LAW OFFICES
LEPPIN & PATTON

WARNER G. LEPPIN
DALE K. PATTON, JR.

401 KINSLEY AVENUE
POST OFFICE BOX 53
WINSLOW, ARIZONA 86047
TELEPHONE (602) 289-4636

July 14, 1983

Mr. William W. Clayton
Attorney at Law
P. O. Box 911
Holbrook, Arizona 86025

Re: City of Holbrook/Mollie Jennings

Dear Bill:

I am herewith enclosing signed lease agreement, with the express understanding that it is conditioned upon the terms of your July 11, 1983, letter.

If there are any questions, please advise.

Very truly yours,

Warner G. Leppin

WGL:td

Enclosure

JUL 18 1983

STATE OF ARIZONA)
) ss.
County of Navajo)

I certify that this instrument was recorded on the ____ day of _____, 198_, at Navajo County Recorder's Office, Docket No. _____, Page No. _____.

Please return to:
William W. Clayton,
Attorney At Law
Post Office Box 911
Holbrook, Arizona 86025

County Recorder

Deputy

LEASE OF COMMERCIAL SPACE

DATE:

COUNTY OF NAVAJO,
STATE OF ARIZONA

LESSOR:

Charles L. Jennings and
Mollie P. Jennings,
husband and wife, and
Mollie P. Jennings,
individually

Post Office Box 832
Holbrook, Arizona 86025

City of Holbrook,
a municipal corporation

Post Office Box 70
Holbrook, Arizona 86025

FOR VALUABLE CONSIDERATION, Lessor leases to Lessee, space in the leased premises, with improvements and personal property described herein, according to the terms hereinafter set forth and according to the terms and conditions herein set forth specifically, of the Law Forms Master Terms Of Commercial Lease dated May 1, 1972, recorded in this County at Docket 370, Page 667, through Page 681, a copy of which Lessee acknowledges receipt, as to sections 16, 19, 20, 25, 26, 28, 29, 30, 31, 33, 34, 35, 36, 37, 38, 39, 40, 42, 43, 45, 46, 47, 49, 50, 51, 52, 53, and 54.

TERMS OF THIS LEASE shall be in effect for a period of 50 years, commencing at 12:00 noon on , 198_, and ending at 12:00 noon on , 198_.

LESSOR,

Charles L. Jennings

Charles L. Jennings

Mollie P. Jennings

Mollie P. Jennings,
individually and as his wife

LESSEE,

Elizabeth B. Budenholzer

Elizabeth B. Budenholzer,
Mayor for City of Holbrook

CITY OF HOLBROOK
P.O. BOX 70
HOLBROOK, ARIZONA 86025

STATE OF ARIZONA)
) ss.
County of Navajo)

THIS INSTRUMENT was acknowledged before me by CHARLES L. JENNINGS and MOLLIE P. JENNINGS, Lessors, this 25 day of January, 1983.

Jerrie DeRade
NOTARY PUBLIC

My commission expires:
4-15-85

STATE OF ARIZONA)
) ss.
County of Navajo)

THIS INSTRUMENT was acknowledged before me by Elizabeth Budenholzer Lessee, this 11th day of January, 1983.

Carol M. DeWitt
NOTARY PUBLIC

My commission expires:
My Commission Expires Jan. 25, 1984

CITY OF HOLBROOK
P.O. BOX 70
HOLBROOK, ARIZONA 86025

ADDENDUM TO LEASE AGREEMENT

City of Holbrook/Jennings

1) The lease of the premises herein shall remain in full force and effect provided there is not an abandonment by the City of the golf course area of what is now known as the Hidden Cove Golf Course. Abandonment as used in this agreement shall mean that the golf course shall not be intended to be used for a period of 365 continuous days. Should said abandonment occur, the lease herein of the area herein shall be revoked and the property no longer be subject to this lease.

2) Lessor hereby holds Lessee and all who use the golf course harmless from any and all golf balls and other golf related activities which may encroach upon the area of the bluffs immediately south and west of the present Hidden Cove Golf Course and shall not install a fence at the base of said bluffs nor upon the slopes of said bluffs.

3) The City will place a 6" water line onto the Jennings property westerly from southwest corner of the sewer pond to the top of the bluff west and south of the existing City sewer pond in the area of Bench mark 8.

4) The location of the spot to which the line will be constructed is immediately west of the southwest corner of the sewer pond in the area easiest and least expensive for construction and installation purposes. City engineer shall furnish the exact legal description which shall be part of this agreement.

