

*Not for Recording*

## **PROPERTY LEASE AGREEMENT**

THIS PROPERTY LEASE AGREEMENT (this "Lease") is made and entered into this 15th day of July, 2025 (the "Effective Date"), by and between FREEPORT MINERALS CORPORATION, a Delaware corporation (hereinafter "Landlord"), and THE CITY OF BISBEE, a municipal corporation of the State of Arizona (hereinafter "Tenant"). Landlord and Tenant may hereinafter be collectively referred to as the "Parties" or individually as a "Party".

### **RECITALS**

- A. WHEREAS, Landlord is the owner of a fee simple interest in certain real property located in Cochise County, Arizona.
  
- B. WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, a portion of such property for use as a shared-use path.

NOW, THEREFORE, for and in consideration of the foregoing recitals and the mutual promises contained herein, the rents reserved herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

### **AGREEMENT**

1. **Premises.** Subject to the terms and conditions of this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, that certain real property described in Exhibit "A" attached hereto and incorporated herein by reference as if fully set forth herein (the "Premises").
  
2. **Purpose of Lease; Use of Premises.**
  - a. The Premises shall be used for the express limited purpose of a public shared-use path, which shall be used in accordance with the guidelines for shared-use paths established by the National Association of City Transportation Officials, and for no other purposes or uses whatsoever (the "Permitted Use"), except as provided in Subsection 2.b below. Nothing in this Lease shall be construed to create a statutory public dedication or conveyance of real property interest to any third party or to give any party other than

Tenant and its successors and assigns any rights hereunder, except as expressly provided herein.

- b. As part of the Permitted Use, the Premises is being improved with a grant award from the U.S. Department of Commerce, Economic Development Administration (“EDA”), Project No. 07-79-07920 (the “Award”) for the shared-use path. The Premises must be used in a manner consistent with the authorized general and special purpose of the Award and the Award terms and conditions. This includes but is not limited to Tenant not discriminating against any qualified employee or applicant for employment because of race, color, national origin, religion, sex, age or physical or mental disability.
        - c. Notwithstanding the foregoing, in no event shall the Premises be used for any activity that involves the generation, storage, treatment, or release or threatened release of any Hazardous Substances (as hereinafter defined) or for any illegal activity whatsoever.
3. **Term.** This Lease shall commence on the Effective Date and shall terminate at 11:59 PM, local time, on the earlier to occur of (i) the twentieth (20<sup>th</sup>) anniversary of the date that the construction associated with the Award is deemed completed by EDA and (ii) May 30, 2047 (the “Initial Term”). Tenant shall have the option to renew this Lease (the “Renewal Option”) for one (1) additional period of twenty (20) years (the “Renewal Term”) by providing written notice to Landlord stating Tenant’s decision to exercise such Renewal Option at least ninety (90) days, but not more than one hundred eighty (180) days, prior to the expiration of the Initial Term; provided, that (a) this Lease is in effect at the time of Tenant’s exercise of the Renewal Option, and (b) Tenant is not in default of any of its obligations under this Lease at the time of Tenant’s exercise of the Renewal Option. If such written notice is not given as specified herein, then the Renewal Option shall be of no further force and effect and shall be deemed to have expired. As used herein, the “Term” means the Initial Term and the Renewal Term, if applicable.
4. **Early Termination.** This Lease may be terminated at any time as follows:
  - a. Landlord may terminate this Lease upon a default by Tenant or its employees, agents, representatives or any third party acting by or through Tenant (collectively, the “Tenant Parties”) or a general condition that threatens the health and safety of persons in or around the Premises or that may impose a liability to any person under any Environmental Laws (as hereinafter defined); provided the Tenant shall be given notice and an opportunity to cure the default or condition.
  - b. Landlord may terminate this Lease upon the occurrence of any default in accordance with Section 11.
  - c. Landlord is aware that Tenant has obtained a grant for the construction of the shared-use path that will occupy the Premises and that the terms of the Award require Tenant to maintain the shared-use path for a minimum period of twenty (20) years.

