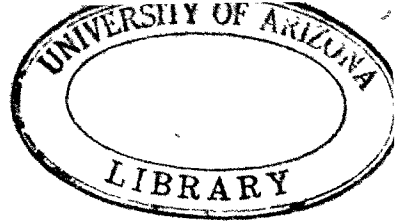


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Consolidation Agreement.

ARIZONA EASTERN RAILROAD COMPANY,

GILA VALLEY, GLOBE AND NORTHERN RAILWAY
COMPANY,

THE MARICOPA AND PHOENIX RAILROAD COMPANY,

ARIZONA AND COLORADO RAILROAD COMPANY,

THE ARIZONA AND COLORADO RAILROAD COMPANY
OF NEW MEXICO,

THE ARIZONA EASTERN RAILROAD COMPANY
OF NEW MEXICO.

WT9791

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E1c

AGREEMENT made the 27th day of December, 1909, by and between ARIZONA EASTERN RAILROAD COMPANY, GILA VALLEY, GLOBE AND NORTHERN RAILWAY COMPANY, THE MARICOPA AND PHOENIX RAILROAD COMPANY and ARIZONA AND COLORADO RAILROAD COMPANY, railroad corporations incorporated, organized and existing under the laws of the Territory of Arizona, and THE ARIZONA AND COLORADO RAILROAD COMPANY OF NEW MEXICO and THE ARIZONA EASTERN RAILROAD COMPANY OF NEW MEXICO, railroad corporations incorporated, organized and existing under the laws of the Territory of New Mexico.

WITNESSETH :

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The said corporations, parties hereto, hereby agree to consolidate their several capital stocks, properties, roads, equipments, adjuncts, franchises, claims, demands, contracts, agreements, obligations, debts, liabilities and assets of every kind and description, pursuant to the laws of the Territories of Arizona and New Mexico in that case made and provided, and in the manner and upon the terms and conditions following, to wit :

FIRST. The said consolidation shall be made at once ; the name of said consolidated corporation shall be " Arizona Eastern Railroad Company," and the said consolidated corporation shall continue in existence for a period of fifty years from the date of its articles of incorporation and consolidation.

SECOND. Upon the filing of the articles of incorporation and consolidation in the offices prescribed by the laws under which said consolidation is effected, the said constituent companies, parties hereto, shall become and be extinct, and said new cor-

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poration, Arizona Eastern Railroad Company, shall be vested with and succeed to all their several capital stocks, properties, roads, equipments, adjuncts, franchises, claims, demands, contracts, agreements, assets, choses and rights in action of every kind and description, both at law and in equity, and be entitled to possess, enjoy and enforce the same and every thereof as fully and completely as either and every of its constituents might have done had no consolidation taken place.

Said consolidated or new corporation, Arizona Eastern Railroad Company, shall also, upon the filing of the articles of incorporation and consolidation, as aforesaid, become and be subrogated to its said several constituents and each thereof in respect to all their contracts and agreements with other parties, and all their debts, obligations and liabilities, of every kind and nature, to any persons, corporations or bodies politic whomsoever or whatsoever, and said new and consolidated corporation shall sue and be sued in its own name in any and every case in which any or either of its said constituents might have sued, or might have been sued at law or in equity, had no such consolidation been made.

And the said consolidation shall not be construed to impair the obligation of any contract to which any of the constituent corporations shall be parties at the date of said consolidation, but all such contracts may be enforced by action or suit, as the case may be, against the consolidated corporation, and satisfaction obtained out of the property which, at the date of the consolidation, shall have belonged to the constituent corporation which was a party to the contract in action or suit, as well as out of any other property belonging to said consolidated corporation, Arizona Eastern Railroad Company.

THIRD. The amount of the capital stock of said consolidated corporation, Arizona Eastern Railroad Company, shall be Forty Million Dollars (\$40,000,000), which said amount of

capital stock is the amount actually required for the purposes of the said new corporation, as estimated by competent engineers appointed to make such estimate by the several boards of directors of the constituent corporations, parties hereto.