5) Lessee shall immediately apply to the Arizona Department of Health Services for approval of the said water line extension as outlined in paragraph 3 above. Said application shall be submitted within 45 days of signing of this agreement.

6) Once the agreement has been submitted to ADHS, construction shall commence within 60 days of the receipt of approval of ADHS, and the said construction shall be finished within a reasonable length of time. The installation shall be in a workmanlike manner according to engineered suggestions and recommendations.

7) The City makes no guarantee of volume or pressure.

8) Lessor shall sign a water line easement to Lessee on the property upon which the said water line shall be installed and will cooperate with the City to give access to the premises for installation and maintenance of said line.

9) Lessee shall at its expense engineer and locate the exact extent of encroachment of the present golf course and secure through competent engineering a legal description thereof to serve as a basis for this agreement.

10) Both parties agree that this agreement is in complete settlement of all claims and disputes heretofore existing between the parties concerning the furnishing of water to the Jennings property.

11) City shall install a post and barbed wire barrier at the top of the bluff at the water line to prevent passage of unwanted vehicles and livestock.

12) This agreement shall be binding upon the heirs, successors, representatives, and assigns of the respective parties.

13) Lessee agrees that if there is any substantial increase in property taxes for the property upon which the golf course encroaches at any time during the term hereof from the year 1980, that Lessee will be responsible therefor.

CITY OF HOLBROOK
P.O. BOX 70
HOLBROOK, ARIZONA 86025

ADDENDUM TO LEASE AGREEMENT
Continued -- Page Two

CITY OF HOLBROOK,

Charles L. Jennings

Charles L. Jennings

By Elizabeth B. Budenholzer

Elizabeth B. Budenholzer,
Mayor

Mollie P. Jennings

Mollie P. Jennings, Individually
and as his wife

ATTEST:

Paul J. Richards

Paul J. Richards,
City Manager

APPROVED AS TO FORM:

William W. Clayton

William W. Clayton,
City Attorney

CITY OF HOLBROOK
P.O. BOX 70
HOLBROOK, ARIZONA 86025

SECOND ADDENDUM TO LEASE AGREEMENT

CITY OF HOLBROOK/JENNINGS
JULY 25, 1983

Lessors, Charles L. Jennings and Molly P. Jennings, husband and wife, and the City of Holbrook as Lessee, hereby agree to modify the addendum to lease agreement dated July 25, 1983, as follows:

Paragraph 3 of that first addendum to lease agreement beginning at Line 11, Page 1, is hereby replaced as follows:

> The City will place a six inch waterline onto the Jennings property leading from the existing waterline at the Southwest corner of the sewer pond to a point on the Jennings property within twenty feet of bench mark No. 1.

All other provisions of the commercial lease agreement and first addendum to lease agreement remain unchanged.

DATED this 31st day of August, 1983.

CITY OF HOLBROOK,

Charles L. Jennings

Charles L. Jennings

Kitty Benson,
Mayor

Molly P. Jennings

Molly P. Jennings,
Individually and as his wife.

ATTEST:

Paul J. Richards,
City Manager

APPROVED AS TO FORM:

William W. Clayton,
City Attorney

CITY OF HOLBROOK
P.O. BOX 70
HOLBROOK, ARIZONA 86025

Re: Jennings Grazing Rights

Dear Bill, and To Whom It may concern:

In addition to what I told you last week, I would like to make you aware of the following:

1. When Charlie and I were approached to sell the city of Holbrook some of our land, we decided it would be nice for city residents and guests to benefit by finally having a Golf Course, which they had wanted for so long, and at Charlie's suggestion, we donated some land for a playground for children, on the Northwest end.

2. In 19~~74~~72, an agreement was reached that we would sell the land a little cheaper, if we could retain the grazing rights for our livestock. It was also agreed that the city could fence off the golf course and sewer facility so our livestock would not interfere with their operation. We have tried to comply, however have not utilized the land much for a couple of years because of obvious reasons.

As you know, furnishing water for livestock owned by another party, on the land we have grazing rights on, would draw the stray cattle to our grazing area, and we do not want this to happen, as the "strays" would eat up all of our reserve feed. If there is no water available, the owner will have to move his livestock elsewhere.

In the meantime, when the time comes that I need water for my cattle and horses, I will make arrangements with the City.

