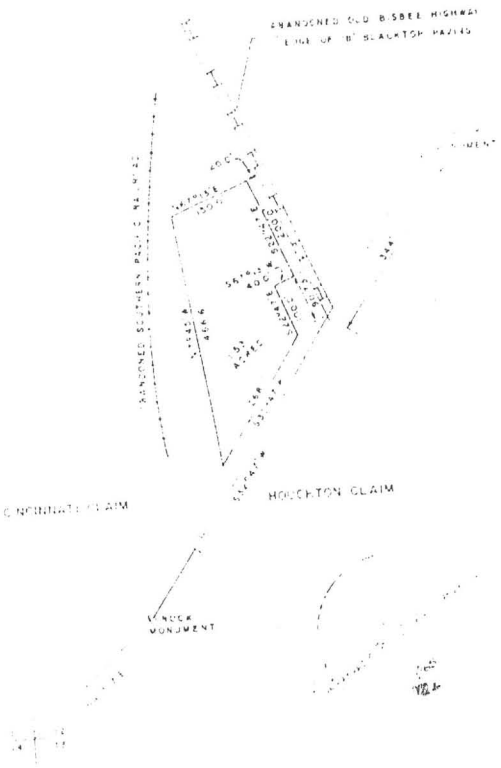
The Government shall have the right, during the existence of this lease, to erect structures, or signs, in or upon the premises hereby leased, which structures shall be and remain the property of the Government, and may be removed therefrom by the Government prior to the termination of this lease, and the Government, if required by the Lessor, shall before the expiration of this lease or renewal thereof, restore the premises to the same condition as that existing at the time of entering upon the same under this lease, reasonable and ordinary wear and tear and damages by the elements or by circumstances over which the Government has no control excepted: Provided, however, that if the Lessor requires such restoration, the Lessor shall give written notice thereof to the Government thirty (30) days before the termination of the lease.

The Government shall have the right of way across non-leased part of claim for duration of lease only for access to and from road.

The Government shall post and record notice of Lessor's non-liability of claims arising from Government's activities.



BRANDYNES LTD 6 SOUTH HIGHWAY




LEGAL DESCRIPTION
PROPOSED FIELD STATION
WALNUT GULCH EXPERIMENTAL WATERSHED

A portion of Lot 70, Sec. 12, T20S, R22E, Gila and Salt River Meridian (Cincinnati Claim) as follows:

Commencing at the NE corner of said claim (Rock Pile Monument); thence S 32° 47' W 344 feet to the southwest edge of the blacktop pavement (Old Bisbee Highway); thence N 22° 47' W 20.73 feet along the southwest edge of pavement; thence S 67° 13' W twenty (20.0) feet to the starting point; thence:

S 67° 13' W forty (40.0) feet;
S 22° 47' E one-hundred (100.0) feet;
S 32° 47' W two-hundred-sixty-eight and one-tenth (268.1) feet;
S 75° 45' W four-hundred-sixty-six and six-tenths (466.6) feet;
N 67° 13' E one-hundred-fifty (150.0) feet;
N 22° 47' E two-hundred (200.0) feet to the starting point.

The described parcel contains 1.53 acres, more or less.

LEGAL DESCRIPTION
PROPOSED FIELD STATION
WALNUT GULCH EXPERIMENTAL WATERSHED

portion of Lot 40, Sec. 12, T20S, R22E, Gila and Salt River Meridian (Cincinnati
as follows:

Commencing at the NE corner of said claim (Rock Pile Monument); thence S 32°
W 344 feet to the southwest edge of the blacktop pavement (Old Bisbee Highway);
thence N 22° 47' W 39.73 feet along the southwest edge of pavement; thence S 67° 13'
W twenty (20.0) feet to the starting point; thence:

S 67° 13' W forty (40.0) feet;
S 22° 47' E one-hundred (100.0) feet;
S 22° 47' W two-hundred-sixty-eight and one-tenth (268.1) feet;
N 7° 45' W four-hundred-sixty-six and six-tenths (466.6) feet;
S 67° 13' E one-hundred-fifty (150.0) feet;
S 22° 47' E two-hundred (200.0) feet to the starting point.

The described parcel contains 1.53 acres, more or less.

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Agricultural Research Service
Southwest Watershed Research Center
442 E. 6th St., Tucson, Arizona 85705

BK 910 Pg 516

BK 948 PG 412

# LEASE AGREEMENT

DKT 948/412

THIS AGREEMENT, dated this 31st day of August, 1973, by and between TOMBSTONE DEVELOPMENT COMPANY, an Arizona Corporation, hereinafter referred to as "Lessor", and 1971 MINERALS LIMITED, a New Jersey Limited Partnership, hereinafter referred to as "Lessee".

## RECITALS

Lessors are the owners of a certain group of patented and unpatented lode mining claims, referred to herein as "Leased Claims", all of which are situated in Cochise County, Arizona, Mineral Survey numbers of which, and the book and page of the recording in the office of the Recorder of Cochise County, Arizona, are more particularly described in Appendix "A" attached hereto.

Lessee desires to obtain from Lessor a mining lease covering the Leased Claims, described in Appendix "A", and Lessor desires to grant to Lessee such mining lease, on the terms hereinafter set forth:

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties herein, and other valuable consideration, Lessor hereby leases to Lessee for the term and purposes hereinafter mentioned, all that certain land referred to herein as the "Leased Claims".

1. PURPOSE: This lease is made for the sole purpose of examining, searching and testing for opening and operating mines, of, and extracting, producing, treating, selling and shipping any and all minerals contained therein. Lessor also leases to lessee, the necessary rights of way, easements and water rights, in connection with the leased claims, so as to facilitate exploration and development thereof. The parties hereto agree that certain surface and water rights shall be retained by Lessor, but that the retention of those surface and water rights shall not unreasonably interfere with the exploration or mining and associated activities conducted by Lessee.

Type →

2. TERM: The term of this lease shall be for the initial period of ten (10) years from the date hereof, and as long thereafter as valuable mineral is produced from said land in commercial quantities and so long as

STATE OF ARIZONA } ss.
COUNTY OF COCHISE }

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED AND RECORDED

WITNESS MY HAND AND OFFICIAL SEAL.
CHRISTINE MACNAB COUNTY RECORDER

GENTRY, GILLESPIE & BORGWIEC
P. O. BOX 87, BISBEE, ARIZONA

Macnab Rodas

Docket 948 Page 412 No. 13545

Date AUG 31 74 - 1 00 PM

948DKT
PG 412

royalties are paid to Lessors, provided, however, that all of the terms and conditions hereof are fully met and that this lease has not been terminated pursuant to any clause hereof.

3. ROYALTIES: Royalties are to be paid to Lessor on all minerals mined from the leased claims, as a percentage of their market value after being reduced to a marketable concentrate or other saleable mineral, and payable on the 15th day of the month following the date of sale of such minerals produced. Said royalty payments are to be made pursuant to the written direction and instruction of the lessor herein, and lessor hereby specifies that the royalty payments provided for hereunder shall be sent by U. S. Mail to Tombstone Development Company, c/o Mr. William Hight, 1824 North Broadwell, Grand Island, Nebraska, 68801, on or before the due date provided for herein. Lessee agrees that it shall not unreasonably stockpile ore for any excessive period of time after active and substantial production from the leased claims has commenced, and in no event, shall Lessee stockpile ore for more than six months after production has commenced.

The royalty payable out of production for ores or concentrates sold from the leased claims are payable in varying percentages with the different percentages relating to different average gross value per ton of ore or concentrate produced and sold from the leased claims during each month. The average gross value of ore produced and sold from the leased claims over the period of each month shall be determined by dividing the net smelter returns as defined in 3(a) hereof, received for such ore produced by the number of tons mined and shipped during the month. The royalties are payable as follows:

(a) Subject to the provisions of this paragraph, Lessor shall be paid a limited royalty out of production, payable in varying percentages. Each different percentage shall be derived from the average gross value per ton of ore, or concentrate mined and shipped from the leased claims, listed as follows:

For any month in which the average gross value per ton of ore figure is less than $20.00 per ton, the royalty will be seven (7%) percent of the net smelter returns from mineral produced from the leased claims;

For any month in which the average gross value per ton of ore figure is $20.00 per ton or more, but less than $25.00 per ton, the royalty will be eight (8%) percent of the net smelter returns for mineral produced from the leased claims;

For any month in which the average gross value per ton of ore figure is $25.00 per ton or more, but less than $40.00 per ton, the royalty will be nine (9%) percent of the net smelter returns from mineral produced from the leased claims;

For any month in which the average gross value per ton of ore figure is $40.00 per ton or more, but less than $80.00 per ton, the royalty will be ten (10%) percent of the net smelter returns from mineral produced from the leased claims;

For any month in which the average gross value per ton of ore figure is $80.00 per ton or more, but less than $100.00 per ton, the royalty will be twelve (12%) percent of the net smelter returns from mineral produced from the leased claims;

For any month in which the average gross value per ton of ore figure is $100.00 per ton or more, but less than $150.00 per ton, the royalty will be fifteen (15%) percent of the net smelter returns from mineral produced from the leased claims;

For any month in which the average gross value per ton of ore figure is more than $150.00 per ton, the royalty will be twenty (20%) percent of the net smelter returns from mineral produced from the leased claims.

The term "net smelter return" is understood by the parties to mean the amount received from the smelter after deducting actual freight for ore concentrate haulage from the mill to the smelter. For ores, minerals or metals not sent to the smelter, the Lessee may deduct the actual cost of direct labor and materials for processing, but such cost deducted will not exceed ten (10%) percent of the average gross value per ton of ore for that

month. For example: If the average gross value of ore mined during the month is $50.00 per ton, the maximum deductions for direct processing costs will be 10% or $5.00 per ton. The royalty would be paid on $45.00 per ton. The royalty percentage shall apply to all minerals and will be based on all monies received or the market value of all ores, metals, minerals, geothermal steam, or other materials removed from the property.

(b) Notwithstanding the above sub-paragraph, there shall be a minimum monthly royalty payable to Lessors as follows:

(i) For the month of September, 1973, and for each of the five (5) succeeding calendar months, to-wit: October, November, December, all of 1973, and January and February, both of 1974, the sum of money equal to the greater of: (1) a minimum monthly royalty of $2,500.00 or (2) the royalty out of production for each such month;

(ii) For the month of March, 1974, and for each succeeding month during the term of this agreement, a sum of money equal to the greater of: (1) a minimum monthly royalty of $5,000.00 or (2) the royalty out of production for each such month.

(c) Notwithstanding said sub-paragraphs (a) and (b), there shall be an advance minimum royalty payable to Lessor equal to a sum of money of $10,000.00, payable by Lessee, upon the execution of this agreement.

(d) The amount by which the minimum monthly royalty, or the advance minimum royalty, provided for in sub-paragraphs (b) and (c) herein, paid for any calendar month during the term of this lease, exceeds the royalty out of production for such month, may be recovered by Lessee out of, and credited against, the royalty out of production due for any succeeding month or months thereafter, during the term of this agreement.

4. OPERATION OF MINE: Lessee agrees to work said land in the manner necessary to good and economic mining, so as to bring about maximum and economic recovery from the property, with due regard to development and preservation of said premises as a workable mine. Lessee agrees to perform continuously and diligently in good faith, in an active and substantial way, development in mining work upon the said leased claims

directed toward the discovery and production of minerals or ore therefrom. The equipment and machinery brought onto the leased claims by Lessee is and shall remain the personal property of Lessee, and title thereto shall not vest in Lessor by operation of law. The obligations of Lessee set forth in this paragraph shall be suspended only while Lessee's compliance is prevented by the elements, accidents, strikes, lockouts, riots, delays in transportation, inability to secure materials in the open market, or interference by governmental action, or by any other causes beyond the reasonable control of Lessee, whether similar or dissimilar to the causes specifically mentioned. Lessee agrees to furnish at its own cost, any and all environmental impact studies required by any governmental authority as a result of its undertaking the exploration, development and mining operation contemplated by this agreement. Lessee agrees to honor any and all contractual obligations undertaken by Lessor relating to the sale of water or surface use of the herein leased claims, so long as those said obligations do not interfere with the exploration, developmental, mining, or similar activity on the leased claims by Lessee. Lessee hereby recognizes that Lessor intends to develop up to 100 acres on the surface of certain claims situated in the immediate vicinity of the townsite of Tombstone. Those said claims consist of the Content, Cocopah, North Point, Contentment, Empire, Tranquil, Silver Belt, Silver Thread, Contention, New Year, Cincinnati, Cornell, Head Center, Yellow Jacket and Flora Morrisson Claims. Lessor agrees that the said development of the surface of the hereinabove mentioned claims shall not interfere with activities of Lessee contemplated by this lease. Notwithstanding any development of the surface of the above mentioned leased claims, Lessor further agrees that Lessee shall have access on or across the above mentioned claims so as not to interfere with the exploration, developmental, mining, or associated activities of Lessee contemplated by this lease, on those above named claims. However, after a period of twelve months (one year) for exploration and development of any mining plans, Lessee shall permit Lessor to develop as much as one hundred acres of the surface of land contiguous or adjacent to the City of Tombstone

on the above listed claims. However, Lessee will continue to have the right to explore for, develop and mine mineral 40 feet or more below the surface of the said 100 acres.

5. REPORTING: Lessee agrees that it will provide Lessor with a report on or before the 15th day of each month, pertaining to the previous month, to the Lessor, in writing, indicating the following:

(a) The number of tons of ore mined.

(b) A summary of all assays taken on said ore mined.

(c) The number of tons processed for which royalty is payable pursuant to this lease through mills or reduction plants used to process said ores.

(d) The value of all minerals sold or otherwise disposed of from ores subject to royalty payments pursuant to this lease.

The above referenced statement and reports are to be accompanied by a draft payable to each of the said Lessors in the proper prorata amount of the royalty due Lessors as aforesaid. If no royalty out of production is due for any monthly period hereof, then a report containing all of the pertinent details above required, shall be submitted to Lessor with a statement to the effect that there is no royalty out of production due for the preceding month.

6. ADDITIONAL REPORTS AND ACCESS: Lessee shall keep a full set of accounts and records, and shall allow Lessor, or its agents and employees to examine them from time to time. Lessee will allow Lessor to enter upon said premises, and into any workings, mills, or reduction works thereon, or wherever said ore may be worked or reduced, for the purpose of inspection to ascertain whether the terms and conditions of this lease are being promptly carried out and to take samples and to make tests and measurements, and to affix notices. Lessee shall, upon being requested to do so, make available to Lessor, its agents and employees, copies of assay reports, drillhole logs, and any and all other data assembled as an aid in determining the location, quantity, and quality of any and all deposits on said land. All inspections shall be made at reasonable hours and at reasonable intervals, and shall be at the sole cost of, and risk of Lessor.

7. TAXES: Lessor shall pay all ad valorem and similar property taxes lawfully levied or assessed during the term of this agreement against the property, or any improvements thereto, but upon the receipt of a statement therefor from Lessor, Lessee shall reimburse Lessor for any such taxes paid by Lessor. In addition to the foregoing, Lessee shall pay all other taxes imposed by reason of Lessee's operation and improvements upon the property. Lessee shall pay any such taxes on an installment basis upon receiving notice from Lessor that such installment payment of the said taxes is due. Lessee agrees to pay any such taxes before they become delinquent. Lessee shall not be liable for the payment of any tax assessment imposed by any city, county, state, federal or other law or ordinance, on the income of Lessor hereunder, or the interest reserved by Lessor thereunder or upon a transfer or passing by death or gift, of any interest of Lessor or for any similar tax. Lessee further agrees to do all other things necessary and required by federal, state and local laws and regulations to protect and defend and maintain Lessor's title to the leased claims, so that title will be as good as at the time of the execution of this agreement.

