

MUTUAL BENEFITS AGREEMENT

THIS MUTUAL BENEFITS AGREEMENT (this "Agreement") is entered into as of the "Effective Date" (as defined herein) by and between the Town of Superior, an Arizona municipal corporation (the "Town"), and Resolution Copper Mining LLC, a Delaware limited liability company ("RCML"), acting by and through its manager, Resolution Copper Company, and not in its own capacity.

RECITALS

A. RCML owns land adjacent to or near the municipal boundaries of the Town, as shown on the map attached as Exhibit A (the "RCML Property"), which currently includes several different parcels of land, including the "West Plant Site", the "East Plant Site", and "Smelter Town".

B. To enable RCML to receive the Exchange Property from the Federal Government, RCML is currently seeking to have the Legislation enacted as law by the United States Congress.

C. RCML and the Town are mutually interested in ensuring that the Exchange is completed and in entering into this Agreement to enable the community to enjoy positive benefits from the economic, business, employment, training, and educational opportunities resulting from the RCML Operations, if the Exchange is completed. RCML and the Town desire to work toward the successful completion of the Exchange to enable the RCML Operations to continue.

D. RCML and Town entered into that certain Services and Support Memorandum of Understanding dated September, 2007, which contemplates RCML and the Town entering into a more definitive agreement in connection with the agreements and principles set forth therein.

E. The Town is willing to enter into this Agreement based on its determination that this Agreement promotes the goals of the Town in furtherance of its public policies, including its land use policies, goals, and other requirements, to promote the public health, welfare, and safety, and in the exercise of its legislative powers and in its sole discretion has elected to enter into this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and intending to be legally bound, RCML and the Town agree as follows:

AGREEMENT

ARTICLE 1 DEFINITIONS AND LIST OF EXHIBITS

1.1 **Defined Terms.** Capitalized terms not otherwise defined in this Agreement shall have the meanings assigned as follows:

1.1.1 **“Agreement”**. The term “Agreement” means this Mutual Benefits Agreement.

1.1.2 **“Airport Interest”**. The term “Airport Interest” means the reversionary interest reserved by the United States with respect to the real property upon which is located the existing Town Airport, if the same ceases to be used for airport purposes.

1.1.3 **“Airport Property”**. The term “Airport Property” means the fee interest to the approximately 280 acres of real property upon which is located the existing Town Airport, as shown on the map attached as Exhibit B. The Airport Property includes the Airport Interest.

1.1.4 **“BHP Property”**. The term “BHP Property” means the real property owned by BHP Copper Inc. within the Town boundary and the additional real property owned by BHP Copper Inc., that is adjacent to the western Town boundary, in each case only after the same has been acquired by RCML, if any.

1.1.5 **“Cemetery Property”**. The term “Cemetery Property” means approximately thirty (30) acres upon which is located the existing Town cemetery, as shown on the map attached as Exhibit B.

1.1.6 **“Commercial Mining Operations”**. The term “Commercial Mining Operations” means the commencement of commercial removal of ore from the principal orebody by block cave operations on the Exchange Property, but does not include any ore removal for shafts, adits, or development tunnels to access the main orebody.

1.1.7 **“Committee”**. The term “Committee” means the Social Impact Committee to be formed by the parties under Article 4.

1.1.8 **“Completion of the Exchange”**. The term “Completion of the Exchange” means the date on which all title to the Exchange Property is delivered to, and accepted by, RCML, as contemplated in the Legislation.

1.1.9 **“Condition Agreement”**. The term “Condition Agreement” is defined in Section 3.1.

1.1.10 **“County”**. The term “County” means the County of Pinal, Arizona.

1.1.11 **“Deficiency”**. The term “Deficiency” means the monetary shortfall, if any, between the appraised value of the Expansion Parcels that the Town elects to purchase and the Surplus Value, as described in Section 2.1.

1.1.12 **“Deficiency Purchase”**. The term “Deficiency Purchase” is defined in Section 2.1.5.

1.1.13 **“Deficiency Property”**. The term “Deficiency Property” means the real property acquired by the Town as a result of the Deficiency Purchase. In the event the Town acquired the Airport Interest in the Deficiency Purchase, the Deficiency Property shall include the Airport Property.

1.1.14 “**Effective Date**”. The term “Effective Date” means the date on which both parties have signed this Agreement and it has been first ratified by the Town Council.

1.1.15 “**Exchange**”. The term “Exchange” means the contemplated exchange of real property and equalization of values between RCML and the Federal Government, as currently provided in the Legislation.

1.1.16 “**Exchange Property**”. The term “Exchange Property” means the real property to be received by RCML in the Exchange.

1.1.17 “**Expansion Parcels**”. The term “Expansion Parcels” means the Airport Interest, and the Forest Service Property, referred to either individually or collectively.

1.1.18 “**Event of Default**”. The term “Event of Default” is defined in Section 7.5 hereof.

1.1.19 “**Federal Government**”. The term “Federal Government” means the subdivision of the United States Government designated to have the primary responsibility to effect the Completion of the Exchange pursuant to the Legislation.

1.1.20 “**Forest Service Property**”. The term “Forest Service Property” means the approximately one hundred eighty-one (181) acres of real property currently owned by the United States Department of Agriculture, Forest Service, as shown on Exhibit B.

1.1.21 “**Implicit Price Deflator**”. The term “Implicit Price Deflator” means the United States Department of Commerce, Bureau of Economic Statistics, Implicit Price Deflator for Gross Domestic Product, or its successor index, using as the base year the immediately preceding calendar year for such adjustments.

1.1.22 “**Land Use Agreement**”. The term “Land Use Agreement” means the land use agreement to be entered into by the parties pursuant to Article 6 hereof.

1.1.23 “**Legislation**”. The term “Legislation” means Southeast Arizona Land Exchange and Conservation Act of 2007, H.R. 3301 and S. 1862, as the same may be modified from time to time, and as the same may ultimately be enacted into law.

