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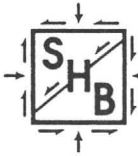
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SOIL & FOUNDATION ENGINEERING • ENGINEERING GEOLOGY • HYDROGEOLOGY
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August 10, 1989

Arizona Department of
Environmental Quality
Office of Water Quality
Compliance Section
Central Palm Plaza Building
2005 North Central Avenue
Phoenix, Arizona 85004

Re: Heap Leach Facility
Vulture Mine Project
Approximately 7 Miles South
of Wickenburg, Arizona

Gentlemen:

This letter of notification of violation is submitted on behalf of Ms. Carole A. O'Brien, Operator for A.F. Budge (Mining) Limited at the Vulture Mine Project, in accordance with the requirements of Part II.A.4, Part II.B.1.b and Part II.C.1 of Groundwater Quality Protection Permit No. G-0090-07. Leakage of leach solution has been detected in the leak detection sampling point at the southeast corner of the third heap leach pad cell northwest of the solution ponds at the Vulture Mine heap leach facility. The collected solution was initially detected on Monday, August 7, 1989, by Mr. Dale Allen A.F. Budge (Mining) Limited. The leakage rate has been measured at about 1.9 gallons per day (0.0013 gallons per minute). Tests on the solution performed by Budge personnel indicated a pH of 11.1 and a free cyanide concentration of 250 milligrams per liter. The location of the leak has not yet been determined.

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Heap Leach Facility
Vulture Mine Project
Approximately 7 Miles South
of Wickenburg, Arizona

Page 2

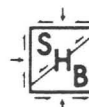
Should any questions arise concerning this letter, please contact Mr. Dale Allen of Budge or the undersigned.

Respectfully submitted,
Sergent, Hauskins & Beckwith Engineers

By Nicholas J. LaFrone
Nicholas J. LaFrone, P.E.

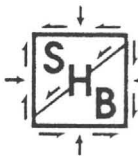
Copies: Addressee (1)
Maricopa County Health Department (1)
A.F. Budge (Mining) Limited
Attn: Mr. Dale Allen (1)

la/J72/8-10-89



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April 10, 1987

A.F. Budge (Mining) Limited
7340 East Shoeman Lane
Suite 111 "B" (E)
Scottsdale, Arizona 85251-3335

Attention: A. J. Fernandez
Senior Mining Engineer

Re: Heap Leach Facility Design
Vulture Mine Project
Near Wickenburg, Arizona

Gentlemen:

Presented herein is our construction quantity and cost estimate for the referenced project. The estimates presented herein include elements of construction for development of the leach pad, perimeter channel, berms and solution ponds.

Should any questions arise concerning these estimates, please feel free to contact us.

Respectfully submitted,
Sergent, Hauskins & Beckwith, Engineers

By James B. Fahy
James B. Fahy, P.E.
Arizona, U.S.A.

Reviewed by Lawrence A. Hansen, Ph.D.
Lawrence A. Hansen, Ph.D.
Arizona, U.S.A.

Copies: Addressee (3)

REPLY TO: 3232 W. VIRGINIA, PHOENIX, ARIZONA 85009

MAYA CONSTRUCTION COMPANY

GENERAL CONTRACTORS

18 May 1988

A.F. Budge (Mining) Limited
7340 East Shoeman Lane
Suite 111 "B" (E)
Scottsdale, Arizona 85251-3335

ATTN: Ms. Carole A. O'Brien
Coordinator

RE: Vulture Mine Heap Leach Facility
Maya Job No. 6610
Ore Stockpile

Gentlemen/Ladies:

As discussed, we are proposing to perform some clearing and stockpile work for you at the referenced project. We can either perform the work on an hourly basis or on a unit price basis. Hourly basis rates are listed below.

930 Loader	2 1/2 CY Capacity	\$ 73.00/Hr.
623B Scraper or S24B	22 CY Capacity	\$130.00/Hr.
Blade		\$ 97.00/Hr.
Water truck		\$ 45.00/Hr.
Roller Compactor		\$ 40.00/Hr.
D 8 H dozer		\$ 94.00/Hr.


On a unit price basis, we propose to clear and compact a pad 470 feet wide and 470 feet long for \$1,200.00. We also propose to stock pile the ore containing material on the pad for a unit price of \$1.33 per cubic yard. In addition to this cost we would have a charge to cross section the pad after the stockpiling to determine the number of cubic yards to be paid for at the above stated price. The cross sectioning would run about \$650.00 total.

If this work is not finished by the time our contract work is complete, we would also require \$40.00/hr. for supervision.

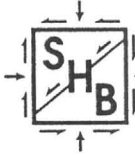
Time is a factor here, as we will be moving the scraper off the job on 31 May 1988, if you do not want us to do the work. Please advise us whether/how you would like to proceed.

Very truly yours,

MAYA CONSTRUCTION COMPANY


Fred Coffinger
Project Manager

FC/djd/6610Stock



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July 27, 1988

A.F. Budge (Mining) Ltd.
7340 East Shoeman Lane
Suite 111 "B" (E)
Scottsdale, Arizona 85251-3335

SHB Job No. E88-41

Attention: Carole O'Brien
Geologist & Mining Coordinator

Re: Heap Leach Facility
Vulture Mine Project
Approximately 14 miles South
of Wickenburg, Arizona

Ladies and Gentlemen:

This letter is submitted pursuant to a meeting held at the above referenced project involving James R. Matt, P.E. of the Office of State Mine Inspector, State of Arizona, Ms. Carole O'Brien and Mr. Dale Allen of A.F. Budge (Mining) Ltd., and the undersigned. Specifically, this letter addresses the concerns expressed by Mr. Matt regarding the safety hazards posed by the existing pregnant and barren solution ponds at the site.

It was agreed to by all concerned parties that a lifeline and a pair of life preservers shall be installed around the perimeter of each of the pregnant and barren ponds. Each lifeline should consist of a nominal 1/2-inch diameter braided steel cable anchored to a series of steel posts embedded in concrete and completely encircling each pond. Each pond should require a total of eight posts, with one located at each pond corner and one at the midpoint of each

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Heap Leach Facility
Vulture Mine Project
Approximately 14 Miles South
of Wickenburg, Arizona
SHB Job No. E88-41

Page 2

pond side. The life preservers should be installed at two diagonally opposite corners of each pond on hangers attached to the lifeline posts. A layout sketch and details of the recommended installation are attached.

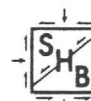
Should any questions arise concerning this letter, please do not hesitate in contacting us.

Respectfully submitted,
Sergent, Hauskins & Beckwith Engineers

By Nicholas J. LaFron
Nicholas J. LaFron, E.I.T.

Reviewed by Lawrence A. Hansen
Lawrence A. Hansen Ph.D., P.E.

Copies: Addressee (3)

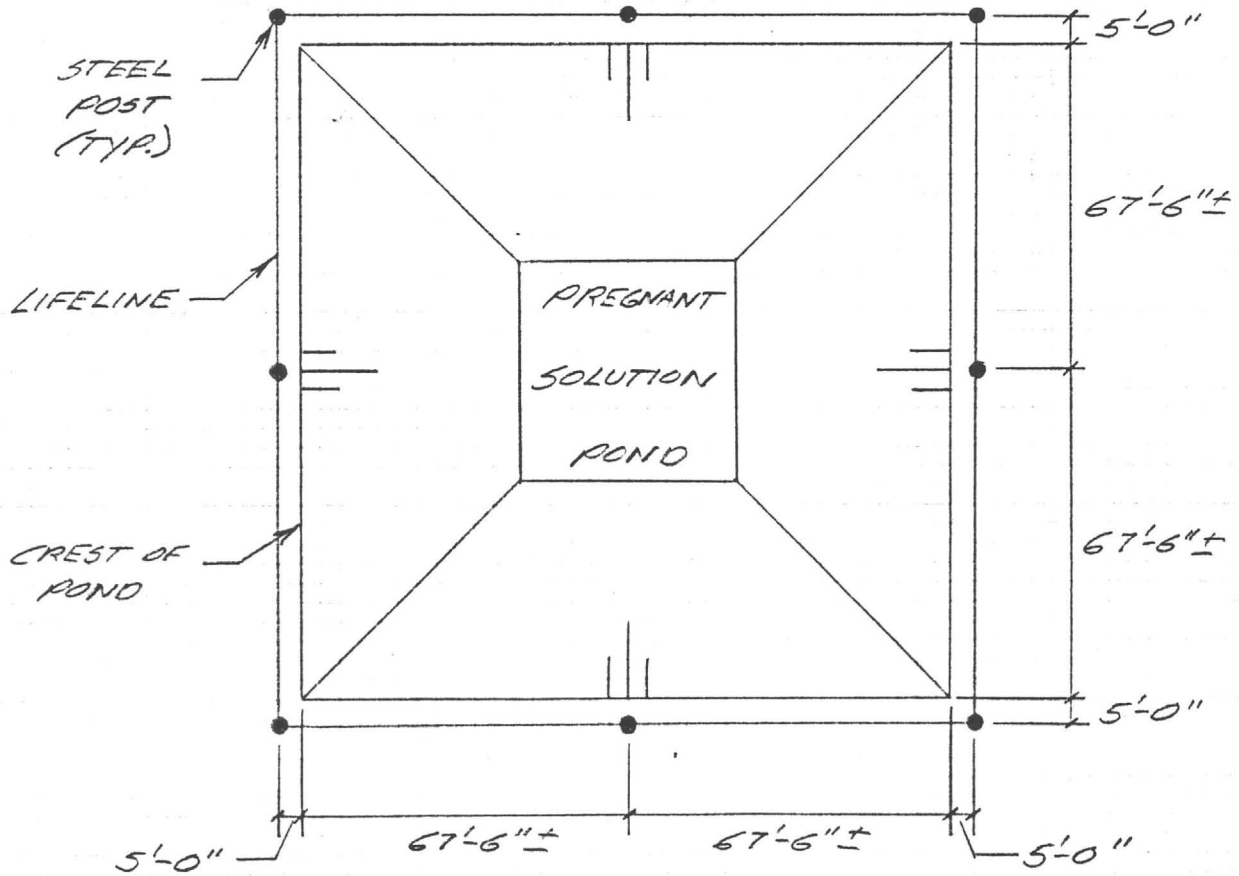
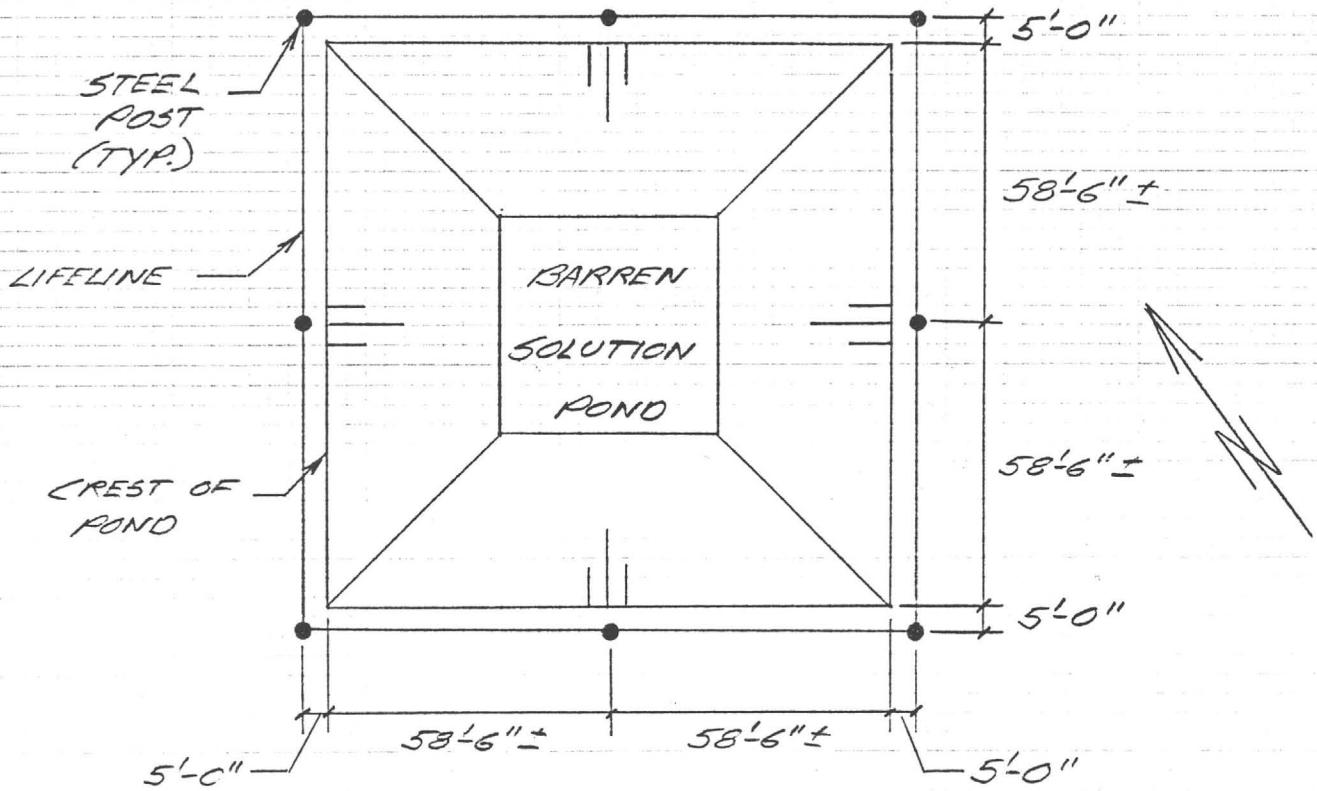


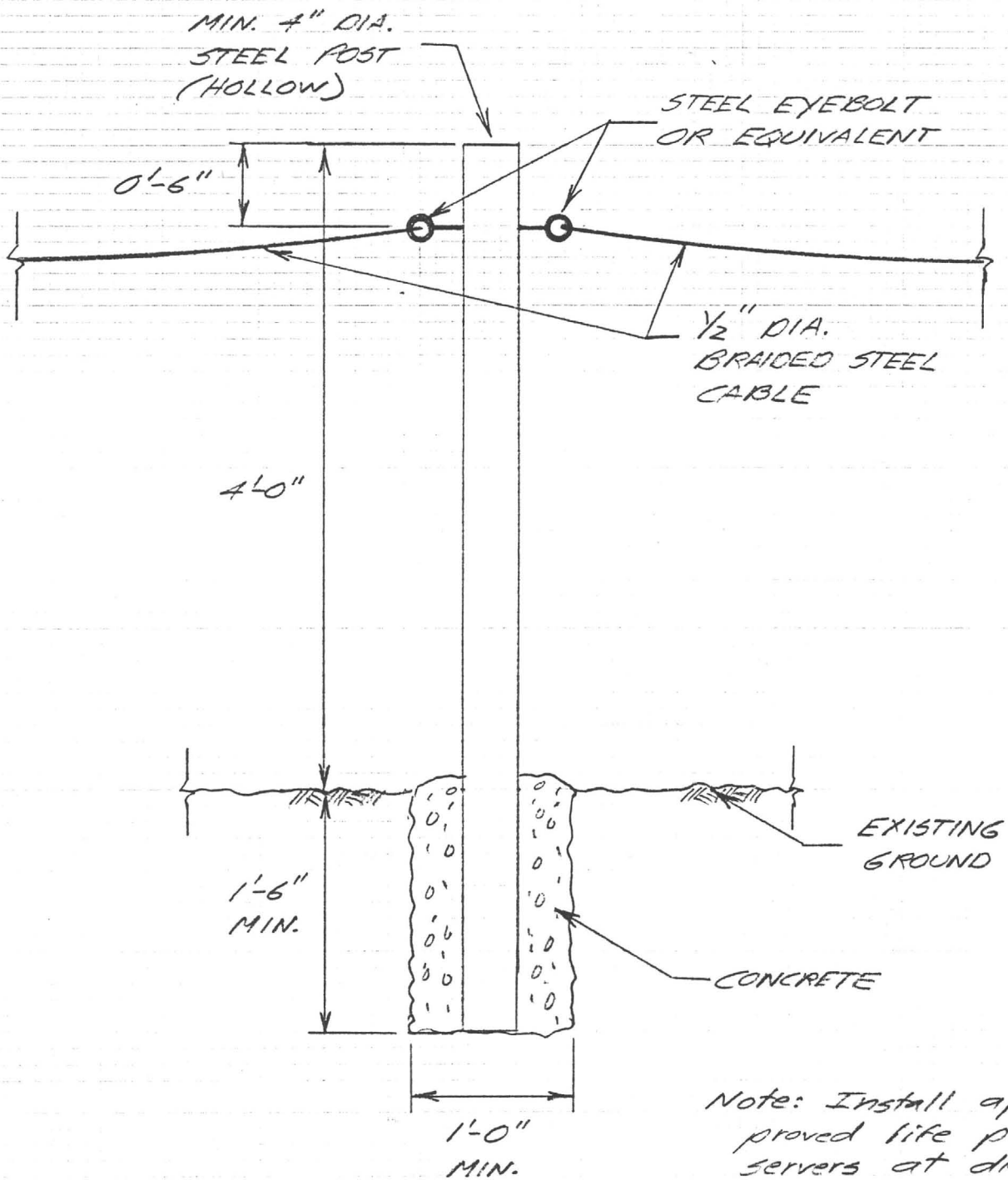
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PLAN VIEW OF LIFELINE LOCATION

N.T.S.



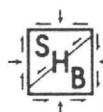


Note: Install approved life preservers at diagonally opposite corners of each pond.

TYPICAL LIFELINE POST

DETAIL

N.T.S



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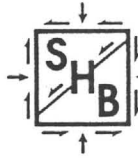
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Project Vulture Mine

Job No: E88-41

Computed by: NJK Ckd. by: [Signature]

Date 7/88 Page of



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May 9, 1988

A. F. Budge (Mining) Limited
7340 East Shoeman Lane
Suite 111 "B" (E)
Scottsdale, Arizona 85251-3335

SHB Job No. E88-41

Attention: Carole A. O'Brien
Geologist & Mining Coordinator

Re: Heap Leach Facility
Vulture Mine Project
Approximately 14 Miles South
of Wickenburg, Arizona

Ladies and Gentlemen:

At the cost negotiation conference with Maya Construction Company, it became evident that modification of the design of the pad and ponds for this project was necessary to reduce cost for the reduced tailings load now anticipated. The cost of this design change has been included under SHB Job No. E88-41, the construction management contract.

Included in these costs are:

5 1/2 hours Principal Engineer	
5 1/2 x \$85.00	= \$ 467.50
4 hours Professional Engineer	
4 x \$60.00	= 240.00
35 hours Staff Engineer	
35 x \$50.00	= 1,750.00

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Heap Leach Facility
Vulture Mine Project
Approximately 14 Miles South
of Wickenburg, Arizona
SHB Job No. E88-41

Page 2

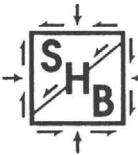
15 hours Drafting	
15 x \$35.00	= \$ 525.00
5 hours Clerical	
5 x \$20.00	= <u>100.00</u>
	\$3,082.50

These costs were not included in our estimate of costs for construction management, but it appears that this cost can be absorbed without a budget overrun. This is due to anticipated improvement in the construction schedule which will reduce our field inspection costs.

Respectfully submitted,
Sergent, Hauskins & Beckwith Engineers

By 
Philip T. LaHue
Construction Manager

Copies: Addressee (3)



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April 14, 1988

Arizona Department of
Environmental Quality
Central Palm Plaza Building
2005 North Central Avenue
Phoenix, Arizona 85004

SHB Job No. E88-41

Attention: Mr. Rob B. Larson
Water Permits Unit

Re: Heap Leach Facility
Vulture Mine Project
Approximately 7 miles South
of Wickenburg, Arizona

Gentlemen:

Submitted herewith are revised plans and technical specifications for construction of the referenced project. Since the initial submittal, several changes in the size and scope of the project have been made.

The primary change in the project is that A. F. (Budge) Mining Limited has decided not to heap leach crushed ore. Deletion of the 100,000 tons of crushed ore has allowed the leach pad to be significantly downsized, from 225,000 to 180,000 square feet.

The surge or flood containment pond has been eliminated, since the pad area has been decreased. To compensate, both the pregnant and barren solution ponds have been enlarged to accommodate storm flows. Volume and flow calculations were

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Heap Leach Facility
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SHB Job No. E88-41

Page 2

made using the same procedures outlined in the initial design report.

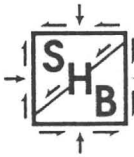
The final significant change is the replacement of leach pad, pregnant pond and barren pond geomembrane lining materials with HDPE. The leach pad will be lined with 30-mil HDPE and the ponds will have a 40-mil HDPE overliner and a 20-mil HDPE underliner. The solution channel will also be lined with 30-mil HDPE. It is noted that HDPE is resistant to ultraviolet radiation.

Should you have any questions concerning the attached construction plans and specifications, please do not hesitate in contacting this firm.

Respectfully submitted,
Sergent, Hauskins & Beckwith Engineers

By  _____
Lawrence A. Hansen, Ph.D., P.E.

Copies: Addressee (with attachments)
A. F. (Budge) Mining Limited
Attn: Ms. Carole O'Brien (1 w/o attachments)



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			PAUL KAPLAN, P.E.

April 7, 1988

Maya Construction Company
860 East 19th Street
Tucson, Arizona 85719

SHB Job No. E88-41

Attention: Lee Ziegler, P.E.
Director of Operations

Ired Coffinger

Re: Heap Leach Facility
Vulture Mine Project
Approximately 7 Miles South
of Wickenburg, Arizona

Gentlemen:

Enclosed please find the contract documents for the above referenced project. In your execution of these documents, please provide the following:

- Fill in all necessary information on the bid form and bid item schedule (pages BD-8 through BD-12, inclusive).
- Within the Agreement section of the contract:
 - + Provide required information on pages A-1 and A-4 and the required signatures on page A-36.
 - + Initial the deletions on page A-18.
 - + Provide bonds and certificates of insurance, as required.

The bid document includes the latest revisions of the construction plans, specifically SHB Job No. E87-220, Plate No. 1, Revision No. 2; and Plate No. 2, Revision No. 3 contained

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Heap Leach Facility
Vulture Mine Project
Approximately 7 Miles South
of Wickenburg, Arizona
SHB Job No. E88-41

Page 2

in the map pocket of the bid document. The geomembrane lining specifications have also been revised to reflect the change in lining materials.

Please execute three copies of the contract documents and return with the required attachments to the engineer.

Respectfully submitted,
Sergent, Hauskins & Beckwith Engineers

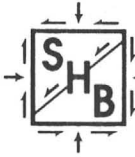
By 
Philip T. LaHue
Construction Management Consultant

Copies: Addressee (2)
A. F. Budge (Mining) Limited
Attn: Ms. Carole O'Brien (1)



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MICHAEL HULPKE, P.G.
DAVID E. PETERSON, P.G.
ALBERT C. RUCKMAN, P.E.
PAUL KAPLAN, P.E.

February 18, 1988

A. F. Budge (Mining) Limited
7340 East Shoeman Lane
Suite 111 "B" (E)
Scottsdale, Arizona 85251-3335

SHB Job No. E88-41

Attention: Ms. Carole O'Brien

Re: Heap Leach Facility
Vulture Mine Project
Near Wickenburg, Arizona

Ladies and Gentlemen:

The firm of Sergent, Hauskins & Beckwith Geotechnical Engineers, Inc. (SHB) is pleased to have received your approval of our Proposal No. 88-2-6 dated February 5, 1988.

Pursuant to your authorization, SHB has prepared the attached agreement between A. F. Budge (Mining) Limited and SHB. Please review and execute all copies at your earliest convenience. Return all copies to SHB for signature and we will send one copy back to you for your files.

On the basis of your telephoned authorization, we are proceeding with the preparation of the bid documents.

We appreciate this opportunity to be of service. Should any questions arise, please do not hesitate to call.

Respectfully submitted,

Sergent, Hauskins & Beckwith Engineers

By

Philip T. LaHue

Copies: Addressee (1)

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(915) 778-3369

Professional Services Agreement

THIS PROFESSIONAL SERVICES AGREEMENT is entered into as of the 15th day of February, 1988, between A. F. Budge (Mining) Limited, hereinafter called the Client, and Sergent, Hauskins & Beckwith Geotechnical Engineers, Inc., hereinafter called SHB.

THEREFORE, for in consideration of the foregoing and the mutual promises and covenants hereinafter set forth, the parties hereto agree as follows:

SECTION 1 - SCOPE OF WORK

1. SHB shall perform pursuant to the terms and conditions of this agreement the services as set forth in SHB Proposal No. 88-2-6 dated February 5, 1988.
2. SHB will recognize Lawrence A. Hansen, Ph.D., P.E., as its representative in connection with technical matters relating to this agreement and Philip T. LaHue as its construction manager.

SECTION 2 - PERMITS & UTILITIES

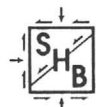
1. Unless otherwise stated in the proposal, the Client shall apply for and obtain all required permits and licenses. The Client shall make all necessary arrangements for right-of-entry to provide SHB access for the site for all equipment and personnel at no charge to SHB. The Client shall also provide SHB with the location of all underground utilities and structures in the construction area, if required.
2. While SHB will take all reasonable precautions to minimize any damage to the property, the Client agrees to hold SHB harmless for any damages to any subterranean structures or any damage required for right-of-entry.

SECTION 3 - SAMPLES

1. SHB will retain all soil, rock and water samples for 30 days. Further storage or transfer of samples can be made at the Client's expense upon written request.
2. Should any samples be contaminated by hazardous materials or suspected hazardous materials, it is the Client's responsibility to select and arrange for lawful disposal procedures. These procedures will result in the removal of the contaminated samples from SHB's custody, and the transport of the samples to a proper disposal site.

SECTION 4 - INVOICES

1. SHB will submit invoices to the Client monthly and a final bill upon completion of services. Invoices will show charges for different personnel



and expense classifications. A more detailed separation of charges and backup data will be provided at Client's request.

2. Payment is due upon presentation of invoice and is past due thirty (30) days from invoice date. The Client agrees to pay a finance charge of one and one-half percent (1 1/2%) per month on past due accounts.

SECTION 5 - OWNERSHIP OF DOCUMENTS

1. All reports, bidding documents, field data, field notes, laboratory test data, calculations, estimates and other documents prepared by SHB, as instruments of service, shall remain the property of SHB.
2. The Client agrees that all reports and other work furnished to the Client or his agents which are not paid for, will be returned upon demand and will not be used by the Client for any purpose whatever.
3. SHB will retain all pertinent records relating to the services performed for a period of five years following submission of the report, during which period the records will be made available to the Client at all reasonable times.

SECTION 6 - DISPUTES

1. In the event that a dispute should arise relating to the performance of the services to be provided under this Agreement, and should that dispute result in litigation, it is agreed that the prevailing party shall be entitled to recover all reasonable costs incurred in the defense of the claim, including staff time, court costs, attorneys' fees and other claim-related expenses.

SECTION 7 - EQUAL EMPLOYMENT OPPORTUNITY

1. In providing services under this agreement, SHB will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. SHB will take affirmative action to ensure that applicants for employment are employed, and the employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action 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. SHB will post in conspicuous places, available to employees and applicants for employment notices to be provided by the government setting forth the provisions of this nondiscrimination clause. SHB will state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.



SHB will incorporate the foregoing requirements of this section in all of its subcontract for the work to be performed on this project.

SECTION 8 - LIMITATION OF LIABILITY

1. The Client agrees to limit SHB's liability to the Client and all third parties arising from SHB's professional acts, errors or omissions, such that the total aggregate liability of SHB to all those named shall not exceed \$50,000.00. Neither the Client nor any third parties assume any liability for damages to others which may arise solely on account of SHB's professional acts, errors or omissions.

SECTION 9 - INSURANCE

1. SHB represents and warrants that it and its agents, staff and consultants employed by it is and are protected by worker's compensation insurance and that SHB has such coverage under public liability and property damage insurance policies which SHB deems to be adequate. Certificates for all such policies of insurance shall be provided to the Client upon request in writing. Within the limits and conditions of such insurance, SHB agrees to indemnify and save the Client harmless from and against any loss, damage, or liability arising from any negligent acts by SHB, its agents, staff, and consultants employed by it. SHB shall not be responsible for any loss, damage or liability arising from any acts by the Client, its agents, staff, and other consultants employed by it.