8. WARRANTY: Lessor represents and warrants that it is the owner of the leased claims, free of all claims, liens and encumbrances, and that Lessor has the exclusive possession of the leased claims, except for approximately two acres leased to the United States Department of Agriculture for surface and except to the extent that the United States Government holds title to unpatented claims.

9. BANKRUPTCY: In case Lessee shall be adjudged a bankrupt by either voluntary or involuntary proceedings, lessor may, at its option, terminate this lease by written notice. After termination by notice, Lessor may re-enter the leased claims and take exclusive possession. Upon exercise of the option to terminate, the estate and rights in the herein leased claims of Lessee, and any person claiming through the Lessee, by act of the parties or operation of law, shall immediately terminate.

10. IMPROVEMENTS: Lessee may construct, reconstruct, demolish, remove, maintain, and use such roads, ditches, buildings, fixtures, machinery, and mine dumps on, through and upon said leased claims, as may be necessary in carrying on mining operations during the term of this lease. At the termination hereof, Lessee may remove all personal property, machinery, tools, appliances, and buildings constructed upon said leased claims by Lessee, except shaft timbering and lining, underground supports, rails, electric, water, steam and air lines, provided no default shall at such time exist with respect to any payments or rentals, or in respect to any covenants, agreements, or conditions to be kept and performed by Lessee; provided that all machinery, tools, appliances and buildings, and all personal property remaining on said premises sixty (60) days after the termination (by notice or otherwise) of this lease, shall be held to have become the property of lessor and shall not be removed therefrom by Lessee. Lessee agrees to perform all environmental restoration activities on the claims required by any governmental authority at its sole cost and expense.

11. HOLD HARMLESS: Lessee agrees to release and to indemnify and hold harmless Lessor, and any corporation wholly or in part affiliated with, owned or controlled by Lessor, from and against all claims, causes of action, liabilities, costs and expenses for losses, or damage to, all property whatsoever and injuries to, or death of, all persons whomsoever, arising out of, or in any way connected with, the use and occupation of the leased premises or exercise of the rights hereunder. Lessee agrees to comply with all such regulations promulgated by the responsible governmental agencies in carrying out the activities contemplated by this lease, and to fence all open shafts which are in existence upon the claims.

12. LIENS: Lessee agrees to pay in full, all persons who perform labor or services on, furnish materials, joined or affixed to, or provide equipment for, said leased claims, at Lessee's instance or request. Lessor shall not permit or suffer liens of any kind or nature to be enforced against said leased claims for such labor, services, materials, or equipment. Lessor shall have the right to pay any amount required to release any such lien,

or liens, or to end any action brought thereon, and to pay any judgment entered therein, and Lessee shall be liable to Lessor for all costs, damages and reasonable attorney's fees, and any amounts expended in defending any proceedings or payment of any of said liens or any judgment obtained therefor. Lessee shall also provide a bond in the amount of $50,000.00 for payment of labor and material and to satisfy mechanics and materialmen's liens which might affix to the property with the cost of the bond to be shared equally by lessor and lessee.

13. ASSIGNMENT: This lease shall inure to the benefit of and be binding upon the respective heirs, administrators, executors, successors and assigns of the parties hereto. Upon such assignment all references herein to "Lessee" or "Lessor" shall be deemed to refer to such succeeding heirs, administrators, executors, successors and assigns of such alienating party.

14. TERMINATION: Lessee shall have the right in its sole and exclusive discretion, to terminate this lease upon giving thirty (30) days written notice of termination to Lessor. Upon giving such notice of termination, Lessee shall be liable only for the payment of the minimum royalty or royalty out of production due for the thirty day period next following the date the notice of termination was given. Should Lessee be in default in regard to any of the provisions of Paragraphs (3), (7) or (17) of this lease, Lessor shall give formal, written and detailed notice of the existence of same to Lessee. If Lessee has not cured the said default within thirty (30) days after the receipt of said formal, written and detailed notice of default, Lessor can terminate the herein lease.

15. INSURANCE: Lessee agrees to maintain and keep in force at all times, a policy of liability insurance protecting Lessee and Lessor from personal and property liability that may be incurred on said leased claims in the amount of $2,000,000.00. Lessee further agrees to maintain and keep in force at all times, workmen's compensation insurance, and to furnish copies of the insurance policies to the Lessor, together with certificates of such insurance.

16. NOTICES: Any and all notices required hereunder, or permitted to be given by either party to the other, shall be considered to have been delivered at the expiration of seventy-two (72) hours following deposit in the United States Mail, with registered or certified postage prepaid thereon, and addressed:

(a) If to Lessor: To: Tombstone Development Company
c/o William Hight
1824 North Broadwell
Grand Island, Nebraska 68801

With copy to: Robert B. Hicks
501 Fremont Lane
South Pasadena, Calif. 91030

(b) If to Lessee: To: 1971 Minerals Limited
4741 East Sunrise Drive
Tucson, Ariz. 85718

With copy to: Robert A. Hewlett
Gentry, McNulty & Borowiec
P. O. Box 87
Bisbee, AZ 85603

Either of the parties may change the location to which required notices ot it shall be addressed, upon ten (10) days' written notice to the other party.

17. ASSESSMENT WORK: Lessee agrees to perform all necessary assessment work required by federal and state laws for the continuing validity of all mining claims subject to this lease. Lessee further agrees to do all other things necessary and required by federal, state, and local laws and regulations to protect, defend and maintain, lessor's title to the above referenced claims, so that title will be as good as at the time of the execution of this agreement.

18. FIRST RIGHT OF REFUSAL: It is agreed to by and between the parties hereto that Lessee shall be given the first right of refusal to buy the interest of Lessor, should Lessor entertain offers to sell its interest herein, or the leased claims. For the purpose of this paragraph, Lessee has the first right of refusal to buy the leased claims at the same price as set forth in any bona fide offer in writing, acceptable to Lessor, given by any individual or company. Lessor shall, at its own exclusive discretion, determine what collateral, guarantees, or other evidences of Lessee's ability to purchase the said interest of Lessor herein, for the leased claims, are to be provided by Lessee.

19. MISCELLANEOUS: This agreement constitutes the entire understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements of the parties hereto with respect to the subject matter hereof, and may not be waived, amended or modified in any manner except in writing and signed by the party to be charged. Representations, warranties and agreements of the parties hereto, herein contained, regardless of any disclosure made to, or any investigation made by or on behalf of any party not making such representations, warranties and agreements, shall survive the execution and delivery of this agreement. This agreement, and such representations, warranties and agreements, shall be binding upon, inure to the benefit of, and be enforceable, by and against the heirs, successors, or assigns of each of the parties hereto. This Agreement may be recorded or registered with the Clerk, Recorder or similar officer of the county or counties of which these claims are located, or in any appropriate office of the United States Government, or anywhere else Lessee deems appropriate in order to protect its interests hereunder. This agreement may be executed in any number of counterparts, which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date and year first above written.

Lessor:

TOMBSTONE DEVELOPMENT COMPANY

By _____

Lessee:

1971 MINERALS LIMITED

By _____
Richard F. Hewlett,
General Partner

STATE OF NEBRASKA :
: ss
COUNTY OF HALL :

On this, the 1st day of October, 1973, before me, the undersigned officer, personally appeared W. B. HIGHT, who acknowledged himself to be the PRESIDENT, of TOMBSTONE DEVELOPMENT COMPANY, and that he, as such officer, being authorized to do so, executed the foregoing within instrument and acknowledged that he executed the same for the purposes therein contained, by signing the name of the corporation by himself as such officer.

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

JEROME W. NIEDFELT
GENERAL NOTARY
State of Nebraska
My Commission Expires
Jan. 5, 1977

Jerome W. Niedfelt
Notary Public

My commission expires:
Jan 5, 1977

---

STATE OF ARIZONA :
: ss
COUNTY OF PIMA :

On this, the 4 day of [illegible], 1973, before me, the undersigned officer, personally appeared RICHARD F. HEWLETT, who acknowledged himself to be the General Partner of 1971 MINERALS LIMITED, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the partnership by himself as such General Partner.

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

[illegible]
Notary Public

My commission expires:
[illegible] 1977

SIERRA METALS

R. F. HEWLETT
*President*

4741 EAST SUNRISE DRIVE
SKYLINE BEL AIRE PLAZA
TUCSON, ARIZONA 85718
602/299-9736

PATENTED CLAIMS OF TOMBSTONE DEVELOPMENT

| No. | Name | Section |
|---|---|---|
| 3224 | Miner's Dream | 23 |
| 3224 | Big Comet | 23 & 24 |
| 3224 | Little Comet | 14 & 13 |
| 812 | Mammoth | 14 |
| 811 | Rattlesnake | 14 |
| 810 | Bunker Hill | 14 |
| 540 | Grand Dipper | 14 |
| 608 | Emerald | 23 |
| 65 | Silver Plume | 23 |
| 3712 | Emerald South | 23 |
| 675 | Hidden Treasure | 23 |
| 848 | Verde | 23 & 14 |
| 682 | Mexican | 14 |
| 626 | Revenue | 14 |
| 927 | Telephone | 14 & 13 |
| 3228 | Buffalo | 14 |
| 3228 | Southern Bell | 13 & 14 |
| 3228 | Illinois | 13 & 14 |
| 3228 | Michigan | 12 & 13 |
| 3228 | Cornell | 12 |
| 3228 | Houghton | 13 & 14 |
| 58 | New Year | 12 |
| 70 | Cincinnati | 12 |
| 82 | Cocopah | 12 |
| 3230 | Protection | 12 |
| 808 | North Point | 12 |
| 69 | Content | 11 & 12 |
| 88 | Contentment | 14, 11 & 12 |
| 37 | Contention | 14 |
| 42 | Grand Central | 14 |
| 43 | South Extension of the Grand Central | 14 |
| 475 | Sydney | 14 |
| 44 | Naumkeag | 11 & 14 |
| 74 | Flora Morrison | 11 |
| 48 | Sulphuret | 11 |
| 3214 | Fortuna | 11 & 12 |
| 49 | Tranquility | 11 & 12 |
| 790 | Silver Thread | 12 |
| 793 | Silver Belt | |

Type All

EXHIBIT "A"

Patented Claims of Tombstone Development
Page 2

| No. | Name | Section |
|---|---|---|
| 792 | Banner | 11 & 12 |
| 46 | Empire | 11 & 12 |
| 3216 | Hawkeye | 11 |
| 72 | First South Extension of the Toughnut | 11 |
| 809 | Last Chance No. 2 | 11 |
| 1012 | Mayflower | 11 & 14 |
| 289 | Alta | 14 |
| 530 | Minnet | 14 |
| 3225 | Ninety-nine | 11 |
| 296 | Alps | 14 |
| 841 | Trinity | 14 |
| 441 | Aunt Sally | 14 |
| 3696 | Black Hawk | 14 |
| 278 | Independence | 14 |
| 3225 | San Rafael | 11 & 14 |
| 344 | Hard Up | 11 & 14 |
| 85 | Herald | 11 |
| 800 | Boss | 11 |
| 95 | Survey | 11 |
| 41 | Toughnut | 11 |
| 87 | Good Enough | 11 |
| 53 | Way Up | 11 & 12 |
| 52 | Gilded Age | 11 |
| 3219 | Horn Silver | 11 |
| 64 | Mountain Maid | 11 |
| 59 | Vizina | 11 |
| 66 | Poor X | 11 & 12 |
| 267 | Survey | 11 |
| 86 | Defence | 11 |
| 91 | West Side | 11 |
| 81 | Blue Monday | 11 |
| 90 | Tribute | 11 |
| 785 | Old Guard | 11 |
| 89 | East Side | 11 & 14 |
| 376 | East Side #2 | 14 |
| 928 | C.O.D. | 14 |
| 860 | Owl's Last Hoot | 14 |
| 43 | Lucky Cuss | 11 & 14 |
| 259 | Owl's Nest | 14 & 15 |
| 567 | Wedge | 14 & 15 |
| 3218 | Esconoide | 14 |
| 3217 | McCann | 14 |
| 875 | Topaz | 14 |
| 265 | Lucky Sure | 14 |
| 3227 | Shoo Fly | 23 |
| 3227 | Antelope | 23 |
| 3226 | Oregon | 14 & 15 |
| 478 | Prompter | 14 |
| 679 | Contact | 15 |
| 3226 | Florodara | 14 & 15 |

Type All

Missing: Extracy
Hope-not part
Sulphuret North

BK 994 Pg 400

# LEASE AGREEMENT

THIS AGREEMENT, dated this [illegible] day of [illegible], 1973, by and between TOMBSTONE DEVELOPMENT COMPANY, an Arizona Corporation, hereinafter referred to as "Lessor", and 1971 MINERALS LIMITED, a New Jersey Limited Partnership, hereinafter referred to as "Lessee".

## RECITALS

Lessors are the owners of a certain group of patented and unpatented lode mining claims, referred to herein as "Leased Claims", all of which are situated in Cochise County, Arizona, Mineral Survey numbers of which, and the book and page of the recording in the office of the Recorder of Cochise County, Arizona, are more particularly described in Appendix "A" attached hereto.

Lessee desires to obtain from Lessor a mining lease covering the Leased Claims, described in Appendix "A", and Lessor desires to grant to Lessee such mining lease, on the terms hereinafter set forth:

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties herein, and other valuable consideration, Lessor hereby leases to Lessee for the term and purposes hereinafter mentioned, all that certain land referred to herein as the "Leased Claims".

1. PURPOSE: This lease is made for the sole purpose of examining, searching and testing for opening and operating mines, of, and extracting, producing, treating, selling and shipping any and all minerals contained therein. Lessor also leases to Lessee, the necessary rights of way, easements and water rights, in connection with the leased claims, so as to facilitate exploration and development thereof. The parties hereto agree that certain surface water rights shall be retained by Lessor, but that the retention of those surface water rights shall not unreasonably interfere with the exploration or mining and associated activities conducted by Lessee. /RFH /RFH

one 2. TERM: The term of this lease shall be for the initial period of ten (10) years from the date hereof, and as long thereafter as valuable

Correction [illegible]

mineral is produced from said land in commercial quantities and so long as royalties are paid to Lessors, provided, however, that all of the terms and conditions hereof are fully met and that this lease has not been terminated pursuant to any clause hereof.