1.1.24 “**Parcel**”. The term “Parcel” is defined in Section 3.1.1.

1.1.25 “**RCML Property**”. The term “RCML Property” means (i) the real property owned by RCML and shown on Exhibit A, which includes the areas commonly referred to as the West Plant Site, the East Plant Site, and Smelter Town; (ii) following Completion of the Exchange, the Exchange Property; and (iii) upon acquisition of any of the same, the BHP Property.

1.1.26 “**RCML Operations**”. The term “RCML Operations” means the reclamation, pre-feasibility studies and feasibility studies that are currently being conducted by RCML, and if the Exchange is completed, the development of a large underground block cave mine and subsequent commercial mining operations on a portion of the Exchange Property.

1.1.27 “**RCML Representative**”. The term “RCML Representative” means the individual designated by RCML to act as its representative as described in Section 7.1 hereof.

1.1.28 “**State**”. The term “State” means the state of Arizona.

1.1.29 “**State Budget Law**”. The term “State Budget Law” means Arizona Revised Statutes Title 42, Chapter 17, Article 3, *et seq.* (2007).

1.1.30 “**Support Letter**”. The term “Support Letter” is defined in Section 5.1.2.

1.1.31 “**Surplus Value**”. The term “Surplus Value” means the amount that the value of the land conveyed by RCML to the United States exceeds the value of the Exchange Property to be received by RCML in the Exchange, as determined by the Federal Government as provided in the Legislation.

1.1.32 “**Town Council**”. The term “Town Council” means the town council for the Town.

1.1.33 “**Town Representative**”. The term “Town Representative” means the Town’s Mayor, or such other individual designated by Town to act as its representative as described in Section 7.1 hereof.

1.2 **List of Exhibits**. This Agreement includes each of the following Exhibits, each of which are attached hereto and made a part hereof:

1.2.1 Exhibit A Existing RCML Property.

1.2.2 Exhibit B Map of Cemetery Property, Airport Property, and Forest Service Property.

1.2.3 Exhibit C Intentionally Deleted.

1.2.4 Exhibit D Description of Parcels.

ARTICLE 2 EXCHANGE

2.1 Cemetery Property; Expansion Parcels.

2.1.1 The Legislation currently provides that the Town will receive title to the Cemetery Property as part of the Exchange.

2.1.2 The Legislation currently provides that the Town will have the right to purchase all or part of the Expansion Parcels. It is understood that the decision as to whether or not to purchase all or part of the Expansion Parcels is a decision to be made solely by the Town. It is also understood that the Town shall have the right to fund any Deficiency by any means acceptable to the Town and shall not be required to utilize the method provided in Section 2.1.5 below. Inasmuch as the value of the Expansion Parcels will be determined pursuant to an

appraisal conducted by the Federal Government, the parties to this Agreement agree to jointly cooperate in all appraisals to be conducted pursuant to the Legislation with respect to the Expansion Parcels to ensure that the value is accurately reflective of the fair market value and the existing encumbrances and liabilities with respect to the Expansion Parcels.

2.1.3 To the extent that there is Surplus Value as a result of the Exchange, to the extent permitted by the Legislation, RCML hereby agrees that the Surplus Value shall be applied by the Town, at its option, as a credit against the purchase of all or a portion of the Expansion Parcels from the United States, in the manner provided in the Legislation and in this Agreement. If the Town elects to so purchase, the Surplus Value shall be first allocated to purchase the Expansion Parcels in the following order of priority until the Surplus Value is fully utilized:

- (a) The Airport Interest; and
- (b) The Forest Service Property.

2.1.4 If there is any Surplus Value remaining after the purchase of the Expansion Parcels, or remaining as a consequence of the Town not electing to acquire the Expansion Parcels, the Town is not entitled to receive such Surplus Value in any other form and may not apply it to the purchase of any other real property and such Surplus Value shall be disposed of in the manner contemplated in the Legislation.

2.1.5 If there is a Deficiency with respect to the Expansion Parcels that the Town elects to acquire and if the Town wishes to proceed with such acquisition in spite of such Deficiency and wishes to enter into the Condition Agreement as set forth below, then as an accommodation to the Town (and not for the purpose of RCML's acquisition of additional lands as a result of the Exchange) RCML hereby agrees to fund such Deficiency for the Town to purchase all or a portion of the Expansion Parcels (the "**Deficiency Purchase**"), up to a maximum amount of eight million dollars (\$8,000,000.00), as follows:

(a) The Town and RCML shall meet to determine the extent of the Deficiency. The parties shall also discuss which parcels the Town wishes to acquire with the Deficiency Purchase; provided, however, the priority shall be for the acquisition of the Airport Interest first, then the Forest Service Property next.

(b) If the Town requires some, but not all of the amount of the maximum eight million dollar commitment to acquire all or a portion of the Expansion Parcels, then before funding the same, the Town and RCML shall discuss which portion of the Forest Service Property and/or the Airport Interest will be acquired by the Deficiency Purchase. The final decision, however, shall be made by the Town and shall be acceptable to RCML in its reasonable discretion.

(c) As a condition of the closing of such Deficiency Purchase, the Town may elect to obtain a title commitment from a title company of its own choosing, showing as of the closing that the Town shall acquire good and marketable title to the Deficiency Property, satisfactory to the Town. RCML shall bear the costs of the title insurance for such commitment and the costs of the same shall be added to the amount of the Deficiency Purchase.

ARTICLE 3
SPECIAL LIMITED OBLIGATION LOAN FOR THE DEFICIENCY PURCHASE

3.1 Covenant and Condition Agreement.

3.1.1 Concurrently with the closing of the Deficiency Purchase, the Town hereby agrees to record against all of the Deficiency Property a "covenant and condition" agreement (the "**Condition Agreement**") in favor of RCML and in a form acceptable to the Town and RCML that shall run with the land, and shall contain other provisions as set forth herein. The Condition Agreement shall provide that upon the sale of all or any portion of the Deficiency Property, the Town shall pay a release price to RCML until the amount of the Deficiency Purchase plus accrued interest has been paid by the Town to RCML as provided herein. The parties' mutual agreement on the form of the Condition Agreement shall be a condition precedent to the closing of the Deficiency Purchase.