SECTION 10 - TERMINATION

1. This Agreement may be terminated by either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof. Such termination shall not be effective if that substantial failure has been remedied before expiration of the period specified in the written notice. In the event of termination, SHB shall be paid for services performed to the termination notice date plus reasonable termination expenses.
2. In the event of termination or suspension for more than three (3) months prior to completion of all reports contemplated by this Agreement, SHB may complete such analyses and records as are necessary to complete his files and may also complete a report on the services performed to the date of notice of termination or suspension. The expenses of termination or suspension shall include all direct costs of SHB in completing such analyses, records and reports.

SECTION 11 - ASSIGNS

1. Neither the Client nor SHB may delegate, assign, sublet or transfer his duties or interest in this Agreement without the written consent of the other party.



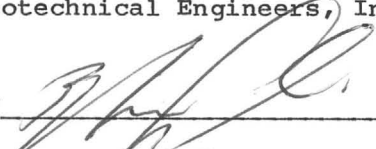
SECTION 12 - ENTIRE AGREEMENT

1. This Agreement along with the exhibits and/or proposals appended hereto constitutes the entire agreement of the parties with respect to the subject matter hereof.

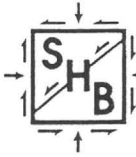
Accordingly, the parties hereto have executed this Agreement as of the date first entered above.

Sergent, Hauskins & Beckwith
Geotechnical Engineers, Inc.

A.F. Budge (Mining) Limited

By 
Title PRESIDENT

By Carou A. O'Brien
Title Mining Coordinator



SERGEANT, HAUSKINS & BECKWITH CONSULTING GEOTECHNICAL ENGINEERS

APPLIED SOIL MECHANICS • ENGINEERING GEOLOGY • MATERIALS ENGINEERING • HYDROLOGY

B. DWAIN SERGENT, P.E.
LAWRENCE A. HANSEN, PH.D., P.E.
RALPH E. WEEKS, P.G.
DARRELL L. BUFFINGTON, P.E.
DONALD VAN BUSKIRK, P.G.
DALE V. BEDENKOP, P.E.

JOHN B. HAUSKINS, P.E.
MICHAEL L. RUCKER, P.E.
ROBERT W. CROSSLEY, P.E.
JONATHAN A. CRYSTAL, P.E.
PAUL V. SMITH, P.G.
NORMAN H. WETZ, P.E.

GEORGE H. BECKWITH, P.E.
ROBERT L. FREW
JAMES H. CLARY, C.P.G.
NICHOLAS T. KORECKI, P.E.
GERALD P. LINDSEY, P.G.
RONALD E. RAGER, P.G.

ROBERT D. BOOTH, P.E.
SUANG CHENG, P.E.
JAMES R. FAHY, P.E.
MICHAEL HULPKE, P.G.
DAVID E. PETERSON, P.G.
ALBERT C. RUCKMAN, P.E.
PAUL KAPLAN, P.E.

February 5, 1988

A. F. Budge (Mining) Limited
7340 East Shoeman Lane
Suite 111 "B" (E)
Scottsdale, Arizona 85251-3335

SHB Proposal No. 88-2-6

Attention: Ms. Carole O'Brien

Re: Heap Leach Facility
Vulture Mine Project
Near Wickenburg, Arizona

Ladies and Gentlemen:

The firm of Sergent, Hauskins & Beckwith Geotechnical Engineers, Inc. (SHB) is pleased to present our proposal for providing construction management for the above referenced project. SHB has had the privilege of preparing the construction plans and specifications, and appreciates this opportunity to be involved during completion of the facility.

During construction of the project, SHB is prepared to provide construction management services and construction observation and testing. As construction managers, prior to construction, SHB would prepare full bid documents, conduct the pre-bid conference and site tour, handle the bid opening and analysis, and award the contract. During construction, SHB would oversee construction to verify acceptability, prepare any change orders required, review and approve Contractor's payment request, and review any claims for additional work submitted by the Contractor. In addition,

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SHB would provide the construction observation and testing services outlined in the following paragraph.

A full-time engineering technician would be provided to observe and test site grading and liner installation operations for the leach pad and ponds. He would also observe and test earthwork operations during construction of the diversion channel. This would include clearing and grubbing the pad, scarification and compaction of cut areas and areas to receive fill, and fill placement and compaction. Of critical importance in the overall performance of a geomembrane lined leach pad is the preparation of the subgrade surface on which the liner is placed. It is necessary that a firm, smooth surface is provided with no sharp or angular particles within the upper 4 to 8 inches which could puncture the liner.

During installation of geomembrane liners, careful attention would be directed toward requiring sufficient excess liner material to prevent contraction of liner and detrimental bridging or creep. Seaming operations performed by the lining contractor would be continuously observed by an engineering technician. All field seams would be tested by the liner contractor under the observation of the technician utilizing the air lance method.

Samples of material and field seams would be taken and laboratory testing performed. Destructive shear and peel tests should be performed on samples taken every 700 lineal

feet of seam to verify the seams meet the required bond strength criteria.

SHB's services are provided on a unit cost basis, in accordance with the attached standard Unit Fee Schedule. We have prepared an estimate of total costs, which is detailed below.

Project Manager - Preconstruction Activities

Prepare bid documents, prebid conference, sites tour, bid opening, analysis and award contract.

Est. 80 hrs. @ \$60/hr.	\$4,800.00
130 miles @ \$0.42/mile	54.60

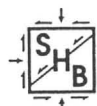
Project Manager - Construction Activities

Oversee construction, review payment requests, review any claims for additional work and prepare any change orders required.

Est. 100 hrs. @ \$60/hr.	\$ 6,000.00
1,500 miles @ \$0.42/mile	630.00

Senior Engineering Technician - Earthwork Phase

Observe and test site grading operations - materials quality, compaction and workmanship.



Heap Leach Facility
Vulture Mine Project
Near Wickenburg, Arizona
SHB Proposal No. 88-2-6

Page 4

Est. 240 regular hours @ \$31/hr.	\$ 7,440.00
18 overtime hours @ \$43/hr.	774.00
27 days per diem @ \$55/day	1,485.00
30 days vehicle @ \$35/day	1,050.00
1,050 miles @ \$0.42/mile	441.00

Senior Engineering Technician - Lining Phase

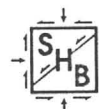
Observe and report on installation and contractor quality control tests.

Est. 200 regular hours @ \$31/hr.	\$ 6,200.00
15 overtime hours @ \$43/hr.	645.00
22 1/2 days per diem @ \$55/day	1,237.50
25 days vehicle @ \$35/day	875.00
875 miles @ \$0.42/mile	367.00

Laboratory Testing Services - Budget \$ 2,000.00

Our total estimate for construction management and the observation and testing services, including laboratory testing, is about \$34,000.00. In our opinion, this is a realistic figure, but actual costs would reflect the actual number of units consumed in response to the contractor's schedule and success rate. The \$34,000.00 estimate could be established as a budget figure. That budget would not be exceeded without your review and authorization.

We appreciate this opportunity to be of service to A. F. Budge (Mining) Limited. Should any questions arise, please do not hesitate to contact us. We look forward to working with you on this project.



SERGEANT, HAUSKINS & BECKWITH

CONSULTING GEOTECHNICAL ENGINEERS
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Heap Leach Facility
Vulture Mine Project
Near Wickenburg, Arizona
SHB Proposal No. 88-2-6

Page 5

If the foregoing meets with your approval, please execute the authorization below and we will prepare a formal contract for your review and acceptance.

Respectfully submitted,
Sergent, Hauskins & Beckwith Engineers

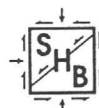
By 
Dale S. Parker
Field Services Coordinator

Copies: Addressee (3)

Accepted for _____
(Organization Responsible for Payment)

Accepted by _____
(Name and Title)

Signature _____ Date _____



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UNIT FEE SCHEDULE

Project Heap Leach Facility
Submitted to A. F. Budge (Mining) Limited

Personnel

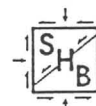
Charges will be made at the following unit rates for all project related time including travel to and from the project site.

Engineers, Geologists, Hydrologists & Support Staff

	<u>Hourly Rate Regular</u>	<u>Hourly Rate Overtime</u>
Principals & Firm Officers	\$85.00	
Project Manager - Professional Engineers, Geologists & Hydrologists	70.00	
Professional Engineers, Geologists & Hydrologists	60.00	
Staff Engineers, Geologists, Hydrologists - Office Work	50.00	
Staff Engineers, Geologists, Hydrologists - Field Work	45.00	
Engineering & Geologic Aides	32.00	
Word Processor Operator including equipment charges	27.50	\$38.50
Clerical	20.00	28.00
Draftsman	35.00	48.00

Legal projects requiring deposition or court appearances are billed at our standard personnel billing rates for all investigative and preparation activities. The rate is increased 50 percent for deposition time and for court appearance time.

1987



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UNIT FEE SCHEDULE

Personnel - Drilling & Other Equipment Operation

	<u>Hourly Rate Regular</u>	<u>Hourly Rate Overtime</u>
Drilling Supervisor	\$45.00	
Drillers	32.00	\$43.00
Swampers/Truck Drivers	20.00	27.50
Laborers & Helpers	18.00	26.00

Personnel - Testing

Supervising Technician	40.00	
Field Project Manager/Specialist	36.00	45.00
Senior Engineering Technician	31.00	43.00
Engineering Technician	27.00	37.00
Laboratory Technician	31.00	43.00

Equipment

Charges will be made for applicable mileage, hourly or daily rate. Equipment not shown will be quoted separately.

Field Equipment

	<u>Rate</u>
Drill Rig - Mayhew 1000	operating or travel \$55.00/hour
CME-55 Drill Rig	operating or travel 40.00/hour
CME-75 Drill Rig	operating or travel 45.00/hour
Drill Rig Travel on Site	hourly operating rates
Trucks - 2-Wheel Drive	35.00/day or 0.42/mile
4-Wheel Drive	40.00/day or 0.50/mile



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UNIT FEE SCHEDULE

Field Equipment (cont'd.)

	<u>Rate</u>
Water Truck - 400 gallon	\$ 45.00/day or 0.50/mile
Water Truck - 1,000 gallon	60.00/day or 0.75/mile
1 Ton Flatbed Truck	40.00/day or 0.50/mile
Barge - Drill Rig Flotation	300.00/day
Water Tank	35.00/day
Wireline Sampling Equipment	27.50/hour
Nuclear Densometer	40.00/day
Water Quality Sampling Equipment	35.00/day
Geometrics/Nimbus Model ES-1210, 12 Channel Seismograph	100.00/day
Pressure Meter	100.00/day
Rented Pickups and Cars	Cost plus 15%
Rented Heavy Equipment (Backhoes, Bulldozers, etc.)	Cost plus 10%
Chartered Aircraft	Cost plus 10%
Drill Bits, Teeth, Expendable Drilling Sup- plies, Casing, Well Screen, Piezometers	Cost plus 15%
CPN Moisture-Density Probe	100.00/day

Miscellaneous Charges

Printing - 8 1/2" x 11"	0.18/page
Printing - Plan Size Blue-line, Mylars, Photo Reduction, etc.	Cost plus 15%
Computer Usage (In-house Equipment)	10.00/hour
Computer Usage (Outside Time Sharing)	Cost plus 15%
Postage - Shipping Charges, Long Distance Telephone, Miscellaneous Supplies	Cost plus 15%
Air Fare, Taxi, Car Rental, etc.	Cost plus 15%



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UNIT FEE SCHEDULE

Miscellaneous Charges (cont'd.)

	<u>Rate</u>
Travel Subsistence for Personnel (usually billed at flat rate but in some cases at actual expense plus 15%) Per Diem	\$55.00
Miscellaneous Subcontracts	Cost plus 15%



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LABORATORY ENGINEERING DEPARTMENT

Unit Cost Laboratory Tests - Soil

CONSOLIDATION - - - - -	\$ 95.00
DENSITY OF UNDISTURBED RING SAMPLES - - - - -	8.00
DIRECT SHEAR TEST	
In Situ	
Unit Cost (one point) - - - - -	65.00
Unit Cost (two points)- - - - -	85.00
Unit Cost (three points)- - - - -	100.00
Saturated or Remolded	
Unit Cost (one point) - - - - -	70.00
Unit Cost (two points)- - - - -	90.00
Unit Cost (three points)- - - - -	110.00
EXPANSION (SWELL, CONSTANT SURCHARGE)	
Unit Cost - - - - -	75.00
Unit Cost - - - - -	90.00
HYDROMETER ANALYSIS - - - - -	100.00
HYDRO DISPERSION- - - - -	165.00
MOISTURE CONTENT- - - - -	6.00
MOISTURE-DENSITY RELATIONS TEST (PROCTORS)	
Standard	
Unit Cost (ASTM D698 A) - - - - -	80.00
Unit Cost (ASTM D698 B, C or D) - - - - -	90.00
Modified	
Unit Cost (ASTM D1557 A)- - - - -	90.00
Unit Cost (ASTM D1557 B, C or D)- - - - -	95.00
PERMEABILITY (CONSTANT HEAD) - GRANULAR	
Unit Cost (in situ) - - - - -	135.00
Unit Cost (remolded)- - - - -	160.00
TRIAxIAL SHEAR	
Unconsolidated, Undrained (per point) - - - - -	85.00



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LABORATORY ENGINEERING DEPARTMENT

Unit Cost Laboratory Tests - Soil

PRESSURE PERMEATER - COHESIVE	
Unit Cost (in situ) - - - - -	\$165.00
Unit Cost (remolded)- - - - -	190.00
PLASTICITY INDEX (ATTERBERG LIMITS)	
Unit Cost - - - - -	31.00
Wet Preparation P.I.- - - - -	100.00
PINHOLE TEST- - - - -	70.00
R-VALUE - - - - -	155.00
RELATIVE DENSITY (ASTM D2049) - - - - -	140.00
RESISTIVITY & pH (LABORATORY-AHD 707 PARTS 3 & 4)	
Unit Cost (pH)- - - - -	15.00
Unit Cost (laboratory min. resistivity) - - - - -	50.00
SAMPLE PREPARATION- - - - -	31.00/hour
SAMPLE TUBE CUTTING (charges vary depending on type and purpose) - - - - -	max. 55.00/tube
SIEVE ANALYSIS	
Fine Sieve Analysis including Elutriation - - - - -	30.00
Total Sieve Analysis, Coarse & Fine - - - - -	45.00
-#200 Fraction Only - - - - -	17.00
SPECIFIC GRAVITY OF SOILS - - - - -	40.00
SPECIMEN TRIMMING - - - - -	31.00/hour
UNCONFINED COMPRESSION	
Core Sample - - - - -	30.00
Molded Sample - - - - -	40.00



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CONSULTING GEOTECHNICAL ENGINEERS
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LABORATORY ENGINEERING DEPARTMENT

Unit Cost Laboratory Tests - Aggregate

ALKALI REACTIVITY (including sample preparation)- -	\$250.00
ARTIFICIAL GRADING- - - - -	31.00/hour
CALIFORNIA BEARING RATIO (CBR) (Complete including M-D Curve)	
3 Point Method - 95 Percent Complete - - - - -	350.00
1 Point Method - 100 Percent Complete - - - - -	175.00
CENTRIFUGE KEROSENE EQUIVALENT- - - - -	70.00
CRUSHING (1 hour minimum) - - - - -	35.00/hour
CLAY LUMPS - FRIABLE PARTICLES- - - - -	85.00
DURABILITY OF AGGREGATE WITH ETHYLENE GLYCOL- - - - -	75.00
DURABILITY INDEX, per fraction- - - - -	90.00
FLAKINESS INDEX - - - - -	60.00
FLAT & ELONGATED PARTICLES, per screen- - - - -	17.50
FRACTURE FACE COUNT - - - - -	55.00
FREEZE-THAW (AASHTO T103) - - - - -	165.00
LOS ANGELES ABRASION	
500 or 100 Revolutions- - - - -	85.00
500 and 100 Revolutions - - - - -	100.00
ORGANIC IMPURITIES- - - - -	31.00
POINT LOAD INDEX- - - - -	10.00
PULVERIZATION (1 hour minimum)- - - - -	40.00/hour
ROCK HAMMER (4 trials)- - - - -	5.00
SAMPLE PREPARATION- - - - -	31.00/hour
SAND EQUIVALENT (average of 3 trials) - - - - -	35.00

LABORATORY ENGINEERING DEPARTMENT

Unit Cost Laboratory Tests - Aggregate

SIEVE ANALYSIS	
Fine Sieve Analysis including Elutriation - - - -	\$ 30.00
Total Sieve Analysis, Coarse & Fine - - - - -	45.00
-#200 Fraction Only - - - - -	17.00
 SLAKE DURABILITY- - - - -	 75.00
SODIUM SULFATE SOUNDNESS	
Unit Cost (coarse aggregate) Complete - - - - -	120.00
Unit Cost (fine fraction) Complete- - - - -	125.00
SPECIFIC GRAVITY & ABSORPTION	
Unit Cost (coarse aggregate)- - - - -	27.50
Unit Cost (fine aggregate)- - - - -	40.00
UNIT WEIGHT OF AGGREGATES	
Unit Cost (loose) - - - - -	35.00
Unit Cost (dry rodded)- - - - -	40.00



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LABORATORY ENGINEERING DEPARTMENT

Unit Cost Laboratory Tests - Concrete

CYLINDER MOLDS, PLASTIC	
Per Cylinder (6"x12" Mold) - - - - -	\$ 1.30
Per Case (6"x12" Mold) (24/case w/lids) - - - - -	31.20
Per Cylinder (4"x8" Mold) (40/case w/lids) - - - - -	1.10
Per Case (4"x8" Mold) - - - - -	44.00
COMPRESSION TESTS (CURING & CAPPING)	
Concrete Cylinder, Grout Prisms, Mortar Cubes - -	7.00
Hold Cylinders, Not Tested (30 Days +) - - - - -	7.00
Flexural Beams - - - - -	12.00
Concrete & Rock Cores - - - - -	12.00
CONCRETE CORING (Min. 2 hours) Includes Equipment	
Rental & Diamond Wear - - - - -	45.00/hour
CORE TRIMMING, per cut	
2 3/4" diameter - - - - -	4.00/min.
4" diameter - - - - -	5.00/min.
5" diameter - - - - -	7.00/min.
6" diameter - - - - -	10.00/min.



SERGENT, HAUSKINS & BECKWITH

CONSULTING GEOTECHNICAL ENGINEERS
PHOENIX • TUCSON • ALBUQUERQUE • SANTA FE • SALT LAKE CITY • EL PASO

LABORATORY ENGINEERING DEPARTMENT

Unit Cost Laboratory Tests - Asphaltic Concrete

ARTIFICIAL GRADING- - - - -	\$ 31.00/hour
ASPHALT MIX PREPARATION/ASPHALT CONTENT - - - - -	75.00/each
BULK DENSITY (SPECIFIC GRAVITY)	
Compacted Bituminous Specimen (ASTM D2726)	
Unit Cost (remolded)- - - - -	25.00
Unit Cost (core)- - - - -	15.00
Paraffin Coated Bituminous Specimen (ASTM D1188)	
Unit Cost (remolded)- - - - -	31.00
Unit Cost (core)- - - - -	19.00
COATING & STRIPPING OF BITUMINOUS-AGGREGATE MIXTURES	
Unit Cost (ASTM D1664) Strip Test - - - - -	35.00
EXTRACTION & GRADATION OF BITUMINOUS MIXTURES - - -	
WITH XYLENE MOISTURE- - - - - add	80.00
Total Unit Cost - - - - -	25.00
	105.00
IMMERSION/COMPRESSION	
With Preparation- - - - -	350.00
Field Mixed - - - - -	275.00
MARSHALL STABILITY & FLOW	
Set of 2- - - - -	45.00
Set of 3- - - - -	60.00
MOISTURE VAPOR SUSCEPTIBILITY (Premixed)- - - - -	225.00
RICE	
3 Specimens - - - - -	150.00
SAMPLE PREPARATION- - - - -	31.00/hour
STABILOMETER (Hveem), average of 3 samples- - - - -	95.00
SWELL TEST- - - - -	50.00
UNIT WEIGHT, STABILITY & FLOW - - - - -	40.00

LABORATORY ENGINEERING DEPARTMENT

Materials Design Reports

ASPHALTIC CONCRETE MIX DESIGN

Marshall ASTM D1559, Estimated \$650.00 to \$950.00 range, does not include aggregate quality testing.

Hveem ASTM D1560, Estimated \$1,600.00 to \$2,000.00 range, does not include aggregate quality testing.

Based on professional engineer and laboratory technician hourly rates and number of unit laboratory tests performed.

RETAINED STABILITY OF BITUMINOUS MIXTURE

Analysis generally performed in conjunction with AC Mix Design, wet to dry analysis at \$250.00. Additional evaluation of additives, Estimated \$85.00 to \$250.00 range based on one to three additive evaluations.

CEMENT-LIME-EMULSION STABILIZATION DESIGNS

Based on professional engineer and laboratory technician hourly rates and overall extent of evaluation required, Estimated \$450.00 to \$550.00 range.

CONCRETE MIX DESIGN

Based on professional engineer and laboratory technician hourly rates and overall extent of evaluation required, Estimated \$500.00 to \$650.00 range.

TRIAxIAL THREE POINT ENVELOPE

Based on professional engineer and laboratory technician hourly rates and overall extent of type of test required. Estimated \$375.00 per point and Estimated \$1,100.00 per envelope for consolidated-undrained with pore pressure measurement.



SERGENT, HAUSKINS & BECKWITH

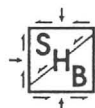
CONSULTING GEOTECHNICAL ENGINEERS
PHOENIX • TUCSON • ALBUQUERQUE • SANTA FE • SALT LAKE CITY • EL PASO

LABORATORY ENGINEERING DEPARTMENT

Structural & NDE Inspection
Metalogic

Visual Inspector- - - - -	\$35.00/hour
Bolt Torque Inspector - - - - -	35.00/hour
Ultrasonic Inspector Level II - - - - -	38.00/hour
Fire Insulation Inspector - - - - -	35.00/hour
AWS Certified Welding Inspector - - - - -	40.00/hour
Assistant Inspector - - - - -	18.00/hour
Film & Supplies - - - - -	Cost plus 15%

Work/travel/standby performed by Metalogic are all billed at the same hourly rate. Minimum callout 4 hours locally, 8 hours on overnight projects.



SERGEANT, HAUSKINS & BECKWITH

CONSULTING GEOTECHNICAL ENGINEERS
PHOENIX • TUCSON • ALBUQUERQUE • SANTA FE • SALT LAKE CITY • EL PASO

DECONCINI McDONALD BRAMMER YETWIN & LACY, P. C.

ATTORNEYS AT LAW

240 NORTH STONE AVENUE
TUCSON, ARIZONA 85701-1295
(602) 623-3411
FAX: (602) 624-0972

2600 NORTH CENTRAL AVENUE, SUITE 1600
PHOENIX, ARIZONA 85004-3016
(602) 248-0036
FAX: (602) 248-8214

EVO DECONCINI (1901-1986)

JOHN R. McDONALD	J. WM. BRAMMER, JR.
RICHARD M. YETWIN	JOHN C. LACY
ROBERT M. STRUSE	WILLIAM B. HANSON
JOHN C. RICHARDSON	DAVID C. ANSON
DEBORAH OSERAN	JAMES A. JUTRY
SPENCER A. SMITH	MICHAEL R. URMAN
DENISE M. BAINTON	BERNARD C. OWENS
KAREN J. NYGAARD	LUIS A. OCHOA

March 12, 1987

DOUGLAS G. ZIMMERMAN
GARY L. LASSEN
DINO DECONCINI
DIANE M. MILLER
KENNETH C. SUNDLOF, JR.
MATTHEW R. BERENS
JAMES E. CARTER
DAWN A. MCGUFFIE
SHARON M. HENSLEY
DONNA L. HYLARIDES
D. REX SHUMWAY II

PLEASE REPLY TO TUCSON
File #860020

Ms. Carole A. O'Brien
A. F. Budge Mining
7340 East Shoeman Lane
Suite 111 "B"(E)
Scottsdale, Arizona 85251-3335

DIMEA LTD.

MAR 14 1987

RECEIVED

Re: **Deeds to Vulture City Townsite Lots**

Dear Carole:

I have enclosed copies of the executed Quitclaim Deeds signed by Judge Sylvan Brown transferring title to all of the unclaimed lots within the Vulture City Townsite to Ben Dickerson and to that portion of the townsite included within the Pit Gold patented lode mining claim to Vulture Mine Properties, Inc.

I have also enclosed a Quitclaim Deed that I prepared conveying title from Ben's estate to A. F. Budge (Mining) Limited, that I would appreciate your reviewing. When I obtain the recording information for the Court's Quitclaim Deed, I will insert it together with the file number of Ben's estate to finalize the document. By a copy of this letter to Laurie Woodall I am asking for her comments also.

Very truly yours,


John C. Lacy

jk

Enc.

c/w encl: Laurie Woodall

0311870400.jc11

QUITCLAIM DEED

LAURIE ANNE WOODALL, as Personal Representative of the Estate of BEN F. DICKERSON, III, deceased, Superior Court of Arizona, Maricopa County Cause No. _____, the "Grantor," for and in consideration of Ten Dollars (\$10.00) and other valuable considerations, does hereby quitclaim to A. F. BUDGE (MINING) LIMITED, a Nevada corporation, whose address is 7340 East Shoeman Lane, Suite 111 "B"(E), Scottsdale, Arizona 85251-3335, the Grantee," all right, title and interest of the Grantor in and to those portions of the Townsite of Vulture City, more particularly described in Exhibit A attached hereto and incorporated herein by this reference, being the same property acquired by Ben F. Dickerson, III, under that certain "Quitclaim Deed to Unclaimed Townsite Lots" executed by the Honorable I. Sylvan Brown, as successor Trustee, dated March 4, 1987, and recorded in the official records of Maricopa County, Arizona, in Docket *, Pages *.

This Quitclaim Deed is made without warranties or representations of any kind by the Grantor.

DATED this _____ day of _____ 1987.

GRANTOR:

Laurie Anne Woodall, as Personal
Representative of the Estate of
Ben F. Dickerson, III, deceased

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this
____ day of _____ 1987, by Laurie Anne Woodall, as
Personal Representative of the Estate of Ben F. Dickerson, III,
deceased.

My commission expires:

Notary Public

DECONCINI McDONALD BRAMMER YETWIN & LACY, P. C.

ATTORNEYS AT LAW

240 NORTH STONE AVENUE
TUCSON, ARIZONA 85701-1295
(602) 623-3411
FAX: (602) 624-0972

2600 NORTH CENTRAL AVENUE, SUITE 1600
PHOENIX, ARIZONA 85004-3016
(602) 248-0036
FAX: (602) 248-8214

EVO DECONCINI (1901-1986)

JOHN R. McDONALD	J. WM. BRAMMER, JR.
RICHARD M. YETWIN	JOHN C. LACY
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SPENCER A. SMITH	MICHAEL R. URMAN
DENISE M. BAINTON	BERNARD C. OWENS
KAREN J. NYGAARD	LUIS A. OCHOA

March 12, 1987

DOUGLAS G. ZIMMERMAN
GARY L. LASSEN
DINO DECONCINI
DIANE M. MILLER
KENNETH C. SUNDLOF, JR.
MATTHEW R. BERENS
JAMES E. CARTER
DAWN A. MCGUFFIE
SHARON M. HENSLEY
DONNA L. HYLARIDES
D. REX SHUMWAY II

PLEASE REPLY TO TUCSON
File #860020

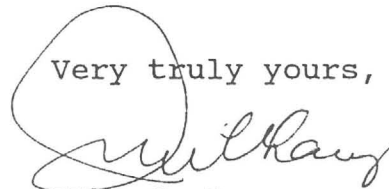
Mr. Keith Poletis
Maricopa County Recorder
111 South Third Avenue
Phoenix, Arizona 85003

Dear Mr. Poletis:

I have enclosed herewith certified copies of two separate documents entitled "Quitclaim Deed to Unclaimed Townsite Lots" executed by the Honorable I. Sylvan Brown in Superior Court Cause No. C578525 for Maricopa County. Please record the enclosed documents and return the originals to me.