3. ROYALTIES: Royalties are to be paid to Lessor on all minerals mined from the leased claims, as a percentage of their market value after being reduced to a marketable concentrate or other saleable mineral, and payable on the 15th day of the month following the date of sale of such minerals produced. Said royalty payments are to be made pursuant to the written direction and instruction of the Lessor herein, and Lessor hereby specifies that the royalty payments provided for hereunder shall be sent by U. S. mail to Tombstone Development Company, c/o Mr. William Hight, 1824 North Broadwell, Grand Island, Nebraska, 68801, on or before the due date provided for herein. Lessee agrees that it shall not unreasonably stockpile ore for any excessive period of time after active and substantial production from the leased claims has commenced, and in no event, shall Lessee stockpile ore for more than six months after ~~substantial~~ MCBH/RFH production has commenced. MCBH/RFH ~~For the purposes of this paragraph, the period of substantial production shall commence, shall be the month in which the royalty out of production exceeds the minimum royalty, both provided for hereunder.~~ MCBH/RFH

The royalty payable out of production for ores or concentrates sold from the leased claims are payable in varying percentages with the different percentages relating to different average gross value per ton of ore or concentrate produced and sold from the leased claims during each month. The average gross value of ore produced and sold from the leased claims over the period of each month shall be determined by dividing the net smelter returns as defined in 3(A) RFH/MCBH received for such ore produced by the number of tons mined and shipped during the month. The royalties are payable as follows:

(a) Subject to the provisions of this paragraph, Lessor shall be paid a limited royalty out of production, payable in varying percentages. Each different percentage shall be derived from the average gross value per

ton of ore, or concentrate mined and shipped from the leased claims, listed as follows:

For any month in which the average gross value per ton of ore figure is less than $20.00 per ton, the royalty will be seven (7%) percent of the net smelter returns from mineral produced from the leased claims;

For any month in which the average gross value per ton of ore figure is $20.00 per ton or more, but less than $25.00 per ton, the royalty will be eight (8%) percent of the net smelter returns from mineral produced from the leased claims;

For any month in which the average gross value per ton of ore figure is $25.00 per ton or more, but less than $40.00 per ton, the royalty will be nine (9%) percent of the net smelter returns from mineral produced from the leased claims;

For any month in which the average gross value per ton of ore figure is $40.00 per ton or more, but less than $80.00 per ton, the royalty will be ten (10%) percent of the net smelter returns from mineral produced from the leased claims

For any month in which the average gross value per ton of ore figure is $80.00 per ton or more, but less than $100.00 per ton, the royalty will be twelve (12%) percent of the net smelter returns from mineral produced from the leased claims;

For any month in which the average gross value per ton of ore figure is $100.00 per ton or more, but less than $150.00 per ton, the royalty will be fifteen (15%) percent of the net smelter returns from mineral produced from the leased claims;

For any month in which the average gross value per ton of ore figure is more than $150.00 per ton, the royalty will be twenty (20%) percent of the net smelter returns from mineral produced from the leased claims.

Definition of Net Smelter Income: The term net smelter return is understood by the parties to mean the amount received from the smelter after deducting actual freight for ore concentrate haulage from the mill to the smelter. For ores, minerals or metals not sent to the smelter, the leesee may deduct the actual cost of direct labor and materials for processing, but such cost deducted will not exceed 10% of the average gross value per ton of ore for that month. For example: If the average gross value of ore mined during a one month period is $50.00 per ton, the maximum deduction for direct processing cost will be 10% or $5.00 per ton. The royalty would be paid on $45.00 per ton.

The royalty percentage shall apply to all mineral and will be based on all monies received or the market value of all ore, metals, minerals, geothermal steam, waters or other materials removed from the property.

(b) Notwithstanding the above sub-paragraph, there shall be a minimum monthly royalty payable to Lessors as follows:

(i) For the month of September, 1973, and for each of the five (5) succeeding calendar months, to-wit: October, November, December, all of 1973, and January and February, both of 1974, the sum of money equal to the greater of: (1) a minimum monthly royalty of $2,500. or (2) the royalty out of production for each such month;

(ii) For the month of March, 1974, and for each succeeding month during the term of this agreement, a sum of money equal to the greater of: (1) a minimum monthly royalty of $5,000.00 or (2) the royalty out of production for each such month.

(c) Notwithstanding said sub-paragraphs (a) and (b), there shall be an advance minimum royalty payable to Lessor equal to a sum of money of $10,000.00, payable by Lessee, upon the execution of this agreement.

(d) The amount by which the minimum monthly royalty, or the advance minimum royalty, provided for in sub-paragraphs (b) and (c) herein, paid for any calendar month during the term of this lease, exceeds the royalty out of production for such month, may be recovered by Lessee out of, and credited against, the royalty out of production due for any succeeding month or months thereafter, during the term of this agreement.

4. OPERATION OF MINE: Lessee agrees to work said land in the manner necessary to good and economic mining, so as to bring about maximum and economic recovery from the property, with due regard to development

and preservation of said premises as a workable mine. Lessee agrees to perform continuously and diligently in good faith, in an active and substantial way, development in mining work upon the said leased claims directed toward the discovery and production of minerals or ore therefrom. The equipment and machinery brought onto the leased claims by Lessee is and shall remain the personal property of Lessee, and title thereto shall not vest in Lessor by operation of law. The obligations of Lessee set forth in this paragraph shall be suspended only while Lessee's compliance is ~~pro-~~ prevented ~~vided~~ by the elements, accidents, strikes, lockouts, riots, delays in transportation, inability to secure materials in the open market, or interference by governmental action, or by any other causes beyond the reasonable control of Lessee, whether similar or dissimilar to the causes specifically mentioned. Lessee agrees to furnish at its own cost, any and all environmental impact studies required by any governmental authority as a result of its undertaking the exploration, development and mining operation contemplated by this agreement. Lessee agrees to honor any and all contractual obligations undertaken by Lessor relating to the sale of water or surface use of the herein leased claims, so long as those said obligations do not interfere with the exploration, developmental, mining, or similar activity on the leased claims by Lessee. Lessee hereby recognizes that Lessor intends to develop the surface of certain claims situated in the immediate vicinity of the townsite of Tombstone. Those said claims consist of the Content, Cocopah, North Point, Contentment, Empire, Tranquil, Silver Belt, Silver Thread, Contention, New Year, Cincinnati, Cornell, Head Center, Yellow Jacket and Flora Morrisson Claims. Lessor agrees that the said development of the surface on the hereinabove mentioned claims shall not interfere with activities of Lessee contemplated by this lease. Notwithstanding any development of the surface of the above mentioned leased claims, Lessor further agrees that Lessee shall have access on or across the above mentioned claims so as not to interfere with the exploration, developmental, mining, or associated activities of Lessee contemplated by this lease, on those above named claims, ~~or any others which are subject to this lease~~. If the Lessee, in its sole discretion, determines

However after a period of 12 months (1 yr.) for exploration and development of any mining plans, the lessee shall permit the lessor to develop on contiguous or adjacent to the city of Tombstone of as much as 100 acres on the surface of the above listed claims. However lessee will continue to have all rights for mineral exploration, development and mining 40 feet or more below the surface.

5. REPORTING: Lessee agrees that it will provide Lessor with a report on or before the 15th day of each month, pertaining to the previous month, to the Lessor, in writing, indicating the following:

(a) The number of tons of ore mined.

(b) A summary of all assays taken on said ore mined.

(c) The number of tons processed for which royalty is payable pursuant to this lease through mills or reduction plants used to process said ores.

(d) The value of all minerals sold or otherwise disposed of from ores subject to royalty payments pursuant to this lease.

The above referenced statement and reports are to be accompanied by a draft payable to each of the said lessors in the proper prorata amount of the royalty due Lessors as aforesaid. If no royalty out of production is due for any monthly period hereof, then a report containing all of the pertinent details above required, shall be submitted to Lessor with a statement to the effect that there is no royalty out of production due for the preceding month.

6. ADDITIONAL REPORTS AND ACCESS: Lessee shall keep a full set of accounts and records, and shall allow Lessor, or its agents and employees to examine them from time to time. Lessee will allow Lessor to enter upon said premises, and into any workings, mills, or reduction works thereon, or wherever said ore may be worked or reduced, for the purpose of inspection to ascertain whether the terms and conditions of this lease are being promptly carried out and to take samples and to make tests and measurements, and to affix notices. Lessee shall, upon being requested to do so, make available to Lessor, its agents and employees, copies of assay reports, drillhole logs, and any and all other data assembled as an aid in determining the location, quantity, and quality of any and all deposits on said

land. All inspections shall be made at reasonable hours and at reasonable intervals, and shall be at the sole cost of, and risk of Lessor.

7. TAXES: Lessor shall pay all ad valorem and similar property taxes lawfully levied or assessed during the term of this agreement against the property, or any improvements thereto, but upon the receipt of a statement therefor from Lessor, Lessee shall reimburse Lessor for any such taxes paid by Lessor. In addition to the foregoing, Lessee shall pay all other taxes imposed by reason of Lessee's operation and improvements upon the property. Lessee shall pay any such taxes on ~~a pro-rata~~ installment basis upon receiving notice from Lessor that such ~~pro-rata~~ installment payment of the said taxes is due. Lessee agrees to pay any such taxes before they become delinquent. Lessee shall not be liable for the payment of any tax assessment imposed by any city, county, state, federal or other law or ordinance, on the income of Lessor hereunder, or the interest reserved by Lessor thereunder or upon a transfer or passing by death or gift, of any interest of Lessor or for any similar tax. Lessee further agrees to do all other things necessary and required by federal, state and local laws and regulations to protect and defend and maintain Lessor's title to the leased claims, so that title will be as good as at the time of the execution of this agreement.

8. WARRANTY: Lessor represents and warrants that it is the owner of the leased claims, free of all claims, liens and encumbrances, and that Lessor has the exclusive possession of the leased claims, except for approximately two acres leased to the United States Department of Agriculture for surface and except to the extent that the United States Government holds title to unpatented claims.

9. BANKRUPTCY: In case Lessee shall be adjudged a bankrupt by either voluntary or involuntary proceedings, Lessor may, at its option, terminate this lease by written notice. After termination by notice, Lessor may re-enter the leased claims and take exclusive possession. Upon exercise of the option to terminate, the estate and rights in the herein leased claims of Lessee, and any person claiming through the Lessee,

by act of the parties or operation of law, shall immediately terminate.

10. IMPROVEMENTS: Lessee may construct, reconstruct, demolish, remove, maintain, and use such roads, ditches, buildings, fixtures, machinery, and mine dumps on, through and upon said leased claims, as may be necessary in carrying on mining operations during the term of this lease. At the termination hereof, Lessee may remove all personal property, machinery, tools, appliances, and buildings constructed upon said leased claims by Lessee, except shaft timbering & lining, underground supports & rails, electric conduits, steam [illegible] provided no default shall at such time exist with respect to any payments or rentals, or in respect to any covenants, agreements, or conditions to be kept and performed by Lessee; provided that all machinery, tools, appliances and buildings, and all personal property remaining on said premises sixty (60) days after the termination (by notice or otherwise) of this lease, shall be held to have become the property of Lessor and shall not be removed therefrom by Lessee. Lessee agrees to perform all environmental restoration activities on the claims required by any governmental authority at its sole cost and expense.

RFH

RFH

11. HOLD HARMLESS: Lessee agrees to release and to indemnify and hold harmless Lessor, and any corporation wholly or in part affiliated with, owned or controlled by Lessor, from and against all claims, causes of action, liabilities, costs and expenses for losses, or damage to, all property whatsoever and injuries to, or death of, all persons whomsoever, arising out of, or in any way connected with, the use and occupation of the leased premises or exercise of the rights hereunder. Lessee agrees to comply with all such regulations promulgated by the responsible governmental agencies in carrying out the activities contemplated by this lease, and to fence all open shafts which are in existence upon the claims.

12. LIENS: Lessee agrees to pay in full, all persons who perform labor or services on, furnish materials, joined or affixed to, or provide equipment for, said leased claims, at Lessee's instance or request. Lessor shall not permit or suffer liens of any kind or nature to be enforced against said leased claims for such labor, services, materials, or equipment. Lessor

shall have the right to pay any amount required to release any such lien, or liens, or to defend any action brought thereon, and to pay any judgment entered therein, and Lessee shall be liable to Lessor for all costs, damages and reasonable attorney's fees, and any amounts expended in defending any proceedings or payment of any of said liens or any judgment obtained therefor. RFH Lessee should also provide a bond in the amount of $5,000.00 on payment of labor & materials on the property with the cost of the bond to be shared equally by lessor & lessee

13. ASSIGNMENT: This lease shall inure to the benefit of and be binding upon the respective heirs, administrators, executors, successors and assigns of the parties hereto, Upon such assignment all references herein to "Lessee" or "Lessor" shall be deemed to refer to such succeeding heirs, administrators, executors, successors and assigns of such alienating party. RFH

14. TERMINATION: Lessee shall have the right in its sole and exclusive discretion, to terminate this lease upon giving thirty (30) days written notice of termination to Lessor. Upon giving such notice of termination, Lessee shall be liable only for the payment of the minimum royalty or royalty out of production due for the thirty day period next following the date the notice of termination was given. Should Lessee be in default in regard to any of the provisions of Paragraphs (3), (7) or (17) of this lease, Lessor shall give formal, written and detailed notice of the existence of same to Lessee. If Lessee has not cured the said default within thirty (30) days after the receipt of said formal, written and detailed notice of default, Lessor can terminate the herein lease.

15. INSURANCE: Lessee agrees to maintain and keep in force at all times, a policy of liability insurance protecting Lessee and Lessor from personal and property liability that may be incurred on said leased claims in the amount of $2,000,000.00. Lessee further agrees to maintain and keep in force at all times, workmens compensation insurance, RFH with certificate of bond required of the insurance company to be furnished to the lessor. RFH

16. NOTICES: Any and all notices required hereunder, or permitted to be given by either party to the other, shall be considered to have been delivered at the expiration of seventy-two (72) hours following deposit in RFH

the United States Mail, with registered or certified postage prepaid thereon, and addressed:

(a) If to Lessor: To: Tombstone Development Company
c/o William Hight
1824 North Broadwell
Grand Island, Nebraska 68801

With copy to: Robert B. Hicks
501 Fremont Lane
South Pasadena, Calif. 91030

(b) If to Lessee: To: 1971 Minerals Limited
4741 East Sunrise Drive
Tucson, Ariz. 85718

With copy to: Robert A. Hewlett, Esq.
Gentry, McNulty & Borowiec
P. O. Box 87
Bisbee, Ariz. 85603

Either of the parties may change the location to which required notices to it shall be addressed, upon ten (10) days' written notice to the other party.

17. ASSESSMENT WORK: Lessee agrees to perform all necessary assessment work required by federal and state laws for the continuing validity of all mining claims subject to this lease. Lessee further agrees to do all other things necessary and required by federal, state, and local laws and regulations to protect, defend and maintain, Lessor's title to the above referenced claims, so that title will be as good as at the time of the execution of this agreement.

18. FIRST RIGHT OF REFUSAL: It is agreed to by and between the parties hereto that Lessee shall be given the first right of refusal to buy the interest of Lessor, should Lessor entertain offers to sell its interest herein, or the leased claims. For the purpose of this paragraph, Lessee has the first right of refusal to buy the leased claims at the same price as set forth in any bona fide offer in writing, acceptable to Lessor, given by any individual or company. Lessor shall, at its own exclusive discretion, determine what collateral, guarantees, or other evidences of Lessee's ability to purchase the said interest of Lessor herein, for the leased claims, are to be provided by Lessee.

19. MISCELLANEOUS: This agreement constitutes the entire understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements of the parties hereto with respect to the subject matter hereof, and may not be waived, amended or modified in any manner except in writing and signed by the party to be charged. Representations, warranties and agreements of the parties hereto, herein contained, regardless of any disclosure made to, or any investigation made by or on behalf of any party not making such representations, warranties and agreements, shall survive the execution and delivery of this agreement. This agreement, and such representations, warranties and agreements, shall be binding upon, inure to the benefit of, and be enforceable, by and against the heirs, successors, or assigns of each of the parties hereto. This Agreement may be recorded or registered with the Clerk, Recorder or similar officer of the county or counties of which these claims are located, or in any appropriate office of the United States Government, or anywhere else Lessee deems appropriate in order to protect its interests hereunder. This agreement may be executed in any number of counterparts, which together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date and year first above written.