Said capital stock of said consolidated corporation shall be divided into four hundred thousand (400,000) shares of one hundred dollars (\$100) each, of which said capital stock \$5,321,400, consisting of 53,214 shares, shall be subscribed for by and allotted to the stockholders of the said constituent corporations, parties hereto, as follows :

To the Arizona Eastern Railroad Company, and its stockholders, 10,004 shares.

To the Gila Valley, Globe and Northern Railway Company, and its stockholders, 20,000 shares.

To The Maricopa and Phoenix Railroad Company and its stockholders, 10,005 shares.

To the Arizona and Colorado Railroad Company and its stockholders, 5,005 shares.

To The Arizona and Colorado Railroad Company of New Mexico and its stockholders, 7,000 shares.

To The Arizona Eastern Railroad Company of New Mexico and its stockholders, 1,200 shares.

The several stockholders of each of said constituent corporations shall have issued to them by the said consolidated corporation shares of the capital stock of the consolidated corporation, out of the shares thereof allotted as aforesaid to the respective constituent corporations and their stockholders, to the like amount, share for share, with the number of shares now held by such stockholders in the respective constituent corporations, and the shares of the consolidated corporation so issued shall be full paid shares, except that if any stockholder of any of said constituent corporations shall be the holder of shares therein only partially paid up, then the shares of the capital stock of the consolidated corporation

issued to him therefor shall be paid up only to the same extent as those held by him in the constituent corporations.

FOURTH. The purpose of said consolidated corporation shall be as follows :

To possess, enjoy and exercise all the franchises, powers, privileges, abilities, rights, immunities and properties of each and every of its constituent corporations, and all franchises, powers, privileges, abilities, rights and immunities which are or may hereafter be conferred upon railroad corporations by the laws of the territories of Arizona and New Mexico or either of them.

To purchase, acquire, construct, lease, hire, rent, own, control, maintain and operate lines of railroad, telegraph and telephone, and to carry passengers and freight on and over said lines of railroad for hire, and to maintain and operate lines of telegraph and telephone in connection therewith, and to sell, lease and mortgage any or all of said lines of railroad, telephone and telegraph to other persons or corporations as may be permitted by law. The kinds of railroads to be purchased, acquired, constructed, leased, hired, rented, owned, controlled, maintained, operated, sold, leased and mortgaged as aforesaid by the said consolidated corporation are railroads having either a standard gauge or a narrow gauge and one or more tracks, with all necessary switches, side-tracks, turnouts, turntables, terminal accommodations, station houses, machine shops, and all other adjuncts and appliances necessary or convenient to the operation of the same ; said railroads to be operated by steam, electricity or any other motive power which may be authorized by law.

FIFTH. The principal business of the consolidated corporation shall be transacted in the City of Tucson, County of Pima, in the Territory of Arizona.

SIXTH. The number of directors of the consolidated corporation shall be nine, and the following named persons shall act as such directors until their successors are elected and qualified :

| Names. | Residences. |
|------------------------|--------------------------|
| Robert S. Lovett | New York City, New York. |
| Epes Randolph..... | Tucson, Arizona. |
| Eugene S. Ives..... | “ “ |
| Charles E. Walker..... | “ “ |
| M. A. Smith..... | “ “ |
| Gibson Taylor..... | “ “ |
| Benjamin Titus | Lordsburg, New Mexico. |
| D. H. Kedzie..... | “ “ “ |
| M. M. Crocker | “ “ “ |

SEVENTH. The termini of the roads and branches of the consolidated corporation shall be as follows :

FIRST. Commencing at a connection with the Southern Pacific Railroad, at or near the Town of Yuma, in the County of Yuma, Territory of Arizona, thence in a general easterly direction to Phoenix, in the County of Maricopa, Territory of Arizona, a distance of about 160 miles.

SECOND. Commencing at a connection with the line last described at Phoenix, in the County of Maricopa, Territory of Arizona, thence in a general easterly and southeasterly direction through the Territories of Arizona and New Mexico to a connection with the Southern Pacific Railroad at or near the Town of Lordsburg, in the County of Grant, in the Territory of New Mexico, a distance of about 280 miles, about 250 miles thereof being in the Territory of Arizona and 30 miles thereof in the Territory of New Mexico.