(a) The Deficiency Property consists of separate parcels, described on Exhibit D attached hereto and incorporated herein (each a "**Parcel**"). The Town may sell one or more whole Parcels at a time (or as such smaller lots as agreed to by the parties). The "**Release Price**" for each Parcel shall be an amount equal to the total amount of the Deficiency Purchase divided by the total acreage of the Deficiency Property, and multiplied by the total acreage of such Parcel, plus accrued interest. Interest shall accrue at the applicable federal rate in effect as of the date of the Condition Agreement.

(b) The obligation of the Town to pay the Release Price for the sale of all or a portion of the Deficiency Property to RCML as evidenced by the Condition Agreement shall be a special limited obligation of the Town payable solely from the proceeds of the sale of the Deficiency Property, upon the sale of all or any portion of such property. The obligations shall not have any recourse to the general fund of the Town.

(c) The Covenant Agreement shall run until RCML has been repaid in full or twenty (20) years, prepayable in whole or in part at any time without penalty.

(d) Upon a sale of all or any portion of the Deficiency Property and payment of the net sales proceeds to RCML, the applicable portion of the Deficiency Property that was sold shall be released free and clear of the Condition Agreement. RCML agrees to execute such release instrument as necessary to release such portion of the Deficiency Property from the Condition Agreement.

(e) The Condition Agreement shall be in recordable form and shall contain such other provisions, covenants and agreements as are common in such instruments and satisfactory to both parties.

3.2 Condition of Property. In no event shall the acquisition of the Deficiency Property create any obligations or liability for RCML based upon the condition of such Deficiency Property, including the environmental condition and any prior contamination of such Deficiency Property, nor shall RCML assume, nor be deemed to have assumed, any such obligation or liability. The Town shall accept the Deficiency Property in an "**AS IS, WHERE IS**" condition.

ARTICLE 4
RCML SOCIAL IMPACT CONTRIBUTIONS

4.1 **Creation of Social Impact Committee.** RCML and the Town hereby agree to form a committee to be known as the "Social Impact Committee" to manage RCML's contributions to the Town described in this Article 4. Such Committee shall be formed promptly after Completion of the Exchange. The Committee shall be a committee of five (5) members appointed by the Town Council, three (3) of which shall be nominated by the Town Council on a biennial basis and two (2) of which shall be nominated by RCML on a biennial basis. The terms of each person so nominated shall be for two years and at the pleasure of the person nominating the same; provided, however, that the nominating party may provide replacements from time to time should the person nominated become unavailable or refuse to serve. Except for the nominations by RCML, the members of the Committee shall all be residents of the Town. The Committee shall meet as necessary, but not less often than quarterly. The Committee shall decide which projects fit the criteria set forth herein to be funded by RCML's contributions, and may fund a project with approval of the majority of the members of the Committee. The Committee shall prioritize the projects for the use of the RCML's contributions and shall develop project plans for the immediate twelve-month period, with more long range plans prioritized over the next five (5) calendar years, for the use of such contributions. Prior to formalizing any projects, such projects and related arrangements shall be approved by the Town Council in consultation with RCML's senior management, which approval shall not be unreasonably withheld, conditioned, or delayed. The members of the Committee shall serve as volunteers on a non-paid basis; provided, however that upon the approval of the Committee, a budget may be established for the costs of operation of the Committee. The Committee may engage the services of advisors and experts for the planning and implementation of the Projects selected, but shall not have authority to undertake any litigation except with the consent of all members. The Committee shall also establish such procedures as may be necessary that are compatible with the foregoing and Arizona statutes. The Committee may also obtain the services of other volunteers and community resources as may be necessary for accomplishing the projects approved by the Committee. If so requested by RCML and if the same is required to ensure that the donations by RCML are deductible for tax purposes as charitable contributions, such Committee shall be organized in a manner sufficient to establish that donations to the same are deductible from income taxes by the party making the donation.

4.2 **RCML Contributions.**

4.2.1 RCML hereby agrees to contribute to the Town certain amounts as set forth herein, for use in the projects approved by the Committee for the philanthropic purposes specified herein as directed by the Committee. The parties hereby agree that appropriate uses for funds contributed by RCML shall be responsive to the Town's needs, focusing on education, environmental quality, community development, building a diverse and skilled workforce, and supporting sustainability through tourism and other sustainable development, and shall include the following uses:

- (a) Improvement of educational facilities within the Town;

- Town;
- (b) Improvement of community and school sports facilities within the
 - (c) Improvement of facilities serving the youth of the Town;
 - (d) Improvement of community parks and other similar public amenities such as Queen Creek, Boyce Thompson Arboretum, Arizona Trail, and similar amenities and facilities that would help the Town develop its tourism business;
 - (e) Other community purposes such as community services and programs; and
 - (f) Such other projects for the benefit of the Town and the community in which the contributions for the same would be tax deductible under Section 501(c) (3) of the Internal Revenue Code.

4.2.2 The parties agree that such funds may not be used to enhance any privately owned facilities or property (other than not for profit charitable institutions as to which contributions are deductible under Section 501(c)(3) of the Internal Revenue Code), to improve government facilities not itemized above, or towards any other private purpose or be used to divert Town budgets to other uses. The Town further agrees that such funds may not be used to take any legal action, directly or indirectly, against or in any way adverse to RCML, BHP Copper, Inc., and/or their respective affiliates or any of their officers, directors, employees, contractors or agents.

4.2.3 RCML hereby agrees to make the following contributions to the Town to be held in a segregated fund for use as described herein:

(a) The initial contribution shall be made within thirty (30) days following the Completion of the Exchange in the amount of One Hundred Thousand Dollars (\$100,000).