I have enclosed this office's check in the amount of \$16.00, together with a stamped, self-addressed envelope for return of the recorded documents.

Very truly yours,



John C. Lacy

jk

Enc.

c: Carole A. O'Brien

0311870320.jcl1

file

JUDITH ALLEN, CLERK
BY *MC* DEP.

FILED

1987 MAR -9 PM 3:28

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W. Scott Donaldson, Esq.
Attorney at Law
2916 North 7th Avenue #100
Phoenix, Arizona 85013
(602) 277-4441

Attorney for Applicant

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

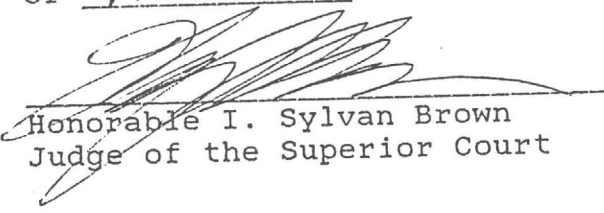
In re	)	No. C578525
)	
THE TOWNSITE OF VULTURE	)	QUITCLAIM DEED
CITY, being a portion	)	TO UNCLAIMED
of Section 36, Township	)	TOWNSITE LOT
6 North, Range 6 West)	
and Section 1, Township)	
5 North, Range 6 West,)	
G.&S.R.B.&M., Maricopa)	
County)	
_____)		

THE UNDERSIGNED, as the grantor pursuant to A.R.S. Section 9-1132, and based upon the proceedings held at a hearing in open court on November 7, 1986, does hereby quitclaim to VULTURE MINE PROPERTIES, INC., an Arizona corporation, the grantee herein, all of the right, title, and interest of the Superior Court, as the Trustee designated under that certain act of the United States Congress entitled "An Act for the relief of inhabitants of cities and towns upon the public lands," approved March 2, 1867, and as successor Trustee to Thomas G. Greenshaw Probate Judge of Maricopa County, Arizona Territory, under that certain patent dated June 20, 1882, recorded in Book 8 of Deeds, Page 467 of the official records of Maricopa County, in and to those portions of the Townsite of Vulture

1 City more particularly described in Exhibit A attached
2 hereto and incorporated herein by this reference, it being
3 the intent of the grantor to convey to the grantee said
4 described land.

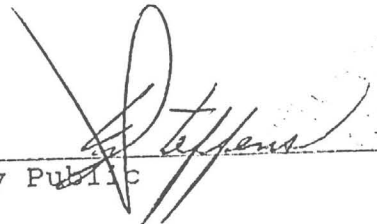
5 The grantor in making the conveyance described
6 above makes no warranties or representations of title, and
7 such grant is made only in the capacity as successor Trustee
8 and none other.

9 DATED this 4th day of March, 1987.

10 
11 Honorable I. Sylvan Brown
12 Judge of the Superior Court

13
14
15
16 STATE OF ARIZONA)
17 County of Maricopa) ss.

18 The foregoing instrument was acknowledged before
19 me this 4 day of MARCH, 1987, by I. Sylvan
20 Brown, Judge of the Superior Court, as successor Trustee to
21 the Probate Judge of Maricopa County pursuant to A.R.S.
22 Section 9-1131.

23 
24 Notary Public

25 My commission expires:

26 9/25/87
27
28

EXHIBIT A

The Pit Gold Lode Mining Claim is located in the southeast quarter of Section 36, Township 6 North, Range 6 West, G.&S.R.B.&M., Vulture Mining District, Maricopa County, State of Arizona. Said mineral patent is shown on Mineral Survey No. 2522 on file in the Bureau of Land Management as granted by Patent recorded July 1, 1924 in Book 186 of Deeds, page 257, records of Maricopa County, Arizona. Said mineral patent describes an area of 20.661 acres.

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

MAR 9 1987 19

Attest
JENNIFER ALLEN, Clerk of the Superior Court of the State of
ARIZONA, in and for the County of Maricopa.

By *MCra* Deputy

Am

JUDITH ALLEN, CLERK
BY *Mc* DEP.

FILED

1987 MAR -9 PM 3:28

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DECONCINI McDONALD BRAMMER YETWIN & LACY, P. C.
ATTORNEYS AT LAW
240 NORTH STONE AVENUE
TUCSON, ARIZONA 85701
(602) 623-3411

John C. Lacy, Esq.
Attorney for Petitioner

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

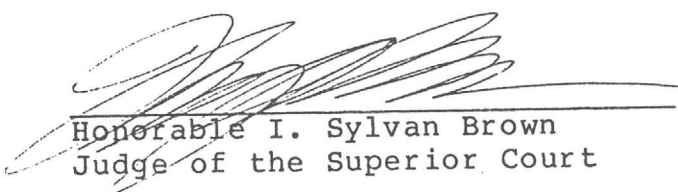
In re	)	No. C578525
)	
THE TOWNSITE OF VULTURE	)	QUITCLAIM DEED
CITY, being a portion	)	TO UNCLAIMED
of Section 36, Township	)	TOWNSITE LOTS
6 North, Range 6 West)	
and Section 1, Township)	
5 North, Range 6 West,)	
G&SRM, Maricopa County)	
)	

THE UNDERSIGNED, as the grantor pursuant to A.R.S. § 9-1131, and based upon the proceedings held at a hearing in open court on November 7, 1986, does hereby quitclaim to BEN F. DICKERSON, III, an unmarried man, the grantee herein, all of the right, title, and interest of the Superior Court, as the Trustee designated under that certain act of the United States Congress entitled "An Act for the relief of inhabitants of cities and towns upon the public lands," approved March 2, 1867, and as successor Trustee to Thomas G. Greenshaw, Probate Judge of Maricopa County, Arizona Territory, under that certain patent dated June 20, 1882, recorded in Book 8 of Deeds, Page 467 of the official records of Maricopa County, in and to those portions of the Townsite

1 of Vulture City more particularly described in Exhibit A
2 attached hereto and incorporated herein by this reference, it
3 being the intent of the grantor to convey to the grantee all
4 remaining unsold portions of such Townsite of Vulture City to
5 the grantee.

6 The grantor in making the conveyance described above
7 makes no warranties or representations of title, and such
8 grant is made only in the capacity as successor Trustee and
9 none other.

10 DATED this 4th day of March, 1987.

11
12 
13 Honorable I. Sylvan Brown
14 Judge of the Superior Court

15 STATE OF ARIZONA)
16 County of Maricopa) ss.

17 The foregoing instrument was acknowledged before me this
18 4 day of MARCH, 1987, by I. Sylvan Brown,
19 Judge of the Superior Court, as successor Trustee to the
20 Probate Judge of Maricopa County pursuant to A.R.S. § 9-1131.

21
22 My commission expires:
23 9/25/87

24 
25 Notary Public
26

EXHIBIT A

The real property conveyed hereby consists of those portions of the Townsite of Vulture City not previously sold, being a portion of the Southwest Quarter of Section 36, Township 6 North, Range 6 West, and the Northeast Quarter of Section 1, Township 5 North, Range 6 West, G&SRM, Maricopa County, Arizona, more particularly described in that certain patent issued by the United States of America to Thomas G. Greenshaw, Probate Judge of Maricopa County, Arizona Territory, dated June 20, 1882, and recorded in Book 8 of Deeds, Page 467 of the official records of Maricopa County, less:

1. Those three parcels previously conveyed by the Superior Court to D. D. Blair under Maricopa County Superior Court Cause No. 143114 consisting of:

Parcel a. That portion of the plat of Vulture City lying South of the center line of Yuma Street and West of the center line of Hayes Street;

Parcel b. That portion lying South of the center line of Prescott Street, and East of the center line of the North-South alleys through Blocks 39 and 46 and West of the center line of Hancock Street; and

Parcel c. That part North of the center line of Phoenix Street and East of the center line of Hancock Street.

Which streets and blocks are shown on a plat of the Townsite of Vulture City recorded in Book 1 of Maps, Page 2 of the official records of Maricopa County.

2. The Pit Gold Patented Lode Mining Claim.

REC-1081 81808101808

VIVIAN KRINGLE, CLERK

RECEIPT

DATE 11-7 1986 No. 1818

RECEIVED FROM A.F. Budge LTD (for BEN F. DICERSON III)

ADDRESS The Townsite of Vulture City

Sixteen thousand four hundred DOLLARS \$16,400⁰⁰

FOR C 578525

CR# 34934181 11/5/86

ACCOUNT		HOW PAID	
AMT. OF ACCOUNT		CASH	
AMT. PAID		CHECK	<input checked="" type="checkbox"/>
BALANCE DUE		MONEY ORDER	

BY K. Murphy

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

MAR 9 1987

Attest

JUDITH ALLEN, Clerk of the Superior Court of the State of
Arizona, in and for the County of Maricopa.

By Mora Deputy

DECONCINI McDONALD BRAMMER YETWIN LACY & ZIMMERMAN

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

240 NORTH STONE AVENUE
TUCSON, ARIZONA 85701-1295
(602) 623-3411
FAX: (602) 624-0972

2600 NORTH CENTRAL AVENUE, SUITE 1600
PHOENIX, ARIZONA 85004-3016
(602) 248-0036
FAX: (602) 248-8214

EVO DECONCINI (1901-1986)

JOHN R. McDONALD J. WM. BRAMMER, JR.
RICHARD M. YETWIN JOHN C. LACY
ROBERT M. STRUSE WILLIAM B. HANSON
JOHN C. RICHARDSON DAVID C. ANSON
DEBORAH OSERAN JAMES A. JUTRY
SPENCER A. SMITH MICHAEL R. URMAN
DENISE M. BAINTON BERNARD C. OWENS
KAREN J. NYGAARD LUIS A. OCHOA

July 2, 1987

DOUGLAS G. ZIMMERMAN
GARY L. LASSEN
DINO DECONCINI
DIANE M. MILLER
KENNETH C. SUNDLOF, JR.
MATTHEW R. BERENS
JAMES E. CARTER
SHARON M. HENSLEY
DONNA L. HYLARIDES
D. REX SHUMWAY II
COLLEEN L. FRENCH
NEIL W. THOMSON

PLEASE REPLY TO TUCSON
File No. 860246

Ms. Carole A. O'Brien
A. F. Budge (Mining) Limited
7340 East Shoeman Lane
Suite 111 "B" (E)
Scottsdale, Arizona 85251-3335

DIMEA LTD.

JUL 6 1987

RECEIVED

Re: **Cimarron and Vulture Project Transfers**

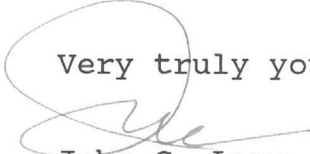
Dear Carole:

I have enclosed herewith the following original documents:

a. Quit Claim Deed by which Laurie Ann Woodall, as Ben Dickerson's personal representative, quitclaimed to A. F. Budge (Mining) Ltd., the 20 Jeep Claims in Nye County, Nevada. This deed was recorded on June 11, 1987, in Book 579, Pages 78-82 of the Nye County, Nevada, Recorder's Office.

b. Quit Claim Deed by which Laurie Ann Woodall, as Ben Dickerson's personal representative, quitclaimed to A. F. Budge (Mining) Ltd., those portions of the Vulture Townsite that were purchased at the public auction sale. This deed was recorded on June 11, 1987, as Document 87-369647 in the Maricopa County Recorder's Office.

Very truly yours,


John C. Lacy

bpm

Encl.

c: w/encl. Laurie Ann Woodall

0701871105.jcl2

QUITCLAIM DEED

LAURIE ANNE WOODALL, as Personal Representative of the Estate of BEN F. DICKERSON, III, deceased, Superior Court of Arizona, Maricopa County Cause No. PB 87-00263, the "Grantor," for and in consideration of Ten Dollars (\$10.00) and other valuable considerations, does hereby quitclaim to A. F. BUDGE (MINING) LIMITED, a Nevada corporation, whose address is 7340 East Shoeman Lane, Suite 111 "B"(E), Scottsdale, Arizona 85251-3335, the Grantee," all right, title and interest of the Grantor in and to those certain unpatented lode mining claims situated in the San Antonio Mining District, Nye County, Nevada, the names of which and the place of record of the location notices thereof in the official records of the Nye County Recorder and the Nevada State Office of the Bureau of Land Management are set forth in Exhibit A attached hereto and incorporated herein by this reference.

This Quitclaim Deed is made without warranties or representations of any kind by the Grantor.

DATED this 20th day of May 1987.

GRANTOR:

Laurie Anne Woodall
Laurie Anne Woodall, as Personal Representative of the Estate of Ben F. Dickerson, III, deceased

OFFICIAL RECORDS
NYE CO. NEV.
RECORD REQUESTED BY
De Concini, Mc Donald etal
'87 JUN 11 A9:17
183189
NADIA LYCON
RECORDER
FEE 10.00 DEP. 433

RECEIVED
JUN 29 1987

DECONCI, WOODFIELD, BRAMMER,
YETLIN, LACY & BERGLERMAN, P.C.
240 N. STONE TUCSON, AZ 85701

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 20th day of May 1987, by Laurie Anne Woodall, as Personal Representative of the Estate of Ben F. Dickerson, III, deceased.

Carol A. O'Brien
Notary Public

My commission expires:
April 14, 1991

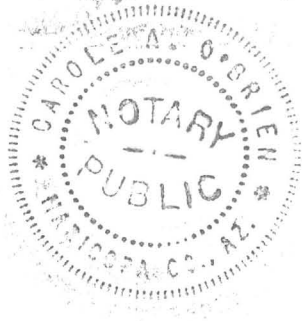


EXHIBIT A

The following unpatented lode mining claims are situated in the San Antonio Mining District, Nye County, Nevada, the names of which and the place of record of the location notices thereof in the official records of the Nye County Recorder and the Nevada State Office of the Bureau of Land Management are as follows:

<u>Name of Claim</u>	<u>BLM-NMC Serial Number</u>	<u>Recorded in Nye County, Nevada</u>	
		<u>Book</u>	<u>Page</u>
Jeep 1	366438	529	162
Jeep 2	366439	529	163
Jeep 3	366440	529	164
Jeep 4	366441	529	165
Jeep 5	366442	529	166
Jeep 6	366443	529	167
Jeep 7	366444	529	168
Jeep 8	366445	529	169
Jeep 9	366446	529	170
Jeep 10	366447	529	171
Jeep 11	366448	529	172
Jeep 12	366449	529	173
Jeep 13	366450	529	174
Jeep 14	366451	529	175
Jeep 15	366452	529	176
Jeep 16	366453	529	177
Jeep 17	366454	529	178
Jeep 18	366455	529	179
Jeep 19	366456	529	180
Jeep 20	366457	529	181

Laurie Anne Woodall
6648 East Jean Drive
Scottsdale, Arizona 85254

JUDITH ALLEN, CLERK
BY *P. K. Garcia*
FILED
1987 JAN 26 PM 1:23

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

In re the Matter of the Estate]
of]
BEN F. DICKERSON,]
Deceased.]

Probate No. PB 87-00263

LETTERS OF PERSONAL
REPRESENTATIVE AND ACCEPTANCE

ISSUANCE OF LETTERS

Laurie Anne Woodall is hereby appointed as Personal Representative of this Estate pursuant to the Will of the above-named Decedent and shall exercise the powers of a Personal Representative without restriction.

WITNESS: the 26th day of Jan. 1987



JUDITH ALLEN
CLERK OF COURT

By: *M. Garcia*
Deputy Clerk

ACCEPTANCE

STATE OF ARIZONA]
County of] ss.
]

I hereby accept the duties of Personal Representative of the Estate of the above-named Decedent and do solemnly swear that I will perform, according to law, the duties of Personal Representative of the Estate.

Laurie A. Woodall
LAURIE ANNE WOODALL

SUBSCRIBED AND SWORN to before me this 23rd day of January, 1987.

Mary Ann Shannon
Notary Public



My Commission Expires:

June 14, 1987

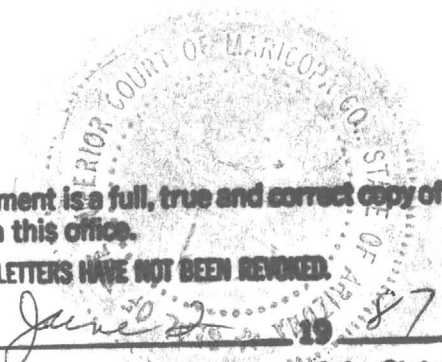
The foregoing instrument is a full, true and correct copy of the original on file in this office.
LETTERS AND OTHER PAPERS HAVE NOT BEEN RECORDED
JUDITH... of the Superior Court of the State of Arizona...
-2-

Deputy

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

I FURTHER CERTIFY SAID LETTERS HAVE NOT BEEN REVOKED.

Attest



Judith Allen 1987
JUDITH ALLEN, Clerk of the Superior Court of the State of Arizona, in and for the County of Maricopa.

By Nancy Sander Deputy

DeCONCINI McDONALD BRAMMER YETWIN & LACY, P.C.
 2505 EAST BROADWAY
 SUITE 300
 TUCSON, AZ 85716-5300

July 31, 1990

Statement #: 20695

MS. CAROLE O'BRIEN
 A. F. BUDGE (MINING) LIMITED
 4301 N. 75TH STREET
 SUITE 101
 SCOTTSDALE, AZ 85251-3504

Dear Ms. O'Brien:

Enclosed is our invoice for each matter as listed below for current services and costs advanced. There may be additional fees and advanced costs associated with our services for this time period which are unavailable for billing at this time. These fees and costs will appear on your next statement.

FILE NO.	INVOICE DESCRIPTION	CURRENT	PAST DUE	RETAINER	BALANCE
350151	49444 UNITED VERDE EXTEND	1238.75	0.00	0.00	1238.75
360743	49446 CORPORATION FORMATI	571.72	0.00	0.00	571.72
390425	49447 KORN KOB PROJECT, P	2.74	0.00	0.00	2.74
900419	49448 V. V.M.P.	105.00	0.00	0.00	105.00
		1918.21	0.00	0.00	1918.21

Please contact our accounting office in Tucson at (520) 322-5000 if you have any questions.

Sincerely,

DeConcini McDonald Brammer
 Yetwin & Lacy, P.C.



A. F. BUDGE MINING, LTD.
 4301 N. 75TH ST., STE. 101
 SCOTTSDALE, AZ 85251-3504

5952

91-1701221

3 September 1990

PAY TO THE ORDER OF DeConcini McDonald Brammer Yetwin & Lacy, P.C. \$ 1,918.21

--- One Thousand Nine Hundred Eighteen & 21/100 ---

DOLLARS



Lincoln & Scottsdale Office (055)
 6501 N. Scottsdale
 Scottsdale, Arizona 85253

MEMO Lacy: Statement # 20695 (July)

Carole A. O'Brien

⑈00005952⑈ ⑆122101706⑆

055⑈727178⑈

DeCONCINI McDONALD BRAMMER YETWIN & LACY, P.C.
2525 EAST BROADWAY
SUITE 200
TUCSON, AZ 85716-5303

August 31, 1990

Statement #: 21419

MS. CAROLE O'BRIEN
A. F. BUDGE (MINING) LIMITED
4301 N. 75TH STREET
SUITE 101
SCOTTSDALE, AZ 85251-3504

Dear Ms. O'Brien:

Enclosed is our invoice for each matter as listed below for current services and costs advanced. There may be additional fees and advanced costs associated with our services for this time period which are unavailable for billing at this time. These fees and costs will appear on your next statement.

FILE NO.	INVOICE	DESCRIPTION	CURRENT	PAST DUE	RETAINER	BALANCE
850151	50765	UNITED VERDE EXTENS	0.00	0.00	0.00	0.00
860246	50766	CIMARRON PROJECT	52.50	0.00	0.00	52.50
860328	50767	POWELL CO. MINERALS	342.89	0.00	0.00	342.89
860348	50768	CORPORATION FORMATI	0.00	0.00	0.00	0.00
890425	50769	KORN KOB PROJECT, P	481.02	0.00	0.00	481.02
900419	50770	V. V.M.P.	0.00	0.00	0.00	0.00
			876.41	0.00	0.00	876.41

Please contact our accounting office in Tucson at (602) 322-5000 if you have any questions.

Sincerely,

DeConcini McDonald Brammer
Yetwin & Lacy, P.C.

SEP 14 1990

DeCONCINI McDONALD BRAMMER YETWIN & LACY, P.C.
2525 EAST BROADWAY
SUITE 200
TUCSON, AZ 85716-5303
(602) 322-5000

August 31, 1990

A. F. BUDGE (MINING) LIMITED
4301 N. 75TH STREET
SUITE 101
SCOTTSDALE, AZ 85251-3504

ATTN: MS. CAROLE O'BRIEN

OUR FILE NUMBER : BUDG01/ 860246
INVOICE : 50766
INVOICE DATE : 8/31/90

CIMARRON PROJECT

SERVICES RENDERED

DATE	HOURS	DESCRIPTION
8/03/90	0.30	PHONE CALL NORBY RE ASSESSMENT WORK

TOTAL FEES

0.30 hrs = \$ 52.50
=====

MATTER SUMMARY

CURRENT FEES	\$	52.50
CURRENT TOTAL	\$	52.50

TOTAL AMOUNT DUE AS OF THIS INVOICE	\$	52.50
		=====

05 /JCL

DeCONCINI McDONALD BRAMMER YETWIN & LACY, P.C.
2525 EAST BROADWAY
SUITE 200
TUCSON, AZ 85716-5303
(602) 322-5000

August 31, 1990

A. F. BUDGE (MINING) LIMITED
4301 N. 75TH STREET
SUITE 101
SCOTTSDALE, AZ 85251-3504

ATTN: MS. CAROLE O'BRIEN

OUR FILE NUMBER : BUDG01/ 860328
INVOICE : 50767
INVOICE DATE : 8/31/90

POWELL CO. MINERALS, INC.

SERVICES RENDERED

DATE	HOURS	DESCRIPTION
8/16/90	0.30	PHONE CALL JOHN NORBY
8/17/90	0.50	REVIEW CORRESPONDENCE - EKL LETTER; PHONE CALL AFB OFFICE RE CHANGES
8/17/90	0.50	PREPARE DOCUMENTS - DRILLING AGREEMENT
8/21/90	0.20	PHONE CALL JOHN NORBY RE DRILLING AGREEMENT
8/21/90	0.20	LETTER TO EKL
8/21/90	0.20	REVIEW DOCUMENTS

TOTAL FEES

1.90 hrs = \$ 332.50
=====

ADVANCED COSTS

PHOTOCOPIES	7.60
TELEPHONE	1.78
COMPUTER/DOCUMENT PREPARATION NORLEY	1.01

TOTAL COSTS	10.39
	=====

MATTER SUMMARY

CURRENT COSTS	\$	10.39
CURRENT FEES	\$	332.50
CURRENT TOTAL	\$	342.89

TOTAL AMOUNT DUE AS OF THIS INVOICE	\$	342.89
		=====

05 /JCL

DeCONCINI McDONALD BRAMMER YETWIN & LACY, P.C.
2525 EAST BROADWAY
SUITE 200
TUCSON, AZ 85716-5303
(602) 322-5000

August 31, 1990

A. F. BUDGE (MINING) LIMITED
4301 N. 75TH STREET
SUITE 101
SCOTTSDALE, AZ 85251-3504

ATTN: MS. CAROLE O'BRIEN

OUR FILE NUMBER : BUDG01/ 890425
INVOICE : 50769
INVOICE DATE : 8/31/90

KORN KOB PROJECT, PIMA COUNTY

SERVICES RENDERED

DATE	HOURS	DESCRIPTION
8/03/90	0.20	PHONE CALL NORBY RE STATUS, LANDMAN
8/03/90	0.10	PHONE CALL GILMORE
8/23/90	0.20	PHONE CALL GILMORE
8/24/90	1.80	CONFERENCE WITH GILMORE, BOSCO
8/27/90	0.30	PHONE CALL R. GILMORE

TOTAL FEES 2.60 hrs = \$ 455.00
=====

ADVANCED COSTS

DESCRIPTION	VALUE
PHOTOCOPIES	20.00

DESCRIPTION	VALUE
TELEPHONE	6.02

TOTAL COSTS	26.02
	=====

MATTER SUMMARY

CURRENT COSTS	\$	26.02
CURRENT FEES	\$	455.00
CURRENT TOTAL	\$	481.02

TOTAL AMOUNT DUE AS OF THIS INVOICE	\$	481.02
		=====

05 /JCL

DeCONCINI McDONALD BRAMMER YETWIN & LACY, P.C.
 1505 EAST BROADWAY
 SUITE 200
 TUCSON, AZ 85716-5303

August 31, 1990

Statement #: 21419

MS. CAROLE O'BRIEN
 A. F. BUDGE (MINING) LIMITED
 4301 N. 75TH STREET
 SUITE 101
 SCOTTSDALE, AZ 85251-3504

Dear Ms. O'Brien:

Enclosed is our invoice for each matter as listed below for current services and costs advanced. There may be additional fees and advanced costs associated with our services for this time period which are unavailable for billing at this time. These fees and costs will appear on your next statement.

FILE NO.	INVOICE	DESCRIPTION	CURRENT	PAST DUE	RETAINER	BALANCE
850151	50765	UNITED VERDE EXTENS	0.00	0.00	0.00	0.00
860246	50766	CIMARRON PROJECT	52.50	0.00	0.00	52.50
860328	50767	POWELL CO. MINERALS	342.89	0.00	0.00	342.89
860348	50768	CORPORATION FORMATI	0.00	0.00	0.00	0.00
890425	50769	KORN KOB PROJECT, P	481.02	0.00	0.00	481.02
900419	50770	V. V.M.P.	0.00	0.00	0.00	0.00
			876.41	0.00	0.00	876.41

Please contact our accounting office in Tucson at (602) 322-5000 if you have any questions.

Sincerely,

DeConcini McDonald Brammer
 Yetwin & Lacy, P.C.



A. F. BUDGE MINING, LTD.
 4301 N. 75TH ST., STE. 101
 SCOTTSDALE, AZ 85251-3504

6055

September 25, 1990

91-170/1221

PAY TO THE ORDER OF DeConcini, McDonald, Brammer, Yetwin & Lacy, PC.

\$ 876.41

Eight-hundred, seventy-six dollars and 41/100..... DOLLARS



Lincoln & Scottsdale Office (055)
 5501 N. Scottsdale
 Scottsdale, Arizona 85253

MEMO Statement #21419

Carole A. O'Brien

⑈00006055⑈ ⑆122101706⑆

055⑈727178⑈



A.F. Budge (Mining) Limited

(602) 945-4630

4301 North 75th Street
Suite 105
Scottsdale, AZ 85251-3504

FAX (602) 949-1737

July 13, 1990

John C. Lacy
DeConcini McDonald Brammer
Yetwin & Lacy, P.C.
2525 East Broadway, Suite 200
Tucson, AZ 85716-5303

Dear John:

Enclosed are copies of the following agreements which
I had recorded:

- First Amendment to Option and Lease Agreement (Vulture)
- Short Form Assignment Agreement (to Arizona-Ontario
Explorations, Inc.)

I'll keep looking for the assignment for Clearwater
and will ask Tony to check his files in England!

Sincerely,

Carole A. O'Brien

encls.