Lessor:

TOMBSTONE DEVELOPMENT COMPANY

By _____

Lessee:

1971 MINERALS LIMITED

By _____
Richard F. Hewlett,
General Partner

DKT 994 PG 400

Billy Thompson, Sheriff
Pima Co. U.S. Bldg.
Tucson, Ariz. 85701

MAR 10 75 8:00 AM
58562

MORTGAGE

KNOW ALL MEN BY THESE PRESENTS:

That 1971 MINERALS LIMITED, a New Jersey limited partnership, hereinafter referred to as "Mortgagor," for valuable consideration to it in hand paid, the receipt of which is hereby acknowledged, does hereby MORTGAGE unto FIRST PENNSYLVANIA BANK N.A., hereinafter referred to as "Mortgagee," the following leaseholds located in Cochise County, Arizona, described as follows:

Leaseholds:

COURTS:

All right, title and interest of the Mortgagor in and to the following mining lease agreements, including all amendments and supplements thereto:

State of Arizona Mining Lease Agreement dated March 26, 1973, made by and between Charles B. Escapule and Betty Escapule, his wife, and Louis Escapule and Jacqueline Escapule, his wife, as Lessors, and 71 Minerals Ltd., a New Jersey limited partnership, as Lessee, recorded in Docket 965, Pages 471-480, Records of Cochise County, Arizona.

TYPES All

Lease Agreement dated April 11, 1973, made by and between Ernest B. Escapule and Mildred Escapule, his wife, and Ernie Escapule, Jr., and Bernice E. Escapule, his wife, as Lessors, and 1971 Minerals Limited, a New Jersey partnership, as Lessee, recorded in Docket 871, Pages 194-203, Records of Cochise County, Arizona.

Lease Agreement dated August 31, 1973, made by and between Tombstone Development Company, an Arizona corporation, as Lessor, and 1971 Minerals Limited, a New Jersey limited partnership, as Lessee, recorded in Docket 948, Pages 412-423, Records of Cochise County, Arizona, as amended by Agreement dated February 7, 1975.

Lease Agreement dated October 18, 1973, made by and between St. Louis University, as Lessor, and 1971 Minerals Limited, a New Jersey partnership, as Lessee, recorded in Docket 914, Pages 301-318, Records of Cochise County, Arizona.



DKT 944 PG 400

including all buildings and improvements now located on

as Lessee, recorded in Docket 914, Pages 501-510,
Records of Cochise County, Arizona.



including all buildings and improvements now located on the above described leaseholds and any buildings and improvements which may hereafter be erected thereon, and all fixtures, equipment, machinery and apparatus of every kind and nature now located on said property and leaseholds or hereafter attached to or used in connection with said property and leaseholds, together with all and singular the tenements, hereditaments and appurtenances and all of the rents, issues and profits thereof, and together with all water rights thereunto belonging.

TO HAVE AND TO HOLD unto the Mortgagee, its successors and assigns forever.

Type

This mortgage has been executed to secure the payment of a promissory note in the principal sum of $600,000.00, bearing even date herewith, executed by Mortgagor to Mortgagee.

So long as there are any sums due on the promissory note secured hereby, or any sums due the Mortgagee under the terms of that certain term loan agreement made by and between the Mortgagor and the Mortgagee dated February 18, 1975, Mortgagee covenants and agrees:

1. To pay before delinquent all ad valorem property taxes and other similar charges or expenses incident to the ownership of the property encumbered hereby which may be levied, assessed or imposed upon the property (including the leaseholds) that remains from time to time subject to this mortgage.

2. To faithfully perform each and all of the covenants and agreements that are to be performed by the lessee named in each of the leaseholds herein described.





3. To procure and keep in force and effect fire insurance in an amount equal to the full insurable value

To procure and keep in force and effect fire insurance [illegible] amount equal to the full insurable value of all [illegible] improvements, machinery, equipment and apparatus [illegible] upon the property and leaseholds encumbered by [illegible] mortgage.

4. To keep the buildings and other improvements and all apparatus and machinery now or hereafter located on the mortgaged property in good condition and repair.

In the event Mortgagor fails to make any payment required to be made by it under the terms of this mortgage or under the terms of the leasehold agreements herein described, or fails to keep the property improvements, apparatus and machinery in good condition and repair, or fails to perform any of its other obligations under the terms of this mortgage, Mortgagee may make any such payments, obtain any such insurance, make any such repairs, or remedy any other default of Mortgagor. All expenditures so made by Mortgagee shall be prima facie evidence of the necessity therefor and reasonableness thereof. Such expenditures, together with all incidental costs of Mortgagee, including reasonable attorney's fees if any are incurred, shall be immediately due and payable by Mortgagor to Mortgagee, and shall bear interest at the rate specified in the promissory note secured hereby, and shall be secured by this mortgage.

Mortgagor further covenants and agrees that any default under the terms of this mortgage shall also be an event of default under the terms of the loan agreement dated February 18, 197[illegible], made by [illegible] Mortgagor and Mortgagee.



In the event of default in the payment of any installment of principal or interest payable under the terms of the promissory note secured hereby, or in the event Mortgagor shall fail to pay before the same become delinquent ad valorem property taxes or any similar charge which Mortgagor has herein covenanted to pay, or if Mortgagor shall default in the performance of any covenant or agreement contained in the leasehold agreements herein described, then or in any such event, at the option of the Mortgagee, the principal balance of the [illegible]

In the event of default in the payment of any instalment of principal or interest payable under the terms of the promissory note secured hereby, or in the event Mortgagor shall fail to pay before the same become delinquent [illegible] from property taxes or any similar charge which [illegible] has hereby covenanted to pay, or if Mortgagor [illegible] default in the performance of any covenant or agreement contained in the leasehold agreements herein described, then or in any such event, at the option of the Mortgagee, the principal balance of the promissory note secured hereby may be declared due and payable, and foreclosure proceedings may be forthwith instituted for the foreclosure of this mortgage, and in case of such foreclosure the Mortgagor agrees to pay the Mortgagee all expenses of such foreclosure proceedings, including a reasonable attorney's fee to be fixed by the court having jurisdiction thereof, and the Mortgagor further covenants that in any action to foreclose this mortgage a receiver shall, upon application of plaintiff in such action, be appointed by the court to take charge of the mortgaged property and to manage, protect and preserve the same during the pendency of the action and until sale be finally made and during the period of redemption after sale and until a sheriff's deed be executed and delivered.

Each and all of the covenants herein contained shall extend to and be binding upon the Mortgagor, its successors and assigns, and inure to the benefit of the Mortgagee and its successors and assigns.





IN WITNESS WHEREOF, the Mortgagor has executed this mortgage this 5 day of March, 1975.

[illegible] MINERALS LIMITED

By [illegible]

COMMONWEALTH OF PENNSYLVANIA }
County of Philadelphia } ss.

The foregoing instrument was acknowledged before me this [illegible] day of March, 1975, by [illegible] who acknowledged [illegible] to be a [illegible] [illegible] [illegible] the [illegible] [illegible]

IN WITNESS WHEREOF, the Mortgagor has executed this mortgage day of March, 1975.

1971 MINERALS LIMITED

By
Its General Partner

COMMONWEALTH OF PENNSYLVANIA )
County of Philadelphia )

The foregoing instrument was acknowledged before me this day of March, 1975, by who acknowledged himself to be a General Partner of 1971 MINERALS LIMITED, a New Jersey limited partnership.

Notary Public

My commission expires:

BARBARA A. HUGHES, NOTARY PUBLIC
PHILADELPHIA, PHILADELPHIA COUNTY, PA
MY COMMISSION EXPIRES JULY 11, 1977

994 PAGE 404

STATE OF ARIZONA )
County of ) ss. I hereby certify that the within instrument was filed and recorded

In BOOK Fee No.

at the request of and indexed in deeds

When recorded, mail to: Witness my hand and official seal.

A. Z. Gutierrez
402 N. Garris
Willcox, Ariz. 85643

County Recorder

Compared
Photostated
Fee:

By

Deputy Recorder

# WARRANTY DEED

For the consideration of Ten Dollars, and other valuable considerations, I, Nina Zendejas, a Single Woman

hereinafter called the grantor, who acquired title as more than one person, conveys to A. Z. Gutierrez, a Single Man

the following real property situated in Cochise County, Arizona, together with all rights and privileges appurtenant thereto, to wit:

A parcel of land lying in the South half of the Southeast quarter of the Northwest quarter of the Southwest quarter of Section [illegible], T. [illegible] S., R. [illegible] E., of the Gila and Salt River Meridian, in Cochise County, Arizona; more particularly described as [illegible]

BK1332 Pg 1

COCHISE CO. ARIZONA
PLEASE MAIL TO:

When recorded return to:
Tombstone Development
1824 North Bradwell
Grand Island, Nebraska 68801

Sherman Bishop McCardle Inc.
120 East 42nd Street
New York, New York 10017
212-697-3590

NOTICE OF TERMINATION OF LEASE

August 31, 1978

Mr. William Hight
President
Tombstone Development Company
1824 North Bradwell
Grand Island, Nebraska 68801

Dear Mr. Hight:

This will constitute written notice that the lease, dated August 31, 1973 and amended February 7, 1975, between your company and 1971 Minerals Limited, for which we are the General Partner, will terminate in 30 days from the date hereof.

Said lease has been recorded for Tombstone, Arizona under Docket No. 948, p. 412. This notice of termination of lease will constitute a recordable document for purposes of public notice that 1971 Minerals Limited has no further interest in the subject property, after expiration of 30 days.

Sincerely,

Hiram A. Bingham
Executive Vice President

State of New York )
ss:
County of New York)

On this 5th day of April, 1979 before me personally came Hiram Anthony Bingham to me known and known to be the person who executed the foregoing Notice of Termination of Lease and he duly acknowledged to me that he executed the same.

Notary Public

BRUCE SULLIVAN
Notary Public, State of New York
No. 41-2771287
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1981

STATE OF ARIZONA
COUNTY OF COCHISE } ss.
Witness my hand and Official Seal.
Christine Macnab Rhodes
COCHISE County Recorder
Deputy

| INDEXED | DIRECTORIED | ENTERED |
|---|---|---|
| | | |

I HEREBY CERTIFY that the within instrument was filed and recorded at request of:

Transamerica Title Insurance Co.
P. O. Box 1808
Sierra Vista, Az. 85635

Fee $ 3.00
Date MAY 23 '79 - 1 05 PM
Docket 1332 Page 1332 Seq. 1 No. 11215

DOCKET
BK 1550 PG 256

SW¼, S12, T20S, R22E
1-6363 31-1070
B.C.

Book 1550 Pg 256

# UTILITY EASEMENT

In consideration of One Dollar ($1.00), the receipt of which is hereby acknowledged, Tombstone Development Company (hereinafter called "Grantor") do es hereby grant and convey to ARIZONA PUBLIC SERVICE COMPANY (hereinafter called "Company"), its successors and assigns, an easement Ten (10) feet in width, to construct, operate and maintain Electric lines and appurtenant facilities upon, across, over, and under the surface of the premises hereinafter described.

The premises through and across which this easement is granted are situated in Cochise County, Arizona, and are described as follows:

The whole of the Cincinnati patented lode mining claim, designated as Lot 70, located in Section 12, Township 20 South, Range 22 East, Gila and Salt River Meridian, in the Tombstone Mining District, Cochise County, State of Arizona.

The centerline of said ten foot wide easement in the aforesaid land is more particularly described as follows:

Commencing for a tie at the South quarter (S¼) corner of said Section 12, thence N0°1'W for a distance of 1584 feet; thence N89°47'W for a distance of 610.5 feet; thence N65°29'W for a distance of 599.94 feet; thence S32°47'W for a distance of 253 feet and the TRUE POINT OF BEGINNING of the easement herein described; thence N43°28'W for a distance of 88 feet to a point designated as Point "A"; thence N23°00'W for a distance of 231.6 feet to a point designated as Point "B"; thence N23°00'W a distance of 30 feet; thence returning to Point "A"; thence S23°00'E a distance of 30'; thence returning to Point "B"; thence S79°W a distance of 184' and a point of termination.

COCHISE COUNTY RECORDER 1881

STATE OF ARIZONA
COUNTY OF COCHISE } ss

WITNESS MY HAND AND OFFICIAL SEAL
CHRISTINE RHODES, COUNTY RECORDER
J. Dwyer DEPUTY

INDEXED | PHOTO COMPARED | VERIFIED

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED AND RECORDED AT REQUEST OF: Ariz. Public Service Co. Box 1277 Douglas Ariz.
FEE $ $3.00
DRAFT
DATE NOV 18 81 - 9 30 AM (85607)
DOCKET 1550 PAGE 256 NO 23691

Together with the right to operate, repair, replace, maintain, and remove said lines and appurtenant facilities from said premises; to add to or alter said lines and/or facilities at any reasonable time, and to trim or remove any trees or shrubs that in the judgment of the Company may interfere with the construction or endanger the operation of said lines and/or facilities, with access to said easement and egress therefrom to permit normal operations of the Company in connection with said lines and/or facilities, and to permit the installation of the wires, fixtures, conduits, or cables of any other company within the boundaries of this easement.

Grantor shall not erect or construct or permit to be erected or constructed any building or other structure or drill any well within the limits of said easement; nor shall Grantor plant or permit to be planted any trees within the limits of said easement without the prior written consent of the Company; provided, however, Grantor shall have the right to construct and erect fences within the limits of said easement in a manner which will not unreasonably interfere with the Company's right of access to its lines and/or facilities.

By accepting this easement, the Company agrees to exercise reasonable care to avoid damage to said premises and all property that may at any time be thereon.

Dated: Nov. 10, 1981

WITNESS:

Tombstone Development Company
By: Tom Pitcher
Tom Pitcher
Title: It's authorized agent

STATE OF Arizona
County of Cochise } ss.

This instrument was acknowledged before me this 10th day of November, 1981,
by Tom Pitcher
(Name)

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

My Commission Expires:
My Commission Expires July 30, 1983

B. Rada-in Altamirano
Notary Public

FORM 650-00C

DKT 1550 PAGE 256

DOCKET
BK 1672 PG 503

SE¼, S12, T20S, R22E
50-8393
G.L.

Mail To: Arizona Public Service Co.
Box 21666
Phoenix, Ariz. 85036

# UTILITY EASEMENT

In consideration of One Dollar ($1.00), the receipt of which is hereby acknowledged Tombstone Development Company (hereinafter called "Grantor") does hereby grant and convey to ARIZONA PUBLIC SERVICE COMPANY (hereinafter called "Company"), its successors and assigns, an easement eight feet in width to construct, operate and maintain Gas lines and appurtenant facilities upon, across, over and under the surface of the premises hereinafter described.

The premises through and across which this easement is granted are situated in Cochise County, Arizona, and are described as follows:

The Cocopah and the Cincinnati mining claims as they exist in the Southwest quarter (SW¼) of Section 12, Township 20 South, Range 22 East, of the Gila and Salt River Base and Meridian, as they are described in the Cochise County Records.

Said easement is to be eight feet in width, four feet on each side of the following described centerline:

Commencing from the Southeast corner of Lot 16, Block 12 of the Townsite of Tombstone, thence S20° 50' West 35 feet to a point on the South townsite line of Tombstone and tangent to the west line of Tenth Street; thence South 67° 10' East 127.5 feet to the true point of beginning of the herein described easement; thence South 02° 46' 40" West 317.30 feet; thence South 11° 45' 46" East 227.40 feet; thence South 18° 24' 24" East 448.24 feet to the point of terminus.