(b) Thereafter, a contribution shall be made on or before February 15 in the calendar year following the initial contribution and thereafter during the term on or before each February 15 of each subsequent calendar year. The amount of each contribution shall be increased by Seventy-Five Thousand Dollars (\$75,000) from the immediately prior year's contribution, provided, however that RCML's contribution shall be capped at the amount of Four Hundred Thousand Dollars (\$400,000) per year, as may be adjusted as provided below.

(c) For any payment made after the initial contribution, the amount of the contribution shall be adjusted by the percentage change of the Implicit Price Deflator from the previous year, with the base set amount to be \$100,000, using the year of the initial payment as the base year. For example, if this Agreement has not previously been terminated, the second contribution made by RCML shall be \$175,000, as adjusted by the percentage change of the Implicit Price Deflator using the year of the initial payment as the base year and thereafter the percentage changes from the preceding year. If the Implicit Price Deflator shows a 3% increase from the year before, the second contribution amount shall be \$178,000 (which is 103% of

\$100,000, plus the increased amount of \$75,000). Any such amounts due hereunder shall be rounded to the nearest whole dollar amount.

4.2.4 RCML shall continue to make such contributions so long as it is continuing its Commercial Mining Operations and is actively conducting such Commercial Mining Operations on the RCML Property. In the event the Commercial Mining Operations are temporarily suspended for a period of one year or less, RCML shall continue to make its contributions as provided herein.

4.3 **Conditions to Contribution.** Each contribution shall be made only after satisfaction of the following conditions:

4.3.1 Completion of the Exchange has previously occurred. If Completion of the Exchange has not occurred on or before December 31, 2012, this Article 4 shall automatically terminate, and neither party shall have any obligations under this Article 4.

4.3.2 Pursuant to the requirements of State Budget Law, the Town shall include in its annual budget each year this Agreement is in effect the performance of the projects contemplated for the next calendar year as prioritized by the Committee and approved by the Town Council and RCML's senior management. The parties acknowledge that the projects contemplated herein shall be funded by RCML as set forth herein, and shall not be provided from the Town's general funds. Such funds shall supplement the Town's budget as enhancements to and increases in the Town budget for such items, and shall not supplant any portions that would otherwise be provided by the Town. In the event the Town fails to include the amount of payment made by RCML in its applicable annual budget, it shall not be an Event of Default hereunder and the Town shall promptly return the payment to RCML by July 1 of such year.

4.3.3 There has been no Event of Default by the Town that has occurred and is continuing under this Agreement, the Condition Agreement, or the Land Use Agreement.

4.4 **Rights of RCML to Suspend or Terminate Contributions.** RCML may, in its sole and absolute discretion, suspend or terminate its contributions to the Town as described in this Article 4 upon the occurrence of any of the following:

4.4.1 If within five (5) years from the date of Completion of the Exchange, the ultimate corporate parents of RCML have not approved RCML's incurrence of the capital expenditures necessary to construct the shafts, mine and mill facilities needed for the construction and operation of the mine on the RCML Property, in which case RCML shall suspend its contributions until RCML has obtained such approval and authorization.

4.4.2 If RCML has obtained such approval and authorization as described above, but has not commenced Commercial Mining Operations in the sole discretion of RCML within five (5) years after receipt of such approval and authorization, whether due to regulatory requirements, litigation, technical or other feasibility concerns, or otherwise, RCML shall suspend its contributions until RCML is able to commence Commercial Mining Operations.

4.4.3 If RCML suspends the Commercial Mining Operations for a period longer than one year, RCML shall have the right to suspend its contributions until RCML recommences the Commercial Mining Operations.

4.4.4 If RCML abandons or otherwise terminates its interest in the RCML Property or ceases its Commercial Mining Operations and/or other RCML Operations, or at any time following the Effective Date of this Agreement determines that the RCML Operations are not economically feasible in the sole discretion of RCML, RCML shall have the right to suspend its contributions and may terminate this Agreement as provided herein.

4.5 **Contribution for Magma Avenue.** RCML hereby agrees to donate to the Town an amount up to not to exceed Fifty Thousand Dollars (\$50,000) for a portion of the Town's cost to repair and repave Magma Avenue. The Town shall notify RCML prior to entering into an agreement for the provision of such work, and upon entering into such agreement RCML shall pay to the Town the agreed upon amount.

ARTICLE 5 CONDITIONS OF THIS AGREEMENT

5.1 **Conditions Precedent.** In addition to other conditions contained in this Agreement, this Agreement shall become effective only after the occurrence of the following conditions. In the event such conditions are not satisfied by the applicable time for such condition, this Agreement shall automatically terminate and shall have no further force or effect immediately upon failure of such condition:

5.1.1 On or before June 20, 2008, the Town Council shall have approved and ratified this Agreement and all of the terms hereof.

5.1.2 On or before June 27, 2008, the Town's Mayor and Town Council shall have sent a letter (the "**Support Letter**") in their respective official capacities to each member of the State's Congressional delegation and to the State's Governor, Governor Napolitano, expressing unqualified support for the Legislation, the Exchange and proposed RCML Operations, in a form reasonably acceptable to RCML.

5.1.3 The parties acknowledge that RCML intends to pursue a rezoning of the portion of the RCML Property known as Smelter Town to a light industrial use classification effective on or before December 31, 2009. RCML agrees to diligently pursue such rezoning, and if necessary, any amendment to the Town's General Plan. The parties each agree to use their reasonable efforts and to diligently pursue such zoning amendment application, and if necessary a General Plan amendment application, and to fully cooperate with each other pertaining to the same. The parties agree to follow the Town's procedures to rezone the property as required by the Town's Zoning Ordinances, and if necessary, the Town's procedures to amend the Town's General Plan. Despite the foregoing being a condition of this Agreement, it is agreed that the actual amendment process is subject to various votes and procedures and no assurance is given that the same will be accomplished within such time frame.