DeCONCINI McDONALD BRAMMER YETWIN & LACY

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

EVO DeCONCINI (1901-1986)

JOHN R. McDONALD	J. WM. BRAMMER, JR.
RICHARD M. YETWIN	JOHN C. LACY
DINO DeCONCINI	ROBERT M. STRUSE
WILLIAM B. HANSON	JOHN C. RICHARDSON
DAVID C. ANSON	JAMES A. JUTRY
SPENCER A. SMITH	MICHAEL R. URMAN
DENISE M. BAINTON	DAVID F. GAONA
KAREN J. NYGAARD	LUIS A. OCHOA
SUSAN E. MILLER	GARY F. URMAN
MARK D. LAMMERS	FRANCES J. HAYNES
WAYNE E. YEHLING	CHRISTINA URIAS

2525 EAST BROADWAY BOULEVARD, SUITE 200
TUCSON, ARIZONA 85716-5303
(602) 322-5000
FAX: (602) 322-5585

May 22, 1990

2901 NORTH CENTRAL AVENUE, SUITE 1644
PHOENIX, ARIZONA 85012-2736
(602) 241-0100
FAX: (602) 241-0220

PLEASE REPLY TO TUCSON

Michael R. Urman, Esq.
2901 North Central Avenue
Suite 1644
Phoenix, AZ 85012-2736

Re: **VMP Inc. - Notice of Default**

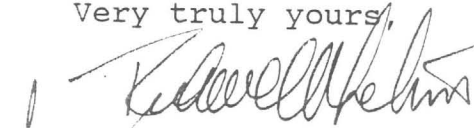
Dear Mike:

I have enclosed for your use a copy of materials I have extracted from the A. F. Budge (Mining) Limited files on the previous litigation involving Clearwater Mining Corporation and Vulture Mine Properties together with a draft of a letter I prepared for transmittal to Scott Donaldson answering the allegations of the Notice of Default. I would appreciate it if you would go over this matter with David Gaona (or for that matter do it yourself if you wish) and prepare a Complaint for declaratory relief under the terms of the Agreement.

I am not yet sure whether or not this letter will be sent out to Mr. Donaldson in the form I have prepared; however, inasmuch as its content was primarily a function of my trying to set forth all of the arguments in a single document it should be sufficient to form the basis of a complaint.

If you have any questions or comments, please let me know. Please note that the letter was dated May 9, 1990. The Notice is effective when deposited in the mail and therefore the time for filing the Complaint will be 30 days from and after May 9, 1990.

Very truly yours,


John C. Lacy

bpm

c: Carole A. O'Brien
0522901030.jcl2.840127

✓

DECONCINI McDONALD BRAMMER YETWIN & LACY

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

EVO DECONCINI (1901-1986)

JOHN R. McDONALD	J. WM. BRAMMER, JR.
RICHARD M. YETWIN	JOHN C. LACY
DINO DECONCINI	ROBERT M. STRUSE
WILLIAM B. HANSON	JOHN C. RICHARDSON
DAVID C. ANSON	JAMES A. JUTRY
SPENCER A. SMITH	MICHAEL R. URMAN
DENISE M. BAINTON	DAVID F. GAONA
KAREN J. NYGAARD	LUIS A. OCHOA
SUSAN E. MILLER	GARY F. URMAN
MARK D. LAMMERS	FRANCES J. HAYNES
WAYNE E. YEHLING	CHRISTINA URIAS

2525 EAST BROADWAY BOULEVARD, SUITE 200
TUCSON, ARIZONA 85716-5303
(602) 322-5000
FAX: (602) 322-5585

May 24, 1990

2901 NORTH CENTRAL AVENUE, SUITE 1644
PHOENIX, ARIZONA 85012-2736
(602) 241-0100
FAX: (602) 241-0220

PLEASE REPLY TO TUCSON

V.M.P., Inc.
c/o Scott Donaldson, Esq.
Attorney at Law
301 W. Indian School Road
Suite 102
Phoenix, AZ 85013-3214

**Re: Vulture Mine Properties, Inc. - A. F. Budge (Mining)
Limited; Option and Lease Agreement, Notice of Default
dated May 9, 1990**

Gentlemen:

This letter is in response to Mr. Scott Donaldson's letter dated May 9, 1990, which was styled as a Notice of Default on behalf of V.M.P., Inc. under the referenced Agreement (the "Notice"). This letter is in response to the allegations contained in the Notice.

Item Number 1:

By Item No. 1 of the Notice, it is asserted that the actions undertaken by A. F. Budge and Western Technologies in performing a remediation of certain material removed from land outside of the land subject to the Agreement is not "mineral exploration" nor "mining activities" as granted under the terms of the Agreement. All of the actions related to the bio-remediation complained of are being taken on portions of the Vulture City Townsite purchased by A.F. Budge (Mining) Ltd., from the Superior Court of the State of Arizona, which land is the sole property of A.F. Budge and not subject to the terms of the Agreement.

Items Number 2, 3, and 5:

Items Nos. 2, 3, and 5 of the Notice are inter-related and will thus be discussed together.

V.M.P., Inc.
May 24, 1990
Page 2

As to the assertion in Item No. 2, V.M.P. has previously been requested by A. F. Budge to approve an assignment of the Agreement to Arizona Explorations, Inc. and V.M.P. refused to take any action and has also insisted on some sort of money payment for the transfer, which payment is not required by the Agreement. By the Notice, the only basis for this refusal is that requisite federal permits for operations on the Property have not been obtained by Arizona Explorations. It is the position of A. F. Budge that V.M.P. originally withheld approval of the assignment without reasonable cause as evidenced by the fact that only post-assignment operations form the basis for the allegations of the Notice. Further, the deficiency asserted as set forth in Item No. 3 is that "as of May 4, 1990, Arizona Exploration is conducting those activities without having applied for or obtained the requisite federal permits or notices." To date, Arizona Explorations has drilled two holes on the property, both of which have been on patented mining claims and therefore has filed requisite notices with the Arizona Department of Water Resources for the drilling and completion of these drill holes. Because these activities have not taken place on federal land, it is A. F. Budge's position that no additional permitting is required and therefore there has been full compliance with the terms of the Agreement.

These facts also relate to the allegations of Item No. 5, by which it is asserted that certain payments have not been made as required by the Agreement because such payments have been tendered by Arizona Explorations without approval of the assignment. However, since no violation of the terms of the Agreement exists, as discussed above, V.M.P. is in no position to assert that it cannot accept payments from Arizona Explorations.

Item Number 4:

Under the allegations contained in Item No. 4 of the Notice, V.M.P. has asserted that A. F. Budge has failed to properly maintain all of the unpatented mining claims as required by Sections 6.a. and 6.f.(1) of the Agreement. This assertion apparently stems from two letters addressed to V.M.P. from the United States Bureau of Land Management dated May 12 and 13, 1990, wherein it was asserted that certain mining claims were being voided as a result of improper filings of annual assessment work. Subsequent to receipt of these letters, and as a result of actions taken by A. F. Budge, this decision of the Bureau of Land Management was vacated in part by a letter to Mr. Larry Beal on April 10, 1990, which decision reinstated all of the mining

V.M.P., Inc.
May 24, 1990
Page 3

claims subject to the Agreement with the exception of the Vulture ## 81-83, 81A and VMP 6 and 7.

In this regard, I call your attention to the fact that the Vulture #81, #81A, #82 and #83, were declared null and void by a decision of the Arizona State Office of the Bureau of Land Management dated December 5, 1985, for the reason that these mining claims were located within the limits of the Vulture City Townsite and thus were void from their inception. As you will recall, this decision was appealed to the Interior Board of Land Appeals and was affirmed by an Order dated November 3, 1987. The possibility of taking appeal from this decision was then discussed with Mr. Scott Donaldson and the decision was made to not appeal to the United States Federal District Court.

As for the VMP 6 and 7, these claims were originally located on land owed by the State of Arizona (Section 2) and were therefore void from their inception.

Item Number 6:

By Item No. 6, the assertion is made that V.M.P. is owed \$75,000.00 as a production bonus payment. Under the terms of subsection g of Section 4 of the Agreement, if A. F. Budge elects to commence mineral production on the Property, V.M.P. was to be paid a one time production bonus of \$75,000. The "commencement of production" under the terms of the Agreement occurs when:

. . . Budge commits to the expenditure of funds for a full-scale development of the Property based on the conclusions of a feasibility study and shall not include a pilot plant, bulk sampling or other large volume metallurgical or mine testing. The production bonus shall be paid on or before 30 days after Budge's announcement to its stockholders that production will commence.

The activities that Budge has undertaken on the Property consists of reprocessing mine tailings from the Pit Gold patented mining claim and from within portions of the Vulture City Townsite which operation was not based on any mine feasibility study. The parties contemplated that actual mining operations would be required as a prerequisite to this payment as evidenced by the contractual provision making the payment contingent upon "a full-scale development of the Property." The reprocessing of

V.M.P., Inc.
May 24, 1990
Page 4

the tailings is not a "mining operation" in the strict sense of the word and the terms of the Agreement for purposes of the production bonus. No claim has ever been asserted that V.M.P. is not entitled to royalties on metal values recovered from the tailings.

Further, other provisions of the Agreement suggest that the tailings reprocessing would not be the "full-scale mining" contemplated by the Agreement because if such processing were considered full-scale mining, such construction would cause considerable problems in the long-range development of the Property because once "production" commences, the term is fixed on the continuation of production. The reprocessing of the tailings is a relatively short-term activity and the intent of the parties was that the full-scale production would constitute a mining operation and not a short-term reprocessing operation of the mine tailings.

Item Number 7:

By Item No. 7 of the Notice, it was stated that A. F. Budge had refused to convey the Vulture City Townsite to V.M.P. in violation of the terms of the Agreement. By the terms of subsection c of Section 7 of the Agreement, if title to any of the Property was defective, A. F. Budge was authorized to "perfect, defend or initiate litigation to protect such title." Further, in the course of such activities, A. F. Budge was permitted to deduct the cost of "perfecting, defending or correcting title (including . . . the cost of releasing or satisfying any mortgages, liens and encumbrances) . . ." Thus, the Agreement clearly contemplates that some sort of correction of defects in title would be entailed. As referred to above, in this case, the Bureau of Land Management rejected a number of mining claims that were situated within the limits of what turned out to be the Vulture City Townsite in effect holding that V.M.P. never had any title to the ground in question.

After appealing the Bureau of Land Management decision without success, A. F. Budge took certain actions to acquire title to the unsold portions of the Vulture City Townsite from the Judge of the Arizona Superior Court for Maricopa County (as the successor in interest to the Probate Judge who was granted the original title as trustee for the occupants of Vulture City). Such purchase was not a perfection or defense of V.M.P.'s title to the Property, but was instead the acquisition of new rights from a third party. There are instances under the Agreement

V.M.P., Inc.
May 24, 1990
Page 5

where such new rights are to be included under the Agreement, but it appears that the instances when any such new rights will be included within the terms of the Agreement are limited to the location of mining claims within the "Area of Interest" as specified under Section 12 of the original Agreement.

When application was made to purchase the unsold portions of the Vulture City Townsite by Ben F. Dickerson, then acting as manager for A.F. Budge, because the "Pit Gold" patented mining claim was also within the boundaries of the townsite patent and therefore might be found to be illegally issued, this office prepared the requisite paperwork to permit V.M.P. to purchase that portion of the townsite that was in conflict with the Pit Gold. As a part of this process Mr. Dickerson purchased 109.239 acres and Mr. Beal purchased 20.661 acres. Separate Quitclaim Deeds to Unclaimed Townsite Lots were signed on March 4, 1987, granting the separate parcels to Vulture Mine Properties, Inc., an Arizona corporation and to Ben F. Dickerson, III. This interest was later acquired by A.F. Budge (Mining) Limited from Mr. Dickerson's estate. The total cost of acquisition to A. F. Budge included, without limitation, \$12,046.83 in legal fees and other costs associated with the action, an appraisal fee of \$1,500, the purchase price of \$16,400.00, a survey bill of \$5,409.72, and approximately \$10,000.00 of time allocated to personnel of A.F. Budge. At the time of the application, Mr. Beal never asserted that the separate acquisition of title was to be for his benefit, as for example, the perfection of the Pit Gold patented claim was, nor has Mr. Beal ever offered to pay the costs associated with such acquisition.

Item Number 8:

By Item No. 8 of the Notice, it has been asserted that A. F. Budge has failed to employ John Osborne. Compensation to be paid to Mr. Osborne by A. F. Budge has, to the knowledge of personnel of A. F. Budge, been referred to in only one document, which document is a 1984 "Memorandum of Understanding" providing for compensation to James and John Osborne for certain work during a preliminary or "option" term of the Agreement, but providing that:

If Budge exercises its option, the parties shall negotiate in good faith to achieve a reasonable use of services that might be provided by John and James Osbore [sic], provided however, that the decision to

DeCONCINI McDONALD BRAMMER YETWIN & LACY
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

V.M.P., Inc.
May 24, 1990
Page 6

use or not use such services shall be within the sole discretion of Budge.

This provision thus refers to the option granted under the terms of the Agreement, the application provision of which (Section 3) provides that:

Unless sooner terminated under the termination provisions herein contained, the term of the option shall be for one year but may be further extended for an additional year by Budge. Thereafter, if the option is exercised, this Agreement shall be for a term of twenty (20) years commencing on the effective date of the exercise of the option and for so long thereafter as Leased Substances are continuously produced from the Property.

By the First Amendment to Option and Lease Agreement effective February 1, 1985, A. F. Budge exercised its option to lease the Property, and after having used Mr. John Osborne's services for an additional period of time, in August, 1988, advised Mr. Osborne that no further assistance was required.

A. F. Budge has fully complied with any obligations to V.M.P. regarding Mr. Osborne, and under the terms of the applicable provisions, has the sole discretion whether or not to use Mr. Osborne's services.

I hope that the foregoing answers the allegations contained in the Notice. However, inasmuch as the Agreement requires the filing of an action in Superior Court if a disagreement exists over any assertion of default, A.F. Budge intends to file such an action concerning all allegations referred to in the Notice dated May 9, 1990, within the next several days unless advised that the allegations are no longer considered deficiencies based on the contents of this letter.

Very truly yours,


John C. Lacy

c: A. F. Budge
Carole A. O'Brien
Stanley W. Holmes
0517900310.jcl2.840127

W. SCOTT DONALDSON
ATTORNEY-AT-LAW
301 WEST INDIAN SCHOOL ROAD, SUITE 102
PHOENIX, ARIZONA 85013-3214
TELEPHONE: (602) 264-1351
TELECOPIER: (602) 279-9018

RECEIVED MAY 14 1990

May 9, 1990

A. F. Budge
West Carr Road
Retford, Nottinghamshire,
England DN22 7SW

DMEA Limited
7340 East Shoeman Lane
Suite 111 "B"
Scottsdale, Arizona 85251

John C. Lacy
DeConcini,, McDonald, Bremmer, Yetwin, Lacy & Zimmerman, P.C.
2525 East Broadway Blvd., Suite 200
Tucson, Arizona 85716

Arizona Exploration, Inc.
Exodyne Business Park
8433 North Black Canyon Hwy., Ste. 158
Phoenix, Arizona 85021

**Re: V.M.P., Inc. - A.F. Budge (Mining) Limited
Option and Lease Agreement: Notice of Default**

Gentlemen:

V.M.P., Inc., an Arizona corporation ("V.M.P."), pursuant to Section 8 of the above-referenced Option and Lease Agreement dated July 1, 1984, and the First Amendment thereto, hereby gives A.F. Budge (Mining) Limited ("Budge") notice of default. The defaults are specifically described below.

1. Budge, or its agent, is treating or detoxifying solid wastes from another property at the Vulture mine site. The details of this operation are provided in Exhibit A. This activity is not "Mineral Exploration" or "Mining Activities" as defined in Sections 2.b.(3) and 2.b.(4) of the Agreement. V.M.P. requests that Budge immediately cease this activity and remove the approximately one hundred twenty five (125) cubic yards of material.

2. Budge has assigned the Agreement to Arizona - Ontario Exploration, Inc. ("Arizona Exploration") without permission of V.M.P. That assignment is described in Exhibit B. Section 10 of the Agreement requires consent by V.M.P. before an assignment is effective. V.M.P. will not approve the assignment because Arizona Exploration is not complying with federal mining laws and regulations as described in paragraph 3.

3. Arizona Exploration is conducting mineral exploration activities on the property. The location of those activities is shown by the well registration documents attached hereto as Exhibit C. As of May 4, 1990, Arizona Exploration is conducting

W. SCOTT DONALDSON
ATTORNEY-AT-LAW
301 WEST INDIAN SCHOOL ROAD, SUITE 102
PHOENIX, ARIZONA 85013-3214
TELEPHONE: (602) 264-1351
TELECOPIER: (602) 279-9018

Page two
V.M.P., Inc.

those activities without having applied for or obtained the requisite federal permits or notices.

4. Budge has failed to properly maintain all of the unpatented mining claims as required by Sections 6.a. and 6.f.(1) of the Agreement. The details of this failure are outlined in Exhibit D.

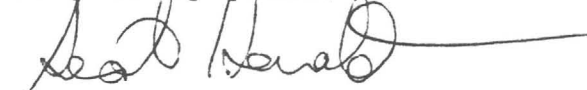
5. Budge has failed to pay the advance minimum royalties due, pursuant to Section 4.b. of the Agreement as amended, on March 5, April 5, and May 5, 1990. Although Arizona Exploration has attempted to make the April 5 payment, as indicated by Exhibit E, V.M.P. cannot accept this payment since it has not approved the Budge - Arizona Exploration assignment.

6. Budge has failed to make the \$75,000.00 Production Bonus Payment called for in Section 3.g. of the "First Amendment to Option and Lease Agreement" dated February 1, 1985. Budge has been operating a heap leaching facility on the property since approximately May 27, 1988 as is indicated by Exhibit F. This activity must be defined as mineral production since Budge is sending concentrates to G.D. Resources, Inc. and receiving payments therefrom, as indicated by the settlement statements attached hereto as Exhibit G. Budge is calculating the advance mineral royalties paid to V.M.P. against income from G.D. Resources, Inc. The "Remarks Sheet" (Exhibit H), given to Larry Beal on February 20, 1990 by Ron Short, shows this calculation and leaves V.M.P. convinced that Budge is producing minerals from the property.

7. Budge has failed to transfer the Vulture townsite to V.M.P. V.M.P.'s intent in agreeing to Section 12 of the Agreement was that any interest associated with the Vulture Mine and obtained by Budge within the described boundaries would be subject to V.M.P. ownership.

8. Budge has failed to employ John Osborn throughout the term of the Agreement pursuant to Ben Dickerson's agreement with V.M.P.

Very truly yours,



W. Scott Donaldson, Esq.

WSD/dmm
cc: V.M.P., Inc.
Enclosures

DECONCINI MCDONALD BRAMMER YETWIN & LACY, P. C.

ATTORNEYS AT LAW

240 NORTH STONE AVENUE
TUCSON, ARIZONA 85701-1295
(602) 623-3411

2600 NORTH CENTRAL AVENUE, SUITE 1600
PHOENIX, ARIZONA 85004-3016
(602) 248-0036

EVO DeCONCINI (1901-1986)
JOHN R. McDONALD J. WM. BRAMMER, JR.
RICHARD M. YETWIN JOHN C. LACY
ROBERT M. STRUSE WILLIAM B. HANSON
JOHN C. RICHARDSON DAVID C. ANSON
DEBORAH OSERAN JAMES A. JUTRY
SPENCER A. SMITH MICHAEL R. URMAN
DENISE M. BAINTON BERNARD C. OWENS
KAREN J. NYGAARD LUIS A. OCHOA
GARY CLIFFORD KORN

February 24, 1987

DOUGLAS G. ZIMMERMAN
GARY L. LASSEN
DINO DECONCINI
DIANE M. MILLER
KENNETH C. SUNDLOF, JR.
MATTHEW R. BERENS
JAMES E. CARTER
DAWN A. MCGUFFIE
SHARON M. HENSLEY
DONNA L. HYLARIDES
D. REX SHUMWAY II

PLEASE REPLY TO TUCSON
File #860348

Ms. Carole A. O'Brien
A. F. Budge (Mining) Limited
7340 East Shoeman Lane
Suite 111 "B"(E)
Scottsdale, Arizona 85251

DMEA LTD.

MAR 2 1987

RECEIVED

Re: **Transfer of Assets and Indemnification**

Dear Carole:

I have enclosed a simple form of a Waiver and Indemnification Agreement to provide the mechanism for transferring any property rights held by Ben Dickerson and DMEA to A. F. Budge (Mining) Limited. The Agreement also provides a waiver of claims and indemnification of the estate. By a copy of this letter, I have also sent the draft to Laurie Woodall for her comments. If either you or Laurie has any comments, please give me a call and I will prepare a final version for signature.

Very truly yours,


John C. Lacy

jk
Enc.

c w/enc.: Laurie Woodall

0223870440.jcl1

WAIVER AND INDEMNIFICATION AGREEMENT

DRAFT
FOR DISCUSSION ONLY

BY THIS WAIVER AND INDEMNIFICATION AGREEMENT,

effective as of [date of death]

A. F. BUDGE (MINING) LIMITED, a Nevada corporation, and ANTHONY F. BUDGE, individually,

and

the ESTATE OF BEN F. DICKERSON III,

the parties, for good and valuable consideration, do hereby agree as follows:

1. Recitals.

Ben F. Dickerson III, during his lifetime, was engaged to provide mineral exploration, development and mining advice to A. F. Budge (Mining) Limited and Anthony F. Budge, and maintained various financial accounts, monies, titles to land, and information on behalf of A. F. Budge and Anthony F. Budge in either his own name or under the name of his sole proprietorship, DMEA Ltd. Ben F. Dickerson III died on * and this Agreement is to provide a structure for transferring any title to properties and funds held by the Estate of Ben F. Dickerson III to A. F. Budge (Mining) Limited together with providing a waiver of claims and indemnification of the Estate for any actions taken by Ben F. Dickerson III.

2. Transfer.

The Estate of Ben F. Dickerson III does hereby agree to transfer to A. F. Budge (Mining) Limited those funds in Shearson Lehman account # *, and shall transfer any title to mineral properties or other rights held in any of the following projects undertaken by DMEA: Vulture Mine and United Verde Extension in Arizona; Cimmeron in Nevada; and Gold Canyon in Montana.

3. Indemnification.

A. F. Budge (Mining) Limited and Anthony F. Budge do hereby indemnify and hold harmless the ESTATE OF BEN F. DICKERSON III, from any suit, claim, judgment or demand (including attorney's fees) whatsoever arising out of any work undertaken by BEN F. DICKERSON III or DMEA LTD. on behalf of A. F. BUDGE (MINING) LIMITED or ANTHONY F. BUDGE or title held on their behalf.

4. Further Assurances.

The parties agree to perform all acts and execute all

documents that may be necessary to carry out the spirit and intent of this Agreement.

DATED this ___ day of February, 1987.

ESTATE OF BEN F. DICKERSON III

By _____
Laurie Woodall
Personal Representative

A. F. BUDGE (MINING) LIMITED

By _____
A. F. Budge, President

Anthony F. Budge



A. F. Budge (Mining) Limited

7340 E. Shoeman Lane, Suite 111 "B" (E)
Scottsdale, AZ 85251-3335

(Business Office)

Telephone: (602) 945-4630

Telex: 751739

FAX: (602) 949-1737

June 25, 1987

John C. Lacy
DeConcini, McDonald, Brammer
Yetwin, Lacy & Zimmerman
240 North Stone Avenue
Tucson, AZ 85701-1295

Dear John:

About two years ago, John Hunt via his lawyer in Salt Lake City made a proposal for a sub-lease of the Vulture. In recent conversations, Dr. Hunt has indicated a continued interest in this proposal.

The original proposal and my counter-offer follow.

Would appreciate your comments.

Sincerely,

A handwritten signature in cursive script that reads "Carole".

Carole A. O'Brien

A Note From... Carole A. O'Brien

ZIMMERMAN, P.C.

July 1, 1987

Laurie:

5/31/87

Enclosed are copies of Lacy's bills for the preparation of the 2nd set of documents.

Total damages:

0.6 hrs. @ \$143.33	\$ 86.00
0.5 hrs. @ \$127.50	\$ 63.75
Misc.	\$ 1.91
	<hr/>
	\$ 151.66

 CODES
 FER
 BUDGE
 OSURE

172.00

Compliments of **Franklin's**
Printing • Office Supplies Copy Service

7023 E. Indian School Road
 Scottsdale, AZ 85251
 (602) 946-3455

VALUE

5/12/87 TELEPHONE	0.84
5/12/87 TELEPHONE	0.63
5/12/87 TELEPHONE	0.84
5/12/87 TELEPHONE	0.63

DeCONCINI McDONALD BRAMMER YETWIN LACY & ZIMMERMAN, P.C.
240 NORTH STONE AVENUE
TUCSON, AZ 85701

May 31, 1987

Statement #: 2337

MS. CAROLE O'BRIEN
A. F. BUDGE (MINING) LIMITED
c/o DMEA, LTD.
7340 EAST SHOEMAN LANE #111 "B" (E)
SCOTTSDALE, AZ 85251-3335

Dear Ms. O'Brien:

Enclosed is our invoice for each matter as listed below for current services and costs advanced. There may be additional advanced costs associated with our services for this time period which are unavailable for billing at this time. These costs will appear on your next statement.

FILE NO.	INVOICE	DESCRIPTION	CURRENT	PAST DUE	RETAINER	BALANCE
340127	7279	VULTURE MINE JOINT	184.63	0.00	0.00	184.63
852138	7280	INCORPORATION - CLE -	5.96	0.00	0.00	5.96
860020	7281	VULTURE TOWNSITE PR	0.00	1.50	0.00	1.50
860348	7282	CORPORATION FORMATI	170.67	0.00	0.00	170.67
			349.34	1.50	0.00	350.84

Please contact our accounting office in Tucson at (602) 623-3411 if you have any questions.

Sincerely,

DeConcini McDonald Brammer Yetwin
Lacy & Zimmerman, P.C.