COCHISE COUNTY RECORDER

STATE OF ARIZONA
COUNTY OF COCHISE ] SS.
WITNESS MY HAND AND OFFICIAL SEAL
CORSTINE RHODES, COUNTY RECORDER
DEPUTY

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED AND RECORDED AT REQUEST OF: Ariz. Public Service Co. Box 1277 Ariz. 85607
FEE $5.00 Dangerfield
DRAFT
DATE MAY 10 '83 -10 30 AM
DOCKET 1672 PAGE 503 NO 8679

Together with the right to operate, repair, replace, maintain, and remove said lines and appurtenant facilities from said premises; to add to or alter said lines and/or facilities at any reasonable time, and to trim or remove any trees or shrubs that in the judgment of the Company may interfere with the construction or endanger the operation of said lines and/or facilities, with access to said easement and egress therefrom to permit normal operations of the Company in connection with said lines and/or facilities, and to permit the installation of the wires, fixtures, conduits, or cables of any other company within the boundaries of this easement.

Grantor shall not erect or construct or permit to be erected or constructed any building or other structure or drill any well within the limits of said easement; nor shall Grantor plant or permit to be planted any trees within the limits of said easement without the prior written consent of the Company; provided, however, Grantor shall have the right to construct and erect fences within the limits of said easement in a manner which will not unreasonably interfere with the Company's right of access to its lines and/or facilities.

By accepting this easement, the Company agrees to exercise reasonable care to avoid damage to said premises and all property that may at any time be thereon.

Tombstone Development Company

Dated: 5-3-83

By: Tom Gitcher

WITNESS:

Title: It's authorized agent

STATE OF Arizona
County of Cochise } ss.

This instrument was acknowledged before me this 3rd day of May, 1983

(Name)

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

Blanca J. Cantu
Notary Public

My Commission Expires:

My Commission Expires April 28, 1985

FORM A50-006

DKT 1672 PGE 503

BK 1736 Pg 67

SE¼, S11, T20S, R22E
31-1070 3-1941
P.C.

Mail TO: A.P.S.
Box 21666
Phoenix, Arizona 85036

# UTILITY EASEMENT

CORRECTION OF EASEMENT Recorded in Docket 1710 Page 167.

In consideration of One Dollar ($1.00), the receipt of which is hereby acknowledged, Tombstone Development Company (hereinafter called "Grantor") does hereby grant and convey to ARIZONA PUBLIC SERVICE COMPANY (hereinafter called "Company") its successors and assigns, an easement 8 feet in width, to construct, operate and maintain Electric lines and appurtenant facilities upon, across, over, and under the surface of the premises hereinafter described.

The premises through and across which this easement is granted are situated in Cochise County, Arizona, and are described as follows:

Southeast B.C. 1-31-84 (SE¼)

A portion of the ~~northeast~~ quarter ~~(NE¼)~~ of Section 11, Township 20 South, Range 22 East, of the Gila & Salt River Base and Meridian, as described in Deeds of Mines, Book 14 Page 594, 325 and 283, ~~Cochise County Records, Arizona.~~ being portions of the Boss ~~Lode Mc~~, Tributa & West Side Lode Mining Claims.

Said 8 foot wide easement in the aforesaid land is more particularly described as follows:

Commencing from the Southeast corner of Section 11; thence N56°42'39" West 2,293.69 feet to a point designated as Point "A" and the True Point of Beginning of the herein described easement; thence N14°32'29" East 757.94 feet to a point; thence returning to said Point "A"; thence S14°32'29" West 30 feet to a point of terminus.

STATE OF ARIZONA
COUNTY OF COCHISE } ss.

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED AND RECORDED AT REQUEST OF A.P.S. Box 1277 Douglas, Ariz. (85607)
FEE $3.00
OCT 14 '83 1 20 PM
DOCKET 1710 PAGE 167 NO. 19870

WITNESS MY HAND AND OFFICIAL SEAL
CHASTON [illegible] RECORDER
By [illegible] Deputy
INDEXED
DIRECTORY
COMPARED

COCHISE COUNTY RECORDER

Together with the right to operate, repair, replace, maintain, and remove said lines and appurtenant facilities from said premises; to add to or alter said lines and or facilities at any reasonable time, and to trim or remove any trees or shrubs that in the judgment of the Company may interfere with the construction or endanger the operation of said lines and or facilities, with access to said easement and egress therefrom to permit normal operations of the Company in connection with said lines and or facilities, and to permit the installation of the wires, fixtures, conduits, or cables of any other company within the boundaries of this easement.

Grantor shall not erect or construct or permit to be erected or constructed any building or other structure or drill any well within the limits of said easement, nor shall Grantor plant or permit to be planted any trees within the limits of said easement without the prior written consent of the Company, provided, however, Grantor shall have the right to construct and erect fences within the limits of said easement in a manner which will not unreasonably interfere with the Company's right of access to its lines and or facilities.

By accepting this easement, the Company agrees to exercise reasonable care to avoid damage to said premises and all property that may at any time be thereon.

Tombston Development Company

Dated

By: Tom Fitcher

WITNESS

Title: It's Authorized Agent.

STATE OF Arizona
County of Cochise } ss.

This instrument was acknowledged before me this 6th day of October, 19 83,

by Tom Fitcher
(Name)

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

Linda M. Montemayo
Notary Public

My Commission Expires:
My Commission Expires July 30, 1987.

FORM 550-0001

Docket 1736 Page 67 ~~1710 167~~

1755

1756

STATE OF ARIZONA } SS
COUNTY OF COCHISE

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED AND RECORDED AT REQUEST OF: A. PS

ADDRESS OF PERSON AND MAIL TO:

RECORD B. 21666 A. (85036)

COPY OF ... CHANGE ... NOTIFY

DEPUTY DATE FEB 1 1994 PM

INDEXED | NON-STATE ECONOMY

1736 DOCKET PAGE 67 68 NO 2180

DOCUMENTS

INDO29-15:cp:gdj 6/12/85

ORIGINAL

JUL 31 1985 4PM
15112
SE-2
$16.00

COX and COX
and RODNEY B. LEWIS
300 Luhrs Tower
45 W. Jefferson
Phoenix, Arizona 85003
254-7203

FEE # 850715112
OFFICIAL RECORDS
COCHISE COUNTY
DATE HOUR
07/31/85 4
OF
REQUEST
COX & COX
CHRISTINE RHODES-RECORDER
FEE : 16.00 PAGES : 16

UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

| | |
|---|---|
| GILA RIVER INDIAN COMMUNITY,<br>Plaintiff,<br>v.<br>AMERICAN SMELTING AND REFINING, et al.,<br>Defendants. | No. CIV 78-145 TUC-MAR<br>NOTICE OF LIS PENDENS |

I. NAMES OF THE PARTIES.

The names of the parties to this action are:

Plaintiff:

GILA RIVER INDIAN COMMUNITY

Defendants:

AMERICAN SMELTING AND REFINING COMPANY, a New Jersey corporation; THE ANACONDA CO., a Delaware corporation; THE ANACONDA CO. AND AMERICAN MINING CORPORATION, ANAMAX; ARI TEX MINING LIMITED, an Arizona corporation; C F & I STEEL CORPORATION, a Colorado corporation; CHARLESTON MINES, an Arizona corporation; COCHISE MATERIALS, INC., an Arizona corporation; CONTINENTAL COPPER INC., an Illinois corporation; CONTINENTAL MATERIALS CORP., a Delaware corporation; CONTINENTAL SERVICE CORP., an Arizona corporation; D. C. CONTRACTORS, INC., a California corporation; DEER CREEK FIRE AGATE MINING CO. INC., an Arizona corporation; DUPONT DE NEMOURS & CO., INC.; FRED L. CLARK TRUCKING CO., INC., an Arizona

COX AND COX
ATTORNEYS AT LAW
300 LUHRS TOWER
PHOENIX, ARIZONA 85003
TELEPHONE 254-7203



850715112

REF: ELDON SMITH

corporation; KENNECOTT COPPER CORPORATION, a New York corporation; LITTLE HILLS MINES, INC., an Arizona corporation; MAGMA COPPER CO., a Delaware corporation; NATIONAL GYPSUM CO., INC., a Delaware corporation; NEWMONT EXPLORATION LIMITED, a Delaware corporation; PHELPS DODGE CORPORATION, a New York corporation; PINAL MAMMOTH GYPSUM CO., INC., an Arizona corporation; SANTA ANNA SILVER INC., an Arizona corporation; SIERRA READY MIX AND CONTRACTING CO., INC., an Arizona corporation; SILVER BONANZA MINING, INC., an Arizona corporation; SILVER VENTURE MINING, INC., an Arizona corporation; SUPERIOR COMPANIES, INC., an Arizona corporation; UNION NATIONAL BANK OF STREATOR, ILLINOIS, a National Banking Association, trustee (Tr #339); WINGFIELD CATTLE CO., INC., an Arizona corporation; WINGFIELD CONSTRUCTION CO., INC., an Arizona corporation; DONALD PERRY BAILEY; THOMAS A BERKEFELD; DONNA S. BERKEFELD; ALFRED J. BERSBACH; RUTH A. BERSBACH; ALFRED J. BERSBACH and RUTH A. BERSBACH, his wife, as co-trustees; HAROLD O. BIGELOW; ERMA E. BIGELOW; BINGHAM SILVER LEAD CO.; ARDELL N. BINGHAM; GERALDINE. BINGHAM; FLOYD BINGHAM; FLOYD BINGHAM; LAVITA BINGHAM; HAROLD E. BOATWRIGHT; SARA W. BROOKS; ALVIN F. BROWN; JANIE R. E. BROWN; ERVIN D. CHENEY; ARNET D. CHRISTENSEN; JACQUELYN CHRISTENSEN; F. P. DELGADO; EDWARD E. DELGADO; MICHAEL P. DELGADO; MADELYN DOTSON; EDWARD DOWDLE; EARL B. DOWDLE; GLEN DOWDLE; ROBERT W. EPPSTEIN; AUDRIE M. EPPSTEIN; ERNEST H. DYKES; JUDITH H. DYKES; ROGER W. ENGLISH; SUSAN L. ENGLISH; JUNIUS D. EVANS; TED GAY; PATRICIA J. GAY; C. C. GILLILAND, JR.; ELMER H. GLENEWINKEL; MARY LOU. GLENEWINKEL; J. L. GOFF; S. D. GOFF; FLORA B. GOFF; WILLIAM R. HAYES and JANE DOE HAYES, his wife; MARGARET A. HAYNES; REBA M. HENRY; GERALD T. HOUGHLAND; E. C. HUGGETT; WILMA E. HUGGETT; WARREN W. HUGHES, individually and dba HUGHES FIRE AGATE; NOBLE T. JACKSON, individually and dba NOBLE T. JACKSON FIRE AGATE; CURTIS JAMES; L. L. JIMENEZ; G. E. JIMENEZ; HAROLD E. KASTEN; JULIA L. KASTEN; ROBERT F. KELLEY; JACQUELINE J. KELLEY; JACK KELLY; LOIS BINGHAM KELLY; H. W. KNAPE; CARA LOU KNAPE; WALTER J. KRAS; F. ELIZABETH KRAS; GARY LARGE; ERNESTINE LARGE; LAWYERS TITLE OF ARIZONA, an Arizona corporation as trustee Tr 7157-T; BENNY C. LOONEY; CLARA M. LOONEY; CHARLES A. LOONEY; KAREN L. LOONEY; R. LYNN; Y. LYNN; FET McFARLAND and SID HULLINGER, individually and dba McFARLAND-HULLINGER; WILLIAM C. MARTINEZ; BERTHA MARTINEZ; ARTHUR E. MELLISH; ANNA M. MELLISH; JAMES R. MILLER; CYNTHIA K. MILLER; IVA JANE MOSON; ROBERT F. MULLER; PATSY MULLER; RUDY NAVARRO; MARY NAVARRO; JOHN E. NAVIN; GERTRUDE T. NAVIN; BILL PATTERSON; H. C. PATTERSON; MARGARET E. PATTERSON; JOHN G. PAYSON; ROGER P. PEARSON; PATSY J. PEARSON; BRUCE M. PHILLIPS; PIONEER TRUST COMPANY OF ARIZONA, an Arizona corporation as Trustee Tr 1110 and Tr 143663; ELTON D. PRICHARD; ELIZABETH S. PRICHARD; JOSEPHINE THOMAS REEVE; GEORGE H. RICHTER; MARTHA F. RICHTER; FRED A. RIEBOLD and BERTHA E. RIEBOLD, individually and dba FAR MINING ENTERPRISES; CAYETANO S. RONQUILLO; FLORENTINO RONQUILLO; ROBERT E. SANDERS; GRACE A. SMITH; ROBERT F. SNOWDEN; JOHN R. SWADER; LENA F. SWADER; B. G. THOMPSON; HENRY URIBE; MAUREEN URIBE; TOMMY URIBE; GUADALUPE URIBE; ELIZAR VINDIOLA; NELLIE VINDIOLA;

COX AND COX
ATTORNEYS AT LAW
300 LUHRS TOWER
PHOENIX, ARIZONA 85003
TELEPHONE 254-7203

DENNIS WASKO and JANE DOE WASKO; JOHN A WASLEY; REBECCA T. WASLEY; WILSON WATSON; HELEN WATSON; ANN E. WELSH; GILBERT O. WRIGHT; LOIS A. WRIGHT; HOWARD ZELLERS; ARAVAIPA WATER CO., an Arizona corporation; ARIZONA WATER CO., an Arizona corporation; CITIZENS UTILITIES WATER CO. OF ARIZONA, an Arizona corporation; COCHISE ENTERPRISES, INC., an Arizona corporation; COCHISE WATER CO., INC., an Arizona corporation; HOLIDAY ENTERPRISES INC., an Arizona corporation; INDIADA WATER CO., INC., an Arizona corporation; LUCKY HILLS WATER CO., an Arizona corporation; PALOMINAS DEVELOPMENT CO., INC., an Arizona corporation; PUEBLO DEL SOL WATER CO., an Arizona corporation; RINCON WATER CO., an Arizona corporation; SIERRA GRANDE UTILITIES CORP., an Arizona corporation; SOUTHLAND UTILITIES CO., INC., an Arizona corporation; S.V.E. WATER CO., INC., an Arizona corporation; VERDE UTILITIES CORPORATION, an Arizona corporation; WINDMILL WATER CORP., an Arizona corporation; CHESTER ANTONICK, individually and dba SUE JUAN WATER CO.; CLYDE ANTONICK and ANN ANTONICK, individually and dba SUE JUAN WATER CO.; ELDON BARNEY, individually and dba POMERENE DOMESTIC WATER USERS' ASSOCIATION, a nonprofit Arizona corporation; SALIM SAKIS DOMINQUEZ, individually and dba NACO WATER CO.; HAROLD FRARER; MARY E. FRARER; NICK GREGOVICH, individually and dba NICKSVILLE WATER CO.; FRANCES L. JACOBSON, individually and dba PEDRO WATER CO.; ROBERT C. MILLION, individually and dba WILLOW LAKES UTILITIES; NICK NOVASIC, individually and dba CLOUD NINE RANCH ESTATES; CHARLES J. RANDOLPH, individually and dba CORONADO ESTATES WATER CO.; PAUL A. ROBINSON, individually and dba SOUTHWEST WATER CO.; MAURICE M. SINKS, ELIZABETH SINKS, individually and dba RANCH WATER CO.; BUFFORD TOURTILLOTTE, individually and dba SIERRA SUNSET WATER CO.; BILL WELCH, LORA J. WELCH, individually and dba WELCH WATER CO.; JACK W. WRIGHT and RONALD H. BARNETT, individually and dba MUSTANG WATER CO.; ANDERSON DEVELOPMENT CORPORATION, a Texas corporation; BAYLESS & BERKALEW CO., an Arizona corporation; BINGHAM-SACATON RANCH, INC., an Arizona corporation; BOQUILLAS CATTLE CO., an Arizona corporation; CONTINENTAL SERVICE CORPORATION, an Arizona Corporation, Trustee [Tr 19036]; FIRST NATIONAL BANK OF ARIZONA, a National Banking Association, as successor to SOUTHERN ARIZONA BANK AND TRUST COMPANY, a National Banking Association, and CHARLES S. LEFTAULT, as co-trustees of the ARTHUR H. THOMPSON testamentary trust; FLYING W CATTLE CO., an Arizona corporation; FOUR N FARMS INC., an Arizona corporation; G. A. C. PROPERTIES INC., a Florida corporation; GOODMANS RANCHES INC., an Arizona corporation; GREGAR CORPORATION, a Colorado corporation; KARTCHNER FARMS & RANCHES, INC., an Arizona corporation; LAZY V B RANCH, INC., an Arizona corporation; MELSON, INC., an Arizona corporation; MIDVALE FARM COMPANY, an Arizona corporation; PAGE LAND-N-CATTLE CO., an Arizona corporation; PAUL L. SALE INVESTMENT CO., an Arizona corporation; SOUTHERN PACIFIC TRANSPORTATION CO., a Delaware corporation; ST. DAVID WATER ASSOCIATION, an Arizona corporation; TENNECO REALTY DEVELOPMENT CORP., a Delaware corporation; TENNECO WEST INC., a Delaware corporation; THE VICTORIO CO., an Arizona corporation; RAYMOND