THIRD. A branch from said second described line

commencing at or near the station of Solomon, in the County of Graham, Territory of Arizona, thence in a general southerly direction to a connection with the Southern Pacific Railroad at or near the station of Bowie, in the County of Cochise, Territory of Arizona, a distance of 34.64 miles.

FOURTH. A branch, hereinafter referred to as line number four, from said second described line commencing at a point near the San Carlos Indian Agency, in the County of Gila, Territory of Arizona, thence in general northerly and northeasterly direction, via Talklai, passing through the town of Globe in the said County of Gila, and through the Territory of New Mexico, to a point on the boundary line between the Territory of New Mexico and the State of Colorado near where the same is intersected by Las Animas River, a distance of approximately 428 miles; approximately 270 miles thereof being in the Territory of Arizona and 158 miles thereof in the Territory of New Mexico, with branches from this branch line as follows :

4a. Commencing at a point on the above mentioned line number four, in the County of San Juan, Territory of New Mexico, where said line number four crosses the divide between the San Juan and Chusca Rivers, thence in a northeasterly direction to a point on the boundary line between the State of Colorado and the Territory of New Mexico, at or near where the same is intersected by La Plata River, a distance of approximately 35 miles.

4b. Commencing at a point on the above mentioned line number four at or near the station of Talklai, in the County of Gila, Territory of Arizona, thence in a general northeasterly direction to a point on said line number four in the vicinity of the point where it intersects the boundary line between the Territory of Arizona

and the Territory of New Mexico, a distance of approximately 200 miles ; and

4c. Commencing at a point on the above mentioned line number four at a point at or near the junction of Bloody Tanks Wash with Pinal Creek, thence in a general westerly direction up Bloody Tanks Wash, and its tributaries, to the mining camp of Live Oaks ; also other extensions and branches to other suitable points, all in the County of Gila, Territory of Arizona, a distance of approximately 20 miles.

4d. Commencing at a point on the above mentioned line number four at or near Globe ; thence in a general northerly direction to the Black Hawk Mine ; thence in a general southwesterly direction to a connection with said line number four at or near the Old Dominion Smelter at Globe, all in the County of Gila, Territory of Arizona, a distance of approximately 16 miles.

FIFTH. A branch from said second described line, commencing at a point in the County of Graham, Territory of Arizona, at or near the mouth of the San Francisco River, thence in a northeasterly and northerly direction, passing through or near the town of Clifton, in the County of Graham, Territory of Arizona, and into and through the Territory of New Mexico, to a point on the above mentioned branch line number four, between the towns of Farmington and Aztec, in the County of San Juan of said Territory of New Mexico, a distance of approximately 410 miles ; approximately 65 miles thereof being in the Territory of Arizona and 345 miles thereof being in the Territory of New Mexico.

SIXTH. A line beginning at a connection with the Southern Pacific Railroad at or near Cochise Station, in the County of Cochise, Territory of Arizona, thence in a southerly and easterly direction to a point on the

International Boundary Line between the United States and Mexico, in the vicinity of Douglas, in the County of Cochise, Territory of Arizona a distance of approximately 69 miles with branches from the most suitable points to the town of Bisbee, the mining camps of Black Diamond, Gleeson and Turquoise, and a branch from said Bisbee Branch to a point on the aforesaid International Boundary Line in the vicinity of Naco, all in said County of Cochise and Territory of Arizona, the total length of said branches being approximately 30 miles.

SEVENTH. A branch from said second described line commencing at a point in the aforesaid City of Phoenix, in the County of Maricopa, Territory of Arizona, thence in an easterly and southerly direction to a point at or near the station of Maricopa, in the County of Pinal, Territory of Arizona, a distance of approximately 34.93 miles.