DeCONCINI McDONALD BRAMMER YETWIN LACY & ZIMMERMAN, P.C.
240 NORTH STONE AVENUE
TUCSON, AZ 85701

5/31/87

A. F. BUDGE (MINING) LIMITED
c/o DMEA, LTD.
7340 EAST SHOEMAN LANE #111 "B" (E)
SCOTTSDALE, AZ 85251-3335

ATTN: MS. CARDLE O'BRIEN

OUR FILE NUMBER : BUDG01/ 340127
INVOICE : 7279
INVOICE DATE : 5/31/87

VULTURE MINE JOINT VENTURE

SERVICES RENDERED

DATE	HOURS	DESCRIPTION
5/12/87	0.20	LEGAL RESEARCH STANDARD CLASSIF CODES
5/12/87	0.40	PREPARE DOCUMENTS VULTURE TRANSFER
5/13/87	0.50	PREPARE DOCUMENTS TRANSFERS TO BUDGE
5/15/87	0.10	REVIEW LETTER TO WOODALL & ENCLOSURE
	TOTAL FEES	1.20 hrs = \$ 172.00

ADVANCED COSTS

DATE	DESCRIPTION	VALUE
5/12/87	TELEPHONE	0.84
5/12/87	TELEPHONE	0.63
5/12/87	TELEPHONE	0.84
5/12/87	TELEPHONE	0.63

DATE	DESCRIPTION	VALUE
5/12/87	TELEPHONE	0.42
5/13/87	PHOTOCOPIES	3.00
5/13/87	TELEPHONE	0.63
5/13/87	COMPUTER/DOCUMENT PREPARATION WOODALL LTR.	1.91
5/13/87	COMPUTER/DOCUMENT PREPARATION DONALDSON LTR.	1.03
5/15/87	PHOTOCOPIES	2.70
TOTAL COSTS		\$ 12.63

MATTER SUMMARY

CURRENT COSTS	:\$	12.63
CURRENT FEES	:\$	172.00
CURRENT TOTAL	:\$	184.63
TOTAL AMOUNT DUE AS OF THIS INVOICE	:\$	184.63

DeCONCINI McDONALD BRAMMER YETWIN LACY & ZIMMERMAN, P.C.
240 NORTH STONE AVENUE
TUCSON, AZ 85701

5/31/87

A. F. BUDGE (MINING) LIMITED
c/o DMEA, LTD.
7340 EAST SHOEMAN LANE #111 "B" (E)
SCOTTSDALE, AZ 85251-3335

ATTN: MS. CAROLE O'BRIEN

OUR FILE NUMBER : BUDG01/ 852138
INVOICE : 7280
INVOICE DATE : 5/31/87

INCORPORATION - CLEARWATER MINING

SERVICES RENDERED

TOTAL FEES 0.00 hrs = \$ 0.00

ADVANCED COSTS

TOTAL COSTS \$- 5.96

MATTER SUMMARY

CURRENT COSTS :\$- 5.96
CURRENT TOTAL :\$- 5.96
TOTAL AMOUNT DUE AS OF THIS INVOICE :\$- 5.96

DeCONCINI McDONALD BRAMMER YETWIN LACY & ZIMMERMAN, P.C.
240 NORTH STONE AVENUE
TUCSON, AZ 85701

5/31/87

A. F. BUDGE (MINING) LIMITED
c/o DMEA, LTD.
7340 EAST SHOEMAN LANE #111 "B" (E)
SCOTTSDALE, AZ 85251-3335

ATTN: MS. CAROLE O'BRIEN

OUR FILE NUMBER : BUDG01/ 860020
INVOICE : 7201
INVOICE DATE : 5/31/87

VULTURE TOWNSITE PROBLEMS

SERVICES RENDERED

TOTAL FEES 0.00 hrs = \$ 0.00

ADVANCED COSTS

TOTAL COSTS \$ 0.00

MATTER SUMMARY

OUTSTANDING PREVIOUS INVOICES :\$ 1.50
TOTAL AMOUNT DUE AS OF THIS INVOICE :\$ 1.50

DeCONCINI McDONALD BRAMMER YETWIN LACY & ZIMMERMAN, P.C.
240 NORTH STONE AVENUE
TUCSON, AZ 85701

5/31/87

A. F. BUDGE (MINING) LIMITED
c/o DMEA, LTD.
7340 EAST SHOEMAN LANE #111 "B" (E)
SCOTTSDALE, AZ 85251-3335

ATTN: MS. CAROLE O'BRIEN

OUR FILE NUMBER : BUDG01/ 860348
INVOICE : 7282
INVOICE DATE : 5/31/87

CORPORATION FORMATION

SERVICES RENDERED

DATE	HOURS	DESCRIPTION		
5/04/87	0.50	PREPARE CORPORATE MINUTES, REPORT RE ANNUAL REPORT		
5/04/87	0.10	LETTER TO CLIENT T. BUDGE RE ANNUAL REPORT		
5/04/87	0.10	LETTER TO COS RE: FILINGS		
5/12/87	0.50	PREPARE DOCUMENTS INDEMNIF AGR.		
		TOTAL FEES	1.20 hrs = \$	153.00

ADVANCED COSTS

DATE	DESCRIPTION	VALUE
5/04/87	COMPUTER/DOCUMENT PREPARATION LTR - BUDGE RE: ANNUAL RPRT	1.14
5/05/87	PHOTOCOPIES	0.75
5/06/87	COMPUTER/DOCUMENT PREPARATION BUDGE - LTR ANNUAL REPORT	1.28

DATE	DESCRIPTION	VALUE
5/06/87	COMPUTER/DOCUMENT PREPARATION CNSNT - DIRECTORS 1985	1.54
5/06/87	PHOTOCOPIES	2.00
5/06/87	COMPUTER/DOCUMENT PREPARATION CNSNT DIRECTORS 1986	1.54
5/06/87	COMPUTER/DOCUMENT PREPARATION CNSNT SHAREHOLDERS 1985	1.07
5/06/87	COMPUTER/DOCUMENT PREPARATION CNSNT SHAREHOLDERS 1986	1.07
5/06/87	POSTAGE	1.32
TOTAL COSTS		\$ 17.67

MATTER SUMMARY

CURRENT COSTS	: \$	17.67
CURRENT FEES	: \$	153.00
CURRENT TOTAL	: \$	170.67
TOTAL AMOUNT DUE AS OF THIS INVOICE	: \$	170.67

DECONCINI McDONALD BRAMMER YETWIN LACY & ZIMMERMAN

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

240 NORTH STONE AVENUE
TUCSON, ARIZONA 85701-1295
(602) 623-3411
FAX: (602) 624-0972

2600 NORTH CENTRAL AVENUE, SUITE 1600
PHOENIX, ARIZONA 85004-3016
(602) 248-0036
FAX: (602) 248-8214

EVO DECONCINI (1901-1986)

JOHN R. McDONALD	J. WM. BRAMMER, JR.
RICHARD M. YETWIN	JOHN C. LACY
ROBERT M. STRUSE	WILLIAM B. HANSON
JOHN C. RICHARDSON	DAVID C. ANSON
DEBORAH OSERAN	JAMES A. JUTRY
SPENCER A. SMITH	MICHAEL R. URMAN
DENISE M. BAINTON	BERNARD C. OWENS
KAREN J. NYGAARD	LUIS A. OCHOA

June 9, 1987

DOUGLAS G. ZIMMERMAN
GARY L. LASSEN
DINO DECONCINI
DIANE M. MILLER
KENNETH C. SUNDLOF, JR.
MATTHEW R. BERENS
JAMES E. CARTER
SHARON M. HENSLEY
DONNA L. HYLARIDES
D. REX SHUMWAY II
COLLEEN L. FRENCH
NEIL W. THOMSON

PLEASE REPLY TO TUCSON
File No. 860348

Ms. Carole A. O'Brien
A. F. Budge (Mining) Limited
7340 East Shoeman Lane
Suite 111 "B" (E)
Scottsdale, Arizona 85251-3335

DIMEA LTD.

JUN 11 1987

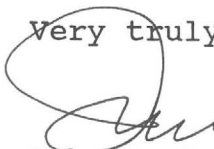
RECEIVED

Re: **Waiver and Indemnification Agreement**

Dear Carole:

I would appreciate receiving a copy of the Waiver Indemnification Agreement between Tony Budge and Ben's Estate. You can, however, wait until Tony has signed the Agreement so I have a fully executed version.

Very truly yours,


John C. Lacy

JCL:bpm

0608871045.

DECONCINI McDONALD BRAMMER YETWIN & LACY, P. C.

ATTORNEYS AT LAW

240 NORTH STONE AVENUE
TUCSON, ARIZONA 85701-1295
(602) 623-3411
FAX: (602) 624-0972

2600 NORTH CENTRAL AVENUE, SUITE 1600
PHOENIX, ARIZONA 85004-3016
(602) 248-0036
FAX: (602) 248-8214

EVO DECONCINI (1901-1986)

JOHN R. McDONALD	J. WM. BRAMMER, JR.
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DEBORAH OSERAN	JAMES A. JUTRY
SPENCER A. SMITH	MICHAEL R. URMAN
DENISE M. BAINTON	BERNARD C. OWENS
KAREN J. NYGAARD	LUIS A. OCHOA

May 13, 1987

DOUGLAS G. ZIMMERMAN
GARY L. LASSEN
DINO DECONCINI
DIANE M. MILLER
KENNETH C. SUNDLOF, JR.
MATTHEW R. BERENS
JAMES E. CARTER
DAWN A. MCGUFFIE
SHARON M. HENSLEY
DONNA L. HYLARIDES
D. REX SHUMWAY II

PLEASE REPLY TO TUCSON
File No. 840127

Ms. Laurie Anne Woodall
6648 E. Jean
Scottsdale, AZ 85254

Re: Transfers to A. F. Budge

Dear Laurie:

I have enclosed the following documents related to assignments of the interests held by your father to A. F. Budge (Mining) Limited:

a. Quit Claim Deed by which the 20 unpatented "Jeep" lode mining claims in Nye County, Nevada, are transferred from Ben's estate to A. F. Budge.

b. Quit Claim Deed by which certain lands within the Vulture City Townsite in Mohave County, Arizona, are transferred from Ben's estate to A. F. Budge.

c. Waiver and Indemnification Agreement between A. F. Budge and Ben's estate acknowledging the transfer of the various projects that were held in Ben's or DMEA's name together with an Indemnification Agreement whereby A. F. Budge (Mining) Limited and Anthony F. Budge, individually, hold Ben's estate harmless from any action arising out of work undertaken by Ben or DMEA Limited.

I would appreciate your signing these various documents and returning them to me. Please note that your signature on the two Quit Claim Deeds needs to be notarized and that there are two copies of the Waiver and Indemnification Agreement. When the Waiver and Indemnification Agreement has been fully executed by Tony Budge, I will return to you a fully executed copy. Please also note that I have left a blank for the insertion of the Maricopa County file number for Ben's estate that I would appreciate your inserting at the time you sign the deeds.

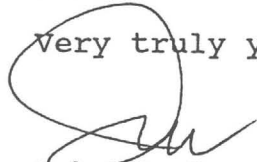
DECONCINI McDONALD BRAMMER YETWIN & LACY, P.C.
ATTORNEYS AT LAW

Ms. Laurie Anne Woodall
May 13, 1987
Page 2

When you return the documents I would also appreciate your providing to me a certified copy of your appointment as Personal Representative. The appointment needs to be recorded along with the Quit Claim Deeds.

If you have any questions, please feel free to call me.

Very truly yours,



John C. Lacy

bpm

Enclosures

cw/enc: Carole A. O'Brien

0513871120.

QUITCLAIM DEED

LAURIE ANNE WOODALL, as Personal Representative of the Estate of BEN F. DICKERSON, III, deceased, Superior Court of Arizona, Maricopa County Cause No. _____, the "Grantor," for and in consideration of Ten Dollars (\$10.00) and other valuable considerations, does hereby quitclaim to A. F. BUDGE (MINING) LIMITED, a Nevada corporation, whose address is 7340 East Shoeman Lane, Suite 111 "B"(E), Scottsdale, Arizona 85251-3335, the Grantee," all right, title and interest of the Grantor in and to those portions of the Townsite of Vulture City, more particularly described in Exhibit A attached hereto and incorporated herein by this reference, being the same property acquired by Ben F. Dickerson, III, under that certain "Quitclaim Deed to Unclaimed Townsite Lots" executed by the Honorable I. Sylvan Brown, as successor Trustee, dated March 4, 1987, and recorded in the official records of Maricopa County, Arizona, as document no. 87 178337.

This Quitclaim Deed is made without warranties or representations of any kind by the Grantor.

DATED this _____ day of _____ 1987.

GRANTOR:

Laurie Anne Woodall, as Personal Representative of the Estate of Ben F. Dickerson, III, deceased

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this
____ day of _____ 1987, by Laurie Anne Woodall, as
Personal Representative of the Estate of Ben F. Dickerson, III,
deceased.

Notary Public

My commission expires:

EXHIBIT A

The real property conveyed hereby consists of those portions of the Townsite of Vulture City not previously sold, being a portion of the Southwest Quarter of Section 36, Township 6 North, Range 6 West, and the Northeast Quarter of Section 1, Township 5 North, Range 6 West, G&SRM, Maricopa County, Arizona, more particularly described in that certain patent issued by the United States of America to Thomas G. Greenshaw, Probate Judge of Maricopa County, Arizona Territory, dated June 20, 1882, and recorded in Book 8 of Deeds, Page 467 of the official records of Maricopa County, less:

1. Those three parcels previously conveyed by the Superior Court to D. D. Blair under Maricopa County Superior Court Cause No. 143114 consisting of:

Parcel a. That portion of the plat of Vulture City lying South of the center line of Yuma Street and West of the center line of Hayes Street;

Parcel b. That portion lying South of the center line of Prescott Street, and East of the center line of the North-South alleys through Blocks 39 and 46 and West of the center line of Hancock Street; and

Parcel c. That part North of the center line of Phoenix Street and East of the center line of Hancock Street.

Which streets and blocks are shown on a plat of the Townsite of Vulture City recorded in Book 1 of Maps, Page 2 of the official records of Maricopa County.

2. The Pit Gold Patented Lode Mining Claim.

QUITCLAIM DEED

LAURIE ANNE WOODALL, as Personal Representative of the Estate of BEN F. DICKERSON, III, deceased, Superior Court of Arizona, Maricopa County Cause No. _____, the "Grantor," for and in consideration of Ten Dollars (\$10.00) and other valuable considerations, does hereby quitclaim to A. F. BUDGE (MINING) LIMITED, a Nevada corporation, whose address is 7340 East Shoeman Lane, Suite 111 "B"(E), Scottsdale, Arizona 85251-3335, the Grantee," all right, title and interest of the Grantor in and to those certain unpatented lode mining claims situated in the San Antonio Mining District, Nye County, Nevada, the names of which and the place of record of the location notices thereof in the official records of the Nye County Recorder and the Nevada State Office of the Bureau of Land Management are set forth in Exhibit A attached hereto and incorporated herein by this reference.

This Quitclaim Deed is made without warranties or representations of any kind by the Grantor.

DATED this _____ day of _____ 1987.

GRANTOR:

Laurie Anne Woodall, as Personal
Representative of the Estate of
Ben F. Dickerson, III, deceased

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this
____ day of _____ 1987, by Laurie Anne Woodall, as
Personal Representative of the Estate of Ben F. Dickerson, III,
deceased.

My commission expires:

Notary Public

EXHIBIT A

The following unpatented lode mining claims are situated in the San Antonio Mining District, Nye County, Nevada, the names of which and the place of record of the location notices thereof in the official records of the Nye County Recorder and the Nevada State Office of the Bureau of Land Management are as follows:

<u>Name of Claim</u>	<u>BLM-NMC Serial Number</u>	<u>Recorded in Nye County, Nevada</u>	
		<u>Book</u>	<u>Page</u>
Jeep 1	366438	529	162
Jeep 2	366439	529	163
Jeep 3	366440	529	164
Jeep 4	366441	529	165
Jeep 5	366442	529	166
Jeep 6	366443	529	167
Jeep 7	366444	529	168
Jeep 8	366445	529	169
Jeep 9	366446	529	170
Jeep 10	366447	529	171
Jeep 11	366448	529	172
Jeep 12	366449	529	173
Jeep 13	366450	529	174
Jeep 14	366451	529	175
Jeep 15	366452	529	176
Jeep 16	366453	529	177
Jeep 17	366454	529	178
Jeep 18	366455	529	179
Jeep 19	366456	529	180
Jeep 20	366457	529	181

WAIVER AND INDEMNIFICATION AGREEMENT

BY THIS WAIVER AND INDEMNIFICATION AGREEMENT,

effective as of January 9, 1987,

A. F. BUDGE (MINING) LIMITED, a Nevada corporation, and
ANTHONY F. BUDGE, individually,

and

the ESTATE OF BEN F. DICKERSON III,

the parties, for good and valuable consideration, do hereby agree
as follows:

1. Recitals.

Ben F. Dickerson III, during his lifetime was engaged to provide mineral exploration, development and mining advise to A. F. Budge (Mining) Limited and Anthony F. Budge and maintained various financial accounts, monies, titles to land, and information on behalf of A. F. Budge and Anthony F. Budge in either his own name or under the name of DMEA Ltd. Ben F. Dickerson III died on January, 9, 1987, and this Agreement is to provide a structure for transferring any title to properties and funds held by the Estate of Ben F. Dickerson III to A. F. Budge (Mining) Limited together with providing a waiver of claims and indemnification of the Estate for any actions taken by Ben F. Dickerson III.

2. Transfer.

The Estate of Ben F. Dickerson III does hereby agree to transfer to A. F. Budge (Mining) Limited those funds in Shearson Lehman # 54204660 on the effective date of this Agreement, and shall transfer any title to mineral properties or other rights held in any of the following projects undertaken by DMEA: Vulture Mine and United Verde Extension in Arizona; Cimarron in Nevada; and Gold Canyon in Montana.

3. Indemnification.

A. F. Budge (Mining) Limited and Anthony F. Budge do hereby indemnify and hold harmless the ESTATE OF BEN F. DICKERSON III, from any suit, claim, judgment or demand (including attorney's fees) whatsoever arising out of any work undertaken by BEN F. DICKERSON or DMEA LTD. on behalf of A. F. BUDGE (MINING) LIMITED or ANTHONY F. BUDGE or title held on their behalf.

WAIVER AND INDEMNIFICATION AGREEMENT

BY THIS WAIVER AND INDEMNIFICATION AGREEMENT,

effective as of January 9, 1987,

A. F. BUDGE (MINING) LIMITED, a Nevada corporation, and
ANTHONY F. BUDGE, individually,

and

the ESTATE OF BEN F. DICKERSON III,

the parties, for good and valuable consideration, do hereby agree
as follows:

1. Recitals.

Ben F. Dickerson III, during his lifetime was engaged to provide mineral exploration, development and mining advise to A. F. Budge (Mining) Limited and Anthony F. Budge and maintained various financial accounts, monies, titles to land, and information on behalf of A. F. Budge and Anthony F. Budge in either his own name or under the name of DMEA Ltd. Ben F. Dickerson III died on January, 9, 1987, and this Agreement is to provide a structure for transferring any title to properties and funds held by the Estate of Ben F. Dickerson III to A. F. Budge (Mining) Limited together with providing a waiver of claims and indemnification of the Estate for any actions taken by Ben F. Dickerson III.

2. Transfer.

The Estate of Ben F. Dickerson III does hereby agree to transfer to A. F. Budge (Mining) Limited those funds in Shearson Lehman # 54204660 on the effective date of this Agreement, and shall transfer any title to mineral properties or other rights held in any of the following projects undertaken by DMEA: Vulture Mine and United Verde Extension in Arizona; Cimarron in Nevada; and Gold Canyon in Montana.

3. Indemnification.

A. F. Budge (Mining) Limited and Anthony F. Budge do hereby indemnify and hold harmless the ESTATE OF BEN F. DICKERSON III, from any suit, claim, judgment or demand (including attorney's fees) whatsoever arising out of any work undertaken by BEN F. DICKERSON or DMEA LTD. on behalf of A. F. BUDGE (MINING) LIMITED or ANTHONY F. BUDGE or title held on their behalf.

4. Further Assurances.

The parties agree to perform all acts and execute all documents that may be necessary to carry out the spirit and intent of this Agreement.

DATED this ___ day of February, 1987.

ESTATE OF BEN F. DICKERSON III

By _____
Laurie Woodall
Personal Representative

A. F. BUDGE (MINING) LIMITED

By _____
A. F. Budge, President

Anthony F. Budge

DECONCINI McDONALD BRAMMER YETWIN & LACY, P. C.

ATTORNEYS AT LAW

240 NORTH STONE AVENUE
TUCSON, ARIZONA 85701-1295
(602) 623-3411
FAX: (602) 624-0972

2600 NORTH CENTRAL AVENUE, SUITE 1600
PHOENIX, ARIZONA 85004-3016
(602) 248-0036
FAX: (602) 248-8214

EVO DeCONCINI (1901-1986)

JOHN R. McDONALD	J. WM. BRAMMER, JR.
RICHARD M. YETWIN	JOHN C. LACY
ROBERT M. STRUSE	WILLIAM B. HANSON
JOHN C. RICHARDSON	DAVID C. ANSON
DEBORAH OSERAN	JAMES A. JUTRY
SPENCER A. SMITH	MICHAEL R. URMAN
DENISE M. BAINTON	BERNARD C. OWENS
KAREN J. NYGAARD	LUIS A. OCHOA

May 13, 1987

DOUGLAS G. ZIMMERMAN
GARY L. LASSEN
DINO DeCONCINI
DIANE M. MILLER
KENNETH C. SUNDLOF, JR.
MATTHEW R. BERENS
JAMES E. CARTER
DAWN A. McGUFFIE
SHARON M. HENSLEY
DONNA L. HYLARIDES
D. REX SHUMWAY II

PLEASE REPLY TO TUCSON
File No. 840127

W. Scott Donaldson, Esq.
2916 N. 7th Avenue
Ste. 100
Phoenix, AZ 85013

DMEA LTD.

MAY 19 1987

RECEIVED

Re: Vulture Townsite Deeds

Dear Scott:

I have enclosed herewith the original recorded Quit Claim Deed for Unclaimed Townsite Lot conveying the conflicting rights of the Vulture City Townsite to the Pit Gold Patented Lode Mining Claim to Vulture Mining Properties, Inc. Please note that the document was recorded on March 26, 1987, as Document 87 178338 of the official records of Maricopa County. I have also enclosed for your information a copy of the recorded Quit Claim Deed to Unclaimed Townsite Lots whereby the remainder of the townsite was conveyed to Ben F. Dickerson, III.

Very truly yours,


John C. Lacy

bpm

Enclosures

c: Carole A. O'Brien (w/encl.)

0513871145.

Handwritten initials

49

JUDITH ALLEN, CLERK
BY *MCrow* DEP.

FILED

87 178337

1987 MAR -9 PM 3:28

1 DECONCINI McDONALD BRAMMER YETWIN & LACY, P. C.

2 ATTORNEYS AT LAW
240 NORTH STONE AVENUE
3 TUCSON, ARIZONA 85701
(602) 623-3411

4 John C. Lacy, Esq.
5 Attorney for Petitioner

6 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

7 IN AND FOR THE COUNTY OF MARICOPA

8	In re	)	No. C578525
9	THE TOWNSITE OF VULTURE	)	QUITCLAIM DEED
10	CITY, being a portion	)	TO UNCLAIMED
11	of Section 36, Township	)	TOWNSITE LOTS
12	6 North, Range 6 West)	
13	and Section 1, Township)	
14	5 North, Range 6 West,)	
15	G&SRM, Maricopa County)	

16 THE UNDERSIGNED, as the grantor pursuant to A.R.S.
17 § 9-1131, and based upon the proceedings held at a hearing in
18 open court on November 7, 1986, does hereby quitclaim to BEN
19 F. DICKERSON, III, an unmarried man, the grantee herein, all
20 of the right, title, and interest of the Superior Court, as
21 the Trustee designated under that certain act of the United
22 States Congress entitled "An Act for the relief of
23 inhabitants of cities and towns upon the public lands,"
24 approved March 2, 1867, and as successor Trustee to Thomas G.
25 Greenshaw, Probate Judge of Maricopa County, Arizona
26 Territory, under that certain patent dated June 20, 1882,
recorded in Book 8 of Deeds, Page 467 of the official records
of Maricopa County, in and to those portions of the Townsite

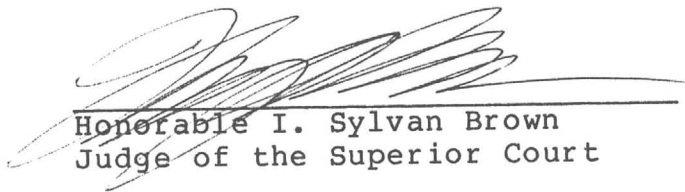
DECONCINI McDONALD BRAMMER YETWIN & LACY, P.C.
ATTORNEYS AT LAW
240 NORTH STONE AVENUE
TUCSON, ARIZONA 85701-1295
(602) 623-3411

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of Vulture City more particularly described in Exhibit A attached hereto and incorporated herein by this reference, it being the intent of the grantor to convey to the grantee all remaining unsold portions of such Townsite of Vulture City, to the grantee.

The grantor in making the conveyance described above makes no warranties or representations of title, and such grant is made only in the capacity as successor Trustee and none other.

DATED this 4th day of March, 1987.


Honorable I. Sylvan Brown
Judge of the Superior Court

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 4 day of MARCH, 1987, by I. Sylvan Brown, Judge of the Superior Court, as successor Trustee to the Probate Judge of Maricopa County pursuant to A.R.S. § 9-1131.

My commission expires:
9/20/87

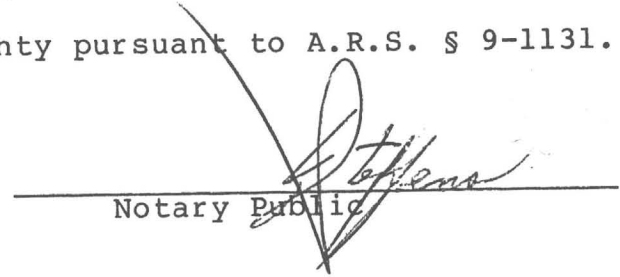

Notary Public

EXHIBIT A

The real property conveyed hereby consists of those portions of the Townsite of Vulture City not previously sold, being a portion of the Southwest Quarter of Section 36, Township 6 North, Range 6 West, and the Northeast Quarter of Section 1, Township 5 North, Range 6 West, G&SRM, Maricopa County, Arizona, more particularly described in that certain patent issued by the United States of America to Thomas G. Greenshaw, Probate Judge of Maricopa County, Arizona Territory, dated June 20, 1882, and recorded in Book 8 of Deeds, Page 467 of the official records of Maricopa County, less:

1. Those three parcels previously conveyed by the Superior Court to D. D. Blair under Maricopa County Superior Court Cause No. 143114 consisting of:

Parcel a. That portion of the plat of Vulture City lying South of the center line of Yuma Street and West of the center line of Hayes Street;

Parcel b. That portion lying South of the center line of Prescott Street, and East of the center line of the North-South alleys through Blocks 39 and 46 and West of the center line of Hancock Street; and

Parcel c. That part North of the center line of Phoenix Street and East of the center line of Hancock Street.

Which streets and blocks are shown on a plat of the Townsite of Vulture City recorded in Book 1 of Maps, Page 2 of the official records of Maricopa County.

2. The Pit Gold Patented Lode Mining Claim.

87 178337

REFORM 8L808/01808

VIVIAN KRINGLE, CLERK

RECEIPT

DATE 11-7 1986 No. 1818

RECEIVED FROM A. F. Budge LTD (for BEN F. DIEKERSON III)

ADDRESS The Townsite of Vulture City

Sixteen thousand four hundred DOLLARS \$16,400⁰⁰

FOR C 578525

CR# 34934181 11/5/86

ACCOUNT		HOW PAID	
AMT. OF ACCOUNT		CASH	
AMT. PAID		CHECK	<input checked="" type="checkbox"/>
BALANCE DUE		MONEY ORDER	

BY K. Murphy



RECEIVED
MAY 12 1987

87 178337

RECORDED IN OFFICIAL RECORDS
OF MARICOPA COUNTY, ARIZONA
MAR 26 '87 -10 00
KEITH POLETIS, County Recorder
FEE 10⁰⁰ PGS 5 I.G.
1

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

Attest _____ 19____
JUDITH ALLEN, Clerk of the Superior Court of the State of
Arizona, in and for the County of Maricopa.

By Mara Deputy

49

JUDITH ALLEN, CLERK
BY *MC* DEP.

file

FILED 87 178338

1987 MAR -9 PM 3:28

W. Scott Donaldson, Esq.
Attorney at Law
2916 North 7th Avenue #100
Phoenix, Arizona 85013
(602) 277-4441

Attorney for Applicant

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

In re	)	No. C578525
)	
THE TOWNSITE OF VULTURE	)	QUITCLAIM DEED
CITY, being a portion	)	TO UNCLAIMED
of Section 36, Township	)	TOWNSITE LOT
6 North, Range 6 West)	
and Section 1, Township)	
5 North, Range 6 West,)	
G.&S.R.B.&M., Maricopa)	
County)	

RECORDED IN OFFICIAL RECORDS	
OF MARICOPA COUNTY, ARIZONA	
MAR 26 '87 - 10 00	
KEITH POLETIS, County Recorder	
FEES <i>100</i>	PGS <i>4</i> I.G.

THE UNDERSIGNED, as the grantor pursuant to A.R.S. Section 9-1132, and based upon the proceedings held at a hearing in open court on November 7, 1986, does hereby quitclaim to VULTURE MINE PROPERTIES, INC., an Arizona corporation, the grantee herein, all of the right, title, and interest of the Superior Court, as the Trustee designated under that certain act of the United States Congress entitled "An Act for the relief of inhabitants of cities and towns upon the public lands," approved March 2, 1867, and as successor Trustee to Thomas G. Greenshaw Probate Judge of Maricopa County, Arizona Territory, under that certain patent dated June 20, 1882, recorded in Book 8 of Deeds, Page 467 of the official records of Maricopa County, in and to those portions of the Townsite of Vulture


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City more particularly described in Exhibit A attached hereto and incorporated herein by this reference, it being the intent of the grantor to convey to the grantee said described land.

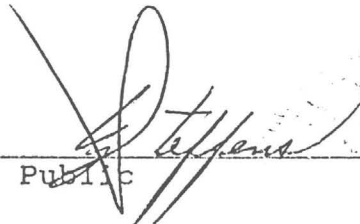
The grantor in making the conveyance described above makes no warranties or representations of title, and such grant is made only in the capacity as successor Trustee and none other.