5. **Rent.** Rent shall be \$1,200 per year (“Rent”), which shall be due and payable annually in advance commencing on the Effective Date with subsequent payments due on each anniversary of the Effective Date. Notwithstanding the foregoing sentence, as a demonstration of Landlord’s commitment to supporting the economic development of Bisbee, Landlord agrees to waive any Rent payments by Tenant if Tenant remains in compliance with this Lease.
6. **Security Deposit.** Tenant is not required to make any security deposit under this Lease.
7. **Improvements.** With the exception of the shared-use path to be built in accordance with the Award and related construction, Tenant shall not construct, or permit the construction of, any improvements on or to, or make any structural alterations on or to, the Premises without Landlord’s prior written consent, which consent may be withheld, conditioned and delayed in Landlord’s sole and absolute discretion. Landlord has the right to require that any and all improvements to the Premises will remain on the Premises upon expiration or termination of this Lease and become the property of Landlord. Otherwise, Landlord may require that Tenant remove or relocate any Tenant improvements and restore the Premises to its pre-lease state, at any time upon one hundred twenty (120) days’ prior written notice to Tenant after expiration or termination of this Lease, or as provided in Section 19.

Notwithstanding the foregoing provision, Tenant shall submit to Landlord, for Landlord’s prior review and approval, its plans for paving, landscaping, fencing and lighting the Premises, or any other planned alterations to the Premises. Any such improvements shall be at Tenant’s sole cost and expense. Upon completion of any such work as described in this Section 7, Tenant shall provide Landlord with complete as-built plans and information about all modifications to the Premises by Tenant or Tenant Parties. Notwithstanding any other provision, Tenant may conduct maintenance and repair of the previously approved shared-use path and any associated improvements without further Landlord permission.

8. **Utilities.** Subject to all requirements of Section 7, Tenant shall be solely responsible for arranging any necessary water, gas, heat, electricity, power, telecommunication service, trash removal, and all other services or utilities used with respect to the Premises, including, without limitation, the costs incurred in connecting such utilities to the nearest utility lines. Tenant shall arrange for and pay prior to delinquency all charges for water, gas, heat, electricity, power, telecommunication service, trash removal, and all other services or utilities used with respect to the Premises. Any security deposit or connection charges required to furnish service to Tenant shall be paid by Tenant. Landlord shall not be liable for loss or damage incurred in connection with or incidental to the interruption or impairment of utility service to the Premises by any cause whatsoever.
9. **Property to be Removed.** Upon or prior to the expiration or termination of this Lease, Tenant shall remove or cause to be removed at Tenant’s expense all Tenant property (except for improvements, as may be provided in Section 7), all vehicles, equipment and trade fixtures, and Tenant shall promptly repair or cause to be repaired any damage to the Premises caused by such removal. If, upon the expiration or termination of this Lease, Tenant fails to remove all Tenant

property that Tenant is required to remove, or if Tenant fails to repair damage caused by such removal, Landlord shall have the right to remove all Tenant property and repair such damage and collect upon demand from Tenant all costs incurred in such removal and/or repair.

10. **Rules and Regulations.** Tenant shall comply with all applicable laws, rules and regulations, including, without limitation, planning and zoning, environmental, sanitation and septic system regulations, with respect to the construction, operation and maintenance of the Premises. Landlord has the right and power, but no obligation, to prescribe rules and regulations for the use, entry, operation and management of the Premises, to ensure the safety, care and cleanliness of the Premises and preservation of good order thereon. Such rules and regulations imposed by Landlord must not interfere with the Award purpose, be inconsistent with the Award terms and conditions or cause Tenant to not be in compliance with the Award terms and conditions. Tenant shall comply with such rules and regulations as are adopted by Landlord from time to time with respect to use of the Premises. Further, Landlord has the right to approve all the form and content of all signage proposed by Tenant for posting on the Premises; provided that Landlord shall have no responsibility or liability for any claims resulting from the posting of any such signage or the lack of any signage on the Premises relating to the shared-use path.

11. **Default.**

- a. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:
- i. On or after the first anniversary of the Effective Date, Tenant's abandoning or vacating the Premises for a period of more than forty-five (45) consecutive days or Tenant's failure to operate the Premises as provided in this Lease, as evidenced by removal of or failure to install the improvements that are contemplated by the Permitted Use. Landlord must provide written notice of the failure to Tenant and provide one hundred twenty (120) days from the notice for Tenant to cure the issue.
  - ii. Tenant's failure to make any payment of Rent due under this Lease, as and when due, where such failure continues for a period of ten (10) business days after written notice from Landlord to Tenant. Landlord must provide written notice of the failure to Tenant and provide one hundred twenty (120) days from the notice for Tenant to cure the issue.
  - iii. Tenant's failure to observe or perform any of Tenant's obligations under this Lease (except as provided in paragraph (i) or (ii) above) where such failure continues for a period of one hundred twenty (120) days after notice from Landlord to Tenant.