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ALARCON and JANE DOE ALARCON, his wife; JAMES W. ALEXANDER and JANE DOE ALEXANDER, his wife; JOHN P. ARNTZ; BARBARA J. ARNTZ; WILLIAM RAY ARTERS; EDWIN ASH; ARTHUR J. BARNEY and JANE DOE BARNEY, his wife; LELAND K. BARNEY; PAULA BARNEY; REX O. BARNEY; GALE BARNEY; R. G. BATEMAN; CHARLES EDWARD BEELER; SANDRA B. BEELER; ALBERT BLACK; INEZ BLACK; BERNARDO BIDEGAIN; J. DALE BIGLER; VERNA G. BIGLER; JOSEPH BIGLER; EVELYN BIGLER; GLEN BINGHAM; CLIFFORD JACK BRANHAM; ANN H. BRANHAN; LOUIS BROITMAN; PAULINE C. BROITMAN; FRANK C. BROPHY, JR., as personal representative of the estate of FRANK C. BROPHY, SR., deceased; CHESTER L. BROWN and JANE DOE BROWN, his wife; E. A. BROWNING; LAVITA BROWNING; ROBERT C. BUNDY and JANE DOE BUNDY, his wife; EDNA M. CAVANAUGH; FRANKLIN H. CHILDS and JANE DOE CHILDS, his wife; MILES B. CHOATE; STEPHEN T. CLAFLIN; CARMEN C. CLARK; BENNY H. CLARK; FRANCES CLARK; ROY CLARK; GEORGE B. CLARIDGE; WILFORD H. CLARIDGE; JOE T. COVINGTON; MILDRED COVINGTON; LAWRENCE R. CROCKETT; D. H. DE FREECE; THEOLA DE FREECE; EDGAR DINWIDDIE, and JANE DOE DINWIDDIE, his wife; JAN M. DRIJVER; JANE K. DRIJVER; A. DUNGAN; OTTO F. DWORSKY; JANET DWORSKY; ACEL W. EAST and JANE DOE EAST, his wife; HAROLD R. EAST and JANE DOE EAST, his wife; WALLACE N. EAST; JOHN EBDON; IRENE EBDON; WALTER R. EDGINGTON and JANE DOE EDGINGTON, his wife; REX C. ELLSWORTH; JOHN ERKLANS and JANE DOE ERKLANS, his wife; S. E. EVANS; THOMAS ALVIN FARNSWORTH and JANE DOE FARNSWORTH, his wife; CHARLES K. FENN; CHARLES FENN, JR. and JANE DOE FENN, his wife; MAX J. FENN; BETTY J. FINCH; DONALD B. FOX and JANE DOE FOX, his wife; HAROLD FRARER, JR.; FLORENCE J. FRARER; LOWELL P. GESSERT; ROBERTA S. GESSERT; W. J. GETZMILLER; DONALD E. GOODMAN and JANE DOE GOODMAN, his wife; ELLA S. GOODMAN; A. D. GOODMAN; DEAN REED GOODMAN and JANE DOE GOODMAN, his wife; GEORGE B. GORDON; MARION O. GRENIER; DARLENE G. GRENIER; KENNETH GUNTER; PATRICIA A. HARMON; ARREND LEE HAWES and JANE DOE HAWES, his wife; JAMES C. HAWLEY, JR.; MARILYN B. HAWLEY; HERMAN D. JOHNSON; OLIVE L. JOHNSON; LINARES B. JOHNSON; BESTINA ESTHER JOHNSON; ALFRED T. JUDD; EDNA N. JUDD; GRANT JUDD and JANE DOE JUDD, his wife; IRA L. JUDD, JR.; MERLIN CARL JUDD; JUDY COLEEN JUDD; EDITH E. KARLEN; ROY KARLEN and JANE DOE KARLEN, his wife; A. KARTCHNER and JANE DOE KARTCHNER, his wife; CHARLES DEAN KARTCHNER and JANE DOE KARTCHNER, his wife; MARK M. KARTCHNER; MARION B. KARTCHNER; H. CECIL KEMPTON; TRUDY KEMPTON; KIRRILLA B. LACKNER, individually and dba LACKNER RANCH; WILLIAM C. LANE; KATHRYN H. LANE; DAVID T. LEE; MARILYN LEE; EDWARD F. LEHNER; ETHELYN LEHNER; EARSTON LOFGREEN; EDWARD LUCAS; GUY F. McCAFFERTY; SARA B. McCAFFERTY; JAMES E. McCOMMAS; FRED G. McGEE; BARBARA A. McGEE; GEORGE A. McRAE; GLADYS BINGHAM McRAE; J. S. McRAE; WALTER S. McRAE; HAZEL POST McRAE; J. DAVID MACKSTALLER; NANCY J. MACKSTALLER; DAVE MacMURTRIE; HAROLD I. MATTHEWS; DAPHNE L. MATTHEWS; F. E. MAULDIN; ANDREW B. MAYBERRY; LAVEE MAYBERRY; E. JIM MAYBERRY; GWEN MAYBERRY; ROLAND MAYBERRY; VERNA MAYBERRY; JOYCE A. MERCER; VIRGIL E. MERCER; ROSS MERACLE; CARL WILLARD MILLER; ELBERT D. MILLER and JANE DOE MILLER, his wife; LARRY H. MILLER; MARWOOD MILLER; FRANK MILLER; QUENTIN MILLER and JANE DOE MILLER, his wife;

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W. M. MILLER; H. L. MILLER; F. M. MILLER; MARSHALL A. MOODY; M. B. NAEGLE; P. W. NAEGLE; J. M. NELSON; ALFIELD NEVITT; B. NEVITT; VINCENT C. OGUREK; JOHN J. OLIVEIRA; DONALD R. PRESTON; KAREN P. PRESTON; DONALD PRESTON, JR.; KAREN P. PRESTON; ALEX PRETZER; NORMAN PRETZER and JANE DOE PRETZER, his wife; CHARLES PROCTOR; MARIAN PROCTOR; WALTER E. REMMERS, trustee for SLASH V RANCH; HAP R. RODIG and JANE DOE RODIG, his wife; REYNALDO SANTA MARIA; ROSA SANTA MARIA; EARL SCARBOROUGH; GEORGE J. SCOTT; RICHARD A. SHAMRELL; CAROLINE R. SHAMRELL; A. P. SIMONSEN; ELDON SMITH; VERA SMITH; OMER SMITH; CARMEN SMITH; HARRY C. SMITH and JANE DOE SMITH, his wife; NOLAN A. SMITH; TED R. SMITH; ROSE SMITH; JOHN R. SNEDEGAR; CECIL STARK; RUTHELLEN STARK; GEORGE H. STECKER; ARLENE D. STECKER; DONALD J. STONER; HAZEL E. STONER; HUGHEY T. STRINGER; LEAH M. STRINGER; E. L. SUMMERS; ALFRED J. TREJO; MARZETTE B. TREJO; RALPH TREJO; EDNA TREJO; JARED J. TREJO; HENRY BRUCE TRYON; ROBERT M. VANOVER; DONALD R. VOLKER; W. A. WAGNER; ALFRED JAMES WEIK; EILEEN WEIK; RICHARD RICHARDS WEIK; W. H. (WILLIE) WELCH; LUWANNA T. WELCH; CHARLES B. WHITE; HENRY L. WHITE; GRACE WHITE; GEORGE N. WHITEHEAD and JANE DOE WHITEHEAD, his wife; GORDON WHITING, individually and dba WHITING RANCHES; HASKELL G. WILLIAMS; REESE WOODLING, individually and dba CASCABEL LAND & CATTLE CO.; CITY OF SIERRA VISTA; CITY OF TUCSON; ARIZONA STATE LAND DEPARTMENT; ANDREW L. BETTWY, as Arizona State Land Commissioner; DON C. ADAMS; JACK W. ANEAS; JOE ANEAS; JAMES BARKO; LAMAR BELLMAN; A. CULP; ARCHIE HALL; DELMER E. HARDY; DONALD B. HEARN, SR.; KAREN D. HEARN; JOHN L. HILL; STEVE MARSHALL; H. MARTIN; KEITH L. MILLER; J. MARVIN OWENS; H. D. OWENS; W. RICH; A. SCHUYLER; C. N. SCHUYLER; GARCIA SCHUYLER; W. E. SHERMAN; W. E. STANFORD; JAMES SULLIVAN; DONALD C. VAN DUSEN; FRANK VERDUGO, SR.; D. VERDUGO; CLIFFORD WILLIS; JAY WINNANS; LLOYD C. ADAMS; F. SHELBY BENNETT; Y. BENNETT; BILBY BOYLE; EARL BROCKELSBY; B. K. BROCKELSBY; E. A. BROWNING; LAVITA BROWNING; HUGH H. CLARIDGE; ROBERT E. COWEN; MILTON CURTIS; C. CURTIS; BARBARA L. DAVIS; CLARENCE W. DAVIS, PAULINE N. DAVIS, and MARGARET EVELYN WILLIAMS, individually and dba 47 RANCH INC.; REX ELLSWORTH; NOLA ELLSWORTH; GUADALUPE SALAZAR; F. J. GUNTERMAN; M. A. GUNTERMAN; NANCY W. HILLMAN; J. A. KARTCHNER; HAROLD O. LOVE; MALCOLM MACKENZIE; CATHERINE MILLER; THELMA M. ROWE; JOHN P. SANDS; JOHN E. SMITH; MARY LOU SMITH; A. L. STANSBERRY; MARY STANSBERRY; RICHARD F. WILSON;

Plaintiff expects to add as defendants other persons or entities claiming rights to use (whether diverting, pumping, or otherwise) or who are found to be using, "Waters of the San Pedro River Watershed" in derogation of prior rights of plaintiff.

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II. OBJECT OF THE ACTION.

Plaintiff Gila River Indian Community for and on behalf of itself and its Pima and Maricopa Indian members commenced this action on June 30, 1978, against the above-named defendants and filed an Amended Complaint on March 12, 1980. The object of the action is to have plaintiff's rights to the "Waters of the San Pedro River Watershed" declared paramount prior and superior to each defendant's rights; to prevent defendants from using the "Waters of the San Pedro River Watershed"; to require defendants to account for their use of the "Waters of the San Pedro River Watershed"; to require defendants to account for their profits derived from the use of the "Waters of the San Pedro River Watershed"; and to require defendants to pay damages for their use of the "Waters of the San Pedro River Watershed."

The "Waters of the San Pedro River Watershed" means any and all water in, under or upon the hereinafter described San Pedro River watershed which, if unused and uninterrupted, would increase the quantity of water available to plaintiff by diversion, pumping or in recharging the groundwater under plaintiff's Gila River Indian Reservation, Arizona (Reservation); and also means and includes any water in, under or upon the San Pedro River Watershed, the use of which diminishes the water which otherwise would be available for beneficial use on Reservation including recharging the groundwater under Reservation.

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III. RELIEF DEMANDED.

In this proceeding plaintiff requests that the court grant Community a judgment

1. declaring that plaintiff's water rights are paramount, prior, and superior to the water rights and claims of defendants;

2. requiring each defendant to account to plaintiff

(a) for the "Waters of the San Pedro River Watershed" used by such defendant;

(b) for the income and profits received by such defendant from using the "Waters of the San Pedro River Watershed;"

3. for such damages against defendants as are just and proper;

4. for proper exemplary and punitive damages against defendants;

5. restraining and enjoining defendants from using "Waters of the San Pedro River Watershed;"

6. for plaintiff's costs;

7. for such other and further relief as may be deemed proper.

IV. PROPERTY AFFECTED.

The real property affected by this action includes the right to use the "Waters of the San Pedro River Watershed" as hereinabove defined.

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Plaintiff claims the right to the use of sufficient water from the Gila River and its tributaries including the "Waters of the San Pedro Watershed" to irrigate the practicably irrigable acres of the Gila Rive. Indian Reservation which are included within the following described area:

The True Point of Beginning is the Initial Monument as set for the Gila and Salt River Meridian, Arizona, in 1866; thence NORTH on the principal meridian line between Township 1 North, Ranges 1 East and 1 West, to a point in the center line of the Gila and Salt Rivers as flowing in 1879; thence NORTHWESTERLY along the thread of the Salt River to the West boundary of Section 35 of Township 1 North, Range 1 East, (Plat of 1868); thence SOUTHWESTERLY to a point 60 feet East more or less, of the Northwest corner of Section 2, Township 2 South, Range 2 East, (Plat of 1868); thence EAST on the North lines, of Township 2 South, Range 4 East; thence SOUTH on the East line of Township 2 South, Range 4 East to a point on the North line of Township 3 South, Range 5 East; thence EAST on the North lines of Township 3 South, Ranges 5 and 6 East, to the Northeast corner of Townships 3 South, Range 6 East; thence SOUTH on the East boundary of Township 3 South, Range 6 East, to the North boundary of Township 4 South, Range 6 East; thence EAST on the North boundary of Township 4 South, Ranges 6 and 8 East to the North-South mid-section line of Section 3, Township 4 South, Range 8 East, (Plat of 1876); thence SOUTH, on the mid-section lines of Sections 3, 10, 15, 22, 27 and 34 of Township 4 South, Range 8 East and on the mid-section line of Sections 3 and 10 of Townships 5 South, Range 8 East, to the center quarter corner of Section 10, Township 5 South, Range 8 East; thence WEST to the West line of Section 10; thence NORTH on the West line of Section 10 to the Southeast corner of Section 4; thence WEST to the Southwest corner of Section 4; thence NORTH to the East quarter corner of Section 5, Township 5 South, Range 8 East; thence WEST on the East-West mid-section line of Section 5 to the West line of Section 5; thence NORTH on the West line of said Section 5 to the Southeast corner of the Northeast quarter of the Northeast quarter of Section 6, Township 5 South, Range 8 East; thence WEST on the East-West mid-line of the said Northeast quarter to the North-South mid-section line of said Section 6, Township 5 South, Range 8 East; thence WEST on the East-West mid-line of the said Northeast quarter, to the North-South mid-section line of said Section 6; thence SOUTH on the said mid-section line to the East-West mid-line of the Southeast quarter of said Section 6; thence EAST on said line to the East line of Section 6; thence SOUTH, on said East line to the North one-sixteenth corner of the East line of Section 7, Township 5 South, Range 8 East; thence WEST on a mid-line of the North half of Section 7, to a point on the East line of