5.1.4 If by December 31, 2010, the Legislation has not become law and if within the time period for the transfer of the Exchange Property as set forth in the Legislation,

but not later than December 31, 2010, the same has not been completed for any reason, whether or not approved or whether or not abandoned by RCML, this Agreement shall be terminated and shall have no further force or effect.

5.2 **Conditions Subsequent.** This Agreement shall terminate automatically upon the occurrence of the following conditions, upon which this Agreement shall have no further force or effect:

5.2.1 Upon the failure of the Town Council to include the budgetary items addressed in this Agreement in the Town budget for the subsequent fiscal year, at any time during the term of this Agreement.

5.2.2 Provided there has been no Event of Default by RCML, upon any rescission of the Support Letter by the Mayor or any member of the Town Council in their official capacity, or any such person in their official capacity otherwise qualifying their support of the Legislation, the Exchange and/or proposed RCML Operations, or otherwise expressing opposition to the RCML Operations in any communication with any member of the State's Congressional delegation or the State's Governor.

5.2.3 In the event the Town takes any official action to commence annexation of any of the RCML Property without the express written consent of RCML. As used herein, "official action" means the approval by the Town, the Town Council, or any division or department of the Town, of any map or of any annexation proceeding including all or any portion of the RCML Property, or designating all or any portion of the RCML Property to be included in any special taxing or assessment district, or the Town or any quasi-governmental entity consents to any portion of the property within the municipal boundaries of the Town and/or any of the RCML Property being included in a special taxing or assessment district, or provides direct or indirect support for the same, howsoever characterized.

5.2.4 Upon any Event of Default by the Town or RCML.

ARTICLE 6 COOPERATIVE DEVELOPMENT OF REAL PROPERTY

6.1 **Land Use Agreement.** The parties agree that it is in both parties' best interests to develop in the future as part of a common development the portion of the RCML Property known as Smelter Town, the Forest Service Property, the Airport Property, and the BHP Property. As such, the parties intend to enter into a Land Use Agreement between RCML and the Town to provide for the joint cooperative development of such properties, to the extent such properties are located within the Town boundaries (or following an annexation of such property into the Town boundaries), to best promote the interests of the Town and RCML. The parties intend to enter into such agreement on or before December 31, 2009.

ARTICLE 7 MISCELLANEOUS PROVISIONS

7.1 **Representatives.** When indicated herein, each party shall act through its designated representative. RCML hereby designates Mr. David Salisbury, President, Resolution

judgment, the same is not feasible or is needed to be changed in RCML's sole discretion due to other factors that are needed in order to accomplish passage of the Legislation and approval of the Exchange. If such Legislation is not passed in a manner satisfactory to the Town, the Town may provide notice of termination of this Agreement to RCML in which case the obligations of both parties as contained in this Agreement shall terminate without any further obligations by either party.

7.5 **Events of Default.** The occurrence of any of the following events shall constitute an Event of Default (whether such events shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) and shall be just cause for termination:

7.5.1 a party's failure to make any payment due hereunder on any due date thereof, which is not cured within ten (10) business days after written notice of the same has been given by the non-defaulting party; provided, however, that in the event the Town fails to include such amounts in the relevant budget, non-payment by RCML shall not be an Event of Default hereunder;

7.5.2 a party's failure to observe or perform any of its other covenants and obligations under this Agreement, the Condition Agreement, or pursuant to the Land Use Agreement and its failure to fully cure the same within thirty (30) days after written notice thereof to such party or within the period of cure set forth in the Condition Agreement or Land Use Agreement; provided, however, that failure by the Town to include the payments by RCML in its annual budget shall not be an Event of Default hereunder;

7.5.3 any representation or warranty of a party herein or in any document or certificate furnished to the other party in connection herewith or pursuant hereto shall prove to be incorrect in any material respect; and

7.5.4 a party shall (A) become insolvent; (B) generally not pay its debts (trade or other) as they become due; (C) file, or consent by answer or otherwise to the filing against it of, a petition of relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction; (D) make an assignment for the benefit of its creditors; (E) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property; or (F) take corporate action for the purpose of any of the foregoing; (G) or if a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by a party, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of a party, or if any such petition shall be filed against a party and such condition is not reversed or such petition shall not be dismissed within thirty (30) days; or (H) any similar event in any jurisdiction in which a party is in operation has occurred.

7.6 **Remedies.** Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, the non-defaulting Party may, at its option, declare the Agreement to be in default, except in the case of any event in Section 7.5.4 occurring, in which case this Agreement shall automatically be in default and shall automatically terminate without notice to the non-defaulting party. Except with respect to an event in Section 7.5.4, at any time after any other Event of Default, and so long as the same is continuing, the non-defaulting party may do one or more the following with respect to all or any part of the Agreement as the non-defaulting party in its sole discretion shall elect, to the extent permitted by, and subject to compliance with any mandatory requirements of applicable law then in effect:

7.6.1 The non-defaulting party may proceed by appropriate court action or actions to enforce specific performance of this Agreement for the applicable fiscal year and/or or to recover damages for the breach thereof; provided, however, the amount of the damages that may be recovered is capped at the amount paid by RCML for the year in which the Event of Default occurred;

7.6.2 Where RCML is the non-defaulting party, RCML may suspend any payment and/or contribution contemplated in this Agreement pending any cure of such Event of Default;

7.6.3 The non-defaulting party may terminate this Agreement; and

7.6.4 Notwithstanding anything herein to the contrary, in the event the Town fails to include in its annual budget payments by RCML as contemplated hereunder, RCML shall have the right to suspend any payment contemplated in this Agreement and may terminate this Agreement effective immediately.

