

**MASTER**

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**DRAGOON MOUNTAIN RANCHES  
Cochise County, Arizona**

Recorded as Fee # 951025894 on October 18, 1995  
Official Records of Cochise County, AZ

And

**REFORMATION OF INSTRUMENT DUE TO SCRIVENER'S ERROR**

Recorded as Document 2017-23931 on December 13, 2017  
Official Records of Cochise County, AZ

When Recorded, Mail to:  
Adam Weisman  
Hinderaker Rauh & Weisman, PLC  
2401 E. Speedway Blvd.  
Tucson, Arizona 85719

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## REFORMATION OF INSTRUMENT DUE TO SCRIVENER'S ERROR

This document is recorded for the sole purpose of correcting Exhibit B ("Expansion Lands") to the "Master Declaration of Covenants, Conditions, and Restrictions Dragoon Mountain Ranches Cochise County, Arizona" recorded in the Office of the Cochise County Recorder at Fee #951025894 on October 18, 1995, a copy of which is attached for reference as **Exhibit 1** hereto (hereinafter, the "Master Declaration").

Exhibit B to the Master Declaration is corrected to include Section 3, Township 18 South, Range 22 East, of Gila and Salt River Base and Meridian, Cochise County, Arizona, and as corrected, reads as follows:

### EXPANSION LANDS

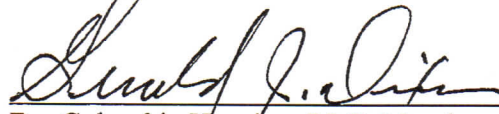
Sections 20 through 24, 29, 33 through 36, Township 17 South, Range 21 East; Sections 19 through 29, 31 through 26, Township 17 South, Range 22 East; Section 31, Township 17 South Range 23 East; Sections 3, 4, 5, 8 through 28, and 30 through 36, Township 18 South Range 22 East, Gila and Salt River Base and Meridian, Cochise County, Arizona.

In all other respects, the Master Declaration remains the same.

[Signature and notary block on following page.]

Dated: ~~Nov~~ 1<sup>st</sup>, 2017.  
December

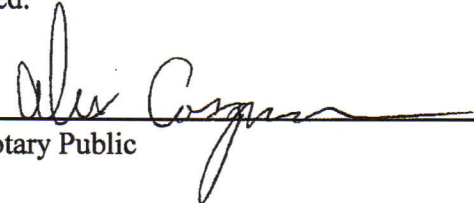
DRAGON MOUNTAIN LAND AND CATTLE CO.,  
LLC



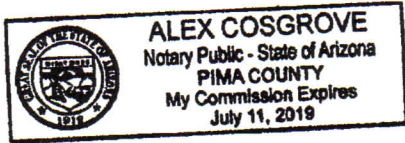
By: Columbia Housing, LLC, Member  
Gerald Dixon, Manager

STATE OF ARIZONA        )  
  )        ss  
COUNTY OF Pima        )

Before me this 1<sup>st</sup> day of December, 2017, appeared personally Gerald Dixon, who executed the foregoing instrument for the purposes therein contained.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 7/11/19



**EXHIBIT 1**  
**MASTER DECLARATION**

OCT 18 1995



FEE# 951025894  
OFFICIAL RECORDS  
COCHISE COUNTY  
DATE 10/18/95 HOUR 3

When recorded, return to:

FIDELITY NATIONAL TITLE TRUST DEPT.  
7750 E. Broadway, Suite B222  
Tucson, AZ 85710

REQUEST OF  
FIDELITY NATIONAL TITLE  
CHRISTINE RHODES-RECORDER  
FEE : 19.00 PAGES : 14

MASTER

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

DRAGON MOUNTAIN RANCHES  
Cochise County, Arizona

THIS DECLARATION, is made by Fidelity National Title Agency, Inc., an Arizona corporation, as Trustee, Trust No. 10,702, referred to as "Trustee", acting on behalf of its beneficiary, Dragoon Mountain Land & Cattle Co., L.L.C., an Arizona limited liability company, who along with its successors and assigns shall hereinafter be referred to as "Declarant".

A. Trustee is the fee owner of the real property described in Exhibit "A" to this Declaration, which shall be the initial Covered Property under this Declaration. Other real property may from time to time be annexed pursuant to this Declaration and become a part of the Covered Property. Additional property which is subject to annexation is described on Exhibit "B", but the Exhibit "B" described property shall not be considered encumbered or in any way otherwise affected by this Declaration, unless and until Declarant has recorded with the Cochise County, Arizona Recorder a supplemental declaration annexing all or any part of the Exhibit "B" described property. This Declaration is being imposed by Declarant only upon the Covered Property.