DATED this 4th day of March, 1987.


Honorable I. Sylvan Brown
Judge of the Superior Court

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 4 day of March, 1987, by I. Sylvan Brown, Judge of the Superior Court, as successor Trustee to the Probate Judge of Maricopa County pursuant to A.R.S. Section 9-1131.


Notary Public

My commission expires:
9/25/87

87-178338

EXHIBIT A

The Pit Gold Lode Mining Claim is located in the southeast quarter of Section 36, Township 6 North, Range 6 West, G.&S.R.B.&M., Vulture Mining District, Maricopa County, State of Arizona. Said mineral patent is shown on Mineral Survey No. 2522 on file in the Bureau of Land Management as granted by Patent recorded July 1, 1924 in Book 186 of Deeds, page 257, records of Maricopa County, Arizona. Said mineral patent describes an area of 20.661 acres.



A. F. Budge (Mining) Limited

7340 E. Shoeman Lane, Suite 111 "B" (E)
Scottsdale, AZ 85251-3335

(Business Office)

Telephone: (602) 945-4630

Telex: 751739

May 29, 1987

John C. Lacy
DeConcini, McDonald, Brammer
Yetwin & Lacy, P.C.
240 North Stone Avenue
Tucson, AZ 85701-1295

Dear John:

I hope your accounting department won't object, but I will carry the \$1.50 balance on April's statement over until next month. Perhaps you could ask them to credit our account with the postage due amount I paid on the enclosed envelope.

But to more serious matters, I am enclosing the executed QuitClaim Deeds on the Vulture Townsite and the Jeep Claims in Nevada which Laurie signed for me in the office last week. I apologize for the delay in getting them out to you. Do you want a copy of the Waiver and Indemnification for your files? This set has not been signed by Tony as yet.

And for your files, a hint of what may come, is a letter outlining a proposed deal which Ernie Lehmann may make on Mr. Budge's behalf for a joint venture in Montana with Western Energy.

Best regards.

Sincerely,

Carole A. O'Brien

encls.

RONALD BRAMMER YETWIN & LACY, P.C.
ATTORNEYS AT LAW
GREAT WESTERN BANK PLAZA
NORTH CENTRAL AVENUE
DENVER, ARIZONA 85012



POSTAGE DUE 36

QUITCLAIM DEED

LAURIE ANNE WOODALL, as Personal Representative of the Estate of BEN F. DICKERSON, III, deceased, Superior Court of Arizona, Maricopa County Cause No. PB 87-00263, the "Grantor," for and in consideration of Ten Dollars (\$10.00) and other valuable considerations, does hereby quitclaim to A. F. BUDGE (MINING) LIMITED, a Nevada corporation, whose address is 7340 East Shoeman Lane, Suite 111 "B"(E), Scottsdale, Arizona 85251-3335, the Grantee," all right, title and interest of the Grantor in and to those portions of the Townsite of Vulture City, more particularly described in Exhibit A attached hereto and incorporated herein by this reference, being the same property acquired by Ben F. Dickerson, III, under that certain "Quitclaim Deed to Unclaimed Townsite Lots" executed by the Honorable I. Sylvan Brown, as successor Trustee, dated March 4, 1987, and recorded in the official records of Maricopa County, Arizona, as document no. 87 178337.

This Quitclaim Deed is made without warranties or representations of any kind by the Grantor.

DATED this 20th day of May 1987.

GRANTOR:

Laurie Anne Woodall
Laurie Anne Woodall, as Personal Representative of the Estate of Ben F. Dickerson, III, deceased

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 20th day of May 1987, by Laurie Anne Woodall, as Personal Representative of the Estate of Ben F. Dickerson, III, deceased.

Carol A. O'Brien
Notary Public

My commission expires:
April 14, 1991



EXHIBIT A

The real property conveyed hereby consists of those portions of the Townsite of Vulture City not previously sold, being a portion of the Southwest Quarter of Section 36, Township 6 North, Range 6 West, and the Northeast Quarter of Section 1, Township 5 North, Range 6 West, G&SRM, Maricopa County, Arizona, more particularly described in that certain patent issued by the United States of America to Thomas G. Greenshaw, Probate Judge of Maricopa County, Arizona Territory, dated June 20, 1882, and recorded in Book 8 of Deeds, Page 467 of the official records of Maricopa County, less:

1. Those three parcels previously conveyed by the Superior Court to D. D. Blair under Maricopa County Superior Court Cause No. 143114 consisting of:

Parcel a. That portion of the plat of Vulture City lying South of the center line of Yuma Street and West of the center line of Hayes Street;

Parcel b. That portion lying South of the center line of Prescott Street, and East of the center line of the North-South alleys through Blocks 39 and 46 and West of the center line of Hancock Street; and

Parcel c. That part North of the center line of Phoenix Street and East of the center line of Hancock Street.

Which streets and blocks are shown on a plat of the Townsite of Vulture City recorded in Book 1 of Maps, Page 2 of the official records of Maricopa County.

2. The Pit Gold Patented Lode Mining Claim.

QUITCLAIM DEED

LAURIE ANNE WOODALL, as Personal Representative of the Estate of BEN F. DICKERSON, III, deceased, Superior Court of Arizona, Maricopa County Cause No. PB 87-00263, the "Grantor," for and in consideration of Ten Dollars (\$10.00) and other valuable considerations, does hereby quitclaim to A. F. BUDGE (MINING) LIMITED, a Nevada corporation, whose address is 7340 East Shoeman Lane, Suite 111 "B"(E), Scottsdale, Arizona 85251-3335, the Grantee," all right, title and interest of the Grantor in and to those certain unpatented lode mining claims situated in the San Antonio Mining District, Nye County, Nevada, the names of which and the place of record of the location notices thereof in the official records of the Nye County Recorder and the Nevada State Office of the Bureau of Land Management are set forth in Exhibit A attached hereto and incorporated herein by this reference.

This Quitclaim Deed is made without warranties or representations of any kind by the Grantor.

DATED this 20th day of May 1987.

GRANTOR:

Laurie Anne Woodall
Laurie Anne Woodall, as Personal Representative of the Estate of Ben F. Dickerson, III, deceased

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 20th day of May 1987, by Laurie Anne Woodall, as Personal Representative of the Estate of Ben F. Dickerson, III, deceased.

Larou A. O'Brien
Notary Public

My commission expires:
April 14, 1991

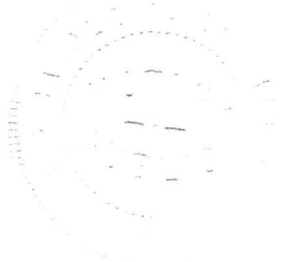


EXHIBIT A

The following unpatented lode mining claims are situated in the San Antonio Mining District, Nye County, Nevada, the names of which and the place of record of the location notices thereof in the official records of the Nye County Recorder and the Nevada State Office of the Bureau of Land Management are as follows:

<u>Name of Claim</u>	<u>BLM-NMC Serial Number</u>	<u>Recorded in Nye County, Nevada</u>	
		<u>Book</u>	<u>Page</u>
Jeep 1	366438	529	162
Jeep 2	366439	529	163
Jeep 3	366440	529	164
Jeep 4	366441	529	165
Jeep 5	366442	529	166
Jeep 6	366443	529	167
Jeep 7	366444	529	168
Jeep 8	366445	529	169
Jeep 9	366446	529	170
Jeep 10	366447	529	171
Jeep 11	366448	529	172
Jeep 12	366449	529	173
Jeep 13	366450	529	174
Jeep 14	366451	529	175
Jeep 15	366452	529	176
Jeep 16	366453	529	177
Jeep 17	366454	529	178
Jeep 18	366455	529	179
Jeep 19	366456	529	180
Jeep 20	366457	529	181

DECONCINI McDONALD BRAMMER YETWIN & LACY, P. C.

ATTORNEYS AT LAW

240 NORTH STONE AVENUE
TUCSON, ARIZONA 85701-1295
(602) 623-3411
FAX: (602) 624-0972

2600 NORTH CENTRAL AVENUE, SUITE 1600
PHOENIX, ARIZONA 85004-3016
(602) 248-0036
FAX: (602) 248-8214

EVO DECONCINI (1901-1986)

JOHN R. McDONALD	J. WM. BRAMMER, JR.
RICHARD M. YETWIN	JOHN C. LACY
ROBERT M. STRUSE	WILLIAM B. HANSON
JOHN C. RICHARDSON	DAVID C. ANSON
DEBORAH OSERAN	JAMES A. JUTRY
SPENCER A. SMITH	MICHAEL R. URMAN
DENISE M. BAINTON	BERNARD C. OWENS
KAREN J. NYGAARD	LUIS A. OCHOA

June 2, 1987

DOUGLAS G. ZIMMERMAN
GARY L. LASSEN
DINO DECONCINI
DIANE M. MILLER
KENNETH C. SUNDLOF, JR.
MATTHEW R. BERENS
JAMES E. CARTER
DAWN A. MCGUFFIE
SHARON M. HENSLEY
DONNA L. HYLARIDES
D. REX SHUMWAY II

PLEASE REPLY TO TUCSON
File No. 860348

Ms. Carole A. O'Brien
A. F. Budge Mining
7340 East Shoeman Lane
Suite 111 "B"(E)
Scottsdale, Arizona 85251-3335

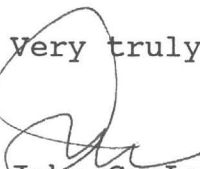
Re: **A. F. Budge Transfers**

Dear Carole:

Thank you very much for sending me the Quit Claim Deeds from Laurie Woodall. In order to record these documents, I will also need a certified copy of Laurie's appointment as personal representative. I have instructed my Phoenix Office to obtain the document.

I apologize for the slip up in not putting enough postage on your last statement. It appears that we had a problem this last month and your bringing it to our attention has allowed us to correct it. In any case, this seems to be a real case of adding insult to injury.

Very truly yours,



John C. Lacy

JCL:bpm

0601870155.

DECONCINI McDONALD BRAMMER YETWIN & LACY, P. C.

ATTORNEYS AT LAW

240 NORTH STONE AVENUE
TUCSON, ARIZONA 85701-1295
(602) 623-3411

2600 NORTH CENTRAL AVENUE, SUITE 1600
PHOENIX, ARIZONA 85004-3016
(602) 248-0036

EVO DeCONCINI (1901-1986)
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SPENCER A. SMITH MICHAEL R. URMAN
DENISE M. BAINTON BERNARD C. OWENS
KAREN J. NYGAARD LUIS A. OCHOA
GARY CLIFFORD KORN

DOUGLAS G. ZIMMERMAN
GARY L. LASSEN
DINO DeCONCINI
DIANE M. MILLER
KENNETH C. SUNDLOF, JR.
MATTHEW R. BERENS
JAMES E. CARTER
DAWN A. McGUFFIE
SHARON M. HENSLEY
DONNA L. HYLARIDES

January 22, 1987

PLEASE REPLY TO TUCSON

DMEA LTD.

JAN 26 1987

RECEIVED

A. F. Budge (Mining) Limited
c/o DMEA, Ltd.
7340 East Shoeman Lane
#111 "B" (E)
Scottsdale, Arizona 85251-3335

Attention: Carole O'Brien

Ladies and Gentlemen:

Two pieces of legislation recently adopted by the United States Congress which affect all employers, including you, have become effective. The purpose of this letter is to advise you generally of that legislation and to recommend that you seek assistance if you need any detailed information about either of them.

The first piece of significant legislation is the "Age Discrimination in Employment Amendments of 1986". This legislation became effective, generally, on January 1, 1987. In general, this legislation removes the upper limit on the group of persons previously protected from age discrimination, so that the federal law now protects any person age 40 and over from age discrimination.

The second piece of legislation is the "Immigration Reform and Control Act of 1986". This legislation became effective on November 6, 1986, when it was signed by President Reagan. It is now unlawful for any person knowingly to hire for employment or to recruit or refer for a fee any alien not authorized to work in the United States. It further requires employers to verify all new hires by examining either (1) a U.S. passport, or (2) a U.S. birth certificate or Social Security card and a driver's license, state-issued I.D. card, or an alien identification document. Each employer is required to attest in writing, under penalty of perjury, that he has seen the documentation required. The employee is required to attest in writing that he or she is

DECONCINI MCDONALD BRAMMER YETWIN & LACY, P. C.
ATTORNEYS AT LAW

A. F. Budge (Mining) Limited
January 22, 1987
Page 2

authorized to work in the United States. In addition to these provisions, there are many other provisions of the Act which has just become effective.

The Immigration Reform and Control Act of 1986 provides for a 6-month education period during which no enforcement actions may be taken. After the expiration of the "education period", there is a 12-month period when only a "warning citation" will be issued for first offenses.

Because of the myriad of issues which may need to be considered in each individual employer's case, it has not been our purpose in this correspondence to attempt a more detailed review of these Acts. If you would like us to send you a copy of either of the Acts, or if you have any questions about the applicability of either piece of legislation to your particular employment situation, please be sure to contact me.

Sincerely,



William B. Hanson

lc

0120870430.WBH

QUITCLAIM DEED

LAURIE ANNE WOODALL, as Personal Representative of the Estate of BEN F. DICKERSON, III, deceased, Superior Court of Arizona, Maricopa County Cause No. _____, the "Grantor," for and in consideration of Ten Dollars (\$10.00) and other valuable considerations, does hereby quitclaim to A. F. BUDGE (MINING) LIMITED, a Nevada corporation, whose address is 7340 East Shoeman Lane, Suite 111 "B"(E), Scottsdale, Arizona 85251-3335, the Grantee," all right, title and interest of the Grantor in and to those certain unpatented lode mining claims situated in the San Antonio Mining District, Nye County, Nevada, the names of which and the place of record of the location notices thereof in the official records of the Nye County Recorder and the Nevada State Office of the Bureau of Land Management are set forth in Exhibit A attached hereto and incorporated herein by this reference.

This Quitclaim Deed is made without warranties or representations of any kind by the Grantor.

DATED this _____ day of _____ 1987.

GRANTOR:

Laurie Anne Woodall, as Personal
Representative of the Estate of
Ben F. Dickerson, III, deceased

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this
____ day of _____ 1987, by Laurie Anne Woodall, as
Personal Representative of the Estate of Ben F. Dickerson, III,
deceased.

My commission expires:

Notary Public

EXHIBIT A

The following unpatented lode mining claims are situated in the San Antonio Mining District, Nye County, Nevada, the names of which and the place of record of the location notices thereof in the official records of the Nye County Recorder and the Nevada State Office of the Bureau of Land Management are as follows:

<u>Name of Claim</u>	<u>BLM-NMC Serial Number</u>	<u>Recorded in Nye County, Nevada</u>	
		<u>Book</u>	<u>Page</u>
Jeep 1	366438	529	162
Jeep 2	366439	529	163
Jeep 3	366440	529	164
Jeep 4	366441	529	165
Jeep 5	366442	529	166
Jeep 6	366443	529	167
Jeep 7	366444	529	168
Jeep 8	366445	529	169
Jeep 9	366446	529	170
Jeep 10	366447	529	171
Jeep 11	366448	529	172
Jeep 12	366449	529	173
Jeep 13	366450	529	174
Jeep 14	366451	529	175
Jeep 15	366452	529	176
Jeep 16	366453	529	177
Jeep 17	366454	529	178
Jeep 18	366455	529	179
Jeep 19	366456	529	180
Jeep 20	366457	529	181

APPRAISAL
VULTURE CITY TOWNSITE
Maricopa County, Arizona

by
WALTER D. ARMER & ASSOCIATES
Walter D. Armer, Jr.
M.A.I., A.R.A., S.R.P.A.
Thomas F. Archer
Duane E. Webb, A.R.A.

WALTER D. ARMER
AND ASSOCIATES, REALTOR

WALTER D. ARMER, JR.
M.A.I., S.R.P.A., A.R.A.
4926 E. 13TH STREET
TUCSON, ARIZONA 85711
PHONE (602) 326-2356
RES. (602) 749-1733

SALES
APPRAISALS
CONSULTING
MANAGEMENT

July 15, 1986

Mr. John C. Lacy
DeConcini McDonald Brammer
Yetwin & Lacy, P.C.
240 North Stone Arizona
Tucson, Arizona 85701-1295

Dear Sir:

Attached and in accordance with your instructions is my appraisal of the Vulture City Townsite.

Based upon my judgement and the data and discussions contained in this report, the Estimated Fair Market Value of the subject property as of July 2, 1986 is:

NINETEEN THOUSAND FIVE HUNDRED DOLLARS
(\$19,500.00)

The above valuation is based upon typical market financing terms consisting of a 25 to 30 percent cash down payment, with the balance amortized over a 15 to 20 year period at an interest rate of 10 to 12 percent.

Your attention is invited to the data and discussions contained in this report which contains 53 consecutively numbered pages.

I do hereby certify that, to the best of my knowledge and belief, all statements and conditions contained in this report are correct, subject to the Assumptions and Limiting Conditions which are made a part of this report.

Respectfully submitted,

WALTER D. ARMER & ASSOCIATES



Walter D. Armer, Jr., M.A.I.,
A.R.A., S.R.P.A.



Thomas F. Archer



Duane E. Webb, A.R.A.

WDA, Jr./nc

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY OF SALIENT FACTS AND CONCLUSIONS -----	1
DATE AND PURPOSE OF APPRAISAL -----	2
LEGAL DESCRIPTION -----	4
LOCAL AREA ECONOMICS -----	5
SITE DATA -----	12
Description of Property -----	12
Utilities -----	14
Easements -----	14
Tax Data -----	14
HIGHEST AND BEST USE -----	24
THE APPRAISAL PROCESS -----	26
COST APPROACH -----	28
INCOME APPROACH -----	29
MARKET DATA APPROACH -----	30
Theory -----	30
Comparable Sales -----	31
Summary of Comparable Sales -----	36
Adjustments -----	38
Valuation -----	40
ASSUMPTIONS AND LIMITING CONDITIONS -----	43
APPRAISERS CERTIFICATION -----	45
QUALIFICATIONS OF APPRAISERS -----	47

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property: Vulture City Townsite

Location: 14± miles southwest of Wickenburg,
Arizona

Owner: Probate Court, Maricopa County,
Arizona, as Trustee

Land Tenure: 129.90 Acres

Improvements: Old millsite - Vulture Mine

Highest and Best Use: Land Investment

Estimate of Value by
Market Data Approach: \$19,500.00

Estimate of Value by
Cost Approach: N/A

Estimate of Value by
Income Approach: N/A

Final Value Estimate: \$19,500.00

Date of Valuation: July 2, 1986

Date of Appraisal: July 15, 1986

Appraiser: WALTER D. ARMER & ASSOCIATES
Walter D. Armer, Jr., M.A.I.,
A.R.A., S.R.P.A.
Thomas F. Archer
Duane E. Webb, A.R.A.

DATE AND PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the Fair Market Value of the subject property.

The interest to be appraised is the unencumbered fee simple ownership, with consideration given to typical financing in the community. This interest in the fee includes the various rights which usually consider the present worth of the future benefits resulting from the ownership of the property.

The estimate of market value is not a matter of formulas or artificial rules, but of sound judgment and discretion based upon a consideration of the relevant factors concerning the property.

In effect, market value means the highest price a landowner could have sold a real property for, at or near the date of appraisal, to a well-informed buyer, who has purchased to devote the property to any one or all of the uses, including the highest and best use, of which the property was capable and for which it could legally be used.

It does not mean the price that an owner would receive under any forced type of transfer; or price receivable from an uninformed buyer; or price paid by a buyer who can devote the property to a special use; or price obtainable in any unusual type of property transfer

that is not found to be participated in by the general public in the real estate market.

MARKET VALUE IS THE HIGHEST PRICE ESTIMATED IN TERMS OF MONEY WHICH THE PROPERTY WILL BRING IF PUT FOR SALE IN THE OPEN MARKET, ALLOWING A REASONABLE TIME TO FIND A PURCHASER WHO BUYS WITH THE KNOWLEDGE OF ALL THE USES TO WHICH IT IS ADAPTED AND FOR WHICH IT IS CAPABLE OF BEING USED.

Fundamental assumptions and conditions presumed in this definition are: 1) buyer and seller are motivated by self interest; 2) buyer and seller are well informed and acting prudently; 3) the property is exposed for a reasonable time on the open market; 4) payment is made in cash, its equivalent, or in specified financing terms; 5) specified financing, if any, may be the financing actually in place or on terms generally available for the property type in its locale on the effective appraisal date; and 6) the effect, if any, on the amount of market value of atypical financing, services, or fees shall be clearly and precisely revealed in the appraisal report.

This appraisal is made as of July 2, 1986, the date of inspection.

LEGAL DESCRIPTION

The Vulture City Townsite is located in portions of the S $\frac{1}{2}$ of Section 36, Township 6 North, Range 6 West and the N $\frac{1}{2}$ of Section 1, Township 5 North, Range 6 West, excluding Blocks 1, 35 and 36; the E $\frac{1}{2}$ of Block 39; Blocks 40, 41, 44 and 45; the East $\frac{1}{2}$ of Block 46; and Block 49 plus portions of the adjacent streets.

All of the above is in the Gila and Salt River Base and Meredian, Maricopa County, Arizona.

LOCAL AREA ECONOMICS

The subject is located in northwestern Maricopa County about 45 miles northwest of Phoenix. Maricopa County was named after the Maricopa Indian Tribe, which now resides on the Gila River Reservation. Topographical diversity characterizes the county. There are low mountain, desert valleys and man-made lakes. Some 1,300 miles of canals crisscross the county, serving the areas agriculture through the Salt River Irrigation Project and other water projects. Irrigation water from the Central Arizona Project also serves the county's agricultural interests, principally the Harquahala Valley in northwest Maricopa County.

Over half of Arizona's population resides in Maricopa County. About 1.9 million live in the county. Over 900 thousand people reside within the Phoenix city limits with several other communities of 100-200 thousand population in the county.

Maricopa County covers an area of 9,225 square miles with a population density of more than 210 persons per square mile. Elevations range from about 700 feet in the southwestern part of the county to over 5,000 feet in the mountains along the northeastern boundary. Rainfall varies from less than 6 inches annually in the southwestern part of the county to more than 12 inches along the northeastern mountains. Average temperatures are among the war-

mest in the U.S. Areal monthly temperatures taken at Phoenix range from over 90 degrees in June and July to the low 50's in December and January. Some areas of Maricopa County are frost-free year-round.

Land tenure in Maricopa County is as follows:

U.S. Forest Service	11%
Bureau of Land Management	29%
Indian Reservation	4%
State of Arizona	11%
Industrial or Corporate	30%
Other (Military Reservations, National Parks & Monu- ments, etc.)	15%

Native vegetation is predominately Southern Desert Scrub with some Chaparral and Pinyon-Juniper in the higher elevations along the northeastern boundary of the county.

Metropolitan Phoenix is the governmental and commercial center for the State. Phoenix the county seat for Maricopa County and the site of the State Capitol and all the attending departments and agencies. The Federal Government maintains several regional and subregional offices in Phoenix. There are several military installations around Phoenix including Luke and Williams Air Force Bases. Many schools of higher education serve the area including Arizona State University.

The principal industries in Maricopa County are

manufacturing high-technology products (concentrated in metro-Phoenix), agriculture, tourism and travel. Several national corporations maintain corporate offices in the Phoenix area. In 1982, manufacturing in Maricopa County employed 108,000 people, accounting for \$4.5 billion of value added by manufacturing or 73 percent of the state's total.

Maricopa County is the largest producer of crops and livestock in the state. In 1984 Maricopa County accounted for 365 thousand harvested acres or 34 percent of the state's total. In terms of cash receipts from agricultural marketings, Maricopa County accounts for about 38-40 percent of Total Cash receipts.

The livestock industry is also important to Maricopa County. In 1984 Maricopa County was the largest shipper of cattle and calves in the state. Producers in Maricopa County accounted for almost 120 thousand head of the 519 thousand head shipped. In terms of cash receipts, livestock producers in Maricopa County accounted for about 40 percent of all cash receipts from livestock marketings due in part from the marketings of fed cattle from area feedlots. Also, almost all of the livestock slaughter capacity for Arizona is concentrated in the metro-Phoenix area.

Tourism and recreation opportunities are many and varied in the area. Many winter visitors come to the Phoenix area to enjoy the mild winter temperatures and take advantage of the urban cultural and recreational opportunities and

the recreational opportunities in outlying Maricopa County and surrounding counties. Several man-made lakes make up the Salt River Project and offer boating and fishing a relatively short drive from the Phoenix metro area. Other scenic attractions such as the Grand Canyon are only a day's drive round trip. Many resorts are located in and around Phoenix to cater to the tourist and business traveller.

Overall, the Phoenix-metropolitan area is one of the fastest growing in the U.S. and is projected to be one of the ten biggest job markets in the next century.

The subject neighborhood is an area in northwest Maricopa County and southwest Yavapai County, around Wickenburg, Arizona. The neighborhood is bounded roughly by I-10 to the south, the Maricopa-Yuma county line to the west, U.S. Highway 93 to the north and the desert areas west of metro Phoenix to the east.

Wickenburg, near the Maricopa-Yavapai county line is the nearest population center. Wickenburg rises to an elevation of about 2,100 feet some 54 miles northwest of Phoenix. Located in the rolling foothills of the Bradshaw Mountains, the town lies on the banks of the Hassayampa River. The town was established in the 1860's by prospectors attracted to the area by gold strikes in the nearby hills. After the gold desoposits were exhausted by 1909, the farmers and ranchers who remained incorporated the town.

Wickenburg has a population of about 4,000. The

annual precipitation averages around 11 inches. The daily maximum temperature ranges from over 100 degrees in July and August to the mid-60's in the winter months. The daily minimum averages near 70 degrees in the summer to around freezing in the winter. A trace of snow is recorded periodically.

Traditionally, tourism, cattle ranching and agriculture have been the primary economic activities in and around Wickenburg. Mining is no longer a profitable enterprise. Tourism is the most important activity in Wickenburg's economy. For many years, Wickenburg has been noted for its guest ranches and resorts. More than 100 firms provide services to tourists. The combined sectors of service and retail trade make up more than three-quarters of the total number of employees in the Wickenburg area. An industrial airpark was established near Wickenburg 20 years ago.