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Section 1 of Township 5 South, Range 7 East; thence SOUTH on said line to the Northeast corner of Section 12, Township 5 South, Range 7 East; thence WEST on the North Section of said Section 12, to the Northeast corner of Lot 17, Section 12; thence SOUTH to the Southeast corner of Lot 20; thence WEST on the lot line to the Northeast corner of Lot 25; thence SOUTH on the East lot lines, to the Southeast corner of Lot 32; thence WEST, on the South line of Lot 32 and the one-sixteenth line, to the North- outh mid-section line; thence NORTH to the center of Section 12; thence WEST on the East-West mid-section line to the Southeast corner of the Southeast quarter of the Northwest quarter of said Section 12; thence NORTH on the North-South mid-line of the Northwest quarter to the center one-sixteenth corner of the Northwest quarter; thence WEST on the East-West mid-line to the West section line, (Plat of 1929); thence SOUTH on the West section line to the Northeast corner of Section 14, Township 5 South, Range 7 East, (Plat of 1868); thence WEST on the boundary to the Northeast corner of Section 15, Township 5 South, Range 7 East; thence SOUTH on the East line of Sections 15 and 22 to the Southeast corner of Section 22, Township 5 South, Range 7 East; thence WEST on the South line of Sections 19, 20, 21, and 22, to the Southwest corner of Section 19; thence NORTH on the West lines of Sections 18 and 19 to the South section line of Section 12, Township 5 South, Range 6 East; thence WEST on the South section lines of Sections 7, 8, 9, 10, 11 and 12, (Plat of 1869), Township 5 South, Range 6 East, and Sections 7, 8, 9, 10, 11 and 12, (Plat of 1869), Township 5 South, Range 5 East; thence NORTH on the West Range line of Township 5 South, Range 5 East, to the South line of Section 1, Township 5 South, Range 4 East, (Plat of 1869); thence NORTHWESTERLY on the South lines of Sections 1 and 2 to the Southwest corner of Section 2, Township 5 South, Range 4 East; thence NORTHEASTERLY, on the West line of Section 2 to the Southwest corner of Section 35, Township 4 South, Range 4 East; thence NORTH, on the West lines of Sections 35, 26 and 23, to the West quarter corner of Sections 23; thence WEST on the East-West mid-section line of Section 20, 21 and 22, to the center quarter corner of Section 20, Township 4 South, Range 4 East, (Plat of 1876); thence NORTH on the North-South mid-section line of Sections 20 and 17 to the North line of Section 17, (Plat of 1876); thence WEST on the South lines of Sections 7 and 8 of Township 4 South, Range 4 East, (Plat of 1876), Sections 7, 8, 9, 10, 11 and 12 of Township 4 South, Range 3 East and Sections 7, 8, 9, 10, 11 and 12 of Township 4 South, Range 2 East; thence NORTH on the West lines of Townships 2, 3 and 4, Range 2 East to the Southeast corner of Section 13, Township 2 South, Range 1 East, (Plat of 1919); thence WEST on the South lines of Sections 13, 14, 15, 16, 17 and 18 of Township 2 South, Range 1 East; thence NORTH on the principal meridian to the Initial Monument, the True Point of Beginning:

The land affected includes any land from which, on which, or to which the "Waters of the San Pedro River Watershed" is or may be

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used, whether within or outside the San Pedro River Watershed. The property affected within the San Pedro River Watershed is located in Cochise, Graham, Pinal Pima, and Santa Cruz Counties in Arizona, and includes the following real property described from the Gila and Salt River Base and Meridian:

All of Township 6 South, Ranges 15, 16, 18 and 19 East.

All of Township 7 South, Ranges 15, 16, 17, 18, 19 and 20 East.

All of Township 8 South, Ranges 15, 16, 17, 18, 19, 20 and 21 East.

All of Township 9 South, Ranges 16, 17, 18, 19, 20 and 21 East.

All of Township 10 South, Ranges 16, 17, 18 and 19 East.

All of Township 12 South, Ranges 18, 19, 20 and 21 East.

All of Township 13 South, Ranges 19, 20 and 21 East.

All of Township 14 South, Ranges 19, 20 and 21 East.

All of Township 15 South, Ranges 19, 20 and 21 East.

All of Township 16 south, Ranges 20 and 21 East.

All of Township 17 South, Ranges 20, 21 and 22 East.

All of Township 18 South, Ranges 20, 21 and 22 East.

All of Township 19 South, Ranges 20, 21, 22 and 23 East.

All of Township 20 South, Ranges 19, 20, 21, 22 and 23 East.

All of Township 21 South, Ranges 18, 19, 20, 21 and 22 East.

All of Township 22 South, Ranges 19, 20, 21, 22 and 23 East.

All of Township 23 South, Ranges 21, 22 and 23 East.

All of Township 24 South, Ranges 21, 22 and 23 East.

Township 5 South, Range 15 East.
All of Sections: 25, 26, 34 through 36.

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Partial Sections: S1/2 of 23; S1/2 of S1/2 of 24; SE1/4 of 31; S1/2 of 32; NE1/4 and S1/2 of 33; SE1/4 of NE1/4 and S1/2 of 27.

Township 5 South, Range 16 East
All of Sections: 19 through 21, 25 through 36
Partial Sections: S1/2 of 16; S1/2 of 17; NW1/4 and S1/2 of 22; NE1/4 and S1/2 of 23; NW1/4 and S1/2 of 24.

Township 5 South, Range 17 East
All of Sections: 30, 31
Partial Sections: SW1/4 of 29; W1/2 of 32; SE1/4 of 36.

Township 5 South, Range 18 East
All of Sections: 24 through 26, 32 through 36
Partial Sections: S1/2 of 13; S1/2 of 27; NE1/4 and S1/2 of 31.

Township 5 South, Range 19 East
Partial Sections: S1/2 of Township 5S and unsurveyed Sec. 12 and 13.

Township 5 South, Range 20 East
All of Sections: 7, 8, 17 through 19, 28 through 33
Partial Sections: W1/2 of 20.

Township 6 South, Range 14 East
All of Sections: 1, 11 through 14, 23 through 26, 35, 36
Partial Sections: NE1/4 and S1/2 of 2; E1/2 of 10; E1/2 and E1/2 of W1/2 of 15; W1/2 of 22; E1/2 of 27; E1/2 of E1/2 of 34.

Township 6 South, Range 17 East
All of Sections: 1, 6 through 36
Partial Sections: S1/2 of 2; S1/2 of 3; SE1/4 of 4; W1/2 of E1/2 and W1/2 of 5.

Township 6 South, Range 20 East
All of Sections: W1/2 of Township 6S and 34 through 36
Partial Sections: S1/2 of 26; NW1/4 and S1/2 of 27.

Township 6 South, Range 21 East
Partial Sections: S1/2 of 31; S1/2 of 32.

Township 7 South, Range 13 East
All of Section: 36

Township 7 South, Range 14 East
All of Sections: 1, 2, 10 through 16, 20 through 29, 31 through 36
Partial Sections: NE1/4 and S1/2 of 3; NE1/4 and S1/2 of 9; NE1/4 and S1/2 of 30.

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Township 7 South, Range 21 East
All of Sections: 5 through 8, 16 through 21, 27 through 35
Partial Sections: W1/2 of 9; W1/2 of 22; SW1/4 of 26.

Township 8 South, Range 14 East
All of Sections: 1 through 6, 8 through 16, 21 through 28, 34 through 36
Partial Sections: E1/2 of 17; E1/2 of 33.

Township 8 South, Range 22 East
All of Sections: 7, 14 through 36
Partial Sections: S1/2 and NW1/4 of 8; S1/2 of 9, SW1/4 of 10

Township 8 South, Range 23 East
All of Sections: 30, 31

Township 9 South, Range 14 East
All of Sections: 1 through 3, 11 through 13
Partial Sections: NE1/4 of 10.

Township 9 South, Range 15 East
All of Sections: 1 through 27, 35, 36
Partial Sections: N1/2 of 28.

Township 9 South, Range 22 East
All of Sections: 1 through 12, 14 through 23, 27 through 33
Partial Sections: W1/2 of 13; NW1/4 of 34.

Township 10 South, Range 15 East
All of Section: 1

Township 10 South, Range 20 East
All of Sections: 1, 3 through 10, 15 through 22, 27 through 34
Partial Sections: N1/2 of 2; E1/2 of 12, W1/2 of 11, 14, 23, 26

Township 10 South, Range 21 East
All of Sections: 1 through 11, 16 through 18
Partial Sections: N1/2 of 12; N1/2 of 15; N1/2 of 19; N1/2 of 20.

Township 10 South, Range 22 East
All of Sections: 5, 6
Partial Sections: NW1/4 of 4.

Township 11 South, Range 20 East
All of Sections: 3 through 11, 14 through 36
Partial Sections: W1/2 of 2; W1/2 of W1/2 of 13.

Township 11 South, Range 21 East
All of Sections: 29 through 36
Partial Sections: S1/2 of 26; S1/2 of 27; S1/2 of 28.

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ELLEN H. YOUNG,
CLERK SUPERIOR COURT
BY _____ DEPUTY

Attorneys for Plaintiff

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF COCHISE

| | |
|---|---|
| CITY OF TOMBSTONE, a Charter City of the State of Arizona,<br><br>Plaintiff,<br><br>v<br><br>BUNKER HILL MINING COMPANY, R.E. GRACE and JANE DOE GRACE, husband and wife, if R.E. GRACE was married on March 9, 1933, and TOMBSTONE DEVELOPMENT COMPANY,<br><br>Defendant. | No. 42098<br><br>DECREE QUIETING TITLE |

FEE # 860509265
OFFICIAL RECORDS
COCHISE COUNTY
DATE HOUR
05/02/86 2
REQUEST OF
RILEY & HOGGATT
CHRISTINE RHODES-RECORDER
FEE : 6.00 PAGES : 4

This matter came on regularly for hearing, this 24th day of March, 1986. The plaintiff appeared by Richard J. Riley of Riley & Hoggatt, P.C., attorneys for the Plaintiff City of Tombstone. The Defendants Bunker Hill Mining Company, and R.E. Grace and Jane Doe Grace, husband and wife, if R.E. Grace was married on March 9, 1933, were duly served with process and failed to appear or otherwise defend and their defaults have been entered. The Defendant Tombstone Development Company, entered its appearance in writing and stipulated that this Judgment could be entered without notice to Tombstone Development Company. The Court having heard the testimony and being fully advised in the premises, FINDS:



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1. The City of Tombstone has fee simple title to the following described real property and has occupied said property openly, notoriously, hostilely and under a claim of right for more than ten (10) years:

> That portion of the Vizina Lode Patented Mining Claim, in TOMBSTONE MINING DISTRICT, being shown on Mineral survey No. 64, Lot 59, on file in Bureau of Land Management as granted by Patent recorded in Book 27 of Deeds of Mines, page 299, records of Cochise County, Arizona, described as follows:
>
> Beginning at the Southwest corner of Lot 10 in Block T, City of Tombstone, according to Book 3 of Maps, page 85;
>
> thence South 67 degrees 10 minutes East 120 feet;
>
> thence South 22 degrees 50 minutes West 60 feet;
>
> thence North 67 degrees 10 minutes West 120 feet;
>
> thence North 22 degrees 50 minutes East 60 feet to the Point of Beginning.
>
> EXCEPT all gold, silver, cinnabar or copper or to any valid mining claim or possession as reserved by the United States of America in Patent to said land.

2. A title search has revealed that the named defendants have record interests in the above-described real property, which are clouds on the title of the City of Tombstone.

3. The Defendant Bunker Hill Mining Company, is defunct. Any interest it might have had in the above-described



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real property is inferior to, and subordinate to the title of the Plaintiff City of Tombstone.

4. The whereabouts of the Defendant R.E. Grace and his marital status on March 9, 1933, are unknown. Any interest in the above-described real property that the Defendant R.E. Grace and his spouse Jane Doe Grace, if the Defendant R.E. Grace were married on March 9, 1933, is inferior to and subordinate to the title of the Plaintiff City of Tombstone.

5. The Defendant Tombstone Development Company and the Plaintiff City of Tombstone have entered into an agreement whereby the Tombstone Development Company stipulates that it makes no claim to the surface to a depth of forty (40) feet of the above-described real property and the City of Tombstone makes no claim to the sub-surface below a depth of forty (40) feet, nor to the mineral and oil rights below the depth of forty (40) feet.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED, that the title of the Plaintiff of the City of Tombstone is paramount to any interest of Defendants Bunker Hill Mining Company, R.E. Grace and Jane Doe Grace, husband and wife, if R.E. Grace was married on March 9, 1933. That any claim or interest they might have is barred by the statute of limitations; they and their successors and assigns are permanently enjoined from claiming any estate, right, title, lien or interest in and to said property, or any part thereof adverse to plaintiff.



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IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the stipulation of the City of Tombstone and Tombstone Development Company, that the title of the surface to a depth of forty (40) feet of the above-described real property is quieted in the Plaintiff City of Tombstone, and the Defendant Tombstone Development Company is forever enjoined from claiming any estate, right, title, lien or interest in and to the surface to a depth of forty (40) feet of the hereinafter described property.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the stipulation of the parties, the City of Tombstone is hereinafter forever enjoined from claiming any interest against the Defendant Tombstone Development Company to the sub-surface of the above-described property below the depth of forty (40) feet, nor claiming any mineral or oil rights to said property below the depth of forty (40) feet.

DONE IN OPEN COURT, this 24th day of March, 1986.

Robert P. Winkler
Judge of the Superior Court

APPROVED AS TO FORM:

Dushan S. Vlahovich
DUSHAN S. VLAHOVICH
Attorney for Defendant
Tombstone Development Company

/mlo

STATE OF ARIZONA
COUNTY OF COCHISE

This instrument is a full, true and correct copy of the original on file in this office.

March 24, 1986
ATTEST: [illegible], Clerk
By [illegible], Deputy

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8703060004

FEE # 870306004
OFFICIAL RECORDS
COCHISE COUNTY
DATE HOUR
03/12/87 10
REQUEST OF
ARIZONA STATE PARKS
CHRISTINE RHODES-RECORDER
FEE : 4.00 PAGES : 4

MAR 12 1987 10AM
P-2 3.00

# LEASE AGREEMENT

This Lease is made and entered into this 27th day of August 1986, by and between the Tombstone Development Company, an Arizona Corporation, whose offices are at Box 1445, Grand Island, Nebraska 68803, hereinafter referred to as the **LESSOR**, and the State of Arizona through the Arizona State Parks Board, hereinafter referred to as the **LESSEE**.

WITNESSETH:

**THAT WHEREAS,** the parties hereto are succeeding parties to a certain 99-year lease which had as part of its intent the development of municipal improvements including a Cochise County Courthouse which is now a significant State Historic Resource known as Tombstone Courthouse; and

**WHEREAS,** the **LESSOR** is owner of a certain parcel of land situated in Cochise County, Arizona, upon which is located the Tombstone Courthouse; and

**WHEREAS,** the **LESSEE** is owner of the Tombstone Courthouse and is empowered to enter into this Agreement pursuant to ARS 41-511.05; and

**WHEREAS,** the intent of this current lease is to extend and continue the use of this property as a State Historic Park;

**NOW, THEREFORE,** the parties hereto do hereby covenant and agree as follows:

I. The **LESSOR** agrees to lease to the **LESSEE** the lands as described on Exhibit "A" attached hereto and incorporated by this reference and agrees to permit the **LESSEE** to use and control the land for a period of five (5) years commencing on 8 September 1986 to and including the 7th day of September 1991.