B. Declarant has deemed it desirable to establish covenants, conditions and restrictions upon the Covered Property and each and every Parcel and portion thereof, which constitutes a general scheme for the benefit of all the Covered Property described herein and the Owners thereof, their heirs, successors and assigns, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Covered Property and the Parcels constituting same.

C. It is desirable for the preservation of the value, desirability and attractiveness of the Covered Property to create a corporation to which should be delegated and assigned the powers of maintaining and administering the Common Area, improving and maintaining of certain roads, acting as an architectural control committee, administering and enforcing these covenants, conditions and restrictions, collecting and disbursing funds pursuant to the assessment and charges hereinafter created and referred to and to perform such other acts as shall generally benefit the Covered Property.

951025894

D. Dragoon Mountain Ranches Property Owners Association, a non profit corporation, has been or will be incorporated under the laws of the State of Arizona for the purpose of exercising the powers and functions aforesaid.

E. Trustee will hereafter hold and convey title to all of the Covered Property subject to the protective covenants, conditions and restrictions hereinafter set forth.

F. In addition to this Declaration, it is contemplated that the various Phases of the Covered Property will have an additional declaration(s) of covenants, conditions and restrictions which will govern and restrict part or all of a particular Phase. The Owners of Parcels in a particular Phase so affected shall be subject to both the provisions of the declaration of covenants, conditions and restrictions for that Phase, and the obligations of this Declaration. In the event of a conflict the provisions of this Declaration shall prevail.

Trustee and Declarant hereby covenant, agree and declare that all the Covered Property shall be held and conveyed subject to the following covenants, conditions and restrictions which are hereby declared to be for the benefit of and binding upon all Owners, their heirs, successors and assigns, and shall run with said Covered Property and be a servitude thereon.

#### ARTICLE I

##### Definitions

As used herein, the following terms shall have the following meanings:

A. The "Architectural Control Committee" means the committee provided for in Article IV of this Declaration.

B. The "Association" means Dragoon Mountain Ranches Property Owners Association as referred to in Article II of this Declaration.

C. "Bona Fide First Mortgage" means any Realty Mortgage or Deed of Trust made in good faith and for value and properly executed and recorded so as to create a lien on any Parcel or Parcels that is prior to the lien of any other Realty Mortgage or Deed of Trust.

D. "Common Area" shall mean common areas and hiking trail easements as designated as such on any recorded Result of Survey involving the Covered Property.

E. "Covered Property" shall mean that real property described in Exhibit "A" hereto and, subsequent to the annexation thereof pursuant to this Declaration, any real property which shall become subject to this Declaration.

F. "Declaration" means this Declaration of Covenants, Conditions and Restrictions for the Covered Property in Dragoon Mountain Ranches.

G. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of fee or equitable or beneficial title to any Parcel, including Trustee and Declarant. Owner shall include the purchaser of a Parcel under an executory contract for purchase. The foregoing definition does not include persons or entities who hold an interest in any Parcel as security for the performance of an obligation.

H. "Parcel" or "Parcels" means the Parcels as shown as such on any recorded Result of Survey involving the Covered Property, and any allowed division thereof (no Parcel or division thereof shall be less than 36 acres in size).

I. "Phase" shall mean a portion of the Covered Property included within a recorded Result of Survey.

J. "Result of Survey" means a result of survey of record involving a portion of the Covered Property as may be hereafter amended, prepared by Declarant and recorded in the Office of the Cochise County Recorder.

## ARTICLE II

### PROPERTY OWNERS ASSOCIATION

A. There is hereby created the Dragoon Mountain Ranch Property Owners Association. The purpose of the Association is to maintain and improve: (i) Dragoon Mountain Road as shown on the Result of Survey (but not interior roadways within any Phase); (ii) any Common Area; (iii) conservation easements; (iv) any perimeter fences, (but not individual Parcel Owner fences). The Property Owners Association shall also act as the Architectural Control Committee. All of the above functions shall be in accordance with the provisions of this Declaration.