7.7 **Remedies Cumulative** Each and every remedy hereby specifically given a non-defaulting party shall be in addition to every other remedy specifically so given, and each and every remedy may be exercised from time to time individually or simultaneously and as often and in such order as may be deemed expedient by the non-defaulting party. All such remedies shall be cumulative and the exercise of one shall not be deemed a waiver of the right to exercise any other or others.

7.8 **Waiver.** No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by RCML or the Town for the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same of any other covenant or condition of this Agreement.

7.9 **Applicable Law.** This Agreement shall be governed by and interpreted under the laws of the state of Arizona, excluding any conflict of law principles that would require the application of the law of any other jurisdiction.

7.10 **Further Assurances.** Each party agrees to undertake and perform all further acts that are reasonably necessary to carry out the intent and purposes of the Agreement at the request of the other party.

7.11 **No Agency, Joint Venture, or Partnership.** It is specifically understood and agreed to by the parties that the RCML Operations are a private venture, and this Agreement in no way creates any type of agency relationship, joint venture, or partnership among RCML and the Town.

7.12 **Construction.** This Agreement has been reviewed and revised by legal counsel for RCML and the Town, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement. The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and shall not control the meaning or construction of any of the provisions hereof.

7.13 **Severability, Invalidity.** If any provision of this Agreement shall be held to be unconstitutional, invalid, or unenforceable by a court of competent jurisdiction or as a result of any legislative action, such holding or action shall be strictly construed. Furthermore, provided the parties are still able to retain all of the material benefits of their bargain hereunder, such provision shall be construed, limited, or if necessary, severed, but only to the extent necessary to eliminate such invalidity or unenforceability, and the other provisions of this Agreement shall remain unaffected and this Agreement shall be construed and enforced as if such provision in its original form and content had never comprised a part hereof.

7.14 **Dispute Resolution.** Under all circumstances, any disputes that are not otherwise resolved by agreement of the parties shall be resolved by litigation. Any litigation shall be instituted only in a court of competent jurisdiction, whether state or federal, located within the city of Phoenix, Arizona. If any such litigation is commenced, each party irrevocably consents and submits to personal jurisdiction of any such court and to the service of process upon them in accordance with the rules or statutes governing service of process; provided that nothing in this Section 7.14 shall be deemed to prevent either party from seeking to remove any action to federal court in Phoenix, Arizona. EACH PARTY FURTHER WAIVES TO THE FULL EXTENT PERMITTED BY LAW (i) THE RIGHT TO TRIAL BY JURY, (ii) ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO VENUE IN ANY SUCH LITIGATION IN A COURT OF COMPETENT JURISDICTION, WHETHER STATE OR FEDERAL, IN PHOENIX, ARIZONA, AND (iii) ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

7.15 **Entire Agreement, Amendment.** This Agreement, together with all exhibits and attachments, constitutes the entire agreement between the parties and supersedes any prior understandings, agreements, or representations, verbal or written, and specifically supersedes the Services and Support Memorandum of Understanding. Except as expressly provided herein, this Agreement shall not be amended except in a written form executed by both of the parties. In the case of the Town, such amendment shall be made pursuant to a vote of the Town Council taken with the same formality as the vote approving this Agreement.

7.16 **Successors and Assigns.** This Agreement shall inure to the benefit of and shall be binding upon the Town and RCML and their respective successors and assigns.

IN WITNESS WHEREOF, RCML and the Town have executed this Agreement by their duly authorized representatives effective as of the Effective Date.

RCML:

RESOLUTION COPPER MINING LLC,
a Delaware limited liability company

By: Resolution Copper Company, as Manager
and not in its own behalf.

By:  _____

Print Name: David Salisbury

Title: President, Resolution Copper Company,
as Manager

Date: June 19, 2008

TOWN:

THE TOWN OF SUPERIOR, a municipal
corporation

By:  _____

Print Name: Mayor Michael Hing

Title: Mayor

Date: June 19, 2008

Attested to:

By: MLO

Print Name: Melanie Oliver

Title: Town Manager

Date: June __, 2008

Approved as to Form:

By: _____

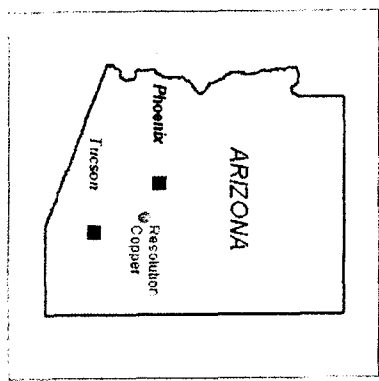
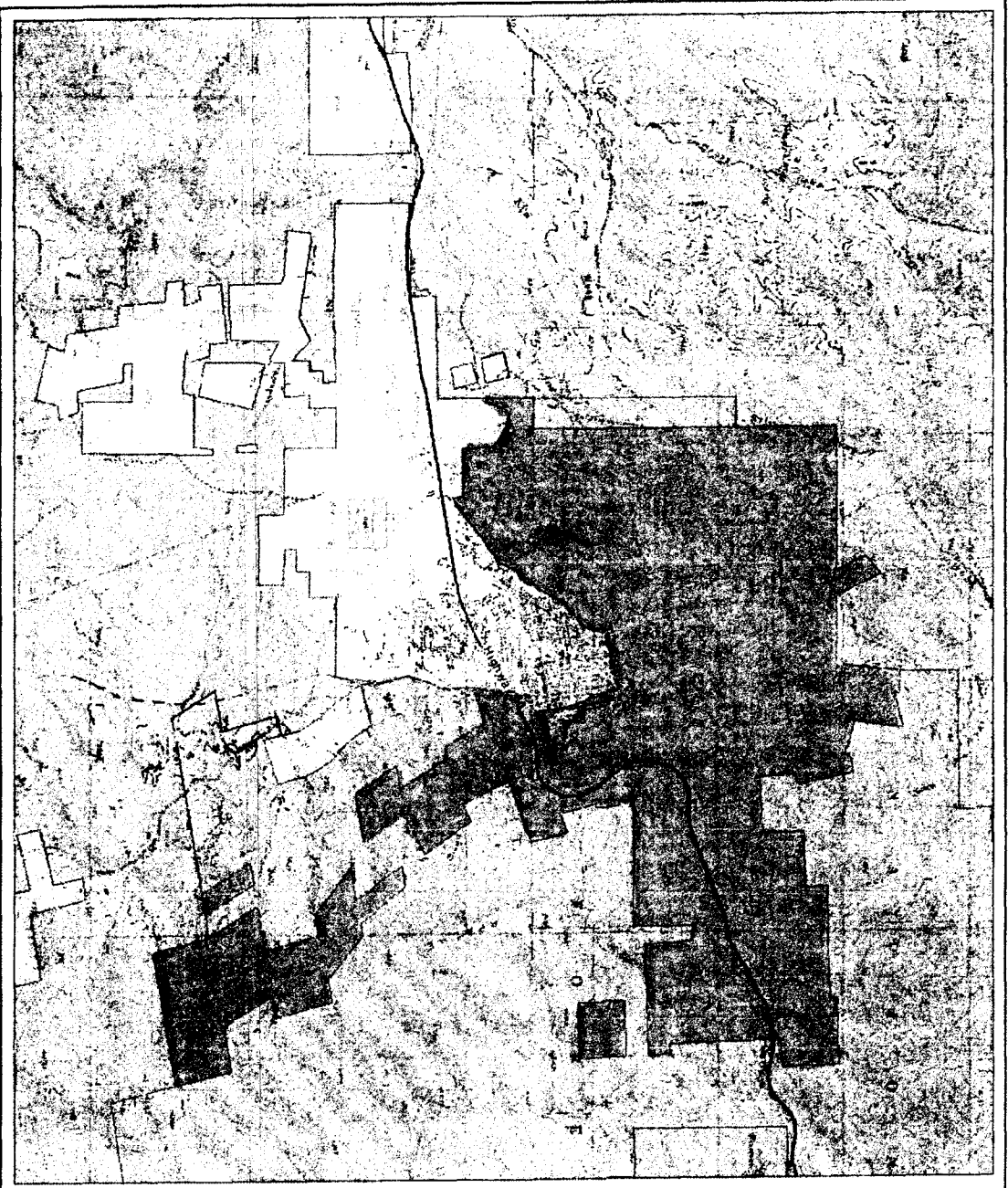
Print Name: _____

Title: _____

Date: June __, 2008

MAP OF EXISTING RCML PROPERTY

EXHIBIT A



■ EXISTING RCML PROPERTY

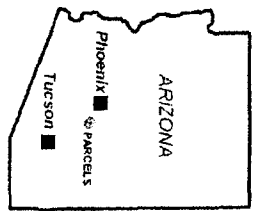
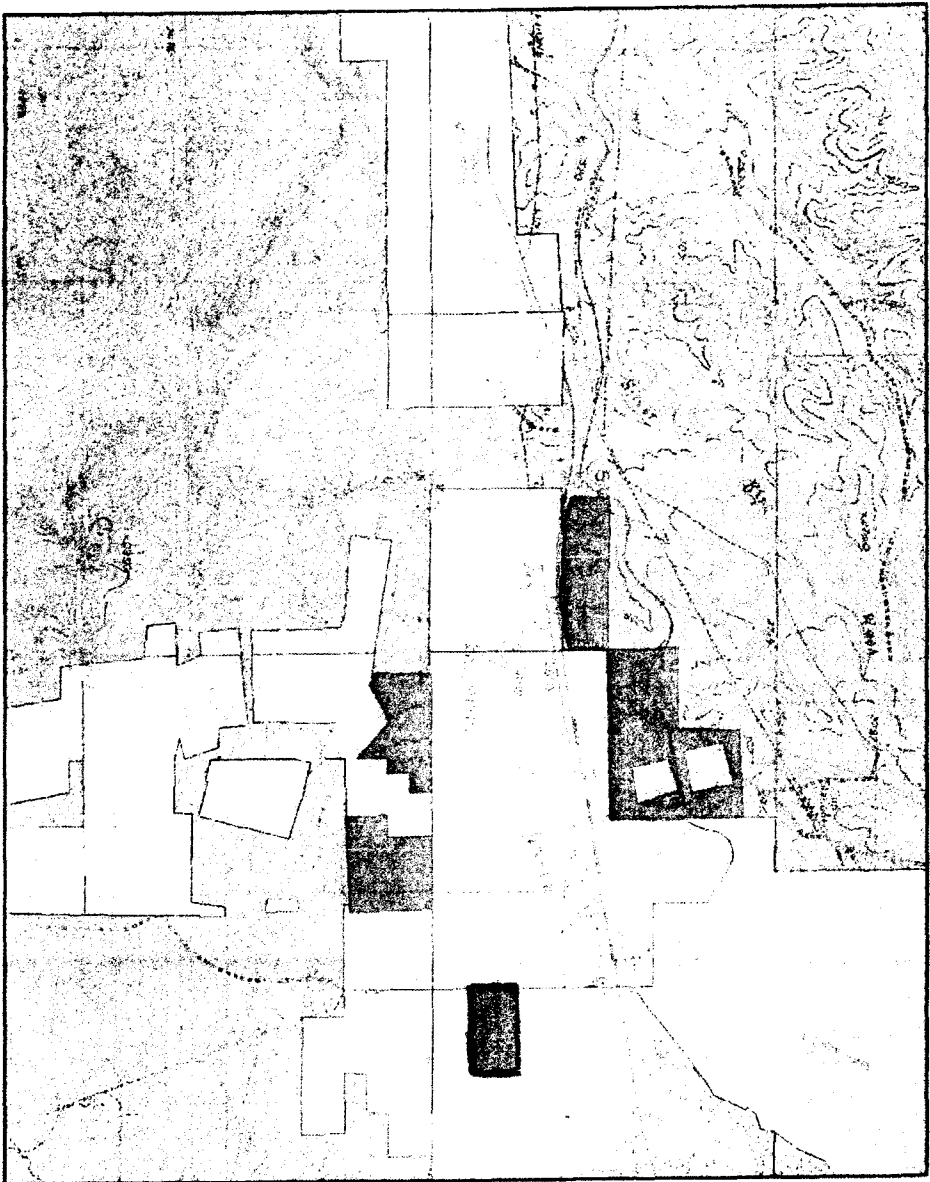