- iv. Tenant's breach of any provision of this Lease where such breach continues for a period of one hundred twenty (120) days after notice from Landlord.
- b. In the event of a default by Tenant, Landlord may elect to do any one or more of the following if the default still exists after the one hundred twenty day cure period has passed.:
  - i. Terminate this Lease.
  - ii. Enter on the Premises and repossess the same and remove and put out Tenant and each and every occupant.
  - iii. Terminate possession by Tenant without terminating this Lease.
  - iv. Commence legal proceedings against Tenant in the nature of forcible entry and detainer.
- c. The remedies described in this Section shall be cumulative and not exclusive. If Landlord prevails in an action instituted by Landlord to compel performance or to recover for breach of any covenant, agreement or condition herein contained, Landlord shall be entitled to recover all costs and reasonable attorneys' fees as determined by the court in which such action is prosecuted.

## **12. Condition of the Premises.**

- a. Tenant represents that it has inspected the Premises and accepts the Premises in their present "AS IS, WHERE IS" and "WITH ALL FAULTS" condition. All activities on the Premises shall be conducted at Tenant's own risk and Tenant shall be liable for the injury to any person or damage to any property occurring in connection with Tenant's, Tenant Parties', their respective guests' and invitees', or the general public's use of the Premises. Landlord makes no warranties or representations of any nature whatsoever with respect to the condition or suitability for any purpose of the Premises or any part thereof. Landlord shall have no duty or obligation to Tenant, Tenant Parties, their respective guests and invitees, or the general public to provide security services with respect to the Premises, and Landlord shall have no liability or responsibility for any loss, including property damage, or injury occurring to Tenant, Tenant Parties, their respective guests and invitees, or the general public.
- b. Tenant shall keep the Premises maintained in a clean and safe condition and shall remove from the Premises on a regular basis all trash, debris and other materials, deposited by Tenant, Tenant Parties, their respective guests and invitees, or the general public.

Landlord shall have no responsibility whatsoever for repairs, maintenance or security of the Premises.

**13. Compliance with Environmental Laws.**

- a. To the fullest extent permitted by applicable law, Tenant shall comply, and shall cause all Tenant Parties to comply, with all federal, state and local laws, statutes, rules, ordinances, codes and regulations relating to environmental protection, public health and safety, nuisance or menace including, without limitation, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9600 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq., the Emergency Planning and Community Right to Know Act, 42 U.S.C. § 11000 et seq., and the Clean Water Act, 33 U.S.C. § 1251 et seq., and each of their state and local counterparts presently in effect or amended or promulgated in the future (collectively, the “Environmental Laws”).
- b. Tenant expressly warrants, represents and, to the fullest extent permitted by applicable law, agrees that, except as may be reasonably expected pursuant to the Permitted Use, no Hazardous Substances (as hereinafter defined) will be used, generated, treated, released or disposed of on, under, or about the Premises. The term “Hazardous Substances” means any substance, material, pollutant, contaminant, or waste, whether solid, gaseous or liquid, that is infectious, toxic, hazardous, explosive, corrosive, flammable or radioactive, and that is regulated, defined, listed or included in any Environmental Laws, including, without limitation, asbestos, petroleum, or petroleum additive substances, polychlorinated biphenyls, urea formaldehyde, or waste tires. Except as otherwise provided for herein, Tenant shall, and shall cause Tenant Parties to agree to, not bring onto the Premises any Hazardous Substances without the prior written consent of Landlord, and further agrees not to release, dispose of, generate, handle, use, store or treat any Hazardous Substances on, under or about the Premises. Tenant shall not permit any lien relating to Hazardous Substances to attach to the Premises or any other property of Landlord.
- c. The provisions set forth in this Section shall survive expiration or termination of this Lease.

**14. Environmental Notification.**

- a. Tenant shall promptly notify Landlord, and cause the Tenant Parties to do the same, upon becoming aware of: (i) any release or threatened release of a Hazardous Substance under, on, from or about the Premises; (ii) any proceeding, inquiry or notice from any federal, state or local body, commission, council, board or authority (each a “Governmental Authority”) or others with respect to the use or presence of any Hazardous Substances on the Premises, or the migration thereof to or from other property; (iii) all claims made or threatened by any third party against the Premises relating to loss or injury from any

Hazardous Substance; (iv) any occurrence or condition on any property adjoining or in the immediate vicinity of the Premises that would cause the Premises to be subject to restrictions on ownership, occupancy, transferability or use under any Environmental Laws; and (v) any incurrence of expense by a Governmental Authority or others in connection with the assessment, containment or removal of any Hazardous Substances located on, under, from or about the Premises or any property adjoining or in the vicinity of the Premises.