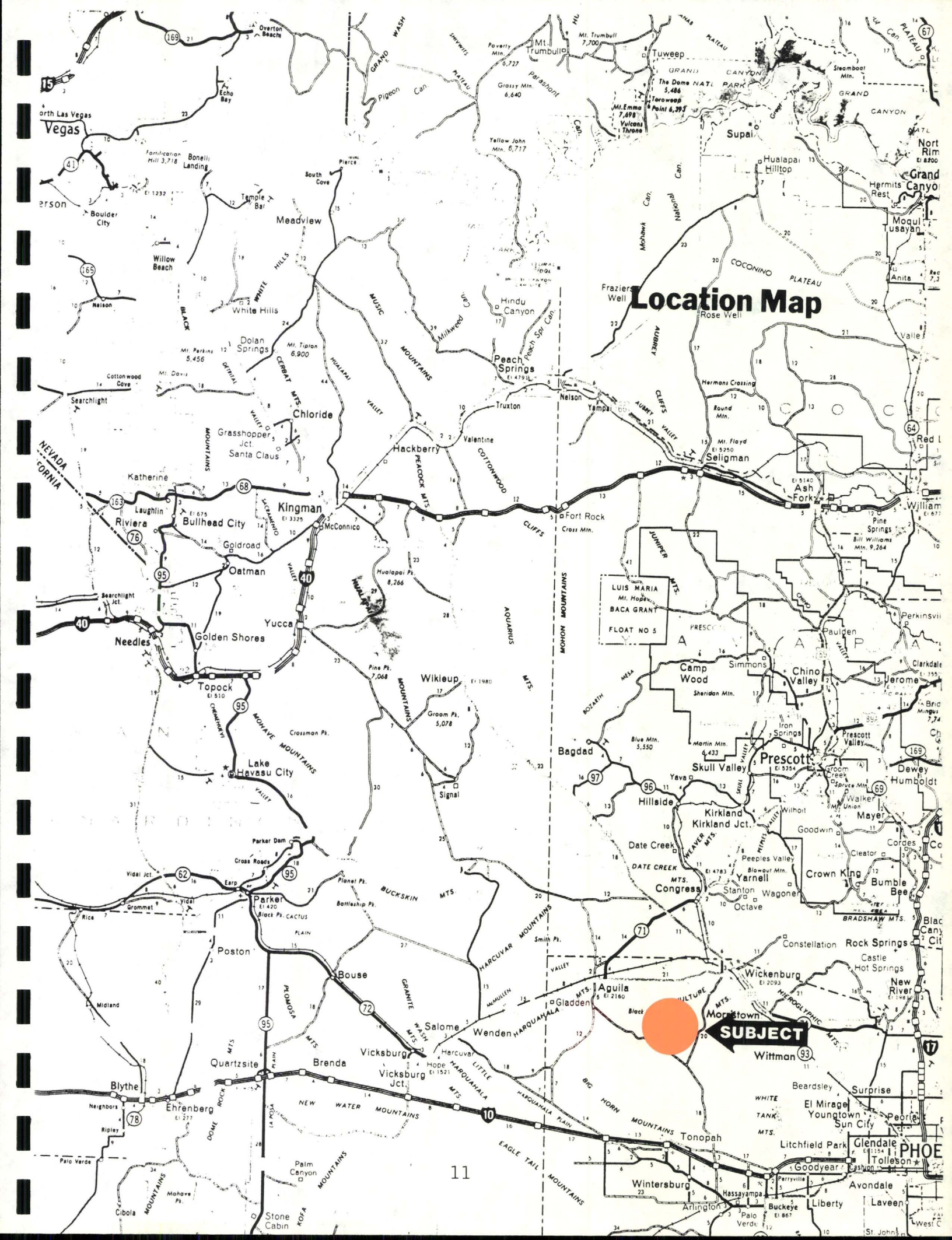
Most basic services are available in Wickenburg including a hospital. Access to Wickenburg is via U.S. Highways 60, 89 and 93. The Santa Fe Railroad runs through the town. Community facilities include art galleries, a library, a museum, several parks, a public swimming pool, a golf course and tennis courts. There are numerous lodging and meeting facilities in or near the town.

Visitors and residents can find a wide range of activities in and around Wickenburg. Ghost towns such as Stanton, Congress and Weaverville and abandoned gold mines

like the Abe Lincoln, the Monte Cristo and the Vulture bear witness to the brief gold rush days in Arizona. Interested parties can visit the grave of Henry Wickenberg, a German refugee who found the Vulture Gold Mine and whose name the town bears.

Unique natural features include the Saguaro Forest, Joshua Tree Forest and Ocotillo Flats. Lake Pleasant, some 35 miles east offers swimming, boating and fishing.

Overall, the area shows some steady growth due to its proximity to Phoenix, and its mild climate and scenic attractions. Given the economic and population growth in Arizona as a whole, the subject neighborhood should continue to share in that growth.



Location Map

SUBJECT

SITE DATA

Description of Property

The subject is a patented townsite located about 14 miles southwest of Wickenburg in Maricopa County, Arizona. Access to the site is by a county maintained road known as the Vulture Mine Road which runs more or less diagonally across the site.

The subject lies at an elevation of about 2,000 feet sloping to the south. Precipitation and temperature approximates that at Wickenburg. Soils are generally deep and shallow, gravelly medium and moderately coarse textured nearly level to moderately sloping soils on allevalial surfaces.

Vegetation is Southern Desert Scrub with creosote bush, sahuaro and cholla cacti predominating. Native grasses are scattered thinly over the property. The site is cut by several washes. A small hill is situated just off the southeast corner of the site. Some old mine tailings and a settling pond encroach along the northern portion of the townsite.

The subject property is the Vulture City Townsite, surveyed in 1880 and patented in 1882. The original survey consisted of 160 acres, one-half mile square. The patent granted title to the Probate Judge of Maricopa County, then in the Territory of Arizona as Trustee. No parcels were

granted by the trustee until 1965 when three parcels totaling 30.1± acres were sold. Block 1 at the northeast corner of the site was sold as one parcel; the East Half of Blocks 39 and 46 and all of Blocks 40, 41, 44 and 45 along the southern boundary were a second parcel; and Blocks 35, 36 and 49 along the south and west boundaries made up a third parcel. The only improvements are the old Vulture Mill site which contribute no value.

Although public records do not indicate any other sales of parcels within the townsite, two mining claims were established in the northern portion of the site, one patented and one unpatented. The patented claim, known as Pit Gold is included in Mineral Survey 2522, recorded in Maricopa County. Its location includes approximately the East $\frac{1}{2}$ of Block 9, all of Blocks 10, 11 and 12, the West $\frac{1}{2}$ of Block 13, the Northwest $\frac{1}{4}$ and North $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Block 16, the North $\frac{3}{4}$ of Blocks 17, 18 and 19, and the Northeast $\frac{1}{4}$ and North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Block 20. Total acreage is approximately 20.661 acres.

The existence of the Pit Gold patented mining claim may be considered as a cloud on the title of the above described portions of Vulture City Townsite. Likewise, the presence of the townsite may constitute a cloud on the title of the mining claim.

The unpatented mining claim known as Central adjoins Pit Gold to the north. The old Vulture Mill is located

near the southwest corner of the claim. Given its unpatented status, a question of adverse possession may arise if the claim is missed.

Overall, the townsite consists of approximately 106.6 acres of unsold property, 23 1/3 acres in the Pit Gold Claim and 30.1 acres privately owned, or 160 acres in total.

Given the property's location, access and overall environment, it would seem that development potential is limited at the present time. However, given the potential growth of Central Arizona future development may be feasible subject to the establishment of adequate utilities, water, etc.

Utilities

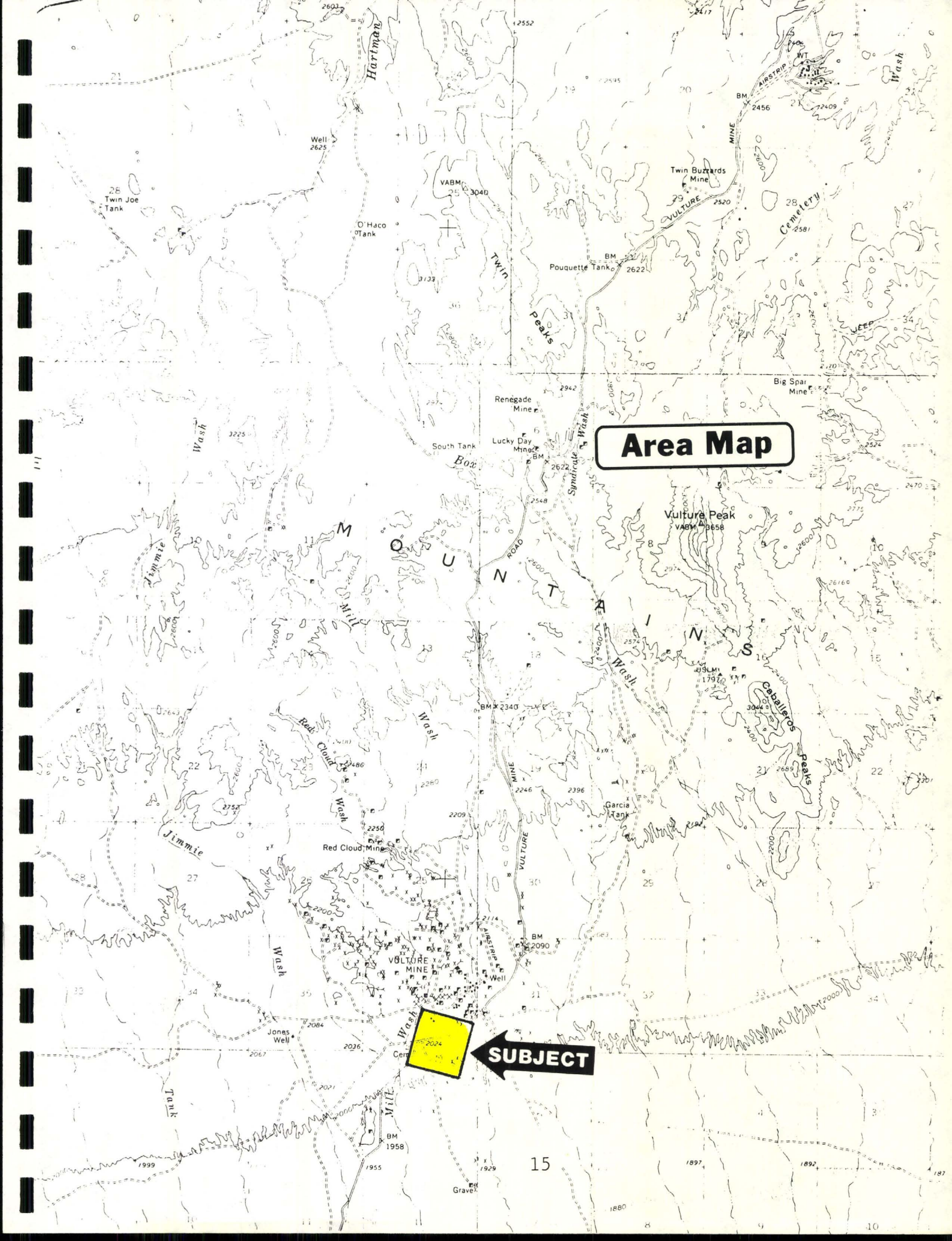
Electricity and telephone service is not established to the property. Water has been established nearby to the Vulture Mine. However, ground water is obtainable at depths of 600 feet or more and would be expensive to establish.

Easements

There are no easements or restrictions on the subject other than the previously described mining claims which adversely affect its value, use or operation.

Tax Data

Given its quasi-public status, the unclaimed portions of the townsite are not on the county's tax rolls.



Area Map

SUBJECT



Plat
OF THE

VULTURE CITY TOWNSITE CLAIM.

situated in

Maricopa County

Arizona Territory

Containing 160 acres

Scale: 10 chains to 1. Inch.

T. 5 N. 6 W. - 1

E. N. 6 W. - 36

From 1887 Survey

<u>Survey's design't</u>	<u>By whom Surveyed</u>	<u>Date of Contract</u>	<u>Am't of Survey's</u>	<u>When Surveyed</u>
<u>Exterior Lines</u>	<u>Herbert R. Patrick</u>	<u>9. November 1880.</u>	<u>M. Cu. Uu</u> <u>2. 00. 00.</u>	<u>3 Dec. 1880.</u>

The above Plat of the Vulture City Townsite Claims strictly conformable to the field notes of the survey thereof on file in this Office, which have been examined and approved.

Surveyor General's Office.

Tucson A. T. December 22. 1880.

John Hasson
Surveyor General.

Witness Monument
marked Witness Y.C.T.S.

Hunts Pt

Post marked
Y.C.T.S. N.W. cor.

N. 87° 03' W. 26.07 ch.

N. 79° 20' W. 40.00 ch.

Post marked
Y.C.T.S. N.E. cor.

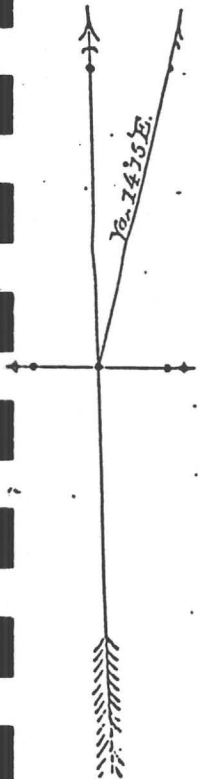
S. 10° 40' W. 40.00 ch.

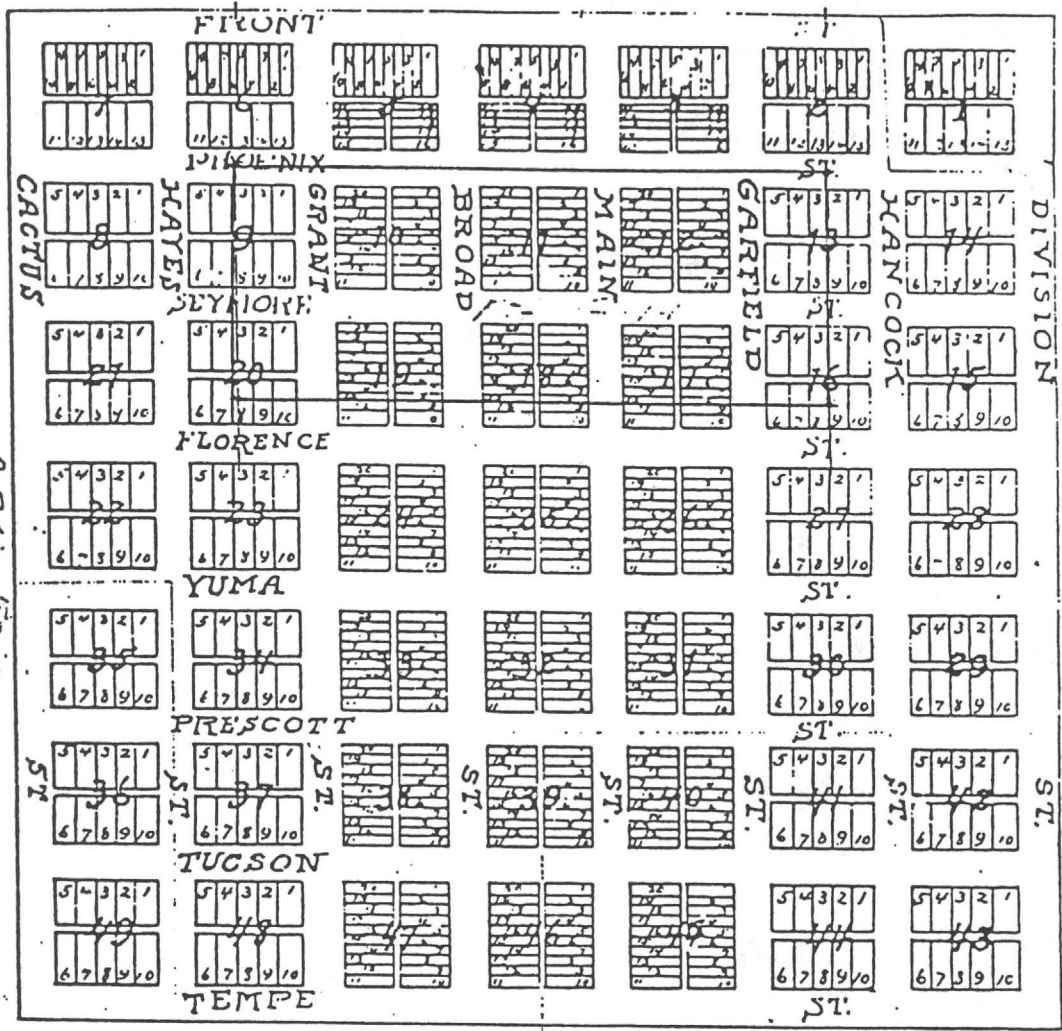
N. 10° 40' E. 40.00 ch.

Post marked
Y.C.T.S. S.W. cor.

S. 79° 20' E. 40.00 ch.

Post marked
Y.C.T.S. S.E. cor.





Plat of

1" = 50'

EXPLANATORY

Twelve 1/2 mile (2640ft) Square
 Including 160 Acres -
 All Streets are 90ft wide.
 Except MAIN, BROAD, FLORENCE
 and YUMA which are 105.
 All Alleyways are 20ft. wide.

VULTURE CITY

Maricopa Co. ARIZONA

Surveyed by
 Herbert R. Patrick,
 SURVEYOR.

Interior Business lots are 25 x 125ft.
 Corner " " " 35 x 125ft. Except lots 13 and 16
 in blocks 3, 4 and 5 which are 25ft. x 125ft.
 Interior Resident lots are 50ft. x 125ft.
 Corner " " " 60ft. x 125ft.

Book 1 Maps, page 2.

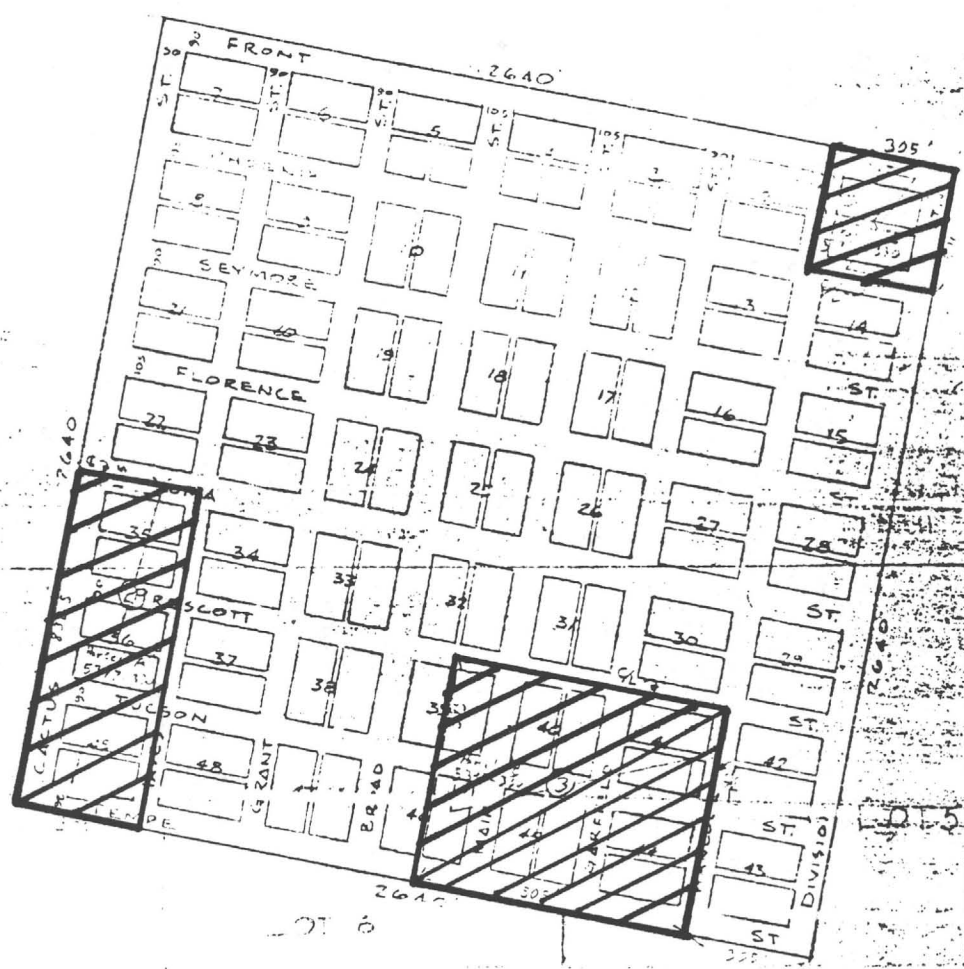
THE VALLEY ABSTRACT CO. PHOENIX ARIZONA.

723 2000P

57

Plat Map

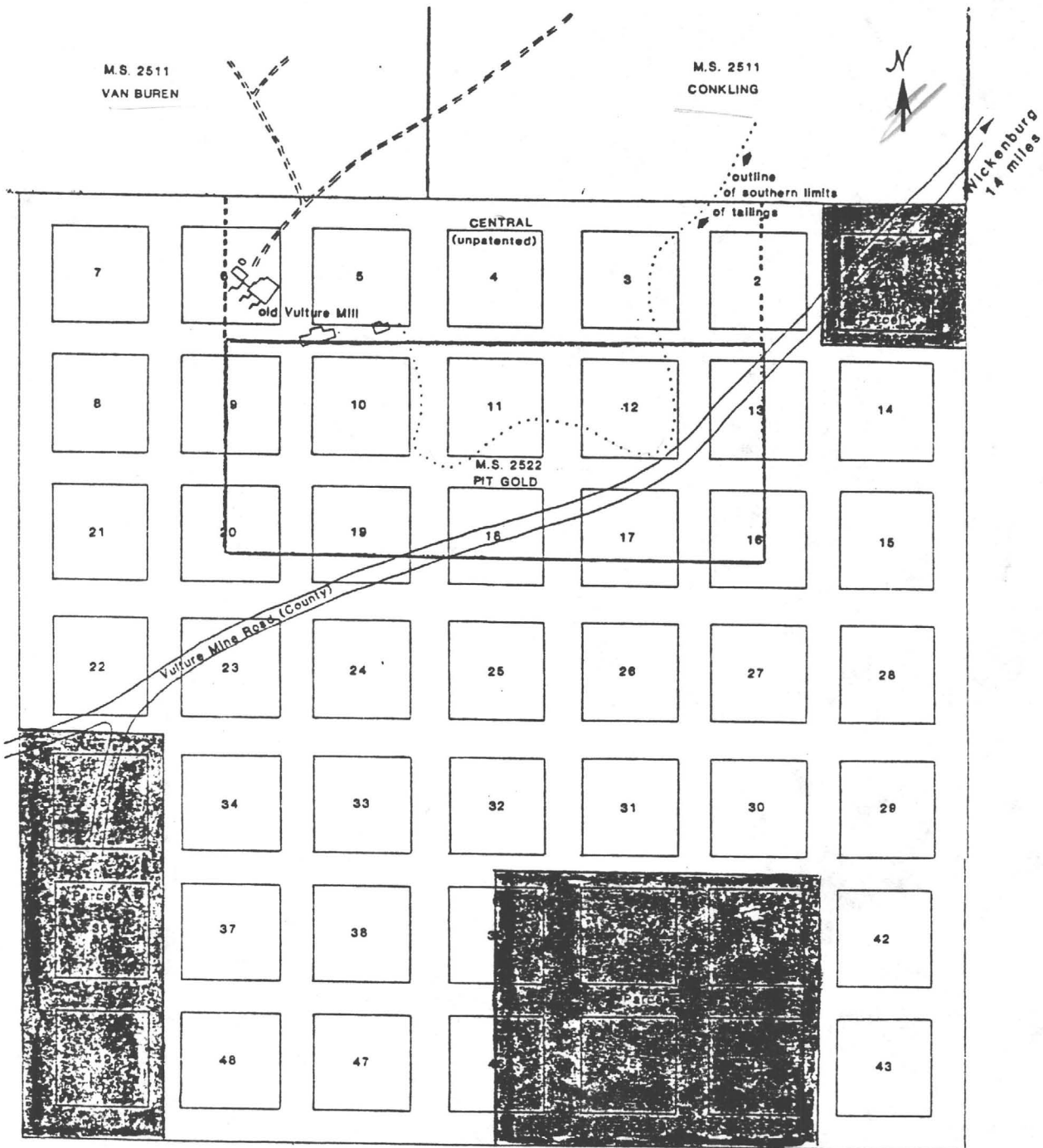
VULTURE TOWNSITE



NOTE: ALL BLOCKS ARE 170' X 170' WITH 20' ALLEYS



PREVIOUS SALES

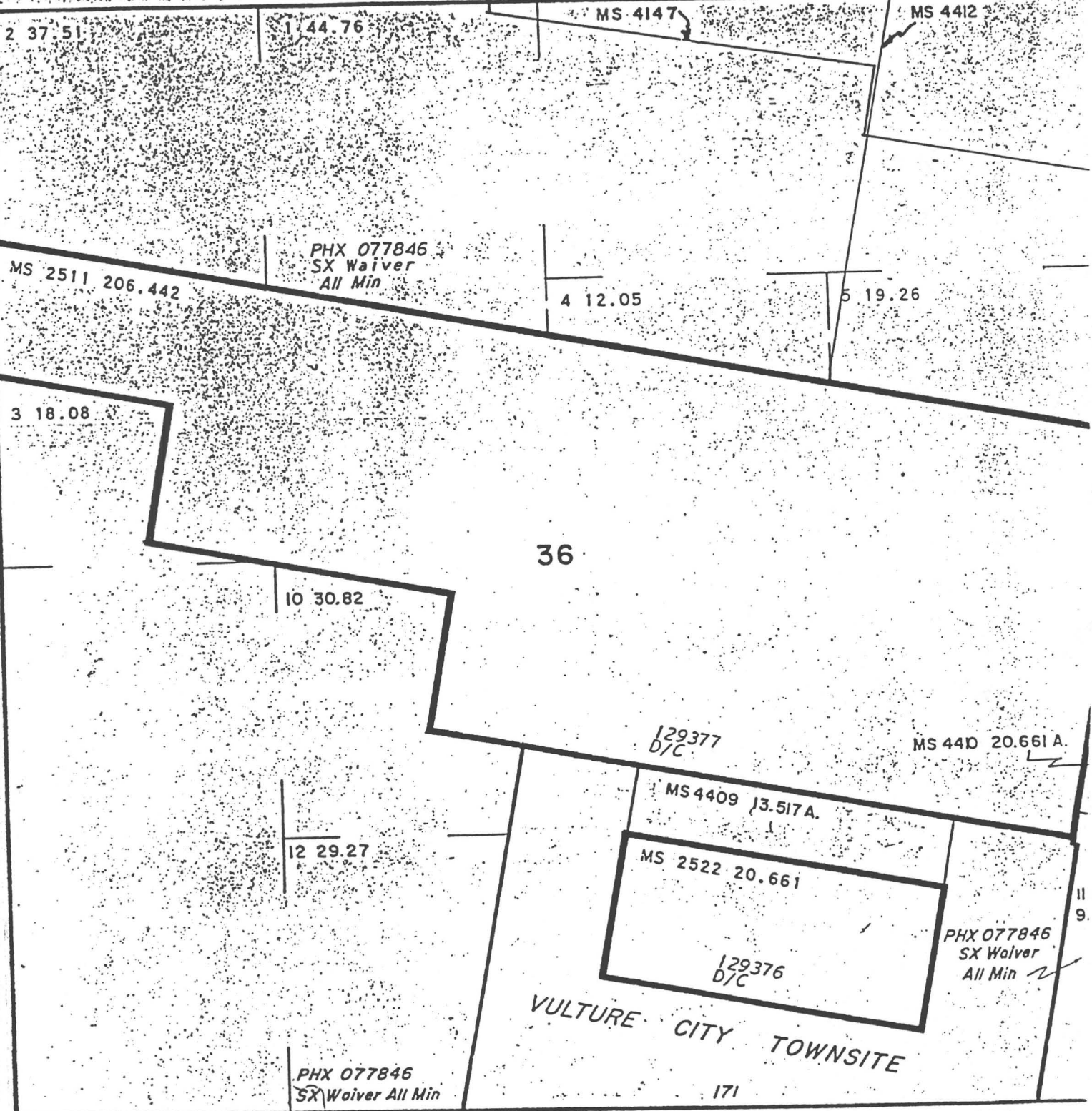


Vulture Townsite
shown in
approximate
relation to
mill, tailings,
road, etc.

AND SALT RIVER MERIDIAN, ARIZONA

STATUS OF PUBLIC DOMAIN
LAND AND MINERAL TITLES

MTP
SUPPL SEC 36





VULTURE MINE AND
TAILINGS DUMP



LOOKING SOUTH FROM
NORTH END



SOUTHEAST CORNER



EAST SIDE WITH SMALL
WASH



SOUTHWEST CORNER FROM
CENTER OF PARCEL



NORTHWEST CORNER FROM
CENTER OF PARCEL

HIGHEST AND BEST USE

Land or sites must be valued in terms of their highest and best use. The highest and best use of land may be defined as "that use which, at the time of the appraisal, is most likely to develop the greatest net return to land and/or improvements over a given period of time."

In determining highest and best use, the test is to discover which program of future utilization is capable of developing the highest net return on the land over a substantial period of time. Highest and best use does not refer to a building of the greatest size that someone might be induced to erect, nor does net income always need to be interpreted in terms of money. It can take the form of amenities such as an attractive wooded site having a highest and best use as a part or game refuge. The temperate weather advantages of southern Arizona is an example of an amenity.

In most properties, the highest and best use is customarily the one which is permitted by zoning ordinances or private restrictions. There may, however, be cases where the land manifestly has more valuable use than that permitted by law, and if there is that strong possibility, a change in use would be permitted. Then it could properly be considered as a factor affecting value.