B. Each and every Parcel Owner, in accepting a deed or contract for any Parcel, whether or not it shall be so expressed in such deed or contract, automatically becomes a member of the Association, and agrees to be bound by such reasonable rules and regulations as may, from time to time, be established by the Association. Membership shall be appurtenant and may not be separated from ownership of the Parcel. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon transfer of ownership of

such Parcel, whether by intestate succession, testamentary disposition, foreclosure of a mortgage, or such other legal processes as now in effect or as may be hereafter established pursuant to the laws of the State of Arizona. The Association shall be operated and conducted on a strictly cooperative and non-profit basis. Each Parcel Owner as a member shall have such voting rights as set forth in this Declaration.

C. In furtherance of its purposes, which are generally as set forth above, the Association shall provide necessary and appropriate action for the maintenance, repair, replacement and management of the facilities referred to in Article II A above and shall have the right to enter upon a Parcel, if reasonably necessary, in order to accomplish its' purpose.

D. The Association shall have the power to hold title to real and personal property, to borrow and encumber its assets and, in all respects, shall have the powers necessary to carry out its purposes, whether or not specifically set forth herein, including the power to enter into contracts with third parties to perform all or part of its functions, and to hire its own employees to do so. The Association shall have the power to: assess its members, as provided for herein; enforce this Declaration; obtain insurance; create reasonable reserves and promulgate rules and regulations, provided they are consistent with the provisions hereof.

E. Each Parcel Owner is obligated to pay: (i) regular assessments for normal maintenance and repair and reserves, along with Association insurance and operating costs; (ii) special assessments for capital improvements with such assessments to be established by the Association. The regular and any special assessments, late payment penalties and charges, if any, together with interest, (all as set by the Association) costs and reasonable attorneys fees, shall be a lien on the Parcel. Each Parcel Owner shall be personally responsible for his or her share of assessments imposed by the Association. This personal obligation for delinquent assessments shall not pass to the Owner's successor in title, unless expressly assumed by such successor; however, the obligation to pay same shall be a continuing lien on the Parcel, excepting for the provisions of Paragraph L below, relating to mortgages.

F. The Association shall, on an annual basis, make a determination as to the estimated costs of the repair and maintenance of the roadways and any other designated Common Area, including any reserves necessary for future capital expenditures and maintenance. Assessments shall be charged to each Owner on a uniform per Parcel basis. The Association shall prepare a budget on an annual calendar year basis and shall provide an accounting to each member on an annual calendar year basis. The assessments may be collected on a monthly, quarterly, or annual basis, or any combination of same as determined by the Association.



G. Each Owner shall be responsible to pay the regular assessment commencing on the first day of the month following the date of recordation of the deed or purchase contract wherein the Owner acquired legal, beneficial, or equitable title to the Parcel. The Declarant shall not be responsible for comparable assessments on each Parcel owned by it. However, Declarant shall be responsible to provide labor, material and/or monies in sufficient amounts, not to exceed the amount of the normal Parcel assessment for each Parcel owned by it, if necessary in Declarant's opinion, to properly fulfil the Association's maintenance responsibilities. Regular assessments shall be set by the Association on an annual calendar year basis. The initial regular assessment shall be One Hundred Twenty Dollars (\$ 120.00) per parcel per year. If any Covered Property includes Parcels which are materially larger than 36 plus acres, the amount of the assessment shall be the same regardless of parcel size, provided any division thereof as allowed in the Phase Declaration of Covenants, Conditions and Restrictions, shall be a separate Parcel subject to separate assessments and entitled to a separate vote in the Association. The Parcel Owner acquiring his or her interest from Declarant during the calendar year shall be obligated for a pro rata portion thereof. The Association shall fix the amount of the regular assessment at least thirty (30) days prior to the end of the calendar year. Written notice of the assessment shall be sent to every Owner. The payment due date shall be established by the Association.

H. In addition to the regular assessment as set forth above, the Association may set special assessments if the Association determines by a two-third's vote that such is necessary to meet the primary purposes of the Association. Such special assessment shall be levied in a comparable uniform basis as regular assessments.

I. All sums assessed by the Association chargeable to a Parcel, but unpaid, shall constitute a lien on such Parcel prior to all other liens excepting only ad valorem liens in favor of a governmental assessing unit or special assessment district. The Association lien may be foreclosed by the Association in a like manner as a foreclosure of a real property deed of trust. The Association shall have the power to bid on the delinquent Parcel at a foreclosure sale, and acquire, hold, lease, encumber and convey same. A suit to recover a money judgment for unpaid assessments and charges may be maintainable by the Association without foreclosing or waiving the lien securing same.