- b. If a Governmental Authority initiates an action, order, claim, cause of action, investigation or request for information in connection with any Hazardous Substance with respect to this Lease, Tenant will cooperate fully in good faith with Landlord and such Governmental Authority in responding to any such action, order, claim, cause of action, investigation or request for information. If, during the Term of this Lease, Hazardous Substances are discovered on the Premises that resulted from the acts or omissions of Tenant or any Tenant Parties in violation of any Environmental Laws, Tenant shall at its sole expense, remove, or cause to be removed, such Hazardous Substances from the Premises and underlying groundwater in accordance with the requirements of the appropriate Governmental Authority. If the Hazardous Substances are not removed within ninety (90) days of discovery, or such time as required by a Governmental Authority, then Landlord shall have the right, but not the obligation, to do so and seek reimbursement of all costs and expenses therefor from Tenant or to declare a default under this Lease, or both.

15. **No Liens.** Except as provided herein as it relates to the EDA and the Award, Tenant shall keep the Premises free and clear of all liens and encumbrances, including mechanics and materialmen's liens, claims, demands, obligations and liabilities and causes of action (each a "Claim" and collectively, "Claims") arising out of Tenant's or Tenant Parties' or their respective guests' or invitees' or the general public's use, presence on, and maintenance of the Premises. Tenant shall take full responsibility for and promptly discharge or bond over any Claim or alleged Claim. If any Claim is filed, asserted or made on, against or with respect to the Premises as a result of any of such work or use, Tenant shall cause such Claim to be dismissed, released, and discharged therefrom no later than twenty (20) days thereafter or commence proceedings to dismiss, release and discharge within twenty (20) days and diligently pursue such proceedings until completed. If Tenant does not dismiss, release or discharge (by bonding or otherwise) a Claim within the twenty (20) days thereafter, Landlord may pay, discharge or compromise the Claim in its sole and absolute discretion and regardless of Tenant's defenses or counterclaims provided that no admissions, representations or promises that Tenant shall pay money are made by Landlord on behalf of Tenant in the settlement of any Claim without Tenant's express prior written consent. Tenant will indemnify Landlord for its costs and expenses incurred related to the Claim including reasonable attorneys' fees.

16. **Liability and Responsibility.** To the fullest extent permitted by applicable law, Tenant shall take responsibility for, release, defend, protect and hold Landlord, its past, present and future

corporate parents, subsidiaries and affiliates, and each of their past, current and future officers, directors, shareholders, employees and agents, and each of their respective successors and assigns (collectively, “Covered Parties”), harmless from and against any and all losses, damages, liabilities, claims, lawsuits, agency orders, attorneys’ fees, costs, expenses, fines, penalties or response costs asserted against any Covered Party by any entity or individual, arising out of or in connection with any of the following: (i) the use of the Premises by Tenant, any Tenant Party, any of their respective guests or invitees, or the general public; (ii) a violation of any Environmental Law by Tenant, any Tenant Party, any of their respective guests or invitees, or the general public; (iii) a violation or breach of any provision of this Lease by Tenant or any Tenant Party. Tenant shall provide appropriate notice to its employees and all other parties authorized to utilize the Premises, including the general public, that parking of their vehicles on the Premises shall be at their own risk and Landlord shall have no liability for any theft, vandalism or damage to any vehicles parking on the Premises or for any injuries sustained thereon. To the extent not expressly prohibited by any applicable anti-indemnity statutes, Tenant’s foregoing obligations will arise regardless of Landlord’s fault or negligence concerning the claimed injury, except where the claimed injury arises solely and immediately from an affirmative act (and not an omission) constituting gross negligence or willful misconduct of Landlord. If, in the judgment of Landlord, Tenant is incapable of defending, or unwilling to defend, the relevant Covered Parties against such claims or Tenant fails to defend the relevant Covered Parties against such claims in a manner Landlord deems appropriate, Landlord shall be entitled to appear in any action or proceeding to defend the relevant Covered Parties against such claims, and Tenant shall reimburse Landlord for all costs incurred by Landlord in connection therewith, including reasonable attorneys’ fees costs and expenses, within twenty (20) days after demand therefor. To the fullest extent permitted by applicable law, Landlord, at its sole option, shall be entitled to settle or compromise any claim asserted against it, and such settlement shall be binding upon Tenant for purposes of the foregoing Tenant responsibility; provided, however, that Tenant may settle or compromise any such claim, or decide not to settle or compromise any such claim, as long as all Covered Parties are fully released from any and all liability thereon. The provisions contained in this Section shall survive the expiration or termination of this Lease.