The overall lack of development in the area, the

absence of utilities or an assured source of water make the subject property unlikely for development in the near future. Its relatively small size and lack of forage make it less than adequate for livestock grazing, except as an addition to a much larger enterprise.

Therefore, it is the appraisers' opinion that the Highest and Best Use of the subject property is as Land Investment of a highly speculative nature.

THE APPRAISAL PROCESS

In arriving at an estimate of market value for a given property, it is customary appraisal practice to assemble as much information from the market as is available and to utilize this information in three different approaches to the value estimate; the Market Data (Direct Sales Comparison) Approach, the Income Approach and the Cost Approach.

The Market Data Approach utilizes the sales of similar properties as the basis for an indication of value for the subject. Direct comparisons are made between the sales properties and the subject on an item-by-item basis in such areas as location, time of sale, conditions of sale, terms of financing, as well as for physical characteristics. Adjustments are made to the sales price of the comparative property to indicate what that property would have sold for had it been essentially similar to the subject property. These comparisons are correlated into an indication of value by this approach.

In the Income Approach, an estimate is made of the market rent or gross income which the subject property might generate based on the analysis of competitive properties. Estimates are also made of the appropriate expense ratios for the subject based on information developed from similar properties in the market. Thus, an indication of the net income which the subject property is capable of producing is developed. This is the basis for any of the capitalization

techniques, regardless of which one is indicated by the type of property or investor. The rate of return on investments in similar type properties is derived from the market, and this rate of return is used to capitalize the indicated net income into an indication of value by this approach.

In the Cost Approach, an estimate of the site value is first derived by a comparison of other similar sites which have sold to the subject site by the Market Data Approach. An estimate is then made of the cost of reproducing the subject improvements at today's costs. From this is deducted the estimated loss in value through diminished utility, whether it be from physical, functional or locational causes. All such estimates of loss in value through diminished utility are taken from market evidence. The indicated value from this approach is then the sum of the site value plus the net value of the improvements.

After arriving at an indication of value by the three approaches, these are correlated into a single conclusion of value, based on the approach which has the highest quantity and quality of data available, and the one in which the market participant typically has the greatest confidence.

COST APPROACH

The cost approach to value consists of the estimated reproduction cost new of the improvements, less all elements of accrued depreciation, to which is added the estimated value of the land as indicated from the analysis of comparable land sales. The approach assumes that the projected improvements represent the highest and best use of the site. However, since the property is unimproved this method is not applicable.

INCOME APPROACH

The next method analyzed for an indication of market value is the Income Approach. This method is based on the theory that the value of property is the present worth of the net income it will produce during the remainder of its productive life. This approach assumes that the present value of an income stream is the present value of the property which produces that income.

Since the property produces no income this method is also considered not applicable.

MARKET DATA APPROACH

Theory

Again, the underlying principle of this method is the Principle of Substitution which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property. It is acknowledged that no two properties are exactly alike, but by examining the market data on similar properties, a comparison can be made, and a value for the subject determined. It is noted at this point that in this method, the values arrived at represent both land and improvements.

Therefore, from a search of the local public records, discussions with local brokers and the appraiser's files, a number of sales of comparable properties in the area have been obtained. All sales were confirmed by the appraiser with a party thoroughly familiar with the transaction unless otherwise noted.

These sales follow:

Sale Number 1:

Grantors: PATTERSON, Joel & Elaine May

Grantees: RUSSELLO, Gerald

Type of Instrument: Warranty Deed

Date of Instrument: February 20, 1981

Date of Recording: March 18, 1981 in Docket 699 on
Page 800, Mohave County, Arizona

Legal Description: Section 17, T 14 N, R 13 W, Gila &
Salt River Base & Meridian.

Total Acreage: 640

Total Price: \$58,000.00

Price Per Acre: \$90.63

Highest and Best Use: Land Investment

Remarks: Unimproved acreage located some 10
miles south of Wikieup with rolling
hills. Access is via 8-10 miles off
Highway 93.

Sale Number 2:

Grantors: LABO PROPERTIES

Grantees: SCHULTZ, Peter

Type of Instrument: Deed

Date of Instrument: February, 1981

Date of Recording: March, 1981 in Docket 700 on Page
541, Mohave County, Arizona

Legal Description: Lot 4, S $\frac{1}{2}$ NW $\frac{1}{4}$, Section 3, T 14 N,
R 13 W, Gila & Salt River Base &
Meridian.

Total Acreage: 113.16

Total Price: \$7,910.00

Price Per Acre: \$69.90

Highest and Best Use: Land Investment

Remarks: Unimproved desert acreage located
8 miles south of Wikieup with no
established access. Site is 2-3
miles from a dirt road off of High-
way 93.

Sale Number 3:

Grantors: LACHANCHE, Richard J. & Amonta W.

Grantees: GRANTHAM, Tanner A.

Type of Instrument: Deed

Date of Instrument: June 10, 1982

Date of Recording: August 11, 1982 in Docket 1478 on
Page 546, Yavapai County, Arizona

Legal Description: NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 35, T 11 N, R 7 W,
Gila & Salt River Base & Meridian

Total Acreage: 40

Total Price: \$10,000.00

Price Per Acre: \$250.00

Highest and Best Use: Land Investment

Remarks: Unimproved desert acreage located
some 7-8 miles northwest of Congress
along Date Creek, a live stream.
Access via dirt roads.

Sale Number 4:

Grantors: KAHLER, Ray & Leona A, as Trustees

Grantees: LOWELL, Virgil & Bonnie

Type of Instrument: Joint Tenancy Deed

Date of Instrument: July 30, 1982

Date of Recording: August 13, 1982 in Docket 864 on
Page 192, Mohave County, Arizona

Legal Description: W $\frac{1}{2}$ Section 13, T 13 N, R 15 W,
Gila & Salt River Base & Meridian

Total Acreage: 320

Total Price: \$24,000.00

Price Per Acre: \$75.00

Highest and Best Use: Land Investment

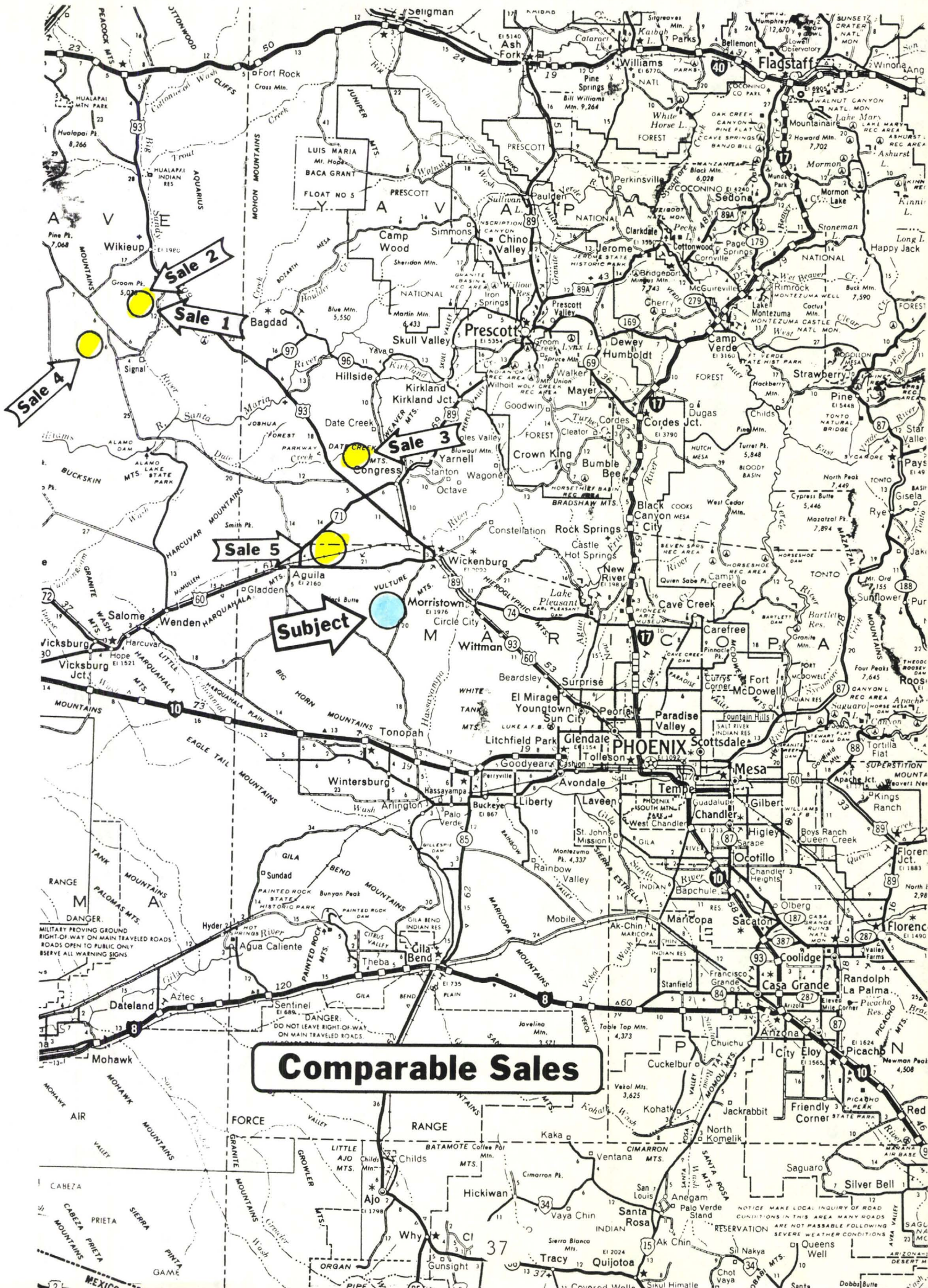
Remarks: Unimproved desert parcel some 15+
southwest of Wikieup with access
via 20± miles of dirt road off of
Highway 93. This is rough and
rocky terrain in the McCracken Moun-
tains.

Sale Number 5:

Grantors: PHOENIX AGRO-INVEST
Grantees: BILLINGSLEA, Earl H. et al
Type of Instrument: Warranty Deed
Date of Instrument: October 11, 1983
Date of Recording: October 17, 1983, Recorder's Fee
#83-417056, Maricopa County, Arizona
Legal Description: Long Legal in T 6-10 N, R 7-11 W
Total Acreage: 1,200 Acres Deeded
52,135.25 Acres State Grazing Lease
45,493.0 Acres BLM Lease
Total Price: \$240,000.00 Deeded Acreage
\$560,000.00 Grazing Leases
Price Per Deeded Acre: \$200.00 /Acre
Highest and Best Use: Land Investment/Ranch
Remarks: This large desert ranch is located
near Aguila with excellent access.
Improvements are adequate with
a house, barn and corrals. The
elevation of the ranch varies from
2,000 to 3,000 feet.

SUMMARY OF COMPARABLE SALES

<u>Sale No.</u>	<u>Parties</u>	<u>Date</u>	<u>Size</u>	<u>Price</u>	<u>Price Per Acre</u>
1	Patterson-Russello	2/81	640.00	\$ 58,000	\$ 90.63
2	Labo Prop-Schultz	2/81	113.16	\$ 7,910	\$ 69.90
3	Lachanche-Grantham	6/82	40.00	\$ 10,000	\$250.00
4	Kahler-Lowell	7/82	320.00	\$ 24,000	\$ 75.00
5	Phoenix Agro-Billingslea	10/83	1,200.00	\$240,000	\$200.00



Comparable Sales

DANGER.
MILITARY PROVING GROUND
RIGHT OF WAY ON MAIN TRAVELED ROADS
ROADS OPEN TO PUBLIC ONLY
RESERVE ALL WARNING SIGNS

DANGER.
DO NOT LEAVE RIGHT OF WAY
ON MAIN TRAVELED ROADS.

NOTICE: MAKE LOCAL INQUIRY OF ROAD
CONDITIONS IN THIS AREA. MANY ROADS
ARE NOT PASSABLE FOLLOWING
SEVERE WEATHER CONDITIONS.

MEXICO

AVAZONIA
DESERT

Adjustments

In comparing the individual comparable sales to the subject property, the items of comparability considered were location, access, size, time, terms, water, improvements, terrain, zoning and availability of utilities.

Adjustments for size are made on the premise that there are more qualified potential buyers for a 10-acre, \$10,000 property than for a 100-acre, \$100,000 property, both priced at \$1,000.00 per acre. Therefore, with all other factors equal, the larger parcel will normally sell for a somewhat lower price per acre.

Adjustments for terms are explained in that a seller who wishes, or is in a position where he is forced, to "cash-out" normally sells for a reduced price. This is particularly true in large properties where qualified buyers capable of negotiating a cash transaction are extremely limited.

Time is an important consideration. Acreage prices throughout Arizona have generally continued to rise over the years irrespective of the economy. There have been certain exceptions to this upswing but largely this is in more isolated acres. Therefore, an upward adjustment for time should be applied to older sales. However, in recent years there is an additional factor which in some cases tends to negate this upswing in price. This factor is the adoption of new and tougher subdivision regulations by both State and County governments throughout the state. For those marginal properties which are not truly "prime" for development with a good

market, their development potential has been reduced. The increased cost to the developer of subdividing these marginal sites, places many in an unprofitable position and the developer is therefore not willing to invest as much in parcels of this sort as he was previously.

Location and access also have to be considered with adjustments made for ease of access, nearness to good roads, schools, shopping and any development potential or natural features that might have influence on value. A property on a paved highway 5 miles from a community with schools and services would normally have more value than a comparable property 30 miles back on a dirt road.

Adjustments for terrain and water are very important. Land bought for land investment on a rocky hillside has a limited interim use of possible grazing. Level land with available water has a farm potential which would be a much higher use than just grazing. That level land is also less costly to develop with a higher percentage of usable area.

Adjustments for usable improvements also have to be considered. Zoning can be an important factor in an area where development is a near possibility. Even if a zoning change is not likely to be a problem, it is better to already have it, rather than go to the expense and take the risk of getting the change.

Given the high cost of extending electricity, tele-

phone and gas lines as well as the costs to drill test and equip a well, the existence or distance to any of these utilities is an important factor.

With this brief discussion of the various items or areas of comparability, each comparable sale can be analyzed and compared to the subject. The unit of comparison utilized is Total Sales Price Per Acre. These adjustment factors will be applied to each sale.

Valuation

There is very little activity relative to land sales in the area surrounding the subject property. This is due principally to the presence of large tracts of Federal land administered by the Bureau of Land Management and State land administered by the Arizona State Land Department. As a result, there is limited acreage of private deeded land in the area. Also, the location, topography, vegetation and questionable availability of water make many areas less than desirable for development. Therefore, few investors are in the market for this type of land fewer transactions are generated.

Thus, our search for comparable sales yielded five transactions for parcels somewhat removed from the subject property in location and time. Sales 1, 2 and 4 are located in Mohave County; Sale 3 is in Yavapai County; and Sale 5 is in Maricopa County. Sale dates were from 1981 to 1983.

Sale No. 1 is a section of land located 10 miles south of Wickieup in Mohave County. The date of sale was in early 1981. The parcel size, location and date of sale indicate that this parcel is inferior to the subject and an upward adjustment of the \$90.63 per acre sale price would be appropriate.

Sale No. 2 was also an early 1981 sale of 113.16 acres slightly north of Sale No. 1 near Wickieup. While its acreage approximates that of the subject, an upward adjustment of its \$70.00 per acre sale price is suitable for this sale.

Sale No. 3 is a 40 acre parcel located in Yavapai County. Date of sale was the summer of 1982. The parcel has live running water. The overall quality of the area is superior to the subject in terms of topography, vegetation and availability of water. Overall, the superior features attributed to the property and the parcel size, result in a significant net downward adjustment to the sale price of \$250.00 per acre.

Sale No. 4 is a half-section of land near McCracken Peak in Mohave County. Time of sale was the summer of 1982. Parcel size, date of sale and location indicate a substantial upward adjustment of the sale price of \$75 per acre.

Sale No. 5 was part of a ranch sale in northern Maricopa County in the fall of 1983. The principals sep-

arated the 1,200 acres of deeded land from the leased land and valued it at \$200 per acre. Improvements on the ranch were reflected in the overall sale price of the ranch. Although the parcel size is significantly larger than the subject, a net negative adjustment to the sale price of \$200.00 per acre was appropriate due to the proven ability of the land to support an economic activity such as livestock grazing.

Based on the relationship discussed above it is the appraiser's opinion that the per acre value of the Vulture City Townsite is \$150.00 per acre.

Thus, the remaining unclaimed portion of the townsite, including the surface rights of the Pit Gold Mining Claim, 129.9 acres is valued at:

129.9 acres at \$150/acre	=	\$19,485
	Rounded	\$19,500

ASSUMPTIONS AND LIMITING CONDITIONS

This Appraisal Report, in its entirety, is made expressly subject to the following Assumptions and Limiting Conditions, and any special limiting conditions contained in the report which are incorporated herein by reference.

1. The legal description furnished is assumed to be correct. I assume no responsibility for matters legal in character nor do I render any opinion as to the Title, which is assumed to be good. All existing liens and incumbrances, if any, have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.

2. The maps or sketches in this report are included to assist the reader in visualizing the property, neighborhood and region. I have made no survey of the property and assume no responsibility in connection with such matters.

3. I believe to be reliable the information which was furnished by others, but I assume no responsibility for its accuracy.

4. Possession of this report does not carry with it the right of publication, nor may it be used for any purpose by any but the applicant without the previous written consent of the appraiser or the applicant and then only with proper qualification, subject to governmental requirements.

5. I am not required to give testimony or to appear in court by reason of this appraisal unless arrangements have been previously made therefor.

6. The value conclusions arrived at in this report are only as of the date specified in the Date and Purpose section of the report. Said values should not be considered as accurate on any other than the specified date.

7. The land, and particularly the soil, of the area under appraisement appears firm and solid. Subsidence in the area is unknown or uncommon, but this appraiser does not warrant against this condition or occurrence.

8. Subsurface rights (mineral and oil) were not considered in making this appraisal.

9. The data relied upon in this appraisal is believed to be from reliable sources, however, it was necessary to rely on information furnished by others as to said data, therefore, the value conclusions are subject to the correctness and verification of said data.

10. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent of the appraiser, particularly as to valuation conclusions, the identity of the appraiser or firm with which he is connected, or any reference to the American Institute of Real Estate Appraisers, or to the M.A.I. designation; subject to governmental requirements of need.

11. This appraisal report is intended to be used only in its entirety; no part may be used without the full and complete report.

APPRAISERS' CERTIFICATION

I HEREBY CERTIFY THAT

I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.

I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.

No one other than the undersigned formed the analyses, conclusions, and opinions concerning real estate that are set forth in this appraisal report, unless such participation by another party is indicated by the co-signing of this report by such other party.

To the best of my knowledge and belief, the statements of fact contained in this appraisal report upon which the analyses, opinions and conclusions expressed herein are based, are true and correct.

This appraisal report sets forth all of the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analyses, opinions and conclusions contained in this report.

This appraisal report shall not be quoted or referred to in any report or financial statement of the client or in any documents filed with any governmental agency without my prior written consent. Neither all nor any part of the contents of this report (especially the conclusions as to value, the identity of the appraisers, references to the American Institute of Real Estate Appraisers, or MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or other public means of communication with my prior written consent and approval.

This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the American Institute of Real Estate Appraisers, Standards of Professional Practices and Conduct of the Society of Real Estate Appraisers and Code of Ethics of the American Society of Farm Managers and Rural Appraisers.

The American Institute of Real Estate Appraisers conducts a voluntary program of continuing education for its designated members. MAIs and RMs who meet the minimum

standards of this program are awarded periodic educational certification. I am currently certified under this program.

It is my opinion that the Market Value of the Subject Property, as of July 2, 1986 is:

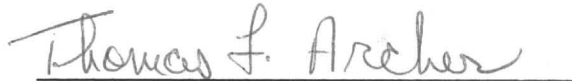
NINETEEN THOUSAND FIVE HUNDRED DOLLARS

(\$19,500.00)

WALTER D. ARMER & ASSOCIATES



Walter D. Armer, Jr., M.A.I.,
A.R.A., S.R.P.A.



Thomas F. Archer

July 15, 1986
Date



Duane E. Webb, A.R.A.

QUALIFICATIONS OF WALTER D. ARMER, JR.

M.A.I., A.R.A., S.R.P.A.

PROFESSIONAL AFFILIATIONS AND MEMBERSHIPS:

Member, American Institute of Real Estate Appraisers (M.A.I.) of the National Association of Realtors. Mr. Armer earned his M.A.I. designation (Certificate #6200) in 1981. The Institute conducts a voluntary program of continuing education for its designated members. Mr. Armer is currently certified under this program.

Accredited Rural (A.R.A.) of the American Society of Farm Managers and Rural Appraisers. Mr. Armer earned his A.R.A. designation (Certificate #444) in 1973.

Senior Real Property Appraiser (S.R.P.A.) of the Society of Real Estate Appraisers. Mr. Armer earned his S.R.P.A. designation in 1980. The Society conducts a voluntary program of continuing education for its designated members. Mr. Armer is currently certified under this program.

Associate Member of the Tucson Board of Realtors, Arizona Association of Realtors and the National Association of Realtors. Licensed Broker.

Arizona Chapter of the American Society of Farm Managers and Rural Appraisers - Board of Directors 1967 to present.

Tucson Chapter #114 of the Society of Real Estate Appraisers - Board of Directors 1977-1979.

BACKGROUND AND PROFESSIONAL EXPERIENCE:

Raised and worked on farms and ranches in Arizona, Colorado and New Mexico.

Commissioned Officer U. S. Army - Active Duty 1964 to 1966. Active Reserve Status 1966 to present with current rank of Colonel.

1966 to present - Principal Appraiser, Walter D. Armer & Associates, Agricultural Appraisers, Consultants, Brokers and Managers.

FORMAL EDUCATION:

Bachelor of Science Degree, University of Arizona,
1964, dual majors in Agricultural Economics and Animal
Science.

APPRAISAL EDUCATION:

American Institute of Real Estate Appraisers Courses
"Basic Principles, Methods and Techniques", 1966
"Urban Properties", 1967
"Condemnation", 1969
"Rural Properties", 1978
"Capitalization Theory and Techniques", 1980
"Case Studies in Real Estate Valuation", 1981

Others

"Case Studies in Real Estate Appraisal-Rural",
University of California Extension Program,
Salinas, CA, 1965
"Farm and Ranch Tax Management", University of
Arizona Extension Service, 1966
"Rural Appraisals", American Society of Farm
Managers and Rural Appraisers, 1967
"Narrative Income Report Writing Seminar", Soci-
ety of Real Estate Appraisers, 1973

Miscellaneous

Numerous educational seminars conducted by various
professional organizations including American In-
stitute of Real Estate Appraisers, American Soci-
ety of Farm Managers and Rural Appraisers, Soci-
ety of Real Estate Appraisers, Arizona Associa-
tion of Real Estate Exchangors, American Right of
Way Association, Society of Range Management,
Tucson Board of Realtors, Farm and Land Institute
and others.

QUALIFIED WITNESS FOR:

Various Arizona Superior Courts
United States District Court
United States Indian Claims Commission (now U. S.
Court of Claims)

COMMUNITY MEMBERSHIPS:

(Not a Professional Endorsement)
Arizona Cattle Growers Association-Board of Directors
National Cattlemens Association
Arizona National Livestock Show
University of Arizona College of Agriculture, Alumni

Council, President 1982-1983, Board of Directors 1982-present.
Association of the United States Army
Reserve Officers Association
Air Force Association
American Legion

SCOPE OF PRACTICE:

Engaged in appraisal, management, sales and consulting on agricultural properties throughout Arizona with limited assignments in adjacent states. Agricultural assignments have included ranches, farms, tree orchards, livestock feedlots, grain elevators and vacant acreage. Non-agricultural properties have included residential, commercial and light industrial.

Appraisals for market value for private negotiation, estate planning, taxation, mortgage loans, litigation and eminent domain purposes.

Clientel includes local, state and federal governmental agencies, corporate organizations, financial institutions, public and private educational institutions, public utilities, attorneys, accountants and individuals.

Representative clients have included Arizona Department of Transportation, Arizona State Land Department, Pima County, City of Tucson, Internal Revenue Service, Department of Justice, U. S. Army Corps of Engineers, Valley National Bank, First Interstate Bank of Arizona, Mellon Bank, New York Life Insurance Company, Aetna Life Insurance Company, American Smelting and Refining Company, Anaconda Copper Company, Continental Oil Company, Southwest Gas Corporation, Tucson Electric Power, Defenders of Wildlife, Union Oil Company, Phelps Dodge Corporation and others.

QUALIFICATIONS OF THOMAS F. ARCHER

PROFESSIONAL AFFILIATIONS AND MEMBERSHIPS

NATIONAL

Candidate: American Institute of Real Estate Appraisers of the National Association of Realtors.

Member: American Society of Farm Managers and Rural Appraisers.

REGIONAL

Western Agricultural Economics Association.

LOCAL

Arizona Chapter No. 41, American Institute of Real Estate Appraisers.

Arizona Chapter, American Society of Farm Managers and Rural Appraisers

BACKGROUND AND PROFESSIONAL EXPERIENCE

Grew up and worked on an irrigated crop farm in New Mexico.

Part owner and manager of a fertilizer/pesticide sales and application business in New Mexico.

Agricultural Economics research for 12½ years with the Department of Agricultural Economics at the University of Arizona, Tucson.

Currently self-employed as a real estate appraiser and agricultural consultant.

FORMAL EDUCATION

Bachelor of Science, The University of Arizona, Tucson, May 1962 with a major in Agronomy.

Master of Science, the University of Arizona, Tucson, May 1969 with a major in Agricultural Economics.

APPRAISAL EDUCATION

University of Arizona, Tucson:

Finance 362 - Real Estate Appraisal, 1984.

Finance 465 - Advanced Real Estate Appraisal
(Capitalization), 1985.

American Institute of Real Estate Appraisers:

Rural Valuation, 1984.

Case Studies in Real Estate Valuation, 1985.

Other:

Educational seminars conducted by various professional organizations including the American Institute of Real Estate Appraisers, the American Society of Farm Managers and Rural Appraisers, and the Society of Real Estate Appraisers.

Real Estate Salesman's Prelicensing Course, Hogan School of Real Estate, Tucson, 1984.

COMMUNITY ORGANIZATIONS

(Not a Professional Endorsement)

Associate Member, Arizona Cattle Growers' Association

Junior Livestock Committee, Southern Arizona International Livestock Association.

QUALIFICATIONS OF DUANE E. WEBB, A.R.A.

EDUCATION

Graduated from Arizona State University 1961 with a B.S. Degree in Livestock Production.

Completed the following rural appraisal courses through the American Society of Farm Managers and Rural Appraisers:

Farm Appraisals
Ranch Appraisals
Eminent Domain Appraisals

Taught Agricultural Finance at A.S.U.

Taught on American Society School's Committee, teaching rural appraisal classes for three years.

MEMBERSHIPS, TITLES AND LICENSES

A.R.A. #439 - November 1972 - Accredited Rural Appraiser attained from the American Society of Farm Managers and Rural Appraisers.

Member, American Society of Farm Managers and Rural Appraisers.

Licensed Real Estate Salesman, Arizona.

Past President, Arizona Chapter, American Society of Farm Managers and Rural Appraisers.

Past Secretary-Treasurer, Arizona Chapter, American Society of Farm Managers and Rural Appraisers.

EMPLOYMENT BACKGROUND

Native Arizonan

24 years experience in Agricultural finance; 17 years short term with year to year production finance on farms, ranches, dairies, tree crops and 9 years experience in long term agricultural lending for Federal Land Bank and a major insurance company through Hebbard and Webb Co.

6 years of 9 years spent also as fee appraiser and agriculture real estate sales.

Have now a total of 14 years as a practicing fee appraiser specializing in agricultural appraisals.

Qualified in all areas of agricultural investment analysis and valuation.

APPRAISAL COMMENTS

During the past 14 years, all of my appraisal assignments have been for individuals or corporations. They total in excess of 125 appraisals for Market Value, Eminent Domain and many varied depreciation appraisals.