J. The total number of votes in the Association shall be on the basis of one (1) vote per Parcel, provided, the Declarant shall have seven (7) votes for each Parcel it owns, except for special assessments whereby Declarant shall have three (3) votes for each Parcel it owns. The total number of Parcels and therefore the total number of votes may be increased from time to time by expansion, pursuant to Article III of this

Declaration. Unless otherwise specifically provided herein, all Association matters shall be determined by a majority vote. If more than one party is the Owner of a Parcel, there must be unanimous agreement among those who own an interest in the Parcel as to how to cast that Parcel's vote, otherwise, that vote shall not be counted.

K. The Association shall have the power to adopt Bylaws and to appoint its officers and directors, as well as promulgate reasonable regulations relating to the matters within its purpose.

L. Where the holder of a Bona Fide first Mortgage, which term includes any mortgages held by Declarant, of record obtains title to the Parcel as a result of foreclosure, or deed in lieu of foreclosure, of said first mortgage, such acquirer of title, its successors and assigns, shall not be liable for the share of the expenses of the assessments by the Association chargeable to such Parcel which became due prior to the acquisition of title to such Parcel by such acquirer. As used in this Declaration, the term "mortgage" shall include "deed of trust" and "agreement for sale" and "mortgagee" shall include the "Beneficiary" under a deed of trust and "vendor" under an agreement for sale. Such acquirer shall be responsible, as any Owner, for assessments charged subsequent to the acquisition.

### ARTICLE III

#### Annexation of Additional Property

A. All or any part of the Exhibit "B" property may, from time to time, be annexed to and become subject to this Declaration and subject to the jurisdiction of the Association without the approval, assent or vote of the Association or its members, provided that a Supplementary Declaration of Covenants, Conditions and Restrictions, as described hereinafter in Section 2 of this Article, covering the additional property sought to be annexed, shall be executed and recorded by Declarant or its successors or assigns. The recordation of said Supplementary Declaration shall constitute and effectuate the annexation of the real property described therein, making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Association, and thereafter said annexed real property shall be part of the Covered Property. Although Declarant or its successors and assigns shall have the ability to so annex real property neither Declarant nor its successors and assigns shall be obligated to annex all or any portion of such property and such property shall not become subject to this Declaration unless and until a Supplementary Declaration shall have been so executed and recorded.

B. Such Supplementary Declaration(s) contemplated above may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this

Declaration as may be necessary to reflect the different character, if any, of the annexed property and as are not inconsistent with the plan of this Declaration. In no event, however, shall any such Supplementary Declaration, merger or consolidation, revoke, modify or add to the covenants established by this Declaration with the Covered Property then existing except as hereinafter otherwise provided.

#### ARTICLE IV

##### Architectural and Design Control

A. No Parcel leveling, excavation, grading, planting, landscaping, residence, outbuilding, structure, fence or wall, or other improvement or installation, shall be commenced, erected, placed, or altered on any Parcel, until the plans and specifications therefore, showing the nature, kind, shape, materials, floor plans, and locations shall have been submitted to and approved by the Architectural Control Committee ("Committee") and a copy thereof is finally approved and lodged permanently with the Committee. The Committee shall have the right to refuse to approve any such plans or specifications which are not suitable or desirable in its opinion for aesthetic reasons, or any other reason, and in so passing upon such plans and specifications it shall have the right to take into consideration the suitability of the proposed building or other structure, and the material which is to be used, the site upon which it is proposed to be erected, the harmony with the surroundings, and the effect of the proposed structure on the outlook from adjacent or neighboring property. All plans must comply with this Declaration and also comply with Cochise County and other applicable requirements.

i. Membership. The Committee shall be composed of three Members, initially appointed by Declarant. Declarant shall, at any time, have the authority to assign architectural control functions to the Association, but need not do so prior to all of the Covered Property being conveyed by Declarant and further, Declarant having no interest which could result in recovery by Declarant of title to any Covered Property. Prior to assignment to the Association, the Declarant shall appoint and remove the Committee members. The members of the Committee shall not be entitled to any compensation for services performed pursuant to this covenant, but shall be entitled to reimbursement for reasonable costs expended, including the cost of architectural review of the plans and specifications, as approved by the Association. The members of the Committee shall incur no liability for their acts or omissions.