EIGHTH. A branch line beginning at or near the station of Tempe, in the County of Maricopa, Territory of Arizona, running thence in an easterly direction to a second connection with said second described line at or near the town of Mesa, in said County of Maricopa, a distance of approximately 8.33 miles.

NINTH. A branch from said second described line connecting at a suitable point south of the town of Mesa, in said County of Maricopa, thence in a southerly and westerly direction to a connection with the aforementioned branch numbered seventh, at or near the station known as Hanson Junction, a distance of approximately 14 miles.

TENTH. A branch from the said second described line commencing at a point at or near the station of Florence, in the County of Pinal, Territory of Arizona, thence in a southwesterly direction to a connection with

the Southern Pacific Railroad at or near the station of Casa Grande, in said County of Pinal, Territory of Arizona, a distance of approximately 26 miles.

ELEVENTH. A branch from said second described line commencing at a point between the station of Florence and a point known as The Buttes, thence in a northeasterly direction to the mining camp known as Superior, all in said County of Pinal, Territory of Arizona, a distance of approximately 25 miles.

TWELFTH. A branch from said second described line commencing at or near the junction of the San Pedro and Gila rivers, in the County of Gila, Territory of Arizona; thence following in a general southeasterly direction the course of the San Pedro river to a connection with the Southern Pacific Railroad at or near the town of Benson, in the County of Cochise, Territory of Arizona, a distance of approximately 80 miles.

THIRTEENTH. A line beginning on the International Boundary Line between the United States and Mexico, at or near the town of Lochiel, in the County of Santa Cruz, Territory of Arizona; thence in a general northwesterly direction to a point at or near the mining camp of Duquesne, in said County of Santa Cruz, a total distance of approximately 6 miles.

Together with such other and further branches, extensions, spurs, appendages and adjuncts to the described lines of railroad, as the Board of Directors of said Consolidated Company may from time to time direct.

The estimated length of said roads and branches being 1877 miles.

EIGHTH. Articles of Incorporation and Consolidation shall be prepared in such form and containing such terms and provisions as may, in the judgment of the Boards of Directors of

the several parties hereto, be necessary to comply with this agreement and with the Statutes of the Territories of Arizona and New Mexico; such articles of incorporation and consolidation shall be signed and countersigned by the Presidents and Secretaries of the several constituent corporations, and sealed with their corporate seals; there shall be annexed to said articles of incorporation and consolidation duplicate original estimates of the engineers therein referred to, and also memoranda of the ratification and confirmation of said articles by stockholders representing at least three-fourths of the capital stock of each of the constituent corporations, and when so completed said articles shall be filed in the respective offices required by law.

IN WITNESS WHEREOF, the said corporations, parties to this agreement, have, pursuant to resolutions adopted by their respective boards of directors, caused the same to be signed in duplicate by their respective Presidents and Secretaries, and their several corporate seals to be hereunto affixed, as their act and deed, on the day and year first above written.

ARIZONA EASTERN RAILROAD COMPANY,

By

(SEAL.)

EPES RANDOLPH,

President.

Attest :

CHAS. E. WALKER,

Secretary.

GILA VALLEY, GLOBE AND NORTHERN RAILWAY COMPANY,

By

(SEAL.)

EPES RANDOLPH,
President.

Attest :

CHAS. E. WALKER,
Secretary.

THE MARICOPA AND PHOENIX RAILROAD COMPANY,

By

(SEAL.)

EPES RANDOLPH,
President.

Attest :

G. L. KING,
Secretary.

ARIZONA AND COLORADO RAILROAD COMPANY,

By

(SEAL.)

EPES RANDOLPH,
President.

Attest :

CHAS. E. WALKER,
Secretary.

THE ARIZONA AND COLORADO RAILROAD
COMPANY OF NEW MEXICO,

By

(SEAL.)

EPES RANDOLPH,
President.

Attest :

CHAS. E. WALKER,
Secretary.

THE ARIZONA EASTERN RAILROAD COMPANY
OF NEW MEXICO,

By

(SEAL.)

EPES RANDOLPH,
President.

Attest :

CHAS. E. WALKER,
Secretary.