17. **Insurance.** Tenant shall carry insurance meeting or exceeding the criteria set forth in Exhibit “B” attached hereto and incorporated herein by reference.

18. **Taxes.** If the real property taxes assessed against the Premises increase as a result of Tenant’s construction of the shared-use path on, and/or operation and use of, the Premises, Tenant shall reimburse Landlord for that portion of the real property taxes that represents the increase. Tenant shall reimburse Landlord in a timely manner, in any event not less than within thirty (30) days, from the date of notice of the amount of increase in the property taxes from Landlord.

19. **Landlord’s Reserved Rights.**

a. Landlord reserves the right, at any time and from time to time, to manage the Premises and the resources thereon including, without limitation, management of the land, wildlife, and water resources, to conduct surveys, to grant easements or rights of way for any

purposes, to drill, construct, operate and maintain water wells, pipelines, powerlines, transmission lines, telecommunication lines, roads, including public access roads to the public or other adjoining lands, buildings and any other facilities, to make repairs, improvements and changes to the Premises, whether or not beneficial to Tenant, but all in accordance with the Award and/or any laws, rules, and regulations applicable to Landlord and its mining operations. Landlord shall have the right of ingress and egress in and to the Premises in connection with the foregoing. In the exercise by Landlord of the foregoing rights, Landlord will use its best efforts to avoid interfering with Tenant's regular operations on the Premises. However, Landlord shall not in any event be liable for inconvenience, annoyance, disturbance or other damage to Tenant by reason of the exercise of the foregoing rights or any other rights of Landlord to enter into or use the Premises so long as the Landlord's actions do not interfere with the Award purpose or violate the Award terms and conditions (provided that Tenant has provided Landlord with copies of the appropriate documentation setting forth the Award purpose and the Award terms and conditions), and the obligations of Tenant under this Lease shall not be affected in any manner.

- b. Tenant shall cooperate with Landlord in the coordination of Landlord's uses of the Premises. Landlord, its officers, employees, agents and representatives, may enter the Premises at reasonable times for any purpose, including, without limitation, inspection of the condition of the Premises and of any activities or operations conducted by Tenant.
  - c. All rights and remedies provided Landlord herein are in addition to all other rights and remedies that Landlord may have at law or in equity.
  - d. **Federal Interest.** Actions by Landlord must not interfere with the purpose of the Award and improvements funded under the Award. If Tenant receives a noncompliance notice from EDA that is associated with Landlord's actions, Tenant shall deliver a copy of the notice to Landlord and the Parties shall cooperate to ensure compliance with the Award terms and conditions. If the Federal Share must be repaid due to Landlord's actions, Landlord shall reimburse Tenant for such costs.
20. **Holdover.** Should Tenant remain in possession of the Premises after the expiration or termination of this Lease, Tenant shall be deemed to be occupying the Premises as a month-to-month tenant, and Tenant hereby agrees to pay Rent equal to one hundred twenty-five percent (125%) of the Rent that is applicable on the last day of the Term. The holdover tenancy will otherwise be subject to the same terms and conditions set forth in this Lease. A holdover tenancy at will is terminable at any time by either Party without notice, regardless of whether Rent has been paid in advance.
21. **Modification.** No modification or amendment of this Lease shall be effective unless in writing and by both Parties. Prior approval from the EDA is required for any amendment or modification of this Lease and the Parties will cooperate in good faith with each other regarding any such proposed amendment or modification and any such approval from the EDA.