ii. Procedure. The Committee's approval or disapproval as required in this Declaration shall be in writing. Actions of the Committee shall be by the majority vote of the members of the Committee. All decisions of the Committee shall be final and no Parcel Owner or other party shall have recourse against the Committee or its designated representatives, or its members, for its disapproval or refusal to approve. In the event the Committee or its designated representative, fails to approve or disapprove of the submitted plans and specifications within thirty (30) days after their submittal to the Committee, the plans and specifications shall be deemed to have been approved.

iii. Agents and Design Guidelines. The Committee shall have the right to hire agents to review the plans and specifications submitted and charge the costs of such review to the Owner submitting the plans and specifications; and the Committee shall have the right to issue, and amend from time to time, design guidelines and standards, which are to be complied with by all Owners.

B. The Committee may, in its discretion, delegate its architectural control committee functions to the architectural committee established in accordance with any Phase declaration. In the event of any conflict between the Committee and the architectural control committee of any Phase, the Committee's decision shall be determinative.

## ARTICLE V

### General Provisions

A. Enforcement. The covenants, conditions, and restrictions contained in this Declaration shall run with the land and shall be binding upon all persons owning, leasing, subleasing or occupying any Parcel after the date on which this instrument shall have been recorded in the office of the Recorder of Cochise County, State of Arizona. This Declaration may be enforced by the Declarant, by any Owner or lessee of any Parcel, by the holder of a Bona Fide First Mortgage on any Parcel, by the Association, or any one or more of said persons acting jointly; provided, however, that any breach by reason thereof shall not defeat or adversely affect the lien of a Bona Fide First Mortgage upon any Parcel, but each and all said covenants, conditions and restrictions shall be binding upon and effective against any Owner, lessee or occupant of said Parcel whose title thereto is acquired by foreclosure, or otherwise, and provided also that the breach of any said covenants, conditions and restrictions may be enjoined, abated or remedied by appropriate proceedings, notwithstanding the lien or existence of any such Bona Fide First Mortgage. All instruments of conveyance or assignment of any interest in all or any part of the Property may refer to this

instrument and shall be subject to the covenants, conditions, and restrictions, herein contained as fully as though this instrument were therein set forth in full; provided, however, that the terms and conditions of this instrument shall be binding upon all persons affected by its terms, whether express reference is made to this instrument or not.

B. Declarant's Exemption. Nothing herein shall be construed as prohibiting Declarant from maintaining a sales or development office on any parcel or engaging in activities which Declarant deems appropriate to its development or sales program.

C. Invalidity. Invalidation of any of these covenants, restrictions, reservations, conditions and servitudes by judgment, court order, or otherwise shall in no way affect the validity of any of the other provisions of this Declaration, all of which shall remain in full force and effect.

D. Amendments. This Declaration may be amended during the period ending fifteen (15) years immediately following the date of the recording of this Declaration only by instrument executed by the Owners of greater than fifty percent (50%) of the Covered Parcels, but no such amendment shall be effective without the approval of Declarant. Further, any such amendment shall not be effective until the recording of such instrument in the office of the Cochise County Recorder. Thereafter, this Declaration may be amended by instrument executed by the Owners of at least two-thirds (2/3) of the Covered Parcels, included or incorporated within this Declaration, and such amendment shall not be effective until the recording of such instrument.

E. Term. The covenants, conditions, restrictions and servitudes of this Declaration, as the same may hereafter be amended in accordance with the terms hereof, shall remain in full force and effect for a term of twenty five (25) years from and after the date of recording of this Declaration, from which time they shall be automatically renewed and extended for successive periods of ten (10) years each, unless terminated as of the end of such initial twenty five (25) years or any successive ten (10) years within the six (6) month period immediately preceding the expiration of such initial period, or any renewal period, by an instrument of termination executed and acknowledged by the Owners of at least two-thirds (2/3) of the Covered Parcels, included or incorporated within this Declaration, and recorded in the Office of the Cochise County Recorder.

This Declaration of Covenants, Conditions and Restrictions is executed by the undersigned Declarant this 9 day of October, 1995.