Exhibit A

Date June 2008

EXHIBIT B

**MAP OF CEMETERY PROPERTY; AIRPORT PROPERTY; AND FOREST SERVICE
PROPERTY**



- FOREST SERVICE PROPERTY
- CEMETERY PROPERTY

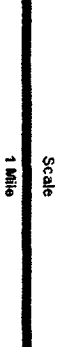
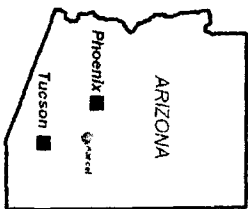
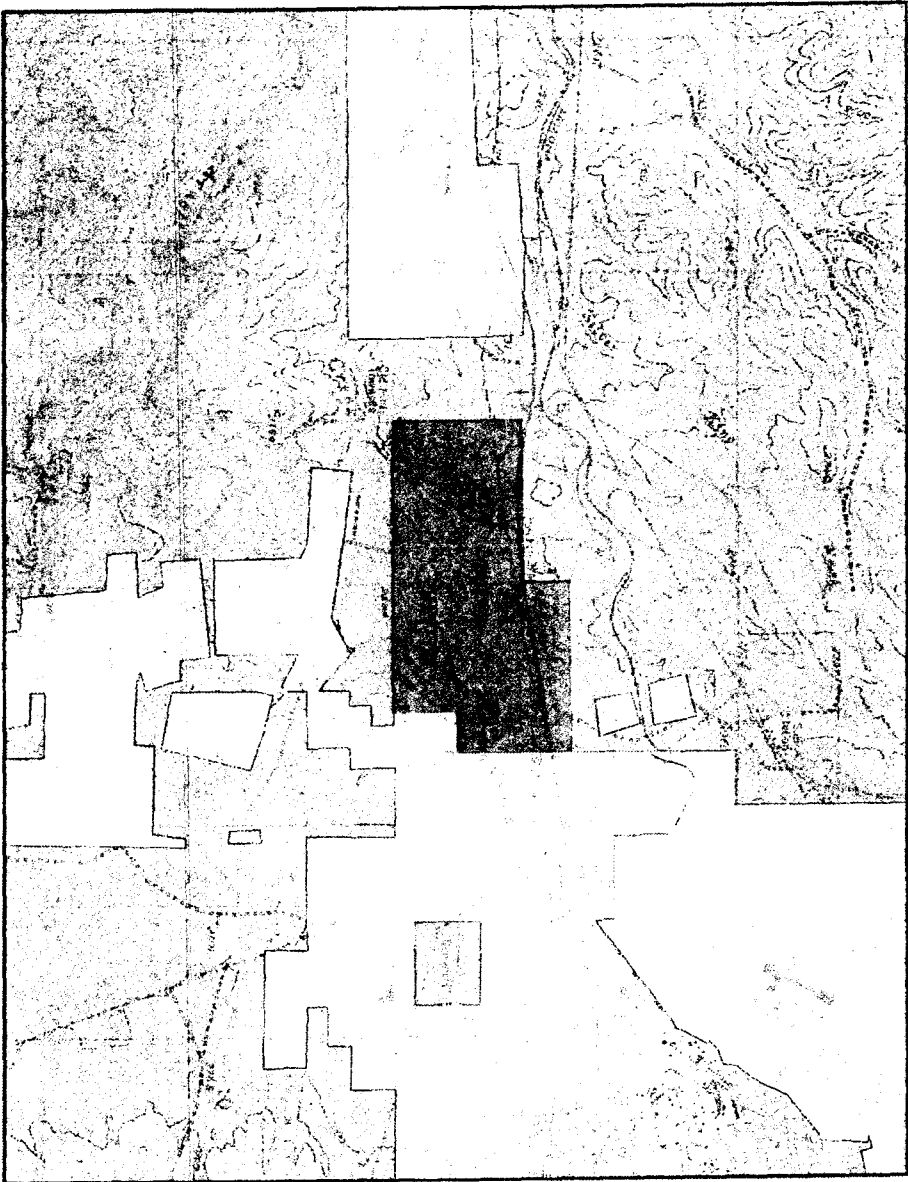


EXHIBIT B - PAGE 1



■ AIRPORT PROPERTY



EXHIBIT B - PAGE 2

INTENTIONALLY DELETED

EXHIBIT C

EXHIBIT D
DESCRIPTION OF PARCELS

Airport Property:

Township 2 South, Range 12 East, G&SRB&M, Section 4 N1/2SW1/4, SW1/4SW1/4,
W1/2SE1/4SW1/4, N1/2NE1/4SE1/4SW1/4

Township 2 South, Range 12 East, G&SRB&M, Section 5 S1/2SE1/4, S1/2N1/2SE1/4

Forest Service Property:

Township 2 South, range 12 East, Gila and Salt River Meridian, Section 4 S1/2 NW1/4, S1/2
NE1/4 NW1/4, less and except Millsites 4803, 4860

Township 2 South, range 12 East, Gila and Salt River Meridian, Section 9 S1/2 NW1/4 NE1/4,
NE1/4 NW1/4 NE1/4 E1/2 NW1/4 NE1/4 NW1/4 NW1/4, W1/2 W1/2 NE1/4 NW1/4 E1/2
NW1/4 NE1/4 NW1/4, NW1/4, NE1/4 NE1/4 NW1/4 less and except H.E.S. 167