22. **Successors and Assigns.** Tenant may not assign or delegate performance of all or any portion of its obligations hereunder without the prior written consent of Landlord. Except as provided in the previous sentence, this Lease shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties.
23. **Force Majeure.** Should the Premises or any part thereof become unsafe, unsuitable for use or otherwise uninhabitable due to an act of God, nature, or act of war, or historical use of the Premises prior to the Effective Date, or other event beyond the control of Landlord, Landlord may, at its sole option, choose not to repair or replace the Premises, and no liability shall accrue to Landlord. Should Landlord determine that the Premises are beyond reasonable repair, Tenant shall be relieved of any further duty to pay Rent beyond the date the event occurs, and any Rent paid by Tenant for any Rent period falling after the date of such event shall be promptly returned to Tenant. Tenant shall, if feasible, remove all personal property from the Premises. If Landlord elects to repair the Premises: (i) this Lease shall continue in full force and effect, but the Rent from the date of the event through the date of substantial completion of the repair shall be abated with regard to any portion of the Premises that Tenant is prevented from using by reason of such damage or its repair, and (ii) in no event shall Landlord be liable to Tenant by reason of any injury to or interference with Tenant's business or personal property, alterations, additions or improvements to the Premises arising from such event, or by reason of any repairs to the Premises necessitated by the event.
24. **Conflict of Interest.** This Lease shall be subject to the Conflict of Interest provisions of A.R.S. § 38-511, as amended.
25. **Notice to EDA.** Tenant shall give prompt notice to EDA of any notice it receives regarding a default or potential default under this Agreement or use of Force Majeure in Section 23.
26. **Execution.** This Lease may be executed electronically or in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The partially executed signature page of any counterpart of this Lease may be attached to any other partially executed counterpart of this Lease without impairing the legal effect of the signature(s) on such signature page. Copies of the executed signature pages of this Lease provided by electronic correspondence or e-mail shall be effective and binding upon the parties as if such signatures were original signatures.
27. **Sublease.** Tenant shall not sublet or otherwise transfer this Lease, its rights or obligations hereunder, or its rights in and to the Premises by virtue of this Lease, in whole or in part, without the prior written consent of Landlord. Any subletting without such consent shall be null and void.
28. **Waiver.** No waiver by Landlord of any default or breach by Tenant hereunder, nor any failure by Landlord to insist on strict performance by Tenant of the terms or obligations of this Lease, shall be construed to be a waiver of any future default or breach by Tenant or bar the right of Landlord to insist on strict performance by Tenant in the future.

29. **Severability.** If any provision hereof is held invalid, the remainder of this Lease shall remain in full force and effect.
30. **Authority.** Tenant represents and warrants to Landlord that Tenant has the statutory power and authority to bind itself to the terms of this Lease and that all such power has been properly delegated to the individual signing this Lease on behalf of Tenant.
31. **Governing Law; Venue.** The formation, interpretation and performance of this Lease shall be governed by and construed in accordance with the laws of the State of Arizona, without regards to its conflict of laws principles. Any dispute arising out of or relating to this Lease (or its breach, termination or validity) is to be resolved by referral to state or federal courts sitting in Cochise County, Arizona, which shall have sole and exclusive jurisdiction over all litigation arising hereunder, and each Party consents to and attorns to the jurisdiction of such courts and waives any objection to venue in such courts.
32. **Attorneys' Fees.** If legal action is instituted by either Party to compel performance or to recover for breach of any covenant, agreement or condition herein contained, the losing Party shall reimburse the prevailing Party for its reasonable attorneys' fees, witness fees (including expert witness fees), and other litigation-related expenses and disbursements as determined by the court in which such action is prosecuted.
33. **Entire Agreement.** This Lease constitutes the sole understanding and entire agreement of the Parties and supersedes any and all representations or agreements, oral or written, made prior or contemporaneous hereto pertaining to the Premises.
34. **Notices.** All notices and other communications to either Party shall be in writing and shall be sufficiently given if delivered in person or sent by certified or registered mail, return receipt requested, addressed as hereinafter set forth. Notices given by mail shall be deemed delivered as of the date of receipt. Until a change of address is communicated as indicated above,

All notices to Tenant shall be addressed to:

City of Bisbee  
ATTN: Public Works Department  
118 Arizona St.  
Bisbee, AZ 85603

All notices to Landlord shall be addressed to:

Freeport Minerals Corporation – Copper Queen Branch  
ATTN: Land & Water Department  
36 W. Highway 92  
Bisbee, AZ 85603

With copy to:

Freeport Minerals Corporation  
ATTN: Land & Water Department  
333 N. Central Ave.  
Phoenix, AZ 85004

All notices to EDA:

Economic Development Administration  
Seattle Regional Office  
ATTN: Regional Director  
915 Second Ave.  
Seattle, WA  
98174

If any Party changes its address, the Party must give written notice to the other Party. Notice of change of address is deemed effective five (5) business days after mailing by the Party changing address.