Sincerely

Mollie Jennings*

P.S. If this doesn't work, please keep me posted, as I have another "Ace In the Hole."

WARRANTY DEED

For the consideration of Ten Dollars, and other valuable considerations, CHARLES L. JENNINGS and MOLLIE P. JENNINGS, his wife, hereafter called the Grantors, hereby convey to the TOWN OF HOLBROOK, a municipal corporation of the State of Arizona, the following described real property situated in Navajo County, Arizona, together with all rights and privileges appurtenant thereto, to-wit:

PARCEL NO. 1: A description of a parcel of land located in the West portion of Section 35, Township 18 North, Range 20 East, Gila & Salt River Base & Meridian, Navajo County, Arizona:

BEGINNING at the Southwest corner of Section 35, Township 18 North, Range 20 East, thence North 1°26' West along the West line of said section a distance of 775.00 feet to a point; thence South 86°21' East a distance of 150.50 feet to a point; thence North 50°03' East a distance of 246.20 feet to a point; thence North 43°34' East a distance of 580.00 feet to a point; thence North 74°53' East a distance of 462.00 feet to a point; thence North 16°54' East a distance of 146.00 feet to a point; thence North 18°58' West a distance of 160.00 feet to a point; thence North 47°15' West a distance of 897.00 feet to a point, thence North 45°07' East a distance of 829.00 feet to a point; thence North 18° 53' East a distance of 387.00 feet to a point; thence South 77°32' East a distance of 527.23 feet to a point; thence South 83°37'15" East a distance of 140.68 feet to a point; thence North 14°18' East a distance of 363.00 feet to a point; thence North 41°39' West a distance of 338.00 feet to a point; thence South 45°24' West a distance of 287.00 feet to a point; thence North 72°27' West a distance of 349.81 feet to a point; thence North 68°14' 10" West a distance of 301.45 feet to a point; thence South 13°07' West a distance of 189.00 feet to a point; thence South 86°48'20" West a distance of 490.44 feet to a point; thence South 69°53'30" West a distance of 224.06 feet to a point; thence North 20°04'40" West a distance of 344.62 feet to a point; thence North 75°45' East a distance of 204.85 feet to a point; thence North 42°30' West a distance of 315.51 feet to a point located in the West line of Section 35, thence North 3°54'30" East along the West line of Section 35 a distance of 1,179.00 feet to the Northwest corner of Section 35, thence South 89°23'30" East along the North line of Section 35 a distance of 3,652.80 feet to a point; thence South 5°22' West along the East bank of the Leroux Wash a distance of 2,931.70 feet to a point; thence South 36°27' West along the

the East bank of said wash a distance of 1,268.00 feet to a point; thence South 10°50' West along the said bank a distance of 593.00 feet to a point; thence South 2° 16' East a distance of 751.91 feet to the South Quarter Corner of Section 35, thence North 89°44'15" West along the South line of Section 35 a distance of 2,660.12 feet to the point of beginning. (Containing 322.4 acres, more or less.

PARCEL NO. 2: A description of a parcel of land located in the Northwest Quarter of Section 2, Township 17 North, Range 20 East, Gila & Salt River Base & Meridian, Navajo County, Arizona.

BEGINNING at the Northwest corner of Section 2, said corner being common to Sections 2 and 3, Township 17 North, Range 20 East and Sections 34 and 35, in Township 18 North, Range 20 East, thence South 89°44'15" East along the North line of Section 2 a distance of 2,660.12 feet to the North Quarter corner of Section 2, thence South 0°32' East a distance of 995.34 feet to a point; thence South 89°28' West a distance of 417.42 feet to a point, thence South 0°32' East a distance of 376.76 feet to a point located in the North Right of Way of I-40 said point being a point on a curve; thence Westerly along said right of way on a curve having a Delta angle of 6°57' Radius of 4,433.66 feet degree of 1.29229° a distance of 537.80 feet to a point said point is a point of tangent; thence North 81°49' West along said right of way a distance of 1,730.72 feet to a point located in the West section line of Section 2 thence North 0°21' West along the West line of Section 2 a distance of 1,097.72 feet to the point of beginning. (Containing 80.3 acres, more or less.)

SUBJECT TO:

1. Reservations as contained in Deed from Santa Fe Pacific Railroad Company, dated June 25, 1923, recorded August 13, 1923, in Book 14 of Deeds, pages 275-278. (Affects Parcel No. 1).