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II. The **LESSEE** agrees to pay as compensation to the **LESSOR** a sum of nine hundred ninety dollars ($990.00) for the first year. Compensation for subsequent years shall be subject to negotiation and may be increased, but not in excess of ten percent (10%) of the previous year's rate. The fee will be payable on the 8th of September of each year during the term of the lease.

III. In the event that **LESSOR** decides to sell said lands, the **LESSOR** hereby extends to the **LESSEE** the first right of refusal to purchase said lands during the term herein or at its termination.

IV. At the termination of this lease, the **LESSEE** shall have the right and be given reasonable time within which to remove all personal property from and permanent improvements upon the lands herein.

V. The State may cancel this contract with forty-five (45) days written notice to **LESSOR'S** last address on file with **LESSEE**, without penalty or further obligation pursuant to ARS 38-511, or if the Legislature fails to appropriate the funds to continue this lease.

VI. This lease and the covenants and conditions herein shall apply to and bind the successors and assigns of the parties hereto.

VII. In the event of a dispute, the parties agree to use arbitration to the extent required by ARS 12-1518.

VIII. The laws of the State of Arizona apply to questions arising under the lease agreement. Litigation must be maintained in an Arizona court.

IX. Pursuant to ARS 35-214, all records relating to this lease shall be subject to inspection and audit by the State of Arizona, at **LESSOR'S** offices, for five years after completion of contract.



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XII. Lease amendments shall only be effective in writing and signed by all parties.

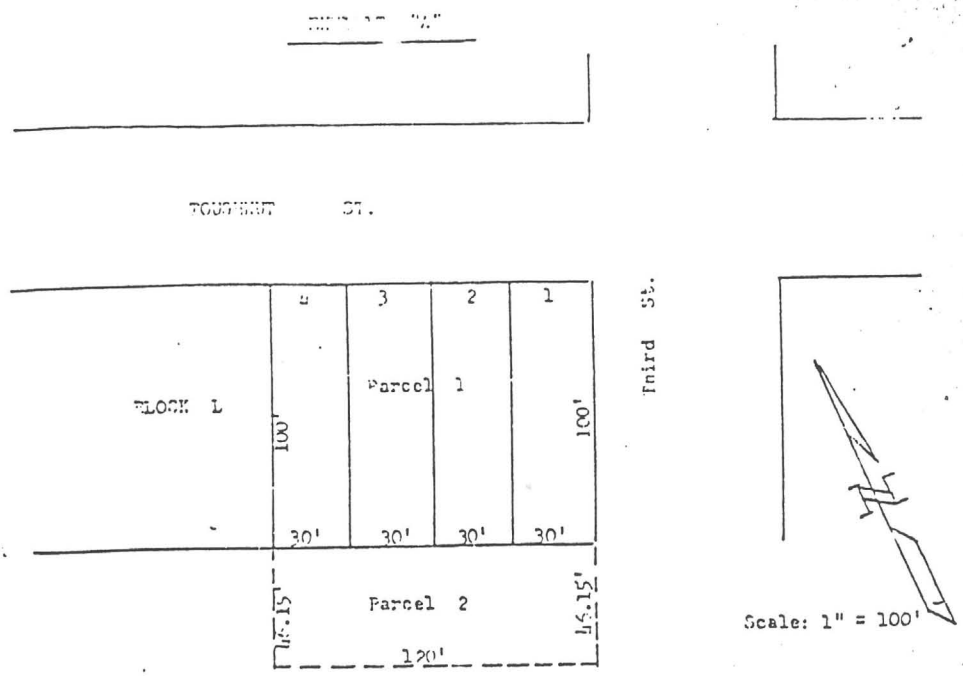
IN WITNESS WHEREOF, the parties hereto have hereunder subscribed their names and affixed their seals, the day and year first above written.

| TOMBSTONE DEVELOPMENT COMPANY | STATE OF ARIZONA<br>ARIZONA STATE PARKS BOARD |
|---|---|
| By Glenn Baxter | By Donald J. Chaney |
| Title President | Title Executive Director |
| Date 2-23-87 | Date 3-2-87 |

LAVERNE BAXTER (?)



870306004




LEASED LAND

Parcel 1

Surface only to a depth of 40 feet. Lots 1, 2, 3 and 4, Block L, City of Tombstone, Cochise County, State of Arizona, as shown on Map by Ralph R. Motz dated Nov. 17, 1945, approved by the County Board of Supervisors Dec. 3, 1945, and on file in the office of the County Recorder, Cochise County, State of Arizona.

Parcel 2

Surface only to a depth of 40 feet. Unsubdivided parcel of land on the Vizina patented mining claim: Patent No. 64 dated Dec. 8, 1881 and recorded in Book 27, Pages 299-303, in the Office of the County Recorder, Cochise County, State of Arizona: said parcel being immediately South and adjoining parcel No. 1 described above and this parcel further described by M & B as follows: Beginning at the Southeasterly corner of Lot 1, Block L, described in parcel No. 1 above: thence S. 22° 50' W., 46.15 feet: thence N. 67° 10' W., 120 feet: N. 22° 50' E., 46.15 feet: thence S. 67° 10' E., 120 feet to point of beginning, containing 0.127 acres.

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DOCUMENT
8703060005

FEE # 870306005
OFFICIAL RECORDS
COCHISE COUNTY
DATE HOUR
03/12/87 10
REQUEST OF
ARIZONA STATE PARKS
CHRISTINE RHODES-RECORDER
FEE : 4.00 PAGES : 4

MAR 12 1987/0AM
P-2 3.00

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WITNESSETH:

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**WHEREAS,** the **LESSOR** is owner of a certain parcel of land situated in Cochise County, Arizona, upon which is located the Tombstone Courthouse; and

**WHEREAS,** the **LESSEE** is owner of the Tombstone Courthouse and is empowered to enter into this Agreement pursuant to ARS 41-511.05; and

**WHEREAS,** the intent of this current lease is to extend and continue the use of this property as a State Historic Park;

**NOW, THEREFORE,** the parties hereto do hereby covenant and agree as follows:

I. The **LESSOR** agrees to lease to the **LESSEE** the lands as described on Exhibit "A" attached hereto and incorporated by this reference and agrees to permit the **LESSEE** to use and control the land for a period of five (5) years commencing on 8 September 1986 to and including the 7th day of September 1991.



870306005
ARIZONA STATE PARKS
800 W WASHINGTON
PHOENIX , AZ. 85007

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SAME AS 870306005

II. The **LESSEE** agrees to pay as compensation to the **LESSOR** a sum of nine hundred ninety dollars ($990.00) for the first year. Compensation for subsequent years shall be subject to negotiation and may be increased, but not in excess of ten percent (10%) of the previous year's rate. The fee will be payable on the 8th of September of each year during the term of the lease.

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IV. At the termination of this lease, the **LESSEE** shall have the right and be given reasonable time within which to remove all personal property from and permanent improvements upon the lands herein.

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VI. This lease and the covenants and conditions herein shall apply to and bind the successors and assigns of the parties hereto.

VII. In the event of a dispute, the parties agree to use arbitration to the extent required by ARS 12-1518.

VIII. The laws of the State of Arizona apply to questions arising under the lease agreement. Litigation must be maintained in an Arizona court.

IX. Pursuant to ARS 35-214, all records relating to this lease shall be subject to inspection and audit by the State of Arizona, at **LESSOR'S** offices, for five years after completion of contract.



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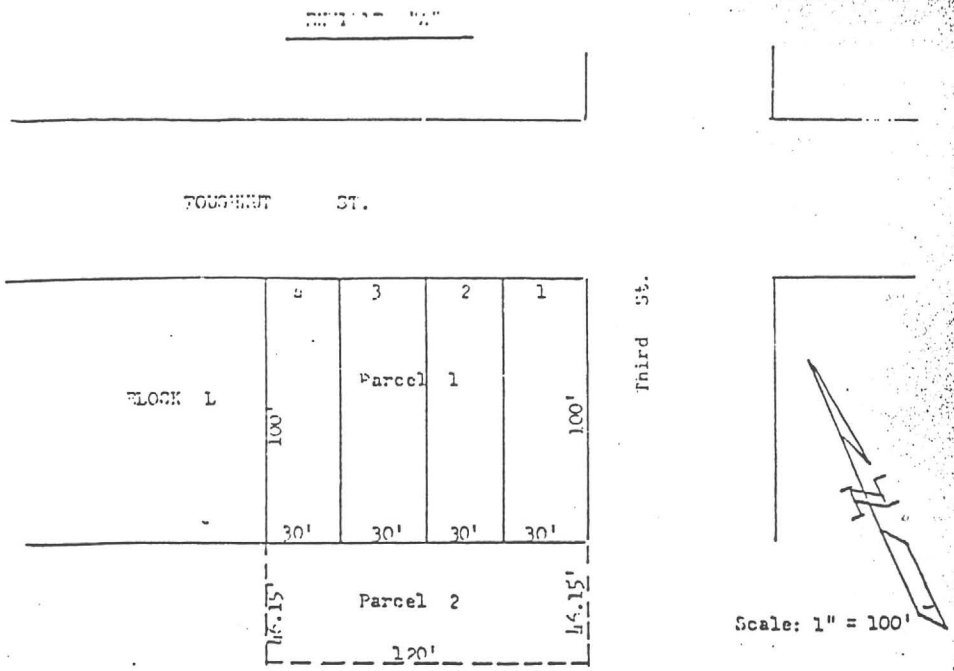
XII. Lease amendments shall only be effective in writing and signed by all parties.

**IN WITNESS WHEREOF**, the parties hereto have hereunder subscribed their names and affixed their seals, the day and year first above written.

| TOMBSTONE DEVELOPMENT COMPANY | STATE OF ARIZONA<br>ARIZONA STATE PARKS BOARD |
|---|---|
| By LeRoy Baxter | By Donald J. Chrisman |
| Title President | Title Executive Director |
| Date 2-23-87 | Date 3-2-87 |

870306005

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870306005

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RECORDED AT THE REQUEST OF
AND RETURN TO:
Santa Fe Pacific Mining, Inc.
ATTN: Lease Records
Box 27019
Albuquerque, NM 87125

TOMBSTONE PROJECT
3-033-0001

MAR 10 1988 8A
E-2
500

MEMORANDUM OF MINING LEASE

Under the terms of that certain Mining Lease dated effective as of the 11th day of February, 1988, by and between TOMBSTONE DEVELOPMENT COMPANY, an Arizona Corporation (therein and hereinafter referred to as "Owner", whether one or more) and SANTA FE PACIFIC MINING, INC., a Kansas corporation (therein and hereinafter referred to as "Lessee"), Owner has granted, demised, leased and let and does hereby grant, demise, lease and let unto Lessee that property described in Exhibit A attached hereto and made a part hereof (the "Leased Premises"), including without limitation all ores, minerals and mineral rights and together with all water and water rights in, upon and under the Leased Premises, exclusively unto Lessee, its successors and assigns, with the right and privilege to explore for, develop, mine (by open pit, strip, underground, solution mining, or any other method, including any method hereafter developed), extract, mill, store, process, remove and market therefrom all ores, minerals and materials of whatsoever nature or sort; all on the terms and conditions and subject to the payments to be made to Owner, as fully set forth in the said Lease which Lease is by this reference incorporated herein. Unless sooner terminated in the manner therein provided, the term of the said Lease is for a period of years commencing on the effective date thereof and continuing for as long thereafter as mining, development or processing operations are being conducted thereunder or the Lease term is extended pursuant to the force majeure and suspensions of operations provisions thereof, all as more fully set forth in the Lease. Copies of the said Lease are in the possession of Owner c/o

Document 88030503 4

Tombstone Development Company, P. O. Box 1445, Grand Island, Nebraska 68801

and in the possession of Lessee c/o

Santa Fe Pacific Mining, Inc., Box 27019, Albuquerque, New Mexico 87125.

IN WITNESS WHEREOF, this Memorandum of Mining Lease has been executed effective as of the date first above set forth.

OWNER:

TOMBSTONE DEVELOPMENT COMPANY

By

Its President

LESSEE:

SANTA FE PACIFIC MINING, INC.

By:

Its Vice President

880305034

STATE OF Arizona }
COUNTY OF Cochise } ss.

The foregoing instrument was acknowledged before me this 11th day of February, 1988, by [illegible], of TOMBSTONE DEVELOPMENT COMPANY, an Arizona corporation, on behalf of said corporation.

[illegible]
Notary Public

My commission expires:
Sept 30, 1990

STATE OF NEW MEXICO }
COUNTY OF BERNALILLO } ss.

The foregoing instrument was acknowledged before me this 10th day of February, 1988, by K. Sageser, Vice President of SANTA FE PACIFIC MINING, INC., a Kansas corporation, on behalf of said corporation.

Laurie L. Frantz
Notary Public

My Commission Expires:
June 21, 1989

OFFICIAL SEAL
LAURIE L. FRANTZ
NOTARY PUBLIC - STATE OF NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires 6-21-89

880305034

# EXHIBIT A

EXHIBIT A to Mining Lease by and between

TOMBSTONE DEVELOPMENT COMPANY

(as "Owner") and SANTA FE PACIFIC MINING, INC.

(as "Lessee") and pertaining to the following described real property situated

in Cochise County, State of Arizona :

Township 20 South, Range 22 East
lying in parts of Sections 11, 12, 13, and 14.

| Claim Name | Patent No. | Claim Name | Patent No. |
|---|---|---|---|
| Defense | 279 | Hard Up | 344 |
| Old Guard | 785 | San Refael | 225 |
| Lucky Cuss | 137 | McCann | 3217 |
| East Side | 380 | MayFlower | 798 & 1012 |
| East Side No. 2 | 376 | Alta | 289 |
| Blue Monday | 265 | C.O.D. | 928 |
| West Side | 232 | Hedge | 367 |
| Survey | 292 | Owls Last Hoot | 390 |
| Tribute | 281 | Escondido | 3218 |
| Boss | 800 | Ninety Nine | 3225 |
| Sulphuret | 156 | Hope | 295 |
| Sulphuret North | 256 | Black Hawk | 3696 |
| Last Chance No. 2 | 808 | Lucky Sure | 265 |
| Herald | 263 | Owl's Nest | 259 |
| Sydney | 475 | Mammoth | 812 |
| Telephone | 480 | Mexican | 682 |
| Oregon | 3226 | Hidden Treasure | 676 |
| Contact | 679 | Silver Plume | (239&211) |
| Prompter | 477 | Emerald South | 3712 |
| Elorodara | 3226 | Big Comet Mine | 1017&3224 |
| Exactly | 261 | Little Comet Mine | 1018&3224 |
| Revenue | 626 | Rattlesnake | 811 |
| Emerald | 608 | Grand Dipper | 540 |
| | | Bunker Hill | 810 |

88030503 4

## Unpatented Claims

| Claim Names | Recorded Book | Recorded Page | Serial Number |
|---|---|---|---|
| TSA 51-62 | 1741 | 337-348 | AMC 215480-215491 |

SUBJECT TO:

1. Taxes, if any, which may constitute a lien, but which are not yet due and payable; and
2. Rights-of-way, if any, for roads, telephone and telegraph lines and pipelines of record in the office of the Clerk or Recorder of the county in which the above described property is situated; and
3. Reservations contained in the United States Patents thereto.

Initial for Identification

FEE # 880305034
OFFICIAL RECORDS
COCHISE COUNTY
DATE HOUR
03/10/88 8
REQUEST OF
SANTA FE PACIFIC MINING INC
CHRISTINE RHODES-RECORDER
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