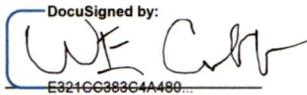
35. **Landlord Authority.** Unless specifically stated to the contrary in this Lease, if Landlord's consent is required under any provision of this Lease, Landlord may provide, withhold, condition or delay its consent in its sole and absolute discretion.
36. **Audits and Inspections.** At any time during normal business hours and as frequently as is deemed necessary, the Tenant shall make available to the Landlord and the EDA or EDA's authorized agents, for their examination, all of its records pertaining to matters covered by this Lease and only matters relating to the Lease.
37. **Provisions Required by Law.** Each and every provision of law and any clause required by law to be in this Lease will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either Party, the Lease will promptly be physically amended to make such insertion or correction.
38. **Headings.** The headings of this Lease are for purposes of reference only and shall not limit or define the meaning of any provision of this Lease.
39. **Retention of Records.** All records in the possession of the Tenant pertaining to this Lease shall be retained for a period of three (3) years after the expiration of the Lease or any extensions thereof. All records shall be retained beyond the three (3) year period if audit findings have not been resolved within that period or if other disputes have not been resolved.

*[Signatures on following page]*

IN WITNESS WHEREOF, this Property Lease Agreement has been duly signed and executed by the Parties as of the Effective Date.

**LANDLORD:**

Freeport Minerals Corporation

DocuSigned by:  
  
E321GC383C4A480...

William E. Cobb

Vice President

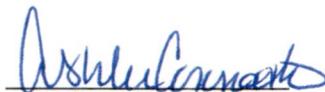
**TENANT:**

City of Bisbee



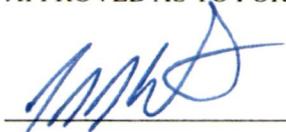
Ken Budge, Mayor

**ATTEST:**



Ashlee Coronado, City Clerk

**APPROVED AS TO FORM:**



Joseph D. Estes, City Attorney

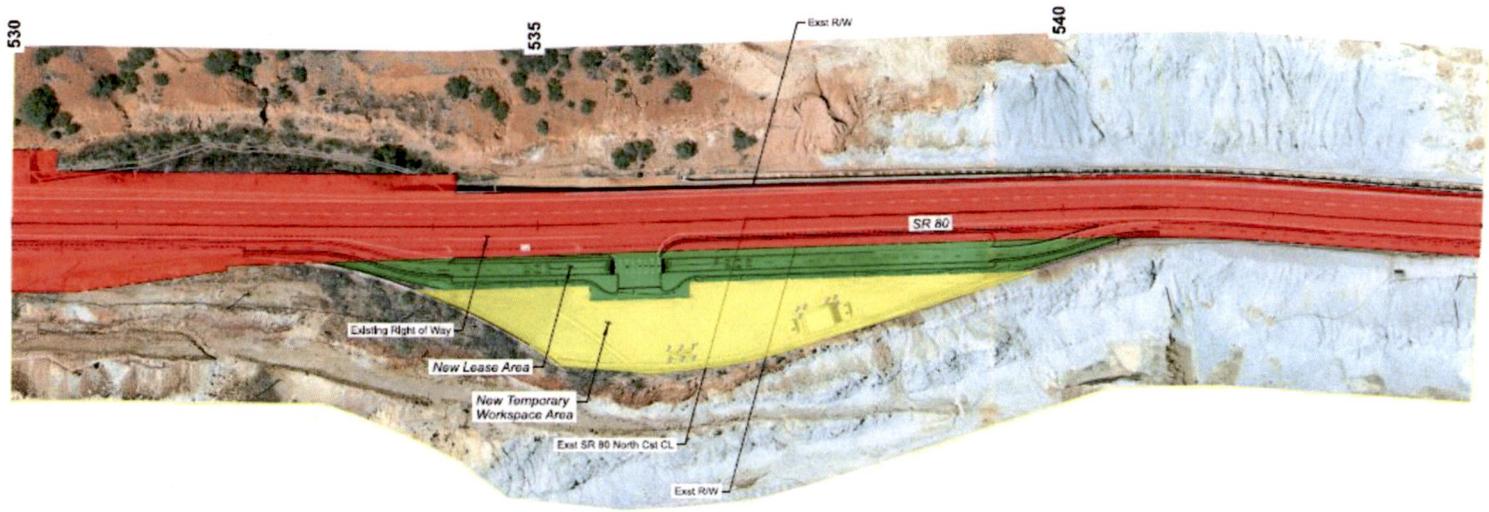
**EXHIBIT "A"**  
**TO PROPERTY LEASE AGREEMENT**  
**Description of Premises**

The surface, to a depth of six (6) feet below the surface, of those portions of the following mining claims, which are located in Sec. 15, T23S, R24E, G&SRM, in Cochise County, Arizona, and are more accurately depicted in the plan drawing below with green shading:

- George Washington and Old Republican claims, as designated by the Surveyor General in Mineral Survey No. 1119, in the Warren Mining District.