2. The rights of Santa Fe Pacific Railroad Company, a corporation, or its successors or assigns, or The Atchison, Topeka and Santa Fe Railway Company, or its successors or assigns, or any Railroad Company at least a majority of whose stock it owns, to appropriate rights of way and rights incident thereto, incident to the operation of railways, as reserved in Deed from Santa Fe Pacific Railroad Company to C. F. Perkins, dated June 25, 1923 and recorded August 13, 1923 in Book 14 of Deeds, pages 275-278, records of Navajo County, Arizona. (Said Matter affects Parcel No.1).

3. An easement to El Paso Natural Gas Company, a corporation, for Gas Pipelines, Telephone Lines, Electric Transmission and incidents thereto, recorded November 9, 1950, in Book 10 of N.A.R.E., page 267. (Said matter affects a strip of land 60 feet wide across undefined portion of Parcel No. 1).

4. An Easement to El Paso Natural Gas Company, a corporation, for Gas Pipelines, Telephone Lines, and Electric Transmission and incidents thereto, recorded March 15, 1951 in Book 10 of N.A.R.E., page 388. (Said matter affects a strip of land 60 feet wide across undefined portion of Parcel No. 1).

5. An easement to Arizona Electric Power Company for telephone and telegraph lines, recorded December 30, 1932 in Book 5 of N.A.R.E., page 496. (Said matter affects an undefined portion of Section 2, Township 17 North, Range 20 East along North fence of Highway.)

6. An easement to The Mountain States Telephone and Telegraph Company, for telephone and telegraph lines, recorded February 24, 1925 in Book 3 of N.A.R.E., page 453. (Said matter affects an undefined portion of Section 2, Township 17 North, Range 20 East along the North fence of highway.)

7. An easement to The State of Arizona for roadway, recorded March 24, 1951 in Book 10 of N.A.R.E., pages 400-401. (Said Matter affects all that portion of the Northwest Quarter of Section 2, Township 17 North, Range 20 East, Navajo County, Arizona, lying within the right of way of the relocated Holbrook-Winslow Highway, Federal Interstate Project 40 and being more particularly described as follows:

BEGINNING at the point of intersection of the relocated Eastbound center line of said highway with the West line of Section 2, 1,355.17 feet Southerly of the Northwest corner of Section 2, at Highway Engineer's Station 1546 + 40.68; thence Southerly along said West line of Section 2, approximately 102 feet to a point 100 feet Southerly of and at right angles to the aforesaid Eastbound center line; thence South 81 degrees 54 minutes 01 seconds East, 100 feet Southerly of and parallel to said center line, approximately 760 feet to a point on the northerly right of way line of the Atchison, Topeka and Santa Fe Railway; thence Southeasterly along said railroad right of way line to the point of intersection of said line with the East line of the Northeast Quarter of Section 2; thence Northerly along said East line of the Northeast Quarter of Section 2, approximately 390 feet to a point on the Northerly right of way line of the aforementioned relocated highway; said point being 100 feet Northerly of and at right angles to the Westbound center line of said highway; thence Westerly 100 feet Northerly of and parallel to said West bound center line to a point on the West line of Section 2; thence Southerly along the West line of Section 2 approximately 150 feet to the point of beginning.)

8. An Easement to Arizona Public Service Company for electric lines recorded July 9, 1970 in Docket 324 of Official Records, page 429. (Said matter affects a portion of Parcel 2 lying North of the Little Colorado River, 10 feet wide the center line of which is described as follows: BEGINNING at a point on the West line of said Section 2; thence South 85 degrees 47 minutes 31 seconds East a distance of approximately 2014 feet.

RESERVING, however, unto the Grantors, all oil, gas, minerals and mineral like materials on Parcel No. 1 and Parcel No. 2 above described.

ALSO RESERVING to Grantors grazing rights on the above described parcels 1 and 2, until such time as Grantee shall enclose said parcels by legal fence or other barriers.

And we do warrant the title against all persons whomsoever, subject to the matters above set forth.

Dated this 31st day of January, 1972.

Charles L. Jennings

Charles L. Jennings

Mollie P. Jennings

Mollie P. Jennings

STATE OF ARIZONA)
: ss.
County of Navajo)

This instrument was acknowledged before me this 31st day of January, 1972, by Charles L. Jennings and Mollie P. Jennings, his wife.

Marilyn Greenhaw

Notary Public

My commission expires:
January 7, 1976