FIDELITY NATIONAL TITLE AGENCY, INC., an Arizona corporation, as Trustee, Trust No. 10,702

DRAGOON MOUNTAIN LAND & CATTLE CO., L.L.C., Arizona limited liability company

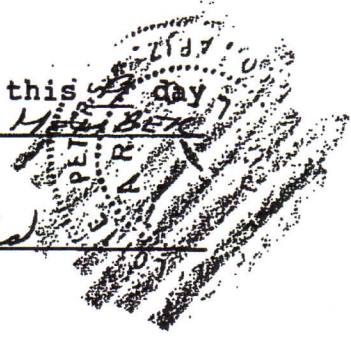
By: Suella Swart

By: Gerald J. Dixon

STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

This instrument was acknowledged before me this 9 day of October, 1995, by GERALD J. DIXON, as MEMBER of Dragoon Mountain Land & Cattle Co., L.L.C.

Charlotte Peters  
Notary Public



My Commission Expires:

My Commission Expires April 14, 1998

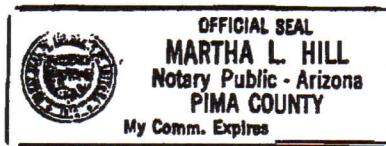
STATE OF ARIZONA )  
 ) ss.  
County of Pima )

This instrument was acknowledged before me this 12th day of October, 1995, by Suella Swart, as Trust Officer of Fidelity National Title Agency, Inc., as Trustee.

Martha L. Hill  
Notary Public

My Commission Expires:

8-27-97



Order No. 21-036,750

EXHIBIT "A"

LEGAL DESCRIPTION

DRAGON MOUNTAIN RANCH- LEGAL DESCRIPTION

The North half of the North half of SECTION 24; and that portion of the North half of the North half of SECTION 23, lying Easterly of Sybil Road, being County Road No. 931, as it existed on October 3, 1995, TOWNSHIP 17 South, RANGE 21 East of the Gila and Salt River Base and Meridian, Cochise County, Arizona;

Lot 1; the Northeast quarter of the Northwest quarter and the North half of the Northeast quarter of SECTION 19, TOWNSHIP 17 South, RANGE 22 East of the Gila and Salt River Base and Meridian, Cochise County, Arizona;

The North half of the North half of SECTIONS 20, 21 and 22, TOWNSHIP 17 South, RANGE 22 East of the Gila and Salt River Base and Meridian, Cochise County, Arizona;

The Southeast quarter of the Northeast quarter of SECTION 22, TOWNSHIP 17 South, RANGE 22 East;

The South half of SECTIONS 21, 22, 23 and 24, TOWNSHIP 17 South, RANGE 22 East of the Gila and Salt River Base and Meridian, Cochise County, Arizona;

SECTIONS 25, 26, 27, 28, 29, 32 and 33, TOWNSHIP 17 South, RANGE 22 East of the Gila and Salt River Base and Meridian, Cochise County, Arizona;

That portion of SECTIONS 34, 35 and 36, TOWNSHIP 17 South, RANGE 22 East of the Gila and Salt River Base and Meridian, Cochise County, Arizona, lying Westerly and Northerly of the following described line:

COMMENCING at the section corner between SECTIONS 31 and 32, TOWNSHIP 17 South, RANGE 22 East of the Gila and Salt River Base and Meridian, Cochise County, Arizona and SECTIONS 5 and 6, TOWNSHIP 18 South, RANGE 22 East; THENCE along the TOWNSHIP line, North 89 degrees 58 minutes 03 seconds East, a distance of 12845.67 feet to the POINT OF BEGINNING on the South line of said SECTION 34; THENCE North 66 degrees 24 minutes 13 seconds East, a

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distance of 228.57 feet;  
 THENCE North 73 degrees 31 minutes 20 seconds East, a  
 distance of 80.69 feet;  
 THENCE North 41 degrees 35 minutes 10 seconds East, a  
 distance of 2698.34 feet;  
 THENCE North 35 degrees 17 minutes 51 seconds East, a  
 distance of 963.01 feet;  
 THENCE South 71 degrees 18 minutes 14 seconds East, a  
 distance of 1264.09 feet;  
 THENCE South 78 degrees 02 minutes 56 seconds East, a  
 distance of 1000.86 feet;  
 THENCE South 86 degrees 14 minutes 31 seconds East, a  
 distance of 1086.48 feet;  
 THENCE North 81 degrees 14 minutes 52 seconds East, a  
 distance of 1291.64 feet;  
 THENCE North 82 degrees 58 minutes 34 seconds East, a  
 distance of 1014.79 feet;  
 THENCE North 56 degrees 14 minutes 31 seconds East, a  
 distance of 571.67 feet;  
 THENCE North 52 degrees 20 minutes 33 seconds East, a  
 distance of 751.38 feet;  
 THENCE North 82 degrees 44 minutes 24 seconds East, a  
 distance of 1965.92 feet;  
 THENCE North 74 degrees 30 minutes 46 seconds East, a  
 distance of 1283.10 feet;  
 THENCE North 45 degrees 00 minutes 00 seconds East, a  
 distance of 1075.00 feet to the East line of SECTION 36,  
 from which the Northwest corner thereof bears North 00  
 degrees 01 minutes 55 seconds East, a distance of 377.00  
 feet.