In addition to the Premises, Tenant and Tenant's contractors may temporarily occupy the remainder of the adjoining pit overlook area, depicted below with yellow shading, for construction staging and related activities (the "Temporary Workspace"), for up to a year after the Effective Date. Tenant may, by notification to Landlord, extend its use of the Temporary Workspace for up to one additional year. Upon termination of Tenant's use of the Temporary Workspace, it shall be surrendered to Landlord in the same condition as existed on the Effective Date.

*[Insert Exhibit on following page]*



FMI LEASE AND TEMPORARY WORKSPACE AREA EXHIBIT

**EXHIBIT "B"**  
**TO PROPERTY LEASE AGREEMENT**

**Insurance**

1. At all times, Tenant shall carry and maintain, at its own expense, with reputable insurance companies, the insurance coverages described below (the territorial limits of which shall include all geographic areas covered by this Lease, and which shall include coverage for claims occurring during the duration of this Lease but not reported until a later date).
  - A. Worker's compensation insurance, including, without limitation, occupational disease, in accordance with the laws in effect in Arizona.
  - B. Employer's liability insurance coverage with a limit of not less than \$1,000,000 shall also be maintained by Tenant.
  - C. Commercial general liability insurance with a combined single limit for bodily injury (including illness and death at any time resulting therefrom) and property damage of such amount as Tenant customarily carries, without charge to its customers, for contracts of this type; however, not less than \$5,000,000 of such coverage shall be maintained on a combined single limit basis. Such insurance shall provide contractual liability; products and completed operations; sudden and accidental pollution liability coverage for Tenant's undertakings under this Lease; and it shall contain no exclusions or limitations with regard to explosion, collapse, or underground hazard coverage.
  - D. Automobile liability insurance in accordance with any local Laws, as applicable, on all owned, non-owned, leased, and/or hired vehicles used by Tenant on Landlord's property, with a combined single limit of not less than \$1,000,000 per occurrence for injuries or death of one or more persons or loss or damage to property.
  - E. Pollution liability insurance coverage with a limit of not less than \$2,000,000 shall also be maintained by Tenant.
  - F. Such other types of insurance, and coverage amounts, as may be reasonably required by Landlord from time to time or required by applicable Law.

2. Each of the commercial general liability and automobile liability policies shall be endorsed to include Landlord its parents, affiliates and subsidiaries, and their respective directors, officers, and employees (collectively, the "Landlord Indemnified Parties") as additional insured to the extent of the obligations assumed by Tenant under this Lease and to apply on a primary basis as to other insurance available to Landlord. All policies required to be maintained by Tenant shall include a waiver of subrogation provision in favor of Landlord Indemnified Parties to the extent of the obligations assumed by Tenant under this Lease; however, the waiver of subrogation on the worker's compensation policy shall not be required if prohibited by the applicable regulatory authority. Upon request, Tenant shall provide to Landlord certificates of insurance and/or copies of policies evidencing compliance with the provisions of this Exhibit "B". Tenant will provide to Landlord 30 days' prior written notice of cancellation or material change of the referenced insurance. Tenant shall be liable for any retentions or deductibles under the required insurance coverages.

3. Landlord and Tenant intend that Tenant's obligations pursuant to this Exhibit "B" be enforceable to the fullest extent permitted by applicable Law. If Tenant's obligations are void or unenforceable in any respect by reason of any provision of applicable law, then Tenant will be relieved of its obligations only in that respect and its obligations will survive in all other respects. No limitation on the enforceability of Tenant's indemnification obligations pursuant to Section 16 of this Lease will affect in any way Tenant's obligation to procure and maintain insurance covering the obligations described in this Lease. Landlord in no way represents or warrants that the minimum coverage limits specified in this Lease are sufficient to protect Tenant from liabilities that may arise out of the activities conducted by Tenant or Tenant Parties on or about the Premises, and it is Tenant's responsibility to procure any such additional insurance that Tenant may determine to be necessary or advisable.