

# Town of Superior

OFFICIAL PRESS RELEASE  
February 21, 2013



For Immediate Release: Town of Superior Terminates Agreement with Resolution Copper

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The Town of Superior, Arizona has directed its' Town Attorney to provide Notice of Termination of the Amended and Superseded Mutual Benefit Agreement (hereinafter "Agreement") with Resolution Copper on the grounds and for the following reasons:

1. Due to the Town of Superior's budget crisis, the Town cannot afford nor support the purchase of the real property contemplated by the Agreement and in Section 9 of SB 339, HR 687 (Southeast Arizona Land Exchange and Conservation Act). That property consists of the Cemetery, an Airport reversionary interest and some property adjacent to the Airport. The Town presently already either owns or is permitted to use most of the real property that was to be purchased. The purchase price of these properties was to be set by federal appraisal standards, the Agreement dictated which properties were to be purchased and in what order, and the Agreement provided for a loan of up to \$8,000,000.00 to the Town to buy the properties, provided that if the Town ever sold any portion of the properties it was to pay to Resolution a "release price". The Town finances simply cannot support these purchases or terms.
2. The terms of the Agreement are unfair to the Town. All of Resolutions promises of monetary contributions to the Town may be cancelled by Resolution for many reasons, including for example, by simply selling its' interest in the proposed mine;
3. Article 4 of the Agreement provides for a "Social Impact Committee", consisting of three (3) members nominated by the Town and two (2) members nominated by Resolution, to decide how any and all monetary contributions of Resolution are to be spent. The projects listed as eligible primarily include educational and sports facilities. The monetary obligations of Resolution may not be used to improve governmental facilities of the Town nor be used to divert the Town budget for the purpose of improving such governmental facilities. This Article 4 may constitute an illegal delegation of the budget and legislative authority of the Town Council.
4. Article 7 of the Agreement provided for certain Industrial Zoning for some of the mine property located within the Town and a Land Use Agreement for other mine property which may constitute illegal Contract Zoning.
5. Article 8.4 of the Agreement provides that Resolution shall have no liability to the Town for contributions or otherwise, if, in Resolutions' sole discretion, "other factors" are needed to accomplish the Exchange. In other words, the interests of the Town could be bargained away if necessary to accomplish the Land Exchange.
6. Finally, the motion to approve the Agreement was made by a former Councilman that was subsequently indicted and convicted by the Arizona Attorney General of a conflict of interest with regard to this Agreement and it is voidable as a matter of law for that reason alone.