That portion of SECTIONS 3, 4, 5 and 8, TOWNSHIP 18 South,  
 RANGE 22 East of the Gila and Salt River Base and  
 Meridian, Cochise County, Arizona, described as follows:

BEGINNING at the section corner common to SECTIONS 31 and  
 32, TOWNSHIP 17 South, RANGE 22 East and SECTIONS 5 and 6,  
 TOWNSHIP 18 South, RANGE 22 East of the Gila and Salt  
 River Base and Meridian, Cochise County, Arizona;  
 THENCE along the TOWNSHIP line, North 89 degrees 58  
 minutes 03 seconds East, a distance of 12845.67 feet;  
 THENCE South 66 degrees 24 minutes 13 seconds West, a  
 distance of 898.89 feet;  
 THENCE South 66 degrees 51 minutes 57 seconds West, a  
 distance of 1072.85 feet;  
 THENCE South 64 degrees 37 minutes 53 seconds West, a  
 distance of 1404.58 feet;  
 THENCE South 48 degrees 19 minutes 29 seconds West, a  
 distance of 885.25 feet;  
 THENCE South 67 degrees 24 minutes 21 seconds West, a  
 distance of 600.00 feet;  
 THENCE South 68 degrees 48 minutes 39 seconds West, a

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distance of 2013.11 feet;  
 THENCE South 57 degrees 09 minutes 20 seconds West, a  
 distance of 1042.09 feet;  
 THENCE South 65 degrees 00 minutes 30 seconds West, a  
 distance of 1051.49 feet;  
 THENCE South 63 degrees 21 minutes 48 seconds West, a  
 distance of 1345.00 feet;  
 THENCE South 65 degrees 28 minutes 43 seconds West, a  
 distance of 2050.00 feet;  
 THENCE South 62 degrees 08 minutes 25 seconds West, a  
 distance of 2244.99 feet to the line between SECTIONS 7  
 and 8;  
 THENCE along said line, North 00 degrees 11 minutes 00  
 seconds East, a distance of 1150.00 feet to the corner  
 common to SECTIONS 5, 6, 7 and 8;  
 THENCE along the line between SECTIONS 5 and 6, North 00  
 degrees 04 minutes 19 seconds West, a distance of 5193.46  
 feet to the POINT OF BEGINNING.

EXCEPT from all of the above, all oil, gas and other  
 hydro-carbon substances, as more fully set forth and  
 reserved in instrument recorded in Document No.  
 8812-26380; and

EXCEPT all oil, gas and other hydrocarbons, and all other  
 minerals of whatever kind or character, whether now known  
 to exist or hereafter discovered (it being intended that  
 the word "minerals" as used herein shall be defined in the  
 broadest sense of the word and shall include, but not be  
 limited to, oil, gas, other hydrocarbons, sand, gravel,  
 stone, pumice, pumicite, cinders, clay, and all other  
 common materials, and all other mineral substances and  
 products both metallic and nonmetallic, solid, liquid or  
 gaseous) which are upon, in, under or may be produced from  
 the Subject Property; all salt water, brines, and  
 geothermal resources, which are in, under or may be  
 produced from the Subject Property as reserved in Deed  
 recorded in Document No. 9001-00683, records of Cochise  
 County, Arizona.

ms/hp/\_\_\_\_\_

951025894

**EXHIBIT "B"**

**EXPANSION LANDS**

Sections 20 through 24, 29, 33 through 36, Township 17 South, Range 21 East; Sections 19 through 29, 31 through 36, Township 17 South, Range 22 East; Section 31, Township 17 South, Range 23 East; Sections 4, 5, 8 through 28, and 30 through 36, Township 18 South, Range 22 East, Gila and Salt River Base and Meridian, Cochise County, Arizona.

**951025894**

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